

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM A  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Roll Call/Conformance to Open Meeting Law.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

Announcement of actions taken to conform to the Open Meeting Law will be reported at the meeting.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM B  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM C  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

*For Possible Action:* Approval of minutes of the December 8, 2020 meeting.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

Staff recommends the Commission approve the minutes of the December 8, 2020 meeting.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

The minutes of the December 8, 2020 meeting is enclosed for your review.

The Colorado River Commission of Nevada (Commission) Financial and Audit Subcommittee (Subcommittee) meeting was held at 2:34 p.m. on Tuesday, December 8, 2020 via videoconference, pursuant to Emergency Directive 006, section 1.

**SUBCOMMITTEE COMMISSIONERS IN ATTENDANCE**

Subcommittee Chairwoman  
Subcommittee Vice Chairwoman  
Subcommittee Commissioner

Kara J. Kelley  
Marilyn Kirkpatrick  
Dan H. Stewart

**DEPUTY ATTORNEY(S) GENERAL**

Special Counsel, Attorney General

Christine Guerci

**COMMISSION STAFF IN ATTENDANCE**

Executive Director  
Senior Assistant Director  
Chief of Finance and Administration  
Senior Energy Accountant  
Senior Energy Accountant  
Assistant Director of Energy Information Systems  
Natural Resource Analyst  
Office Manager  
Administrative Assistant IV

Eric Witkoski  
Sara Price  
Douglas N. Beatty  
Gail L. Benton  
Stephanie Salleroli  
Kaleb Hall  
Warren Turkett, Ph. D.  
Gina L. Goodman  
Kira Bakke

**OTHERS PRESENT; REPRESENTING**

Eide Bailly LLP  
Eide Bailly LLP

John Hansen  
Tamara Miramontes

**COLORADO RIVER COMMISSION  
OF NEVADA  
MEETING OF DECEMBER 8, 2020**

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The Colorado River Commission of Nevada (Commission) Financial and Audit Subcommittee (Subcommittee) meeting was called to order by Commission Vice Chairwoman Kelley at 2:34 p.m.

**A. Conformance to Open Meeting Law.**

Executive Director Eric Witkoski confirmed that the meeting was posted in compliance with the Open Meeting Law.

**B. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)**

Subcommittee Chairwoman Kelley asked if there were any comments from the public. There were none.

**C. For Possible Action: Approval of minutes of the December 10, 2019 meeting.**

**Commissioner Stewart moved for approval of the minutes. The motion was seconded by Subcommittee Chairwoman Kelley and approved by a unanimous vote by those present.**

**D. For Possible Action: Discussion, review and possible acceptance of the draft Financial Audit for Fiscal Year 2020 including but not limited to, update of audit related activities, potential issues with the timely completion of the audit and discussion of any audit findings.**

Chief of Finance and Administration Doug Beatty introduced the Financial Audit for Fiscal Year 2020, stating that the audit, performed by Eide Bailly LLP in conjunction with Staff, is substantially complete with the exception of a couple items that are awaiting further information. Mr. Beatty explained that of the outstanding items, only one item was significant.

Mr. Beatty then indicated that Eide Bailly typically utilizes State-provided Public Employment Retirement System (PERS) census information related to retirement liability to complete their audit, but the audit for the State of Nevada has been delayed due to the ongoing COVID-19 emergency and has been scheduled to begin in January of 2021. Due to the delay, the information from the state is still not available. This is the only significant item still awaiting information and it is anticipated that it will be available shortly. Once received, the auditors can verify the numbers related to the PERS information already in the financial statements.

Mr. Beatty stated that though the reports presented during this meeting were drafts only, he believes there will be no substantive changes in the final version.

John Hansen, auditor from Eide Bailly, presented Eide Bailly's draft reports for Fiscal Year 2020. Copies of the reports are attached and made a part of the minutes. (See Attachment A.)

Subcommittee Chairwoman Kirkpatrick asked if the delay in information from PERS would affect all State and local government agency audits and if Eide Bailly was requesting information from Commission Staff that differed from information asked of other agencies. She stated that she had not been made aware, via her other official positions, of a delay with PERS causing wide-spread issues for governmental agency audits for FY 2020.

Mr. Hansen answered that Eide Bailly requires the same information from Commission Staff as any other government agencies for whom Eide Bailly performs audits, and the same information is requested by Nevada State auditors themselves.

Subcommittee Chairwoman Kirkpatrick replied that she did not want this delay to necessitate the submission of a late report by Staff, again asking what information Eide Bailly was requesting that differed from that asked for by other agencies to complete their own audits.

Mr. Hansen answered that Eide Bailly needed to perform certain procedures using the PERS census data that was used to create their actuarial calculations and was not personally aware of why the state has been unable to provide the information.

Subcommittee Chairwoman Kirkpatrick asked that Eide Bailly provide Staff with a written statement detailing the reasons for the delay of the finalized audit and explaining that Staff is not at fault.

Chairwoman Kelley asked if Eide Bailly also conducted the audit for the Southern Nevada Health District (SNHD.)

Mr. Hansen answered that he was not involved in the SNHD audit and therefore could not speak to it specifically, but that for the Commission, Eide Bailly relies on the State audit that is usually completed at the same time as the Commission audit, but due to this year's delay, Eide Bailly has not been able to obtain that data.

Subcommittee Chairwoman Kirkpatrick reiterated the need for Eide Bailly to provide Staff with a written statement explaining that Staff is not at fault for a late audit report.

Mr. Hansen stated that a statement could be provided to Staff.

Tamara Miramontes, auditor from Eide Bailly, explained that because the Commission is a component of the State of Nevada, the agency does not have a separate breakout on the allocation schedule issued by PERS, and the Commission's data is included in that of the entire state. The State Controller's Office, upon receipt of the schedule issued by PERS, then allocates the data according to individual agency.

Vice Chairwoman Kirkpatrick again reiterated the need for Eide Bailly to provide Staff with a letter regarding this issue.

Ms. Miramontes stated that Eide Bailly would provide Staff with a letter.

Subcommittee Chairwoman Kirkpatrick stated that she did not see the need for another meeting of the Subcommittee if the draft audit required only the PERS data for completion.

**Subcommittee Chairwoman Kirkpatrick moved for approval of the recommendation that once the pertinent data from PERS was received, Staff would bring the audit before the full Commission with the addendum provided by Eide Bailly explaining the delay of the final draft. The motion was seconded by Commissioner Stewart and approved by a unanimous vote.**

**E. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken)**

Subcommittee Chairwoman Kelley asked if there were any comments or questions from the public. There were none.

**F. Comments and questions from the Commission members.**

Subcommittee Chairwoman Kelley asked if there were any other comments or questions from the Commission members.

Chairwoman Kelley thanked Staff.

**G. Selection of next possible meeting date.**

The next meeting date is to be determined.

**H. Adjournment.**

The meeting was adjourned at 3:14 p.m.

\_\_\_\_\_  
Eric Witkoski, Executive Director

APPROVED:

\_\_\_\_\_  
Kara J. Kelley, Subcommittee Chairwoman



Basic Financial Statements  
June 30, 2020

Colorado River Commission of Nevada

DRAFT

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>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 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

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-type Activities	Total
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		5,025,721	1,753,567	6,779,288
	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>
<b>Revenues</b>			
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>
<b>Expenditures</b>			
<b>Current</b>			
General administration	5,683,653	-	5,683,653
Less salaries and overhead recovered by allocation	<u>(2,985,122)</u>	<u>-</u>	<u>(2,985,122)</u>
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>
<b>Other financing sources</b>			
Proceed from the sale of asset	<u>2,806</u>	<u>-</u>	<u>2,806</u>
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>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities</b>			
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>	
			<u>(135,670)</u>
Change in net position of governmental activities			<u>\$ 807,817</u>

**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>				
<b>Current</b>				
<b>General government</b>				
Personnel services	5,306,863	5,306,863	4,309,103	997,760
<b>Travel</b>				
Out-of-state	56,889	56,889	36,289	20,600
In-state	9,485	9,485	2,518	6,967
<b>Operating</b>				
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	-	-	2,806	2,806
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	934,536	967,463	1,036,801	69,338
<b>Expenditures</b>				
Multi-species assessment	978,948	978,948	425,556	553,392
Net expenditures	978,948	978,948	425,556	553,392
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	(44,412)	(11,485)	611,245	622,730
Fund balance, beginning	10,557,285	11,184,879	11,199,713	14,834
Fund balance, ending	\$ 10,512,873	\$ 11,173,394	\$ 11,810,958	\$ 637,564

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
<b>Total current assets</b>	<b>5,711,159</b>	<b>2,665,450</b>	<b>8,376,609</b>
<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
<b>Total non current assets</b>	<b>33,032,179</b>	<b>38,596,628</b>	<b>71,628,807</b>
<b>Total assets</b>	<b>\$ 38,743,338</b>	<b>\$ 41,262,078</b>	<b>\$ 80,005,416</b>
<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
<b>Total current liabilities</b>	<b>5,501,735</b>	<b>4,604,714</b>	<b>10,106,449</b>
<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
<b>Total noncurrent liabilities</b>	<b>31,705,866</b>	<b>36,388,583</b>	<b>68,094,449</b>
<b>Total liabilities</b>	<b>37,207,601</b>	<b>40,993,297</b>	<b>78,200,898</b>
<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)
<b>Total net position</b>	<b>1,535,737</b>	<b>268,781</b>	<b>1,804,518</b>
<b>Total liabilities and net position</b>	<b>\$ 38,743,338</b>	<b>\$ 41,262,078</b>	<b>\$ 80,005,416</b>



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		Totals
	Power Marketing	Power Delivery	
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	<u>28,095,112</u>	<u>16,101,489</u>	<u>44,196,601</u>
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	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

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	(26,090,609)	(14,370,378)	(40,460,987)
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	(1,049,840)	-	(1,049,840)
Net cash provided (used) by noncapital financing activities	<u>(1,789,840)</u>	<u>-</u>	<u>(1,789,840)</u>
Cash Flows from Investing Activities			
Acquisition of capital assets	-	(77,964)	(77,964)
Proceeds received on sale of capital assets	-	-	-
Investment income received	113,452	51,622	165,074
Net cash provided (used) by investing activities	<u>113,452</u>	<u>(26,342)</u>	<u>87,110</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	(3,792)	-	(3,792)
Net cash provided (used) by operating activities	<u>\$ 1,231,043</u>	<u>\$ 1,025</u>	<u>\$ 1,232,068</u>

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

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## **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. 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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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*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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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*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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

**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:

<b><u>Governmental Activities</u></b>	<b><u>Years</u></b>
Office equipment	5
Office furniture and fixtures	5
Automobiles	4 – 6
<b><u>Business-type Activities</u></b>	<b><u>Years</u></b>
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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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**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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.



## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

**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
Governmental Activities				
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>27,420</u>	<u>82,457</u>
Total capital assets being depreciated	<u>180,825</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

	Beginning Balances	Increase	Decrease	Ending Balances
<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	1,729,815
	<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	210,231	-
	<u>\$ 227,765</u>	<u>\$ 227,765</u>

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

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**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
	\$ 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

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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

Year ending June 30,	Principal	Interest	Total Requirements
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:

	Balance July 01, 2019	Additions	Reductions	Balance June 30, 2020	Current
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.

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

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## **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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.



## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

*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>

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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	<u>1,689</u>
Total	<u>\$ (88,882)</u>

*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 ; 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%.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

*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:

<u>1% Decrease in Discount Rate 2.51%</u>	<u>Current Discount Rate Rate 3.51%</u>	<u>1% Increase in Discount Rate 4.51%</u>
\$ 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:

<u>1% Decrease in Healthcare Costs Trend Rate</u>	<u>Current Healthcare Costs Trend Rate</u>	<u>1% Increase in in Healthcare Costs Trend Rate</u>
\$ 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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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 **\$11,713,784**.

Required Supplementary Information  
June 30, 2020

Colorado River Commission of Nevada

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**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\***

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.

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**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 \*

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.

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**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 \*

	<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.

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**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 \***

	<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.

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## 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.

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**Opinions**

In our opinion, 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 XX through XX and XXX through XXX 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 XX through XX and XX through XX are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXXXXXXX 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.

EB Signature

Las Vegas, Nevada

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**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 XXXXXXXXXX.

**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) as a basis for designing 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 financial statements. 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.

EB Signature

Las Vegas, Nevada

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**DATE**

To the Governing Body of the  
Colorado River Commission of Nevada  
Las Vegas, Nevada

We have audited the financial statements of Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2020, and have issued our report thereon dated [Date]. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards**

As communicated in our letter dated September 28, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies during 2020.

As disclosed in Note 1 to the financial statements, 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 accounting policy on net position / net fund balance cannot be determined; 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.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Other postemployment benefit plans' actuarial accrued liabilities
- Pension plans' actuarial accrued liabilities

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to the disclosures associated with the defined benefit pension plan and the other post-employment benefits. These are sensitive because they represent a significant percentage of the liabilities presented on the statement of net position.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

#### **Adjusting Journal Entries JE # 9**

To correct classification of expense.

296-4490-04-7100 WATER STATE OWNED BLDG RNT-B&G	35,218.00	
296-4490-04-7060 water BOE Contracts		35,218.00
<b>Total</b>	<b>35,218.00</b>	<b>35,218.00</b>

#### **GASB Entries JE # 10**

To correct the capital asset disposal in GASB entry.

296-4490-00-1853 A/D - Automobiles	54,840.00	
296-4490-04-7640 Depreciation expense - governmental activities		27,420.00
GA-EB-1803 Automobiles		27,420.00
<b>Total</b>	<b>54,840.00</b>	<b>54,840.00</b>

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### *General Fund and Governmental Activities*

Certain revenues were recorded in the improper period, resulting in an understatement of receivables of \$12,632, an understatement of revenues of \$7,161, and an understatement of fund balance / net position of \$5,471.

#### *Government Activities Only*

The adjustments made for OPEB did not take the impact of the implicit subsidy into account, resulting in an understatement of deferred outflow of resources of \$20,661, understatement of beginning net position of \$20,356, and overstatement of expenses of \$305.

#### *Power Delivery Fund and Business-Type Activities*

A vehicle purchase was accrued to an expense account in fiscal year 2020 when the vehicle was not delivered until fiscal year 2021. This resulted in an overstatement of accounts payable and expenses of \$49,733.

The effect of these uncorrected misstatements is described above for each respective fund as well as the government-wide financial statements.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated "[date of management representation letter]" .

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

#### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Commission's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Commissioners, the Finance Committee, and management of Colorado River Commission of Nevada and is not intended to be and should not be used by anyone other than these specified parties.

"Eide Bailly Signature"

Las Vegas, Nevada

Basic Financial Statements  
June 30, 2020

Colorado River Commission of Nevada

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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>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 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

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-type Activities	Total
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>
<b>Revenues</b>			
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>
<b>Expenditures</b>			
<b>Current</b>			
General administration	5,683,653	-	5,683,653
Less salaries and overhead recovered by allocation	<u>(2,985,122)</u>	<u>-</u>	<u>(2,985,122)</u>
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>
<b>Other financing sources</b>			
Proceed from the sale of asset	<u>2,806</u>	<u>-</u>	<u>2,806</u>
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>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities</b>			
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>	
			<u>(135,670)</u>
Change in net position of governmental activities			<u>\$ 807,817</u>

**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>				
<b>Current</b>				
<b>General government</b>				
Personnel services	5,306,863	5,306,863	4,309,103	997,760
<b>Travel</b>				
Out-of-state	56,889	56,889	36,289	20,600
In-state	9,485	9,485	2,518	6,967
<b>Operating</b>				
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	-	-	2,806	2,806
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	934,536	967,463	1,036,801	69,338
<b>Expenditures</b>				
Multi-species assessment	978,948	978,948	425,556	553,392
Net expenditures	978,948	978,948	425,556	553,392
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	(44,412)	(11,485)	611,245	622,730
Fund balance, beginning	10,557,285	11,184,879	11,199,713	14,834
Fund balance, ending	\$ 10,512,873	\$ 11,173,394	\$ 11,810,958	\$ 637,564

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

	Business-type Activities Enterprise Funds		Totals
	Power Marketing	Power Delivery	
<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
<b>Total current assets</b>	<b>5,711,159</b>	<b>2,665,450</b>	<b>8,376,609</b>
<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
<b>Total non current assets</b>	<b>33,032,179</b>	<b>38,596,628</b>	<b>71,628,807</b>
<b>Total assets</b>	<b>\$ 38,743,338</b>	<b>\$ 41,262,078</b>	<b>\$ 80,005,416</b>
<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
<b>Total current liabilities</b>	<b>5,501,735</b>	<b>4,604,714</b>	<b>10,106,449</b>
<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
<b>Total noncurrent liabilities</b>	<b>31,705,866</b>	<b>36,388,583</b>	<b>68,094,449</b>
<b>Total liabilities</b>	<b>37,207,601</b>	<b>40,993,297</b>	<b>78,200,898</b>
<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)
<b>Total net position</b>	<b>1,535,737</b>	<b>268,781</b>	<b>1,804,518</b>
<b>Total liabilities and net position</b>	<b>\$ 38,743,338</b>	<b>\$ 41,262,078</b>	<b>\$ 80,005,416</b>

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		Totals
	Power Marketing	Power Delivery	
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	<u>28,095,112</u>	<u>16,101,489</u>	<u>44,196,601</u>
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	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

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	(26,090,609)	(14,370,378)	(40,460,987)
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	(1,049,840)	-	(1,049,840)
Net cash provided (used) by noncapital financing activities	<u>(1,789,840)</u>	<u>-</u>	<u>(1,789,840)</u>
Cash Flows from Investing Activities			
Acquisition of capital assets	-	(77,964)	(77,964)
Proceeds received on sale of capital assets	-	-	-
Investment income received	113,452	51,622	165,074
Net cash provided (used) by investing activities	<u>113,452</u>	<u>(26,342)</u>	<u>87,110</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	(3,792)	-	(3,792)
Net cash provided (used) by operating activities	<u>\$ 1,231,043</u>	<u>\$ 1,025</u>	<u>\$ 1,232,068</u>



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

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## 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. 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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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*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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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*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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

**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:

<b><u>Governmental Activities</u></b>	<b><u>Years</u></b>
Office equipment	5
Office furniture and fixtures	5
Automobiles	4 – 6
<b><u>Business-type Activities</u></b>	<b><u>Years</u></b>
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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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**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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

**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
Governmental Activities				
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>27,420</u>	<u>82,457</u>
Total capital assets being depreciated	<u>180,825</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

	Beginning Balances	Increase	Decrease	Ending Balances
<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	1,729,815
	<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	210,231	-
	<u>\$ 227,765</u>	<u>\$ 227,765</u>

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

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**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
	\$ 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

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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

Year ending June 30,	Principal	Interest	Total Requirements
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:

	Balance July 01, 2019	Additions	Reductions	Balance June 30, 2020	Current
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.

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

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**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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.



## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

*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>

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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	<u>1,689</u>
Total	<u>\$ (88,882)</u>

*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 ; 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%.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

*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:

<u>1% Decrease in Discount Rate 2.51%</u>	<u>Current Discount Rate Rate 3.51%</u>	<u>1% Increase in Discount Rate 4.51%</u>
\$ 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:

<u>1% Decrease in Healthcare Costs Trend Rate</u>	<u>Current Healthcare Costs Trend Rate</u>	<u>1% Increase in in Healthcare Costs Trend Rate</u>
\$ 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.

## Colorado River Commission of Nevada

Notes to Financial Statements

Year Ended June 30, 2020

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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 **\$11,713,784**.

Required Supplementary Information  
June 30, 2020

Colorado River Commission of Nevada

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**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\***

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.

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**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 \*

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.

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**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 \*

	<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.

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**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 \*

	<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.

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## 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.

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**Opinions**

In our opinion, 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 XX through XX and XXX through XXX 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 XX through XX and XX through XX are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXXXXXXXX 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.

EB Signature

Las Vegas, Nevada

XXXXXXXXXX

DRAFT



**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 XXXXXXXXXX.

**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) as a basis for designing 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 financial statements. 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.

EB Signature

Las Vegas, Nevada

XXXXXX XX

DRAFT

**DATE**

To the Governing Body of the  
Colorado River Commission of Nevada  
Las Vegas, Nevada

We have audited the financial statements of Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2020, and have issued our report thereon dated [Date]. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated September 28, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.



## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies during 2020.

As disclosed in Note 1 to the financial statements, 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 accounting policy on net position / net fund balance cannot be determined; 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.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Other postemployment benefit plans' actuarial accrued liabilities
- Pension plans' actuarial accrued liabilities

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to the disclosures associated with the defined benefit pension plan and the other post-employment benefits. These are sensitive because they represent a significant percentage of the liabilities presented on the statement of net position.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

#### **Adjusting Journal Entries JE # 9**

To correct classification of expense.

296-4490-04-7100 WATER STATE OWNED BLDG RNT-B&G	35,218.00	
296-4490-04-7060 water BOE Contracts		35,218.00
<b>Total</b>	<b>35,218.00</b>	<b>35,218.00</b>

#### **GASB Entries JE # 10**

To correct the capital asset disposal in GASB entry.

296-4490-00-1853 A/D - Automobiles	54,840.00	
296-4490-04-7640 Depreciation expense - governmental activities		27,420.00
GA-EB-1803 Automobiles		27,420.00
<b>Total</b>	<b>54,840.00</b>	<b>54,840.00</b>

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### *General Fund and Governmental Activities*

Certain revenues were recorded in the improper period, resulting in an understatement of receivables of \$12,632, an understatement of revenues of \$7,161, and an understatement of fund balance / net position of \$5,471.

#### *Government Activities Only*

The adjustments made for OPEB did not take the impact of the implicit subsidy into account, resulting in an understatement of deferred outflow of resources of \$20,661, understatement of beginning net position of \$20,356, and overstatement of expenses of \$305.

#### *Power Delivery Fund and Business-Type Activities*

A vehicle purchase was accrued to an expense account in fiscal year 2020 when the vehicle was not delivered until fiscal year 2021. This resulted in an overstatement of accounts payable and expenses of \$49,733.

The effect of these uncorrected misstatements is described above for each respective fund as well as the government-wide financial statements.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated "[date of management representation letter]" .

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

#### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Commission's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Commissioners, the Finance Committee, and management of Colorado River Commission of Nevada and is not intended to be and should not be used by anyone other than these specified parties.

"Eide Bailly Signature"

Las Vegas, Nevada

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM D  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

*For Possible Action:* Consideration of and possible action to select a Chair and Vice Chair of the Financial and Audit Subcommittee for a specified time.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

As the Financial and Audit Subcommittee is constituted by the full commission it is appropriate that a Chair and Vice Chair be selected and approved by the members for a specified time.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM E  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

*For Information Only:* Update on the services provided by Lato & Petrova, CPAs, LTD for accounting services to assist with the year-end closing and preparation of the Comprehensive Annual Financial Report using CaseWare.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

On April 13, 2021 the Colorado River Commission of Nevada (Commission) approved a two-year contract with Lato & Petrova, CPAs, LTD for accounting services to assist with the year-end closing and preparation of the Comprehensive Annual Financial Report.

Staff will provide an update on the services provided.

**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*

COLORADO RIVER COMMISSION OF  
NEVADA

A COMPONENT UNIT OF THE STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
JUNE 30, 2020

PREPARED BY  
FINANCE AND ADMINISTRATION DIVISION  
LAS VEGAS, NEVADA



# COLORADO RIVER COMMISSION OF NEVADA

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# **INTRODUCTORY SECTION**

**COLORADO RIVER COMMISSION OF NEVADA**

**ELECTED AND APPOINTED OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**STATE OF NEVADA**

Steve Sisolak  
Governor

AARON FORD  
Attorney General

CATHERINE BYRNE  
Controller

ZACG CONINE  
Treasurer

BARBARA 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  
Division Chief, Finance and Administration

ANGELA K. SLAGHTER  
Natural Resources Manager

???  
Assistant Director Energy Operations

ROBERT D. REESE  
Assistant Director Engineering and Operations

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**

January 28, 2021

To the Honorable Chairwoman, and Members of the Colorado River Commission of Nevada:

It is a pleasure for us to present the Comprehensive Annual Financial Report 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 report is published to fulfill State of Nevada (the State or Nevada) 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 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 basic financial statements are free of any material misstatements.

Eide Bailly, Certified Public Accountants and Business Advisors, audited the Commission's basic financial statements for the year ended June 30, 2020. 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.

**Profile of the Government**

The Commission has broad statutory authority to establish policy for the management of the State's 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.

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555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065

Phone: (702) 486-2670  
Fax: (702) 486-2695  
<http://crcr.nv.gov>

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:

<u>Name</u>	<u>Initial Appointment</u>	<u>Current Term</u>
Puoy K. Permsirut, Chairwoman	2013	July1, 2017 to June 30, 2020
Kara J. Kelley Vice Chairwoman	2015	July1, 2017 to June 30, 2020
Cody T. Winterton	2015	July1, 2019 to June 30, 2021
Honorable Marilyn Kirkpatrick Clark County Commissioner	2016	July16, 2020 to June 30, 2022 *
Honorable Dan H. Stewart City of Henderson Councilman	2016	July16, 2020 to June 30, 2022 *
Allen J. Puliz	2019	September 1, 2019 to June 30, 2022
Honorable Justin Jones Clark County Commissioner	2020	July16, 2020 to June 30, 2022 *

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

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.

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 in 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, Nevada. 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.

## **Factors affecting Financial Contition**

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 the County. The majority of the Commission's revenues and activities occur in the County.

The County encompasses 7,927 sq uare 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.

The County's population continues to increase at a moderate rate following declines in population reported in 2009 through 2011. The most current certified population estimate (as certified by the State Governor) indicates that the County's 2019 population of 2,292,391 represents approximately 73.7% of the State's 2019 population; virtually unchanged from prior 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% from the prior year. 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 the 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 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 the Commission's 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 43rd 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 Commission's financial affairs in a responsible and professional manner.

Respectfully submitted,



Eric Witkoski  
Executive Director



Douglas N. Beatty  
Division Chief, Finance and Administration





Government Finance Officers Association

Certificate of  
Achievement  
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

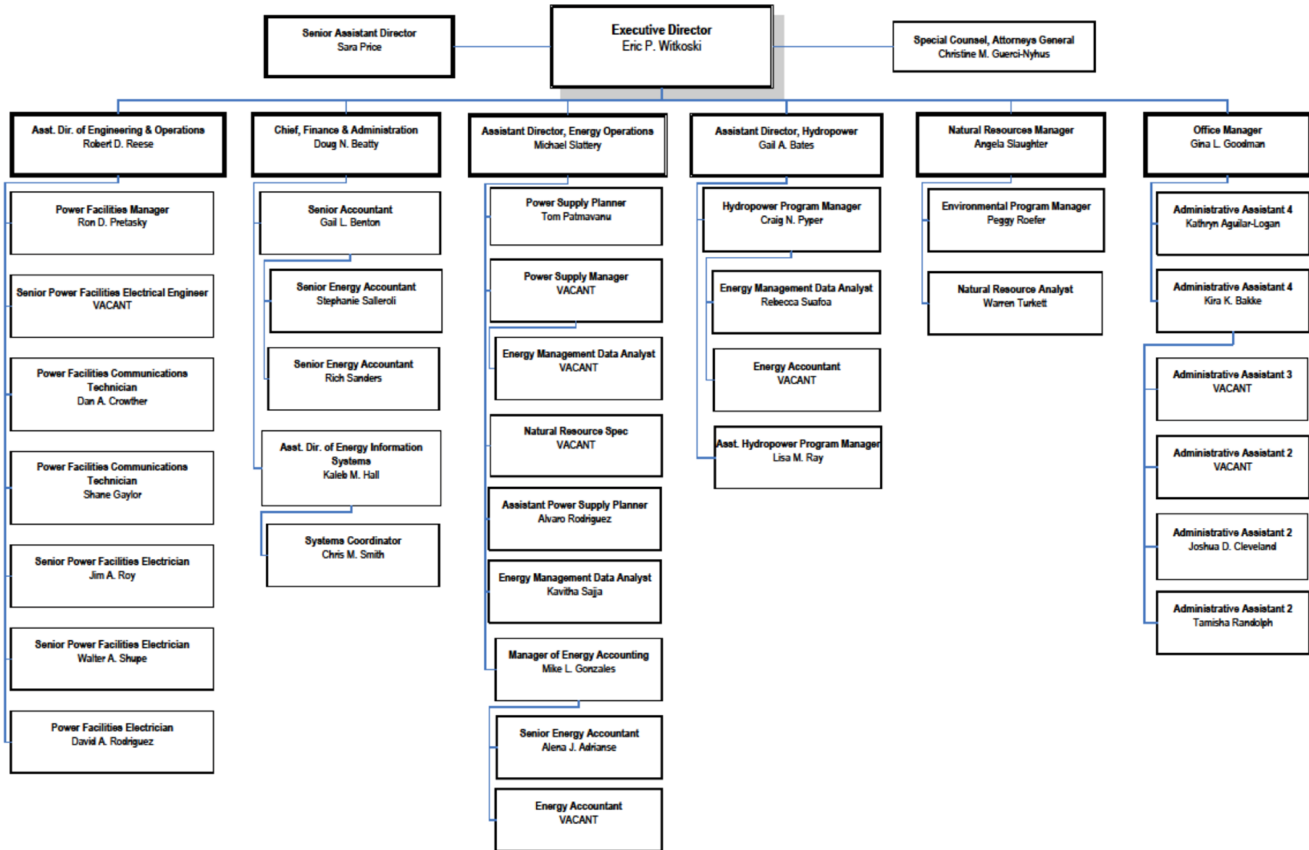
*Christopher P. Morill*

Executive Director/CEO

# COLORADO RIVER COMMISSION OF NEVADA

## ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2020



# FINANCIAL SECTION

**Insert Independent Auditors' Report on Financial Statements (1st page)**

**Insert Independent Auditors' Report on Financial Statements (2nd page)**

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COLORADO RIVER COMMISSION OF NEVADA****MANAGEMENT'S DISCUSSION AND ANALYSIS****FOR THE YEAR ENDED JUNE 30, 2020**

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This section of the Comprehensive Annual Financial Report 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 basic financial statements, notes to the basic 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 was (\$5,977,420).

The net position in the business-type activities and proprietary (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 the year ended June 30, 2019, to \$14,192,971 in the year ended June 30, 2020. This was due to increased hydropower administrative charge collections, pursuant to an increase in the administrative fee late in the prior year 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 (LCRMSCP), 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 prior year. As mentioned above, this was a result of an administrative rate increase approved by the Commission in the prior year. 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:

Power marketing fund revenues decreased an insignificant amount from \$28,186,312 in the year ended June 30, 2019, to \$28,060,731 in the year ended June 30, 2020. This represents a 0.45% decrease.

Power operating expenses decreased from \$28,220,693 to \$28,095,112 from the year ended June 30, 2019, to the year ended June 30, 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 the year ended June 30, 2019, to \$16,047,305 in the year ended June 30, 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 Commission. 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 Commission will be asked to participate in a 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 Commission 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 Commission. 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. Members of the SSEA 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 (SNWA). More information about SSEA may be found at [www.silverstateenergy.org](http://www.silverstateenergy.org). The SSEA has been slowly growing and taking on new roles in the power procurement arena. SSEA first began serving the City of Boulder City as a full service provider and in April of 2013, the SSEA became the service provider for the 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 its financial statements.

### **Overview of the Financial Statements**

The Commission is a special-purpose State of Nevada (the State or Nevada) 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 SNWA, a regional governmental entity. 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. These new contracts and services began in the year ended June, 30, 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 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 maintains one special revenue fund to account for the 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 privatesector 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.

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 statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

The Commission maintains 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 both of these funds. However, only the general fund is considered a major fund.

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. The proprietary fund financial statements 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.

### **Notes to the Basic Financial Statements**

The notes to the basic 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.

### **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.

## Summary Statement of Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Assets						
Current	\$ 14,532,310	\$ 13,375,613	\$ 1,156,697	\$ 8,376,611	\$ 8,184,045	\$ 192,566
Noncurrent						
Restricted				2,602,818	2,501,597	101,221
Capital assets, net	10,690	16,284	(5,594)	45,162,046	47,131,765	(1,969,719)
Other				23,863,942	24,624,045	(760,103)
Total assets	<u>14,543,000</u>	<u>13,391,897</u>	<u>1,151,103</u>	<u>80,005,417</u>	<u>82,441,452</u>	<u>(2,436,035)</u>
Deferred outflows of resources	<u>1,204,667</u>	<u>1,119,016</u>	<u>85,651</u>			
Liabilities						
Current	768,081	513,667	254,414	10,106,449	9,885,315	221,134
Noncurrent	8,442,635	8,388,073	54,562	68,094,450	70,802,570	(2,708,120)
Total liabilities	<u>9,210,716</u>	<u>8,901,740</u>	<u>308,976</u>	<u>78,200,899</u>	<u>80,687,885</u>	<u>(2,486,986)</u>
Deferred inflows of resources	<u>703,413</u>	<u>583,452</u>	<u>119,961</u>			
Net position						
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
Total net position	<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 activities increased slightly from the previous year, with the majority of the change reflected in a increase in cash, as expected due to an 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 (LCRMSCP). This reserve should continue to build for the next few years until needed for program purposes.

Total assets in the business-type activities and proprietary 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 business-type activities and proprietary 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 position related to capital investment will never be significant for the Commission's business-type activities and proprietary 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 net investment in capital assets. However, all things being equal, at the end of the asset life and debt term, the Commission's net investment in capital assets should be zero.

Summary Changes in Net Position						
	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Revenues						
Program revenues						
Charges for services	\$ 3,633,384	\$ 3,186,873	\$ 446,511	\$ 44,108,038	\$ 43,706,570	\$ 401,468
General revenues						
Investment income	382,851	212,331	170,520	139,515	47,021	92,494
Gain on disposal of capital assets	2,806		2,806		7,876	(7,876)
Miscellaneous	67,385	61,251	6,134			
Total revenues	<u>4,086,426</u>	<u>3,460,455</u>	<u>625,971</u>	<u>44,247,553</u>	<u>43,761,467</u>	<u>486,086</u>
Expenses						
General government	2,853,053	2,839,717	13,336			
Research and development	425,556	408,828	16,728			
Power marketing				28,095,110	28,220,693	(125,583)
Power delivery				16,101,492	15,565,314	536,178
Total expenses	<u>3,278,609</u>	<u>3,248,545</u>	<u>30,064</u>	<u>44,196,602</u>	<u>43,786,007</u>	<u>410,595</u>
Change in net position before transfers	807,817	211,910	595,907	50,951	(24,540)	75,491
Transfers						
Change in net positions	807,817	211,910	595,907	50,951	(24,540)	75,491
Net position, beginning of year	<u>5,025,721</u>	<u>4,813,811</u>	<u>211,910</u>	<u>1,753,567</u>	<u>1,778,107</u>	<u>(24,540)</u>
Net position, end of year	<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 the prior 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.

### **Governmental Funds Financial Analysis**

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 the notes to the basic 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 (GAAP) 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 fund administrative functions are detailed below:

General Fund Administrative Funding Sources						
	2020		2019		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Power administrative charges	\$ 1,589,854	26.36 %	\$ 1,025,858	19.47 %	\$ 563,996	54.98 %
Water charges	1,323,145	21.94 %	1,461,965	27.74 %	(138,820)	(9.50)%
Investment income	66,435	1.10 %	33,969	0.64 %	32,466	95.58 %
Miscellaneous	67,385	1.12 %	61,251	1.16 %	6,134	10.01 %
Total revenues	<u>3,046,819</u>	<u>50.51 %</u>	<u>2,583,043</u>	<u>49.02 %</u>	<u>463,776</u>	<u>17.95 %</u>
Salaries and overhead recovered by allocation	<u>2,985,122</u>	<u>49.49 %</u>	<u>2,686,771</u>	<u>50.98 %</u>	<u>298,351</u>	<u>11.10 %</u>
Total funding sources	<u>\$ 6,031,941</u>	<u>100.00 %</u>	<u>\$ 5,269,814</u>	<u>100.00 %</u>	<u>\$ 762,127</u>	<u>14.46 %</u>

Revenues in the Commission's general fund totaled \$2,583,043 for the year ended June 30, 2020, \$463,776 more than the \$3,046,819 realized in the year ended June 30, 2019. 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 revenue changes from the prior fiscal year is detailed below:

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

General Fund Expenditures			
	2020	2019	Change
Expenditures			
Personnell services	\$ 4,309,100	\$ 4,097,092	\$ 212,008
Travel, out-of-state	36,246	51,528	(15,282)
Travel, in-state	2,509	13,119	(10,610)
Rent and insurance	114,123	147,799	(33,676)
Dues and registration fees	75,161	61,246	13,915
Contractual services	175,603	226,436	(50,833)
Legal	609,464	555,470	53,994
Water purchases	13,258	12,229	1,029
Equipment, furniture and fixtures, non-capitalized	89,109	25,425	63,684
Other	<u>272,338</u>	<u>267,630</u>	<u>4,708</u>
Total expenditures	<u>5,696,911</u>	<u>5,457,974</u>	<u>238,937</u>
Salaries and overhead recovered by allocation	<u>(2,985,122)</u>	<u>(2,686,771)</u>	<u>(298,351)</u>
Net expenditures	<u>\$ 2,711,789</u>	<u>\$ 2,771,203</u>	<u>\$ (59,414)</u>

Net expenditures for the year ended June 30, 2020, in the general fund totaled \$2,711,789, which is \$59,414 less than the \$2,771,203 expended during the year ended June 30, 2019. The decrease can be attributed to decreases in overall operational activity, as described previously.

Research and Development Special Revenue Fund Summary Financial Information			
	2020	2019	Change
Total assets	\$ 11,869,721	\$ 11,252,399	\$ 617,322
Total liabilities	58,763	52,686	6,077
Total fund balance, end of year	11,810,958	11,199,713	611,245
Total revenues	1,036,801	877,412	159,389
Total expenditures	425,556	408,828	16,728

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 for this program are pursuant to contract.

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

Fund Balances - Governmental Funds			
	2020	2019	Change
General Fund	\$ 2,282,237	\$ 1,944,401	\$ 337,836
Research and Development Special Revenue Fund	11,810,958	11,199,713	611,245

### **General Fund Budgetary Information**

There were no significant changes to the budget for the year ended June 30, 2020. The budget to actual comparisons for the Commission's governmental funds is detailed below:

Summary of Selected General Fund Budget and Actual Information				
	Original Budget	Final Budget	Actual	Variance
Total revenues	\$ 4,708,671	\$ 4,708,671	\$ 3,046,819	\$ (1,661,852)
Total expenditures	4,668,624	4,670,924	2,711,789	1,959,135
Total fund balance, end of year	1,732,618	1,970,492	2,282,237	311,745

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.

### **Capital Assets**

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2020, is \$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.

As of June 30, 2020, the Commission's capital assets consisted of the following:

## Capital assets, net of accumulated depreciation and amortization

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Power transmission system	\$ 10,690	\$ 16,284	\$ (5,594)	\$ 44,951,348	\$ 46,944,844	\$ (1,993,496)
Automobiles and other equipment	10,690	16,284	(5,594)	210,698	186,922	23,776
Total assets	<u>\$ 10,690</u>	<u>\$ 16,284</u>	<u>\$ (5,594)</u>	<u>\$ 45,162,046</u>	<u>\$ 47,131,766</u>	<u>\$ (1,969,720)</u>

Please refer to Note 5 to the financial statements for more detailed information related to the capital assets of the Commission.

**Debt Administration**

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

## Summary of Outstanding Debt

	Average Interest Rate	Maturity Date	Outstanding Balance
Hoover Visitor Center, Series 2014E	3.80 %	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.

**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**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 14,192,972	\$ 4,241,763	\$ 18,434,735
Accounts receivable, net	15,560	1,921,600	1,937,160
Interest receivable	79,466	32,510	111,976
Internal balances *	227,765		
Prepaid items	16,547	494,454	511,001
Prepaid power		1,686,284	1,686,284
Total current assets	<u>14,532,310</u>	<u>8,376,611</u>	<u>22,681,156</u>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents		2,602,818	2,602,818
Capital assets, net of accumulated depreciation and amortization			
Power transmission system		44,951,348	44,951,348
Automobiles and other equipment	10,690	210,698	221,388
Total capital assets, net of accumulated depreciation and amortization	<u>10,690</u>	<u>45,162,046</u>	<u>45,172,736</u>
Other assets			
Prepaid power		23,863,942	23,863,942
Total noncurrent assets	<u>10,690</u>	<u>71,628,806</u>	<u>71,639,496</u>
Total assets	<u>14,543,000</u>	<u>80,005,417</u>	<u>94,320,652</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,083,150		1,083,150
Deferred outflows related to other postemployment benefits	121,517		121,517
Total deferred outflows of resources	<u>1,204,667</u>		<u>1,204,667</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	198,888	2,785,214	2,984,102
Accrued payroll	181,464		181,464
Customer payables, collateral and other deposits		2,922,918	2,922,918
Internal balances *		227,765	
Unearned revenue	58,763	3,154,988	3,213,751
Interest payable		260,564	260,564
Bonds payable		755,000	755,000
Compensated absences	328,966		328,966
Total current liabilities	<u>768,081</u>	<u>10,106,449</u>	<u>10,646,765</u>
Noncurrent liabilities			
Unearned revenue		42,247,331	42,247,331
Bonds and notes payable, net of unamortized premiums and discounts		25,847,119	25,847,119
Compensated absences	189,443		189,443
Net pension liability	5,986,027		5,986,027
Net other postemployment benefits obligation	2,267,165		2,267,165
Total noncurrent liabilities	<u>8,442,635</u>	<u>68,094,450</u>	<u>76,537,085</u>
Total liabilities	<u>9,210,716</u>	<u>78,200,899</u>	<u>87,183,850</u>

(Continued)

See notes to basic financial statements.

## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	565,680		565,680
Deferred inflows related to other postemployment benefits	137,733		137,733
Total deferred inflows of resources	703,413		703,413
NET POSITION			
Net investment in capital assets	10,690	45,162,047	45,172,737
Restricted			
Research and development	11,810,958		11,810,958
Unrestricted	(5,988,110)	(43,357,529)	(49,345,639)
Total net position	\$ 5,833,538	\$ 1,804,518	\$ 7,638,056

\* Internal balances are eliminated in consolidation. Accordingly, the amounts reported in the total column have been adjusted to remove internal balances.

## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Change in Net Position		Total
			Governmental Activities	Business-type Activities	
FUNCTION/PROGRAM					
Governmental activities					
General government	\$ 2,853,053	\$ 2,912,999	\$ 59,946	\$	\$ 59,946
Research and development	<u>425,556</u>	<u>720,385</u>	<u>294,829</u>		<u>294,829</u>
Total governmental activities	<u>3,278,609</u>	<u>3,633,384</u>	<u>354,775</u>		<u>354,775</u>
Business-type activities					
Power marketing	28,095,110	28,060,730		(34,380)	(34,380)
Power delivery	<u>16,101,492</u>	<u>16,047,308</u>		<u>(54,184)</u>	<u>(54,184)</u>
Total business-type activities	<u>44,196,602</u>	<u>44,108,038</u>		<u>(88,564)</u>	<u>(88,564)</u>
Total	<u>\$ 47,475,211</u>	<u>\$ 47,741,422</u>	<u>\$ 354,775</u>	<u>(88,564)</u>	<u>266,211</u>
GENERAL REVENUES					
Investment income			382,851	139,515	522,366
Gain on disposal of capital assets			2,806		2,806
Miscellaneous			<u>67,385</u>		<u>67,385</u>
Total general revenues			<u>453,042</u>	<u>139,515</u>	<u>592,557</u>
CHANGE IN NET POSITION			807,817	50,951	858,768
NET POSITION, BEGINNING OF YEAR			<u>5,025,721</u>	<u>1,753,567</u>	<u>6,779,288</u>
NET POSITION, END OF YEAR			<u>\$ 5,833,538</u>	<u>\$ 1,804,518</u>	<u>\$ 7,638,056</u>

See notes to basic financial statements.

# **FUND FINANCIAL STATEMENTS**

## COLORADO RIVER COMMISSION OF NEVADA

### GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2020

	Special Revenue Fund		Total Governmental Funds
	General Fund	Research and Development	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,389,300	\$ 11,803,672	\$ 14,192,972
Accounts receivable, net	15,560		15,560
Interest receivable	13,417	66,049	79,466
Due from other funds	227,765		227,765
Prepaid items	16,547		16,547
<b>Total assets</b>	<b><u>\$ 2,662,589</u></b>	<b><u>\$ 11,869,721</u></b>	<b><u>\$ 14,532,310</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 198,888		\$ 198,888
Accrued payroll	181,464		181,464
Unearned revenue		58,763	58,763
<b>Total liabilities</b>	<b><u>380,352</u></b>	<b><u>58,763</u></b>	<b><u>439,115</u></b>
<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
<b>Total fund balances</b>	<b><u>2,282,237</u></b>	<b><u>11,810,958</u></b>	<b><u>14,093,195</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,662,589</u></b>	<b><u>\$ 11,869,721</u></b>	<b><u>\$ 14,532,310</u></b>

## COLORADO RIVER COMMISSION OF NEVADA

### RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2020

FUND BALANCES, GOVERNMENTAL FUNDS	\$	14,093,195
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$	152,685
Less accumulated depreciation		<u>(141,995)</u>
		10,690
Deferred outflows and inflows of resources related to pension and other postemployment benefit obligations reported in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Deferred outflows related to other postemployment benefits		121,517
Deferred inflows related to other postemployment benefits		(137,733)
Unamortized deferred outflows related to pensions		1,083,150
Unamortized deferred inflows related to pensions		<u>(565,680)</u>
		501,254
Long-term liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Compensated absences payable		(518,409)
Net other postemployment benefits obligation		(2,267,165)
Net pension liability		<u>(5,986,027)</u>
		<u>(8,771,601)</u>
NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u><u>5,833,538</u></u>

## COLORADO RIVER COMMISSION OF NEVADA

### GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund Research and Development	Total Governmental Funds
REVENUES			
Charges for services	\$ 2,912,999	\$	\$ 2,912,999
Multi-species surcharge		720,385	720,385
Investment income	66,435	316,416	382,851
Miscellaneous	<u>67,385</u>		<u>67,385</u>
Total revenues	<u>3,046,819</u>	<u>1,036,801</u>	<u>4,083,620</u>
EXPENDITURES			
General government			
Current			
Personnell services	4,309,100		4,309,100
Travel, out-of-state	36,246		36,246
Travel, in-state	2,509		2,509
Rent and insurance	114,123		114,123
Dues and registration fees	75,161		75,161
Contractual services	175,603		175,603
Legal	609,464		609,464
Water purchases	13,258		13,258
Multi-species assessment		425,556	425,556
Equipment, furniture and fixtures, non-capitalized	89,109		89,109
Other	<u>272,338</u>		<u>272,338</u>
	<u>5,696,911</u>	<u>425,556</u>	<u>6,122,467</u>
Salaries and overhead recovered by allocation	<u>(2,985,122)</u>		<u>(2,985,122)</u>
Net expenditures	<u>2,711,789</u>	<u>425,556</u>	<u>3,137,345</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>335,030</u>	<u>611,245</u>	<u>946,275</u>
OTHER FINANCING SOURCES			
Proceeds from capital asset disposal	<u>2,806</u>		<u>2,806</u>
CHANGE IN FUND BALANCE	337,836	611,245	949,081
FUND BALANCE, BEGINNING OF YEAR	<u>1,944,401</u>	<u>11,199,713</u>	<u>13,144,114</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,282,237</u>	<u>\$ 11,810,958</u>	<u>\$ 14,093,195</u>

## COLORADO RIVER COMMISSION OF NEVADA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

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CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS	\$	949,081
<p>Amounts reported in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:</p>		
Less current year depreciation	\$	(5,594)
		(5,594)
<p>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:</p>		
Change in compensated absences payable	(60,300)	
Change in net other postemployment benefits obligation and related balances	14,486	
Change in net pension liability and related balances	<u>(89,856)</u>	
		<u>(135,670)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u><u>807,817</u></u>



## COLORADO RIVER COMMISSION OF NEVADA

### GENERAL FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Power administrative charges	\$ 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
<b>Total revenues</b>	<u>4,708,671</u>	<u>4,708,671</u>	<u>3,046,819</u>	<u>(1,661,852)</u>
<b>EXPENDITURES</b>				
General government				
Current				
Personnell services	5,306,863	5,306,863	4,309,100	997,763
Travel, out-of-state	56,889	56,889	36,246	20,643
Travel, in-state	9,485	9,485	2,509	6,976
Rent and insurance	146,091	146,091	114,123	31,968
Dues and registration fees	71,215	71,215	75,161	(3,946)
Contractual services	759,207	759,207	175,603	583,604
Legal	609,844	609,844	609,464	380
Water purchases	13,255	14,155	13,258	897
Equipment, furniture and fixtures, non-capitalized	159,472	159,472	89,109	70,363
Other	261,880	263,280	272,338	(9,058)
	<u>7,394,201</u>	<u>7,396,501</u>	<u>5,696,911</u>	<u>1,699,590</u>
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>
<b>Net expenditures</b>	<u>4,668,624</u>	<u>4,670,924</u>	<u>2,711,789</u>	<u>1,959,135</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>40,047</u>	<u>37,747</u>	<u>335,030</u>	<u>297,283</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from capital asset disposal			2,806	2,806
<b>CHANGE IN FUND BALANCE</b>	40,047	37,747	337,836	300,089
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,692,571</u>	<u>1,932,745</u>	<u>1,944,401</u>	<u>11,656</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,732,618</u>	<u>\$ 1,970,492</u>	<u>\$ 2,282,237</u>	<u>\$ 311,745</u>

**COLORADO RIVER COMMISSION OF NEVADA**

**RESEARCH AND DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Multi-species surcharge	\$ 749,016	\$ 749,016	\$ 720,385	\$ (28,631)
Investment income	<u>185,520</u>	<u>218,447</u>	<u>316,416</u>	<u>97,969</u>
Total revenues	<u>934,536</u>	<u>967,463</u>	<u>1,036,801</u>	<u>69,338</u>
EXPENDITURES				
General government				
Current				
Multi-species assessment	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
Total expenditures	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,412)</u>	<u>(11,485)</u>	<u>611,245</u>	<u>622,730</u>
CHANGE IN FUND BALANCE	(44,412)	(11,485)	611,245	622,730
FUND BALANCE, BEGINNING OF YEAR	<u>10,557,285</u>	<u>11,184,879</u>	<u>11,199,713</u>	<u>14,834</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,512,873</u>	<u>\$ 11,173,394</u>	<u>\$ 11,810,958</u>	<u>\$ 637,564</u>

## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,669,071	\$ 1,572,692	\$ 4,241,763
Accounts receivable, net	886,626	1,034,974	1,921,600
Interest receivable	24,532	7,978	32,510
Prepaid items	444,647	49,807	494,454
Prepaid power	1,686,284		1,686,284
Total current assets	<u>5,711,160</u>	<u>2,665,451</u>	<u>8,376,611</u>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	2,281,098	321,720	2,602,818
Capital assets, net of accumulated depreciation and amortization			
Power transmission system	6,887,139	38,064,209	44,951,348
Automobiles and other equipment		210,698	210,698
Total capital assets, net of accumulated depreciation and amortization	<u>6,887,139</u>	<u>38,274,907</u>	<u>45,162,046</u>
Other assets			
Prepaid power	23,863,942		23,863,942
Total noncurrent assets	<u>33,032,179</u>	<u>38,596,627</u>	<u>71,628,806</u>
Total assets	<u>38,743,339</u>	<u>41,262,078</u>	<u>80,005,417</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,809,537	975,677	2,785,214
Customer payables, collateral and other deposits	1,229,546	1,693,372	2,922,918
Due to other funds	17,534	210,231	227,765
Unearned revenue	1,429,554	1,725,434	3,154,988
Interest payable	260,564		260,564
Bonds payable	755,000		755,000
Total current liabilities	<u>5,501,735</u>	<u>4,604,714</u>	<u>10,106,449</u>
Noncurrent liabilities			
Unearned revenue	5,858,748	36,388,583	42,247,331
Bonds and notes payable, net of unamortized premiums and discounts	25,847,119		25,847,119
Total noncurrent liabilities	<u>31,705,867</u>	<u>36,388,583</u>	<u>68,094,450</u>
Total liabilities	<u>37,207,602</u>	<u>40,993,297</u>	<u>78,200,899</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,887,139	38,274,908	45,162,047
Restricted			
Unrestricted	<u>(5,351,402)</u>	<u>(38,006,127)</u>	<u>(43,357,529)</u>
Total net position	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
OPERATING REVENUES			
Power sales	\$ 28,060,730	\$ 16,047,308	\$ 44,108,038
OPERATING EXPENSES			
Power purchases	25,817,589	11,173,479	36,991,068
Prepaid power advances	1,684,284		1,684,284
General administration	275,369	3,198,198	3,473,567
Depreciation	317,868	1,729,815	2,047,683
Total operating expenses	<u>28,095,110</u>	<u>16,101,492</u>	<u>44,196,602</u>
Operating loss	<u>(34,380)</u>	<u>(54,184)</u>	<u>(88,564)</u>
NONOPERATING REVENUES			
Investment income	<u>93,903</u>	<u>45,612</u>	<u>139,515</u>
CHANGE IN NET POSITION	59,523	(8,572)	50,951
NET POSITION, BEGINNING OF YEAR	<u>1,476,214</u>	<u>277,353</u>	<u>1,753,567</u>
NET POSITION, END OF YEAR	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 27,404,177	\$ 14,056,542	\$ 41,460,719
Cash received from interfund services	12,996		12,996
Cash payments for goods and services	(26,186,126)	(14,027,539)	(40,213,665)
Cash payments for interfund services		(27,977)	(27,977)
Net cash provided by operating activities	<u>1,231,047</u>	<u>1,026</u>	<u>1,232,073</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Principal payments on debt	(740,000)		(740,000)
Interest payments on debt	(1,049,840)		(1,049,840)
Net cash provided by (used in) noncapital financing activities	<u>(1,789,840)</u>		<u>(1,789,840)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets		(77,964)	(77,964)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	113,449	51,623	165,072
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(445,344)</u>	<u>(25,315)</u>	<u>(470,659)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,395,515</u>	<u>1,919,726</u>	<u>7,315,241</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>			
Cash and cash equivalents, unrestricted	2,669,071	1,572,692	4,241,763
Cash and cash equivalents, restricted	2,281,098	321,720	2,602,818
	<u>\$ 4,950,169</u>	<u>\$ 1,894,412</u>	<u>\$ 6,844,581</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (34,380)	\$ (54,184)	\$ (88,564)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	317,868	1,729,815	2,047,683
Amortization of prepaid power	1,809,943		1,809,943
Amortization of power transmission unearned revenue	(283,488)	(1,675,628)	(1,959,116)
Amortization of bond premiums and discounts	5,996		5,996
(Increase) decrease in operating assets			
Accounts receivable	(313,339)	(270,009)	(583,348)
Prepaid items	39,428	(3,337)	36,091
Increase (decrease) in operating liabilities			
Accounts payable	(50,071)	32,611	(17,460)
Customer payables, collateral and other deposits	(210,388)	314,864	104,476
Due to other funds	12,996	(27,977)	(14,981)
Unearned revenue	(59,726)	(45,129)	(104,855)
Accrued interest	(3,792)		(3,792)
Total adjustments	<u>1,265,427</u>	<u>55,210</u>	<u>1,320,637</u>
Net cash provided by operating activities	<u>\$ 1,231,047</u>	<u>\$ 1,026</u>	<u>\$ 1,232,073</u>

# **NOTES TO BASIC FINANCIAL STATEMENTS**

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2020**

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**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.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation****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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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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.

(Continued)



**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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**Assets and Liabilities****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 and Other Items**

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.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

**Restricted Assets**

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Years
Power transmission system	10-50
Office equipment	5
Automobiles and other equipment	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.

#### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Commission's OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Commission's OPEB Plan. For this purpose, the Commission recognizes benefit payments when due and payable in accordance with the benefit terms and investments are reported at estimated 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.

(Continued)

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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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.

**Net Position**

In the government-wide and proprietary fund financial statements 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.

**Fund Balance**

In the governmental fund financial statements fund balance is reported in the following five classifications:

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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.

Unassigned is used for by the general fund for any residual amounts not classified in the foregoing four classifications.

#### **Prioritization and Use of Available Resources**

When both restricted resources and other resources (*i.e.*, committed, assigned and unassigned) can be used for the same purposes, it is the Commission's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the Commission's policy to use committed resources first, assigned second and unassigned last.

#### **Interfund Activity**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### **Use of Estimates**

Timely preparation of financial statements in conformity with GAAP requires management to make estimates that affect reported amounts and related disclosures. Actual results could differ significantly from those estimates.

Significant estimates that may change materially in the next year include the 1) net pension liability, 2) obligation for postemployment benefits other than pensions, and 3) deferred inflows and outflows of resources. The useful lives of capital assets is also a significant estimate that may require revision in future periods.

### **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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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 10th 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.

#### **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.

#### **New Accounting Pronouncements (not yet adopted)**

#### **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% 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 cash and cash equivalents	<u><u>\$ 2,602,818</u></u>

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

#### Note 5. Capital Assets

For the year ended June 30, 2020, capital asset activity was as follows:

	Balance June 30, 2019 (Restated)	Increases	Decreases	Balance June 30, 2020
<b>Governmental activities</b>				
Capital assets being depreciated or amortized				
Office furniture and fixtures	\$ 25,574	\$	\$ (720)	\$ 24,854
Automobiles and other equipment	<u>155,251</u>	<u>                    </u>	<u>(27,420)</u>	<u>127,831</u>
Total capital assets being depreciated or amortized	<u>180,825</u>	<u>                    </u>	<u>(28,140)</u>	<u>152,685</u>
Accumulated depreciation and amortization				
Office furniture and fixtures	(25,574)		720	(24,854)
Automobiles and other equipment	<u>(138,967)</u>	<u>(5,594)</u>	<u>27,420</u>	<u>(117,141)</u>
Total accumulated depreciation and amortization	<u>(164,541)</u>	<u>(5,594)</u>	<u>28,140</u>	<u>(141,995)</u>
Total capital assets being depreciated or amortized, net	<u>16,284</u>	<u>(5,594)</u>	<u>                    </u>	<u>10,690</u>
Total governmental activities	<u>\$ 16,284</u>	<u>\$ (5,594)</u>	<u>\$</u>	<u>\$ 10,690</u>
	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<b>Business-type activities</b>				
Capital assets being depreciated or amortized				
Power transmission system	\$ 88,278,265	\$	\$	\$ 88,278,265
Automobiles and other equipment	<u>430,100</u>	<u>77,964</u>	<u>                    </u>	<u>508,064</u>
Total capital assets being depreciated or amortized	<u>88,708,365</u>	<u>77,964</u>	<u>                    </u>	<u>88,786,329</u>
Accumulated depreciation and amortization				
Power transmission system	(41,333,422)	(1,993,496)		(43,326,917)
Automobiles and other equipment	<u>(243,179)</u>	<u>(54,186)</u>	<u>                    </u>	<u>(297,366)</u>
Total accumulated depreciation and amortization	<u>(41,576,601)</u>	<u>(2,047,682)</u>	<u>                    </u>	<u>(43,624,283)</u>
Total capital assets being depreciated or amortized, net	<u>47,131,764</u>	<u>(1,969,718)</u>	<u>                    </u>	<u>45,162,046</u>
Total business-type activities	<u>\$ 47,131,764</u>	<u>\$ (1,969,718)</u>	<u>\$</u>	<u>\$ 45,162,046</u>

For the year ended June 30, 2020, charges, by function, for depreciation expense were as follows:

Governmental activities		
General government		<u>\$ 5,594</u>
Business-type activities		
Power marketing		\$ 317,867
Power delivery		<u>1,729,815</u>
Total depreciation expense, business-type activities		<u>\$ 2,047,682</u>

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

#### Note 6. Due To and From Other Funds

At June 30, 2020, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 227,765	
Power Marketing Enterprise Fund		17,534
Power Delivery Enterprise Fund		210,231
	227,765	227,765

#### 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.

At June 30, 2020, \$44,206,444 of the total unearned revenue balance 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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

Unearned revenue at June 30, 2020, will be recognized as follows:

<u>For the Year Ended June 30,</u>			
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 - 2055		<u>225,287</u>	
	\$	<u>44,206,444</u>	

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 Liabilities**

##### 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%.

Outstanding long-term debt obligations at June 30, 2020, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
Business-type activities				
General Obligation Bonds				
General obligation refunding series 2014E	2015 - 2043	0.50 to 4.25%	\$ <u>28,425,000</u>	\$ <u>26,740,000</u>

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

Annual debt service requirements at June 30, 2020, were as follows:

<u>For the Year Ended June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 755,000	\$ 1,033,573
2022	770,000	1,014,880
2023	800,000	993,670
2024	815,000	970,653
2025	835,000	945,058
2026 - 2030	4,655,000	4,257,998
2031 - 2035	5,610,000	3,265,808
2036 - 2040	6,580,000	1,960,525
2041 - 2045	<u>5,920,000</u>	<u>515,950</u>
	<u>\$ 26,740,000</u>	<u>\$ 14,958,115</u>

Changes in long-term liabilities for the year ended June 30, 2020, was as follows:

	<u>Balance June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	\$ 458,109	\$ 246,616	\$ (186,316)	\$ 518,409	\$ 328,966
Net pension liability	5,993,734	536,703	(544,410)	5,986,027	
Postemployment benefits other than pensions	<u>2,218,398</u>	<u>172,365</u>	<u>(123,598)</u>	<u>2,267,165</u>	
Total governmental activities	<u>8,670,241</u>	<u>955,684</u>	<u>(854,324)</u>	<u>8,771,601</u>	<u>328,966</u>
Business-type activities					
General Obligation Bonds					
General obligation refunding series 2014E	<u>27,480,000</u>		<u>(740,000)</u>	<u>26,740,000</u>	<u>755,000</u>
Total general obligation bonds	<u>27,480,000</u>		<u>(740,000)</u>	<u>26,740,000</u>	<u>755,000</u>
Unamortized bond discounts	<u>(143,877)</u>		<u>5,995</u>	<u>(137,882)</u>	
Total business-type activities	<u>27,336,123</u>		<u>(734,005)</u>	<u>26,602,118</u>	<u>755,000</u>
Total long-term liabilities	<u>\$ 36,006,364</u>	<u>\$ 955,684</u>	<u>\$ (1,588,329)</u>	<u>\$ 35,373,719</u>	<u>\$ 1,083,966</u>

The net pension liability, compensated absences and pension and net other postemployment benefits obligation are paid by the general fund.

#### Arbitrage Rebate Requirement

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

(Continued)

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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Debt Covenants

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.

Legal Debt Margin**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 certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on bonds to qualify for exclusion from gross income for federal income tax purposes. Rebutable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebutable arbitrage amount due. Future calculations might result in adjustments to this determination.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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#### **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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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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:

Actuarial valuation date	June 30, 2019
Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
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

At June 30, 2020, mortality rates and projected life expectancies were based on the following:

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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 *
U.S. stocks	42 %	5.50 %
International stocks	18 %	5.50 %
U.S. bonds	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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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
Differences between expected and actual experience	\$ 224,469	\$ 172,659
Changes of assumptions	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 made subsequent to the measurement date	465,000	
	\$ 1,083,150	\$ 565,680

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 actuarial valuation date totaling \$465,000 will be recognized as a reduction of the net pension liability in the year beginning July 1, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,			
2021		\$	24,306
2022			(101,880)
2023			51,313
2024			44,825
2025			29,417
Thereafter			4,489
		\$	52,470

At June 30, 2020 \$ \_\_\_\_\_ was payable to PERS for the June 2020 required contributions.

#### **Note 12. Postemployment Benefits Other Than Pensions (OPEB)**

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).

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing:

Public Employee Benefit Plan  
901 South Stewart Street, Suite 1001  
Carson City, NV 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, 2020 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%.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020, the Commission's OPEB expense was \$123,598 and its reported deferred outflows and inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 48,851	\$ 96,842
Net difference between projected and actual earnings on investments		40,891
Contributions made subsequent to the measurement date	72,666	
	\$ 121,517	\$ 137,733

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$72,666 will be recognized as a reduction of the net OPEB obligation in the year beginning July 1, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

For the Year Ending June 30,		
2021	\$	(45,278)
2022		(37,633)
2023		(7,660)
2024		1,689
	\$	(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:

Actuarial valuation date	June 30, 2019	
Inflation rate	2.50%	
Investment rate of return	3.51%	
Projected salary increases	0.50% productivity pay increase 2.68% average promotional and merit salary	

At June 30, 2020, mortality rates and projected life expectancies were based on the following:

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, 2019, 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.

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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%) or 1-percentage-point higher (4.51%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net other postemployment benefits obligation	\$ 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 Cost Rate	Healthcare Cost Rate	1% Increase in Healthcare Cost Rate
Net other postemployment benefits obligation	\$ 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.

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## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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Financial information regarding SSEA can be obtained by writing:

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

#### **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, are appointed by the Nevada 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. For the year ended June 30, 2020, the Commission received revenues from the SNWA for power and water resources of \$11,850,79, but made no payments to the SNWA for any purpose. In addition, the Commission's works with other public entities, states, and governmental entities in fulfilling its statutory responsibilities; however, no other entity has representatives on the Commission's Board.

The SNWA publishes a Comprehensive Annual Financial Report which can be seen on their website at [SNWA.com](http://SNWA.com).

# **REQUIRED SUPPLEMENTARY INFORMATION**

## COLORADO RIVER COMMISSION OF NEVADA

### MULTIPLE-EMPLOYER, COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>Valuation Date June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
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 %

1. 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 information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

## COLORADO RIVER COMMISSION OF NEVADA

### MULTIPLE-EMPLOYER, COST-SHARING DEFINED BENEFIT PENSION PLAN STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$ 527,504	\$ 527,504	\$	\$ 2,348,229	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	4,993	3,091,661	15.04 %

1. 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 information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

## COLORADO RIVER COMMISSION OF NEVADA

### POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB OBLIGATION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Measurement Year Ended June 30,</u>	<u>Proportion of the Collective Net OPEB Obligation</u>	<u>Proportion of the Collective Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>Proportion of the Collective Net OPEB Obligation as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Net OPEB Obligation</u>
2018	0.17400 %	\$ 2,261,443	\$ 2,891,310	78.22 %	11.33 %
2019	0.16750 %	2,218,398	3,167,417	70.04 %	0.12 %
2020	0.16270 %	2,267,166	3,105,221	73.01 %	0.02 %

1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

**COLORADO RIVER COMMISSION OF NEVADA**

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**CONTRACTUALLY REQUIRED CONTRIBUTION INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>**

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	Contractually Required Contribution	Contributions in relation to the Contractually Required Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 68,235	\$ 66,117	\$ (2,118)	\$ 2,749,712	2.40 %
2019	52,354	69,279	16,925	3,167,417	2.19 %
2020	72,662	72,666	4	3,105,221	2.34 %

- 
1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
  2. The Public Employee Benefit Program is funded on a pay-as-you-go basis; and therefore, the actuary did not determine contributions for this plan.
  3. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

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#### **Note 1. Multiple-employer, Cost-sharing Defined Benefit Pension Plan**

For the year ended June 30, 2020, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2019.

The actuarial valuation report dated June 30, 2014, was the first valuation for the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional information related to multiple-employer, cost-sharing defined benefit pension plan can be found in Notes 1 and 11 to the basic financial statements.

#### **Note 2. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2020, no significant events occurred that effected the benefit provision, size or composition of those covered by the postemployment benefit plans.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Additional information related to postemployment benefits other than pensions can be found in Notes 1 and 12 to the basic financial statements.



**Insert Independent Auditors' *Government Auditing Standards* Report (1st page)**

**Insert Independent Auditors' *Government Auditing Standards* Report (2nd page)**

# STATISTICAL SECTION

# COLORADO RIVER COMMISSION OF NEVADA

## STATISTICAL INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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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 and should be read in conjunction with the financial statements, note disclosures, and required supplementary information. This information is presented in the following general areas:

#### Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances - Governmental Funds
- Changes in Fund Balances - Governmental Funds

#### Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess 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.

- Principal Revenue Payers

#### Debt Capacity

The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Available Revenue Debt Coverage

#### Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the general environment within which financial activities take place.

- Demographic Statistics - Clark County, Nevada
- Principal Employers - Clark County, Nevada

#### Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the financial statements, note disclosures, and required supplementary information relates to services provided and activities performed.

- Employees by Department
- Capital Asset Statistics by Function
- Operating Indicators - Power Purchases in Megawatt Hours
- Risk Management

## COLORADO RIVER COMMISSION OF NEVADA

### NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 35,121	\$ 19,196	\$ 10,925	\$ 7,673	\$ 4,887	\$ 2,102	\$ 21,878	\$ 16,284	\$ 10,690	\$ 10,690
Restricted	2,139,130	3,468,550	5,203,611	8,125,768	9,537,522	9,882,973	10,276,431	10,731,129	11,199,713	11,810,958
Unrestricted	1,924,972	2,573,169	2,955,658	2,712,559	(4,203,575)	(3,350,978)	(6,392,441)	(5,857,560)	(6,190,276)	(5,988,110)
<b>Total governmental activities</b>	<b>4,099,223</b>	<b>6,060,915</b>	<b>8,170,194</b>	<b>10,846,000</b>	<b>5,338,834</b>	<b>6,534,097</b>	<b>3,883,990</b>	<b>4,895,447</b>	<b>5,025,721</b>	<b>5,833,538</b>
<b>Business-type activities</b>										
Net investment in capital assets	(4,219,164)	5,979,847	3,854,233	1,728,620	46,451,402	52,621,510	50,398,692	49,057,477	47,131,765	45,162,047
Restricted	710,738	711,014	711,215	712,019	712,991	714,403	929,332			
Unrestricted	8,484,670	(1,108,611)	(3,137,388)	(5,470,443)	(46,037,051)	(51,815,787)	(49,660,384)	(47,279,370)	(45,378,198)	(43,357,529)
<b>Total business-type activities</b>	<b>4,976,244</b>	<b>5,582,250</b>	<b>1,428,060</b>	<b>(3,029,804)</b>	<b>1,127,342</b>	<b>1,520,126</b>	<b>1,667,640</b>	<b>1,778,107</b>	<b>1,753,567</b>	<b>1,804,518</b>
<b>Primary government</b>										
Net investment in capital assets	(4,184,043)	5,999,043	3,865,158	1,736,293	46,456,289	52,623,612	50,398,692	49,079,355	47,148,049	45,172,737
Restricted	2,849,868	4,179,564	5,914,826	8,837,787	10,250,513	10,597,376	11,205,763	10,731,129	11,199,713	11,810,958
Unrestricted	10,409,642	1,464,558	(181,730)	(2,757,884)	(50,240,626)	(55,166,765)	(56,052,825)	(53,136,930)	(51,568,474)	(49,345,639)
<b>Total primary government</b>	<b>\$ 9,075,467</b>	<b>\$ 11,643,165</b>	<b>\$ 9,598,254</b>	<b>\$ 7,816,196</b>	<b>\$ 6,466,176</b>	<b>\$ 8,054,223</b>	<b>\$ 5,551,630</b>	<b>\$ 6,673,554</b>	<b>\$ 6,779,288</b>	<b>\$ 7,638,056</b>

## COLORADO RIVER COMMISSION OF NEVADA

### CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>Expenses</b>										
Governmental activities										
General government	\$ 2,306,101	\$ 1,901,012	\$ 2,058,890	\$ 2,595,457	\$ 2,637,347	\$ 2,620,776	\$ 3,371,208	\$ 2,323,521	\$ 3,248,545	\$ 3,278,609
Business-type activities										
Power marketing	41,483,124	40,490,639	41,041,108	27,386,283	25,179,606	24,642,788	25,967,737	28,828,579	28,220,693	28,095,112
Power delivery	45,904,714	46,921,205	39,959,001	36,891,400	32,812,396	23,277,768	15,096,211	14,082,693	15,565,314	16,101,489
Total business-type activities	<u>87,387,838</u>	<u>87,411,844</u>	<u>81,000,109</u>	<u>64,277,683</u>	<u>57,992,002</u>	<u>47,920,556</u>	<u>41,063,948</u>	<u>42,911,272</u>	<u>43,786,007</u>	<u>44,196,601</u>
Total primary government expenses	<u>\$ 89,693,939</u>	<u>\$ 89,312,856</u>	<u>\$ 83,058,999</u>	<u>\$ 66,873,140</u>	<u>\$ 60,629,349</u>	<u>\$ 50,541,332</u>	<u>\$ 44,435,156</u>	<u>\$ 45,234,793</u>	<u>\$ 47,034,552</u>	<u>\$ 47,475,210</u>
<b>Program revenues</b>										
Governmental activities										
Charges for services	\$ 1,219,897	\$ 1,259,804	\$ 1,167,674	\$ 1,140,050	\$ 220,817	\$ 1,141,701	\$ 926,483	\$ 900,715	\$ 1,025,858	\$ 1,589,854
Operating grants and contributions	752,854	1,169,246	1,229,732	1,060,171	1,153,359	1,858,749	1,236,371	1,470,968	1,461,965	1,323,145
Capital grants and contributions	1,375,160	1,362,759	1,741,478	3,000,783	1,263,002	668,686	673,629	626,623	699,050	720,385
Total governmental activities	<u>3,347,911</u>	<u>3,791,809</u>	<u>4,138,884</u>	<u>5,201,004</u>	<u>2,637,178</u>	<u>3,669,136</u>	<u>2,836,483</u>	<u>2,998,306</u>	<u>3,186,873</u>	<u>3,633,384</u>
Business-type activities										
Charges for services	87,514,520	87,936,888	76,767,441	59,981,854	55,645,061	48,249,124	41,169,782	42,836,695	43,706,570	44,108,036
Total primary government program revenues	<u>\$ 90,862,431</u>	<u>\$ 91,728,697</u>	<u>\$ 80,906,325</u>	<u>\$ 65,182,858</u>	<u>\$ 58,282,239</u>	<u>\$ 51,918,260</u>	<u>\$ 44,006,265</u>	<u>\$ 45,835,001</u>	<u>\$ 46,893,443</u>	<u>\$ 47,741,420</u>
<b>Net (expenses) program revenues</b>										
Governmental activities	\$ 1,041,810	\$ 1,890,797	\$ 2,079,994	\$ 2,605,547	\$ (169)	\$ 1,048,360	\$ (534,725)	\$ 674,785	\$ (61,672)	\$ 354,775
Business-type activities	126,682	525,044	(4,232,668)	(4,295,829)	(2,346,941)	328,568	105,834	(74,577)	(79,437)	(88,565)
Primary government	<u>\$ 1,168,492</u>	<u>\$ 2,415,841</u>	<u>\$ (2,152,674)</u>	<u>\$ (1,690,282)</u>	<u>\$ (2,347,110)</u>	<u>\$ 1,376,928</u>	<u>\$ (428,891)</u>	<u>\$ 600,208</u>	<u>\$ (141,109)</u>	<u>\$ 266,210</u>
<b>General revenues and other changes in net position</b>										
Governmental activities										
Investment income	\$ 12,432	\$ 29,677	\$ 29,285	\$ 14,672	\$ 202,937	\$ 91,125	\$ 95,846	\$ 278,095	\$ 212,331	\$ 382,851
Miscellaneous	82,409	41,218	55,587	67,653	67,653	55,778	59,255	58,577	61,251	70,191
Total governmental activities	<u>94,841</u>	<u>70,895</u>	<u>84,872</u>	<u>82,325</u>	<u>270,590</u>	<u>146,903</u>	<u>155,101</u>	<u>336,672</u>	<u>273,582</u>	<u>453,042</u>
Business-type activities										
Investment income	2,841	12,635	78,478	12,063	171,238	55,232	41,680	185,044	47,021	139,516
Miscellaneous	34,163	68,327	4,065	4,065	8,984	8,984	41,680	185,044	47,021	139,516
Total business-type activities	<u>37,004</u>	<u>80,962</u>	<u>82,543</u>	<u>16,128</u>	<u>180,222</u>	<u>64,216</u>	<u>41,680</u>	<u>185,044</u>	<u>47,021</u>	<u>139,516</u>
Total primary government general revenues and other changes in net position	<u>\$ 131,845</u>	<u>\$ 151,857</u>	<u>\$ 107,763</u>	<u>\$ 86,387</u>	<u>\$ 441,828</u>	<u>\$ 211,119</u>	<u>\$ 196,781</u>	<u>\$ 521,716</u>	<u>\$ 320,603</u>	<u>\$ 592,558</u>
<b>Change in net position</b>										
Governmental activities	\$ 1,136,651	\$ 1,961,692	\$ 2,109,279	\$ 2,675,806	\$ 270,421	\$ 1,195,263	\$ (379,624)	\$ 1,011,457	\$ 211,910	\$ 807,817
Business-type activities	163,686	606,006	(4,154,190)	(4,279,701)	(2,175,703)	392,784	147,514	110,467	(32,416)	50,951
Primary government	<u>\$ 1,300,337</u>	<u>\$ 2,567,698</u>	<u>\$ (2,044,911)</u>	<u>\$ (1,603,895)</u>	<u>\$ (1,905,282)</u>	<u>\$ 1,588,047</u>	<u>\$ (232,110)</u>	<u>\$ 1,121,924</u>	<u>\$ 179,494</u>	<u>\$ 858,768</u>

**COLORADO RIVER COMMISSION OF NEVADA**

**FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General fund										
Unassigned	\$ <u>2,222,770</u>	\$ <u>2,878,917</u>	\$ <u>3,304,782</u>	\$ <u>3,051,126</u>	\$ <u>2,040,963</u>	\$ <u>2,938,016</u>	\$ <u>2,325,767</u>	\$ <u>2,132,561</u>	\$ <u>1,935,201</u>	\$ <u>2,265,690</u>
Other governmental funds										
Restricted	\$ <u>2,139,130</u>	\$ <u>3,468,550</u>	\$ <u>5,203,611</u>	\$ <u>8,125,768</u>	\$ <u>9,537,522</u>	\$ <u>9,882,973</u>	\$ <u>10,276,431</u>	\$ <u>10,731,129</u>	\$ <u>11,199,713</u>	\$ <u>11,810,958</u>

## COLORADO RIVER COMMISSION OF NEVADA

### CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>REVENUES</b>										
Charges for services	\$ 1,972,751	\$ 2,429,050	\$ 2,397,406	\$ 2,200,221	\$ 1,374,176	\$ 3,000,450	\$ 2,162,854	\$ 2,371,683	\$ 2,487,823	\$ 2,912,999
Multi-species surcharge	1,375,160	1,362,759	1,741,478	3,000,783	1,263,002	668,686	673,629	626,623	699,050	720,385
Investment income	12,432	29,677	29,285	14,672	202,937	91,125	95,846	278,095	212,331	382,851
Miscellaneous	82,409	41,218		55,587	67,653	55,778	59,255	58,577	61,251	67,385
<b>Total revenues</b>	<b>3,442,752</b>	<b>3,862,704</b>	<b>4,168,169</b>	<b>5,271,263</b>	<b>2,907,768</b>	<b>3,816,039</b>	<b>2,991,584</b>	<b>3,334,978</b>	<b>3,460,455</b>	<b>4,083,620</b>
<b>EXPENDITURES</b>										
General administration	2,267,200	1,812,067	1,974,816	2,514,358	2,491,039	2,165,754	2,838,816	2,660,273	2,758,974	2,698,531
Multi-species assessment						394,061	358,618	399,966	408,828	425,556
Water purchases	14,270	15,134	14,244	15,074	15,138	13,717	12,941	13,255	12,229	13,258
Other	25,318	49,936	18,183	73,330						
<b>Total expenditures</b>	<b>2,306,788</b>	<b>1,877,137</b>	<b>2,007,243</b>	<b>2,602,762</b>	<b>2,506,177</b>	<b>2,573,532</b>	<b>3,210,375</b>	<b>3,073,494</b>	<b>3,180,031</b>	<b>3,137,345</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,135,964</b>	<b>1,985,567</b>	<b>2,160,926</b>	<b>2,668,501</b>	<b>401,591</b>	<b>1,242,507</b>	<b>(218,791)</b>	<b>261,484</b>	<b>280,424</b>	<b>946,275</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from capital asset disposal										2,806
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 1,135,964</b>	<b>\$ 1,985,567</b>	<b>\$ 2,160,926</b>	<b>\$ 2,668,501</b>	<b>\$ 401,591</b>	<b>\$ 1,242,507</b>	<b>\$ (218,791)</b>	<b>\$ 261,484</b>	<b>\$ 280,424</b>	<b>\$ 949,081</b>



## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL REVENUE PAYERS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Southern Nevada Water Authority	\$ 49,486,766	\$ 51,300,955	\$ 39,874,221	\$ 15,461,521	\$ 14,358,251	\$ 12,179,218	\$ 12,203,475	\$ 11,827,537	\$ 11,713,784
Basic Water Company	775,087	675,012	762,502	927,791	1,010,474	759,596	823,636	935,995	1,043,885
Timet Metals Corporation	6,257,186	8,467,095	8,644,733	12,140,825	11,426,000	9,358,046	9,582,350	8,667,540	10,669,394
Olin Chlor Alkaline (formerly Pioneer)	8,752,522	7,733,604	7,932,926	11,692,303	10,207,738	5,976,246	383,347	330,139	260,497
LHOIST (formerly Chemical Tronox Company)	62,531	53,158	60,431	60,153	52,184	70,022	74,523	89,454	66,033
EMD Acquisitions (formerly Tronox, LLC)	1,760,750	1,698,155	1,777,310	1,869,709	1,856,809	2,018,316	1,973,513	2,667,509	1,914,198
American Pacific Corporation	2,627,688	2,461,818	2,467,512	3,454,082	2,882,906	2,087,232	41,886	1,002	2,173
Lincoln County Power District No. 1	1,728,892	1,684,446	1,700,354	1,531,438	1,372,495	1,403,957	1,460,670	1,818,072	1,726,867
Overton Power District #5	2,562,159	2,534,041	2,301,447	2,453,914	2,040,250	2,174,710	2,351,212	2,287,432	2,285,133
Valley Electric Association	2,671,367	2,493,361	2,632,025	3,094,859	2,639,510	2,286,746	3,676,756	3,103,415	3,192,139
NV Energy (formerly Nevada Power Company)	10,607,889	11,306,542	11,497,753	11,217,704	9,234,032	9,814,515	10,134,276	11,182,056	10,590,762
City of Boulder City	3,588,478	1,294,400	1,204,679	1,251,852	1,175,756	1,258,457	1,278,026	1,400,132	1,370,511
Las Vegas Valley Water District	6,301	6,293	6,669	6,044	5,976			405,067	462,231
City of Henderson	16,804	19,143	17,961	19,831	19,070	16,947	16,089	227,417	259,669
Clark County School District								167,866	188,645
Clark County Water Reclamation District								199,424	231,372
City of Las Vegas								193,310	364,096
City of North Las Vegas								157,961	205,416
City of Mesquite								87,634	115,416
University of Nevada-Las Vegas									173,785
Small Hoover Schedule "D" customers									
Western Area Power (WAPA)									
Raw water sales	<sup>1</sup> 17,939	674	802	832	787	6,529	6,506	767	760
Other power sales	<sup>2</sup> 17,276							85,272	56,676
Total	<u>\$ 90,939,635</u>	<u>\$ 91,728,697</u>	<u>\$ 80,881,325</u>	<u>\$ 65,182,858</u>	<u>\$ 58,282,238</u>	<u>\$ 49,410,537</u>	<u>\$ 44,006,265</u>	<u>\$ 45,835,001</u>	<u>\$ 46,893,442</u>

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL REVENUE PAYERS (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2020 <sup>3</sup>					
	Water Administrative Charges	Power Administrative Charges	LCRMSCP Charges <sup>3</sup>	Power Marketing Revenues	Power Delivery Revenues	Total
	Southern Nevada Water Authority	\$ 1,294,419	\$ 127,529	\$ 50,512	\$ 2,008,396	\$ 8,369,942
Basic Water Company	5,715	34,037	29,459	356,459	565,314	990,984
Timet Metals Corporation		415,556	69,278	3,225,198	6,017,354	9,727,386
Olin Chlor Alkaline (formerly Pioneer)		6,963	2,256	117,664	109,779	236,662
LHOIST (formerly Chemical Lime Company)		3,398	1,294	46,076	10,763	61,531
EMD Acquisitions (formerly Tronox, LLC)		125,115	62,187	1,953,316	23,767	2,164,385
American Pacific Corporation						
Lincoln County Power District No. 1		89,367	46,344	1,328,943		1,464,654
Overton Power District #5		100,878	34,851	2,066,062		2,201,791
Valley Electric Association		134,741	39,146	3,834,569		4,008,456
NV Energy (formerly Nevada Power Company)		441,975	301,015	9,351,486	946,861	11,041,337
City of Boulder City		43,249	44,669	1,316,647		1,404,565
Las Vegas Valley Water District	5,440	17,181	10,103	290,762		323,486
City of Henderson	16,757	10,726	5,771	226,030		259,284
Clark County School District		5,651	3,877	16,318		25,846
Clark County Water Reclamation District		10,287	5,480	212,742		228,509
City of Las Vegas		11,014	5,964	205,818		222,796
City of North Las Vegas		3,422	2,275	78,761		84,458
City of Mesquite		1,940	1,289	44,620		47,849
University of Nevada-Las Vegas		5,327	3,617	2,660		11,604
Small Hoover Schedule "D" customers				1,001,276		1,001,276
Western Area Power (WAPA)				411,609		411,609
Raw water sales	<sup>1</sup> 814					814
Other power sales		<sup>2</sup> 1,498	998	34,681	3,525	40,702
<b>Total</b>	<u>\$ 1,323,145</u>	<u>\$ 1,589,854</u>	<u>\$ 720,385</u>	<u>\$ 28,130,093</u>	<u>\$ 16,047,305</u>	<u>\$ 47,810,782</u>

1. Raw water sales include administrative charges on a number of very small water user contracts.

2. 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).

3. 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: [crc.nv.gov](http://crc.nv.gov)

4. 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.

## COLORADO RIVER COMMISSION OF NEVADA

### RATIOS OF OUTSTANDING DEBT<sup>1, 2</sup> LAST TEN FISCAL YEARS IN THOUSANDS, EXCEPT PER CAPITA (UNAUDITED)

For the Year Ended June 30,	Hoover Uprating Refunding Bonds Series 2001	Power Uprating Refunding Bonds Series 2002	Power Delivery Refunding Bonds Series 2005I	General Obligation Refunding Bonds Series 2011B	General Obligation Refunding Bonds Series 2012E	General Obligation Refunding Bonds Series 2014E	Unamortized Premium	Unamortized Discount	Unamortized Adjustments	Total Debt
2011	\$ 6,305,000	\$ 26,165,000	\$ 60,330,000	\$ 5,545,000	\$	\$	\$ 2,410,113	\$	\$ (4,099,904)	\$ 91,110,209
2012		22,370,000	47,755,000	5,545,000			2,620,239		(3,319,228)	74,971,011
2013			47,755,000	5,545,000	17,085,000		2,915,211		(2,859,522)	70,440,689
2014			47,755,000	5,545,000	13,110,000	29,475,000	2,255,216	(173,851)		97,966,365
2015				5,545,000	8,960,000	29,475,000	758,899	(167,856)		44,571,043
2016				5,545,000	4,595,000	29,055,000	186,942	(161,861)		39,220,081
2017				5,545,000		28,635,000		(155,866)		34,024,134
2018						28,210,000		(149,872)		28,060,128
2019						27,480,000		(143,877)		27,336,123
2020						26,740,000		(137,882)		26,602,118

For the Year Ended June 30,	Charges for Services	Charges for Services to Total Debt Ratio	Total Debt as a Percentage of Personal Income <sup>3</sup>	Total Debt Per Capita <sup>3</sup>
2011	\$ 89,487,271	0.98	1.27 %	\$ 2,468
2012	90,365,938	1.21	0.97 %	1,986
2013	80,966,325	1.15	0.91 %	1,786
2014	65,182,858	0.67	1.20 %	2,498
2015	58,282,239	1.31	0.52 %	1,094
2016	51,918,260	1.32	0.44 %	930
2017	44,006,265	1.29		
2018	45,835,001	1.63		
2019	46,893,443	1.72		
2020	47,741,420	1.79		

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 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.
2. For addition information related to the Commission's debt see the Note 8 to the basic financial statements.
3. Information for years subsequent to 2016 is not available.

## COLORADO RIVER COMMISSION OF NEVADA

### AVAILABLE REVENUE DEBT COVERAGE<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Gross Revenues	Less Opertin Expenses	Add Back Depreciation	Net Available Revenues	Debt Service			Coverage
					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, such as 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)**

For the Year Ended June 30,	Personal Income			Total Labor Force <sup>5</sup>	Unemployment Rate <sup>5</sup>
	Population <sup>2</sup>	(in thousands) <sup>3,4</sup>	Per Capita Income <sup>3,4</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			1,077,435	5.2 %
2018	2,233,000			1,097,668	4.7 %
2019	2,284,616			1,123,095	4.8 %
2020	2,325,798			1,110,574	17.8 %

1. The 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 Clark County 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 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. Information for years subsequent to 2016 is not available.
3. Source: UNLV Center for Business and Economic Research, Population Forecasts, Long-Term Projections for Clark County, Nevada. For calendar year ended during fiscal year.
4. Source: U.S. Bureau of Economic Analysis. For calendar year ended during fiscal year.
5. Source: Nevada Department of Employment Training and Rehabilitation, Clark County.

## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL EMPLOYERS - CLARK COUNTY, NEVADA<sup>1,2</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2020 <sup>3</sup>		2011 <sup>4</sup>	
	Average		Average	
	Employees <sup>5</sup>	Percentage of Total Clark County Employment	Employees <sup>5</sup>	Percentage of Total Clark County Employment
Clark County School District	40,000	3.67 %	30,000 to 39,999	4.42 %
MGM Resort International	40,000	3.67 %	7,500 to 7,999	0.98 %
Caesars Entertainment	26,250	2.41 %		
Clark County, Nevada	20,000	1.83 %	8,000 to 8,499	1.17 %
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 %	8,000 to 8,499	1.17 %
Las Vegas Sands	9,500	0.87 %		
Wal-Mart	8,500	0.78 %		
Bellagio, LLC			7,500 to 7,999	1.04 %
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 percentage for principal employers		17.95 %		12.54 %
Total employment in Clark County	1,090,753		791,437	

1. The 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 Clark County 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 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. In 2018 Nevada Department of Employment Training and Rehabilitation changed the way top employers are reported by dispersing inter-company employment into single entities; and therefore, the current year data is not comparable to the data presented for nine years ago.
3. Source: Applied Analysis. Pre-COVID-19 conditions, February 2020.
4. Source: Nevada Department of Employment Training and Rehabilitation.
5. Nevada Law prohibits the publishing of exact employment numbers.
6. Total employment numbers represent averages for the first quarter of each year shown above.

**COLORADO RIVER COMMISSION OF NEVADA**

**EMPLOYEES BY DEPARTMENT<sup>1</sup>  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Department										
Executive and Administrative	<sup>5</sup> 13	13	14	13	15	12	13	14	14	13
Water	3	3	3	2	1	3	3	3	3	3
Hydropower	<sup>3</sup> 3	3	3	3	2	3	3	3	3	4
SNWS Energy Services	9	9	8	8	7	7	8	8	8	7
Power Delivery O & M	6	6	6	7	7	7	7	7	7	7
Total employees by department	<u>34</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>32</u>	<u>34</u>	<u>35</u>	<u>35</u>	<u>34</u>

1. Source: The Commission's internal human resources system.

## COLORADO RIVER COMMISSION OF NEVADA

### CAPITAL ASSET STATISTICS BY FUNCTION<sup>1, 2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Power Delivery Project and Basic Industries System <sup>3</sup>										
High-Voltage Substations										
Transmission Substations (230-kV to 69-kV)	2	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	3
Distribution Substations (69-kV to 13.8-kV)	6	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	6
Total High-Voltage 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>	<u>17</u>
Miles of Transmission Lines										
230-kV overhead lines	34	34	34	34	34	34	34	34	34	34
69-kV overhead lines	5	5	5	5	5	5	5	5	5	5
69-kV underground transmission lines	15	15	15	15	15	15	15	15	15	15
System Support Information										
Communication Network										
Miles of fiber optic cable	58	58	58	58	58	58	58	58	58	58
Microwave radio sites	3	3	3	3	3	3	3	3	3	3
Metered Facilities <sup>4</sup>	70	82	95	107	120	120	120	120	120	120
Total System Capacity in Megawatts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

1. Source: The Commission's power delivery system.

2. All power related assets are owned and used in to deliver power to the Commission's customers only.

3. 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 3rd largest transmission and distribution system within the State of Nevada. 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.

4. In addition to the metered facilities indicated in this table, Commission staff operates and maintains the metered facilities of the Southern Nevada Water Authority.



## COLORADO RIVER COMMISSION OF NEVADA

### OPERATING INDICATORS - POWER PURCHASES IN MEGAWATT HOURS<sup>1, 2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Southern Nevada Water Authority	2,637,577	2,643,331	2,486,443	2,321,270	2,172,526	2,177,152	2,253,405	2,322,323	2,311,808	2,248,303
Basic Water Company	32,456	32,010	29,886	31,788	32,517	27,754	26,685	19,621	16,133	29,600
Timet Metals Corporation	277,949	368,939	343,173	401,072	400,530	382,280	349,788	203,008	180,665	335,640
Olin Chlor Alkaline (formerly Pioneer)	248,713	237,558	222,273	272,761	243,017	180,019	9,242	5,080	2,921	5,868
LHOIST (formerly Chemical Lime Company)	2,948	2,540	2,496	2,516	2,650	2,904	2,964	2,773	2,636	2,789
EMD Acquisitions (formerly Tronox, LLC)	113,884	112,392	114,593	119,634	128,496	121,041	108,027	104,453	103,340	92,540
American Pacific Corporation	99,283	94,495	89,874	108,715	97,607	69,382	2			
Lincoln County Power District No. 1	88,844	90,337	81,905	77,581	85,067	74,362	68,127	76,200	81,009	74,602
Overton Power District #5	105,334	101,289	90,653	94,964	87,381	90,775	89,471	83,214	84,033	83,092
Valley Electric Association	115,119	114,131	109,780	117,806	100,105	102,225	137,139	119,611	109,553	133,694
NV Energy (formerly Nevada Power Company)	448,303	470,882	435,809	444,593	416,850	412,535	379,049	390,373	384,667	362,275
City of Boulder City	88,723	46,135	33,060	37,851	37,951	37,110	36,336	36,240	36,171	35,333
Las Vegas Valley Water District								11,680	14,923	14,075
City of Henderson								7,269	9,292	8,792
Clark County School District								3,960	5,010	4,757
Clark County Water Reclamation District								6,970	8,912	8,432
City of Las Vegas								7,464	9,542	9,028
City of North Las Vegas								2,323	2,964	2,805
City of Mesquite								1,305	1,690	1,590
University of Nevada-Las Vegas								3,692	4,671	4,435
Small Hoover Schedule "D" customers								1,039	1,314	1,248
<b>Total</b>	<b>4,259,133</b>	<b>4,314,039</b>	<b>4,039,945</b>	<b>4,030,551</b>	<b>3,804,697</b>	<b>3,677,539</b>	<b>3,460,235</b>	<b>3,408,598</b>	<b>3,371,254</b>	<b>3,458,898</b>

- Source: The Commission's power purchasing group.
- 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 Southern Nevada Water Authority (SNWA) and the Basic Industries complex in Henderson, Nevada. 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 a legislative mandate must be part of the SNWA customer base and are not anticipated to materially change the reported megawatt usage amounts.
- SNWA sales include water purveyor related purchases brokered by Commission employees acting on behalf of the Silver State Energy Association to provide continuity of data related to Commission customers.
- Small Hoover Schedule "D" customers include six customers, contracted in fiscal 2018, with megawatt hours under 3,000 and total sales under \$100,000.

## COLORADO RIVER COMMISSION OF NEVADA

### RISK MANAGEMENT<sup>1,2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Basic Water Company	\$ 149,367	\$ 173,867	\$ 163,009	\$ 201,006	\$ 237,115	\$ 236,944	\$ 180,079	\$ 206,701	\$ 192,164	\$ 270,984
Timet Metals Corporation	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
Olin Chlor Alkaline (formerly Pioneer)	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
LHOIST (formerly Chemical Lime Company)	21,186	13,572	14,189	14,404	14,810	17,305	18,064	23,097	18,884	18,974
Tronox, LLC	406,215	440,232	444,940	466,570	450,793	550,515	508,162	508,630		
EMD Acquisitions									750,000	750,000
American Pacific Corporation	765,495	649,990	595,928	715,446	815,289	772,170				
<b>Total</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>\$ 3,810,063</b>
							Total Collateral Posted	Cash Collateral Posted	Other Colateral Posted	Estimated Collateral Requirement for the Year Ended June 30, 2021
Basic Water Company							\$ 270,984	\$ 270,984	\$ 2,693,081	\$ 275,212
Timet Metals Corporation							2,693,081			2,002,197
Olin Chlor Alkaline (formerly Pioneer)							77,024	77,024		67,641
LHOIST (formerly Chemical Lime Company)							18,974	18,974		21,079
Tronox, LLC										
EMD Acquisitions							750,000	750,000		750,000
American Pacific Corporation										
<b>Total</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 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 to be one-fourth of the customer's gross annual purchases as calculated from October 1 through September 30 of each preceding year. Posted collateral limits the risk inherent in the Commission's utility functions and protects the state to the full extent allowed under law. All customers have posted cash, letters of credit or performance bonds as approved by the Nevada State Board of Examiners.
- Governmental and utility entities are exempt from collateral requirements.

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**COLORADO RIVER COMMISSION**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED**

**JUNE 30, 2020**

*A Component Unit of the State of Nevada*

COLORADO RIVER COMMISSION OF  
NEVADA

A COMPONENT UNIT OF THE STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
JUNE 30, 2020

PREPARED BY  
FINANCE AND ADMINISTRATION DIVISION  
LAS VEGAS, NEVADA

# COLORADO RIVER COMMISSION OF NEVADA

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# **INTRODUCTORY SECTION**



**COLORADO RIVER COMMISSION OF NEVADA**

**ELECTED AND APPOINTED OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2020**

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**STATE OF NEVADA**

Steve Sisolak  
Governor

AARON FORD  
Attorney General

CATHERINE BYRNE  
Controller

ZACG CONINE  
Treasurer

BARBARA 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  
Division Chief, Finance and Administration

ANGELA K. SLAGHTER  
Natural Resources Manager

???  
Assistant Director Energy Operations

ROBERT D. REESE  
Assistant Director Engineering and Operations

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**

January 28, 2021

To the Honorable Chairwoman, and Members of the Colorado River Commission of Nevada:

It is a pleasure for us to present the Comprehensive Annual Financial Report 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 report is published to fulfill State of Nevada (the State or Nevada) 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 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 basic financial statements are free of any material misstatements.

Eide Bailly, Certified Public Accountants and Business Advisors, audited the Commission's basic financial statements for the year ended June 30, 2020. 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.

**Profile of the Government**

The Commission has broad statutory authority to establish policy for the management of the State's 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.

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555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065

Phone: (702) 486-2670  
Fax: (702) 486-2695  
<http://crcr.nv.gov>

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:

<u>Name</u>	<u>Initial Appointment</u>	<u>Current Term</u>
Puoy K. Permsirut, Chairwoman	2013	July1, 2017 to June 30, 2020
Kara J. Kelley Vice Chairwoman	2015	July1, 2017 to June 30, 2020
Cody T. Winterton	2015	July1, 2019 to June 30, 2021
Honorable Marilyn Kirkpatrick Clark County Commissioner	2016	July16, 2020 to June 30, 2022 *
Honorable Dan H. Stewart City of Henderson Councilman	2016	July16, 2020 to June 30, 2022 *
Allen J. Puliz	2019	September 1, 2019 to June 30, 2022
Honorable Justin Jones Clark County Commissioner	2020	July16, 2020 to June 30, 2022 *

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

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.

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 in 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, Nevada. 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.

**Factors affecting Financial Contition**

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 the County. The majority of the Commission's revenues and activities occur in the County.

The County encompasses 7,927 sq uare 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.

The County's population continues to increase at a moderate rate following declines in population reported in 2009 through 2011. The most current certified population estimate (as certified by the State Governor) indicates that the County's 2019 population of 2,292,391 represents approximately 73.7% of the State's 2019 population; virtually unchanged from prior 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% from the prior year. 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 the 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 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 the Commission's 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 43rd 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 Commission's financial affairs in a responsible and professional manner.

Respectfully submitted,



Eric Witkoski  
Executive Director



Douglas N. Beatty  
Division Chief, Finance and Administration



Government Finance Officers Association

Certificate of  
Achievement  
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

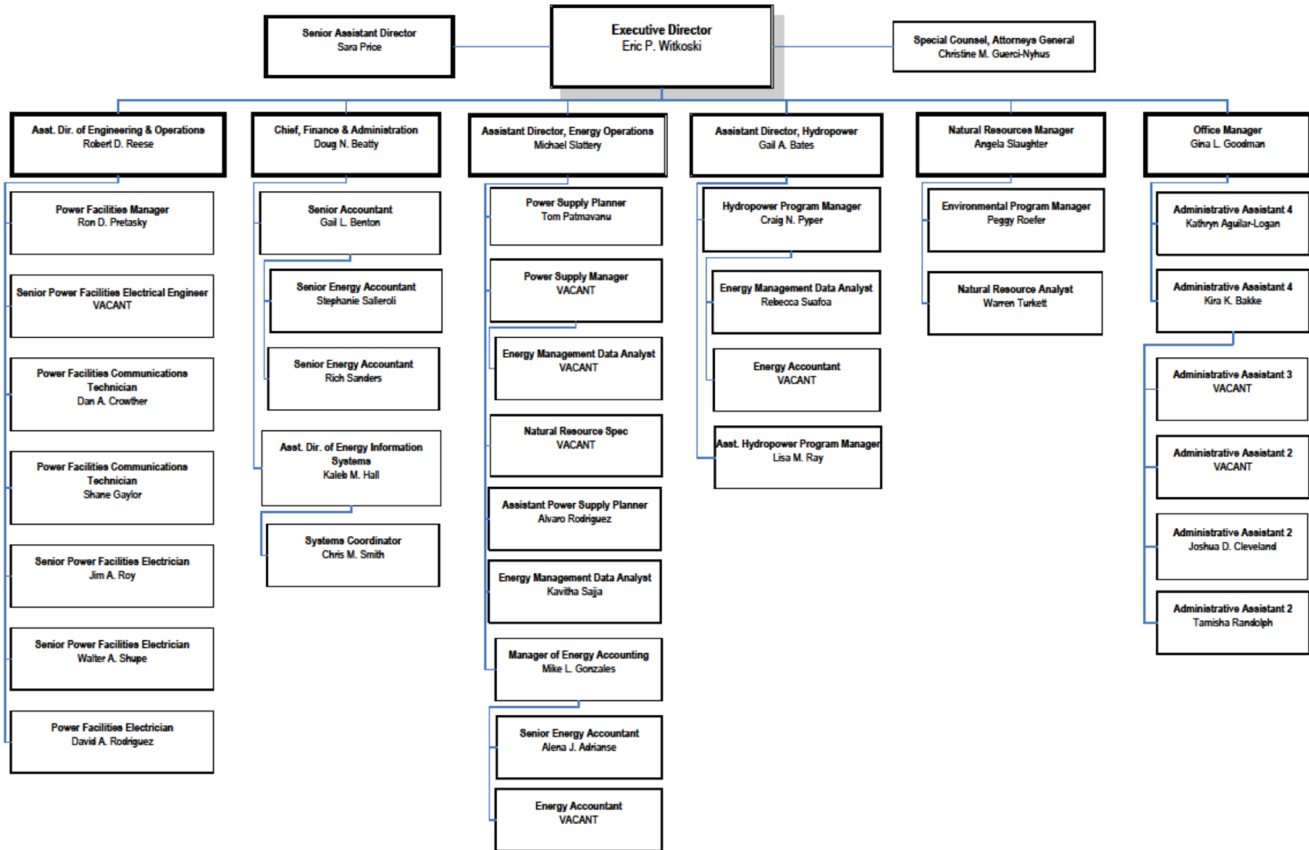
*Christopher P. Morill*

Executive Director/CEO

# COLORADO RIVER COMMISSION OF NEVADA

## ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2020



# **FINANCIAL SECTION**



**Insert Independent Auditors' Report on Financial Statements (1st page)**

**Insert Independent Auditors' Report on Financial Statements (2nd page)**

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**COLORADO RIVER COMMISSION OF NEVADA****MANAGEMENT'S DISCUSSION AND ANALYSIS****FOR THE YEAR ENDED JUNE 30, 2020**

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This section of the Comprehensive Annual Financial Report 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 basic financial statements, notes to the basic 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 was (\$5,977,420).

The net position in the business-type activities and proprietary (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 the year ended June 30, 2019, to \$14,192,971 in the year ended June 30, 2020. This was due to increased hydropower administrative charge collections, pursuant to an increase in the administrative fee late in the prior year 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 (LCRMSCP), 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 prior year. As mentioned above, this was a result of an administrative rate increase approved by the Commission in the prior year. 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:

Power marketing fund revenues decreased an insignificant amount from \$28,186,312 in the year ended June 30, 2019, to \$28,060,731 in the year ended June 30, 2020. This represents a 0.45% decrease.

Power operating expenses decreased from \$28,220,693 to \$28,095,112 from the year ended June 30, 2019, to the year ended June 30, 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 the year ended June 30, 2019, to \$16,047,305 in the year ended June 30, 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 Commission. 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 Commission will be asked to participate in a 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 Commission 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 Commission. 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. Members of the SSEA 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 (SNWA). More information about SSEA may be found at [www.silverstateenergy.org](http://www.silverstateenergy.org). The SSEA has been slowly growing and taking on new roles in the power procurement arena. SSEA first began serving the City of Boulder City as a full service provider and in April of 2013, the SSEA became the service provider for the 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 its financial statements.

### **Overview of the Financial Statements**

The Commission is a special-purpose State of Nevada (the State or Nevada) 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 SNWA, a regional governmental entity. 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. These new contracts and services began in the year ended June, 30, 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 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 maintains one special revenue fund to account for the 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 privatesector 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.

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 statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison.

The Commission maintains 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 both of these funds. However, only the general fund is considered a major fund.

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. The proprietary fund financial statements 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.

### **Notes to the Basic Financial Statements**

The notes to the basic 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.

### **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.

## Summary Statement of Net Position

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Assets						
Current	\$ 14,532,310	\$ 13,375,613	\$ 1,156,697	\$ 8,376,611	\$ 8,184,045	\$ 192,566
Noncurrent						
Restricted				2,602,818	2,501,597	101,221
Capital assets, net	10,690	16,284	(5,594)	45,162,046	47,131,765	(1,969,719)
Other				23,863,942	24,624,045	(760,103)
Total assets	<u>14,543,000</u>	<u>13,391,897</u>	<u>1,151,103</u>	<u>80,005,417</u>	<u>82,441,452</u>	<u>(2,436,035)</u>
Deferred outflows of resources	<u>1,204,667</u>	<u>1,119,016</u>	<u>85,651</u>			
Liabilities						
Current	768,081	513,667	254,414	10,106,449	9,885,315	221,134
Noncurrent	8,442,635	8,388,073	54,562	68,094,450	70,802,570	(2,708,120)
Total liabilities	<u>9,210,716</u>	<u>8,901,740</u>	<u>308,976</u>	<u>78,200,899</u>	<u>80,687,885</u>	<u>(2,486,986)</u>
Deferred inflows of resources	<u>703,413</u>	<u>583,452</u>	<u>119,961</u>			
Net position						
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
Total net position	<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 activities increased slightly from the previous year, with the majority of the change reflected in a increase in cash, as expected due to an 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 (LCRMSCP). This reserve should continue to build for the next few years until needed for program purposes.

Total assets in the business-type activities and proprietary 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 business-type activities and proprietary 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 position related to capital investment will never be significant for the Commission's business-type activities and proprietary 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 net investment in capital assets. However, all things being equal, at the end of the asset life and debt term, the Commission's net investment in capital assets should be zero.



Summary Changes in Net Position						
	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Revenues						
Program revenues						
Charges for services	\$ 3,633,384	\$ 3,186,873	\$ 446,511	\$ 44,108,038	\$ 43,706,570	\$ 401,468
General revenues						
Investment income	382,851	212,331	170,520	139,515	47,021	92,494
Gain on disposal of capital assets	2,806		2,806		7,876	(7,876)
Miscellaneous	67,385	61,251	6,134			
Total revenues	<u>4,086,426</u>	<u>3,460,455</u>	<u>625,971</u>	<u>44,247,553</u>	<u>43,761,467</u>	<u>486,086</u>
Expenses						
General government	2,853,053	2,839,717	13,336			
Research and development	425,556	408,828	16,728			
Power marketing				28,095,110	28,220,693	(125,583)
Power delivery				16,101,492	15,565,314	536,178
Total expenses	<u>3,278,609</u>	<u>3,248,545</u>	<u>30,064</u>	<u>44,196,602</u>	<u>43,786,007</u>	<u>410,595</u>
Change in net position before transfers	807,817	211,910	595,907	50,951	(24,540)	75,491
Transfers						
Change in net positions	807,817	211,910	595,907	50,951	(24,540)	75,491
Net position, beginning of year	<u>5,025,721</u>	<u>4,813,811</u>	<u>211,910</u>	<u>1,753,567</u>	<u>1,778,107</u>	<u>(24,540)</u>
Net position, end of year	<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 the prior 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.

### **Governmental Funds Financial Analysis**

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 the notes to the basic 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 (GAAP) 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 fund administrative functions are detailed below:

General Fund Administrative Funding Sources						
	2020		2019		Change	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Power administrative charges	\$ 1,589,854	26.36 %	\$ 1,025,858	19.47 %	\$ 563,996	54.98 %
Water charges	1,323,145	21.94 %	1,461,965	27.74 %	(138,820)	(9.50)%
Investment income	66,435	1.10 %	33,969	0.64 %	32,466	95.58 %
Miscellaneous	67,385	1.12 %	61,251	1.16 %	6,134	10.01 %
Total revenues	<u>3,046,819</u>	<u>50.51 %</u>	<u>2,583,043</u>	<u>49.02 %</u>	<u>463,776</u>	<u>17.95 %</u>
Salaries and overhead recovered by allocation	<u>2,985,122</u>	<u>49.49 %</u>	<u>2,686,771</u>	<u>50.98 %</u>	<u>298,351</u>	<u>11.10 %</u>
Total funding sources	<u>\$ 6,031,941</u>	<u>100.00 %</u>	<u>\$ 5,269,814</u>	<u>100.00 %</u>	<u>\$ 762,127</u>	<u>14.46 %</u>

Revenues in the Commission's general fund totaled \$2,583,043 for the year ended June 30, 2020, \$463,776 more than the \$3,046,819 realized in the year ended June 30, 2019. 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 revenue changes from the prior fiscal year is detailed below:

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

General Fund Expenditures			
	2020	2019	Change
Expenditures			
Personnell services	\$ 4,309,100	\$ 4,097,092	\$ 212,008
Travel, out-of-state	36,246	51,528	(15,282)
Travel, in-state	2,509	13,119	(10,610)
Rent and insurance	114,123	147,799	(33,676)
Dues and registration fees	75,161	61,246	13,915
Contractual services	175,603	226,436	(50,833)
Legal	609,464	555,470	53,994
Water purchases	13,258	12,229	1,029
Equipment, furniture and fixtures, non-capitalized	89,109	25,425	63,684
Other	<u>272,338</u>	<u>267,630</u>	<u>4,708</u>
Total expenditures	<u>5,696,911</u>	<u>5,457,974</u>	<u>238,937</u>
Salaries and overhead recovered by allocation	<u>(2,985,122)</u>	<u>(2,686,771)</u>	<u>(298,351)</u>
Net expenditures	<u>\$ 2,711,789</u>	<u>\$ 2,771,203</u>	<u>\$ (59,414)</u>

Net expenditures for the year ended June 30, 2020, in the general fund totaled \$2,711,789, which is \$59,414 less than the \$2,771,203 expended during the year ended June 30, 2019. The decrease can be attributed to decreases in overall operational activity, as described previously.

Research and Development Special Revenue Fund Summary Financial Information			
	2020	2019	Change
Total assets	\$ 11,869,721	\$ 11,252,399	\$ 617,322
Total liabilities	58,763	52,686	6,077
Total fund balance, end of year	11,810,958	11,199,713	611,245
Total revenues	1,036,801	877,412	159,389
Total expenditures	425,556	408,828	16,728

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 for this program are pursuant to contract.

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

Fund Balances - Governmental Funds			
	2020	2019	Change
General Fund	\$ 2,282,237	\$ 1,944,401	\$ 337,836
Research and Development Special Revenue Fund	11,810,958	11,199,713	611,245

### **General Fund Budgetary Information**

There were no significant changes to the budget for the year ended June 30, 2020. The budget to actual comparisons for the Commission's governmental funds is detailed below:

Summary of Selected General Fund Budget and Actual Information				
	Original Budget	Final Budget	Actual	Variance
Total revenues	\$ 4,708,671	\$ 4,708,671	\$ 3,046,819	\$ (1,661,852)
Total expenditures	4,668,624	4,670,924	2,711,789	1,959,135
Total fund balance, end of year	1,732,618	1,970,492	2,282,237	311,745

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.

### **Capital Assets**

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2020, is \$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.

As of June 30, 2020, the Commission's capital assets consisted of the following:

## Capital assets, net of accumulated depreciation and amortization

	Governmental Activities			Business-type Activities		
	2020	2019	Change	2020	2019	Change
Power transmission system	\$ 10,690	\$ 16,284	\$ (5,594)	\$ 44,951,348	\$ 46,944,844	\$ (1,993,496)
Automobiles and other equipment	<u>10,690</u>	<u>16,284</u>	<u>(5,594)</u>	<u>210,698</u>	<u>186,922</u>	<u>23,776</u>
Total assets	<u>\$ 10,690</u>	<u>\$ 16,284</u>	<u>\$ (5,594)</u>	<u>\$ 45,162,046</u>	<u>\$ 47,131,766</u>	<u>\$ (1,969,720)</u>

Please refer to Note 5 to the financial statements for more detailed information related to the capital assets of the Commission.

**Debt Administration**

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

## Summary of Outstanding Debt

	Average Interest Rate	Maturity Date	Outstanding Balance
Hoover Visitor Center, Series 2014E	3.80 %	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.

**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**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 14,192,972	\$ 4,241,763	\$ 18,434,735
Accounts receivable, net	15,560	1,921,600	1,937,160
Interest receivable	79,466	32,510	111,976
Internal balances *	227,765		
Prepaid items	16,547	494,454	511,001
Prepaid power		1,686,284	1,686,284
Total current assets	<u>14,532,310</u>	<u>8,376,611</u>	<u>22,681,156</u>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents		2,602,818	2,602,818
Capital assets, net of accumulated depreciation and amortization			
Power transmission system		44,951,348	44,951,348
Automobiles and other equipment	10,690	210,698	221,388
Total capital assets, net of accumulated depreciation and amortization	<u>10,690</u>	<u>45,162,046</u>	<u>45,172,736</u>
Other assets			
Prepaid power		23,863,942	23,863,942
Total noncurrent assets	<u>10,690</u>	<u>71,628,806</u>	<u>71,639,496</u>
Total assets	<u>14,543,000</u>	<u>80,005,417</u>	<u>94,320,652</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,083,150		1,083,150
Deferred outflows related to other postemployment benefits	121,517		121,517
Total deferred outflows of resources	<u>1,204,667</u>		<u>1,204,667</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	198,888	2,785,214	2,984,102
Accrued payroll	181,464		181,464
Customer payables, collateral and other deposits		2,922,918	2,922,918
Internal balances *		227,765	
Unearned revenue	58,763	3,154,988	3,213,751
Interest payable		260,564	260,564
Bonds payable		755,000	755,000
Compensated absences	328,966		328,966
Total current liabilities	<u>768,081</u>	<u>10,106,449</u>	<u>10,646,765</u>
Noncurrent liabilities			
Unearned revenue		42,247,331	42,247,331
Bonds and notes payable, net of unamortized premiums and discounts		25,847,119	25,847,119
Compensated absences	189,443		189,443
Net pension liability	5,986,027		5,986,027
Net other postemployment benefits obligation	2,267,165		2,267,165
Total noncurrent liabilities	<u>8,442,635</u>	<u>68,094,450</u>	<u>76,537,085</u>
Total liabilities	<u>9,210,716</u>	<u>78,200,899</u>	<u>87,183,850</u>

(Continued)

See notes to basic financial statements.

## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	565,680		565,680
Deferred inflows related to other postemployment benefits	137,733		137,733
Total deferred inflows of resources	703,413		703,413
NET POSITION			
Net investment in capital assets	10,690	45,162,047	45,172,737
Restricted			
Research and development	11,810,958		11,810,958
Unrestricted	(5,988,110)	(43,357,529)	(49,345,639)
Total net position	\$ 5,833,538	\$ 1,804,518	\$ 7,638,056

\* Internal balances are eliminated in consolidation. Accordingly, the amounts reported in the total column have been adjusted to remove internal balances.



## COLORADO RIVER COMMISSION OF NEVADA

### STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Change in Net Position		Total
			Governmental Activities	Business-type Activities	
FUNCTION/PROGRAM					
Governmental activities					
General government	\$ 2,853,053	\$ 2,912,999	\$ 59,946	\$	\$ 59,946
Research and development	<u>425,556</u>	<u>720,385</u>	<u>294,829</u>		<u>294,829</u>
Total governmental activities	<u>3,278,609</u>	<u>3,633,384</u>	<u>354,775</u>		<u>354,775</u>
Business-type activities					
Power marketing	28,095,110	28,060,730		(34,380)	(34,380)
Power delivery	<u>16,101,492</u>	<u>16,047,308</u>		<u>(54,184)</u>	<u>(54,184)</u>
Total business-type activities	<u>44,196,602</u>	<u>44,108,038</u>		<u>(88,564)</u>	<u>(88,564)</u>
Total	<u>\$ 47,475,211</u>	<u>\$ 47,741,422</u>	<u>\$ 354,775</u>	<u>(88,564)</u>	<u>266,211</u>
GENERAL REVENUES					
Investment income			382,851	139,515	522,366
Gain on disposal of capital assets			2,806		2,806
Miscellaneous			<u>67,385</u>		<u>67,385</u>
Total general revenues			<u>453,042</u>	<u>139,515</u>	<u>592,557</u>
CHANGE IN NET POSITION			807,817	50,951	858,768
NET POSITION, BEGINNING OF YEAR			<u>5,025,721</u>	<u>1,753,567</u>	<u>6,779,288</u>
NET POSITION, END OF YEAR			<u>\$ 5,833,538</u>	<u>\$ 1,804,518</u>	<u>\$ 7,638,056</u>

See notes to basic financial statements.

# FUND FINANCIAL STATEMENTS

## COLORADO RIVER COMMISSION OF NEVADA

### GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund Research and Development</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,389,300	\$ 11,803,672	\$ 14,192,972
Accounts receivable, net	15,560		15,560
Interest receivable	13,417	66,049	79,466
Due from other funds	227,765		227,765
Prepaid items	<u>16,547</u>		<u>16,547</u>
Total assets	<u>\$ 2,662,589</u>	<u>\$ 11,869,721</u>	<u>\$ 14,532,310</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 198,888		\$ 198,888
Accrued payroll	181,464		181,464
Unearned revenue		<u>58,763</u>	<u>58,763</u>
Total liabilities	<u>380,352</u>	<u>58,763</u>	<u>439,115</u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	16,547		16,547
Restricted for			
Research and development		11,810,958	11,810,958
Unassigned	<u>2,265,690</u>		<u>2,265,690</u>
Total fund balances	<u>2,282,237</u>	<u>11,810,958</u>	<u>14,093,195</u>
Total liabilities and fund balances	<u>\$ 2,662,589</u>	<u>\$ 11,869,721</u>	<u>\$ 14,532,310</u>

## COLORADO RIVER COMMISSION OF NEVADA

### RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2020

FUND BALANCES, GOVERNMENTAL FUNDS	\$	14,093,195
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$	152,685
Less accumulated depreciation		<u>(141,995)</u>
		10,690
Deferred outflows and inflows of resources related to pension and other postemployment benefit obligations reported in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Deferred outflows related to other postemployment benefits		121,517
Deferred inflows related to other postemployment benefits		(137,733)
Unamortized deferred outflows related to pensions		1,083,150
Unamortized deferred inflows related to pensions		<u>(565,680)</u>
		501,254
Long-term liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Compensated absences payable		(518,409)
Net other postemployment benefits obligation		(2,267,165)
Net pension liability		<u>(5,986,027)</u>
		<u>(8,771,601)</u>
NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u><u>5,833,538</u></u>

## COLORADO RIVER COMMISSION OF NEVADA

### GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund Research and Development	Total Governmental Funds
REVENUES			
Charges for services	\$ 2,912,999	\$	\$ 2,912,999
Multi-species surcharge		720,385	720,385
Investment income	66,435	316,416	382,851
Miscellaneous	67,385		67,385
Total revenues	<u>3,046,819</u>	<u>1,036,801</u>	<u>4,083,620</u>
EXPENDITURES			
General government			
Current			
Personnell services	4,309,100		4,309,100
Travel, out-of-state	36,246		36,246
Travel, in-state	2,509		2,509
Rent and insurance	114,123		114,123
Dues and registration fees	75,161		75,161
Contractual services	175,603		175,603
Legal	609,464		609,464
Water purchases	13,258		13,258
Multi-species assessment		425,556	425,556
Equipment, furniture and fixtures, non-capitalized	89,109		89,109
Other	272,338		272,338
	<u>5,696,911</u>	<u>425,556</u>	<u>6,122,467</u>
Salaries and overhead recovered by allocation	<u>(2,985,122)</u>		<u>(2,985,122)</u>
Net expenditures	<u>2,711,789</u>	<u>425,556</u>	<u>3,137,345</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>335,030</u>	<u>611,245</u>	<u>946,275</u>
OTHER FINANCING SOURCES			
Proceeds from capital asset disposal	<u>2,806</u>		<u>2,806</u>
CHANGE IN FUND BALANCE	337,836	611,245	949,081
FUND BALANCE, BEGINNING OF YEAR	<u>1,944,401</u>	<u>11,199,713</u>	<u>13,144,114</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,282,237</u>	<u>\$ 11,810,958</u>	<u>\$ 14,093,195</u>

## COLORADO RIVER COMMISSION OF NEVADA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

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CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS	\$	949,081
<p style="margin-left: 20px;">Amounts reported in the statement of activities are different because:</p>		
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:</p>		
Less current year depreciation	\$	(5,594)
		(5,594)
<p style="margin-left: 40px;">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:</p>		
Change in compensated absences payable		(60,300)
Change in net other postemployment benefits obligation and related balances		14,486
Change in net pension liability and related balances		(89,856)
		<u>(135,670)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u>807,817</u>

## COLORADO RIVER COMMISSION OF NEVADA

### GENERAL FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Power administrative charges	\$ 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
<b>Total revenues</b>	<u>4,708,671</u>	<u>4,708,671</u>	<u>3,046,819</u>	<u>(1,661,852)</u>
<b>EXPENDITURES</b>				
General government				
Current				
Personnell services	5,306,863	5,306,863	4,309,100	997,763
Travel, out-of-state	56,889	56,889	36,246	20,643
Travel, in-state	9,485	9,485	2,509	6,976
Rent and insurance	146,091	146,091	114,123	31,968
Dues and registration fees	71,215	71,215	75,161	(3,946)
Contractual services	759,207	759,207	175,603	583,604
Legal	609,844	609,844	609,464	380
Water purchases	13,255	14,155	13,258	897
Equipment, furniture and fixtures, non-capitalized	159,472	159,472	89,109	70,363
Other	261,880	263,280	272,338	(9,058)
	<u>7,394,201</u>	<u>7,396,501</u>	<u>5,696,911</u>	<u>1,699,590</u>
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>
<b>Net expenditures</b>	<u>4,668,624</u>	<u>4,670,924</u>	<u>2,711,789</u>	<u>1,959,135</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>40,047</u>	<u>37,747</u>	<u>335,030</u>	<u>297,283</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from capital asset disposal			2,806	2,806
<b>CHANGE IN FUND BALANCE</b>	40,047	37,747	337,836	300,089
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,692,571</u>	<u>1,932,745</u>	<u>1,944,401</u>	<u>11,656</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,732,618</u>	<u>\$ 1,970,492</u>	<u>\$ 2,282,237</u>	<u>\$ 311,745</u>

**COLORADO RIVER COMMISSION OF NEVADA**

**RESEARCH AND DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Multi-species surcharge	\$ 749,016	\$ 749,016	\$ 720,385	\$ (28,631)
Investment income	<u>185,520</u>	<u>218,447</u>	<u>316,416</u>	<u>97,969</u>
Total revenues	<u>934,536</u>	<u>967,463</u>	<u>1,036,801</u>	<u>69,338</u>
EXPENDITURES				
General government				
Current				
Multi-species assessment	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
Total expenditures	<u>978,948</u>	<u>978,948</u>	<u>425,556</u>	<u>553,392</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(44,412)</u>	<u>(11,485)</u>	<u>611,245</u>	<u>622,730</u>
CHANGE IN FUND BALANCE	(44,412)	(11,485)	611,245	622,730
FUND BALANCE, BEGINNING OF YEAR	<u>10,557,285</u>	<u>11,184,879</u>	<u>11,199,713</u>	<u>14,834</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,512,873</u>	<u>\$ 11,173,394</u>	<u>\$ 11,810,958</u>	<u>\$ 637,564</u>



## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 2,669,071	\$ 1,572,692	\$ 4,241,763
Accounts receivable, net	886,626	1,034,974	1,921,600
Interest receivable	24,532	7,978	32,510
Prepaid items	444,647	49,807	494,454
Prepaid power	1,686,284		1,686,284
Total current assets	<u>5,711,160</u>	<u>2,665,451</u>	<u>8,376,611</u>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	2,281,098	321,720	2,602,818
Capital assets, net of accumulated depreciation and amortization			
Power transmission system	6,887,139	38,064,209	44,951,348
Automobiles and other equipment		210,698	210,698
Total capital assets, net of accumulated depreciation and amortization	<u>6,887,139</u>	<u>38,274,907</u>	<u>45,162,046</u>
Other assets			
Prepaid power	23,863,942		23,863,942
Total noncurrent assets	<u>33,032,179</u>	<u>38,596,627</u>	<u>71,628,806</u>
Total assets	<u>38,743,339</u>	<u>41,262,078</u>	<u>80,005,417</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,809,537	975,677	2,785,214
Customer payables, collateral and other deposits	1,229,546	1,693,372	2,922,918
Due to other funds	17,534	210,231	227,765
Unearned revenue	1,429,554	1,725,434	3,154,988
Interest payable	260,564		260,564
Bonds payable	755,000		755,000
Total current liabilities	<u>5,501,735</u>	<u>4,604,714</u>	<u>10,106,449</u>
Noncurrent liabilities			
Unearned revenue	5,858,748	36,388,583	42,247,331
Bonds and notes payable, net of unamortized premiums and discounts	25,847,119		25,847,119
Total noncurrent liabilities	<u>31,705,867</u>	<u>36,388,583</u>	<u>68,094,450</u>
Total liabilities	<u>37,207,602</u>	<u>40,993,297</u>	<u>78,200,899</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,887,139	38,274,908	45,162,047
Restricted			
Unrestricted	<u>(5,351,402)</u>	<u>(38,006,127)</u>	<u>(43,357,529)</u>
Total net position	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
OPERATING REVENUES			
Power sales	\$ 28,060,730	\$ 16,047,308	\$ 44,108,038
OPERATING EXPENSES			
Power purchases	25,817,589	11,173,479	36,991,068
Prepaid power advances	1,684,284		1,684,284
General administration	275,369	3,198,198	3,473,567
Depreciation	317,868	1,729,815	2,047,683
Total operating expenses	<u>28,095,110</u>	<u>16,101,492</u>	<u>44,196,602</u>
Operating loss	<u>(34,380)</u>	<u>(54,184)</u>	<u>(88,564)</u>
NONOPERATING REVENUES			
Investment income	<u>93,903</u>	<u>45,612</u>	<u>139,515</u>
CHANGE IN NET POSITION	59,523	(8,572)	50,951
NET POSITION, BEGINNING OF YEAR	<u>1,476,214</u>	<u>277,353</u>	<u>1,753,567</u>
NET POSITION, END OF YEAR	<u>\$ 1,535,737</u>	<u>\$ 268,781</u>	<u>\$ 1,804,518</u>

## COLORADO RIVER COMMISSION OF NEVADA

### PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities		
	Power Marketing	Power Delivery	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 27,404,177	\$ 14,056,542	\$ 41,460,719
Cash received from interfund services	12,996		12,996
Cash payments for goods and services	(26,186,126)	(14,027,539)	(40,213,665)
Cash payments for interfund services		(27,977)	(27,977)
Net cash provided by operating activities	<u>1,231,047</u>	<u>1,026</u>	<u>1,232,073</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Principal payments on debt	(740,000)		(740,000)
Interest payments on debt	(1,049,840)		(1,049,840)
Net cash provided by (used in) noncapital financing activities	<u>(1,789,840)</u>		<u>(1,789,840)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets		(77,964)	(77,964)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	113,449	51,623	165,072
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(445,344)	(25,315)	(470,659)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,395,515</u>	<u>1,919,726</u>	<u>7,315,241</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>			
Cash and cash equivalents, unrestricted	2,669,071	1,572,692	4,241,763
Cash and cash equivalents, restricted	2,281,098	321,720	2,602,818
	<u>\$ 4,950,169</u>	<u>\$ 1,894,412</u>	<u>\$ 6,844,581</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (34,380)	\$ (54,184)	\$ (88,564)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	317,868	1,729,815	2,047,683
Amortization of prepaid power	1,809,943		1,809,943
Amortization of power transmission unearned revenue	(283,488)	(1,675,628)	(1,959,116)
Amortization of bond premiums and discounts	5,996		5,996
(Increase) decrease in operating assets			
Accounts receivable	(313,339)	(270,009)	(583,348)
Prepaid items	39,428	(3,337)	36,091
Increase (decrease) in operating liabilities			
Accounts payable	(50,071)	32,611	(17,460)
Customer payables, collateral and other deposits	(210,388)	314,864	104,476
Due to other funds	12,996	(27,977)	(14,981)
Unearned revenue	(59,726)	(45,129)	(104,855)
Accrued interest	(3,792)		(3,792)
Total adjustments	<u>1,265,427</u>	<u>55,210</u>	<u>1,320,637</u>
Net cash provided by operating activities	<u>\$ 1,231,047</u>	<u>\$ 1,026</u>	<u>\$ 1,232,073</u>



# **NOTES TO BASIC FINANCIAL STATEMENTS**

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2020**

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**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.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation****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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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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.

(Continued)

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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**Assets and Liabilities****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 and Other Items**

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.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

**Restricted Assets**

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.

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	Years
Power transmission system	10-50
Office equipment	5
Automobiles and other equipment	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.

#### Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Commission's OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's OPEB Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Commission's OPEB Plan. For this purpose, the Commission recognizes benefit payments when due and payable in accordance with the benefit terms and investments are reported at estimated 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.

(Continued)

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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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.

**Net Position**

In the government-wide and proprietary fund financial statements 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.

**Fund Balance**

In the governmental fund financial statements fund balance is reported in the following five classifications:

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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.

Unassigned is used for by the general fund for any residual amounts not classified in the foregoing four classifications.

#### **Prioritization and Use of Available Resources**

When both restricted resources and other resources (*i.e.*, committed, assigned and unassigned) can be used for the same purposes, it is the Commission's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the Commission's policy to use committed resources first, assigned second and unassigned last.

#### **Interfund Activity**

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### **Use of Estimates**

Timely preparation of financial statements in conformity with GAAP requires management to make estimates that affect reported amounts and related disclosures. Actual results could differ significantly from those estimates.

Significant estimates that may change materially in the next year include the 1) net pension liability, 2) obligation for postemployment benefits other than pensions, and 3) deferred inflows and outflows of resources. The useful lives of capital assets is also a significant estimate that may require revision in future periods.

### **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.

(Continued)

**COLORADO RIVER COMMISSION OF NEVADA****NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED JUNE 30, 2020**

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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 10th 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.

**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.

**New Accounting Pronouncements (not yet adopted)**

ADD, IF NEEDED

**Note 3. Detailed Notes on all Funds****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% of the deposits with each financial institution.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

#### 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 cash and cash equivalents	<u><u>\$ 2,602,818</u></u>

#### Capital Assets

For the year ended June 30, 2020, capital asset activity was as follows:

	Balance June 30, 2019 (Restated)	Increases	Decreases	Balance June 30, 2020
Governmental activities				
Capital assets being depreciated or amortized				
Office furniture and fixtures	\$ 25,574	\$	(720)	\$ 24,854
Automobiles and other equipment	<u>155,251</u>	<u></u>	<u>(27,420)</u>	<u>127,831</u>
Total capital assets being depreciated or amortized	<u>180,825</u>	<u></u>	<u>(28,140)</u>	<u>152,685</u>
Accumulated depreciation and amortization				
Office furniture and fixtures	(25,574)		720	(24,854)
Automobiles and other equipment	<u>(138,967)</u>	<u>(5,594)</u>	<u>27,420</u>	<u>(117,141)</u>
Total accumulated depreciation and amortization	<u>(164,541)</u>	<u>(5,594)</u>	<u>28,140</u>	<u>(141,995)</u>
Total capital assets being depreciated or amortized, net	<u>16,284</u>	<u>(5,594)</u>	<u></u>	<u>10,690</u>
Total governmental activities	<u>\$ 16,284</u>	<u>\$ (5,594)</u>	<u>\$</u>	<u>\$ 10,690</u>
	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Business-type activities				
Capital assets being depreciated or amortized				
Power transmission system	\$ 88,278,265	\$	\$	\$ 88,278,265
Automobiles and other equipment	<u>430,100</u>	<u>77,964</u>	<u></u>	<u>508,064</u>
Total capital assets being depreciated or amortized	<u>88,708,365</u>	<u>77,964</u>	<u></u>	<u>88,786,329</u>
Accumulated depreciation and amortization				
Power transmission system	(41,333,422)	(1,993,496)		(43,326,917)
Automobiles and other equipment	<u>(243,179)</u>	<u>(54,186)</u>	<u></u>	<u>(297,366)</u>
Total accumulated depreciation and amortization	<u>(41,576,601)</u>	<u>(2,047,682)</u>	<u></u>	<u>(43,624,283)</u>
Total capital assets being depreciated or amortized, net	<u>47,131,764</u>	<u>(1,969,718)</u>	<u></u>	<u>45,162,046</u>
Total business-type activities	<u>\$ 47,131,764</u>	<u>\$ (1,969,718)</u>	<u>\$</u>	<u>\$ 45,162,046</u>

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

For the year ended June 30, 2020, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ <u>5,594</u>
Business-type activities	
Power marketing	\$ 317,867
Power delivery	<u>1,729,815</u>
Total depreciation expense, business-type activities	\$ <u>2,047,682</u>

#### **Due To and From Other Funds**

At June 30, 2020, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 227,765	\$
Power Marketing Enterprise Fund		17,534
Power Delivery Enterprise Fund		<u>210,231</u>
	<u>227,765</u>	<u>227,765</u>

#### **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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, \$44,206,444 of the total unearned revenue balance 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.

Unearned revenue at June 30, 2020, will be recognized as follows:

<u>For the Year Ended June 30,</u>		
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 - 2055		<u>225,287</u>
	\$	<u>44,206,444</u>

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.

### **Long-term Liabilities**

#### **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%.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

Outstanding long-term debt obligations at June 30, 2020, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>
Business-type activities				
General Obligation Bonds				
General obligation refunding series 2014E	2015 - 2043	0.50 to 4.25%	\$ <u>28,425,000</u>	\$ <u>26,740,000</u>

Annual debt service requirements at June 30, 2020, were as follows:

<u>For the Year Ended June 30,</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 755,000	\$ 1,033,573
2022	770,000	1,014,880
2023	800,000	993,670
2024	815,000	970,653
2025	835,000	945,058
2026 - 2030	4,655,000	4,257,998
2031 - 2035	5,610,000	3,265,808
2036 - 2040	6,580,000	1,960,525
2041 - 2045	<u>5,920,000</u>	<u>515,950</u>
	<u>\$ 26,740,000</u>	<u>\$ 14,958,115</u>

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

Changes in long-term liabilities for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental activities					
Compensated absences	\$ 458,109	\$ 246,616	\$ (186,316)	\$ 518,409	\$ 328,966
Net pension liability	5,993,734	536,703	(544,410)	5,986,027	
Postemployment benefits other than pensions	<u>2,218,398</u>	<u>172,365</u>	<u>(123,598)</u>	<u>2,267,165</u>	
Total governmental activities	<u>8,670,241</u>	<u>955,684</u>	<u>(854,324)</u>	<u>8,771,601</u>	<u>328,966</u>
Business-type activities					
General Obligation Bonds					
General obligation refunding series 2014E	<u>27,480,000</u>		<u>(740,000)</u>	<u>26,740,000</u>	<u>755,000</u>
Total general obligation bonds	<u>27,480,000</u>		<u>(740,000)</u>	<u>26,740,000</u>	<u>755,000</u>
Unamortized bond discounts	<u>(143,877)</u>		<u>5,995</u>	<u>(137,882)</u>	
Total business-type activities	<u>27,336,123</u>		<u>(734,005)</u>	<u>26,602,118</u>	<u>755,000</u>
Total long-term liabilities	<u>\$ 36,006,364</u>	<u>\$ 955,684</u>	<u>\$ (1,588,329)</u>	<u>\$ 35,373,719</u>	<u>\$ 1,083,966</u>

The net pension liability, compensated absences and pension and net other postemployment benefits obligation are paid by the general fund.

#### Arbitrage Rebate Requirement

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

#### Debt Covenants

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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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 4. Other Information

##### Commitments and Contingencies

###### 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.

###### 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.

##### 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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### 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:

Actuarial valuation date	June 30, 2019
Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
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

At June 30, 2020, mortality rates and projected life expectancies were based on the following:

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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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 *
U.S. stocks	42 %	5.50 %
International stocks	18 %	5.50 %
U.S. bonds	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.

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

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
Differences between expected and actual experience	\$ 224,469	\$ 172,659
Changes of assumptions	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 made subsequent to the measurement date	465,000	
	\$ 1,083,150	\$ 565,680

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 actuarial valuation date totaling \$465,000 will be recognized as a reduction of the net pension liability in the year beginning July 1, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,			
2021	\$	24,306	
2022		(101,880)	
2023		51,313	
2024		44,825	
2025		29,417	
Thereafter		4,489	
	\$	52,470	

At June 30, 2020 \$\_\_\_\_\_ was payable to PERS for the June 2020 required contributions.

#### **Postemployment Benefits Other Than Pensions (OPEB)**

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 required supplemental information. This report may be obtained by writing:

Public Employee Benefit Plan  
901 South Stewart Street, Suite 1001  
Carson City, NV 89701

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020 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%.

For the year ended June 30, 2020, the Commission's OPEB expense was \$123,598 and its reported deferred outflows and inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 48,851	\$ 96,842
Net difference between projected and actual earnings on investments		40,891
Contributions made subsequent to the measurement date	72,666	
	\$ 121,517	\$ 137,733

(Continued)

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2020

Deferred outflows of resources related to pensions resulting from contributions subsequent to the actuarial valuation date totaling \$72,666 will be recognized as a reduction of the net OPEB obligation in the year beginning July 1, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>For the Year Ending June 30,</u>		
2021	\$	(45,278)
2022		(37,633)
2023		(7,660)
2024		<u>1,689</u>
	\$	<u><u>(88,882)</u></u>

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:

Actuarial valuation date	June 30, 2019
Inflation rate	2.50%
Investment rate of return	3.51%
Projected salary increases	0.50% productivity pay increase 2.68% average promotional and merit salary

At June 30, 2020, mortality rates and projected life expectancies were based on the following:

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, 2019, 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%) or 1-percentage-point higher (4.51%) than the current discount rate:

	<u>1% Decrease in</u>	<u>Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in</u>
	Discount Rate	Discount Rate	Discount Rate	Discount Rate
Net other postemployment benefits obligation	\$ 2,499,732	\$ 2,267,166	\$	2,065,390

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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 Cost Rate	Healthcare Cost Rate	1% Increase in Healthcare Cost Rate
Net other postemployment benefits obligation	\$ 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.

#### **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  
Silver State Energy Association  
P.O. Box 99956, MS 115  
Las Vegas, Nevada 89193-9956

#### **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, are appointed by the Nevada 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. For the year ended June 30, 2020, the Commission received revenues from the SNWA for power and water resources of \$11,850,79, but made no payments to the SNWA for any purpose. In addition, the Commission's works with other public entities, states, and governmental entities in fulfilling its statutory responsibilities; however, no other entity has representatives on the Commission's Board.

The SNWA publishes a Comprehensive Annual Financial Report which can be seen on their website at SNWA.com.

# **REQUIRED SUPPLEMENTARY INFORMATION**

## COLORADO RIVER COMMISSION OF NEVADA

### MULTIPLE-EMPLOYER, COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>Valuation Date June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
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 %

1. 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 information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

## COLORADO RIVER COMMISSION OF NEVADA

### MULTIPLE-EMPLOYER, COST-SHARING DEFINED BENEFIT PENSION PLAN STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$ 527,504	\$ 527,504	\$	\$ 2,348,229	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	4,993	3,091,661	15.04 %

1. 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 information becomes available, this schedule will ultimately present information for the ten most recent measurement years.

## COLORADO RIVER COMMISSION OF NEVADA

### POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB OBLIGATION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Measurement Year Ended June 30,</u>	<u>Proportion of the Collective Net OPEB Obligation</u>	<u>Proportion of the Collective Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>Proportion of the Collective Net OPEB Obligation as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Net OPEB Obligation</u>
2018	0.17400 %	\$ 2,261,443	\$ 2,891,310	78.22 %	11.33 %
2019	0.16750 %	2,218,398	3,167,417	70.04 %	0.12 %
2020	0.16270 %	2,267,166	3,105,221	73.01 %	0.02 %

1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

**COLORADO RIVER COMMISSION OF NEVADA**

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**CONTRACTUALLY REQUIRED CONTRIBUTION INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS<sup>1</sup>**

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	Contractually Required Contribution	Contributions in relation to the Contractually Required Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 68,235	\$ 66,117	\$ (2,118)	\$ 2,749,712	2.40 %
2019	52,354	69,279	16,925	3,167,417	2.19 %
2020	72,662	72,666	4	3,105,221	2.34 %

1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
2. The Public Employee Benefit Program is funded on a pay-as-you-go basis; and therefore, the actuary did not determine contributions for this plan.
3. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

## COLORADO RIVER COMMISSION OF NEVADA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

#### FOR THE YEAR ENDED JUNE 30, 2020

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##### **Note 1. Multiple-employer, Cost-sharing Defined Benefit Pension Plan**

For the year ended June 30, 2020, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2019.

The actuarial valuation report dated June 30, 2014, was the first valuation for the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional information related to multiple-employer, cost-sharing defined benefit pension plan can be found in Notes 1 and 4 to the basic financial statements.

##### **Note 2. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2020, no significant events occurred that effected the benefit provision, size or composition of those covered by the postemployment benefit plans.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

Additional information related to postemployment benefits other than pensions can be found in Notes 1 and 4 to the basic financial statements.

**Insert Independent Auditors' *Government Auditing Standards* Report (1st page)**



**Insert Independent Auditors' *Government Auditing Standards* Report (2nd page)**

# STATISTICAL SECTION

# COLORADO RIVER COMMISSION OF NEVADA

## STATISTICAL INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2020

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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 and should be read in conjunction with the financial statements, note disclosures, and required supplementary information. This information is presented in the following general areas:

#### Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances - Governmental Funds
- Changes in Fund Balances - Governmental Funds

#### Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess 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.

- Principal Revenue Payers

#### Debt Capacity

The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Available Revenue Debt Coverage

#### Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the general environment within which financial activities take place.

- Demographic Statistics - Clark County, Nevada
- Principal Employers - Clark County, Nevada

#### Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the financial statements, note disclosures, and required supplementary information relates to services provided and activities performed.

- Employees by Department
- Capital Asset Statistics by Function
- Operating Indicators - Power Purchases in Megawatt Hours
- Risk Management

## COLORADO RIVER COMMISSION OF NEVADA

### NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Governmental activities										
Net investment in capital assets	\$ 35,121	\$ 19,196	\$ 10,925	\$ 7,673	\$ 4,887	\$ 2,102	\$ 21,878	\$ 16,284	\$ 10,690	\$ 10,690
Restricted	2,139,130	3,468,550	5,203,611	8,125,768	9,537,522	9,882,973	10,276,431	10,731,129	11,199,713	11,810,958
Unrestricted	1,924,972	2,573,169	2,955,658	2,712,559	(4,203,575)	(3,350,978)	(6,392,441)	(5,857,560)	(6,190,276)	(5,988,110)
Total governmental activities	<u>4,099,223</u>	<u>6,060,915</u>	<u>8,170,194</u>	<u>10,846,000</u>	<u>5,338,834</u>	<u>6,534,097</u>	<u>3,883,990</u>	<u>4,895,447</u>	<u>5,025,721</u>	<u>5,833,538</u>
Business-type activities										
Net investment in capital assets	(4,219,164)	5,979,847	3,854,233	1,728,620	46,451,402	52,621,510	50,398,692	49,057,477	47,131,765	45,162,047
Restricted	710,738	711,014	711,215	712,019	712,991	714,403	929,332	(47,279,370)	(45,378,198)	(43,357,529)
Unrestricted	8,484,670	(1,108,611)	(3,137,388)	(5,470,443)	(46,037,051)	(51,815,787)	(49,660,384)	(47,279,370)	(45,378,198)	(43,357,529)
Total business-type activities	<u>4,976,244</u>	<u>5,582,250</u>	<u>1,428,060</u>	<u>(3,029,804)</u>	<u>1,127,342</u>	<u>1,520,126</u>	<u>1,667,640</u>	<u>1,778,107</u>	<u>1,753,567</u>	<u>1,804,518</u>
Primary government										
Net investment in capital assets	(4,184,043)	5,999,043	3,865,158	1,736,293	46,456,289	52,623,612	50,398,692	49,079,355	47,148,049	45,172,737
Restricted	2,849,868	4,179,564	5,914,826	8,837,787	10,250,513	10,597,376	11,205,763	10,731,129	11,199,713	11,810,958
Unrestricted	10,409,642	1,464,558	(181,730)	(2,757,884)	(50,240,626)	(55,166,765)	(56,052,825)	(53,136,930)	(51,568,474)	(49,345,639)
Total primary government	<u>\$ 9,075,467</u>	<u>\$ 11,643,165</u>	<u>\$ 9,598,254</u>	<u>\$ 7,816,196</u>	<u>\$ 6,466,176</u>	<u>\$ 8,054,223</u>	<u>\$ 5,551,630</u>	<u>\$ 6,673,554</u>	<u>\$ 6,779,288</u>	<u>\$ 7,638,056</u>

## COLORADO RIVER COMMISSION OF NEVADA

### CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>Expenses</b>										
Governmental activities										
General government	\$ 2,306,101	\$ 1,901,012	\$ 2,058,890	\$ 2,595,457	\$ 2,637,347	\$ 2,620,776	\$ 3,371,208	\$ 2,323,521	\$ 3,248,545	\$ 3,278,609
Business-type activities										
Power marketing	41,483,124	40,490,639	41,041,108	27,386,283	25,179,606	24,642,788	25,967,737	28,828,579	28,220,693	28,095,112
Power delivery	45,904,714	46,921,205	39,959,001	36,891,400	32,812,396	23,277,768	15,096,211	14,082,693	15,565,314	16,101,489
Total business-type activities	<u>87,387,838</u>	<u>87,411,844</u>	<u>81,000,109</u>	<u>64,277,683</u>	<u>57,992,002</u>	<u>47,920,556</u>	<u>41,063,948</u>	<u>42,911,272</u>	<u>43,786,007</u>	<u>44,196,601</u>
Total primary government expenses	<u>\$ 89,693,939</u>	<u>\$ 89,312,856</u>	<u>\$ 83,058,999</u>	<u>\$ 66,873,140</u>	<u>\$ 60,629,349</u>	<u>\$ 50,541,332</u>	<u>\$ 44,435,156</u>	<u>\$ 45,234,793</u>	<u>\$ 47,034,552</u>	<u>\$ 47,475,210</u>
<b>Program revenues</b>										
Governmental activities										
Charges for services	\$ 1,219,897	\$ 1,259,804	\$ 1,167,674	\$ 1,140,050	\$ 220,817	\$ 1,141,701	\$ 926,483	\$ 900,715	\$ 1,025,858	\$ 1,589,854
Operating grants and contributions	752,854	1,169,246	1,229,732	1,060,171	1,153,359	1,858,749	1,236,371	1,470,968	1,461,965	1,323,145
Capital grants and contributions	1,375,160	1,362,759	1,741,478	3,000,783	1,263,002	668,686	673,629	626,623	699,050	720,385
Total governmental activities	<u>3,347,911</u>	<u>3,791,809</u>	<u>4,138,884</u>	<u>5,201,004</u>	<u>2,637,178</u>	<u>3,669,136</u>	<u>2,836,483</u>	<u>2,998,306</u>	<u>3,186,873</u>	<u>3,633,384</u>
Business-type activities										
Charges for services	87,514,520	87,936,888	76,767,441	59,981,854	55,645,061	48,249,124	41,169,782	42,836,695	43,706,570	44,108,036
Total primary government program revenues	<u>\$ 90,862,431</u>	<u>\$ 91,728,697</u>	<u>\$ 80,906,325</u>	<u>\$ 65,182,858</u>	<u>\$ 58,282,239</u>	<u>\$ 51,918,260</u>	<u>\$ 44,006,265</u>	<u>\$ 45,835,001</u>	<u>\$ 46,893,443</u>	<u>\$ 47,741,420</u>
<b>Net (expenses) program revenues</b>										
Governmental activities	\$ 1,041,810	\$ 1,890,797	\$ 2,079,994	\$ 2,605,547	\$ (169)	\$ 1,048,360	\$ (534,725)	\$ 674,785	\$ (61,672)	\$ 354,775
Business-type activities	126,682	525,044	(4,232,668)	(4,295,829)	(2,346,941)	328,568	105,834	(74,577)	(79,437)	(88,565)
Primary government	<u>\$ 1,168,492</u>	<u>\$ 2,415,841</u>	<u>\$ (2,152,674)</u>	<u>\$ (1,690,282)</u>	<u>\$ (2,347,110)</u>	<u>\$ 1,376,928</u>	<u>\$ (428,891)</u>	<u>\$ 600,208</u>	<u>\$ (141,109)</u>	<u>\$ 266,210</u>
<b>General revenues and other changes in net position</b>										
Governmental activities										
Investment income	\$ 12,432	\$ 29,677	\$ 29,285	\$ 14,672	\$ 202,937	\$ 91,125	\$ 95,846	\$ 278,095	\$ 212,331	\$ 382,851
Miscellaneous	82,409	41,218	55,587	67,653	67,653	55,778	59,255	58,577	61,251	70,191
Total governmental activities	<u>94,841</u>	<u>70,895</u>	<u>84,872</u>	<u>82,325</u>	<u>270,590</u>	<u>146,903</u>	<u>155,101</u>	<u>336,672</u>	<u>273,582</u>	<u>453,042</u>
Business-type activities										
Investment income	2,841	12,635	78,478	12,063	171,238	55,232	41,680	185,044	47,021	139,516
Miscellaneous	34,163	68,327	4,065	4,065	8,984	8,984	-	-	-	-
Total business-type activities	<u>37,004</u>	<u>80,962</u>	<u>82,543</u>	<u>16,128</u>	<u>180,222</u>	<u>64,216</u>	<u>41,680</u>	<u>185,044</u>	<u>47,021</u>	<u>139,516</u>
Total primary government general revenues and other changes in net position	<u>\$ 131,845</u>	<u>\$ 151,857</u>	<u>\$ 107,415</u>	<u>\$ 86,387</u>	<u>\$ 441,828</u>	<u>\$ 211,119</u>	<u>\$ 196,781</u>	<u>\$ 521,716</u>	<u>\$ 320,603</u>	<u>\$ 592,558</u>
<b>Change in net position</b>										
Governmental activities	\$ 1,136,651	\$ 1,961,692	\$ 2,109,279	\$ 2,675,806	\$ 270,421	\$ 1,195,263	\$ (379,624)	\$ 1,011,457	\$ 211,910	\$ 807,817
Business-type activities	163,686	606,006	(4,154,190)	(4,279,701)	(2,175,703)	392,784	147,514	110,467	(32,416)	50,951
Primary government	<u>\$ 1,300,337</u>	<u>\$ 2,567,698</u>	<u>\$ (2,044,911)</u>	<u>\$ (1,603,895)</u>	<u>\$ (1,905,282)</u>	<u>\$ 1,588,047</u>	<u>\$ (232,110)</u>	<u>\$ 1,121,924</u>	<u>\$ 179,494</u>	<u>\$ 858,768</u>

**COLORADO RIVER COMMISSION OF NEVADA**

**FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General fund										
Unassigned	\$ <u>2,222,770</u>	\$ <u>2,878,917</u>	\$ <u>3,304,782</u>	\$ <u>3,051,126</u>	\$ <u>2,040,963</u>	\$ <u>2,938,016</u>	\$ <u>2,325,767</u>	\$ <u>2,132,561</u>	\$ <u>1,935,201</u>	\$ <u>2,265,690</u>
Other governmental funds										
Restricted	\$ <u>2,139,130</u>	\$ <u>3,468,550</u>	\$ <u>5,203,611</u>	\$ <u>8,125,768</u>	\$ <u>9,537,522</u>	\$ <u>9,882,973</u>	\$ <u>10,276,431</u>	\$ <u>10,731,129</u>	\$ <u>11,199,713</u>	\$ <u>11,810,958</u>

## COLORADO RIVER COMMISSION OF NEVADA

### CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>REVENUES</b>										
Charges for services	\$ 1,972,751	\$ 2,429,050	\$ 2,397,406	\$ 2,200,221	\$ 1,374,176	\$ 3,000,450	\$ 2,162,854	\$ 2,371,683	\$ 2,487,823	\$ 2,912,999
Multi-species surcharge	1,375,160	1,362,759	1,741,478	3,000,783	1,263,002	668,686	673,629	626,623	699,050	720,385
Investment income	12,432	29,677	29,285	14,672	202,937	91,125	95,846	278,095	212,331	382,851
Miscellaneous	82,409	41,218		55,587	67,653	55,778	59,255	58,577	61,251	67,385
<b>Total revenues</b>	<b>3,442,752</b>	<b>3,862,704</b>	<b>4,168,169</b>	<b>5,271,263</b>	<b>2,907,768</b>	<b>3,816,039</b>	<b>2,991,584</b>	<b>3,334,978</b>	<b>3,460,455</b>	<b>4,083,620</b>
<b>EXPENDITURES</b>										
General administration	2,267,200	1,812,067	1,974,816	2,514,358	2,491,039	2,165,754	2,838,816	2,660,273	2,758,974	2,698,531
Multi-species assessment						394,061	358,618	399,966	408,828	425,556
Water purchases	14,270	15,134	14,244	15,074	15,138	13,717	12,941	13,255	12,229	13,258
Other	25,318	49,936	18,183	73,330						
<b>Total expenditures</b>	<b>2,306,788</b>	<b>1,877,137</b>	<b>2,007,243</b>	<b>2,602,762</b>	<b>2,506,177</b>	<b>2,573,532</b>	<b>3,210,375</b>	<b>3,073,494</b>	<b>3,180,031</b>	<b>3,137,345</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,135,964</b>	<b>1,985,567</b>	<b>2,160,926</b>	<b>2,668,501</b>	<b>401,591</b>	<b>1,242,507</b>	<b>(218,791)</b>	<b>261,484</b>	<b>280,424</b>	<b>946,275</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from capital asset disposal										2,806
<b>CHANGE IN FUND BALANCE</b>	<b>\$ 1,135,964</b>	<b>\$ 1,985,567</b>	<b>\$ 2,160,926</b>	<b>\$ 2,668,501</b>	<b>\$ 401,591</b>	<b>\$ 1,242,507</b>	<b>\$ (218,791)</b>	<b>\$ 261,484</b>	<b>\$ 280,424</b>	<b>\$ 949,081</b>

## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL REVENUE PAYERS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Southern Nevada Water Authority	\$ 49,486,766	\$ 51,300,955	\$ 39,874,221	\$ 15,461,521	\$ 14,358,251	\$ 12,179,218	\$ 12,203,475	\$ 11,827,537	\$ 11,713,784
Basic Water Company	775,087	675,012	762,502	927,791	1,010,474	759,596	823,636	935,995	1,043,885
Timet Metals Corporation	6,257,186	8,467,095	8,644,733	12,140,825	11,426,000	9,358,046	9,582,350	8,667,540	10,669,394
Olin Chlor Alkaline (formerly Pioneer)	8,752,522	7,733,604	7,932,926	11,692,303	10,207,738	5,976,246	383,347	330,139	260,497
LHOIST (formerly Chemical Tronox Company)	62,531	53,158	60,431	60,153	52,184	70,022	74,523	89,454	66,033
EMD Acquisitions (formerly Tronox, LLC)	1,760,750	1,698,155	1,777,310	1,869,709	1,856,809	2,018,316	1,973,513	2,667,509	1,914,198
American Pacific Corporation	2,627,688	2,461,818	2,467,512	3,454,082	2,882,906	2,087,232	41,886	1,002	2,173
Lincoln County Power District No. 1	1,728,892	1,684,446	1,700,354	1,531,438	1,372,495	1,403,957	1,460,670	1,818,072	1,726,867
Overton Power District #5	2,562,159	2,534,041	2,301,447	2,453,914	2,040,250	2,174,710	2,351,212	2,287,432	2,285,133
Valley Electric Association	2,671,367	2,493,361	2,632,025	3,094,859	2,639,510	2,286,746	3,676,756	3,103,415	3,192,139
NV Energy (formerly Nevada Power Company)	10,607,889	11,306,542	11,497,753	11,217,704	9,234,032	9,814,515	10,134,276	11,182,056	10,590,762
City of Boulder City	3,588,478	1,294,400	1,204,679	1,251,852	1,175,756	1,258,457	1,278,026	1,400,132	1,370,511
Las Vegas Valley Water District	6,301	6,293	6,669	6,044	5,976			405,067	462,231
City of Henderson	16,804	19,143	17,961	19,831	19,070	16,947	16,089	227,417	259,669
Clark County School District								167,866	188,645
Clark County Water Reclamation District								199,424	231,372
City of Las Vegas								193,310	364,096
City of North Las Vegas								157,961	205,416
City of Mesquite								87,634	115,416
University of Nevada-Las Vegas									173,785
Small Hoover Schedule "D" customers									
Western Area Power (WAPA)									
Raw water sales	<sup>1</sup> 17,939	674	802	832	787	6,529	6,506	767	760
Other power sales	<sup>2</sup> 17,276							85,272	56,676
Total	<u>\$ 90,939,635</u>	<u>\$ 91,728,697</u>	<u>\$ 80,881,325</u>	<u>\$ 65,182,858</u>	<u>\$ 58,282,238</u>	<u>\$ 49,410,537</u>	<u>\$ 44,006,265</u>	<u>\$ 45,835,001</u>	<u>\$ 46,893,442</u>

(Continued)



## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL REVENUE PAYERS (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2020 <sup>3</sup>					
	Water Administrative Charges	Power Administrative Charges	LCRMSCP Charges <sup>3</sup>	Power Marketing Revenues	Power Delivery Revenues	Total
	Southern Nevada Water Authority	\$ 1,294,419	\$ 127,529	\$ 50,512	\$ 2,008,396	\$ 8,369,942
Basic Water Company	5,715	34,037	29,459	356,459	565,314	990,984
Timet Metals Corporation		415,556	69,278	3,225,198	6,017,354	9,727,386
Olin Chlor Alkaline (formerly Pioneer)		6,963	2,256	117,664	109,779	236,662
LHOIST (formerly Chemical Lime Company)		3,398	1,294	46,076	10,763	61,531
EMD Acquisitions (formerly Tronox, LLC)		125,115	62,187	1,953,316	23,767	2,164,385
American Pacific Corporation						
Lincoln County Power District No. 1		89,367	46,344	1,328,943		1,464,654
Overton Power District #5		100,878	34,851	2,066,062		2,201,791
Valley Electric Association		134,741	39,146	3,834,569		4,008,456
NV Energy (formerly Nevada Power Company)		441,975	301,015	9,351,486	946,861	11,041,337
City of Boulder City		43,249	44,669	1,316,647		1,404,565
Las Vegas Valley Water District	5,440	17,181	10,103	290,762		323,486
City of Henderson	16,757	10,726	5,771	226,030		259,284
Clark County School District		5,651	3,877	16,318		25,846
Clark County Water Reclamation District		10,287	5,480	212,742		228,509
City of Las Vegas		11,014	5,964	205,818		222,796
City of North Las Vegas		3,422	2,275	78,761		84,458
City of Mesquite		1,940	1,289	44,620		47,849
University of Nevada-Las Vegas		5,327	3,617	2,660		11,604
Small Hoover Schedule "D" customers				1,001,276		1,001,276
Western Area Power (WAPA)				411,609		411,609
Raw water sales	<sup>1</sup> 814					814
Other power sales		<sup>2</sup> 1,498	998	34,681	3,525	40,702
<b>Total</b>	<u>\$ 1,323,145</u>	<u>\$ 1,589,854</u>	<u>\$ 720,385</u>	<u>\$ 28,130,093</u>	<u>\$ 16,047,305</u>	<u>\$ 47,810,782</u>

1. Raw water sales include administrative charges on a number of very small water user contracts.

2. 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).

3. 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: [crc.nv.gov](http://crc.nv.gov)

4. 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.

## COLORADO RIVER COMMISSION OF NEVADA

### RATIOS OF OUTSTANDING DEBT<sup>1, 2</sup> LAST TEN FISCAL YEARS IN THOUSANDS, EXCEPT PER CAPITA (UNAUDITED)

For the Year Ended June 30,	Hoover Uprating Refunding Bonds Series 2001	Power Uprating Refunding Bonds Series 2002	Power Delivery Refunding Bonds Series 2005I	General Obligation Refunding Bonds Series 2011B	General Obligation Refunding Bonds Series 2012E	General Obligation Refunding Bonds Series 2014E	Unamortized Premium	Unamortized Discount	Unamortized Adjustments	Total Debt
2011	\$ 6,305,000	\$ 26,165,000	\$ 60,330,000	\$ 5,545,000	\$	\$	\$ 2,410,113	\$	\$ (4,099,904)	\$ 91,110,209
2012		22,370,000	47,755,000	5,545,000			2,620,239		(3,319,228)	74,971,011
2013			47,755,000	5,545,000	17,085,000		2,915,211		(2,859,522)	70,440,689
2014			47,755,000	5,545,000	13,110,000	29,475,000	2,255,216	(173,851)		97,966,365
2015				5,545,000	8,960,000	29,475,000	758,899	(167,856)		44,571,043
2016				5,545,000	4,595,000	29,055,000	186,942	(161,861)		39,220,081
2017				5,545,000		28,635,000		(155,866)		34,024,134
2018						28,210,000		(149,872)		28,060,128
2019						27,480,000		(143,877)		27,336,123
2020						26,740,000		(137,882)		26,602,118

For the Year Ended June 30,	Charges for Services	Charges for Services to Total Debt Ratio	Total Debt as a Percentage of Personal Income <sup>3</sup>	Total Debt Per Capita <sup>3</sup>
2011	\$ 89,487,271	0.98	1.27 %	\$ 2,468
2012	90,365,938	1.21	0.97 %	1,986
2013	80,966,325	1.15	0.91 %	1,786
2014	65,182,858	0.67	1.20 %	2,498
2015	58,282,239	1.31	0.52 %	1,094
2016	51,918,260	1.32	0.44 %	930
2017	44,006,265	1.29		
2018	45,835,001	1.63		
2019	46,893,443	1.72		
2020	47,741,420	1.79		

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 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.
2. For addition information related to the Commission's debt see the Note 8 to the basic financial statements.
3. Information for years subsequent to 2016 is not available.

## COLORADO RIVER COMMISSION OF NEVADA

### AVAILABLE REVENUE DEBT COVERAGE<sup>1</sup> LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Gross Revenues	Less Opertin Expenses	Add Back Depreciation	Net Available Revenues	Debt Service			Coverage
					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, such as 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)**

For the Year Ended June 30,	Personal Income			Total Labor Force <sup>5</sup>	Unemployment Rate <sup>5</sup>
	Population <sup>2</sup>	(in thousands) <sup>3,4</sup>	Per Capita Income <sup>3,4</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			1,077,435	5.2 %
2018	2,233,000			1,097,668	4.7 %
2019	2,284,616			1,123,095	4.8 %
2020	2,325,798			1,110,574	17.8 %

1. The 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 Clark County 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 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. Information for years subsequent to 2016 is not available.
3. Source: UNLV Center for Business and Economic Research, Population Forecasts, Long-Term Projections for Clark County, Nevada. For calendar year ended during fiscal year.
4. Source: U.S. Bureau of Economic Analysis. For calendar year ended during fiscal year.
5. Source: Nevada Department of Employment Training and Rehabilitation, Clark County.

## COLORADO RIVER COMMISSION OF NEVADA

### PRINCIPAL EMPLOYERS - CLARK COUNTY, NEVADA<sup>1,2</sup> CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2020 <sup>3</sup>		2011 <sup>4</sup>	
	Average		Average	
	Employees <sup>5</sup>	Percentage of Total Clark County Employment	Employees <sup>5</sup>	Percentage of Total Clark County Employment
Clark County School District	40,000	3.67 %	30,000 to 39,999	4.42 %
MGM Resort International	40,000	3.67 %	7,500 to 7,999	0.98 %
Caesars Entertainment	26,250	2.41 %		
Clark County, Nevada	20,000	1.83 %	8,000 to 8,499	1.17 %
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 %	8,000 to 8,499	1.17 %
Las Vegas Sands	9,500	0.87 %		
Wal-Mart	8,500	0.78 %		
Bellagio, LLC			7,500 to 7,999	1.04 %
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 percentage for principal employers		17.95 %		12.54 %
Total employment in Clark County	1,090,753		791,437	

1. The 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 Clark County 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 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. In 2018 Nevada Department of Employment Training and Rehabilitation changed the way top employers are reported by dispersing inter-company employment into single entities; and therefore, the current year data is not comparable to the data presented for nine years ago.
3. Source: Applied Analysis. Pre-COVID-19 conditions, February 2020.
4. Source: Nevada Department of Employment Training and Rehabilitation.
5. Nevada Law prohibits the publishing of exact employment numbers.
6. Total employment numbers represent averages for the first quarter of each year shown above.

**COLORADO RIVER COMMISSION OF NEVADA**

**EMPLOYEES BY DEPARTMENT<sup>1</sup>  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Department										
Executive and Administrative	<sup>5</sup> 13	13	14	13	15	12	13	14	14	13
Water	3	3	3	2	1	3	3	3	3	3
Hydropower	<sup>3</sup> 3	3	3	3	2	3	3	3	3	4
SNWS Energy Services	9	9	8	8	7	7	8	8	8	7
Power Delivery O & M	6	6	6	7	7	7	7	7	7	7
Total employees by department	<u>34</u>	<u>34</u>	<u>34</u>	<u>33</u>	<u>32</u>	<u>32</u>	<u>34</u>	<u>35</u>	<u>35</u>	<u>34</u>

1. Source: The Commission's internal human resources system.

## COLORADO RIVER COMMISSION OF NEVADA

### CAPITAL ASSET STATISTICS BY FUNCTION<sup>1, 2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Power Delivery Project and Basic Industries System <sup>3</sup>										
High-Voltage Substations										
Transmission Substations (230-kV to 69-kV)	2	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	3
Distribution Substations (69-kV to 13.8-kV)	6	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	6
Total High-Voltage 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>	<u>17</u>
Miles of Transmission Lines										
230-kV overhead lines	34	34	34	34	34	34	34	34	34	34
69-kV overhead lines	5	5	5	5	5	5	5	5	5	5
69-kV underground transmission lines	15	15	15	15	15	15	15	15	15	15
System Support Information										
Communication Network										
Miles of fiber optic cable	58	58	58	58	58	58	58	58	58	58
Microwave radio sites	3	3	3	3	3	3	3	3	3	3
Metered Facilities <sup>4</sup>	70	82	95	107	120	120	120	120	120	120
Total System Capacity in Megawatts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

1. Source: The Commission's power delivery system.

2. All power related assets are owned and used in to deliver power to the Commission's customers only.

3. 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 3rd largest transmission and distribution system within the State of Nevada. 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.

4. In addition to the metered facilities indicated in this table, Commission staff operates and maintains the metered facilities of the Southern Nevada Water Authority.

## COLORADO RIVER COMMISSION OF NEVADA

### OPERATING INDICATORS - POWER PURCHASES IN MEGAWATT HOURS<sup>1, 2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Southern Nevada Water Authority	2,637,577	2,643,331	2,486,443	2,321,270	2,172,526	2,177,152	2,253,405	2,322,323	2,311,808	2,248,303
Basic Water Company	32,456	32,010	29,886	31,788	32,517	27,754	26,685	19,621	16,133	29,600
Timet Metals Corporation	277,949	368,939	343,173	401,072	400,530	382,280	349,788	203,008	180,665	335,640
Olin Chlor Alkaline (formerly Pioneer)	248,713	237,558	222,273	272,761	243,017	180,019	9,242	5,080	2,921	5,868
LHOIST (formerly Chemical Lime Company)	2,948	2,540	2,496	2,516	2,650	2,904	2,964	2,773	2,636	2,789
EMD Acquisitions (formerly Tronox, LLC)	113,884	112,392	114,593	119,634	128,496	121,041	108,027	104,453	103,340	92,540
American Pacific Corporation	99,283	94,495	89,874	108,715	97,607	69,382	2			
Lincoln County Power District No. 1	88,844	90,337	81,905	77,581	85,067	74,362	68,127	76,200	81,009	74,602
Overton Power District #5	105,334	101,289	90,653	94,964	87,381	90,775	89,471	83,214	84,033	83,092
Valley Electric Association	115,119	114,131	109,780	117,806	100,105	102,225	137,139	119,611	109,553	133,694
NV Energy (formerly Nevada Power Company)	448,303	470,882	435,809	444,593	416,850	412,535	379,049	390,373	384,667	362,275
City of Boulder City	88,723	46,135	33,060	37,851	37,951	37,110	36,336	36,240	36,171	35,333
Las Vegas Valley Water District								11,680	14,923	14,075
City of Henderson								7,269	9,292	8,792
Clark County School District								3,960	5,010	4,757
Clark County Water Reclamation District								6,970	8,912	8,432
City of Las Vegas								7,464	9,542	9,028
City of North Las Vegas								2,323	2,964	2,805
City of Mesquite								1,305	1,690	1,590
University of Nevada-Las Vegas								3,692	4,671	4,435
Small Hoover Schedule "D" customers								1,039	1,314	1,248
<b>Total</b>	<b>4,259,133</b>	<b>4,314,039</b>	<b>4,039,945</b>	<b>4,030,551</b>	<b>3,804,697</b>	<b>3,677,539</b>	<b>3,460,235</b>	<b>3,408,598</b>	<b>3,371,254</b>	<b>3,458,898</b>

- Source: The Commission's power purchasing group.
- 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 Southern Nevada Water Authority (SNWA) and the Basic Industries complex in Henderson, Nevada. 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 a legislative mandate must be part of the SNWA customer base and are not anticipated to materially change the reported megawatt usage amounts.
- SNWA sales include water purveyor related purchases brokered by Commission employees acting on behalf of the Silver State Energy Association to provide continuity of data related to Commission customers.
- Small Hoover Schedule "D" customers include six customers, contracted in fiscal 2018, with megawatt hours under 3,000 and total sales under \$100,000.



## COLORADO RIVER COMMISSION OF NEVADA

### RISK MANAGEMENT<sup>1,2</sup> LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Basic Water Company	\$ 149,367	\$ 173,867	\$ 163,009	\$ 201,006	\$ 237,115	\$ 236,944	\$ 180,079	\$ 206,701	\$ 192,164	\$ 270,984
Timet Metals Corporation	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
Olin Chlor Alkaline (formerly Pioneer)	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
LHOIST (formerly Chemical Lime Company)	21,186	13,572	14,189	14,404	14,810	17,305	18,064	23,097	18,884	18,974
Tronox, LLC	406,215	440,232	444,940	466,570	450,793	550,515	508,162	508,630		
EMD Acquisitions									750,000	750,000
American Pacific Corporation	765,495	649,990	595,928	715,446	815,289	772,170				
<b>Total</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>\$ 3,810,063</b>
							Total Collateral Posted	Cash Collateral Posted	Other Colateral Posted	Estimated Collateral Requirement for the Year Ended June 30, 2021
Basic Water Company							\$ 270,984	\$ 270,984	\$ 2,693,081	\$ 275,212
Timet Metals Corporation							2,693,081			2,002,197
Olin Chlor Alkaline (formerly Pioneer)							77,024	77,024		67,641
LHOIST (formerly Chemical Lime Company)							18,974	18,974		21,079
Tronox, LLC										
EMD Acquisitions							750,000	750,000		750,000
American Pacific Corporation										
<b>Total</b>							<b>\$ 3,810,063</b>	<b>\$ 1,116,982</b>	<b>\$ 2,693,081</b>	<b>\$ 3,116,129</b>

1. Nevada Revised Statutes 538.181(2) requires that the 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 to be one-fourth of the customer's gross annual purchases as calculated from October 1 through September 30 of each preceding year. Posted collateral limits the risk inherent in the Commission's utility functions and protects the state to the full extent allowed under law. All customers have posted cash, letters of credit or performance bonds as approved by the Nevada State Board of Examiners.
2. Governmental and utility entities are exempt from collateral requirements.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM F  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

*For Information Only:* Introduction of Moss Adams, auditors for the annual audit of the financial statements of the Colorado River Commission of Nevada for fiscal year 2021, and discussion of audit schedule and related matters.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

On April 13, 2021 Colorado River Commission of Nevada (Commission) approved a two-year contract with Moss Adams LLP for accounting and auditing services with authorization to complete the 2021 and 2022 annual financial audit, including assistance with the development of the Comprehensive Annual Financial Report (CAFR), and review of the Commission's internal controls.

Staff will introduce the auditors to the Finance and Subcommittee members and discuss audit schedules and related matters.

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM G  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM H  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Comments and questions from the Commission members.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM I  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Selection of next possible meeting date.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**

**COLORADO RIVER COMMISSION OF NEVADA  
AGENDA ITEM J  
FOR MEETING OF AUGUST 5, 2021**

**SUBJECT:**

Adjournment.

**RELATED TO AGENDA ITEM:**

None.

**RECOMMENDATION OR RECOMMENDED MOTION:**

None.

**FISCAL IMPACT:**

None.

**STAFF COMMENTS AND BACKGROUND:**