COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
COLORADO RIVER COMMISSION
OF NEVADA

A component unit of the State of Nevada

Las Vegas, Nevada

For the
FISCAL YEAR ENDED JUNE 30, 2015

Prepared by the Finance and Administration Division
under the supervision of
Douglas N. Beatty, Division Chief

STATE OF NEVADA

BRIAN SANDOVAL
Governor

ADAM PAUL LAXALT
Attorney General

RON KNECHT
Controller

DAN SCHWARTZ
Treasurer

BARBARA K. CEGAVSKE
Secretary of State

COLORADO RIVER COMMISSION

GEORGE F. OGILVIE III
Chairman

PUOY K. PREMSRIRUT
Vice Chairwoman

SAM BATEMAN
Commissioner

KARA J. KELLEY
Commissioner

DUNCAN R. MCCOY
Commissioner

STEVE SISOLAK
Commissioner

CODY WINTERTON
Commissioner

COMMISSION STAFF

JAYNE HARKINS
Executive Director

JAMES D. SALO
Deputy Executive Director

GAIL A.BATES
Energy Services Manager

DOUGLAS N. BEATTY
Chief, Finance and Administration

Natural Resources Manager

CRAIG N. PYPER
Hydropower Program Manager

ROBERT D. REESE
Assistant Director Engineering & Operation

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PUOY K. PREMSRIRUT, *Vice Chairwoman*
JAYNE HARKINS, P.E., *Executive Director*

STATE OF NEVADA

SAM BATEMAN, *Commissioner*
KARA J. KELLEY, *Commissioner*
DUNCAN R. MCCOY, *Commissioner*
STEVE SISOLAK, *Commissioner*
CODY T. WINTERTON, *Commissioner*

COLORADO RIVER COMMISSION
OF NEVADA

December 8, 2015

Honorable Chairman and
Members of the
Colorado River Commission of Nevada

It is a pleasure for us to present the Comprehensive Annual Financial Report (CAFR) of the Colorado River Commission of Nevada (the Commission) for the year ended June 30, 2015, prepared by the financial and administrative division staff. This CAFR is published to fulfill state law and bond covenants requiring such within six months of the close of each fiscal year. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. The Commission's internal controls have been developed with the assistance of the State of Nevada Controller's office. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Piercy Bowler Taylor and Kern, Certified Public Accountants and Business Advisors, audited the Commission's fiscal 2015 basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the Commission are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Commission's basic financial statements for the fiscal year ended June 30, 2015, 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.

555 E. Washington Avenue, Suite 3100, Las Vegas, Nevada 89101-1065
Phone: (702) 486-2670
Fax: (702) 486-2695
http://crc.nv.gov

THE COMMISSION

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

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

Name	Initial Appointment	Current Term
George F. Ogilvie III, Chairman	2007	7/01/13 – 6/30/16
Puoy K. Premsrirut, Vice Chairwoman	2013	7/01/14 – 6/30/17
Honorable Sam Bateman City of Henderson Councilman	2015	7/01/15 – 6/30/16 *
Kara J. Kelley	2015	1/21/15 – 6/30/17
Honorable Duncan R. McCoy, Boulder City Councilman	2009	7/01/15 – 6/30/16 *
Honorable Steve Sisolak, Clark County Commissioner	2013	7/01/15 – 6/30/16 *
Cody Winterton	2015	7/13/15 – 6/30/18

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.

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

Activities of the Commission are funded from revenue received from power and water contractors. An administrative charge is included in power sales to provide funding for power related activities. Water administrative cost reimbursements 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, the Colorado River Storage Project, and the Salt Lake City Area Integrated Project is purchased by the Commission from the federal government and sold to several contracting entities in southern Nevada, including three rural electrification associations, one municipal and one investor-owned utility, and an industrial complex near Henderson, Nevada. The Commission also seeks and contracts for available capacity and energy from alternative sources in order to meet the needs of the entities it serves. The Commission is also responsible for developing power delivery facilities and providing power, including hydropower to SNWA's treatment facilities and the Basic Industrial Complex in Henderson. The Commission's customer base is limited by state law to its current existing customers (including the power load to serve the water needs of SNWA member agencies) and those who will receive a hydropower allocation under certain allocation processes currently underway.

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 CONDITION

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

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

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

After experiencing record growth rates for many years, Clark County's population increase rate halted, with declines in population reported in 2009 through 2011. Beginning in 2012 the population began again to increase at very moderate rates. The March 1, 2015 Five-Year Report of the State Demographer indicates that the County's population for 2015 (2,088,149) represents approximately 72.7% of the State's estimated 2015 population of 2,871,934 (this percentage remains virtually unchanged from the prior year's percentage). Current projections forecast the County population to be 2,107,031 in 2016 and 2,164,799 in 2019. Nevada's estimated 2014 population was 2,843,301, with the 2015 estimated population being 2,871,934. This reflects an increase of 28,633 or 1.0%. This compares to an overall 1.0% increase reported in 2012, 2013 and 2014 (a 1.4% decrease was reported for 2011). The current demographic estimate indicates continued growth over the next several years at a rate of approximately 1% annually. The 2014 Twenty-Year Report projects the State population to reach approximately 3,329,074 in 2033.

The State experienced financial concerns as economic indicators in the State and County declined over the last several years, however indicators since 2012 show some increases. During this period state and local governments have taken steps to decrease expenditures to maintain balanced budgets. On July 15, 2015 the Nevada Department of Employment, Training, and Rehabilitation reported that Nevada's unemployment rate fell to 6.9% in June, the first time in seven years that the rate fell below 7%. The October 20, 2015 report indicated that the Clark County September rate was 6.8%. The report indicates that the State's seasonally adjusted year-to-date average rate was back at 7%. Over the whole period the revenues of the Commission have been stable, and are projected to remain so over the next year. This is primarily due to the nature of Commission resources and the very low cost of those resources to its customers.

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 funding 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 a significant portion 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 generally in the form of letters of credit issued by financial institutions acceptable to the Commission and the State Treasurer, and are at a minimum equal to three months of average power purchases by the customer. The Commission operates in close concert with all of its customers. The Commission's Energy Services group staff members are housed full-time at the SNWA offices and all customers have internet 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 in-so-far 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, 2014. This was the 38th consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

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

Jayne Harkins

Jayne Harkins, P.E.
Executive Director

Douglas N. Beatty

Douglas N. Beatty
Division Chief, Finance & 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, 2014

Executive Director/CEO

Colorado River Commission of Nevada

Functional Organization

- **Executive Director**
  Jayne Harkins, P.E.
  - **Deputy Executive Director**
    James D. Salo, Esq.
  - **Special Counsel, Attorneys General**
    Jennifer T. Crandell, Esq.
    Ann C. Pongracz, Esq.
  - **Natural Resources Program Manager**
  - **Hydropower Program Manager**
    Craig N. Pyper
  - **Energy Services Manager**
    Gail A. Bates, C.P.M.
  - **Assistant Director of Engineering & Operations**
    Robert D. Reese
  - **Chief, Finance & Administration**
    Douglas N. Beatty, CPA
  - **Office Manager**
    Judith K. Atwood

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FINANCIAL SECTION

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P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Honorable Chairman and Members of the Colorado River Commission of Nevada
Colorado River Commission
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Colorado River Commission (the Commission) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the Commission's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and proportionate share of the collective net pension liability information and proportionate share of statutorily required pension contribution information, on pages 7-15 and 49-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 8, 2015

MANAGEMENT'S DISCUSSION
AND
ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Comprehensive Annual Financial Report (CAFR) of the Colorado River Commission of Nevada (the Commission) presents management's overall analysis of financial activities for the fiscal year ended June 30, 2015. This information will provide a more complete picture of Commission activities when read in conjunction with the financial statements, notes to the financial statements and letter of transmittal.

For 2015, information included in this discussion may not be comparable to previous years due to the implementation of the Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. With the implementation of GASB 68, all information necessary to restate the 2014 financial statements in accordance with US Generally Accepted Accounting Principles was not available. This presentation, accordingly, only includes the current fiscal year.

Financial Highlights

- The assets of the Commission's two governmental funds exceed the liabilities at the close of the fiscal year by \$5,338,834 (net position). However, the restricted fund balance related to the Research and Development Fund is \$9,537,522. Thus the net position for the Commission's General Fund is (\$4,198,688). This is primarily the result of the application of GASB 68 which resulted in the recording of a net pension liability of \$4,997,140, deferred inflows of resources related to pensions of \$1,430,464 and deferred outflows of resources of \$524,901. Note that GASB 68 requires government employers participating in cost-sharing pension plans to report certain elements of the plan on their financial statements for the first time this year. The Commission participates in the Public Employer's Retirement System of Nevada (PERS) and thus now reports the net pension liability and deferred inflows/outflows on the statement of net position. GASB 68 did not create this liability or change the terms of the PERS retirement system. The unfunded PERS liability has existed for many years and been widely known but is only now required to be shown on the face of the financial statements.

- The net position in the enterprise funds decreased this year by \$2,175,703 from \$3,303,045 (as adjusted) to \$1,127,342 as expected due to contractual collections for interest expense but not for depreciation.

- Cash balances in the governmental funds increased during the year, from a reported balance of \$11,109,794 in fiscal 2014, to \$11,901,462 in 2015. This was due to increased contractual collections for habitat reserves in the Research and Development fund. The reserves are part of the Lower Colorado River Multi-Species Conservation Program which is described in more detail in this analysis.

- Revenues from the power administrative charge decreased substantially as compared to the last fiscal year due to the suspension of charges of this revenue source. The power administrative charge was suspended due to the substantial cash reserves related to the charge and the desire of the Commission to reduce the reserves and provide the benefit to the hydropower customers. The charge was suspended for ten months of the fiscal year. In addition, one of the quarterly billings for the water administration charge was suspended based on cash reserves.

- Both the power revenues and the cost of electric service provided to the Commission's customers decreased this year due to decreased levels of hydropower availability and decreased demand from the customers as the Silver State Energy Association (SSEA – see item below) now provides full service electric resources for customers who previously received power from the Commission. Revenues related to power purchases dropped from $59,981,854 in fiscal 2014 to $55,645,061 in fiscal 2015 a decrease of $4,336,793 (7.2% decrease). Expenses related to power purchases also dropped from $50,248,158 to $43,389,559 a decrease of $6,858,599 (13.6% decrease). The role of the SSEA is further described below.

- Approximately seven years ago the Commission, the City of Boulder City, Overton Power District No. 5, Lincoln County Power District No 1, and the Southern Nevada Water Authority formed a joint action agency with the goal of aggregating power load requirements and resources to take advantage of economies of scale and to participate collectively in potential electric power projects. The organization is named the Silver State Energy Association (SSEA) and information on the SSEA can be found at www.silverstateenergy.org. The organization has been slowly growing and taking on new roles in the power procurement arena. The SSEA has undertaken a number of projects and recently begun serving the City of Boulder City as a full service provider. This full service provider program reached the next historic milestone in April of 2013. As of the end of that month, the SSEA became the full service provider for the Southern Nevada Water Authority (SNWA). The SNWA also accomplished the moving of most of its electric power loads from the local utility's (Nevada Power dba NV Energy) Balancing Area to the Western Area Power Administration's Balancing Area. This milestone resulted in a major change to the financial statements of the Commission now and in the future as the purchase and sale of the electric power resources needed to supply the Southern Nevada Water Authority will now be a function of the SSEA and not a part of the Commission. As part of the full service program, Commission personnel will now serve as contract staff for the SSEA. Thus the Power Delivery Fund will provide for activities related to the transmission assets of the Power Delivery Project, for some power purchase and sales activity not related to the SNWA move, and for costs associated with staffing the SSEA but the bulk of the power purchases and sales seen in the past will cease. The levels of activity reported in this fiscal year should be indicative of levels going forward as the bulk of the resource move has now been accomplished.

- During the fiscal year the SNWA refunded the debt related to the Commission's Power Delivery System. The new debt issued by the SNWA is not a general obligation of the State of Nevada and has no recourse to the Colorado River Commission. The existing bond liability reported on the Commission's financial statements has been reclassified as a deferred liability (unearned revenue) and will be amortized to the operating revenues over the useful asset life of the Power Delivery System.

Overview of the Financial Statements

The Commission is a special-purpose State of Nevada (the State) government entity. It is empowered primarily to administer the Colorado River water resources allocated to the State by the

Federal Government, and to provide electric power resources to specific legislatively approved entities. Through the Commission, most of the water resources have been allocated to a regional governmental entity, SNWA, and the power resources are provided mostly to governmental or quasi-governmental entities with 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, will be able to serve new customers a limited amount of hydropower (approximately 11 megawatts) from Hoover Dam for a 50 year period beginning in 2017. This power will be 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. 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, while 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 other enterprise fund (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 Dam, and others) on the Colorado River. In addition to these funds, the Commission administers one special revenue type governmental fund to account for special projects.

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

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

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

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

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

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

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

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

The Commission maintains only two governmental funds, the general fund and the research and development fund. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances for the general fund and the special revenue fund. Only the general fund is considered a major fund. Fund data for the remaining special revenue fund is provided in this report.
The Commission maintains two proprietary (enterprise) funds, both of which are also considered major funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds provide the same type of information as the government-wide financial statements, but in more detail. The Commission adopts an annual budget for all funds. A budgetary comparison is provided in this report for the two governmental funds.

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

Government-wide Financial Analysis

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

Colorado River Commission's Net Position

	Governmental Activities			Business-type Activities		
	2015	2014	Change	2015	2014	Change
Current assets	$ 12,317,200	$ 11,472,222	$ 844,978	$ 19,983,578	$ 19,964,058	$ 19,520
Non-current restricted cash and cash equivalents				9,381,172	9,694,940	(313,768)
Capital assets	4,887	7,673	(2,786)	87,360,074	86,291,980	1,068,094
Deferred Outflows	524,901			279,153	2,377,149	(2,097,996)
Total assets	12,846,988	11,479,895	842,192	117,003,977	118,328,127	(1,324,150)
Current liabilities	943,422	502,198	441,224	15,597,267	28,195,566	(12,598,299)
Long-term bonds				39,220,078	93,162,365	(53,942,287)
Net Pension liability	4,997,140		4,997,140			
Other noncurrent liabilities	137,128	131,697	5,431	61,059,290		61,059,290
Deferred amounts, pension	1,430,464		1,430,464			
Total liabilities	7,508,154	633,895	6,874,259	115,876,635	121,357,931	(5,481,296)
Net assets						
Invested in capital assets, net of related debt	4,887	7,673	(2,786)	46,451,402	1,728,620	44,722,782
Restricted	9,537,522	8,125,768	1,411,754	712,991	712,019	972
Unrestricted	(4,203,575)	2,712,559	(6,916,134)	(46,037,051)	(5,470,443)	(40,566,608)
Total net assets	$ 5,338,834	$ 10,846,000	$ (5,507,166)	$ 1,127,342	$ (3,029,804)	$ 4,157,146

Note that the total assets in the governmental funds decreased from the previous year, with the majority of the decrease reflected in the current liabilities. This is primarily the result of the application of GASB 68 which resulted in the recording of a net pension liability.

Total assets in the business-type funds decreased from the previous year. The most significant portion of the decrease reflects the decrease in unamortized bond refunding charges due to the SNWA refunding the Commission's bonds related to the Power Delivery Project.

The Commission has a significant amount of capital assets in its enterprise funds. The acquisition or construction of these assets has been fully funded through the issuance of General Obligation Revenue Supported Bonds. The contracts with Commission customers provide for collections equal to the bond debt payments only. The Commission does not include depreciation expense in its charges for power. This means that the net assets related to capital investment will never be significant for the Commission's enterprise funds, no matter the cost of the assets. Also, in the early years of the asset life, when depreciation is higher than the underlying debt service, there will be a negative investment in capital assets. However, all things being equal, at the end of the asset life and debt term, the net investment should be zero.

Colorado River Commission's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2015	2014	Change	2015	2014	Change
Revenues						
Program revenues						
Administrative charges	$ 1,374,176	$ 2,200,221	$ (826,045)			
Power sales revenue						
Power marketing				$ 24,861,738	$ 27,386,283	$ (2,524,545)
Power delivery				30,783,323	32,595,571	(1,812,248)
General revenues						
Investment income (loss)	202,937	14,672	188,265	(2,021,294)	(2,254,874)	233,580
Multi-species surcharge	1,263,002	3,000,783	(1,737,781)			
Miscellaneous	67,653	55,587	12,066		4,065	(4,065)
Total revenues	2,907,768	5,271,263	(2,363,495)	53,623,767	57,731,045	(4,107,278)
Expenses						
General government	2,637,347	2,595,457	41,890			
Power purchase expenses						
Power marketing				25,179,606	27,386,283	(2,206,677)
Power delivery				30,619,864	34,624,463	(4,004,599)
Total expenses	2,637,347	2,595,457	41,890	55,799,470	62,010,746	(6,211,276)
Change in net assets	270,421	2,675,806	(2,405,385)	(2,175,703)	(4,279,701)	2,103,998
Net assets, beginning	10,846,000	8,170,194	2,675,806	(3,029,804)	1,428,060	(4,457,864)
Net position, adjustment	(5,777,587)			6,332,849	(178,163)	6,511,012
Net assets, ending	$ 5,338,834	$ 10,846,000	$ (5,507,166)	$ 1,127,342	$ (3,029,804)	$ (2,353,866)

The governmental activities of the Commission are small in comparison to the capital and power purchasing activities. The Commission's water-related efforts and other functions form the bulk of the governmental programs. These activities are funded on a current basis through administrative assessments, and the Commission carries minimal cash balances for these activities. Governmental fund expenses increased from prior year based on increases in activity for the current year. There were no requests to fund program needs within the LCRMSCP program, the State continued to decrease expenses through salary reductions and a mandatory furlough program.

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 (including administrative expenses), these activities do not contribute significant amounts to net assets. In fact, based on timing differences between collections from customers and payment to vendors, the contributions to net assets from these activities may be negative in any given year.

Financial Analysis of Government Funds.

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

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

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

Revenues of the Commission's general fund totaled $2,275,776 in fiscal 2014, $779,762 less than the $1,490,014 realized in fiscal 2015. The decrease in revenues was a result of the suspension of the power administration charge for ten months in fiscal year 2015. The Commission's revenue sources include water and power administrative billings. In addition to these two direct revenue charges, the general fund receives salary and overhead reimbursements from other Commission funds for work performed related to activities of those funds. Note that all personnel-related charges are recorded in the general fund.

Funding sources for the Commission's general administrative functions are detailed in the following table:

	2015		2014	
	Amount	Percent	Amount	Percent
Power administrative charge	$ 220,817	5.55%	$ 1,140,050	23.70%
Water administrative charge	1,153,359	29.00%	1,060,171	22.04%
Investment income	54,185	1.36%	19,968	0.42%
Miscellaneous income	67,653	1.70%	55,587	1.74%
Total revenues	1,496,014	37.61%	2,275,776	47.32%
Allocated salaries and overhead	2,481,664	62.39%	2,533,636	52.68%
All funding sources	$ 3,977,678	100.00%	$ 4,809,412	100.00%

Net expenditures of the general fund totaled $2,506,177 which is $23,255 less than the $2,529,432 expended during fiscal 2015. The overall decrease can be attributed to decreases in personnel related charges and allocations.

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

	2015	2014	Increase/ (Decrease)
Personnel	$ 3,418,753	$ 3,499,577	$ (80,824)
Travel	48,244	57,671	(9,427)
Operating	1,483,911	1,493,099	(9,188)
Equipment	36,933	12,721	24,212
Total expenditures	4,987,841	5,063,068	(75,227)
Less allocated salaries and overhead	(2,481,664)	(2,533,636)	51,972
Net expenditures	$ 2,506,177	$ 2,529,432	$ (23,255)

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

Fund	Fund Balance June 30		Increase/
	2015	2014	(Decrease)
General Fund	$ 2,040,963	$ 3,051,126	$ (1,010,163)
Research and Development Fund	9,537,522	8,125,768	1,411,754

There were no significant changes to the budget for fiscal 2015. The budget to actual comparisons indicate that the personnel costs overall were below budget, this is due to unfilled positions, and the continuation of mandatory furloughs. Outside contractual costs, while higher this year than last year, were still below budgeted amounts, resulting in lower operating costs than budgeted. This is in line with previous fiscal years and reflects the budget process which includes budgeting for all authorized positions and total allowed contract costs, which traditionally have never been fully utilized.

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 tenth year of operations under the program. In accordance with the funding contracts, current payments related to the program are now depositing substantial amounts into a reserve account for use related to species habitat in the future. This will continue for the next few years until appropriate expenditures are directed by the United States Bureau of Reclamation. All charges to Commission customers are pursuant to contract.

Capital Assets

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to $54,932,768 (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. In fiscal 2015 additional assets were identified that were constructed by the Commission's customers in 2002 and donated to the agency. These assets relate to the Basic Industries complex in Henderson and are now recorded in the Power Marketing Fund. See footnote 14 for additional information. The depreciable lives related to the Commission's automobiles and equipment are dictated by the policies and standards adopted by the State. The Commission does not have the ability to change the policies and standards related to the depreciable lives or methods on its own. Please refer to Note 5 to the financial statements for more detailed information related to the capital assets of the Commission.

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

	Governmental Activities			**Business-type Activities**		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
Power transmission system				$ 54,870,096	$ 48,409,318	$ 6,460,778
Automobiles and equipment	$ 4,887	$ 7,673	$ (2,786)	57,785	16,051	41,734
Total	$ 4,887	$ 7,673	$ (2,786)	$ 54,927,881	$ 48,425,369	$ 6,502,512

Debt Administration

As of June 30, 2015, outstanding long-term obligations of the Commission consisted of the following:

Bond Description	Average Interest Rate (%)	Maturity Date	Balance Outstanding
Hoover uprating refunding, series 2011B	5.0	2017	5,545,000
Hoover uprating refunding series 2012E	5.4	2016	8,960,000
Hoover visitor center, series 2014E	3.8	2044	29,475,000

All of the Commission's outstanding bonds are both general obligation and revenue supported (double-barreled) bonds. The Hoover visitor center bonds are taxable bonds. The bonds are backed by the full faith and credit of the State; however, they have always been, and will continue to be, self-supporting debt payable from revenues from the sale of power. Please refer to Note 7 to the financial statements for more detailed information related to debt activity of the Commission.

Litigation and Arbitration

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

Additional Information

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

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BASIC FINANCIAL STATEMENTS

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COLORADO RIVER COMMISSION

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents, unrestricted	$ 11,901,462	$ 1,714,703	$ 13,616,165
Receivables:			
Accounts	181,480	11,500,198	11,681,678
Accrued interest	15,864	14,402	30,266
Internal balances*	218,394		
Prepaid items		276,895	276,895
Current portion of prepaid power		6,477,380	6,477,380
Total current assets	12,317,200	19,983,578	32,082,384
Noncurrent assets:			
Restricted cash and cash equivalents		9,381,172	9,381,172
Capital assets:			
Depreciable property and equipment, net	4,887	54,927,881	54,932,768
Prepaid power, net of current portion		32,432,193	32,432,193
Total noncurrent assets	4,887	96,741,246	96,746,133
Total assets	12,322,087	116,724,824	128,828,517
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding charges		279,153	279,153
Deferred amounts related to pensions	524,901		524,901
Total assets and deferred outflows of resources	12,846,988	117,003,977	129,632,571
LIABILITIES			
Current liabilities:			
Accounts payable	250,132	3,536,913	3,787,045
Unearned revenue	488,583	2,645,588	3,134,171
Customer collateral and other deposits		3,395,439	3,395,439
Current portion of accrued compensated absences	204,707		204,707
Current portion of bonds payable		5,350,965	5,350,965
Internal balances*		218,394	
Accrued interest		449,968	449,968
Total current liabilities	943,422	15,597,267	16,322,295
Noncurrent liabilities:			
Bonds payable, net of current portion		39,220,078	39,220,078
Unearned revenue, net of current portion		61,059,290	61,059,290
Accrued compensated absences, net of current portion	137,128		137,128
Net pension liability	4,997,140		4,997,140
Total noncurrent liabilities	5,134,268	100,279,368	105,413,636
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	1,430,464		1,430,464
Total liabilities and deferred inflows of resources	7,508,154	115,876,635	123,166,395
NET POSITION			
Net investment in capital assets	4,887	46,451,402	46,456,289
Restricted contractually for certain operations and maintenance		712,991	712,991
Restricted for research and development	9,537,522		9,537,522
Unrestricted	(4,203,575)	(46,037,051)	(50,240,626)
Total net position	5,338,834	1,127,342	6,466,176
Total liabilities, deferred inflows of resources and net position	$ 12,846,988	$ 117,003,977	$ 129,632,571

* All internal balances are eliminated in the total column. Accordingly, total balances will not foot.

See notes to financial statements.

COLORADO RIVER COMMISSION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues	Net (Expenses) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental activities:					
General government	$ 2,637,347	$ 1,374,176	$ (1,263,171)		$ (1,263,171)
Research and development		1,263,002	1,263,002		1,263,002
	2,637,347	2,637,178	(169)		(169)
Business-type activities:					
Power marketing	25,179,606	24,861,738		$ (317,868)	(317,868)
Power delivery	32,812,396	30,783,323		(2,029,073)	(2,029,073)
	57,992,002	55,645,061		(2,346,941)	(2,346,941)
Total	$ 60,629,349	$ 58,282,239	(169)	(2,346,941)	(2,347,110)
General revenues:					
Investment income			202,937	171,238	374,175
Miscellaneous			67,653		67,653
			270,590	171,238	441,828
Change in net position			270,421	(2,175,703)	(1,905,282)
Net position, beginning:					
As previously reported			10,846,000	(3,029,804)	7,816,196
Adjustment			(5,777,587)	6,332,849	555,262
As adjusted			5,068,413	3,303,045	8,371,458
Net position, ending			$ 5,338,834	$ 1,127,342	$ 6,466,176

COLORADO RIVER COMMISSION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Research and Development Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,430,089	$ 9,471,373	$ 11,901,462
Receivables:			
Accounts	127,956	53,524	181,480
Accrued interest	3,239	12,625	15,864
Due from other funds	218,394		218,394
Total assets	$ 2,779,678	$ 9,537,522	$ 12,317,200
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 250,132		$ 250,132
Unearned revenue	488,583		488,583
Total liabilities	738,715		738,715
Fund balances:			
Unassigned	2,040,963		2,040,963
Restricted for research and development		$ 9,537,522	9,537,522
Total fund balances	2,040,963	9,537,522	11,578,485
Total liabilities and fund balances	$ 2,779,678	$ 9,537,522	

Amounts reported for governmental activities 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 the funds		4,887
Long-term liabilities that are not due and payable in the current period are not reported in the funds:		
Accrued compensated absences	$ (341,835)	
Net pension liability	(4,997,140)	
Deferred inflows of resources related to pensions	(1,430,464)	
Deferred outflows of resources related to pensions	524,901	
		(6,244,538)
Net position of governmental activities		$ 5,338,834

See notes to financial statements.

COLORADO RIVER COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Research and Development Special Revenue Fund	Total Governmental Funds
REVENUES			
Charges for services	$ 1,374,176		$ 1,374,176
Investment income	54,185	$ 148,752	202,937
Multi-species surcharge		1,263,002	1,263,002
Miscellaneous	67,653		67,653
Total revenues	1,496,014	1,411,754	2,907,768
EXPENDITURES			
Current:			
General administration	4,972,703		4,972,703
Less salaries and overhead recovered by allocation	(2,481,664)		(2,481,664)
Net general administration expenditures	2,491,039		2,491,039
Water purchases	15,138		15,138
Total expenditures	2,506,177		2,506,177
Excess (deficiency) of revenues over (under) expenditures and change in fund balances	(1,010,163)	1,411,754	401,591
Fund balances, beginning	3,051,126	8,125,768	11,176,894
Fund balances, ending	$ 2,040,963	$ 9,537,522	$ 11,578,485

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

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

Change in fund balances, governmental funds		$ 401,591
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 was greater than capital outlays in the current period.		(2,786)
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	$ (3,268)	
Change in net pension liability and related deferred outflows and inflows of resources	(125,116)	
		(128,384)
Change in net position of governmental activities		$ 270,421

COLORADO RIVER COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Power administrative charge	$ 1,366,130	$ 1,366,130	$ 220,817	$ (1,145,313)
Water charges	1,526,758	1,526,758	1,153,359	(373,399)
Investment income	6,228	9,936	54,185	44,249
Miscellaneous	60,000	60,301	67,653	7,352
Total revenues	2,959,116	2,963,125	1,496,014	(1,467,111)
EXPENDITURES				
Current:				
General government:				
Personnel services	4,415,029	4,415,029	3,418,753	996,276
Travel:				
Out-of-state	99,625	99,625	48,244	51,381
In-state	4,746	27,536	20,309	7,227
Operating:				
Rent	134,743	134,743	131,755	2,988
Dues and registration fees	64,223	64,223	86,945	(22,722)
Contractual services	680,400	710,400	597,520	112,880
Other	266,558	266,688	272,276	(5,588)
Legal	360,018	360,018	359,968	50
Equipment, furniture and software	61,611	61,611	36,933	24,678
Water purchases	15,134	16,534	15,138	1,396
Total expenditures	6,102,087	6,156,407	4,987,841	1,168,566
Less salaries and overhead recovered by allocation	(2,718,065)	(2,718,065)	(2,481,664)	(236,401)
Net expenditures	3,384,022	3,438,342	2,506,177	932,165
Deficiency of revenues under expenditures and change in fund balance	(424,906)	(475,217)	(1,010,163)	(534,946)
Fund balance, beginning	(281,130)	(583,878)	3,051,126	3,635,004
Fund balance, ending	$ (706,036)	$ (1,059,095)	$ 2,040,963	$ 3,100,058

See notes to financial statements.

COLORADO RIVER COMMISSION

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
ASSETS			
Current assets:			
Cash and cash equivalents, unrestricted	$ 673,629	$ 1,041,074	$ 1,714,703
Receivables:			
Accounts	9,151,058	2,349,140	11,500,198
Accrued interest	12,791	1,611	14,402
Prepaid items	241,212	35,683	276,895
Current portion of prepaid power	6,477,380		6,477,380
Total current assets	16,556,070	3,427,508	19,983,578
Noncurrent assets:			
Restricted cash and cash equivalents	9,180,958	200,214	9,381,172
Capital assets:			
Power transmission system, net	8,476,479	46,393,618	54,870,097
Automobiles and equipment, net		57,784	57,784
Prepaid power, net of current portion	32,432,193		32,432,193
Total noncurrent assets	50,089,630	46,651,616	96,741,246
Total assets	66,645,700	50,079,124	116,724,824
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding charges	279,153		279,153
Total assets and deferred outflows of resources	66,924,853	50,079,124	117,003,977
LIABILITIES:			
Current liabilities:			
Accounts payable	1,347,014	2,189,899	3,536,913
Current portion of unearned revenue	524,700	2,120,888	2,645,588
Customer collateral and other deposits	3,256,753	138,686	3,395,439
Current portion of bonds payable	5,350,965		5,350,965
Due to other funds	5,435	212,959	218,394
Accrued interest	449,968		449,968
Total current liabilities	10,934,835	4,662,432	15,597,267
Noncurrent liabilities:			
Bonds payable, net of current portion	39,220,078		39,220,078
Unearned revenue, net of current portion	7,276,186	53,783,104	61,059,290
Total noncurrent liabilities	46,496,264	53,783,104	100,279,368
Total liabilities	57,431,099	58,445,536	115,876,635
NET POSITION:			
Net investment in capital assets		46,451,402	46,451,402
Restricted contractually for certain operations and maintenance	712,991		712,991
Unrestricted	8,780,763	(54,817,814)	(46,037,051)
Total net position	9,493,754	(8,366,412)	1,127,342
Total liabilities and net position	$ 66,924,853	$ 50,079,124	$ 117,003,977

See notes to financial statements.

COLORADO RIVER COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
OPERATING REVENUES:			
Power sales	$ 24,861,738	$ 30,783,323	$ 55,645,061
OPERATING EXPENSES:			
Power purchases	18,329,263	25,060,296	43,389,559
Prepaid power advances	6,156,624		6,156,624
Depreciation	317,868	2,029,073	2,346,941
General administration	375,851	3,530,495	3,906,346
Total operating expenses	25,179,606	30,619,864	55,799,470
Operating income (loss)	(317,868)	163,459	(154,409)
NONOPERATING REVENUES (EXPENSES):			
Investment income	135,122	36,116	171,238
Interest expense		(2,192,532)	(2,192,532)
Change in net position	(182,746)	(1,992,957)	(2,175,703)
Net position, beginning:			
As previously reported	8,725,316	(11,755,120)	(3,029,804)
Adjustment	951,184	5,381,665	6,332,849
As adjusted	9,676,500	(6,373,455)	3,303,045
Net position, ending	$ 9,493,754	$ (8,366,412)	$ 1,127,342

See notes to financial statements.

COLORADO RIVER COMMISSION

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 25,574,201	$ 30,295,324	$ 55,869,525
Cash paid for goods and services	(19,024,333)	(29,451,449)	(48,475,782)
Net cash provided by operating activities	6,549,868	843,875	7,393,743
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interest paid (charged to prepaid power)	(1,493,538)		(1,493,538)
Proceeds from bonds (charged to prepaid power)	(162,322)		(162,322)
Principal payments reimbursed on bonds payable (charged to prepaid power)	(4,150,000)		(4,150,000)
Net cash used in noncapital financing activities	(5,805,860)		(5,805,860)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Interest paid		(2,091,746)	(2,091,746)
Acquisition of property, plant and equipment		(55,106)	(55,106)
Net cash used in capital financing activities		(2,146,852)	(2,146,852)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	129,532	36,499	166,031
Net increase (decrease) in cash and cash equivalents (Restricted and unrestricted)	873,540	(1,266,478)	(392,938)
Cash and cash equivalents, beginning	8,981,047	2,507,766	11,488,813
Cash and cash equivalents, ending	$ 9,854,587	$ 1,241,288	$ 11,095,875
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (317,868)	$ 163,459	$ (154,409)
Depreciation	317,868	2,029,073	2,346,941
Amortization of prepaid power	6,156,624		6,156,624
(Increase) decrease in operating assets:			
Accounts receivable	148,307	237,862	386,169
Prepaid items	(123,213)	(35,683)	(158,896)
Increase (decrease) in operating liabilities:			
Accounts payable	(196,737)	(928,081)	(1,124,818)
Unearned revenue	(189,870)	(342,426)	(532,296)
Customer collateral and other deposits	754,026	64,136	818,162
Due to other funds	731	38,970	39,701
Payable to customers		(383,435)	(383,435)
Net cash provided by operating activities	$ 6,549,868	$ 843,875	$ 7,393,743

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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1. Summary of significant accounting policies:

Reporting entity

The Colorado River Commission (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.

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 *general fund* as its only major governmental 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.

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, 2015, 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, 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, 2015.

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" (Note 6).

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 (Note 7) 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 as the related debt amortizes over an extended period of time. The estimated value of power to be received during the next fiscal year is classified as a current asset, prepaid power.

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 (Note 4). 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 (Note 5) are recorded at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date of donation. 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 is included as part of the capitalized value of the assets constructed. However, during the fiscal year ended June 30, 2015, none of the total interest expense incurred by the Commission ($2,192,531) was capitalized.

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

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

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

Compensated absences

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

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

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.

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, 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, before 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.

Bond covenants

Following is a brief summary of the covenants included in the bond resolutions (Notes 4 and 7) 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 maturity 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, 2015, the Commission complied with all requirements of the bond covenants.

3. Cash deposits:

At June 30, 2015, the Commission's carrying amount ("book value") of restricted and unrestricted cash and cash equivalents was $22,997,337 and the State Treasurer's balance was $23,023,441. 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.

4. Restricted cash and cash equivalents:

Cash and cash equivalents restricted at June 30, 2015, by bond covenants or contractual agreements are summarized as follows:

Restricted for:	
Debt service	$ 4,038,718
Reserve for revenue insufficiency	2,126,047
Cash held by contractual agreement	3,216,407
Total restricted	$ 9,381,172

5. Capital assets:

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances (restated)	Increase	Decrease	Ending Balances
Governmental activities				
Capital assets being depreciated				
Office equipment	$ 85,645			$ 85,645
Office furniture and fixtures	28,539			28,539
Automobiles	128,517		$ 19,991	108,526
Total capital assets being depreciated	242,701		19,991	222,710
Less accumulated depreciation				
Office equipment	85,645			85,645
Office furniture and fixtures	28,539			28,539
Automobiles	120,844	$ 2,786	19,991	103,639
Total accumulated depreciation	235,028	2,786	19,991	217,823
Capital assets, net	$ 7,673	$ (2,786)	$	$ 4,887

	Beginning Balances (restated)	Increase	Decrease	Ending Balances
Business-type activities				
Capital assets being depreciated				
Power transmission system	$ 88,278,265			$ 88,278,265
Office equipment	69,901	$ 22,289		92,190
Automobiles	186,834	32,817		219,651
Total capital assets being depreciated	88,535,000	55,106		88,590,106
Less accumulated depreciation				
Power transmission system	31,074,601	2,333,568		33,408,169
Office equipment	69,901	3,313		73,214
Automobiles	170,782	10,060		180,842
Total accumulated depreciation	31,315,284	2,346,941		33,662,225
Capital assets, net	$ 57,219,716	$ (2,291,835)		$ 54,927,881

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	$ 2,786
Business-type activities	
Power marketing	317,868
Power delivery	2,029,073
	$ 2,349,727

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, 2015, was as follows:

Funds	Due from	Due to
General	$ 218,394	
Power marketing		$ 5,435
Power delivery		212,959
	$ 218,394	$ 218,394

7. 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.

In April 2005, the Commission sold the $65,300,000 Series 2005I bonds. Proceeds from these bonds were used to advance refund substantial portions of the Series 1997A and 1999A bonds. The bonds mature annually on September 15, 2008 through 2030, with interest payable semi-annually on March 15 and September 15 at the annual rates of 4.75% to 5%.

The Series 2005I bonds principal and interest payments are being made by a significant customer of the Commission as partial payment for power delivery services. In September 2011, this customer advance refunded $10,305,000 of these bonds through an agent. The bonds issued by the agent for this refunding are not obligations of the Commission and, consequently, the Commission's debt has been reduced by this amount with a corresponding addition to the liability to the customer for power delivery services.

In June 2015, this customer refunded the remaining balance of the 2005i bonds, in the amount of $47,755,000, with the issuance of new bonds which are not obligations of the Commission and, consequently, the Commission's debt was eliminated and a corresponding addition to unearned revenue was recorded. No economic gain or loss was recorded in conjunction with this refunding.

In November 2011, the Commission sold the $5,545,000 Series 2011B General Obligation Refunding bonds. Proceeds from these bonds were used to advance refund the Series 2001 bonds. The bonds mature on October 1, 2017, with interest payable semi-annually on April 1 and October 1 at the annual rate of 5%.

In July 2012, the Commission sold the $17,085,000 Series 2012E General Obligation Refunding bonds. Proceeds from these bonds were used to advance refund the Series 2002 bonds. The bonds mature on October 1, 2016, with interest payable semi-annually on April 1 and October 1 at the annual rates of 4% to 5%.

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 (Note 1). 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 the annual rates of .50% to 4.25%.

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

	Maturity Dates	Interest Rates	Outstanding at June 30, 2015
Business-type activities			
General obligation refunding series 2011B	2011 - 2017	5.00%	$ 5,545,000
General obligation refunding series 2012E	2012 - 2016	4.00 to 5.00%	8,960,000
General obligation refunding series 2014E	2015 - 2043	0.50 to 4.25%	29,475,000
			$ 43,980,000

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

Year Ending June 30,	Principal	Interest
2016	$ 4,785,000	$ 1,690,220
2017	5,015,000	1,464,645
2018	5,970,000	1,208,183
2019	730,000	1,062,535
2020	740,000	1,049,840
2021 - 2025	3,975,000	4,957,833
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 - 2044	5,920,000	515,950
Total	$ 43,980,000	$ 21,433,537

Changes in long-term obligations

Changes in long-term obligations during the year-ended June 30, 2015, are summarized below:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Current
Governmental activities					
Accrued compensated absences	$ 338,567	$ 190,786	$ 187,518	$ 341,835	$ 204,708
Business-type activities					
General obligation bonds	95,885,000		51,905,000	43,980,000	4,785,000
Unamortized bond premium	2,255,216		1,496,317	758,899	571,958
Unamortized bond discount	(173,851)		(5,995)	(167,856)	(5,995)
Total	$ 98,304,932	$ 190,786	$ 53,582,840	$ 44,912,878	$ 5,555,671

Accrued compensated absences and the net pension liability are paid from the general fund.

The Commission has provided to a third-party borrower conduit debt, related to the water treatment and transmission assets transferred to the third party on January 1, 1996, with an outstanding balance of $64,640,000 as of June 30, 2015. Pursuant to an agreement with the third-party borrower, the Commission has no obligation for the debt.

8. Segment information

The Commission has issued general obligation bonds (in some cases revenue supported) to finance uprating of the electrical generating facilities at Hoover Dam and to finance the costs of acquiring, constructing and equipping electrical power transmission and distribution facilities. These bonds have historically been paid from the revenues of the Commission's enterprise funds, the financial position, results of operations and cash flows of these enterprise funds are presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

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.

The United States has been experiencing a widespread recession accompanied by declines in residential real estate sales, mortgage lending and related construction activity, higher energy costs and other inflationary trends and weakness in the commercial and investment banking systems, and is engaged in a war, all of which are likely to continue to have far-reaching effects on the economic activity in the country for an indeterminate period. The near- and long-term impact of these factors on the Nevada economy and the Commission's operations cannot be predicted at this time but may be substantial.

Through the State Treasurer, the Commission may carry cash and cash equivalents on deposit with financial institutions in excess of federally insured limits. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, is not subject to estimation at this time.

10. Commitments and contingencies

Litigation

The Commission may from time to time be a party in 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.

The Commission does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

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.

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. 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. 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 other 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 five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited 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 for 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.

PERS's basic funding policy provides for periodic contributions at a level pattern of cost as a 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 fiscal years ended June 30, 2014 and 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members.

Effective July 1, 2015, the required contribution rates for regular members are 14.5% and 28% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members remain the same.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PER's website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2014, 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 review completed in 2013), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2014
Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%, including inflation
Discount rate	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases

At June 30, 2014, assumed mortality rates and projected life expectancies for selected ages were as follows:

	Regular Members			
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.05%	41.1	44.4
50	0.17%	0.12%	31.6	34.7
60	0.55%	0.42%	22.4	25.4
70	1.82%	1.39%	14.3	17.0
80	5.65%	3.79%	7.7	10.1

	Police/Fire Members			
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.06%	40.2	42.5
50	0.19%	0.15%	30.7	32.8
60	0.63%	0.54%	21.5	23.6
70	2.02%	1.72%	13.5	15.5
80	6.41%	4.63%	7.1	9.0

These mortality rates and projected life expectancies are based on the following:

- For non-disabled male regular members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA
- For non-disabled female regular members – RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year
- For all non-disabled police/fire members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year
- For all disabled regular members and all disabled police/fire members – RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

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, 2014:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42%	5.50%
International equity	18%	5.75%
Domestic fixed income	30%	0.25%
Private markets	10%	6.80%

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and 2013. 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 that assumption, PERS's fiduciary net position at June 30, 2014, 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 (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

The Commission's proportionate share of the net pension liability at year end, calculated using the discount rate of 8.00%, 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 (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	$ 7,771,099	$ 4,997,140	$ 2,691,274

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Commission's proportionate share (amount) of the collective net pension liability was $4,997,140, which represents 0.04795% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ended June 30, 2014, 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 combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014.

For the year ended June 30, 2015, the Commission's pension expense was $629,604 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		$ 239,141
Net difference between projected and actual earnings on investments		1,049,604
Changes in proportion and differences between actual contributions and proportionate share of contributions		141,719
Contributions subsequent to measurement date	$ 507,091	

At June 30, 2014, the average expected remaining service life is 6.70 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $507,091 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	
2016	$ (337,824)
2017	(337,824)
2018	(337,824)
2019	(337,824)
2020	(46,568)
Thereafter	(32,598)

Changes in the Commission's net pension liability were as follows:

Net pension liability, beginning of year	$ 6,305,091
Pension expense	629,604
Employer contributions	(507,091)
Net new deferred outflows and inflows	(1,430,464)
Net pension liability, end of year	$ 4,997,140

At June 30, 2015, $33,678 payable to PERS, equal to the June 2015 required contribution, was included in accounts payable.

12. Other Postemployment Benefits

Plan Description - The State Retirees Health and Welfare Benefits Fund, Public Employees' Benefits Program (PEBP) of the State of Nevada (Retirees Fund) was created in 2007 by the Nevada Legislature to account for the financial assets designated to offset the portion of current and future costs of health and welfare benefits paid on behalf of State retirees. The Retirees' Fund is a multiple-employer, cost-sharing defined benefit plan with several participating employers, and is administered by the Board of Public Employees' Benefits Program of the State of Nevada. The Retirees' Fund provides benefits other than pensions to eligible retirees and their dependents through the payment of subsidies to the PEBP. PEBP administers a group health and life insurance program for covered employees, both active and retired, of the State, and certain other participating public employers within the State, including the Commission. Nevada Administrative Code (NAC) 287.530 establishes this benefit upon the retiree. All State public employees who retire with at least five years of public service and who have State service are eligible to receive benefits from the Retirees' Fund. State service is defined as employment with any State agency, the Nevada System of Higher Education and any State Board or Commission. A portion of the monthly premiums are deducted from pension checks and paid to the PEBP. The cost varies depending on which health plan the retiree chooses, as well as the amount of subsidy they receive.

Implementation of GASB 45 – This Statement was implemented prospectively by the State beginning with the fiscal year ended June 30, 2008. Legislation effective July 1, 2007, amended the NRS making various changes regarding the management of the PEBP. NRS 287.0436 established an irrevocable trust fund, the Retiree's Fund, for the purpose of providing retirement benefits other than a pension. The Retirees' Fund issues a stand-alone financial report that includes financial statements and required supplementary information. The State reports the Retiree's Fund as a trust fund. The Retirees' Fund financial report may be obtained from the PEBP at the following address:

Public Employees' Benefits Program
901 South Stewart Street, Suite 1001
Carson City, NV 89701

Contributions and Funding Policy – NRS 287.046 establishes a subsidy to pay the contributions for the persons retired from the State. Contributions to the Retirees' Fund are paid by the State through an assessment of actual payroll paid by each State entity. For the period from July 1, 2014 through June 30, 2015, the rate assessed was .0270 of annual covered payroll. The assessment is based on an amount prescribed by the State Legislature. For the years ended June 30, 2015, 2014, and 2013, the Commission contributed $65,679, $60,263, and $65,695, respectively, to the plan. These contributions equaled 100% of the required contributions each year.

13. Joint Venture

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

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

As appropriate projects are selected for development, the Members involved in each project enter into a project service agreement (PSA) indicating each participating Member's allocation of project costs.

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

Financial information regarding SSEA can be obtained by writing:

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

The Silver State Energy Association (SSEA) website is www.silverstateenergy.org/.

14. Prior Period Adjustments

In fiscal year 2015, the Commission implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*; which required retroactive recognition of the Commission's proportionate share of PERS' net pension liability. The adoption of this statement resulted in increases in deferred outflows of resources of $527,504 and net pension liability of $6,305,091 and a decrease in net position of $5,777,587 on the entity-wide statements of net position and activities.

In addition, during fiscal year 2015, the Commission discovered capital assets originally constructed by a third party and donated to the Commission in 2002, had not been properly recorded. The cost basis of the assets is $12,555,784 and an adjustment to capital assets was made to the prior period for that amount. Corresponding increases to accumulated depreciation of $3,761,438, unearned revenue of $7,843,163 and net position of $951,184 were recorded on the proprietary fund financial statements.

In addition, it was determined in the current year that the previously refunded portion of the 2005i bonds in 2012, in the amount of $10,305,000, should have been recorded as unearned revenue and therefore, a prior period adjustment was recorded to increase unearned revenue by $8,882,148 and net position by $906,886 and decrease the payable to customers by $9,789,034 on the proprietary fund financial statements.

Lastly, the prior year net position was determined to be understated as a result of unrecorded revenue in fiscal years 2013 and 2014; therefore, a prior period adjustment increasing net position and decreasing the payable to customers was recorded in the amount of $4,474,779 on the proprietary fund financial statements.

15. Subsequent Events

Management has performed a search for, and determined there were no events subsequent to June 30, 2015, requiring accounting recognition or disclosure through December 8, 2015, which was the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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COLORADO RIVER COMMISSION

Proportionate Share of Statutorily Required Pension Contribution Information
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
For the Fiscal Year Ended June 30, 2014 and Prior Nine Fiscal Years*

Valuation Date	Proportion of the collective net pension liability	Proportionate share of the collective net pension liability (asset)	Covered-employee payroll	Proportionate share of the collective net pension liability as a percentage of covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
2014	0.04795%	$ 6,305,091	$ 2,348,229	268.50410%	76.31210%

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

COLORADO RIVER COMMISSION

Proportionate Share of Statutorily Required Pension Contribution Information
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan
For the Fiscal Year Ended June 30, 2014 and Prior Nine Fiscal Years*

Valuation Date	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	$ 527,504	$ 527,504	$ -0-	$ 2,531,235	20.83979%

* Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As the information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

OTHER SUPPLEMENTARY INFORMATION

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COLORADO RIVER COMMISSION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RESEARCH AND DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Net investment income	$ 14,287	$ 34,176	$ 148,752	$ 114,576
Multi-species surcharge	1,501,876	1,501,876	1,263,002	(238,874)
Total revenues	1,516,163	1,536,052	1,411,754	(124,298)
EXPENDITURES				
Multi-species assessment	500,000	500,000		500,000
Other				-
	500,000	500,000		500,000
Excess of revenues over expenditures and change in fund balance	1,016,163	1,036,052	1,411,754	375,702
Fund balance, beginning	3,114,975	3,791,992	8,125,768	4,333,776
Fund balance, ending	$ 4,131,138	$ 4,828,044	$ 9,537,522	$ 4,709,478

See notes to financial statements.

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STATISTICAL SECTION

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STATISTICAL SECTION

(UNAUDITED)

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

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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COLORADO RIVER COMMISSION

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (UNAUDITED) **Table 1**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	$ 4,887	$ 7,673	$ 10,925	$ 19,196	$ 35,121	$ 46,102	$ 33,762	$ 14,045	$ 97,911	$ 118,006
Restricted for research and development	9,537,522	8,125,768	5,203,611	3,468,550	2,139,130					
Unrestricted	(4,203,575)	2,712,559	2,955,658	2,573,169	1,924,972	2,916,470	3,145,590	3,090,809	2,306,710	10,934,221
Total governmental activities net position	$ 5,338,834	$ 10,846,000	$ 8,170,194	$ 6,060,915	$ 4,099,223	$ 2,962,572	$ 3,179,352	$ 3,104,854	$ 2,404,621	$ 11,052,227
Business-type activities										
Net investment in capital assets	$ 46,451,402	$ 1,728,620	$ 3,854,233	$ 5,979,847	$ (4,219,164)	$ (4,270,307)	$ (3,967,588)	$ (3,850,234)	$ (3,661,965)	
Restricted for operations and maintenance	712,991	712,019	711,215	711,014	710,738	710,482	713,088	716,319	717,664	$ 716,284
Unrestricted	(46,037,051)	(5,470,443)	(3,137,388)	(1,108,611)	8,484,670	8,372,383	8,345,585	8,355,522	8,252,177	4,716,772
Total business-type activities net position	$ 1,127,342	$ (3,029,804)	$ 1,428,060	$ 5,582,250	$ 4,976,244	$ 4,812,558	$ 5,091,085	$ 5,221,607	$ 5,307,876	$ 5,433,056
Total entity-wide										
Net investment in capital assets	$ 46,456,289	$ 1,736,293	$ 3,865,158	$ 5,999,043	$ (4,184,043)	$ (4,224,205)	$ (3,933,826)	$ (3,836,189)	$ (3,564,054)	$ 118,006
Restricted	10,250,513	8,837,787	5,914,826	4,179,564	2,849,868	710,482	713,088	716,319	717,664	716,284
Unrestricted	(50,240,626)	(2,757,884)	(181,730)	1,464,558	10,409,642	11,288,853	11,491,175	11,446,331	10,558,887	15,650,993
Total entity-wide net position	$ 6,466,176	$ 7,816,196	$ 9,598,254	$ 11,643,165	$ 9,075,467	$ 7,775,130	$ 8,270,437	$ 8,326,461	$ 7,712,497	$ 16,485,283

COLORADO RIVER COMMISSION

CHANGES IN NET POSITION
(Accrual basis of accounting)

LAST TEN FISCAL YEARS (UNAUDITED) **Table 2**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
General government	$ 2,637,347	$ 2,595,457	$ 2,058,890	$ 1,901,012	$ 2,306,101	$ 3,275,830	$ 2,810,030	$ 2,730,697	$ 12,208,192	$ 2,641,024
Business-type activities										
Power marketing	25,179,606	27,386,283	41,041,108	40,490,639	41,483,124	40,226,984	46,050,417	55,744,898	57,473,246	62,986,316
Power delivery	32,812,396	36,891,400	39,959,001	46,921,205	45,904,714	41,633,751	38,006,772	10,678,035	15,783,971	58,929,523
Total business-type activities expenses	57,992,002	64,277,683	81,000,109	87,411,844	87,387,838	81,860,735	84,057,189	66,422,933	73,257,217	121,915,839
Total entity-wide expenses	$ 60,629,349	$ 66,873,140	$ 83,058,999	$ 89,312,856	$ 89,693,939	$ 85,136,565	$ 86,867,219	$ 69,153,630	$ 85,465,409	$ 124,556,863
Program revenues										
Governmental activities										
Charges for services										
Power administrative charge	$ 220,817	$ 1,140,050	$ 1,167,674	$ 1,259,804	$ 1,219,897	$ 1,121,162	$ 1,167,254	$ 1,296,412	$ 1,323,837	$ 1,310,371
Water charges	1,153,359	1,060,171	1,229,732	1,169,246	752,854	1,285,018	1,046,787	1,311,351	888,720	1,603,826
Multi-species surcharge	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160	625,814	583,162	595,223	547,450	525,144
Total governmental activities program revenues	2,637,178	5,201,004	4,138,884	3,791,809	3,347,911	3,031,994	2,797,203	3,202,986	2,760,007	3,439,341
Business-type activities										
Charges for services										
Power sales										
Power marketing	24,861,738	27,386,283	41,041,108	40,374,094	41,436,582	40,217,943	45,845,877	55,601,491	57,246,095	62,764,886
Power delivery	30,783,323	32,595,571	35,726,333	47,562,794	46,077,938	41,711,572	37,897,186	10,242,168	15,130,974	57,900,598
	55,645,061	59,981,854	76,767,441	87,936,888	87,514,520	81,929,515	83,743,063	65,843,659	72,377,069	120,665,484
Total entity-wide program revenues	$ 58,282,239	$ 65,182,858	$ 80,906,325	$ 91,728,697	$ 90,862,431	$ 84,961,509	$ 86,540,266	$ 69,046,645	$ 75,137,076	$ 124,104,825

(Continued)

COLORADO RIVER COMMISSION

CHANGES IN NET POSITION (Continued)
(Accrual basis of accounting)

LAST TEN FISCAL YEARS (UNAUDITED) **Table 2**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net expense										
Governmental activities	$ (169)	$ 2,605,547	$ 2,079,994	$ 528,038	$ (333,350)	$ (869,650)	$ (595,989)	$ (122,933)	$ (9,995,635)	$ 273,173
Business-type activities	(2,346,941)	(4,295,829)	(4,232,668)	525,044	126,682	68,780	(314,126)	(579,274)	(880,148)	(1,250,355)
Total entity-wide net expense	$ (2,347,110)	$ (1,690,282)	$ (2,152,674)	$ 1,053,082	$ (206,668)	$ (800,870)	$ (910,115)	$ (702,207)	$ (10,875,783)	$ (977,182)
General revenues and other changes in net position										
Governmental activities										
Investment income	$ 202,937	$ 14,672	$ 29,285	$ 29,677	$ 12,432	$ 27,057	$ 87,325	$ 227,944	$ 773,632	$ 786,729
Land sales										
Miscellaneous	67,653	55,587		41,218	82,409				26,947	66,095
Transfers										
Total governmental activities	270,590	70,259	29,285	70,895	94,841	27,057	87,325	227,944	800,579	852,824
Business-type activities										
Investment income	171,238	12,063	78,478	12,635	2,841	22,495	183,604	493,005	754,968	625,020
Abandonment loss						(369,802)				
Miscellaneous		4,065		68,327	34,163					
Transfers										
Total business-type activities	171,238	16,128	78,478	80,962	37,004	(347,307)	183,604	493,005	754,968	625,020
Total entity-wide	$ 441,828	$ 86,387	$ 107,763	$ 151,857	$ 131,845	$ (320,250)	$ 270,929	$ 720,949	$ 1,555,547	$ 1,477,844
Change in net position										
Governmental activities	$ 270,421	$ 2,675,806	$ 2,109,279	$ 598,933	$ (238,509)	$ (842,593)	$ (508,664)	$ 105,011	$ (9,195,056)	$ 1,125,997
	(2,175,703)	(4,279,701)	(4,154,190)	606,006	163,686	(278,527)	(130,522)	(86,269)	(125,180)	(625,335)
Total entity-wide	$ (1,905,282)	$ (1,603,895)	$ (2,044,911)	$ 1,204,939	$ (74,823)	$ (1,121,120)	$ (639,186)	$ 18,742	$ (9,320,236)	$ 500,662

COLORADO RIVER COMMISSION

FUND BALANCES, GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS (UNAUDITED) **Table 3**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General fund										
Unassigned	$ 2,040,963	$ 3,051,126	$ 3,304,782	$ 2,878,917	$ 2,222,770	$ 2,398,074	$ 2,545,592	$ 2,582,644	$ 2,015,540	$ 2,130,668
All other governmental funds										
Restricted									$ 182,131	$ 182,131
Reported in special revenue funds										
Fort Mohave Development									(14,162)	8,705,291
Research and Development	$ 9,537,522	$ 8,125,768	$ 5,203,611	$ 3,468,550	$ 2,139,130	$ 827,864	$ 872,912	$ 732,616	377,679	198,834
Total all other governmental funds	$ 9,537,522	$ 8,125,768	$ 5,203,611	$ 3,468,550	$ 2,139,130	$ 827,864	$ 872,912	$ 732,616	$ 545,648	$ 9,086,256

COLORADO RIVER COMMISSION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(Modified accrual basis of accounting)

LAST TEN FISCAL YEARS (UNAUDITED) **Table 4**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Charges for services	$ 1,374,176	$ 2,200,221	$ 2,397,406	$ 2,429,050	$ 1,972,751	$ 2,406,180	$ 2,214,041	$ 2,607,763	$ 2,212,557	$ 2,914,197
Investment income	202,937	14,672	29,285	29,677	12,432	27,057	87,325	227,944	773,632	786,729
Multi-species surcharge	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160	625,814	583,162	595,223	547,451	525,144
Land sales										
Miscellaneous	67,653	55,587		41,218	82,409				26,947	66,095
Total revenues	2,907,768	5,271,263	4,168,169	3,862,704	3,442,752	3,059,051	2,884,528	3,430,930	3,560,587	4,292,165
Expenditures										
General administration	2,491,039	2,514,358	1,974,816	1,812,067	2,267,200	2,768,497	2,232,083	2,180,003	11,502,549	1,998,993
Multi-species assessment						459,851	443,603	441,215	405,803	389,269
Water purchases	15,138	15,074	14,244	15,134	14,270	15,277	15,889	15,411	15,393	18,017
Intergovernmental										
Other	-	73,330	18,183	49,936	25,318	7,992	89,709	40,230	292,577	217,365
Total expenditures	2,506,177	2,602,762	2,007,243	1,877,137	2,306,788	3,251,617	2,781,284	2,676,859	12,216,322	2,623,644
Excess (deficiency) of revenue over (under) expenditures	401,591	2,668,501	2,160,926	1,985,567	1,135,964	(192,566)	103,244	754,071	(8,655,735)	1,668,521
Other financing sources (uses)										
Transfers out										6,000,000
Net changes in fund balances	$ 401,591	$ 2,668,501	$ 2,160,926	$ 1,985,567	$ 1,135,964	$ (192,566)	$ 103,244	$ 754,071	$ (8,655,735)	$ 7,668,521

COLORADO RIVER COMMISSION

PRINCIPAL REVENUE PAYERS

LAST TEN FISCAL YEARS **Table 5**

	F/Y 2015						(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
	Water Administrative	Power Administrative	(1) LCRMSCP	Power Marketing	Power Delivery		F/Y 2014	F/Y 2013	F/Y 2012	F/Y 2011	F/Y 2010	F/Y 2009	F/Y 2008	F/Y 2007	F/Y 2006
Customer	**Charges**	**Charges**	**Charges**	**Revenues**	**Revenues**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Southern Nevada Water Authority	$ 1 119 777	$ 18,307	$ 654 833	$ 1 818 577	$ 8 554 224	$ 12 165 718	$ 15 461 521	$ 39 874 221	$ 51,300,955	$ 49 486 766	$ 83,298 697	$ 40,881 604	$ 13,306 629	$ 16,925 120	$ 61,399 486
Basic Water Company	7 748	4 711	26 937	971 078	-	1 010 474	927 791	762,502	675,012	775 087	53,516	1 131 591	1 119,996	958 905	638,342
Timet Metals Corporation	-	47 415	64 915	3,540 405	7 773 265	11 426 000	12,140,825	8 644 733	8,467,095	6,257,186	219,602	11 549 026	13 527 584	9 700 300	10,218 016
Olin Chlor Alkaline (formerly Pioneer)	-	28 118			10 179 620	10,207 738	11,692,303	7 932 926	7,733,604	8 752 522	160 464	10 453 427	17 225 025	17,312 427	21 826 569
Chemical Lime Company	-	348	1 212	50 624	-	52,184	60,153	60 431	53 158	62,531	3,305	65 921	81 741	90 499	87 458
Tronox LLC	-	16 234	58 140	1 782 435	-	1,856,809	1,869,709	1 777 310	1,698,155	1 760 750	134,319	1 466,649	1,827,270	1,594,947	889,720
American Pacific Corporation	-	11 264	18 842	769 119	2 083 681	2 882 906	3 454,082	2,467,512	2,461,818	2 627,688	88 143	2,460 584	4 215 683	4,655,125	5 647,039
Lincoln County Power District No 1	-	12 025	40 772	1,319 698	-	1 372 495	1,531,438	1,700,354	1,684 446	1 728 892	98 341	1 538 006	1 339 248	1,360 833	1,134,141
Overton Power District #5	-	9 197	32,815	1,998,238	-	2 040 250	2,453 914	2,301 447	2 534 041	2,562,159	96,390	2 286 563	3 038,977	3,021,368	4 019,864
Valley Electric Association	-	13 429	36 691	2,589 390	-	2 639 510	3 094 859	2,632 025	2,493,361	2 671 367	116,804	3 142 087	3 118 421	3,004 013	3 650 590
NV Energy (formerly Nevada Power Company)	-	55 456	285 473	8 893 103	-	9,234 032	11,217,704	11,497 753	11,306,542	10 607,889	567,906	10 404 959	9 218 722	9,289,897	8,527,374
City of Boulder City	-	4 313	42 372	1,129,071	-	1 175 756	1,251,852	1,204 679	1,294 400	3,588 478	98 075	1 139 321	1 001 428	1 757 733	955 528
Las Vegas Valley Water District	5 976			-	-	5 976	6,044	6 669	6 293	6,301	-	-	534	697	9,117
City of Henderson	19 070	-		-	-	19 070	19,831	17 961	19 143	16 804	19,810	20 563	17 986	18 635	15 935
Raw water sales [2]	787	-		-	-	787	832	802	674	17 939	13,513	966	7 400	7,824	7,540
Other power sales [3]	-	-	-	-	-		-	-	-	17,276	-	-	-	5 438 813	4 795 106
Total	$ 1 153 358	$ 220 817	$ 1 263 002	$ 24 861 738	$ 28 590 790	$ 56 089 705	$ 65 182 858	$ 80 881,325	$ 91,728 697	$ 90 939 635	$ 84 968 885	$ 86 541 267	$ 69 046 644	$ 75 137 136	$ 123 821,825

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

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

(3) Other power sales category includes customer excess electric power resold on the market to various entities

(4) The current year details are provided to allow the user to see the relative amounts of revenue sources to the Commission paid by the classes of customers Only totals will be compared for past fiscal periods as inclusion of detail would make the table unreadable For additional detail please see the annual financial report for

COLORADO RIVER COMMISSION

RATIOS OF OUTSTANDING DEBT

LAST TEN FISCAL YEARS (UNAUDITED)

Table 6

Fiscal Year	General Obligation Refunding Series 2014E	General Obligation Refunding Series 2012E	General Obligation Refunding Series 2011B	Power Delivery Refunding Series 2005I	Power Uprating Refunding Series 2002	Hoover Uprating Refunding Series 2001	Power Delivery Series 1999A	Power Delivery Series 1997	Total Outstanding Debt	Charges for Services	Revenue to Debt Ratio	Debt as a Percentage of Personal Income	Debt per Capita In Dollars
2006				$ 65,300,000	$ 36,420,000	$ 6,305,000	$ 2,345,000	$ 2,215,000	$112,585,000	$124,104,825	1 10	1 59%	$ 2,868
2007				65,300,000	36,420,000	6,305,000	1,805,000	1,135,000	110,965,000	75,137,076	0 68	1 49%	2,777
2008				65,300,000	36,420,000	6,305,000	1,235,000		109,260,000	69,046,645	0 63	1 47%	2,768
2009				63,940,000	33,180,000	6,305,000	635,000		104,060,000	86,540,266	0 83	1 48%	2,878
2010				62,500,000	29,765,000	6,305,000			98,570,000	84,961,509	0 86	1 40%	2,734
2011				60,330,000	26,165,000	6,305,000			92,800,000	90,862,431	0 98	1 29%	2,543
2012			$ 5,545,000	47,755,000	22,370,000				75,670,000	91,728,697	1.21	0 98%	1,955
2013		$ 17,085,000	5,545,000	47,755,000					70,385,000	80,906,325	1 15	0 91%	1,848
2014	$ 29,475,000	13,110,000	5,545,000	47,755,000					95,885,000	65,182,858	0 68	1 17%	2,425
2015	29,475,000	8,960,000	5,545,000						43,980,000	58,282,239	1.33	(1)	(1)

Generally, debt of the Colorado River Commission is allowed under the natural resource provisions of the State As such, the debt is not subject to the debt limit as provided in the State constitution However, each debt issuance and its corresponding project must be specifically authorized by the State Legislature either during a full session (in the odd numbered years) or though 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

(1) Data was not available at the time of issuance

COLORADO RIVER COMMISSION

AVAILABLE REVENUE DEBT COVERAGE

LAST TEN FISCAL YEARS (UNAUDITED) Table 7

					Debt Service			
Fiscal Year	Gross Revenues	Less: Operating Expenses	Add: Depreciation	Net Available Revenues	Principal	Interest	Total	Coverage (1)
2006	124,104,825	120,712,590	2,064,492	5,456,728	1,420,000	5,517,972	6,937,972	0.79
2007	75,137,076	81,652,254	2,064,375	(4,450,803)	1,420,000	5,517,972	6,937,972	(0.64)
2008	69,046,645	65,577,632	2,041,430	5,510,443	1,705,000	5,579,181	7,284,181	0.76
2009	86,540,266	80,649,088	2,036,989	7,928,167	5,200,000	5,305,610	10,505,610	0.75
2010	84,961,509	78,825,046	2,031,355	8,167,818	5,770,000	4,791,950	10,561,950	0.77
2011	90,862,431	84,460,101	2,030,633	8,432,963	5,490,000	5,012,438	10,502,438	0.80
2012	91,728,697	84,921,105	2,024,827	8,832,419	6,065,000	4,416,732	10,481,732	0.84
2013	80,906,325	78,792,267	2,024,826	4,138,884	4,005,000	3,242,334	7,247,334	0.57
2014	65,182,858	62,010,746	2,024,827	5,196,939	3,975,000	3,279,188	7,254,188	0.72
2015	58,282,239	55,799,470	2,346,941	4,829,710	4,150,000	3,922,798	8,072,798	0.60

(1) Water and power customers are contractually obligated to provide revenues sufficient to cover all operation and maintenance expenses except depreciation, plus all principal and interest requirements on outstanding debt. Operating losses, accumulated deficits and negative coverage ratios are the result of not charging for certain recorded expenses; *i.e.* depreciation, amortization of debt and pre-operational expenses. As annual requirements of debt principal progressively increase annual revenues are expected to exceed recorded expenses, because principal payments are recorded as reductions of long-term debt rather than expenses. The losses, deficits and negative coverage ratios are expected to be progressively reduced and finally eliminated as the annual retirement of debt principal increase. Note that operating expenses for fiscal 2007 include $9,500,000 in expenses to transfer the Fort Mohave Development Fund monies to Clark County, Nevada.

COLORADO RIVER COMMISSION

DEMOGRAPHIC STATISTICS

CLARK COUNTY, NEVADA [1]

LAST TEN FISCAL YEARS (UNAUDITED)

Table 8

Year	Population [2]	Personal Income (in thousands) [3]	Per Capita Income [3]	Total Labor Force [4]	Unemployment Rate [4]
2006	1.874.837	70.802.847	39,253	915.440	4.3%
2007	1.954,319	74.630.629	39.956	936,950	4.7%
2008	1.967.716	74.494.913	39,478	968.980	6.3%
2009	1.952.040	70.129.464	36.160	986.350	12.4%
2010	1.968.831	70.428.593	36,057	970,653	15.3%
2011	1.967,722	71.777.369	36.488	991.963	14.4%
2012	1.988,855	77.373.382	38,713	992.403	11.2%
2013	2.024,676	77.298.937	38.091	991,851	9.7%
2014	2.031.723	81.821.005	39,533	990.009	7.9%
2015	2.069.450	(5)	40.077	1.049.712	7.0%

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

(2) Source: Nevada State Demographer.

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

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

(5) Data was not available at the time of issuance.

COLORADO RIVER COMMISSION
PRINCIPAL EMPLOYERS
CLARK COUNTY, NEVADA [1]
JUNE 30, 2015 and 2006 (UNAUDITED) **Table 9**

Employeer	June 30, 2015 Employees[2]	Percentage of Total Employment	Rank
Clark County School District	30,000 to 39,999	3.68%	1
Clark County, Nevada	8,000 to 8,499	0.87%	2
Wynn Las Vegas	8,000 to 8,499	0.87%	3
Bellagio LLC	8,000 to 8,499	0.87%	4
MGM Grand Hotel/ Casino	8,000 to 8,499	0.87%	5
ARIA Resort & Casino	7,000 to 7,499	0.76%	6
Mandalay Bay Resort & Casino	7,000 to 7,499	0.76%	7
Caesars Palace	5,500 to 5,999	0.60%	8
University of Nevada, Las Vegas	5,000 to 5,499	0.55%	9
Las Vegas Metropolitan Police Department	4,500 to 4,999	0.50%	10

	June 30, 2006 Employees	Percentage of Total Employment	Rank
Clark County School District	30,000 to 39,999	3.90%	1
Clark County, Nevada	9,000 to 9,499	1.09%	2
Mandalay Bay Resort & Casino	7,500 to 7,999	0.86%	3
University of Nevada, Las Vegas	6,000 to 6,499	0.70%	4
Caesars Palace	5,500 to 5,999	0.64%	5
Mirage Casino - Hotel	5,500 to 5,999	0.64%	6
Venetian Casino Resorts	5,500 to 5,999	0.64%	7
Las Vegas Metropolitan Police Department	5,000 to 5,499	0.59%	8
University Medical Center	4,000 to 4,599	0.47%	9
Rio Suite Hotel	4,500 to 4,999	0.47%	10

(1) The Colorado River Commission (Commission) is primarily a wholesale provider of electric power and only holds in trust the
Source: Nevada Department of Employment.

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

COLORADO RIVER COMMISSION

EMPLOYEES BY DEPARTMENT

LAST TEN FISCAL YEARS (UNAUDITED)

Table 10

Fiscal Year	Executive and Administrative	Water Department	Hydropower Department	SNWS Energy Services	Power Delivery O & M	Total
2006	15	5	3	9	7	39
2007	13	4	3	9	6	35
2008	13	3	3	9	6	34
2009	15	4	3	9	6	37
2010	13	3	3	9	6	34
2011	13	3	3	9	6	34
2012	13	3	3	9	6	34
2013	14	3	3	8	6	34
2014	13	2	3	8	7	33
2015	15	1	2	7	7	32

COLORADO RIVER COMMISSION

CAPITAL ASSET STATISTICS BY FUNCTION [1]

LAST TEN FISCAL YEARS **Table 11**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
CRC POWER DELIVERY PROJECT SYSTEM [2]										
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
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 Substations	17	17	17	17	17	17	17	17	17	17
Metered Facilities (SNWA treatment and delivery facilities) [3]	120	107	95	82	70	70	68	59	50	41
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
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

(1) Note all power related assets are owned by and used in the Power Delivery Fund and are used in the power delivery function.

(2) The Power Deliver 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. In addition, the System was designed with 100% redundancy including twin transformers. The System is normally operated at 50% capacity on each of the twin facilities in each substation. In the event of catastrophic failure, the remaining system can fully serve the load while repairs are effected. In addition, the transmission lines are a looped (circular) design allowing for feed to all facilities in either direction in the event of a break somewhere in the loop. This design is provided to ensure reliable deliver of water to the residents of Southern Nevada under almost any circumstances.

(3) In addition to the metered facilities indicated in this table, the staff of the Commission provides operation and maintenance to an additional 10 power related facilities of the SNWA.

COLORADO RIVER COMMISSION

OPERATING INDICATORS

LAST TEN FISCAL YEARS (UNAUDITED)

Table 12

Power Purchases in Megawatt Hours

Customer	F/Y 2015 Total	F/Y 2014 Total	F/Y 2013 Total	F/Y 2012 Total	F/Y 2011 Total	F/Y 2010 Total	F/Y 2009 Total	F/Y 2008 Total	F/Y 2007 Total	F/Y 2006 Total
Southern Nevada Water Authority (2)	2,172,526	2,321,270	2,486,443	2,643,331	2,637,577	2,776,341	2,151,774	2,202,554	2,599,998	3,715,976
Basic Water Company	32,517	31,788	29,886	32,010	32,456	30,352	33,865	77,675	36,213	96,370
Timet Metals Corporation	400,530	401,072	343,173	368,939	277,949	219,606	343,587	741,855	311,154	610,202
Olin Chlor Alkaline (formerly Pioneer Americas, LLC)	243,017	272,761	222,273	237,558	248,713	236,483	193,307	259,847	292,920	311,815
Lhoist North America, Inc (Fromerly Chemical Lime Co)	2,650	2,516	2,496	2,540	2,948	2,894	3,179	6,782	3,778	7,834
Tronox, LLC	128,496	119,634	114,593	112,392	113,884	97,351	117,699	257,916	113,660	167,243
American Pacific Corporation	97,607	108,715	89,874	94,495	99,283	97,813	79,975	212,508	121,826	260,936
Lincoln County Power District No. 1	85,067	77,581	81,905	90,337	88,844	80,681	83,314	166,604	83,917	164,795
Overton Power District #5	87,381	94,964	90,653	101,289	105,334	95,426	91,013	219,304	111,624	255,002
Valley Electric Association	100,105	117,806	109,780	114,131	115,119	113,166	121,726	248,682	122,552	261,170
NV Energy (formerly Nevada Power Company)	416,850	444,593	435,809	470,882	448,303	393,541	439,276	898,294	462,847	931,246
City of Boulder City		37,851	33,060	46,135	88,723	71,844	43,062	86,716	53,869	82,822
Total	3,766,746	4,030,551	4,039,945	4,314,039	4,259,133	4,215,498	3,701,777	5,378,737	4,314,358	6,865,411

Power Purchases in Percentages

Customer	F/Y 2015 Total	F/Y 2014 Total	F/Y 2013 Total	F/Y 2012 Total	F/Y 2011 Total	F/Y 2010 Total	F/Y 2009 Total	F/Y 2008 Total	F/Y 2007 Total	F/Y 2006 Total
Southern Nevada Water Authority (2)	57.68%	57.59%	61.55%	61.26%	61.93%	65.87%	58.13%	40.95%	60.26%	54.14%
Basic Water Company	0.86%	0.79%	0.74%	0.74%	0.76%	0.72%	0.91%	1.44%	0.84%	1.40%
Timet Metals Corporation	10.63%	9.95%	8.49%	8.55%	6.53%	5.21%	9.28%	13.79%	7.21%	8.89%
Olin Chlor Alkaline (formerly Pioneer Americas, LLC)	6.45%	6.77%	5.50%	5.51%	5.84%	5.61%	5.22%	4.83%	6.79%	4.54%
63	0.07%	0.06%	0.06%	0.06%	0.07%	0.07%	0.09%	0.13%	0.09%	0.11%
Tronox, LLC	3.41%	2.97%	2.84%	2.61%	2.67%	2.31%	3.18%	4.80%	2.63%	2.44%
American Pacific Corporation	2.59%	2.70%	2.22%	2.19%	2.33%	2.32%	2.16%	3.95%	2.82%	3.80%
Lincoln County Power District No. 1	2.26%	1.92%	2.03%	2.09%	2.09%	1.91%	2.25%	3.10%	1.95%	2.40%
Overton Power District #5	2.32%	2.36%	2.24%	2.35%	2.47%	2.26%	2.46%	4.08%	2.59%	3.71%
Valley Electric Association	2.66%	2.92%	2.72%	2.65%	2.70%	2.68%	3.29%	4.62%	2.84%	3.80%
NV Energy (formerly Nevada Power Company)	11.07%	11.03%	10.79%	10.92%	10.53%	9.34%	11.87%	16.70%	10.73%	13.56%
City of Boulder City	0.00%	0.94%	0.82%	1.07%	2.08%	1.70%	1.16%	1.61%	1.25%	1.21%

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

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

COLORADO RIVER COMMISSION

RISK MANAGEMENT

JUNE 30, 2015 (UNAUDITED)

Table 13

Customer	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Collateral Posted	Cash Posted	Other Posted	Estimated Requirement Fiscal 2016
Basic Water Company	$ 142,178	$ 258,298	$ 183,942	$ 337,066	$ 201,641	$ 149,367	$ 173,867	$ 163,009	$ 201,006	$ 237,115	$ 237,115	$ 237,115		$ 236,944
Titanium Metals Corporation (TIMET)	2,088,503	2,542,400	2,685,984	3,945,963	1,979,587	1,365,778	1,684,321	2,234,054	2,293,921	3,062,094	3,062,094		$ 3,062,094	2,841,318
Olin Chlor Alkaline (Pioneer)	4,423,285	5,291,508	4,328,112	4,701,868	3,388,053	2,540,320	2,217,086	1,755,462	2,251,738	2,968,251	2,968,251	2,968,251		2,260,932
Lhoist North America Inc (Formerly Chemical Lime)	22,878	22,878	21,984	21,186	16,032	21,186	13,572	14,189	14,404	14,810	14,810		14,810	17,305
Tronox, LLC	200,082	290,232	415,167	431,842	406,215	406,215	440,232	444,940	466,570	450,793	450,793		450,793	550,515
American Pacific Corporation	1,200,440	1,392,243	1,163,267	1,085,224	945,817	765,495	649,990	595,928	715,446	815,289	815,289		815,289	772,170
* Southern Nevada Water Authority														
* Lincoln County Power District No 1														
* Overton Power District #5														
* Valley Electric Association														
* Nevada Energy (Nevada Power Company)														
* Las Vegas Valley Water District														
* City of Boulder City														
* City of Henderson														
* City of Las Vegas														
* City of North Las Vegas														
Total	$ 8,077,366	$ 9,797,559	$ 8,798,456	$ 10,523,149	$ 6,937,345	$ 5,248,361	$ 5,179,068	$ 5,207,582	$ 5,943,085	$ 7,548,352	$ 7,548,352	$ 3,205,366	$ 4,342,986	$ 6,679,184

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

As of June 30, 2015 all of the customers required to post collateral have done so in the amounts required. Two customers have posted cash (for one of these customers, cash collateral is required by specific bilateral contract); all other customers have posted letters of credit or performance bonds as approved by the Nevada State Board of Examiners.

The collateral posting limits the risk inherent in the Commission's utility function and protects the state to the full extent allowed under law.

* Governmental and utility entities are exempt from collateral requirements.

ADDITIONAL REPORT OF INDEPENDENT AUDITORS

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PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Chairman and 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, each major fund, and the aggregate remaining fund information of the Colorado River Commission (the Commission) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 8, 2015.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic 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 Commission's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the Commission, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 Commission internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 8, 2015