COLORADO RIVER COMMISSION

OF

NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018

A Component Unit of the State of Nevada

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
COLORADO RIVER COMMISSION
OF NEVADA

A component unit of the State of Nevada

Las Vegas, Nevada

For the
FISCAL YEAR ENDED JUNE 30, 2018

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

PUOY K. PREMSRIRUT
Chairwoman

KARA J. KELLEY
Vice Chairwoman

MARILYN KIRKPATRICK
Commissioner

JOHN F. MARZ
Commissioner

STEVE SISOLAK
Commissioner

DAN H. STEWART
Commissioner

CODY T. WINTERTON
Commissioner

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Acting Executive Director

ERIC P. WITKOSKI
Deputy Executive Director

GAIL A. BATES
Energy Services Manager

DOUGLAS N. BEATTY
Chief, Finance and Administration

ANGELA K. SLAUGHTER
Natural Resources Manager

CRAIG N. PYPER
Hydropower Program Manager

ROBERT D. REESE
Assistant Director Engineering & Operation

Statistical Section

COLORADO RIVER COMMISSION
OF NEVADA

January 7, 2019

Honorable Chairwoman and
Members of the
Colorado River Commission of Nevada

It is a pleasure for us to present the Comprehensive Annual Financial Report (CAFR) of the Colorado River Commission of Nevada (the Commission) for the year ended June 30, 2018, prepared by the financial and administrative division staff. This CAFR is published to fulfill state law and bond covenants requiring such within six months of the close of each fiscal year. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that was established for this purpose. The Commission's controls have been developed in accordance with the State of Nevada Controller's office state-wide internal control system. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly, Certified Public Accountants and Business Advisors, audited the Commission's fiscal 2018 basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the Commission are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission's basic financial statements for the fiscal year ended June 30, 2018, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditors' report is presented in the financial section of this report.

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

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THE COMMISSION

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

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

Name	Initial Appointment	Current Term
Puoy K. Premsrirut, **Chairwoman**	2013	7/1/17 – 6/30/20
Kara J. Kelley, **Vice-Chairwoman**	2015	7/1/17 – 6/30/20
Honorable Marilyn Kirkpatrick Clark County Commissioner	2016	7/1/16 – 6/30/19 *
Honorable John F. Marz, City of Henderson Councilman	2017	7/1/17 – 6/30/19 *
Honorable Steve Sisolak, Clark County Commissioner	2013	7/1/16 – 1/7/19 *
Dan H. Stewart	2016	12/21/16 – 6/30/19
Cody T. Winterton	2015	7/13/15 – 6/30/21

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

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

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

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

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

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.

Clark County's population continues to increase at a moderate rate following declines in population reported in 2009 through 2011. The increases in reported population began in 2012 and continue at very moderate rates. The most current Five-Year Report of the State Demographer (dated 2015) indicates that the County's estimated 2017 population of 2,126,099 represents approximately 72.5% of the State's 2017 population (virtually unchanged from the prior year's percentage). Current projections forecast the County population to be 2,145,354 in 2018 and 2,164,799 in 2019. Nevada's estimated 2017 population was 2,930,654, with the 2016 estimated population being 2,900,442. This reflects an increase of 30,212 or 1.0%. This compares to an overall 1.0% increase reported in 2014, 2015, and (a 1.4% decrease was reported for 2011). The current demographic estimate indicates continued growth over the next two years also at a rate of approximately 1% annually.

The State experienced financial concerns as economic indicators in the State and County declined over the last several years, however indicators since 2012 show modest increases. During this period state and local governments have taken steps to decrease expenditures to maintain balanced budgets. On October 23, 2018 the Nevada Department of Employment, Training, and Rehabilitation reported that unemployment rates in Nevada's metro areas varied from the previous report, but decreased slightly over the year. The Las Vegas unemployment rate decreased from August by 0.2 percent and stands at 4.7 percent; this is down 0.5 of a percentage point from September of last year. Unemployment rates have declined on an over-the-year basis in 15 of the 17 Nevada counties. Rate declines in the major metropolitan areas ranged from 0.3 percentage points to 0.5 of a percentage point. Unemployment rates in ten counties remain below four percent. Statewide, jobs increased by 3.2 percent, which correlates for 43,500 new jobs added since September of 2017. The Las Vegas area added jobs at a faster rate that the State as a whole. Over this period, the revenues of the Commission have been stable, and are projected to remain so over the next biennium. 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 fund balances are not monitored for adequate levels. Cash flow is monitored for these funds, as each month's billings reflect actual revenue requirements for the month. Risk for these funds revolves around the inherent enterprise risk of the Commission's customers.

To ensure ongoing revenues, the Commission monitors the creditworthiness of its customer and vendor base. As 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 full-time at the SNWA offices and all customers have access to Commission records and operational information including real time power purchasing and invoicing amounts.

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

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

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 41st consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

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

Eric Witkoski
Deputy Executive Director

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

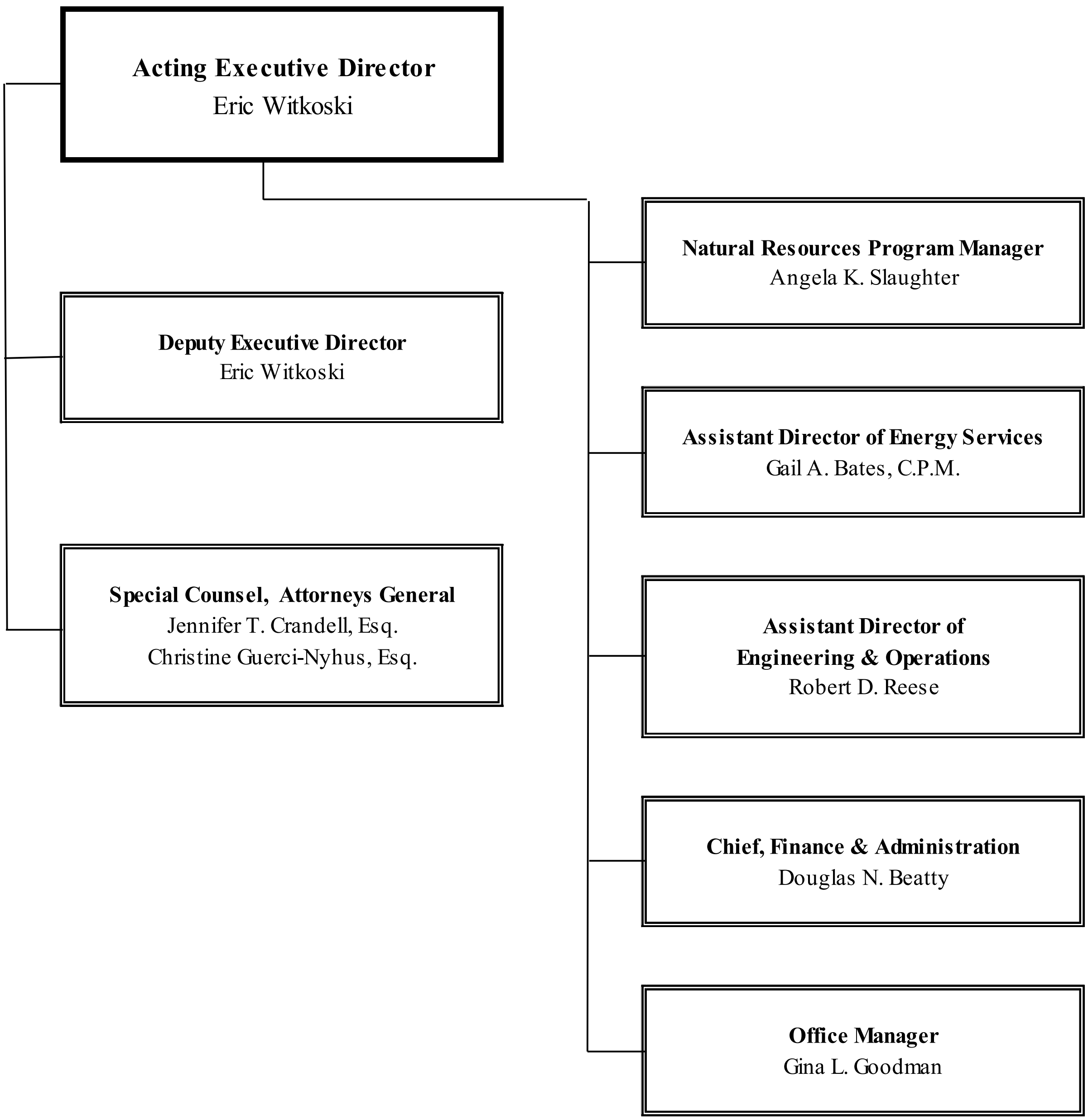
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Colorado River Commission of Nevada

Functional Organization



CPAs & BUSINESS ADVISORS

Independent Auditor's Report

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada (the Commission), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Commission as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund and the Research and Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard – GASB 75
As discussed in Note 1 and Note 14 to the financial statements, the Colorado River Commission of Nevada has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the OPEB liability, and pension trend data on pages 4 through 14 and 44 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and statistical section shown on pages i through ix and 48 through 63 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The required supplementary information and other information described in the preceding two paragraphs are the responsibility of management, and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information presented in the introductory and statistical sections is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2019 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Eide Bailly LLP

Las Vegas, Nevada
January 7, 2019

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, 2018. This information will provide a more complete picture of Commission activities when read in conjunction with the financial statements, notes to the financial statements and letter of transmittal.

Financial Highlights

- The assets and deferred outflows of the Commission's governmental activities exceed the liabilities and deferred inflows at the close of the fiscal year by $4,895,447 (net position). However, the restricted fund balance related to the Research and Development Fund was $10,731,129. Thus the Commission's General Fund's portion of the net position is ($5,835,682).

- The Commission has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* which requires governments to calculate and report the cost and obligations associated with postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. The adoption of GASB 75 resulted in a restatement of the net position as of July 1, 2017, in the amount of $2,270,483.

- The net position in the enterprise funds increased this year by $110,467 from $1,667,640 to $1,778,107 as expected due to interest and miscellaneous income.

- Cash balances in the governmental funds increased slightly during the year, from a reported balance of $12,383,490 in fiscal year 2017, to $12,967,061 in fiscal year 2018. This was due almost entirely to scheduled contractual collections of reserves in the Research and Development fund for habitat conservation. The reserves are part of the Lower Colorado River Multi-Species Conservation Program which is described in more detail later in this analysis.

- Revenues from the power administrative charge decreased by an insignificant amount ($25,768) as compared to the last fiscal year. This continues a trend that has been seen for the last few years. The administrative charge is fixed based on power deliveries and does not change as actual power resource costs increase or decrease and deliveries have been declining in recent years. The administrative charge has not been increased in over 10 years, but is currently under evaluation for a potential increase in fiscal 2019.

- Total power revenues and the total cost of electric service provided to the Commission's customers increased this year by $1,666,913. Analysis of each fund individually indicates that the power revenues and costs in the:

- Power Marketing Fund experienced an increase in revenues of 11.18% and an increase in expenses by 11.02%.
- Power Marketing Fund revenues increased from $25,899,868 in fiscal year 2017 to $28,794,199 in fiscal year 2018.
- Power purchases increased from $19,074,142 to $25,397,427 from fiscal year 2017 to fiscal year 2018. This increase was due to a large increase in purchased power costs offset by decreases in prepaid power advances. Depreciation and general administrative charges remained constant. The large increase in direct power costs was a result of increasing charges for federal hydropower as new contracts requiring funding of federal working capital, reserve amounts, and other items take effect.
- The Power Delivery Fund revenues decreased by 8.04% and expenses decreased by 6.71%. The decrease represents lower demand for Commission resources from the fund's customers as the Silver State Energy Association (SSEA) now provides the majority of electric resources for customers who previously received non-hydropower resources from the Commission. (*See discussion on SSEA below)*
- Revenues of the Power Delivery Fund decreased from $15,269,914 in fiscal year 2017 to $14,042,496 in fiscal year 2018. Power purchases decreased from $9,988,660 to $9,495,987 for the same time period. We expect the power revenues and purchases to continue at this level as the customer load and base for the Commission should be relatively stable.

❖ The Silver State Energy Association (SSEA) was formed approximately eleven years ago as a joint action agency with the goal of aggregating power load requirements and resources to take advantage of economies of scale and to participate collectively in potential electric power projects. The organization includes the Commission, the City of Boulder City, Overton Power District No. 5, Lincoln County Power District No 1, and the Southern Nevada Water Authority. More information about SSEA may be found at www.silverstateenergy.org. The organization has been slowly growing and taking on new roles in the power procurement arena. The SSEA has undertaken a number of projects. SSEA first began serving the City of Boulder City as a full service provider. In April of 2013 the SSEA became the service provider for the Southern Nevada Water Authority (SNWA). 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 now serve as contract staff for the SSEA. The levels of activity reported in this fiscal year should be indicative of levels going forward with smaller changes anticipated.

Overview of the Financial Statements

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

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

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

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

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

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		
	2018	2017 as restated	Change	2018	2017	Change
Current assets:	$ 13,173,848	$ 12,805,518	$ 368,330	$ 7,212,151	$ 7,648,461	$ (436,310)
Non-current restricted cash and cash equivalents	-	-	-	5,438,164	7,294,438	(1,856,274)
Capital assets, net	21,878	-	21,878	49,057,477	50,398,692	(1,341,215)
Prepaid power, net	-	-	-	25,371,026	25,523,545	(152,519)
Total Assets	13,195,726	12,805,518	390,208	87,078,818	90,865,136	(3,786,318)
Deferred Outflows of Resources	1,052,257	1,061,294	(9,037)	-	-	-
Total assets and deferred outflows	14,247,983	13,866,812	381,171	87,078,818	90,865,136	(3,786,318)
Current liabilities:	470,217	391,316	78,901	11,842,528	13,743,666	(1,901,138)
Long-term bonds	-	-	-	27,330,128	28,059,134	(729,006)
Unearned revenue net of current portion	-	-	-	46,128,055	47,394,696	(1,266,641)
Net OPEB liability	2,261,443	2,333,966	(72,523)	-	-	-
Net pension liability	5,867,314	6,596,117	(728,803)	-	-	-
Other noncurrent liabilities	166,670	131,785	34,885	-	-	-
Total Liabilities	8,765,644	9,453,184	(687,540)	85,300,711	89,197,496	(3,896,785)
Deferred Inflows of Resources	586,892	529,638	57,254	-	-	
Total liabilities and deferred inflows	9,352,536	9,982,822	(630,286)	85,300,711	89,197,496	(3,896,785)
Net position:						
Net investment in capital assets	21,878	-	21,878	49,057,477	50,398,692	(1,341,215)
Restricted	10,731,129	10,276,431	454,698	-	929,332	(929,332)
Unrestricted	(5,857,560)	(6,392,441)	534,881	(47,279,370)	(49,660,384)	2,381,014
Total net position	$ 4,895,447	$ 3,883,990	$ 1,011,457	$ 1,778,107	$ 1,667,640	$ 110,467

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

Total assets in the business-type funds decreased from the previous year. The a significant portion of the decrease reflects the decrease in restricted cash as the Commission used debt service cash to paid off the debt related to the Uprating Bonds (retired with the last payment in October); the prepaid power balance also decreased as the asset continues to be amortized over time and depreciation of the capital assets was a significant portion of the overall decrease.

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		
	2018	2017 as restated	Change	2018	2017	Change
Revenues:						
Program revenues:						
Administrative charges	$ 2,371,683	$ 2,162,854	$ 208,829	$ -	$ -	$ -
Power sales revenue:						
Power marketing	-	-	-	28,794,199	25,899,868	2,894,331
Power delivery	-	-	-	14,042,496	15,269,914	(1,227,418)
General revenues:						
Investment income (loss)	278,095	95,846	182,249	185,044	41,680	143,364
Multi-species surcharge	626,623	673,629	(47,006)	-	-	-
Miscellaneous	58,577	59,255	(678)	-	-	-
Total revenues	3,334,978	2,991,584	343,394	43,021,739	41,211,462	1,810,277
Expenses:						
General government	2,323,521	3,371,208	(1,047,687)			
Power purchase expenses:						
Power marketing	-	-	-	28,828,579	25,967,737	2,860,842
Power delivery	-	-	-	14,082,693	15,096,211	(1,013,518)
Total expenses	2,323,521	3,371,208	(1,047,687)	42,911,272	41,063,948	1,847,324
Change in net position	1,011,457	(379,624)	1,391,081	110,467	147,514	(37,047)
Net position, beginning (as restated)	3,883,990	4,263,614	(379,624)	1,667,640	1,520,126	147,514
Net position, ending	$ 4,895,447	$ 3,883,990	$ 1,011,457	$ 1,778,107	$ 1,667,640	$ 110,467

The governmental activities of the Commission are small in comparison to the capital and power purchasing activities. The Commission's water-related efforts and hydropower support activities form the bulk of the governmental programs. These activities are funded on a current basis through administrative assessments, and the Commission carries minimal necessary cash balances for these activities. Governmental fund revenues decreased this year from last year due to decreased Hydropower availability. Governmental expenses increased from the prior year and reflect overall increases in goods and services only.

The activities related to the electric power utility function are large and generate millions of dollars in both revenues and expenses. However, as the Commission's contracts for power allow only for recovery of cost in the enterprise funds, these activities do not contribute significant amounts to net position. In fact, based on timing differences between collections from customers and payment to vendors, the contributions to net position from these activities may be negative in any given year. For the fiscal year ended June 30, 2018, revenues and expenses of the Power Marketing Fund increased substantially due to the new Hoover Hydropower contracts related cost increases and other increases in federal hydropower cost to the State. Revenues and expenses of the Power Delivery Fund were relatively stable over the period.

Financial Analysis of Government Funds.

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

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

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

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

	2018		2017	
	Amount	Percent	Amount	Percent
Power administrative charge	$ 900,715	18.09%	$ 926,483	20.03%
Water administrative charge	1,470,968	29.54%	1,236,371	26.72%
Investment income	50,054	1.01%	17,399	0.38%
Miscellaneous income	58,577	1.18%	59,255	1.28%
Total revenues	2,480,314	49.82%	2,239,508	48.41%
Allocated salaries and overheac	2,498,370	50.18%	2,386,477	51.59%
All funding sources	$ 4,978,684	100.00%	$ 4,625,985	100.00%

Revenues of the Commission's general fund totaled $2,239,508 in fiscal 2017, $240,806 less than the $2,480,314 realized in fiscal 2018. The increase, while not significant overall, is a result of an increase in water administrative billings (19%) and a substantial increase in investment income (187%). Power administrative charges dropped again slightly due to decreased hydrology and a decrease in resources provided to the customers.

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

	2018	2017	Change
Power administrative charge	$ 900,715	$ 926,483	$ (25,768)
Water administrative charge	1,470,968	1,236,371	234,597
Investment income	50,054	17,399	32,655
Miscellaneous income	58,577	59,255	(678)
Total Revenues	$ 2,480,314	$ 2,239,508	$ 240,806

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

	2018	2017	Change
Personnel	$ 3,798,582	$3,772,983	$ 25,599
Travel	71,277	75,904	(4,627)
Operating	1,186,455	1,354,400	(167,945)
Equipment	33,948	34,947	(999)
Total expenditures	5,090,262	5,238,234	(147,972)
Less allocated salaries and overhead	(2,498,370)	(2,386,477)	(111,893)
Net expenditures	$ 2,591,892	$2,851,757	$ (259,865)

Net expenditures of the general fund totaled $2,591,892 which is $259,865 less than the $2,851,757 expended during fiscal 2017. The overall decrease can be attributed to decreases in two items. First the use of contractors in the fiscal year decreased due to less need as Colorado river issues were not as busy as in the past, and second due to a decrease in Attorney General charges for the year.

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

Fund	Fund Balance June 30		
	2018	2017	Change
General Fund	$2,214,197	$ 2,325,775	$ (111,578)
Research and Development Fund	10,731,129	10,276,431	454,698

There were no significant changes to the budget for fiscal 2018. The budget to actual comparisons for the Commission's governmental funds is detailed below:

	2018 Authorized Budget			
	Original	Final	Actual	Variance
General Fund:				
Revenues:				
Power Administrative Charge	$ 1,054,244	$ 1,054,244	$ 900,715	$ (153,529)
Water Charges	2,402,837	2,402,837	1,470,968	(931,869)
Investment Income	27,593	27,593	50,054	22,461
Miscellaneous	55,776	55,776	58,577	2,801
Total Revenues	$ 3,540,450	$ 3,540,450	$ 2,480,314	$ (1,060,136)
Expenses:				
Personnel Services	$ 5,005,108	$ 5,005,108	$ 3,798,582	$ 1,206,526
Travel	77,019	77,019	71,277	5,742
General Operating Costs	484,843	485,043	538,980	(53,937)
Contractual Services	816,865	816,865	150,720	666,145
Legal Costs	483,120	483,120	483,500	(380)
Equipment and Software	67,391	72,921	33,948	38,973
Water Purchases	13,717	13,717	13,255	462
Total Expenditures	6,948,063	6,953,793	5,090,262	1,863,531
Cost Allocation	(3,042,935)	(3,042,935)	(2,498,370)	(544,565)
Net Expenditures	$ 3,905,128	$ 3,910,858	$ 2,591,892	$ 1,318,966

Review of revenue budget to actual comparisons show both administrative charges were below budget. The hydropower administrative charge was projected based on average water year lake levels, however, as the drought continues and the lake levels, primarily at Lake Mead, continued to drop, actual power generation did not meet projections. In addition, the power revenues included projections of customer power demand, which, while recovering from the recent economic downturn, also did not meet projections. The water charges were estimated to include significant utilization of outside consultants. Anticipated contract services were not fully utilized and water administrative cash reserves were adequate, the billings were reduced to reflect this.

Review of expenditures indicates that personnel costs overall were below budget. The significant positive variances were in personnel; this is due to unfilled positions; outside contractual costs, which were below budgeted amounts due to less activity relating to river related functions that would have required the use of outside experts. The cost allocation amount also reflects unfilled positions.

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

There were no changes to this budget for fiscal 2018 as detailed below:

	2018 Authorized Budget			
	Original	Final	Actual	Variance
Research & Development Fund				
Revenues:				
Investment Income	$ 124,386	$ 124,386	$ 228,041	$ 103,655
Multi-Species Surcharge	727,407	727,407	626,623	(100,784)
Total Revenues	$ 851,793	$ 851,793	$ 854,664	$ 2,871
Expenses:				
Multi Species Assessment	$ 953,321	$ 953,321	$ 399,966	$ 553,355
Total Expenditures	$ 953,321	$ 953,321	$ 399,966	$ 553,355

The only significant variance is in the expenditure budget, which included an anticipated call on the program reserves kept in this fund. The potential call on the reserves is always included in the budget but, once again, as in past years there were no calls on the reserve.

Capital Assets

The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to $49,079,355 (net of accumulated depreciation). This investment includes the power delivery system, automobiles and equipment (both administrative vehicles and power delivery project utility vehicles) and office furniture. The depreciable lives related to the Commission's automobiles and equipment are dictated by the policies and standards adopted by the State. The Commission does not have the ability to change the policies and standards related to the depreciable lives or methods on its own. Please refer to Note 5 to the financial statements for more detailed information related to the capital assets of the Commission.

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

	Governmental Activities			Business-type Activities		
	2018	2017	Change	2018	2017	Change
Power transmission system				$ 48,901,944	$ 50,896,547	$ (1,994,603)
Automobiles and equipment	$21,878		$21,878	155,533	195,731	(40,198)
Total	$21,878	$ -	$21,878	$ 49,057,477	$ 51,092,278	$ (2,034,801)

Debt Administration

As of June 30, 2018, outstanding long-term obligations of the Commission consisted of the following:

Bond Description	Average Interest Rate (%)	Maturity Date	Balance Outstanding
Hoover visitor center, series 2014E	3.8	2043	$ 28,210,000

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 8 to the financial statements for more detailed information related to debt activity of the Commission.

Litigation and Arbitration

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

Additional Information

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

Basic Financial Statements
June 30, 2018

Colorado River Commission of Nevada

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents, unrestricted	$ 12,967,061	$ 4,543,929	$ 17,510,990
Receivables			
Accounts	1,158	769,459	770,617
Accrued interest	37,372	26,387	63,759
Internal balances	168,257	(168,257)	-
Prepaid items	-	354,349	354,349
Current portion of prepaid power	-	1,686,284	1,686,284
Total current assets	13,173,848	7,212,151	20,385,999
Noncurrent assets			
Restricted cash and cash equivalents	-	5,438,164	5,438,164
Capital assets being depreciated, net of accumulated depreciation	21,878	49,057,477	49,079,355
Prepaid power, net of current portion	-	25,371,026	25,371,026
Total noncurrent assets	21,878	79,866,667	79,888,545
Total assets	13,195,726	87,078,818	100,274,544
Deferred Outflows of Resources			
Deferred amounts related to OPEB	67,183	-	67,183
Deferred amounts related to pensions	985,074	-	985,074
Total deferred outflows of resources	1,052,257	-	1,052,257
Total assets and deferred outflows of resources	$ 14,247,983	$ 87,078,818	$ 101,326,801
Liabilities			
Current Liabilities			
Accounts payable	$ 29,793	$ 2,258,902	$ 2,288,695
Accrued payroll	142,860	-	142,860
Unearned revenue	55,869	3,147,620	3,203,489
Payable to customers	-	1,968,576	1,968,576
Customer collateral and other deposits	-	3,470,519	3,470,519
Current portion of accrued compensated absences	241,695	-	241,695
Current portion of bonds payable	-	730,000	730,000
Accrued interest	-	266,911	266,911
Total current liabilities	470,217	11,842,528	12,312,745
Noncurrent liabilities			
Bonds payable, net of current portion	-	27,330,128	27,330,128
Unearned revenue, net of current portion	-	46,128,055	46,128,055
Accrued compensated absences, net of current portion	166,670	-	166,670
Net OPEB liability	2,261,443	-	2,261,443
Net pension liability	5,867,314	-	5,867,314
Total noncurrent liabilities	8,295,427	73,458,183	81,753,610
Deferred Inflows of Resources			
Deferred amounts related to OPEB	140,754	-	140,754
Deferred amounts related to pensions	446,138	-	446,138
Total deferred inflows of resources	586,892	-	586,892
Total liabilities and deferred inflows of resources	9,352,536	85,300,711	94,653,247
Net Position			
Net Investment in Capital Assets	21,878	49,057,477	49,079,355
Restricted Contractually for Certain Operations and Maintenance	-	-	-
Restricted for Research and Development	10,731,129	-	10,731,129
Unrestricted	(5,857,560)	(47,279,370)	(53,136,930)
Total net position	4,895,447	1,778,107	6,673,554
Total liabilities, deferred inflows of resources and net position	$ 14,247,983	$ 87,078,818	$ 101,326,801

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Business-type Activities	Total
Governmental Activities					
General government	$ 1,923,555	$ 2,371,683	$ 448,128	$ -	$ 448,128
Research and development	399,966	626,623	226,657	-	226,657
	2,323,521	2,998,306	674,785	-	674,785
Business-type Activities					
Power marketing	28,828,579	28,794,199	-	(34,380)	(34,380)
Power delivery	14,082,693	14,042,496	-	(40,197)	(40,197)
	42,911,272	42,836,695	-	(74,577)	(74,577)
Total	$ 45,234,793	$ 45,835,001	674,785	(74,577)	600,208
General Revenues					
Investment income			278,095	185,044	463,139
Miscellaneous			58,577	-	58,577
			336,672	185,044	521,716
Change in net position			1,011,457	110,467	1,121,924
Net position, beginning			6,154,473	1,667,640	7,822,113
Prior period adjustment			(2,270,483)	-	(2,270,483)
Net position, beginning (as restated)			3,883,990	1,667,640	5,551,630
Net position, ending			$ 4,895,447	$ 1,778,107	$ 6,673,554

Colorado River Commission of Nevada

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Research and Development Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	$ 2,211,100	$ 10,755,961	$ 12,967,061
Receivables			
Accounts	1,125	33	1,158
Accrued interest	6,368	31,004	37,372
Due from Other Funds	168,257	-	168,257
Total assets	$ 2,386,850	$ 10,786,998	$ 13,173,848
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 29,793	$ -	$ 29,793
Accrued payroll	142,860	-	142,860
Unearned revenue	-	55,869	55,869
Total liabilities	172,653	55,869	228,522
Fund Balances			
Unassigned	2,214,197	-	2,214,197
Restricted for research and development	-	10,731,129	10,731,129
Total fund balances	2,214,197	10,731,129	12,945,326
Total liabilities and fund balances	$ 2,386,850	$ 10,786,998	

Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because long-term liabilities that are not due and payable in the current period are not reported in the funds.		
Accrued compensated absences	$ (408,365)	
Net OPEB liability	(2,261,443)	
Net pension liability	(5,867,314)	
		(8,537,122)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred inflows of resources related to OPEB	(140,754)	
Deferred inflows of resources related to pensions	(446,138)	
Deferred outflows of resources related to OPEB	67,183	
Deferred outflows of resources related to pensions	985,074	
		465,365
Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. For governmental activities, these costs are capitalized in the statement of net position and depreciated over their estimated useful lives.		21,878
Net position of governmental activities		$ 4,895,447

	General Fund	Research and Development Special Revenue Fund	Total Governmental Funds
Revenues			
Charges for services	$ 2,371,683	$ -	$ 2,371,683
Investment income	50,054	228,041	278,095
Multi-species surcharge	-	626,623	626,623
Miscellaneous	58,577	-	58,577
Total revenues	2,480,314	854,664	3,334,978
Expenditures			
Current			
General administration	5,077,007	-	5,077,007
Less salaries and overhead recovered by allocation	(2,498,370)	-	(2,498,370)
Net general administration expenditures	2,578,637	-	2,578,637
Multi-species assessment	-	399,966	399,966
Water purchases	13,255	-	13,255
Total expenditures	2,591,892	399,966	2,991,858
Excess (deficiency) of revenues over (under) expenditures and change in fund balances	(111,578)	454,698	343,120
Fund balances, beginning	2,325,775	10,276,431	12,602,206
Fund balances, ending	$ 2,214,197	$ 10,731,129	$ 12,945,326

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		$ 343,120
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 capital outlays were greater than depreciation in the current period.		21,878
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	(88,576)	
Change in net OPEB liability and related deferred outflows and inflows of resources	(64,531)	
Change in net pension liability and related deferred outflows and inflows of resources	799,566	
		646,459
Change in net position of governmental activities		$ 1,011,457

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Power administrative charge	$ 1,054,244	$ 1,054,244	$ 900,715	$ (153,529)
Water charges	2,402,837	2,402,837	1,470,968	(931,869)
Investment income	27,593	27,593	50,054	22,461
Miscellaneous	55,776	55,776	58,577	2,801
Total revenues	3,540,450	3,540,450	2,480,314	(1,060,136)
Expenditures				
Current				
General government				
Personnel services	5,005,108	5,005,108	3,798,582	1,206,526
Travel				
Out-of-state	59,839	59,839	56,890	2,949
In-state	17,180	17,180	14,387	2,793
Operating				
Rent and insurance	132,958	132,958	135,224	(2,266)
Dues and registration fees	67,977	67,977	72,939	(4,962)
Contractual services	816,865	816,865	150,720	666,145
Other	283,908	284,108	330,817	(46,709)
Legal	483,120	483,120	483,500	(380)
Equipment, furniture and software	67,391	72,921	33,948	38,973
Water purchases	13,717	13,717	13,255	462
Total expenditures	6,948,063	6,953,793	5,090,262	1,863,531
Less salaries and overhead recovered by allocation	(3,042,935)	(3,042,935)	(2,498,370)	(544,565)
Net expenditures	3,905,128	3,910,858	2,591,892	1,318,966
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	(364,678)	(370,408)	(111,578)	258,830
Fund balance, beginning	2,786,310	3,032,444	2,325,775	(706,669)
Fund balance, ending	$ 2,421,632	$ 2,662,036	$ 2,214,197	$ (447,839)

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Investment income	$ 124,386	$ 124,386	$ 228,041	$ 103,655
Multi-species surcharge	727,407	727,407	626,623	(100,784)
Total revenues	851,793	851,793	854,664	2,871
Expenditures				
Multi-species assessment	953,321	953,321	399,966	553,355
Net expenditures	953,321	953,321	399,966	553,355
Excess (deficiency) of revenues over (under) expenditures and change in fund balance	(101,528)	(101,528)	454,698	556,226
Fund balance, beginning	8,137,004	9,115,511	10,276,431	1,160,920
Fund balance, ending	$ 8,035,476	$ 9,013,983	$ 10,731,129	$ 1,717,146

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
Assets			
Current Assets			
Cash and cash equivalents, unrestricted	$ 3,931,025	$ 612,904	$ 4,543,929
Receivables			
Accounts	135,400	634,059	769,459
Accrued interest	24,110	2,277	26,387
Prepaid items	315,393	38,956	354,349
Current portion of prepaid power	1,686,284	-	1,686,284
Total current assets	6,092,212	1,288,196	7,380,408
Noncurrent Assets			
Restricted cash and cash equivalents	5,118,988	319,176	5,438,164
Capital assets			
Power transmission system, net	7,522,875	41,379,067	48,901,942
Automobiles and equipment, net	-	155,535	155,535
Prepaid power, net of current portion	25,371,026	-	25,371,026
Total non current assets	38,012,889	41,853,778	79,866,667
Total assets	$ 44,105,101	$ 43,141,974	$ 87,247,075
Liabilities			
Current Liabilities			
Accounts payable	$ 1,610,729	$ 648,173	$ 2,258,902
Unearned revenue	1,431,928	1,715,692	3,147,620
Payable to customers	1,437,680	530,896	1,968,576
Customer collateral and other deposits	3,374,220	96,299	3,470,519
Current portion of bonds payable	730,000	-	730,000
Due to other funds	3,089	165,168	168,257
Accrued interest	266,911	-	266,911
Total current liabilities	8,854,557	3,156,228	12,010,785
Noncurrent Liabilities			
Bonds payable, net of current portion	27,330,128	-	27,330,128
Unearned revenue	6,425,724	39,702,331	46,128,055
Total noncurrent liabilities	33,755,852	39,702,331	73,458,183
Total liabilities	42,610,409	42,858,559	85,468,968
Net Position			
Net investment in capital assets	7,522,875	41,534,602	49,057,477
Unrestricted	(6,028,183)	(41,251,187)	(47,279,370)
Total net position	1,494,692	283,415	1,778,107
Total liabilities and net position	$ 44,105,101	$ 43,141,974	$ 87,247,075

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
Operating Revenues			
Power sales	$ 28,794,199	$ 14,042,496	$ 42,836,695
Operating Expenses			
Power purchases	25,397,427	9,495,987	34,893,414
Prepaid power advances	2,794,195	-	2,794,195
Depreciation	317,868	1,716,933	2,034,801
General administration	319,089	2,869,773	3,188,862
Total operating expenses	28,828,579	14,082,693	42,911,272
Operating income (loss)	(34,380)	(40,197)	(74,577)
Nonoperating Revenues (Expenses)			
Investment income	161,908	23,136	185,044
Change in Net Position	127,528	(17,061)	110,467
Net Position, Beginning (as Restated)	1,367,164	300,476	1,667,640
Net Position, Ending	$ 1,494,692	$ 283,415	$ 1,778,107

	Business-type Activities Enterprise Funds		
	Power Marketing	Power Delivery	Totals
Cash Flows from Operating Activities			
Cash received from customers	$ 33,666,799	$ 12,798,060	$ 46,464,859
Cash paid for goods and services	(25,425,874)	(12,498,162)	(37,924,036)
Net cash provided by operating activities	8,240,925	299,898	8,540,823
Cash Flows from Noncapital Financing Activities			
Cash used for debt service:			
Principal	(5,970,000)	-	(5,970,000)
Interest	(1,208,183)	-	(1,208,183)
Net cash used from noncapital financing activities	(7,178,183)	-	(7,178,183)
Cash Flows from Investing Activities			
Interest received	153,513	22,064	175,577
Net change in cash and cash equivalents (restricted and unrestricted)	1,216,255	321,962	1,538,217
Cash and Cash Equivalents, Beginning	7,833,758	610,118	8,443,876
Cash and Cash Equivalents, Ending	$ 9,050,013	$ 932,080	$ 9,982,093
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating (loss)	$ (34,380)	$ (40,197)	$ (74,577)
Depreciation	317,868	1,716,933	2,034,801
Amortization of prepaid power	2,468,613	-	2,468,613
Amortization of unearned revenue	(820,140)	(1,714,889)	(2,535,029)
Amortization of bond premiums and discounts	5,994	-	5,994
(Increase) decrease in operating assets			
Accounts receivable	1,927,262	797,552	2,724,814
Prepaid items	95,380	(805)	94,575
Increase (decrease) in operating liabilities			
Accounts payable	196,489	(45,792)	150,697
Unearned revenue	1,148,441	38,956	1,187,397
Payable to customers	(3,404)	(391,257)	(394,661)
Customer collateral and other deposits	3,010,298	25,202	3,035,500
Due to other funds	(1,227)	(85,805)	(87,032)
Accrued interest	(70,269)	-	(70,269)
Net cash provided by operating activities	$ 8,240,925	$ 299,898	$ 8,540,823

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Basis of Presentation, Measurement Focus, and Basis of Accounting

Basis of Presentation

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

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

Government-wide financial statements: The statement of net position and the statement of activities display information on all of the activities of the Commission. Eliminations have been made where appropriate to minimize the double counting of internal activities. These statements distinguish between the Commission's *governmental* and *business-type* activities. Governmental activities generally are financed through inter-governmental revenues and other exchange transactions. Business-type activities are financed primarily by fees charged to external parties.

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

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

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

The Commission reports the following major governmental funds:

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

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

Additionally, the Commission reports the following major enterprise funds:

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

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

Measurement Focus and Basis of Accounting

Government-wide and proprietary fund financial statements. The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. For the year ended June 30, 2018, there were no non-exchange transactions (those for which the Commission gives, or receives, value without directly receiving, or giving, equal value in exchange) reported in the accompanying financial statements.

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

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

Assets, Liabilities, and Equity

Cash Equivalents

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

State statutes authorize the Treasurer to invest the Commission's deposits in certain obligations of the United States of America, or its agencies or instrumentalities, and of state and local governments, as well as other financial instruments specified in Section 355.170 of Nevada Revised Statutes (NRS). The Treasurer is also permitted by statute to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Commission had no outstanding securities lending transactions as of June 30, 2018.

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

Receivables and Payables

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

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

Prepaid Power

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

Restricted Cash and Cash Equivalents

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

Capital Assets

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

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

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

Governmental Activities	Years
Office equipment	5
Office furniture and fixtures	5
Automobiles	4 – 6

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

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

Compensated Absences

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Inflows and Outflows of Resources

Deferred outflows of resources represent a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide statement of net position reports 1) unamortized bond refunding charges, 2) 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, 3) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years, and 4) contributions for pensions and OPEB made subsequent to the measurement date, which will be recognized in the subsequent year.

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

Unearned Revenue

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

Long-term Obligations

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

Fund Equity or Net Position

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

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

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

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

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

Implementation of GASB Statement No. 75

As of July 1, 2017, the Commission adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The implementation of this standard requires governments to calculate and report the costs and obligations associated with other postemployment benefits in their basic financial statements. The effect of implementation of these standards on beginning net position is disclosed in Note 14, additional disclosures are in Note 12, and required supplementary information related to OPEB is also included.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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

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

Budgetary Information

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

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

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

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

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

During the fiscal year ended June 30, 2018, the Commission complied with all requirements of the bond covenants.

Note 3 - Cash Deposits

At June 30, 2018, the Commission's carrying amount of restricted and unrestricted cash and cash equivalents was $22,949,154. These deposits with the Treasurer are not categorized as to credit risk, but are fully insured by the FDIC or collateralized by the State's financial institutions. Securities used as such collateral must total 102 percent of the deposits with each financial institution.

Note 4 - Restricted Cash and Cash Equivalents

Cash and cash equivalents restricted at June 30, 2018, by bond covenants or contractual agreements are summarized as follows:

Restricted for:	
Debt service	$ 1,002,818
Reserve for revenue insufficiency	488,106
Cash held by contractual agreement	3,947,240
Total restricted	$ 5,438,164

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital assets being depreciated				
Office equipment	$ 49,672	$ -	$ -	$ 49,672
Office furniture and fixtures	28,539	-	1,800	26,739
Automobiles	108,527	22,686	21,336	109,877
Total capital assets being depreciated	186,738	22,686	23,136	186,288
Less accumulated depreciation				
Office equipment	49,672	-	-	49,672
Office furniture and fixtures	28,539	-	1,800	26,739
Automobiles	108,527	808	21,336	87,999
Total accumulated depreciation	186,738	808	23,136	164,410
Capital assets, net	$ -	$ 21,878	$ -	$ 21,878

	Beginning Balances	Increase	Decrease	Ending Balances
Business-type Activities				
Capital assets being depreciated				
Power transmission system	$ 88,278,263	$ -	$ -	$ 88,278,263
Office equipment	92,190	-	-	92,190
Automobiles	372,575	-	-	372,575
Total capital assets being depreciated	88,743,028	-	-	88,743,028
Less accumulated depreciation				
Power transmission system*	37,381,716	1,994,603	-	39,376,319
Office equipment	84,359	5,572	-	89,931
Automobiles	184,675	34,626	-	219,301
Total accumulated depreciation	37,650,750	2,034,801	-	39,685,551
Capital assets, net	$ 51,092,278	$ (2,034,801)	$ -	$ 49,057,477

*The fiscal year 2017 balance for accumulated depreciation related to the power transmission systems for the power marketing fund was adjusted in the business-type activities to correct a depreciation calculation error, which impacted beginning accumulated depreciation and beginning unearned revenue balances by $693,606. This adjustment had a zero net effect to total net position.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General government	$ 808
Business-type Activities	
Power marketing	317,868
Power delivery	1,716,933
	$ 2,035,609

Note 6 - Balances Due to/from Other Funds

The composition of interfund balances, representing the net of short-term working capital advances and repayments, as of June 30, 2018, was as follows:

Funds	Due From	Due To
General	$ -	$ 168,257
Power marketing	3,089	-
Power delivery	165,168	-
	$ 168,257	$ 168,257

Note 7 - Unearned Revenue

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

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

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

The unearned revenue balance of $48,088,277 related to construction and facilities is being amortized over various useful lives as determined during construction for Phase I, Phase II and River Mountains, and over an average life of the 39.5 years for the Basic Step-down Yard.

Future amortization of Unearned Revenue at year end will be recognized as follows:

2019	$ 1,958,044
2020	1,958,044
2021	1,958,044
2022	1,958,044
2023	1,958,044
2024 - 2028	9,732,383
2029 - 2033	9,689,986
2034 - 2038	9,237,233
2039 - 2043	6,143,044
2044 - 2048	2,620,585
2049 - 2052	874,826
	$ 48,088,277

During the year ended June 30, 2018, the Commission recognized total revenue of $1,960,223 related to the amortization of unearned revenue.

Note 8 - Long-term Debt

General Obligation Bonds

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

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

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

Business-type Activities	Maturity Dates	Interest Rates	Outstanding at June 30, 2018
General obligation refunding series 2014E	2015 - 2043	0.50 to 4.25%	$ 28,210,000

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

Year ending June 30,	Principal	Interest	Total Requirements
2019	$ 730,000	$ 1,062,535	$ 1,792,535
2020	740,000	1,049,840	1,789,840
2021	755,000	1,033,573	1,788,573
2022	770,000	1,014,880	1,784,880
2023	800,000	993,670	1,793,670
2024 - 2028	4,340,000	4,572,125	8,912,125
2029 - 2033	5,190,000	3,702,571	8,892,571
2034 - 2038	6,355,000	2,510,158	8,865,158
2039 - 2043	6,960,000	1,097,774	8,057,774
2044	1,570,000	33,362	1,603,362
	$ 28,210,000	$ 17,070,488	$ 45,280,488

Changes in Long-term Obligations

Changes in long-term obligations during the year ended June 30, 2018, are summarized below:

	Balance July 01, 2017	Additions	Reductions	Balance June 30, 2018	Current
Governmental Activities					
Accrued compensated absences	$ 319,781	$ 269,466	$ 180,882	$ 408,365	$ 241,695
Business-type Activities					
General obligation bonds	34,180,000	-	5,970,000	28,210,000	730,000
Unamortized bond premium	-	-	-	-	-
Unamortized bond discount	(155,866)	-	(5,994)	(149,872)	-
Total	$ 34,343,915	$ 269,466	$ 6,144,888	$ 28,468,493	$ 971,695

Accrued compensated absences 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 $2,310,000 as of June 30, 2018. Pursuant to an agreement with the third-party borrower, the Commission has no obligation for the debt.

Note 9 - Risk Management

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

Note 10 - Commitments and Contingencies

Litigation

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

Arbitrage Rebate Requirement

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

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

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

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

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

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

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

1. 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

2. The average percentage increase in the Consumer Price Index (or the PERS Board approved index) for the three preceding years.

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

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

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

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

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

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

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

Effective July 1, 2015, the required contribution rates for regular members was 14.5% and 28% for employer/employee matching and EPC, respectively.

PERS collective net pension liability was measured as of June 30, 2017, 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:

Inflation Rate	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.5%
Productivity Pay Increase	0.5%
Consumer Price Index	2.75%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service
	Police/Fire: 4.55% to 13.90%, depending on service
	Rates include inflation and productivity increases
Other Assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

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

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

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

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

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The Following target asset allocation policy was adopted as of June 30, 2017:

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 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on the assumption, PERS's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	$ 8,869,741	$ 5,867,314	$ 3,373,752

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.

The Commission's proportionate share (amount) of the collective net pension liability was $5,867,314 which represents 0.04412% of the collective net pension liability, which is a decrease from the previous year's proportionate share of 0.04902%. Contributions for employer pay dates within the fiscal year ended June 30, 2017, 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, 2017.

For the year ended June 30, 2018, the Commission's pension income was $379,669 and its reported deferred outflows and inflows of resources related to pensions were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 385,014
Changes of assumptions or other inputs	389,240	61,124
Net difference between projected and actual earnings on investments	38,096	-
Changes in proportion and differences between actual contributions and proportionate share of contributrions	149,200	-
Contributions subsequent to measurement date	408,538	-
	$ 985,074	$ 446,138

At June 30, 2017, the average expected remaining service life was 6.39 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $408,538 will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

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,	
2019	$ (119,155)
2020	143,246
2021	42,291
2022	(69,139)
2023	97,687
2024	35,468

Note 12 - Employee Benefit Plans –

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

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

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

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

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

Contributions - The State allocates funds for payment of current and future post-employment benefits other than pensions as a percentage of budgeted payrolls to all State agencies. The required contribution rate for employers, as a percentage of covered payroll, for the fiscal year ended June 30, 2017 was 0.0236. For the year ended June 30, 2018, these payments totaled $67,183 for the Commission.

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB- the Commission's net OPEB liability was measured as of July 1, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of January 1, 2018, which was then adjusted using roll-back procedures to determine the liability at the measurement date of July 1, 2017. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to PEBP relative to the total contributions of all participating employers. At June 30, 2018 the Commission's proportion was 0.174 percent.

For the year ended June 30, 2018, the Commission recognized OPEB expense of $134,349. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 140,578
Net difference between projected and actual earnings	-	176
Contributions subsequent to the measurement date	67,183	-
Total	$ 67,183	$ 140,754

Deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date in the amount of $67,183 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	$ (37,234)
2020	(37,234)
2021	(37,234)
2022	(29,052)
Total	$ (140,754)

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

Inflation Rate	2.75%
Salary Increases	0.50% productivity pay increase, 2.73% average promotional and merit salary increase
Investment Rate of Return	3.58%
Healthcare Cost Trend Rates	7.5% initial, 4.50% ultimate

Mortality rates for healthy individuals were based on the RP-2000 combined healthy mortality projected to 2014 with scale AA, set back one year for females. Mortality rates for disabled individuals were based on the RP-2000 disabled retiree mortality projected to 2014 with scale AA, set forward 3 years.

The actuarial assumptions used in the June 30, 2018 valuation were based upon certain demographic and other actuarial assumptions as recommended by the actuary, in conjunction with the State and guidance from the GASB statement.

Discount Rate - The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The assets in the trust as of June 30, 2017 are less than the expected benefit payments in the first year; therefore, the crossover period is assumed to be in the first year, which provides additional support for continuing the discount rate at the 20-Year Municipal Bond Index rate. The discount rate used to measure the total OPEB liability was 3.58%.

Sensitivity of the OPEB liabilities to changes in the discount rate - The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

1% Decrease in Discount Rate 2.58%	Current Discount Rate Rate 3.58%	1% Increase in Discount Rate 4.58%
$ 2,503,436	$ 2,261,443	$ 2,051,797

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

1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in in Healthcare Costs Trend Rate
$ 2,116,494	$ 2,261,443	$ 2,432,371

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

Note 13 - Joint Venture

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

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

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

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

Financial information regarding SSEA can be obtained by writing:

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

The SSEA website is www.silverstateenergy.org/.

Note 14 - Prior Period Restatement

As of July 1, 2017, the Commission adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The implementation of this standard replaces the requirements of GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* and requires governments calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to adopt the provisions of GASB Statement No. 75 to report the beginning net OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

Following is the impact of GASB 75 to the various account balances:

	Governmental Activities
Net position at June 30, 2017, as previously reported	$ 6,154,473
Net OPEB liability under GASB Statement No. 75 at June 30, 2017	(2,333,966)
Deferred outflows related to OPEB contributions	63,483
Net position at July 1, 2017, as restated	$ 3,883,990

Note 15 - Related Party

The Commission is governed by seven commissioners, three of whom are appointed by the Southern Nevada Water Authority (SNWA) and four, including the board Chair, appointed by the Governor. The Commission and SNWA do not share staff members or members of management. The SNWA, a local governmental organization, is also one of the Commission's principal revenue payers (see Table 5). In fiscal 2018, the Commission received revenues from the SNWA for power and water resources but made no payments to the SNWA for any purpose. The SNWA publishes a Comprehensive Annual Financial Report which can be seen on their website at SNWA.com. In addition, the Commission's capacities work with other public entities, SNWA, other states, and various governmental entities in fulfilling its statutory responsibilities; however, no other entity has representatives on the board. In fiscal 2018, SNWA accounted for revenue of $10,382,227.

Required Supplementary Information
June 30, 2018

Colorado River Commission of Nevada

Valuation Date June 30,	Proportion of the collective net pension liability	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net pension liability as a percentage of covered payroll	PERS fiduciary net position as a percentage of the total pension liability
2014	0.04795%	$ 6,305,091	$ 2,348,229	268.50%	76.31%
2015	0.04795%	4,997,140	2,531,235	197.42%	75.13%
2016	0.04902%	6,596,117	2,575,317	256.13%	72.23%
2017	0.04412%	5,867,314	2,701,732	217.17%	74.40%

* 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.

Fiscal Year	Statutorily required contribution	Contributions in relation to the statutorily required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2014	$ 527,504	$ 527,504	$ -	$ 2,348,299	22.46%
2015	507,091	507,091	-	2,531,235	20.03%
2016	523,411	523,411	-	2,575,317	20.32%
2017	395,979	395,979	-	2,701,732	14.66%
2018	406,477	406,477	-	2,856,435	14.23%

* 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.

	2018
Commission's proportion of the net OPEB liability	0.1740%
Commission's proportionate share of the net OPEB liability	2,261,443
Commission's covered payroll	2,891,310
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	78.2152%
Plan fiduciary net position as a percentage of the total OPEB liability	0.1133%

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

	2018
Contractually required contribution	$ 68,235
Contributions in relation to the contractually required contribution	66,117
Contribution deficiency	(2,118)
Commission's covered payroll	$ 2,749,712
Contributions as a percentage of covered payroll	2.48%

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

Statistical Section
June 30, 2018

Colorado River Commission of Nevada

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

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

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

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

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

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

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

	Fiscal Year									
	2018	2017 (as restated)	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	$ 21,878	$ -	$ 2,102	$ 4,887	$ 7,673	$ 10,925	$ 19,196	$ 35,121	$ 46,102	$ 33,762
Restricted for research and development	10,731,129	10,276,431	9,882,973	9,537,522	8,125,768	5,203,611	3,468,550	2,139,130	-	-
Unrestricted	(5,857,560)	(6,392,441)	(3,350,978)	(4,203,575)	2,712,559	2,955,658	2,573,169	1,924,972	2,916,470	3,145,590
Total Governmental Activities Net Position	$ 4,895,447	$ 3,883,990	$ 6,534,097	$ 5,338,834	$ 10,846,000	$ 8,170,194	$ 6,060,915	$ 4,099,223	$ 2,962,572	$ 3,179,352
Business-type Activities										
Net investment in capital assets	$ 49,057,477	$ 50,398,692	$ 52,621,510	$46,451,402	$ 1,728,620	$ 3,854,233	$ 5,979,847	$ (4,219,164)	$ (4,270,307)	$ (3,967,588)
Restricted for operations and maintenance	-	929,332	714,403	712,991	712,019	711,215	711,014	710,738	710,482	713,088
Unrestricted	(47,279,370)	(49,660,384)	(51,815,787)	(46,037,051)	(5,470,443)	(3,137,388)	(1,108,611)	8,484,670	8,372,383	8,345,585
Total Business-type Activities Net Position	$ 1,778,107	$ 1,667,640	$ 1,520,126	$ 1,127,342	$ (3,029,804)	$ 1,428,060	$ 5,582,250	$ 4,976,244	$ 4,812,558	$ 5,091,085
Total Entity-wide										
Net Investment in capital assets	$ 49,079,355	$ 50,398,692	$ 52,623,612	$ 46,456,289	$ 1,736,293	$ 3,865,158	$ 5,999,043	$ (4,184,043)	$ (4,224,205)	$ (3,933,826)
Restricted	10,731,129	11,205,763	10,597,376	10,250,513	8,837,787	5,914,826	4,179,564	2,849,868	710,482	713,088
Unrestricted	(53,136,930)	(56,052,825)	(55,166,765)	(50,240,626)	(2,757,884)	(181,730)	1,464,558	10,409,642	11,288,853	11,491,175
Total Entity-wide Net Position	$ 6,673,554	$ 5,551,630	$ 8,054,223	$ 6,466,176	$ 7,816,196	$ 9,598,254	$ 11,643,165	$ 9,075,467	$ 7,775,130	$ 8,270,437

Colorado River Commission of Nevada

Changes in Net Position

(Accrual basis of accounting)

Last Ten Fiscal Years (Unaudited) – Table 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental Activities										
General government	$ 2,323,521	$ 3,371,208	$ 2,620,776	$ 2,637,347	$ 2,595,457	$ 2,058,890	$ 1,901,012	$ 2,306,101	$ 3,275,830	$ 2,810,030
Business-type Activities										
Power marketing	28,828,579	25,967,737	24,642,788	25,179,606	27,386,283	41,041,108	40,490,639	41,483,124	40,226,984	46,050,417
Power delivery	14,082,693	15,096,211	23,277,768	32,812,396	36,891,400	39,959,001	46,921,205	45,904,714	41,633,751	38,006,772
Total Business-type Activities	42,911,272	41,063,948	47,920,556	57,992,002	64,277,683	81,000,109	87,411,844	87,387,838	81,860,735	84,057,189
Total Entity-wide Expenses	$45,234,793	$44,435,156	$50,541,332	$60,629,349	$66,873,140	$83,058,999	$89,312,856	$89,693,939	$85,136,565	$86,867,219
Program Revenues										
Governmental Activities										
Charges for service										
Power administrative charge	$ 900,715	$ 926,483	$ 1,141,701	$ 220,817	$ 1,140,050	$ 1,167,674	$ 1,259,804	$ 1,219,897	$ 1,121,162	$ 1,167,254
Water charges	1,470,968	1,236,371	1,858,749	1,153,359	1,060,171	1,229,732	1,169,246	752,854	1,285,018	1,046,787
Multi-species surcharge	626,623	673,629	668,686	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160	625,814	583,162
Total Governmental Activities Program Revenues	2,998,306	2,836,483	3,669,136	2,637,178	5,201,004	4,138,884	3,791,809	3,347,911	3,031,994	2,797,203
Business-type Activities										
Charges for service										
Power sales										
Power marketing	28,794,199	25,899,868	16,495,222	24,861,738	27,386,283	41,041,108	40,374,094	41,436,582	40,217,943	45,845,877
Power delivery	14,042,496	15,269,914	31,753,902	30,783,323	32,595,571	35,726,333	47,562,794	46,077,938	41,711,572	37,897,186
	42,836,695	41,169,782	48,249,124	55,645,061	59,981,854	76,767,441	87,936,888	87,514,520	81,929,515	83,743,063
Total Entity-wide Program Revenues	$45,835,001	$44,006,265	$51,918,260	$58,282,239	$65,182,858	$80,906,325	$91,728,697	$90,862,431	$84,961,509	$86,540,266

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Expenses										
Governmental activities	$ 674,785	$ (534,725)	$ 1,048,360	$ (169)	$ 2,605,547	$ 2,079,994	$ 528,038	$ (333,350)	$ (869,650)	$ (595,989)
Business-type activities	(74,577)	105,834	328,568	(2,346,941)	(4,295,829)	(4,232,668)	525,044	126,682	68,780	(314,126)
Total entity-wide expense	$ 600,208	$ (428,891)	$ 1,376,928	$ (2,347,110)	$ (1,690,282)	$ (2,152,674)	$ 1,053,082	$ (206,668)	$ (800,870)	$ (910,115)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Investment income	$ 278,095	$ 95,846	$ 91,125	$ 202,937	$ 14,672	$ 29,285	$ 29,677	$ 12,432	$ 27,057	$ 87,325
Miscellaneous	58,577	59,255	55,778	67,653	55,587	-	41,218	82,409	-	-
Total Governmental Activities	336,672	155,101	146,903	270,590	70,259	29,285	70,895	94,841	27,057	87,325
Business-type Activities										
Investment income	185,044	41,680	55,232	171,238	12,063	78,478	12,635	2,841	22,495	183,604
Abandonment loss	-	-	-	-	-	-	-	-	(369,802)	-
Miscellaneous	-	-	8,984	-	4,065	-	68,327	34,163	-	-
Total business-type activities	185,044	41,680	64,216	171,238	16,128	78,478	80,962	37,004	(347,307)	183,604
Total Entity-wide	$ 521,716	$ 196,781	$ 211,119	$ 441,828	$ 86,387	$ 107,763	$ 151,857	$ 131,845	$ (320,250)	$ 270,929
Change in Net Position										
Governmental activities	$ 1,011,457	$ (379,624)	$ 1,195,263	$ 270,421	$ 2,675,806	$ 2,109,279	$ 598,933	$ (238,509)	$ (842,593)	$ (508,664)
Business-type activities	110,467	147,514	392,784	(2,175,703)	(4,279,701)	(4,154,190)	606,006	163,686	(278,527)	(130,522)
Total Entity-wide	$ 1,121,924	$ (232,110)	$ 1,588,047	$ (1,905,282)	$ (1,603,895)	$ (2,044,911)	$ 1,204,939	$ (74,823)	$ (1,121,120)	$ (639,186)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Unassigned	$ 2,214,197	$ 2,325,767	$ 2,938,016	$ 2,040,963	$ 3,051,126	$ 3,304,782	$ 2,878,917	$ 2,222,770	$ 2,398,074	$ 2,545,592
All Other Governmental Funds										
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reported in special revenue funds:										
Fort Mohave Development	-	-	-	-	-	-	-	-	-	-
Research and Development	10,731,129	10,276,431	9,882,973	9,537,522	8,125,768	5,203,611	3,468,550	2,139,130	827,864	872,912
Total all Other Governmental Funds	$ 10,731,129	$ 10,276,431	$ 9,882,973	$ 9,537,522	$ 8,125,768	$ 5,203,611	$ 3,468,550	$ 2,139,130	$ 827,864	$ 872,912

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Charges for services	$ 2,371,683	$ 2,162,854	$ 3,000,450	$ 1,374,176	$ 2,200,221	$ 2,397,406	$ 2,429,050	$ 1,972,751	$ 2,406,180	$ 2,214,041
Investment income	278,095	95,846	91,125	202,937	14,672	29,285	29,677	12,432	27,057	87,325
Muli-species surcharge	626,623	673,629	668,686	1,263,002	3,000,783	1,741,478	1,362,759	1,375,160	625,814	583,162
Miscellaneous	58,577	59,255	55,778	67,653	55,587	-	41,218	82,409	-	-
Total revenues	3,334,978	2,991,584	3,816,039	2,907,768	5,271,263	4,168,169	3,862,704	3,442,752	3,059,051	2,884,528
Expenditures										
General administration	2,578,637	2,838,816	2,165,754	2,491,039	2,514,358	1,974,816	1,812,067	2,267,200	2,768,497	2,232,083
Multi-species assessment	399,966	358,618	394,061	-	-	-	-	-	459,851	443,603
Water purchases	13,255	12,941	13,717	15,138	15,074	14,244	15,134	14,270	15,277	15,889
Other	-	-	-	-	73,330	18,183	49,936	25,318	7,992	89,709
Total expenditures	2,991,858	3,210,375	2,573,532	2,506,177	2,602,762	2,007,243	1,877,137	2,306,788	3,251,617	2,781,284
Excess (Deficiency) of Revenue Over (Under) Expenditures and Net Changes in Fund Balances	$ 343,120	$ (218,791)	$ 1,242,507	$ 401,591	$ 2,668,501	$ 2,160,926	$ 1,985,567	$ 1,135,964	$ (192,566)	$ 103,244

Customer	F/Y 2018 Water Administrative Charges	F/Y 2018 Power Administrative Charges	F/Y 2018 (1) LCRMSCP Charges	F/Y 2018 Power Marketing Revenues	F/Y 2018 Power Delivery Revenues	F/Y 2018 Total	(4) F/Y 2017 Total	(4) F/Y 2016 Total	(4) F/Y 2015 Total	(4) F/Y 2014 Total	(4) F/Y 2013 Total	(4) F/Y 2012 Total	(4) F/Y 2011 Total	(4) F/Y 2010 Total	(4) F/Y 2009 Total
Southern Nevada Water Authority	$ 1,442,097	$ 80,516	$ 43,469	$ 2,116,840	$ 8,144,615	$ 11,827,537	$ 12,203,475	$ 12,179,218	$ 14,358,251	$ 15,461,521	$ 39,874,221	$ 51,300,955	$ 49,486,766	$ 83,298,697	$ 40,881,604
Basic Water Company	5,799	19,376	27,972	497,167	385,681	935,995	823,636	759,596	1,010,474	927,791	762,502	675,012	775,087	53,516	1,131,591
Timet Metals Corporation	-	197,826	60,354	3,445,095	4,964,265	8,667,540	9,582,350	9,358,046	11,426,000	12,140,825	8,644,733	8,467,095	6,257,186	219,602	11,549,026
Olin Chlor Alkaine (formerly Pioneer)	-	4,230	1,775	157,372	166,762	330,139	383,347	5,976,246	10,207,738	11,692,303	7,932,926	7,733,604	8,752,522	160,464	10,453,427
LHOIST (formerly Chemical Lime Company)	-	2,161	1,127	67,409	18,757	89,454	74,523	70,022	52,184	60,153	60,431	53,158	62,531	3,305	65,921
Tronox, LLC	-	71,067	54,194	2,182,596	359,652	2,667,509	1,973,513	2,018,316	1,856,809	1,869,709	1,777,310	1,698,155	1,760,750	134,319	1,466,649
American Pacific Corporation	-	-	-	1,002	-	1,002	41,886	2,087,232	2,882,906	3,454,082	2,467,512	2,461,818	2,627,688	88,143	2,460,584
Lincoln County Power District No. 1	-	53,445	39,917	1,724,710	-	1,818,072	1,460,670	1,403,957	1,372,495	1,531,438	1,700,354	1,684,446	1,728,892	98,341	1,538,006
Overton Power District #5	-	58,614	30,389	2,198,429	-	2,287,432	2,351,212	2,174,710	2,040,250	2,453,914	2,301,447	2,534,041	2,562,159	96,390	2,286,563
Valley Electric Association	-	83,786	37,383	2,982,246	-	3,103,415	3,676,756	2,286,746	2,639,510	3,094,859	2,632,025	2,493,361	2,671,367	116,804	3,142,087
NV Energy (formerly Nevada Power Company)	-	272,321	262,835	10,646,900	-	11,182,056	10,134,276	9,814,515	9,234,032	11,217,704	11,497,753	11,306,542	10,607,889	567,906	10,404,959
City of Boulder City	-	25,589	39,016	1,335,527	-	1,400,132	1,278,026	1,258,457	1,175,756	1,251,852	1,204,679	1,294,400	3,588,478	98,075	1,139,321
Las Vegas Valley Water District	5,932	8,115	7,148	383,872	-	405,067	-	-	5,976	6,044	6,669	6,293	6,301	-	-
City of Henderson	16,373	5,046	4,385	201,612	-	227,416	16,089	16,947	19,070	19,831	17,961	19,143	16,804	19,810	20,563
Clark County School District	-	2,754	2,746	162,366	-	167,866	-	-	-	-	-	-	-	-	-
Clark County Water Reclamation District	-	4,839	3,884	190,701	-	199,424	-	-	-	-	-	-	-	-	-
City of Las Vegas	-	5,182	4,224	183,904	-	193,310	-	-	-	-	-	-	-	-	-
University of Nevada-Las Vegas	-	2,568	2,561	152,098	-	157,227	-	-	-	-	-	-	-	-	-
Raw Water Sales (2)	767	-	-	-	-	767	6,506	6,529	787	832	802	674	17,939	13,513	966
Other power sales (3)	-	3,280	3,244	164,353	2,764	173,641	-	-	-	-	-	-	17,276	-	-
	$ 1,470,968	$ 900,715	$ 626,623	$ 28,794,199	$ 14,042,496	$ 45,835,001	$ 44,006,265	$ 49,410,537	$ 58,282,238	$ 65,182,858	$ 80,881,325	$ 91,728,697	$ 90,939,635	$ 84,968,885	$ 86,541,267

(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 governmen for the conservation program. Note that the Southern Nevada Water Authority also pays an additional charge directly to the federal government not collected by the Commission

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

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

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

Fiscal Year	General Obligation Refunding Series 2014E	General Obligation Refunding Series 2012E	General Obligation Refunding 2011B	Power Delivery Refunding Series 20051	Power Uprating Refunding Series 2002	Hoover Uprating Refunding Series 2001	Power Delivery Series 1999A	Unamortized Premium	Unamortized Discount	Unamortized Adjustments	Total Outstanding Debt	Charges for Services	Revenue in Debt Ratio	Debt as a Percentage of Personal Income	Debt per Capita In Dollars
2009	$ -	$ -	$ -	$63,940,000	$33,180,000	$ 6,305,000	$ 635,000	$ 2,903,724	$ (1,646)	$ (4,795,510)	$ 102,166,568	$85,957,104	0.84	1.46%	$ 2,539
2010	-	-	-	62,500,000	29,765,000	6,305,000	-	2,656,917	-	(4,447,707)	96,779,210	84,335,695	0.87	1.37%	2,621
2011	-	-	-	60,330,000	26,165,000	6,305,000	-	2,410,113	-	(4,099,904)	91,110,209	89,487,271	0.98	1.27%	2,468
2012	-	-	5,545,000	47,755,000	22,370,000	-	-	2,620,239	-	(3,319,228)	74,971,011	90,365,938	1.21	0.97%	1,986
2013	-	17,085,000	5,545,000	47,755,000	-	-	-	2,915,211	-	(2,859,522)	70,440,689	80,966,325	1.15	0.91%	1,786
2014	29,475,000	13,110,000	5,545,000	47,755,000	-	-	-	2,255,216	(173,851)	-	97,966,365	65,182,858	0.67	1.20%	2,498
2015	29,475,000	8,960,000	5,545,000	-	-	-	-	758,899	(167,856)	-	44,571,043	58,282,239	1.31	0.52%	1,094
2016	29,055,000	4,595,000	5,545,000	-	-	-	-	186,942	(161,861)	-	39,220,080	51,918,260	1.32	0.44%	930
2017	28,635,000	-	5,545,000	-	-	-	-	-	(155,866)	-	34,024,134	44,006,265	1.29	N/A (1)	N/A (1)
2018	28,210,000	-	-	-	-	-	-	-	(149,872)	-	28,060,128	45,835,001	1.63	N/A (1)	N/A (1)

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 correspondin project must be specifically authorized by the State Legislature either during a full session (in the odd numbered years) or through the Interim Finance Committee (a committee composed of legislators that meets as necessary to accommodate Stat 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 debit limit and would also have to be approved by the Legislatur Such debt has never been issued by the Commission and will not be pursued in the foreseeable future

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

(1) Information not currently available

Fiscal Year	Gross Revenues	Less: Operating Expenses	Add: Depreciation	Net Available Revenues	Debt Service			Coverage (1)
					Principal	Interest	Total	
2009	$86,540,266	$80,649,088	$ 2,036,989	$ 7,928,167	$ 1,705,000	$ 5,579,181	$ 7,284,181	1.09
2010	84,961,509	78,825,046	2,031,355	8,167,818	5,200,000	5,305,610	10,505,610	0.78
2011	90,862,431	84,460,101	2,030,633	8,432,963	5,770,000	4,791,950	10,561,950	0.80
2012	91,728,697	84,921,105	2,024,827	8,832,419	5,490,000	5,012,438	10,502,438	0.84
2013	80,906,325	78,792,267	2,024,826	4,138,884	6,065,000	4,416,732	10,481,732	0.39
2014	65,182,858	62,010,746	2,024,827	5,196,939	4,005,000	3,242,334	7,247,334	0.72
2015	58,282,239	55,799,470	2,346,941	4,829,710	3,975,000	3,279,188	7,254,188	0.67
2016	49,410,536	48,093,319	2,351,919	3,669,136	4,785,000	1,690,220	6,475,220	0.57
2017	44,006,265	41,063,948	2,352,198	5,294,515	5,015,000	1,464,645	6,479,645	0.82
2018	45,835,001	42,911,272	2,034,801	4,958,530	5,970,000	1,208,183	7,178,183	0.69

(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.

Year	Population	Personal Income (in thousands) (3)	Per Capita Income (3)	Total Labor Force (4)	Unemployment Rate (4)
2009	1,952,040	$ 70,129,464	$ 40,243	969,122	11.8%
2010	1,968,831	70,428,593	36,931	986,342	13.8%
2011	1,967,722	71,777,369	36,918	995,209	13.4%
2012	1,988,855	77,373,382	37,745	1,001,608	11.4%
2013	2,031,723	77,298,937	39,436	1,009,941	9.9%
2014	2,069,450	81,821,005	39,223	1,023,712	8.2%
2015	2,118,353	86,305,938	40,742	1,049,522	7.1%
2016	2,107,031	88,885,102	42,185	1,059,667	6.4%
2017	2,205,207	N/A (5)	N/A (5)	1,077,435	5.2%
2018	2,233,000 (2)	N/A (5)	N/A (5)	1,097,668	4.7%

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

(2) Source: UNLV Center for Business and Economic Research, Population Forecasts, Long-Term Projections for Clark County, Nevada 2016-2050, May 2016 report. For calendar year ended during fiscal year.

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

(4) Source: Nevada Department of Employment Training and Rehabilitation, Clark County. June 2018.

(5) Information not currently available

Employer	Number of Employees [2]	Average Percentage of Total County Employment
2018 [1]		
InterContinental The Venetian Las Vegas	10,000+	0.97%
Red Square at Mandalay Bay	5,000 to 9,999	0.72%
Caesars Palace Las Vegas Hotel	5,000 to 9,999	0.72%
Orleans Hotel and Casino	5,000 to 9,999	0.72%
Las Vegas Sands Corporation	5,000 to 9,999	0.72%
MGM Grand Hotel/Casino	5,000 to 9,999	0.72%
Paris Las Vegas Hotel and Casino	5,000 to 9,999	0.72%
Las Vegas Metropolitan Police	5,000 to 9,999	0.72%
U.S. Air Force Base	5,000 to 9,999	0.72%
Planet Hollywood Resort and Casino	5,000 to 9,999	0.72%
Total for Principal Employers		7.45%
Total Employment in Clark County [3]	1,034,529	
2009		
Clark County School District	30,000 to 39,999	3.46%
Clark County, Nevada	9,000 to 9,499	0.92%
Wynn Las Vegas LLC	8,500 to 8,999	0.87%
Bellagio, LLC	8,000 to 8,499	0.82%
MGM Grand Hotel/Casino	7,500 to 7,999	0.77%
Mandalay Bay Resort and Casino	6,000 to 6,499	0.62%
Las Vegas Metropolitan Police	5,500 to 5,999	0.57%
University of Nevada Las Vegas	5,500 to 5,999	0.57%
Caesar's Palace	5,000 to 5,499	0.52%
The Mirage Casino Hotel	4,500 to 4,999	0.47%
Total for Principal Employers		9.59%
Total Employment in Clark County [3]	1,010,500	

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

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

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

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

Source: Nevada Department of Employment, Training and Rehabilitation (DETR)

Fiscal Year	Executive and Administrative	Water Department	Hydropower Department	SNWS Energy Services	Power Delivery O & M	Total
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
2016	12	3	3	7	7	32
2017	13	3	3	8	7	34
2018	14	3	3	8	7	35

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
CRC Power Delivery Project and Basic Industries 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
Distributions 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 (3)	120	120	120	120	107	95	82	70	70	68
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 and used in to deliver power to the Commission's customers only.

(2) The Power Delivery System (System) is a dedicated power transmission and delivery system that provides electric power resources to the facilities of the Southern Nevada Water Authority. With a total system capacity of 1,000 megawatts of transformer capacity the System is the 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 delivery of water to the residents of Southern Nevada under almost any circumstances. Power facilities dedicated to the Basic Industries provide power to the industrial complex located in Henderson. The total capacity of the Basic Industries system is 150 Megawatts.

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

Customer	F/Y 2018 Total	F/Y 2017 Total	F/Y 2016 Total	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
	Power Purchases in Megawatt Hours(1)									
Southern Nevada Water Authority (2)	2,322,323	2,253,405	2,177,152	2,172,526	2,321,270	2,486,443	2,643,331	2,637,577	2,776,341	2,151,774
Basic Water Company	19,621	26,685	27,754	32,517	31,788	29,886	32,010	32,456	30,352	33,865
Timet Metals Corporation	203,008	349,788	382,280	400,530	401,072	343,173	368,939	277,949	219,606	343,587
Olin Chlor Alkaine (formerly Pioneer Americas, LLC)	5,080	9,242	180,019	243,017	272,761	222,273	237,558	248,713	236,483	193,307
Lhoist North America, Inc. (formerly Chemical Lime Co.)	2,773	2,964	2,904	2,650	2,516	2,496	2,540	2,948	2,894	3,179
Tronox, LLC	104,453	108,027	121,041	128,496	119,634	114,593	112,392	113,884	97,351	117,699
American Pacific Corporation	-	2	69,382	97,607	108,715	89,874	94,495	99,283	97,813	79,975
Lincoln County Power District No. 1	76,200	68,127	74,362	85,067	77,581	81,905	90,337	88,844	80,681	83,314
Overton Power District #5	83,214	89,471	90,775	87,381	94,964	90,653	101,289	105,334	95,426	91,013
Valley Electric Association	119,611	137,139	102,225	100,105	117,806	109,780	114,131	115,119	113,166	121,726
NV Energy (formerly Nevada Power Company)	390,373	379,049	412,535	416,850	444,593	435,809	470,882	448,303	393,541	439,276
City of Boulder City	36,240	36,336	37,110	37,951	37,851	33,060	46,135	88,725	71,846	43,062
Clark County School District	3,960	-	-	-	-	-	-	-	-	-
Clark County Water Reclamation District	6,970	-	-	-	-	-	-	-	-	-
City of Henderson	7,269	-	-	-	-	-	-	-	-	-
City of Las Vegas	7,464	-	-	-	-	-	-	-	-	-
Las Vegas Valley Water District	11,680	-	-	-	-	-	-	-	-	-
University of Nevada-Las Vegas	3,692	-	-	-	-	-	-	-	-	-
Small Hoover Schedule "D" customers (3)	4,667	-	-	-	-	-	-	-	-	-
	3,408,598	3,460,235	3,677,539	3,804,697	4,030,551	4,039,945	4,314,039	4,259,135	4,215,500	3,701,777

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

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

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

	Power Purchases in Percentages									
Customer	F/Y 2018 Total	F/Y 2017 Total	F/Y 2016 Total	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
Southern Nevada Water Authority (2)	68.13%	65.12%	59.20%	57.08%	57.59%	61.55%	61.26%	61.93%	65.87%	58.13%
Basic Water Company	0.58%	0.77%	0.75%	0.85%	0.79%	0.74%	0.74%	0.76%	0.72%	0.91%
Timet Metals Corporation	5.96%	10.11%	10.39%	10.53%	9.95%	8.49%	8.55%	6.53%	5.21%	9.28%
Olin Chlor Alkaine (formerly Pioneer Americas, LLC)	0.15%	0.27%	4.90%	6.39%	6.77%	5.50%	5.51%	5.84%	5.61%	5.22%
Lhoist North America, Inc. (formerly Chemical Lime Co.)	0.08%	0.09%	0.08%	0.07%	0.06%	0.06%	0.06%	0.07%	0.07%	0.09%
Tronox, LLC	3.06%	3.12%	3.29%	3.38%	2.97%	2.84%	2.61%	2.67%	2.31%	3.18%
American Pacific Corporation	0.00%	0.00%	1.89%	2.57%	2.70%	2.22%	2.19%	2.33%	2.32%	2.16%
Lincoln County Power District No. 1	2.24%	1.97%	2.02%	2.24%	1.92%	2.03%	2.09%	2.09%	1.91%	2.25%
Overton Power District #5	2.44%	2.59%	2.47%	2.30%	2.36%	2.24%	2.35%	2.47%	2.26%	2.46%
Valley Electric Association	3.51%	3.96%	2.78%	2.63%	2.92%	2.72%	2.65%	2.70%	2.68%	3.29%
NV Energy (formerly Nevada Power Company)	11.45%	10.95%	11.22%	10.96%	11.03%	10.79%	10.92%	10.53%	9.34%	11.87%
City of Boulder City	1.06%	1.05%	1.01%	1.00%	0.94%	0.82%	1.07%	2.08%	1.70%	1.16%
Clark County School District	0.12%	-	-	-	-	-	-	-	-	-
Clark County Water Reclamation District	0.20%	-	-	-	-	-	-	-	-	-
City of Henderson	0.21%	-	-	-	-	-	-	-	-	-
City of Las Vegas	0.22%	-	-	-	-	-	-	-	-	-
Las Vegas Valley Water District	0.34%	-	-	-	-	-	-	-	-	-
University of Nevada-Las Vegas	0.11%	-	-	-	-	-	-	-	-	-
Small Hoover Schedule "D" customers (3)	0.14%	-	-	-	-	-	-	-	-	-
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

Customer	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Collateral Posted	Cash Posted	Other Posted	Estimated Requirement Fiscal 2019**
Basic Water Company	$ 337,066	$ 201,641	$ 149,367	$ 173,867	$ 163,009	$ 201,006	$ 237,115	$ 236,944	$ 180,079	$ 206,701	$ 206,701	$ 206,701	$ -	$ 206,701
Titanium Metals Corporation (Timet)	3,945,963	1,979,587	1,365,778	1,684,321	2,234,054	2,293,921	3,062,094	2,841,318	2,133,149	2,364,560	2,364,560	-	2,364,560	2,364,560
Olin Chlor Alkaine (Pioneer)	4,701,868	3,388,053	2,540,320	2,217,086	1,755,462	2,251,738	2,968,251	2,260,932	115,011	98,232	98,232	98,232	-	98,232
Lhoist North America, Inc. (formerly Chemical Lime Co.)	21,186	16,032	21,186	13,572	14,189	14,404	14,810	17,305	18,064	23,097	23,097	23,097	-	23,097
Tronox, LLC	431,842	406,215	406,215	440,232	444,940	466,570	450,793	550,515	508,162	508,630	508,630	-	508,630	508,630
American Pacific Corporation	1,085,224	945,817	765,495	649,990	595,928	715,446	815,289	772,170	-	-	-	-	-	-
* Southern Nevada Water Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Lincoln County Power District No. 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Overton Power District #5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Valley Electric Association	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Nevada Energy (Nevada Power Company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Las Vegas Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Boulder City	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Henderson	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of Las Vegas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* City of North Las Vegas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$10,523,149	$ 6,937,345	$ 5,248,361	$ 5,179,068	$ 5,207,582	$ 5,943,085	$ 7,548,352	$ 6,679,184	$ 2,954,465	$ 3,201,220	$ 3,201,220	$ 328,030	$ 2,873,190	$ 3,201,220

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

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

* Governmental and utility entities are exempt from collateral requirements.

** Collateral requirements for fiscal 2019 have not been established to date. Current calculation of estimates indicates that fiscal 2018 requirements are equal to or greater than 2019 requirements. The collateral requirements for 2019 are anticipated to be presented and approved in February of 2019.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 7, 2019.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2018-A described in the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Colorado River Commission's Response to the Finding
The Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Eide Bailly LLP

Las Vegas, Nevada
January 7, 2019

FINDING 2018-A	**Financial Close and Reporting Process**
Criteria:	Governmental entities are required to follow generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board. Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation of financial statements to ensure that the GAAP financial statements are free from material errors.
Condition:	During our audit, we identified material accounting adjustments that were not identified by the Commission's existing controls over the financial close and reporting process.
Cause:	The Commission's controls over the financial close and reporting process were not sufficiently designed to be able to identify all material adjustments needed on a timely basis.
Effect:	The absence of certain controls over the preparation of financial statements increases the possibility that a misstatement of the financial statements could occur and not be prevented, or detected and corrected, on a timely basis.
Recommendation:	We recommend that management periodically assess risk and identify areas that are more susceptible to misstatement due to error or complexity, and enhance the controls over those areas with respect to the financial close and reporting process.
Management's Response:	The Commission acknowledges and agrees with the findings and recommendation. Staff will continue to work toward implementing financial statement preparation software that will allow us to produce financial statements in-house. With the software fully available and working correctly, the resulting account balance implications after entry posting should be seen early in the closing process. The successful implementation of the software and production of financial statements prior to audit will assist in detecting errors that would otherwise be more difficult to find. While the software was in process at the time of fiscal 2018, it has not yet been implemented and available for use. We anticipate that it will be in place for the closing of the next fiscal year. In addition, agency staff plans on developing formal closing procedures with specific entry templates as necessary to ensure that all components of year-end closing entries are considered and reviewed. Further, periodic assessments of risk and areas more susceptible to misstatement will be conducted before closing the books.

January 7, 2019

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

We have audited the financial statements of Colorado River Commission of Nevada (the Commission) as of and for the year ended June 30, 2018 and have issued our report thereon dated January 7, 2019. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our letter dated June 29, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

We have provided our comments regarding a significant control deficiency during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated January 7, 2019.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. As described in Note 1, the Commission adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This statement replaces the requirements of GASBS No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The implementation of this standard requires governments to calculate and report the costs and obligations associated with other postemployment benefits in their basic financial statements. The effect of implementation of these standards on beginning net position is disclosed in Note 14, additional disclosures are in Note 12, and required supplementary information related to OPEB is also included.

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

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements are:

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

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting The Commission's financial statements relate to:

The disclosures associated with the defined benefit pension plan and the other post-employment benefits. These are sensitive because they represent a significant percentage of the liabilities presented on the statement of net position.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

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

Adjusting Journal Entries JE # 1			
Audit adjustment - Reduce customer payables (legal requirement entry) for cash relating to unearned revenues that was on hand at 6/30, to avoid double-stating liabilities relating to unearned revenues.			
502-4501-00-2500	Advances from Customers	38,955.84	
505-4502-00-2600	Payable to Customers	1,004,096.54	
502-4501-00-4041	Power Sales		38,955.84
505-4502-00-4041	Power Sales		1,004,096.54
Total		**1,043,052.38**	**1,043,052.38**

Adjusting Journal Entries JE # 2			
Audit adjustment - To adjust accumulated depreciation and related deferred revenue balance for excess depreciation taken on the PDP asset through 2017.			
502-4501-00-1805	Accumulated Depreciation Phase I	693,583.66	
502-4501-00-2800	Deferred Revenue		693,583.66
Total		**693,583.66**	**693,583.66**

Adjusting Journal Entries JE # 3			
Audit adjustment - To adjust operating income (loss) of proprietary funds to reflect net non-reimburseable charges.			
502-4501-00-2500	Advances from Customers	714,234.00	
505-4502-00-2600	Payable to Customers	2,664,513.00	
502-4501-00-4041	Power Sales		714,234.00
505-4502-00-4041	Power Sales		2,664,513.00
Total		**3,378,747.00**	**3,378,747.00**

Reclassifying Journal Entries JE # 201			
To re-classify current portion of unearned revenues			
502-4501-00-2800	Deferred Revenue	1,715,692.00	
505-4502-00-2800	Deferred Income	1,431,928.00	
502-4501-00-2801	Deferred Revenue - current		1,715,692.00
505-4502-00-2801	Deferred Income - current		1,431,928.00
Total		**3,147,620.00**	**3,147,620.00**

GASB Entries JE # 506			
Auditor adjustments to client provided GASB entries.			
GA-EB-3001	Net position of governmental activities	22,686.00	
GA-EB-9002	Change in net pension liability and DO and DI of res	113,749.00	
GA-EB-3001	Net position of governmental activities		113,749.00
GA-EB-8360	AUTOMOBILES - NEW		22,686.00
Total		**136,435.00**	**136,435.00**

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

	ASSETS	LIABILITIES	REVENUE	EXPENDITURES	OPERATING NET	EQUITY	NET
MAJOR FUND: Power Marketing							
P/Y REVERSING				35,545	35,545	(35,545)	35,545
Total	-	-	-	35,545	35,545	(35,545)	35,545
MAJOR FUND: Power Delivery							
To record impact of cash relating to unearned revenues (2017 billing w/2018 svc mo) not being excluded from legal requirement entry for 2017. Will be no impact for FY2019.			38,151			(38,151)	38,151
To adjust accumulated depreciation and related unearned revenue balances related to RMP assets due to overdepreciation of 15 yr asset group.	36,399	(36,399)					
Total	36,399	(36,399)	38,151	-	-	(38,151)	38,151
Government-Wide: Business-type Activities							
P/Y REVERSING				35,545	35,545	(35,545)	35,545
To record impact of cash relating to unearned revenues (2017 billing w/2018 svc mo) not being excluded from legal requirement entry for 2017. Will be no impact for FY2019.			38,151			(38,151)	38,151
To adjust accumulated depreciation and related unearned revenue balances related to RMP assets due to overdepreciation of 15 yr asset group.	36,399	(36,399)					
Total Business-type Activities	36,399	(36,399)	38,151	35,545	35,545	(73,696)	73,696

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2018, is shown in the schedule above.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated January 7, 2019.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

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

Eide Bailly LLP

Las Vegas, Nevada