



# **City of Boulder City Nevada**



## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013**



# **City of Boulder City Nevada**



## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013**

**Prepared by  
Finance Department**

**Shirley D. Hughes  
Finance Director**

**CITY OF BOULDER CITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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# **INTRODUCTORY SECTION**





## CITY OF BOULDER CITY

Finance Department  
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[www.bcnv.org](http://www.bcnv.org)

January 16, 2014

To the City Council and the Citizens of the City of Boulder City, Nevada:

Nevada Revised Statute (NRS) 354.624 requires the City of Boulder City (the City) to submit a “complete set” of financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the comprehensive annual financial report for the City as of and for the year ended June 30, 2013, is hereby submitted.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed, among other things, both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the City's financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this comprehensive annual financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors. The goal of the independent audit was to provide reasonable assurance that the City's basic financial statements as of and for the year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements as of and for the year ended June 30, 2013, are fairly presented in conformity with GAAP. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* is presented as the last component of the financial section of this report.

The independent audit of the City's basic financial statements was also designed to meet the more narrowly focused, federally mandated “Single Audit” requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with regulatory and other legal requirements, with special emphasis on the administration of federal awards. This report is presented as the first component in the Single Audit 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 City's MD&A can be found immediately following the Independent Auditors' Report on Financial Statements and Supplementary Information in the financial section of this report.

## Profile of the City

The City of Boulder City, Nevada (the City) is located in southeastern Clark County and is best known as the City created for the construction of Hoover Dam (the Dam). The City housed over 4,000 workers during the construction of the Dam, which lasted from 1931 to 1935. One thousand, five hundred permanent and temporary buildings were built to accommodate the needs of the construction workers, including over a thousand homes, a dozen dormitories, four churches, tourist centers, trade facilities, a grade school, theater, and recreation hall. Once the Dam was completed, the City became headquarters for several governmental agencies involved in the Dam's water and power operations. The City was supervised and regulated by the Bureau of Reclamation and all land in and around the City was owned by the Bureau of Land Management. Through the 1940s, the City's development centered on government-related activities and additional governmental agencies began operations in the City, including the power operators responsible for distribution of the Dam's electricity.

In 1958, the United States Government passed the Boulder City Act (the Act), which established the City as an independent municipal government. Under the Act, the United States Government turned over the existing town site (approximately 33 square miles) and the related utility system to City residents. The City was incorporated on January 4, 1960, and the City Charter was adopted. The City Charter prohibits gaming, which makes the City unique as the only place in the State of Nevada (the State) where gaming is illegal. In 1979, City residents approved a referendum and instituted a controlled growth ordinance. This controlled growth ordinance was enacted in response to the rapid growth of the City and to preserve the utility systems. Under this ordinance, the City limits the number of building permits issued each year to control the rate of community growth and as a result, the City realizes approximately 2% community growth per year. In 1995, the City acquired the Eldorado Transfer Area (approximately 167 square miles) southwest of the original City town site. The City intends to preserve this area for an endangered species preservation area and other recreational purposes with the exception of approximately 5,000 acres, which will be used for solar electric power generation projects. In 1997, the City residents approved a ballot question, which provided that City-owned property sales in excess of one acre be approved by City residents and the proceeds be restricted to voter-approved capital improvement projects.

The City's present population of 15,579 offers a quiet, small town atmosphere. The City prides itself on its low crime rate and high quality police and fire protection, and recreational facilities, which include a year-round swimming pool and recreation complexes that offer City residents a full range of recreational activities.

The City has a Council-Manager form of government. The entire legislative authority is vested in a five-member City Council (the Council). The Council members are elected to serve four-year terms. The presiding officer of the Council is the Mayor. All powers of the City, including the ability to levy a property tax on both real and personal property located within City boundaries, and the determination of all matters of policy are vested in the Council. The Council appoints the City's Manager, Clerk, Attorney and Municipal Judge. The City Manager is responsible for carrying out the policies and procedures of the City Council, and for overseeing the day-to-day operations of the City. The City provides a full range of services, including police and fire protection; construction and maintenance of highways, streets and other infrastructure; recreational activities and cultural events; and utility (electric, water sanitation and sewer) services.

The City adopts annual budgets for all governmental and proprietary fund types, which serve as the foundation for the City's financial planning and control. Each year, prior to April 15, the City Manager submits a tentative budget for the next fiscal year, commencing on July 1, to the Council. Public hearings are conducted to obtain comments from and address concerns of City residents. The Council adopts the budget in May of each year. The Nevada Revised Statutes require budget controls to be exercised at the function level. The City Manager is authorized to transfer budget amounts between functions within a fund. However, the Council's approval is required for all budget augmentations and transfers between funds. In preparing fiscal year 2012 budget, the Council identified the need to create a long term financial sustainability plan. It had become clear that the City needed to expand its revenue base and find other sources of revenue not related to tourism and taxes. The Plan is reviewed and updated annually as part of the budget review process.

Renewable energy and green technology are development niches that are consistent with Boulder City's culture. This development strategy appears to have panned out, and Boulder City has approximately 8,000 acres of city

owned land under lease for renewable energy generation. These new revenues have enabled the City to weather the worst economic decline in the City's history. In 2012, the City saw an increase in the revenue generated from these land leases, providing a unique opportunity for the City to set the stage for financial sustainability long into the future. A portion of the new lease revenues are being set aside in a restricted reserve account. There are specific milestones that must be met prior to the beginning of full operation of the related solar facilities. Until these milestones have been completed, some or all of the payments may be refundable. Once the milestones have been met, the related reserves will be transferred to unrestricted reserves and will be available for use.

Using a portion of the lease revenue, the City plans to reduce current debt balances by 65% over the next ten years. With a plan in place that focuses on debt reduction and the establishment of reserves, program fund balances will be restored and budget stability will be attained. The five year plan is effective for fiscal year 2013 and will be reviewed annually and revised as needed to ensure sustainability going forward.

The plan adopted by City Council is consistent with the vision and goals of the community and the City's Strategic Plan, which was adopted in November 2012.

### **Factors Affecting Financial Condition**

**Local economy.** Tourism plays an important part in the City's economy. The City's proximity to Hoover Dam and the Lake Mead National Recreation Area offers a full range of water related recreational activities, attracting visitors from the Southwestern United States and throughout the world.

The 2011 population estimate for Clark County (the County) is 1,969,975, compared to the State's population of more than 2.7 million. The County is the most populous of Nevada's 17 counties. The City's rate of growth is expected to continue at less than 2 percent per year as set out in the City's controlled growth ordinance. Southern Nevada's economy continues to be impacted by the national and world-wide economic issues. There are signs that these economic issues are beginning to turn around. Tourism continues to rise, albeit slower than in the past, foreclosures are decreasing, and consumers are showing a more optimism. Consolidated tax revenues have continued to rise over the prior year. Overall revenues this past year are rebounding and are predicted to continue to slowly increase going forward.

**Long-term planning.** The City is confronted by the ongoing challenges presented by its uniqueness as the only non-gaming area in the State and its controlled growth ordinance. The City has a wide range of capital improvement projects budgeted that includes street resurfacing improvements, vehicle/equipment replacement, building/facilities repairs/maintenance and airport improvements.

*Future issues* requiring management's attention include the concern over labor costs, which are driven primarily by the Las Vegas metro labor market. Although Boulder City's labor costs are less than the surrounding Las Vegas area, they nevertheless are significant for a small city. The City can no longer sustain employee wage schedules that are combined with high benefit packages. The City is currently in negotiation with all collective bargaining units.

The Hoover Dam bypass bridge opening has had a significant impact on the City's public safety services. The impact on the City's first responders, especially emergency medical services, must continue to be monitored, and it is likely that additional funding will be required in the future if current levels of services are to be maintained.

The Interstate 11 project has begun as a result of the passage of a graduated increase in the gasoline tax in Clark County. This new road will bypass the downtown, allowing truck traffic to move more efficiently, reducing the numerous backups that have occurred since the opening of the Hoover Dam bypass bridge.

*Renewable Energy Project* lease revenues are a crucial component of reducing the City's dependence upon the State's tax-based revenue structure and achieving the goal of long-term sustainability. These funds can help provide essential services. For FY2014, the total lease revenues are budgeted to be \$8.1 million. We are restricting approximately \$2.4 million of these revenues as there are still milestones that have not been completed, leaving this amount as potentially refundable.

**Cash management.** The City pursues a conservative cash management program by expediting the receipt of revenues and prudently investing available cash in obligations issued by the United States Government. The City's bank account balances are either insured by the Federal Deposit Insurance Corporation or collateralized by the depository.

**Debt management.** The necessity to incur debt, in order to finance capital programs, carries with it the obligation to manage the City's debt program effectively and entails careful monitoring of such issuances to ensure that an erosion of the City's credit quality does not result. Detailed information related to the debt of the City can be found in the notes to the basic financial statements.

**Risk management.** The City is a participating member of the Nevada Public Agency Insurance Pool (the Pool). The Pool was created through an inter-local cooperative agreement. In addition, the City also carries Airport Liability Insurance Products - Completed Operations insurance and is a member of the Public Agency Compensation Trust (PACT). Additional information on the City's risk management activities can be found in the notes to the basic financial statements.

**Pension and other post retirement benefits.** The City's employees are covered by the State's Public Employees' Retirement System (PERS). All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing, multiple-employer defined benefit retirement plan. Additional information related to pension and post retirement benefits can be found in the notes to the basic financial statements.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its fiscal 2012 Comprehensive Annual Financial Report (CAFR). This was the 23<sup>rd</sup> consecutive year that the City has received 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. The report must satisfy both generally accepted accounting principles and applicable legal requirements

A Certificate of Achievement is valid for a period of one year only. We believe that your current report continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for award of a certificate.

In addition, the GFOA presented a Distinguished Budget Presentation Award to the City for the fiscal year beginning July 1, 2012. This was the 11<sup>th</sup> consecutive year that the City received this award. The GFOA awards a Distinguished Budget Presentation Award to government units that publish a budget document, which conforms to program standards as a policy document, operations guide, financial plan and a communications device.

Preparation of this could not have been accomplished without the professional, efficient and dedicated efforts of the entire staff of the Finance Department, the department heads and other employees who contributed to its preparation, and our independent audit firm of Piercy Bowler Taylor & Kern. Each of them has our sincerest thanks.

In closing, appreciation is extended to the Mayor, City Council and City Manager for the encouragement, assistance and stewardship they have provided. It is a distinct pleasure to be associated with these individuals who appreciate and respect the principles of financial and budgetary responsibility that prevail in the City of Boulder City.

Respectfully submitted,



Shirley D. Hughes  
Finance Director

**CITY OF BOULDER CITY, NEVADA  
PRINCIPAL OFFICIALS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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Mayor and City Council

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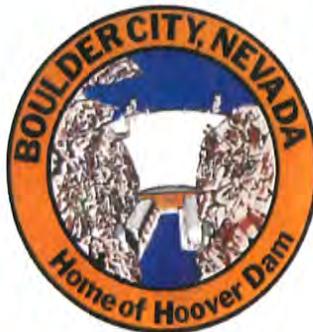
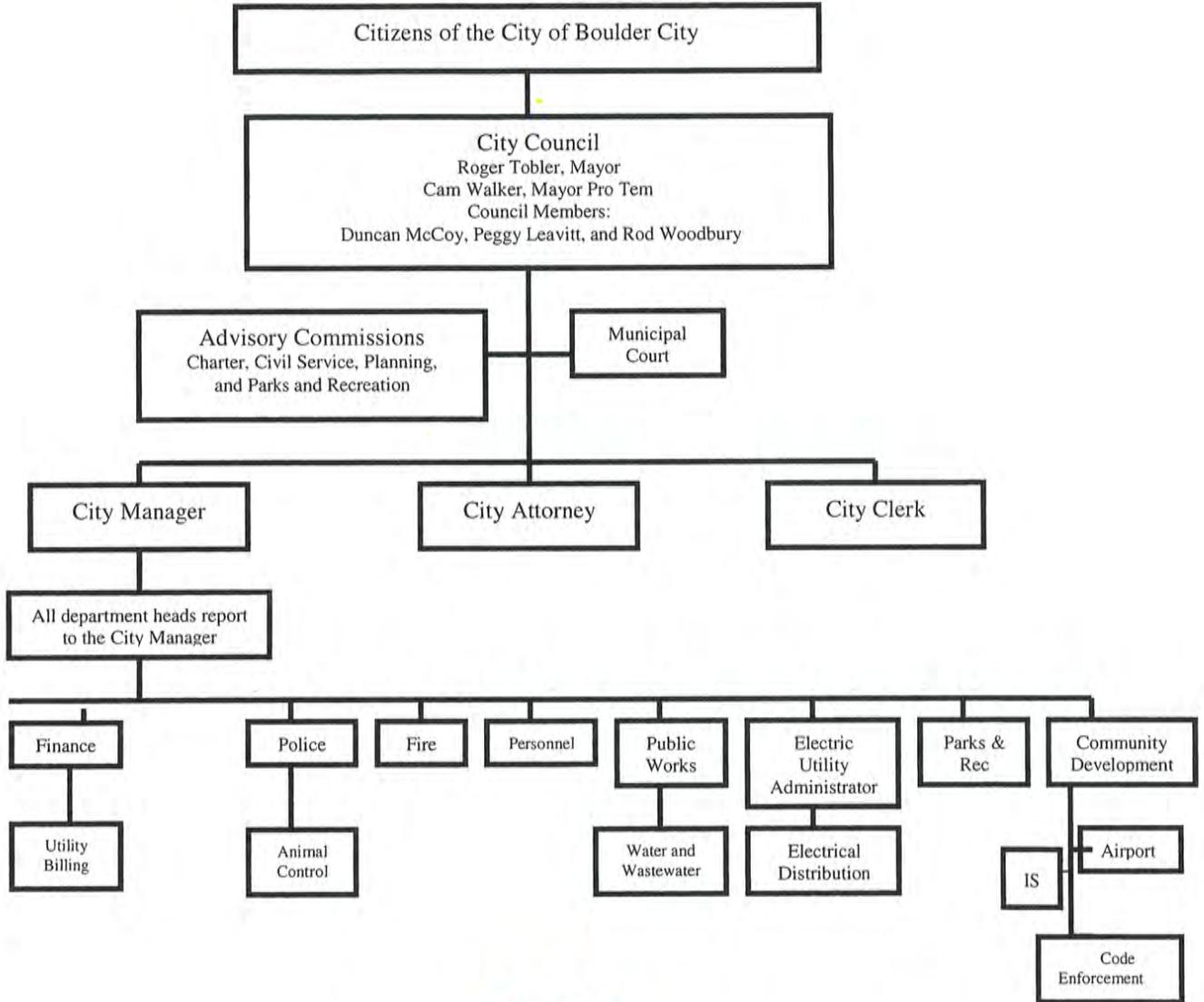
Roger Tobler	Mayor
Cam Walker	Mayor Pro Tem
Peggy Leavitt	Councilwoman
Duncan McCoy	Councilman
Rod Woodbury	Councilman

City Officials

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J. David Fraser	City Manager
Lorene Krumm	City Clerk
David R. Olsen	City Attorney
Shirley D. Hughes	Finance Director

# BOULDER CITY ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Boulder City  
Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



# **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council  
City of Boulder City, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder City (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 11-20 and 57-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for

placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Piercy Bowler Taylor & Kern*

Las Vegas, Nevada  
January 16, 2014

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**



As management of the City of Boulder City (the City), we offer readers of the financial report this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2013.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$137,352,454 (net position). Of this amount, \$14,801,817 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by 3% \$3,165,264 (including a prior period adjustment of \$651,808) primarily due to lease payments received for energy zone projects. However, a significant portion of these resources is restricted until certain refund provisions expire. In addition, improvements to flood control channels and basins, and to the utility delivery systems increased the City's total net position invested in capital assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,120,934, an increase of 74% (\$1,745,740) in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund, excluding the interfund loan payable to the utility fund was \$3,482,900, 14% of total general fund expenditures.
- The City's total liabilities decreased by 1% (\$831,176) during the current fiscal year, primarily due to the normal fluctuation of day to day operations.

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

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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 City's finances in a manner more similar to a private-sector business.

The statement of net position presents information on all of the City'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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City, which are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and community support. The business-type activities of the City include utility, aviation and cemetery enterprise funds.

The government-wide financial statements can be found on pages 21-24 of this report.

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

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

Because the focus of 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 City's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 12 governmental funds. Information is presented separately in the balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the general, capital improvements, and capital (special) projects funds, all of which are considered to be major funds. Data from the remaining nine non-major governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided, in the form of combining and individual fund statements and schedules, elsewhere in this report.

The basic governmental fund financial statements can be found on pages 25-28 of this report.

**Proprietary funds.** The City maintains three enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its utility, aviation and cemetery funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility operations which is considered to be a major fund of the City. The aviation and cemetery funds are combined in a single non-major funds column with individual fund data provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29-32 of this report.

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

The notes to the basic financial statements can be found on pages 33-56 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplementary information. The City adopts annual appropriated budgets for its general fund and capital improvements fund. Budgetary comparison statements have been provided for these funds to demonstrate the City's compliance with these budgets.

The other required supplementary information can be found on pages 57-64 of this report.

The combining and individual fund statements and schedules referred to earlier in connection with the non-major governmental and proprietary funds are presented immediately following the required supplementary information.

The combining and individual fund statements and schedules can be found on pages 65-86 of this report.

### **Government-wide Financial Analysis**

As noted above, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the City's net position was \$137,352,454.

Approximately 84% of the City's net position is invested in capital assets (land, buildings, improvements other than buildings, machinery, equipment and furniture, utility delivery systems, and infrastructure), less any related debt used to acquire these assets, which are used to provide services to citizens. Consequently, this classification of net position is not available for future spending. Nevertheless, it should be noted, that the resources needed to repay the debt associated with these capital assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Boulder City, Nevada  
Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Totals</u>	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Capital assets	\$ 84,583,022	\$ 83,599,766	\$ 67,634,479	\$ 67,762,433	\$152,217,501	\$151,362,199
Other assets	25,433,533	23,145,645	31,941,842	32,750,942	57,375,375	55,896,587
	<u>\$110,016,555</u>	<u>\$106,745,411</u>	<u>\$ 99,576,321</u>	<u>\$100,513,375</u>	<u>\$209,592,876</u>	<u>\$207,258,786</u>
<b>Liabilities</b>						
Long-term liabilities	\$ 6,986,936	\$ 8,204,528	\$ 38,250,316	\$ 39,481,728	\$ 45,237,252	\$ 47,686,256
Other liabilities	23,542,510	21,931,626	3,460,660	3,453,716	27,003,170	25,385,342
	<u>\$30,529,446</u>	<u>\$ 30,136,154</u>	<u>\$ 41,710,976</u>	<u>\$ 42,935,444</u>	<u>\$ 72,240,422</u>	<u>\$ 73,071,598</u>
<b>Net position</b>						
Invested in capital assets, net of related debt	\$77,991,990	\$ 76,648,958	\$ 36,796,036	\$ 29,645,826	\$114,788,026	\$106,298,784
Restricted	5,715,272	45,444	2,047,339		7,762,611	45,444
Unrestricted	(4,220,153)	(85,145)	19,021,970	27,932,105	14,801,817	27,846,960
	<u>\$79,487,109</u>	<u>\$76,609,257</u>	<u>\$ 57,865,345</u>	<u>\$ 57,577,931</u>	<u>\$137,352,454</u>	<u>\$134,187,188</u>

**Governmental activities.** - The balance of unrestricted net position is \$(4,220,153). During fiscal 2013, net position increased by \$2,877,848 (including a \$651,808 prior period adjustment), due primarily to increases in property taxes received and an increase in lease payments received for energy zone projects.

**Business-type activities.** - At June 30, 2013, unrestricted net position is \$19,021,970, which may be used to meet the business-type activities' ongoing obligations. At the current and prior fiscal year ends, the business-type activities had positive balances in all categories of net position. During fiscal 2013, net position increased by \$287,413 due to improvements to the electrical infrastructure.

## **Financial indicators and ratios**

The following financial indicators and ratios can be used to assist the reader in assessing the financial strength of the City. When used in conjunction with other financial information contained in this report, the City's financial strength becomes apparent.

**Working Capital** – is the difference between current assets and current liabilities. Sources of working capital are income from operating activities, sale of non-current assets or the issuance of long-term debt. Uses of working capital include losses from operating activities, purchase of non-current assets or retirement of long-term debt. At the end of the current fiscal year, the City's working capital is \$18,875,544, which consists of \$5,652,691, from governmental activities and \$13,222,853, from business-type activities. Working capital decreased by \$684,092, during fiscal 2013.

**Days Cash and Investments in Reserve** – represents the number of days that normal operations of the City could continue with no revenue collections. The results of this ratio indicate that the City could operate 234 days on a city-wide basis, 251 days for governmental activities and 212 days for business-type activities. The days of reserve cash and investments increased by 17 days during fiscal 2013.

**Total Liabilities to Total Assets** – this ratio compares the total obligations of the City to its total assets. It is an indicator of the level of borrowing that has been used to finance operations of the City on a long-term basis. At June 30, 2013, this ratio is 35% on a city-wide basis, 28% for governmental activities and 42% for business-type activities. This ratio remained consistent when compared to the prior fiscal year.

**Non-current Liabilities to Total Assets** – this ratio compares the long-term debt of the City to its total assets. It is another indicator of the long-term financial strength of the City. At June 30, 2013, this ratio is 23% on a city-wide basis, 10% of governmental activities and 38% for business-type activities. This ratio decreased 2% from the previous fiscal year.

The following table summarizes the City's statement of activities for the fiscal years ended June 30, 2013 and 2012:

City of Boulder City, Nevada Changes in Net Position						
	Governmental activities		Business-type activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,788,638	\$ 7,304,145	\$ 22,284,674	\$ 23,595,235	\$ 29,073,312	\$ 30,899,380
Operating grants and contributions		134,322	6,350		6,350	134,323
Capital grants and contributions	2,931,703	4,917,590	181,682	3,568,126	3,113,385	8,485,716
General revenues						
Property taxes	3,737,730	2,642,513			3,737,730	2,642,513
Consolidated taxes	8,808,292	8,386,757			8,808,292	8,386,757
Rents and royalties	7,393,629	6,246,796			7,393,629	6,246,796
Other	962,339	967,007	638,795	613,244	1,601,134	1,580,251
	<u>30,622,331</u>	<u>30,599,130</u>	<u>23,111,501</u>	<u>27,776,605</u>	<u>53,733,832</u>	<u>58,375,737</u>
<b>Expenses</b>						
General government	5,172,734	4,699,541			5,172,734	4,699,541
Judicial	669,647	607,244			669,647	607,243
Public safety	10,449,248	10,173,016			10,449,248	10,173,016
Public works	5,365,200	5,476,502			5,365,200	5,476,502
Culture and recreation	6,080,026	6,387,083			6,080,026	6,387,082
Community support	623,881	571,468			623,881	571,468
Utility			21,553,069	19,207,705	21,553,069	19,207,705
Golf course						
Other	290,551	342,120	1,016,018	992,513	1,306,569	1,334,633
	<u>28,651,287</u>	<u>28,256,974</u>	<u>22,569,087</u>	<u>20,200,218</u>	<u>51,220,374</u>	<u>48,457,190</u>
<b>Changes in net position before</b>						
Transfers	1,971,044	2,342,156	542,414	7,576,387	2,513,458	9,918,547
Transfers	255,000	2,055,000	(255,000)	(2,055,000)		
Change in net position	<u>2,226,044</u>	<u>4,397,156</u>	<u>287,414</u>	<u>5,521,387</u>	<u>2,513,458</u>	<u>9,918,547</u>
Net assets, beginning of year, as previously reported	76,609,257	72,622,101	57,577,931	52,056,544	134,187,188	124,268,645
Adjustments	651,808				651,808	
Net assets, beginning of year, as restated	<u>77,261,065</u>	<u>72,212,101</u>	<u>57,577,931</u>	<u>52,056,544</u>	<u>134,838,996</u>	<u>124,268,645</u>
Net assets, end of year	<u>\$ 79,487,109</u>	<u>\$ 76,609,257</u>	<u>\$ 57,865,345</u>	<u>\$ 57,577,931</u>	<u>\$ 137,352,454</u>	<u>\$ 134,187,188</u>

**Governmental activities.** Governmental activities increased the City's net assets by 4% \$2,877,848. Key elements of this increase are as follows:

- Charges for services actually decreased by 7% (\$515,507), primarily due to returning to more normal activity levels. The previous year had experienced an increase in Licenses and Permits fees associated with construction of solar facilities in the City's energy zone.

- Operating grants and contributions decreased by \$134,322 during the year due to completion of gateway signs and bus shelters, while capital grants and contributions decreased by \$1,985,887 (approximately 40%), due to the completion of the improvements to the Nevada Way downtown area street and landscape project.
- Property taxes increased \$1,095,217 (approximately 41%) as the City's property values increased. Consolidated taxes increased \$421,535 (approximately 5%) due primarily to a state-wide increase in sales tax revenue compared to last year.
- Lease and royalty revenues increased \$1,146,833 (approximately 18%) due primarily to increased land lease revenues associated with planned solar projects in the City's energy zone.
- Total expenses increased \$394,313 (approximately 1%). This increase can be attributed to costs associated with certain employee retirement and reinstatement costs and increases in information technology services for system and network upgrades.

**Business-type activities.** Business-type activities increased the City's net position by \$287,414 (approximately 1%). Key elements of the changes from the prior year are as follows:

- Charges for services decreased by \$1,310,561 (approximately 7%) during the year due to a decrease in water and electric revenue.
- Capital grants and contributions decreased by \$3,386,444 (approximately 95%) due to the completion of safety improvements to the runway apron and taxi lane at the airport during the previous year.
- Other general revenues increased by \$25,551 (approximately 4%) due primarily to an increase in the infrastructure sales tax.
- Utility operating expenses increased by \$2,345,364 (approximately 12%) most of which was due to the amortization of the intangible prepaid for the water delivery infrastructure.

### **Financial Analysis of the City's Funds**

As noted above, the City uses fund accounting to help ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at fiscal year end.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,120,934 an increase of \$1,745,740 (approximately 74%), in comparison with

the prior year. The increase is primarily due to the lease payments received for energy zone projects.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was \$(1,594,338). This negative ending fund balance is due primarily to the interfund payable to the Utility fund related to the Boulder Creek golf course. The ending cash balance in the general fund is \$10,403,379.

The capital (special) projects fund has a total fund balance of \$856,685, all of which is committed to future capital projects. The net decrease in fund balance during the current year was \$368,217 (approximately 30%), in comparison with the prior year. The primary reason for the decrease was the use of the fund's resources on the information technology upgrades and for the Nevada Way street and landscape projects.

The aggregate non-major funds have a combined total fund balance of \$4,858,587, of which \$4,813,144 is committed to Capital improvement projects and \$45,443 is restricted for the hiring and equipping of additional police officers. The net decrease in fund balance during the current year in the aggregate non-major funds was \$915,145 (approximately 16%), in comparison with the prior year. The primary reason for this decrease is the improvements at the municipal golf course through the use of surcharge funds and the ongoing redevelopment projects in the City.

**Proprietary funds.** The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At June 30, 2013, unrestricted net position amounted to \$45,156,346 for the utility fund, \$11,955,789 for the aviation fund and \$753,210 for the aggregate non-major (Cemetery) fund.

### **General Fund Budgetary Highlights**

During the year, revenues were higher than the final budgetary estimate by \$1,200,648 (approximately 4%), and expenditures were less than the final budgetary estimate by \$2,233,821 (approximately 8%), due to budgeted savings in personnel that had not been replaced during the current year. All functions were within appropriation authority.

### **Capital Assets and Debt Administration**

**Capital assets.** As of June 30, 2013, the City's investments in capital assets (net of accumulated depreciation), amounts to \$152,217,501. This investment in capital assets includes land, buildings, improvements other than buildings, machinery, equipment and furniture, utility delivery systems, and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was \$855,302 (approximately 1%), which is due primarily to current year depreciation. Major capital asset events during the current fiscal year included the following:

- The cost of City buildings decreased by \$83,815 over the prior fiscal year. The primary reason for the decrease was the current year depreciation.

- Improvements other than buildings increased by \$128,744 primarily due to the construction of a training and shooting facility.
- Machinery, equipment and furniture assets decreased by \$92,229 primarily due to current year depreciation.
- City infrastructure increased by \$1,253,043 primarily due to Nevada Way street and landscape improvements and flood control channel and basin improvement projects that were completed and placed into service during fiscal 2013.
- Utility delivery systems decreased by \$350,441 over the prior fiscal year. Improvements at the wastewater facility and some electrical underground conversion were offset by current year depreciation.
- Depreciation expense for the fiscal year was \$7,510,408.

Capital assets at year-end were as follows:

City of Boulder City, Nevada Capital Assets (net of accumulated depreciation)		
Year Ended June 30,		
	2013	2012
Land	\$ 29,400,513	\$ 29,400,513
Buildings	9,974,076	10,057,891
Improvements other than buildings	25,024,985	24,896,241
Machinery, equipment and furniture	5,039,216	5,131,445
Infrastructure	27,494,877	26,241,834
Utility delivery systems	55,283,834	55,634,275
	<u>\$152,217,501</u>	<u>\$151,362,199</u>

Additional information on the City's capital assets can be found in notes 1 and 3 to the City's basic financial statements, which are included elsewhere in this report.

**Long-term debt.** At June 30, 2013, the City had total debt outstanding of \$43,467,885, of which \$37,280,000 is secured by specified revenue sources (revenue bonds), \$208,718 is secured by specific capital assets, and \$5,979,167 is backed by the full faith and credit of the City.

City of Boulder City, Nevada Outstanding Debt		
	2013	2012
General repayment obligations	\$ 5,979,167	\$ 6,512,727
Capital lease obligations	208,718	129,826
Revenue bonds	37,280,000	38,510,000
	<u>\$43,467,885</u>	<u>\$45,152,553</u>

State statutes limit the amount of general obligation debt the City may issue to 30% of its total assessed valuation. The current debt limitation for the City is \$176,896,099, which is significantly in excess of the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in notes 1 and 3 to the City's basic financial statements, which are included elsewhere in this report.

### **Economic Factors and Next Year's Budgets and Rates**

- In 2005, the Nevada State Legislature passed a law to provide property tax relief to all citizens. Assembly Bill 489 was signed in law on April 6, 2005, and provides a partial abatement of taxes by applying a 3% cap on the increase in the tax bill for the owner's primary residence (single family house, townhouse, condominium or manufactured home.) Only one property may be selected in the State of Nevada as a primary residence. Some rental dwellings that meet the low-income rent limits may also qualify for a 3% cap on the tax bill. An 8% cap will also apply to vacant land, commercial buildings, business personal property, aircraft, etc. Property tax revenue is approximately 5% of the overall revenue budget.
- Consolidated taxes appear to be returning to an upward direction, while other revenues are stabilizing at slightly lower levels. Land lease payments increased over the previous year and now comprise approximately 23% of general fund revenues.
- Beginning in fiscal 2011, the golf course fund was incorporated into the recreation department of the general fund to consolidate all golf course operating activities of the City, operating and capital budgets. This change has caused the General Fund ending balance to be negative due to the transfer of the debt for the golf course, resulting in an interfund payable to the utility fund.

All of these factors were considered in preparing the City's budget for the 2014 fiscal year.

### **Requests for Information**

The accompanying financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, 401 California Avenue, Boulder City, Nevada 89005.

# **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



# CITY OF BOULDER CITY

## STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 19,741,161	\$ 9,150,526	\$ 28,891,687
Cash, cash equivalents and investments, restricted		3,973,884	3,973,884
Accounts receivable	1,153,366	3,280,589	4,433,955
Taxes receivable	1,123,988		1,123,988
Due from other governments	3,296,740	32,354	3,329,094
Inventories	94,190		94,190
Prepaid items	24,088	246,160	270,248
Prepaid water commodity surcharge		11,496,661	11,496,661
Internal balances*		3,761,668	
Capital assets, net of accumulated depreciation and amortization			
Land	28,794,138	606,375	29,400,513
Buildings and building improvements	9,531,250	442,826	9,974,076
Improvements other than buildings	13,925,158	11,099,827	25,024,985
Infrastructure	27,494,877		27,494,877
Machinery, equipment and furniture	4,837,599	201,617	5,039,216
Utility delivery systems		55,283,834	55,283,834
<b>Total assets</b>	<b>110,016,555</b>	<b>99,576,321</b>	<b>205,831,208</b>
<b>LIABILITIES</b>			
Accounts payable	443,720	1,357,411	1,801,131
Accrued expenses	292,978	154,230	447,208
Contracts payable	380,405		380,405
Due to other governments	23,927		23,927
Customer deposits	51,019		51,019
Unearned revenue	16,335,824		16,335,824
Interest payable	28,901	472,470	501,371
Internal balances*	3,761,668		
Long-term liabilities, due within one year			
Compensated absences	1,629,447	206,549	1,835,996
Bonds payable	500,000	770,000	1,270,000
Capital leases	94,621		94,621
Notes payable		500,000	500,000
Long-term liabilities, due in more than one year			
Compensated absences	909,756	416,735	1,326,491
Postemployment benefits other than pensions	80,769		80,769
Bonds payable, net of unamortized premiums and deferred refunding charges	5,882,314	30,058,821	35,941,135
Capital leases	114,097		114,097
Notes payable		5,479,167	5,479,167
Landfill closure and post-closure care		2,295,593	2,295,593
<b>Total liabilities</b>	<b>30,529,446</b>	<b>41,710,976</b>	<b>68,478,754</b>

(Continued)

See notes to basic financial statements.

**CITY OF BOULDER CITY**  
**STATEMENT OF NET POSITION (CONTINUED)**

**JUNE 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	77,991,990	36,796,036	114,788,026
Restricted for			
Fire, police and other public safety programs	45,443		45,443
Capital improvement projects	5,669,829	750,000	6,419,829
Rate stabilization		750,000	750,000
Redevelopment Agency utility		342,630	342,630
Perpetual care, nonexpendable		204,709	204,709
Unrestricted	<u>(4,220,153)</u>	<u>19,021,970</u>	<u>14,801,817</u>
Total net position	<u>\$ 79,487,109</u>	<u>\$ 57,865,345</u>	<u>\$ 137,352,454</u>

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

See notes to basic financial statements.

# CITY OF BOULDER CITY

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities	\$ 5,172,734	\$ 1,432,357	\$	\$	\$ (3,740,377)	\$	\$ (3,740,377)
General government	10,512,354	727,778			(9,784,576)		(9,784,576)
Public safety	669,647	852,462			182,815		182,815
Judicial	5,365,200		2,931,703		(2,433,497)		(2,433,497)
Public works	6,080,026	3,776,041			(2,303,985)		(2,303,985)
Culture and recreation	623,881				(623,881)		(623,881)
Community support							
Debt service							
Interest and fiscal charges	290,551				(290,551)		(290,551)
Total governmental activities	28,714,393	6,788,638	2,931,703		(18,994,052)		(18,994,052)
Business-type activities							
Utility	21,553,069	21,809,266		26,730		282,927	282,927
Aviation	973,675	385,624		154,952		(426,749)	(426,749)
Cemetery	42,343	89,784				47,441	47,441
Total business-type activities	22,569,087	22,284,674		181,682		(96,381)	(96,381)
Total function/program	\$ 51,283,480	\$ 29,073,312	\$ 3,113,385		(18,994,052)	(96,381)	(19,090,433)
GENERAL REVENUES							
Property taxes					3,737,730		3,737,730
Intergovernmental consolidated taxes					8,808,292		8,808,292
Room taxes					450,213		450,213
Other taxes					381,341	620,537	1,001,878
Rents and royalties					7,353,810		7,353,810
Unrestricted investment income					14,488	17,608	32,096
Gain on disposal of capital assets					37,800		37,800
Miscellaneous					181,422	650	182,072
Total general revenues					20,965,096	638,795	21,603,891

(Continued)

See notes to basic financial statements.

# CITY OF BOULDER CITY

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Transfers					255,000	(255,000)	
CHANGE IN NET POSITION					2,226,044	287,414	2,513,458
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					76,609,257	57,577,931	134,187,188
Adjustment					651,808		651,808
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					77,261,065	57,577,931	134,838,996
NET POSITION, END OF YEAR					\$ 79,487,109	\$ 57,865,345	\$ 137,352,454

See notes to basic financial statements.

# **FUND FINANCIAL STATEMENTS**



# CITY OF BOULDER CITY

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2013

	Capital Projects Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Special Projects		
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 10,403,379		\$ 9,337,782	\$ 19,741,161
Accounts receivable, net	1,106,177		47,189	1,153,366
Taxes receivable	779,108		344,880	1,123,988
Due from other governments	1,577,640	1,566,966	152,134	3,296,740
Due from other funds	1,546,620	1,315,580		2,862,200
Inventories	94,190			94,190
Prepaid items	24,088			24,088
<b>Total assets</b>	<u>\$ 15,531,202</u>	<u>\$ 2,882,546</u>	<u>\$ 9,881,985</u>	<u>\$ 28,295,733</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 192,400	\$ 250,970	\$ 4,535	\$ 447,905
Accrued expenses	265,483		27,495	292,978
Contracts and retentions payable		380,405		380,405
Customer deposits	46,834			46,834
Due to other governments	23,927			23,927
Due to other funds		1,394,486	152,134	1,546,620
Advances from other funds	5,077,248			5,077,248
Unearned revenue	11,519,648		4,839,234	16,358,882
<b>Total liabilities</b>	<u>17,125,540</u>	<u>2,025,861</u>	<u>5,023,398</u>	<u>24,174,799</u>
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	24,088			24,088
Inventories	94,190			94,190
Restricted for				
Fire, police and other public safety programs			45,443	45,443
Committed to				
Capital improvement projects		856,685	4,813,144	5,669,829
Unassigned	(1,712,616)			(1,712,616)
<b>Total fund balances</b>	<u>(1,594,338)</u>	<u>856,685</u>	<u>4,858,587</u>	<u>4,120,934</u>
<b>Total liabilities and fund balances</b>	<u>\$ 15,531,202</u>	<u>\$ 2,882,546</u>	<u>\$ 9,881,985</u>	<u>\$ 28,295,733</u>

See notes to basic financial statements.

## CITY OF BOULDER CITY

### RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2013

FUND BALANCE, GOVERNMENTAL FUNDS		\$ 4,120,934
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$ 157,511,247	
Less accumulated depreciation	<u>(72,928,225)</u>	84,583,022
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Bonds payable	(6,690,000)	
Unamortized deferred refunding charges	307,686	
Postemployment benefits other than pensions	(80,769)	
Compensated absences	(2,539,203)	
Capital lease obligations	<u>(208,718)</u>	(9,211,004)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(28,901)</u>	(28,901)
Unearned revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unearned revenue	<u>23,058</u>	<u>23,058</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$ <u><u>79,487,109</u></u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2013

	Capital Projects Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Special Projects		
<b>REVENUES</b>				
Property taxes	\$ 2,128,517	\$ 93,692	\$ 1,503,463	\$ 3,725,672
Room tax	450,213			450,213
Franchise fees	807,321			807,321
Licenses and permits	623,536			623,536
Charges for services	4,421,323		118,228	4,539,551
Intergovernmental	9,735,458	3,400,104		13,135,562
Fines and forfeitures	683,913		168,549	852,462
Rents and royalties	6,030,067		1,356,866	7,386,933
Investment income	13,966		522	14,488
Miscellaneous	4,881		227,414	232,295
Total revenues	<u>24,899,195</u>	<u>3,493,796</u>	<u>3,375,042</u>	<u>31,768,033</u>
<b>EXPENDITURES</b>				
Current				
General government	4,361,202	599,612	14,490	4,975,304
Public safety	8,942,374		756,448	9,698,822
Judicial	523,168		100,847	624,015
Public works	3,218,171			3,218,171
Culture and recreation	4,913,230		112,141	5,025,371
Community support	591,563		688,433	1,279,996
Total current	<u>22,549,708</u>	<u>599,612</u>	<u>1,672,359</u>	<u>24,821,679</u>
Capital outlay				
General government	225,927	4,678,529		4,904,456
Public safety	233,663			233,663
Public works	124,654			124,654
Culture and recreation	264,166			264,166
Total capital outlay	<u>848,410</u>	<u>4,678,529</u>		<u>5,526,939</u>
Debt service				
Principal payments	562,027			562,027
Interest and fiscal charges	234,699			234,699
Total debt service	<u>796,726</u>			<u>796,726</u>
Total expenditures	<u>24,194,844</u>	<u>5,278,141</u>	<u>1,672,359</u>	<u>31,145,344</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>704,351</u>	<u>(1,784,345)</u>	<u>1,702,683</u>	<u>622,689</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital asset disposal	40,943			40,943
Proceeds from capital leases	175,300			175,300
Transfers in	2,249,433	1,416,128	622,685	4,288,246
Transfers out	(140,925)		(3,892,321)	(4,033,246)
Total other financing sources (uses)	<u>2,324,751</u>	<u>1,416,128</u>	<u>(3,269,636)</u>	<u>471,243</u>
CHANGE IN FUND BALANCE	<u>3,029,102</u>	<u>(368,217)</u>	<u>(1,566,953)</u>	<u>1,093,932</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(4,623,440)	1,224,902	5,773,732	2,375,194
Adjustment			651,808	651,808
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>(4,623,440)</u>	<u>1,224,902</u>	<u>6,425,540</u>	<u>3,027,002</u>
FUND BALANCE, END OF YEAR	<u>\$ (1,594,338)</u>	<u>\$ 856,685</u>	<u>\$ 4,858,587</u>	<u>\$ 4,120,934</u>

See notes to basic financial statements.

## CITY OF BOULDER CITY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 1,093,932
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital assets	\$ 5,526,939	
Less current year depreciation	(4,540,540)	
Gain (loss) on disposal of capital assets	<u>(3,143)</u>	983,256
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Change in unearned property tax revenue	23,058	
Change in other unearned revenue	<u>(197,544)</u>	(174,486)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:		
Capital lease obligations incurred	(175,300)	
Debt principal repayments	<u>562,027</u>	386,727
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 postemployment benefits other than pensions	4,089	
Change in compensated absences payable	(11,622)	
Amortization of deferred refunding charges	(26,951)	
Change in accrued interest	<u>(28,901)</u>	<u>(63,385)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 2,226,044</u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2013

	Business-type Activities			
	Utility	Aviation	Aggregate Enterprise Funds	Other Enterprise Funds
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 8,232,845	\$ 628,592	\$ 289,089	\$ 9,150,526
Accounts receivable, net	3,243,119	37,407	63	3,280,589
Due from other governments	32,354			32,354
Prepaid water commodity surcharge	11,496,661			11,496,661
Restricted assets				
Cash, cash equivalents and investments	<u>4,027,345</u>		<u>204,709</u>	<u>4,232,054</u>
Total current assets	<u>27,032,324</u>	<u>665,999</u>	<u>493,861</u>	<u>28,192,184</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Land	28,615	512,760	65,000	606,375
Buildings and building improvements	64,199	89,963		154,162
Improvements other than buildings	228,453	10,675,720	195,654	11,099,827
Machinery, equipment and furniture	129,907	70,917	793	201,617
Utility delivery systems	<u>55,572,498</u>			<u>55,572,498</u>
Total capital assets, net of accumulated depreciation and amortization	<u>56,023,672</u>	<u>11,349,360</u>	<u>261,447</u>	<u>67,634,479</u>
Other assets				
Unamortized debt issuance costs	246,160			246,160
Advances to other funds	<u>5,077,248</u>			<u>5,077,248</u>
Total other assets	<u>5,323,408</u>			<u>5,323,408</u>
Total noncurrent assets	<u>61,347,080</u>	<u>11,349,360</u>	<u>261,447</u>	<u>72,957,887</u>
Total assets	<u>88,379,404</u>	<u>12,015,359</u>	<u>755,308</u>	<u>101,150,071</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,347,406	7,907	2,098	1,357,411
Accrued expenses	148,806	5,424		154,230
Customer deposits	258,170			258,170
Due to other funds	1,315,580			1,315,580
Interest payable	472,470			472,470
Compensated absences	197,463	9,086		206,549
Bonds payable	770,000			770,000
Notes payable	<u>500,000</u>			<u>500,000</u>
Total current liabilities	<u>5,009,895</u>	<u>22,417</u>	<u>2,098</u>	<u>5,034,410</u>
Long-term liabilities				
Compensated absences	379,582	37,153		416,735
Bonds payable, net of unamortized bond premiums	30,058,821			30,058,821
Notes payable	5,479,167			5,479,167
Landfill closure and post-closure care	<u>2,295,593</u>			<u>2,295,593</u>
Total long-term liabilities	<u>38,213,163</u>	<u>37,153</u>		<u>38,250,316</u>
Total liabilities	<u>43,223,058</u>	<u>59,570</u>	<u>2,098</u>	<u>43,284,726</u>

(Continued)

See notes to basic financial statements.

**CITY OF BOULDER CITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2013**

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Aggregate Other Enterprise Funds	
NET POSITION				
Net investment in capital assets	25,185,229	11,349,360	261,447	36,796,036
Restricted				
Rate stabilization	750,000			750,000
Redevelopment Agency utility	342,630			342,630
Capital improvement projects	750,000			750,000
Perpetual care			204,709	204,709
Unrestricted	<u>18,128,487</u>	<u>606,429</u>	<u>287,054</u>	<u>19,021,970</u>
Total net position	<u>\$ 45,156,346</u>	<u>\$ 11,955,789</u>	<u>\$ 753,210</u>	<u>\$ 57,865,345</u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Aggregate Other Enterprise Funds	
<b>OPERATING REVENUES</b>				
Electric	\$ 13,745,996		\$	\$ 13,745,996
Water	5,117,469			5,117,469
Sewer	1,379,204			1,379,204
Refuse	894,886			894,886
Refuse special charge	58,054			58,054
Landfill receipts	196,322			196,322
Rents and royalties		377,331		377,331
Miscellaneous	417,335	8,943	89,784	516,062
<b>Total operating revenues</b>	<b>21,809,266</b>	<b>386,274</b>	<b>89,784</b>	<b>22,285,324</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,689,417	193,577		2,882,994
Employee benefits	1,094,469	68,333		1,162,802
Services and supplies	13,962,910	210,021	24,428	14,197,359
Depreciation and amortization	2,450,209	501,744	17,915	2,969,868
<b>Total operating expenses</b>	<b>20,197,005</b>	<b>973,675</b>	<b>42,343</b>	<b>21,213,023</b>
Operating income (loss)	1,612,261	(587,401)	47,441	1,072,301
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	12,006	5,602		17,608
Gain (loss) on capital asset disposition	(9,358)			(9,358)
Interest and fiscal charges	(1,346,706)			(1,346,706)
Grants	26,730	161,302		188,032
.25% local sales and use tax	620,537			620,537
<b>Total nonoperating revenues (expenses)</b>	<b>(696,791)</b>	<b>166,904</b>		<b>(529,887)</b>
Income (loss) before transfers	915,470	(420,497)	47,441	542,414
<b>TRANSFERS</b>				
Transfers in	1,950,000			1,950,000
Transfers out	(2,159,000)		(46,000)	(2,205,000)
<b>Total transfers</b>	<b>(209,000)</b>		<b>(46,000)</b>	<b>(255,000)</b>
<b>CHANGE IN NET POSITION</b>	<b>706,470</b>	<b>(420,497)</b>	<b>1,441</b>	<b>287,414</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>44,449,876</b>	<b>12,376,286</b>	<b>751,769</b>	<b>57,577,931</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 45,156,346</b>	<b>\$ 11,955,789</b>	<b>\$ 753,210</b>	<b>\$ 57,865,345</b>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities			
	Utility	Aviation	Aggregate Other Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 22,226,870	\$	\$	\$ 22,226,870
Cash received from other sources	472,580	710,810	91,172	1,274,562
Cash payments for goods and services	(15,581,782)	(328,767)	(24,520)	(15,935,069)
Cash payments for employee services	(2,570,996)	(165,333)		(2,736,329)
Net cash provided by operating activities	<u>4,546,672</u>	<u>216,710</u>	<u>66,652</u>	<u>4,830,034</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,950,000			1,950,000
Transfers out	(2,159,000)		(46,000)	(2,205,000)
Net cash used in noncapital financing activities	<u>(209,000)</u>		<u>(46,000)</u>	<u>(255,000)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(2,604,515)	(246,756)		(2,851,271)
Principal payments on debt	(1,278,560)	(19,380)		(1,297,940)
Interest payments on debt	(1,346,706)			(1,346,706)
Payments received on advances to other funds	741,550			741,550
Advances from other funds	1,315,580			1,315,580
Operating and capital grant contributions	26,730	161,302		188,032
Sales and use tax	620,537			620,537
Net cash provided by (used in) capital financing activities	<u>(2,525,384)</u>	<u>(104,834)</u>		<u>(2,630,218)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	12,006	5,602		17,608
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,824,294	117,478	20,652	1,962,424
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,435,896	511,114	473,146	11,420,156
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,260,190</u>	<u>\$ 628,592</u>	<u>\$ 493,798</u>	<u>\$ 13,382,580</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,612,261	\$ (587,401)	\$ 47,441	\$ 1,072,301
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	2,450,209	501,744	17,915	2,969,868
Provision for uncollectible receivables	321,321			321,321
(Increase) decrease in operating assets				
Accounts receivable	519,468	90,358	(63)	609,763
Interest receivable	3,236		1,451	4,687
Due from other governments	52,009	234,178		286,187
Inventories	25,474			25,474
Prepaid water commodity surcharge	(801,889)			(801,889)
Increase (decrease) in operating liabilities				
Accounts payable	177,401	(50,413)	(92)	126,896
Accrued expenses	115,844	4,600		120,444
Customer deposits	(5,850)			(5,850)
Compensated absences	(7,106)	23,644		16,538
Landfill closure ad post-closure care	84,294			84,294
Total adjustments	<u>2,934,411</u>	<u>804,111</u>	<u>19,211</u>	<u>3,757,733</u>
Net cash provided by operating activities	<u>\$ 4,546,672</u>	<u>\$ 216,710</u>	<u>\$ 66,652</u>	<u>\$ 4,830,034</u>

See notes to basic financial statements.

**NOTES TO BASIC  
FINANCIAL STATEMENTS**



**CITY OF BOULDER CITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**Note 1. Summary of Significant Accounting Policies**

**Reporting Entity**

In 1958, the Federal Government passed the Boulder City Act (the Act) and established an independent municipal government, the City of Boulder City (the City). Under the Act, the Federal Government turned over the existing townsite, approximately 33 square miles of land, and the utility system to the residents. This led to the incorporation of the City on January 4, 1960. The City Charter, approved by the residents, prohibits gaming, which makes the City the only place in the State of Nevada (the State) where gaming is illegal.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization, or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled are significant to the primary government. The City has complied with GASB Statement Nos. 14, 39 and 61 by examining its position relative to other entities.

Together with the Boulder City Museum, the Boulder City Chamber of Commerce and the Boulder City Arts Council, Inc., the City established a not-for-profit corporation named the Boulder Dam Hotel Association, Inc. (the Association) primarily to own, maintain and operate the historic Boulder Dam Hotel. Pursuant to the Association's articles of incorporation, the City appoints two members to the Association's board of directors; and currently has one council/board member in common with the Association. The City does not have a continuing financial responsibility to the Association; furthermore, the City does not have title or access to the Association's net assets. Accordingly, the Association has not been included in the City's financial statements.

The City has determined that there are no requirements that would cause the basic financial statements of the City to be included in any other entities' financial statements or comprehensive annual financial report (CAFR). In addition, the City determined that there are no other entities, which are required to be included in the City's CAFR.

**Basic Financial Statements**

Pursuant to GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, the government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the City's nonfiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

Included in the statement of net position are capital assets and long-term liabilities including general payment obligations, revenue bonds and compensated absences. Net position is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not restricted for use by a particular function or segment are reported as general revenues.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns on the fund financial statements. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances with schedules presented to reconcile fund balances presented in the governmental fund financial statements to net position presented in the government-wide financial statements. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

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

#### Government-wide Financial Statements

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utility fund and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, consolidated taxes, licenses, interest, and charges for services. All other revenue sources are considered to be measurable and available only when cash is received by the City. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in another fund.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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Special Projects Fund - The special projects capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Additionally, the City reports the following non-major governmental fund type:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

### Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges for goods and services and other user fees. Operating expenses include the cost of goods and services, administrative expenses, and capital asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

The Utility Fund - The utility fund provides electric, water and sewer services to City residents.

The Aviation Fund - The aviation fund is used to account for the operations of the City's airport.

Additionally, the City reports the following non-major proprietary fund:

The Cemetery Fund - The cemetery fund is used to account for cemetery services provided to City residents.

### Assets and Liabilities

#### Deposits and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds participate in the City's cash management pool (the Pool). The Pool has the general characteristics of a demand deposit account in that the proprietary funds may effectively withdraw amounts from the Pool at any time. Accordingly, amounts invested in the Pool are considered to be cash equivalents.

Investments are stated at fair value as determined by quoted market prices, regardless of the length of time remaining to maturity.

#### Receivables, Payables and Unearned Revenues

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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Property taxes receivable that are not expected to be collected within 60 days of year end are recognized as unearned revenue in the fund financial statements rather than revenue, since the resources are not available to satisfy current obligations. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when property taxes for a future tax year are received before year end. Other receivables are shown net of an allowance for uncollectible amounts.

Upon the certification of property tax rates by the State Tax Commission, the County Commission levies the tax rate for the fiscal period beginning with the succeeding July 1. Effective upon the tax levy on July 1 each year, a perpetual lien is recorded against the property assessed until the tax and any penalty charges and interest, which may accrue thereon, are paid. The County Assessor assesses all real and personal property and the County Treasurer bills and collects the City's share of property taxes. Property taxes are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August and first Mondays in October, January and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien. The County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

Unearned lease revenues are recorded when the City receives lease payments before it has completed the earnings process, or if the payments received are subject to refund provisions. Lease revenue is recognized pursuant to the terms of the respective lease agreement.

### Inventories

Proprietary fund inventories are valued at the lower of cost or market, using the first-in, first-out (FIFO) method. Governmental fund inventories are accounted for under the consumption method where the costs are recorded as expenditures when the inventory item is used rather than when purchased.

### Prepaid Items

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

### Restricted Assets

Restricted assets consist of cash, cash equivalents and investments held in the utility fund that are externally restricted for potential refunds of customer deposits and estimated future landfill closure and post-closure care costs.

### Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and utility delivery systems, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and, where no historical records exist, at estimated historical cost. Donated capital assets, if any, are valued at their estimated fair value on the date received. The City had a capitalization threshold of \$5,000 for the current fiscal year.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

The cost of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

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

	<u>Years</u>
Buildings and building improvements	25-50
Improvements other than buildings	10-40
Infrastructure	20-50
Machinery, equipment and furniture	3-30
Utility delivery systems	10-50

### Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation and sick leave benefits that would be paid to them upon separation from City service if not previously taken. Accrued vacation and sick leave (compensated absences) obligations are reported in the government-wide financial statements. A liability for compensated absences is reported in the fund financial statements only to the extent it is due and payable at year end.

### Deferred Compensation Plan

In addition to the retirement plan disclosed in Note 4, the City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, which is available to all City employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The City does not contribute to the deferred compensation plan.

The assets of this plan are held in trust outside the control of the City. Since the assets and income of the plan are not considered assets of the City and are not subject to the claims of the City's general creditors, they are not reported in the government-wide or fund financial statements.

### Postemployment Benefits Other Than Pensions (OPEB)

In accordance with the transition rules of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended June 30, 2008. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contribution (ARC) of the City, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year, and deducting any contributions to the plan during the year.

### Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums, discounts and issuance costs are deferred and amortized to interest expense over the life of the related bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premiums and discounts, and bond issuance costs are reported separately as assets.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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In the government-wide and proprietary fund financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums, discounts and issuance costs are deferred and amortized to interest expense over the life of the related bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premiums and discounts, and bond issuance costs are reported separately as assets.

In the fund financial statements, bond premiums, discounts and issuance costs are recognized in the period they are paid or received. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Net Position

In the government-wide and proprietary fund financial statements, net position is reported as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position is reported as restricted when constraints placed on it are either 1) imposed by external parties (such as creditors, grantors, contributors or other governments), or 2) imposed by law through a constitutional provision or enabling legislation.

### Fund Balance

Fund balances of the governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balances include items that cannot be spent. This includes amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.

Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a formal action (a resolution or ordinance, as both are considered to be equally binding) of the City Council, the City's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.

Assigned fund balances include amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent should be expressed by the City Council or appropriately authorized officials. The City's Finance Director has been authorized through the budget approval process to make fund balance assignments. Constraints imposed on the use of assigned fund balances can be removed or changed without formal City Council action. For governmental funds, other than the general fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

Unassigned fund balance is the classification used by the general fund for residual amounts not included in the four categories described above.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Prioritization and Use of Available Resources

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

### Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect reported amounts. Accordingly, these estimates may require revision in future periods. Significant estimates include liabilities recorded for compensated absences, postemployment benefits other than pensions, landfill closure and post-closure care, as well as the and useful lives of capital assets.

## Note 2. Stewardship and Accountability

### Budgetary Information

The City adopts annual budgets for all governmental and proprietary fund types. Within the capital (special) projects and proprietary funds, project-length financial plans are adopted for all capital projects. The budget was amended for certain funds during the year. All budget augmentations made during the current year were as prescribed by law. All budgets are adopted on the a basis consistent with accounting principles generally accepted in the United States and used by the City's for financial reporting except for the general fund budget, which is adopted using a budetary basis.

The City uses the following procedures to establish, modify, and control budgetary data:

Prior to April 15, the City Manager submits a tentative budget for the next fiscal year, commencing on July 1, to the City Council. The budget, as submitted, contains the proposed expenditures and the means of financing them for the upcoming fiscal year.

Public hearings are conducted to obtain comments from and address concerns of City residents.

After all changes have been noted and the hearings closed, the Council adopts the budget on or before June 1.

Augmentations of the budget are accomplished through formal City Council action.

The Nevada Revised Statutes (NRS) require budget controls to be exercised at the function level. The City Manager is authorized to transfer budget amounts between functions within a fund. However, the City Council's approval is required for all transfers between funds.

The City cannot expend any money, incur any liability, or enter into any contract, which by its terms involves the expenditure of money in excess of the amount appropriated for a given function, except for bond payments, short-term financing payments, and any other long-term contracts expressly authorized by law.

All unencumbered appropriations lapse at the fiscal year end, except for amounts appropriated for specific capital projects or Federal and State grant expenditures.

(Continued)

**CITY OF BOULDER CITY**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2013, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

General fund, Community Support function	\$ 23,397
More Cops Special Revenue fund, Public Safety function	67,701
Land Improvement Special Revenue fund, General Government function	7,912
Multiple Purpose Special Revenue fund, General Government function	6,578
Multiple Purpose Special Revenue fund, Public Safety function	3,723
Multiple Purpose Special Revenue fund, Culture and Recreation function	112,141

**Deficit Fund Balance or Net Position**

At June 30, 2013, the general fund had a fund balance deficit of \$1,594,338. The negative fund balance is due primarily to an interfund loan payable to the utility fund, with a balance of \$5,077,248 as of year end. It is expected that the deficit fund balance will be reduced over time as the interfund loan payable is repaid.

**Prior Period Adjustment**

Fund balance or net position as of July 1, 2012, has been retroactively adjusted as follows:

	<u>Aggregate Other Governmental Funds</u>	<u>Governmental Activities</u>
Fund balance or net position, as previously reported	\$ 5,773,732	\$ 76,609,257
Adjustment		
Reclassification of assets and liabilities previously reported in agency funds to a special revenue fund with the difference (assets minus liabilities) reported as fund balance	<u>651,808</u>	<u>651,808</u>
Fund balance or net position, as adjusted	\$ <u>6,425,540</u>	\$ <u>77,261,065</u>

**New Accounting Pronouncements**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective for periods beginning after December 15, 2012. The objective of the statement is to properly classify certain items that were previously reported as assets and liabilities as deferred inflows or outflows of resources based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*. Management has not yet completed its assessment of this statement.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, effective for periods beginning after June 15, 2013. The objective of this statement is to improve financial reporting by state and local governmental pension plans. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position, results of operations or cash flows.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. Management has not completed its assessment of this statement.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposal of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions and also includes the transfer of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Management has not yet completed its assessment of this statement.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees and to enhance comparability of financial statements among such governments by requiring consistent reporting by those governments. This statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees and will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. Management has not yet completed its assessment of this statement.

### Note 3. Detailed Notes on all Funds

#### Deposits and Investments

When investing monies, the City is required to comply with the Nevada Revised Statutes (NRS). City monies must be deposited with federally insured banks. The City is authorized to use demand accounts, time accounts and certificates of deposit. The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible State investments. Permissible State investments are similar to allowable City investments, described above, except that some State investments are for longer terms and include securities issued by municipalities outside of the State.

Allowable City investments include obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State; and bankers' acceptances eligible for rediscount with Federal Reserve Banks, not to exceed 180 days maturity and 10% of total investments.

At June 30, 2013, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Cash and cash equivalents on deposit	\$ 26,609,224
Cash on hand	5,471
Investments	<u>6,250,876</u>
Total cash, cash equivalents and investments	<u>\$ 32,865,571</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

Governmental activities	\$ 19,741,161
Business-type activities	<u>13,124,410</u>
Total cash, cash equivalents and investments	<u>\$ 32,865,571</u>

The City's deposits are categorized by the level of custodial credit risk assumed. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

At year end, the carrying amount of the City's deposits was \$26,865,577, and the bank balance was \$27,406,421. As of June 30, 2013, the City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or was uninsured but collateralized with securities held by the pledging financial institution in accordance with the NRS.

The City's investments are categorized by the level of custodial credit risk assumed. Investment custodial credit risk is defined as the risk that in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Custodial credit risk exposure can be affected by a concentration of deposits or investments in any one investment type or with any one counterparty. The City does not have an investment policy for custodial credit risk.

The City's investments may be classified into the following three categories of credit risk:

Insured or registered, or securities held by the City or its agent in the City's name.

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

At June 30, 2013, the City's investments were all registered and held by the City or the City's agent in the City's name.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2013, the City had the following investments:

	Reported Amount (Fair Value)	Investment Maturities (In Years)		
		Less Than One	One to Three	Four or More
U.S. Treasury obligations	\$ 3,539,776		\$ 3,539,776	
Money market mutual funds	154,200	154,200		
U.S. Agency securities				
Federal Farm Credit Bank	250,068		250,068	
Federal Home Loan Bank	692,200		692,200	

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Reported Amount (Fair Value)	Investment Maturities (In Years)		
		Less Than One	One to Three	Four or More
Federal Home Loan Mortgage Corporation	\$ 244,101	\$	\$ 124,744	\$ 119,357
Government National Mortgage Association	<u>1,370,531</u>	<u></u>	<u>1,311,545</u>	<u>58,986</u>
Total investments	<u>\$ 6,250,876</u>	<u>\$ 154,200</u>	<u>\$ 5,918,333</u>	<u>\$ 178,343</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. However, all of the City's investments are classified as direct obligations of and are explicitly guaranteed by the United States government. Accordingly, credit risk is considered nominal and the requirement to disclose a rating by a nationally recognized statistical organization does not apply to securities of this type.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limits on the amount that can be invested in any one issuer beyond that stipulated by the NRS. However, all of the City's investments are classified as direct obligations of and are explicitly guaranteed by the United States government. Accordingly, concentration of credit risk is considered nominal and the requirement to disclose investment balances in any one issuer that represent 5% or more of the City's total investments does not apply to securities of this type.

### Leases Receivable

The City receives rents for the use of land and buildings by various entities for communications purposes and solar power generation facilities under operating leases that expire at various times through 2067.

As of June 30, 2013, minimum future rental income under non-cancelable operating leases (with remaining terms in excess of one year) was as follows:

<u>For the Year Ended June 30,</u>	Aggregate Other		Total
	General Fund	Governmental Funds	
2014	\$ 7,644,489	\$ 2,292,309	\$ 9,936,798
2015	8,271,717	2,454,845	10,726,562
2016	8,332,419	2,475,916	10,808,335
2017	7,699,734	2,308,738	10,008,472
2018	8,077,353	2,408,604	10,485,957
2019 - 2023	41,181,582	12,274,352	53,455,934
2024 - 2028	42,312,845	12,610,609	54,923,454
2029 - 2033	41,056,535	10,811,695	51,868,230
2034 - 2038	42,817,456	10,898,068	53,715,524
2039 - 2043	37,264,964	9,316,241	46,581,205
2044 - 2048	32,723,166	8,180,792	40,903,958
2049 - 2053	31,647,401	7,911,850	39,559,251
2054 - 2058	20,564,147	5,141,037	25,705,184
2059 - 2063	18,151,407	4,537,852	22,689,259
2064 - 2068	<u>6,517,529</u>	<u>1,629,382</u>	<u>8,146,911</u>
	<u>\$ 354,262,744</u>	<u>\$ 95,252,290</u>	<u>\$ 449,515,034</u>

(Continued)

**CITY OF BOULDER CITY**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

**Unearned Revenue**

Unearned revenue is reported in connection with resources that have been received, but not yet earned. At June 30, 2013, unearned revenue was as follows:

	<u>Lease Revenue</u>
General Fund	\$ 11,519,648
Aggregate Other Governmental Funds	<u>4,839,234</u>
	<u>\$ 16,358,882</u>

**Interfund Receivables, Payables, and Transfers**

**Due To and From Other Funds**

At June 30, 2013, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,546,620	\$
Special Projects Capital Projects Fund	1,315,580	1,394,486
Aggregate Other Governmental Funds		152,134
Utility Enterprise Fund		<u>1,315,580</u>
	<u>\$ 2,862,200</u>	<u>\$ 2,862,200</u>

In March 2001, the City Council approved the transfer of \$8,700,000 from the utility fund to the general fund related to the construction of the Boulder Creek Golf Club (BCGC) with the expectation that the funds would be repaid from BCGC revenues. The NRS required that the City Council conduct a public hearing and adopt a resolution establishing the transfer as a medium-term obligation subject to repayment and establishing the terms of the loan. On May 13, 2008, the City, in consultation with the State of Nevada Department of Taxation, conducted the required public hearing and adopted the required resolution.

**Advances To and From Other Funds**

At June 30, 2013, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$	\$ 5,077,248
Utility Enterprise Fund	<u>5,077,248</u>	
	<u>\$ 5,077,248</u>	<u>\$ 5,077,248</u>

This interfund loan is to be repaid to the utility fund in semi-annual principal and interest payments of \$375,000. The applicable interest rate varies and is determined by the current 90 day Treasury Bill yield at the time the payment is due. The maturity date is determined by the receipt of the final payment and is estimated to be November 2019.

(Continued)

**CITY OF BOULDER CITY**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

Annual debt service requirements for advances to and from other funds as of June 30, 2013, were as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 742,663	\$ 7,337
2015	743,778	7,337
2016	744,894	5,106
2017	746,012	3,988
2018	747,131	2,869
2019 - 2020	<u>1,352,770</u>	<u>2,373</u>
	<u>\$ 5,077,248</u>	<u>\$ 29,010</u>

Interfund Transfers

Transfers of unrestricted revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization.

For the year ended June 30, 2013, interfund transfers were as follows

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Aggregate Other Governmental Funds	\$ 44,433
	Utility Enterprise Fund	2,159,000
	Aggregate Other Enterprise Funds	46,000
Special Projects Capital Projects Fund	Aggregate Other Governmental Funds	1,416,128
Aggregate Other Governmental Funds	Aggregate Other Governmental Funds	481,760
	General Fund	140,925
Utility Enterprise Fund	Aggregate Other Governmental Funds	<u>1,950,000</u>
		<u>\$ 6,238,246</u>

Capital Assets

For the year ended June 30, 2013, capital asset activity was as follows:

	<u>Balance July 1, 2012</u>	<u>Increases and transfers *</u>	<u>Decreases and transfers *</u>	<u>Balance June 30, 2013</u>
Governmental activities				
Capital assets not being depreciated or amortized				
Land	\$ 28,794,138	\$ _____	\$ _____	\$ 28,794,138
Capital assets being depreciated or amortized				
Buildings and building improvements	14,552,047	74,041		14,626,088
Improvements other than buildings	25,671,830	1,491,238		27,163,068
Infrastructure	70,198,966	3,113,250		73,312,216
Machinery, equipment and furniture	<u>12,828,679</u>	<u>848,410</u>	<u>(61,352)</u>	<u>13,615,737</u>
Total capital assets being depreciated or amortized	<u>123,251,522</u>	<u>5,526,939</u>	<u>(61,352)</u>	<u>128,717,109</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Increases and transfers *	Decreases and transfers *	Balance June 30, 2013
Accumulated depreciation and amortization				
Buildings and building improvements	\$ (4,662,576)	\$ (432,262)		\$ (5,094,838)
Improvements other than buildings	(12,025,821)	(1,212,089)		(13,237,910)
Infrastructure	(43,957,132)	(1,860,207)		(45,817,339)
Machinery, equipment and furniture	(7,800,365)	(1,035,982)	58,209	(8,778,138)
Total accumulated depreciation and amortization	<u>(68,445,894)</u>	<u>(4,540,540)</u>	<u>58,209</u>	<u>(72,928,225)</u>
Total capital assets being depreciated or amortized, net	<u>54,805,628</u>	<u>986,399</u>	<u>(3,143)</u>	<u>55,788,884</u>
Total governmental activities	<u>\$ 83,599,766</u>	<u>\$ 986,399</u>	<u>\$ (3,143)</u>	<u>\$ 84,583,022</u>

\* Includes transfers from and to proprietary funds, if any.

	Balance July 1, 2012	Increases and transfers *	Decreases and transfers *	Balance June 30, 2013
Business-type activities				
Capital assets not being depreciated or amortized				
Land	\$ 606,375			\$ 606,375
Capital assets being depreciated or amortized				
Buildings and building improvements	442,827			442,826
Improvements other than buildings	14,841,477	342,270		15,183,747
Machinery, equipment and furniture	5,101,503	287,406	(175,281)	5,213,629
Utility delivery systems	90,853,964	2,221,596		93,075,560
Total capital assets being depreciated or amortized	<u>111,239,771</u>	<u>2,851,272</u>	<u>(175,281)</u>	<u>113,915,762</u>
Accumulated depreciation and amortization				
Buildings and building improvements	(274,407)	(14,257)		(288,664)
Improvements other than buildings	(3,591,245)	(492,675)		(4,083,920)
Machinery, equipment and furniture	(4,998,373)	(179,561)	165,922	(5,012,012)
Utility delivery systems	(35,219,688)	(2,283,374)		(37,503,062)
Total accumulated depreciation and amortization	<u>(44,083,713)</u>	<u>(2,969,867)</u>	<u>165,922</u>	<u>(46,887,658)</u>
Total capital assets being depreciated or amortized, net	<u>67,156,058</u>	<u>(118,595)</u>	<u>(9,359)</u>	<u>67,028,104</u>
Total business-type activities	<u>\$ 67,762,433</u>	<u>\$ (118,595)</u>	<u>\$ (9,359)</u>	<u>\$ 67,634,479</u>

\* Includes transfers from and to governmental funds, if any.

For the year ended June 30, 2013, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 137,693
Public safety	807,389
Judicial	45,051
Public works	2,145,253
Culture and recreation	1,395,412
Community support	<u>9,742</u>
Total depreciation expense, governmental activities	<u>\$ 4,540,540</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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Business-type activities	
Utility	\$ 2,450,208
Aviation	501,744
Cemetery	<u>17,915</u>
Total depreciation expense, business-type activities	\$ <u>2,969,867</u>

### Long-term Liabilities

#### Capital Leases - Governmental Activities

In a prior fiscal year, the City entered into capital lease agreements to finance the acquisition of a phone system and related capital assets for general City operations. For accounting purposes, the assets acquired under these capital leases have been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2013, were \$77,207.

At June 30, 2013, the net book value of capital assets acquired through capital leases was \$629,441.

At June 30, 2013, future minimum capital lease payments were as follows:

<u>For the Year Ended June 30,</u>	
2014	\$ 102,413
2015	102,413
2016	<u>15,512</u>
Total future minimum capital lease payments	220,338
Less portion of payment representing interest	<u>(11,620)</u>
Present value of total future minimum capital lease payments	\$ <u>208,718</u>

#### Capital Leases - Business-type Activities

The City entered into a capital lease agreement to finance the acquisition of capital assets used in golf course and airport operations, which expires in April 2013. For accounting purposes, the assets acquired under this capital lease have been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2013, were \$19,380.

At June 30, 2013, the net book value of capital assets acquired through capital leases was \$14,922.

#### Bond and Note Obligations

The City has entered into long-term debt obligations, of which the golf course and utility revenue refunding bonds are not a general obligation of the City. The golf course revenue bonds are payable from net golf course receipts and are a limited City obligation in that they are additionally secured by a pledge of 15% of the City's consolidated tax revenues. The utility revenue bonds are payable from net revenues of the City's municipal utility system, which is defined in the bond ordinance to mean the water, electric, sewer, and refuse systems of the City.

In December 2005, the City issued the Golf Course Revenue Refunding Bonds, Series 2005 in the amount of \$9,335,000 at an interest rate of 3.85%. Interest payments are due semi-annually on June 1 and December 1, with principal payments due annually on December 1.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

In December 2005, the City issued the Golf Course Revenue Refunding Bonds, Series 2005 in the amount of \$9,335,000 at an interest rate of 3.85%. Interest payments are due semi-annually on June 1 and December 1, with principal payments due annually on December 1.

In November 2006, the City issued the Utility Revenue Refunding Bonds, Series 2006 in the amount of \$33,545,000 at an interest rate ranging from 3.50% to 5.00%. Interest payments commenced on September 1, 2007, and are due semi-annually on March 1 and September 1. Principal payments commenced on September 1, 2008, and are due annually on September 1.

The City has also entered into a long-term note obligation under an interlocal agreement with the Southern Nevada Water Authority (SNWA), which is a general obligation of the City. Pursuant to the interlocal agreement, the SNWA agreed to finance the City's share of the construction costs for the third Lake Mead intake facility. Lake Mead is the primary water source for southern Nevada. The City is a cost-sharing participant in this project and this obligation represents the City's share of the construction costs.

In May 2010, the City entered into the SNWA note, to be repaid over a 25 year period, in the amount of \$13,600,000 at an initial interest rate of 4.92%, which will vary based on the actual interest rate paid by SNWA, computed annually. Annual interest only payments commenced in fiscal year 2010, while principal payments are contractually due annually commencing in fiscal year 2015.

Outstanding bonds and notes payable at June 30, 2013, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2013</u>
Governmental activities				
General obligation bonds				
Golf Course Revenue Refunding Bonds, Series 2005	December 2024	3.85%	\$ <u>9,335,000</u>	\$ <u>6,690,000</u>
Business-type activities				
General obligation bonds				
Utility Revenue Refunding Bonds, Series 2006	September 2035	3.50 - 5.00%	\$ <u>33,545,000</u>	\$ <u>30,590,000</u>
Notes payable				
Southern Nevada Water Authority Note	June 2034	4.92%	\$ <u>10,523,276</u>	\$ <u>5,979,167</u>
Total business-type activities			<u>44,068,276</u>	<u>36,569,167</u>
Total bonds and notes payable			<u>\$ 53,403,276</u>	<u>\$ 43,259,167</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013, annual debt service requirements to maturity for bond and note obligations were as follows:

<u>For the Year Ended June 30,</u>	Golf Course Revenue Refunding Bonds, Series 2005			
	Principal	Interest		
Governmental activities				
2014	\$ 500,000	\$ 247,940		
2015	520,000	228,305		
2016	540,000	207,900		
2017	560,000	186,725		
2018	585,000	164,684		
2019 - 2023	3,275,000	461,519		
2024 - 2028	710,000	13,668		
	6,690,000	1,510,741		
Total governmental activities	\$ 6,690,000	\$ 1,510,741		
<u>For the Year Ended June 30,</u>	Utility Revenue Refunding Bonds, Series 2006		Southern Nevada Water Authority Note	
	Principal	Interest	Principal	Interest
Business-type activities				
2014	\$ 770,000	\$ 1,317,931	\$ 500,000	\$ 294,175
2015	800,000	1,288,457	182,360	476,535
2016	835,000	1,255,756	191,332	285,203
2017	870,000	1,221,657	200,745	275,789
2018	1,150,000	1,175,506	210,622	265,913
2019 - 2023	6,645,000	4,981,513	1,219,130	1,163,544
2024 - 2028	8,300,000	3,327,227	1,550,034	832,640
2029 - 2033	8,800,000	1,357,756	1,924,944	411,918
2034 - 2038	2,420,000	157,038		
	30,590,000	16,082,841	5,979,167	4,005,717
Total business-type activities	\$ 30,590,000	\$ 16,082,841	\$ 5,979,167	\$ 4,005,717

#### Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
Governmental activities					
General obligation bonds					
Golf Course Revenue Refunding Bonds, Series 2005	\$ 7,175,000	\$ _____	\$ (485,000)	\$ 6,690,000	\$ 500,000
Capital leases					
Key Government Finance, Inc. Lease No. 40741	110,445	_____	(35,120)	75,325	36,788
PNC Equipment Finance, LLC Lease No. 165640000	_____	175,300	(41,907)	133,393	57,833
Total capital leases	110,445	175,300	(77,027)	208,718	94,621

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
Unamortized deferred refunding charges	\$ (334,637)		\$ 26,951	\$ (307,686)	
Compensated absences	2,527,582	1,348,317	(1,336,696)	2,539,203	1,629,447
Postemployment benefits other than pensions	84,858	92,551	(96,640)	80,769	
<b>Total governmental activities</b>	<b>9,563,248</b>	<b>1,616,168</b>	<b>(1,968,412)</b>	<b>9,211,004</b>	<b>2,224,068</b>
<b>Business-type activities</b>					
General obligation bonds					
Utility Revenue Refunding Bonds, Series 2006	31,335,000		(745,000)	30,590,000	770,000
Notes payable					
Southern Nevada Water Authority Note	6,512,727	1,766,440	(2,300,000)	5,979,167	500,000
Capital leases					
Auto Leasing Specialists, LLC Lease No. 1791	19,380		(19,380)		
Unamortized bond premiums	249,501		(10,680)	238,821	
Compensated absences	606,746	325,429	(308,891)	623,284	206,549
<b>Total business-type activities</b>	<b>38,723,354</b>	<b>2,091,869</b>	<b>(3,383,951)</b>	<b>37,431,272</b>	<b>1,476,549</b>
<b>Total long-term liabilities</b>	<b>\$ 48,286,602</b>	<b>\$ 3,708,037</b>	<b>\$ (5,352,363)</b>	<b>\$ 46,642,276</b>	<b>\$ 3,700,617</b>

Compensated absences and postemployment benefits other than pensions typically have been liquidated by the general and enterprise funds.

### Arbitrage Rebate Requirements

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

### Debt Covenant Requirements

Certain long-term debt obligations are subject to restrictive debt covenants with which management believes the City to be in compliance.

### Defeased Debt

In prior years, the City defeased certain long-term bond obligations by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2013, no defeased debt remained outstanding.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Landfill Closure and Post-closure Care

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current landfill activities, an expense provision and related liability are being recognized based on estimated future closure and post-closure care costs, which will be incurred near or after the date the landfill no longer accepts waste. During a prior fiscal year, the landfill site was expanded to approximately 60 acres, which added approximately 2.5 million cubic yards to the existing capacity. The reported landfill closure and post-closure care cost obligation of \$2,295,593 represents the cumulative costs recorded to date, which is based on 43.2% capacity usage of the landfill as of June 30, 2013. The total estimated closure and post-closure costs are currently estimated at \$5,309,054, and accordingly, an additional \$3,013,461 in costs are expected to be recognized through 2048, the year in which the landfill is expected to be fully utilized.

The City has allocated cash and cash equivalents in the amount of \$1,926,545, which is 83.9% of the recorded liability at June 30, 2013, which are being held in an interest-bearing account and are presented as restricted assets on the City's government-wide and proprietary funds statements of net position.

The estimated total current cost of the landfill closure and post-closure care of \$5,309,054 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2013. However, the actual cost of closure and post-closure care may increase due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is also required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City plans to make future contributions to this fund and use the working capital of the utility fund to meet this obligation. It is anticipated that future inflation costs will be financed in part from investment earnings. The remaining portion of anticipated future inflation costs and additional costs that might arise from changes in post-closure requirements (for example, due to changes in technology or landfill laws and regulations) may need to be covered by additional charges to future landfill users, taxpayers or both.

### Segment Information

The City has issued long-term debt (in some cases revenue supported) to finance design and construction of a raw water facility and delivery system and the City's share of the construction costs for the third Lake Mead intake facility. This debt has historically been paid from the revenues of the City's utility fund, the financial position, results of operations and cash flows of these enterprise funds are presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

## **Note 4. Other Information**

### Risk Management

The City is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these and other risks, the City is a participating member of the Nevada Public Agency Insurance Pool (the Pool). The Pool was created through an interlocal cooperative agreement (the agreement). As a participating member, the City is entitled to all the rights, privileges and protections and subject to all the duties and responsibilities under the agreement and bylaws of the Pool.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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Including the City, 112 public agencies are members of the Pool as of June 30, 2013. Pool premiums are based on policy coverage. The City does not have any liability beyond the premium amounts paid and normal policy deductible limits. Settled claims did not exceed insurance coverage for current and two most recent fiscal years.

At June 30, 2013, the City's coverage for various types of risks, with a maintenance deductible is \$25,000 for each and every loss, claim or event was as follows:

Property has blanket coverage for all risks of physical loss or damage to all real and personal property. Casualty includes bodily injury, property damage and personal injury. Employment based benefits administration, law enforcement activities and wrongful acts for \$10,000,000 for any one event with a \$10,000,000 annual aggregate. Property, crime and equipment has a blanket limit per schedule of locations of \$300,000,000 per loss. Earthquake and flood coverage for \$100,000,000 annual aggregate each (flood coverage Zone A for \$10,000,000 annual aggregate). Crime includes money and securities for \$500,000 for each loss. Equipment breakdown, boiler and machinery for \$60,000,000 for each accident.

The City also carries Airport Liability Insurance, with no deductible. Completed operations aggregate limit of \$10,000,000. Personal injury and advertising injury aggregate limit of \$10,000,000. Malpractice limit of \$10,000,000 per occurrence and in the aggregate. Fire Damage limit any one fire \$250,000. Medical expense limit any one person \$50,000. Hanger keepers any one occurrence, or aircraft \$10,000,000. Non-owned aircraft liability limit \$10,000,000 per occurrence.

The City is a member of the Public Agency Compensation Trust (PACT) which is a risk sharing arrangement created by an interlocal cooperation agreement among Nevada public entities that operates as a workers' compensation association self-insured group authorized to provide all compensation and benefits required by the Workers' Compensation Law.

At June 30, 2013, coverage limits, with no maintenance deductible, were as follows:

Workers compensation coverage limit or indemnity is \$2,500,000 for each accident and \$2,500,000 for each employee for disease, Employers' Liability Coverage bodily injury by accident limit is \$2,000,000 for each accident and for bodily injury by disease the limit is \$2,000,000 for each employee. PACT has a specific retention of \$500,000 for each and every loss and/or claim and/or occurrence and a corridor deductible of \$500,000 in the aggregate in excess of the specific retention in any one policy year.

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

The City's cash and cash equivalents on deposit with financial institutions are often in excess of federally-insured limits, and the risk of losses related to such concentrations may increase as a result of the current economic conditions discussed in the foregoing paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, however, is not subject to estimation at this time.

### Contingent liabilities

In the ordinary course of its operations, claims are filed against the City. City management intends to vigorously defend each claim and believes that these claims will not result in any material adverse future effect on the City's financial position, results of operation, or cash flows.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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In the ordinary course of its operations, claims are filed against the City. City management intends to vigorously defend each claim and believes that these claims will not result in any material adverse future effect on the City's financial position, results of operation, or cash flows.

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

### **Joint Venture**

The SNWA is a political subdivision of the State, which was created by a cooperative agreement between the City, Big Bend Water District, Las Vegas Valley Water District, City of Henderson, City of Las Vegas, City of North Las Vegas, and the Clark County Reclamation District (the Members). SNWA's purpose is to secure additional supplies of water and effectively manage existing water supplies through cooperative action of the Members.

SNWA has the power to periodically assess the Members directly for operating and capital budgets and for the satisfaction of any liabilities imposed against SNWA. The City and other members do not have an expressed claim to the resources of the SNWA, except that upon termination of the joint venture, any water rights or facilities remaining after payment of all obligations shall be returned to the contributing members.

The City is committed to purchase water from SNWA through 2033. In connection with this water purchase commitment, the City also agreed to reimburse SNWA for the City's share of debt incurred by SNWA to finance the construction of the Southern Nevada Water Project, Phases I and II. During the current fiscal year, the City paid SNWA \$2,849,836 related to this commitment, of which 2,800,509 was for water purchases and \$49,327 was for debt service reimbursements. The total amount paid is included as a cost of water in the water quality control department of the City's utility fund. No liability has been recorded related to this commitment, since the City's future obligations are to be met by future user charges.

Audited financial statements of SNWA may be obtained by writing Treasurer, Southern Nevada Water Authority, 1001 South Valley View Boulevard, Mail Stop 320, Las Vegas, Nevada 89107, or by visiting [snwa.com](http://snwa.com).

### **Retirement Plan**

The City's employees are covered by the State's Public Employees' Retirement System (PERS). PERS was established on July 1, 1949, by the State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit retirement plan.

The City does not exercise any control over PERS. NRS 286.110 states, "Respective participating public employers are not liable for any obligation of the system." PERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing to PERS at 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

Benefits, as required by NRS, are determined by the number of years of accredited service at the time of retirement and the participant's highest average compensation in any 36 consecutive months. Benefit payments to which participants in PERS may be entitled include pension, disability, and death benefits.

Contribution rates are established by the NRS, which are tied to the increase in taxable sales within the State each year and provide for yearly increases of up to 1% until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The City is obligated to contribute all amounts due under PERS.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Contribution rates are established by the NRS, which are tied to the increase in taxable sales within the State each year and provide for yearly increases of up to 1% until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The City is obligated to contribute all amounts due under PERS.

Contribution rates and amounts contributed for the previous three years were as follows:

For the Year Ended June 30,	Contribution Rate		Required Contribution and Amount Contributed
	Police and Fire Employees	Other Employees	
2011	37.00 %	21.50 %	\$ 3,160,777
2012	39.75 %	23.75 %	3,216,266
2013	39.75 %	23.75 %	3,396,930

Amounts contributed are equal to the required contribution for each year.

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

#### Plan Information

In accordance with NRS, the City provides other postemployment benefits to retirees by participating in the State's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit plan administered by a nine member governing board. PEBP provides medical, prescription, dental and vision benefits to retirees. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Public Employee Benefit Plan, 901 South Stewart Street, Suite 101, Carson City, NV 89701 or by calling (775) 684-7000.

Eligibility and subsidy requirements are governed by NRS and can only be amended through legislation. In 2008, the NRS were amended. As a result of this amendment, the number of retirees for whom the City is obligated to provide postemployment benefits is limited to eligible employees who retired from City service prior to September 1, 2008. The City does not provide any other postemployment benefits (either directly or indirectly).

#### Funding Policy and Annual OPEB Cost

The City is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2013, this subsidy ranged from \$3.40 to \$649.88 per retiree, per month.

Annual OPEB cost for the plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

(Continued)

**CITY OF BOULDER CITY**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2013**

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	<u>Public Employee Benefit Program</u>
Annual required contribution (ARC)	\$ 94,208
Interest on net OPEB obligation	2,546
Adjustment to ARC	<u>(4,203)</u>
Annual OPEB cost	92,551
OPEB contributions made	<u>(96,640)</u>
Decrease in net OPEB obligation	(4,089)
Net OPEB obligation, beginning of year	<u>84,858</u>
Net OPEB obligation, end of year	<u>\$ 80,769</u>

The funded status of the plan as of the most recent actuarial valuation date was as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
Public Employee Benefit Program June 30, 2012	N/A <sup>1</sup>	\$ 1,901,928	\$ 1,901,928	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the years ended June 30, 2011, 2012 and 2013 were as follows:

<u>For the Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions Made</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
Public Employee Benefit Program				
2011	\$ 163,601	\$ 114,566	70.0 %	\$ 96,250
2012	92,328	103,720	112.3 %	84,858
2013	92,551	96,640	104.4 %	80,769

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

### Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the valuation date and the pattern of sharing benefit costs between the City and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant actuarial methods and assumptions as of the most recent actuarial valuation date were as follows:

	<u>Public Employee Benefit Program</u>
Actuarial valuation date	June 30, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	No assets in trust
Actuarial assumptions	
Average retiree age	65-69
Investment rate of return	3%
Projected salary increases	N/A <sup>1</sup>
Health cost inflation rates for the year ending June 30,	
2013	7.00%
2014	6.50%
2015	6.00%
2016 - 2032	5.75%
2033 - 2038	5.50%
2039 - 2061	5.25%
2062 - 2076	5.00%
2077 - 2082	4.75%
2083 and beyond	4.50%

<sup>1</sup> The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



# CITY OF BOULDER CITY

## POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2013

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
June 30, 2008	N/A <sup>1</sup>	\$ 2,138,799	\$ 2,138,799	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
June 30, 2010	N/A <sup>1</sup>	2,795,851	2,795,851	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
June 30, 2012	N/A <sup>1</sup>	1,901,928	1,901,928	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.



**CITY OF BOULDER CITY**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2013**

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The general fund is used to account for all financial resources not accounted for in some other fund.



# CITY OF BOULDER CITY

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 1,308,000	\$ 1,308,000	\$ 2,128,517	\$ 820,517
Room tax	380,000	380,000	450,213	70,213
Franchise fees	840,000	840,000	807,321	(32,679)
Licenses and permits	645,000	645,000	623,536	(21,464)
Charges for services	4,005,500	4,005,500	4,421,323	415,823
Intergovernmental	8,715,000	8,792,756	9,735,458	942,702
Fines and forfeitures	800,000	800,000	683,913	(116,087)
Rents and royalties	7,099,464	7,099,464	6,030,067	(1,069,397)
Investment income	8,000	8,000	13,966	5,966
Miscellaneous	80,500	80,500	4,881	(75,619)
<b>Total revenues</b>	<u>23,881,464</u>	<u>23,959,220</u>	<u>24,899,195</u>	<u>939,975</u>
<b>EXPENDITURES</b>				
General government				
Legislative				
Salaries and wages	478,090	478,090	500,899	(22,809)
Employee benefits	186,410	186,410	183,321	3,089
Services and supplies	400,350	400,350	237,628	162,722
<b>Total legislative</b>	<u>1,064,850</u>	<u>1,064,850</u>	<u>921,848</u>	<u>143,002</u>
Executive				
Salaries and wages	307,519	307,519	318,745	(11,226)
Employee benefits	114,772	114,772	114,923	(151)
Services and supplies	199,400	234,400	139,654	94,746
<b>Total executive</b>	<u>621,691</u>	<u>656,691</u>	<u>573,322</u>	<u>83,369</u>
Finance				
Salaries and wages	443,687	443,687	411,437	32,250
Employee benefits	185,264	185,264	163,498	21,766
Services and supplies	37,500	37,500	73,164	(35,664)
<b>Total finance</b>	<u>666,451</u>	<u>666,451</u>	<u>648,099</u>	<u>18,352</u>
Information systems				
Salaries and wages	144,421	144,421	143,177	1,244
Employee benefits	60,857	60,857	58,358	2,499
Services and supplies	1,122,058	1,122,058	799,574	322,484
Capital outlay	60,000	60,000		60,000
<b>Total information systems</b>	<u>1,387,336</u>	<u>1,387,336</u>	<u>1,001,109</u>	<u>386,227</u>
Central services				
Salaries and wages	295,356	295,356	484,065	(188,709)
Employee benefits	532,446	532,446	254,496	277,950
Services and supplies	572,910	572,910	478,263	94,647
Capital outlay	50,000	50,000	225,927	(175,927)
<b>Total central services</b>	<u>1,450,712</u>	<u>1,450,712</u>	<u>1,442,751</u>	<u>7,961</u>
<b>Total general government</b>	<u>5,191,040</u>	<u>5,226,040</u>	<u>4,587,129</u>	<u>638,911</u>
Public safety				
Police				
Salaries and wages	2,981,042	3,014,542	3,031,541	(16,999)
Employee benefits	1,575,429	1,575,429	1,589,196	(13,767)
Services and supplies	889,614	933,870	756,424	177,446
Capital outlay	165,000	165,000	154,918	10,082
<b>Total police</b>	<u>5,611,085</u>	<u>5,688,841</u>	<u>5,532,079</u>	<u>156,762</u>

(Continued)

# CITY OF BOULDER CITY

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED)

#### BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance
Animal control				
Salaries and wages	150,932	150,932	113,274	37,658
Employee benefits	58,514	58,514	47,752	10,762
Services and supplies	23,160	23,160	15,776	7,384
Capital outlay	45,000	45,000	46,024	(1,024)
Total animal control	<u>277,606</u>	<u>277,606</u>	<u>222,826</u>	<u>54,780</u>
Fire				
Salaries and wages	2,045,995	2,045,995	2,060,336	(14,341)
Employee benefits	987,556	987,556	1,014,423	(26,867)
Services and supplies	408,234	408,234	313,652	94,582
Capital outlay			32,721	(32,721)
Total fire	<u>3,441,785</u>	<u>3,441,785</u>	<u>3,421,132</u>	<u>20,653</u>
Total public safety	<u>9,330,476</u>	<u>9,408,232</u>	<u>9,176,037</u>	<u>232,195</u>
Judicial				
Municipal court				
Salaries and wages	332,877	332,877	339,468	(6,591)
Employee benefits	125,540	125,540	124,209	1,331
Services and supplies	98,230	98,230	59,491	38,739
Total judicial	<u>556,647</u>	<u>556,647</u>	<u>523,168</u>	<u>33,479</u>
Public works				
Highway and streets				
Salaries and wages	523,417	523,417	524,306	(889)
Employee benefits	221,013	221,013	223,838	(2,825)
Services and supplies	184,211	184,211	144,168	40,043
Capital outlay			82,648	(82,648)
Total highway and streets	<u>928,641</u>	<u>928,641</u>	<u>974,960</u>	<u>(46,319)</u>
Engineering				
Salaries and wages	287,484	287,484	251,394	36,090
Employee benefits	110,798	110,798	102,905	7,893
Services and supplies	38,650	38,650	47,102	(8,452)
Capital outlay	40,000	40,000	42,006	(2,006)
Total engineering	<u>476,932</u>	<u>476,932</u>	<u>443,407</u>	<u>33,525</u>
Administration				
Salaries and wages	128,744	128,744	121,998	6,746
Employee benefits	41,858	41,858	46,341	(4,483)
Services and supplies	429,750	429,750	392,132	37,618
Total administration	<u>600,352</u>	<u>600,352</u>	<u>560,471</u>	<u>39,881</u>
Landscaping				
Salaries and wages	511,306	511,306	477,090	34,216
Employee benefits	232,879	232,879	219,381	13,498
Services and supplies	345,750	345,750	299,948	45,802
Total landscaping	<u>1,089,935</u>	<u>1,089,935</u>	<u>996,419</u>	<u>93,516</u>
Building maintenance				
Salaries and wages	121,663	121,663	121,814	(151)
Employee benefits	53,567	53,567	54,665	(1,098)
Services and supplies	192,715	192,715	191,089	1,626
Total building maintenance	<u>367,945</u>	<u>367,945</u>	<u>367,568</u>	<u>377</u>
Total public works	<u>3,463,805</u>	<u>3,463,805</u>	<u>3,342,825</u>	<u>120,980</u>

(Continued)

# CITY OF BOULDER CITY

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED)

#### BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance
Culture and recreation				
Boulder City Municipal golf course				
Salaries and wages			(299)	299
Services and supplies	1,198,768	1,198,768	1,023,875	174,893
Capital outlay			44,433	(44,433)
Total boulder city municipal golf course	<u>1,198,768</u>	<u>1,198,768</u>	<u>1,068,009</u>	<u>130,759</u>
Other recreation				
Salaries and wages	921,265	921,265	881,955	39,310
Employee benefits	286,087	286,087	276,203	9,884
Services and supplies	559,229	559,229	441,930	117,299
Total other recreation	<u>1,766,581</u>	<u>1,766,581</u>	<u>1,600,088</u>	<u>166,493</u>
Swimming pool				
Salaries and wages	295,035	295,035	257,635	37,400
Employee benefits	65,145	65,145	59,826	5,319
Services and supplies	118,915	118,915	82,061	36,854
Total swimming pool	<u>479,095</u>	<u>479,095</u>	<u>399,522</u>	<u>79,573</u>
Boulder Creek golf course				
Salaries and wages	13,513	13,513	12,825	688
Employee benefits	2,155	2,155	1,407	748
Services and supplies	1,884,410	1,884,410	1,875,812	8,598
Capital outlay	112,500	112,500	219,733	(107,233)
Total boulder creek golf course	<u>2,012,578</u>	<u>2,012,578</u>	<u>2,109,777</u>	<u>(97,199)</u>
Total culture and recreation	<u>5,457,022</u>	<u>5,457,022</u>	<u>5,177,396</u>	<u>279,626</u>
Community support				
Community development administration				
Salaries and wages	123,147	123,147	125,662	(2,515)
Employee benefits	37,437	37,437	41,269	(3,832)
Services and supplies	11,058	11,058	10,868	190
Total community development administration	<u>171,642</u>	<u>171,642</u>	<u>177,799</u>	<u>(6,157)</u>
Planning and zoning				
Salaries and wages	92,196	92,196	95,308	(3,112)
Employee benefits	35,593	35,593	36,084	(491)
Services and supplies	5,380	5,380	2,944	2,436
Total planning and zoning	<u>133,169</u>	<u>133,169</u>	<u>134,336</u>	<u>(1,167)</u>
Building inspection and code enforcement				
Salaries and wages	156,972	156,972	185,103	(28,131)
Employee benefits	62,185	62,185	75,371	(13,186)
Services and supplies	44,198	44,198	18,954	25,244
Total building inspection and code enforcement	<u>263,355</u>	<u>263,355</u>	<u>279,428</u>	<u>(16,073)</u>
Total community support	<u>568,166</u>	<u>568,166</u>	<u>591,563</u>	<u>(23,397)</u>
Debt service				
Principal payments			1,303,577	(1,303,577)
Interest and fiscal charges	1,531,739	1,531,739	234,699	1,297,040
Total debt service	<u>1,531,739</u>	<u>1,531,739</u>	<u>1,538,276</u>	<u>(6,537)</u>

(Continued)

## CITY OF BOULDER CITY

### GENERAL FUND

#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED)

#### BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total expenditures	26,098,895	26,211,651	24,936,394	1,275,257
EXCESS OF REVENUES OVER EXPENDITURES	<u>(2,217,431)</u>	<u>(2,252,431)</u>	<u>(37,199)</u>	<u>2,215,232</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			40,943	40,943
Proceeds from capital leases			175,300	175,300
Transfers in	2,205,000	2,205,000	2,249,433	44,433
Transfers out	<u>(2,232,494)</u>	<u>(2,232,494)</u>	<u>(140,925)</u>	<u>2,091,569</u>
Total other financing sources (uses)	<u>(27,494)</u>	<u>(27,494)</u>	<u>2,324,751</u>	<u>2,352,245</u>
CHANGE IN FUND BALANCE	(2,244,925)	(2,279,925)	2,287,552	4,567,477
FUND BALANCE, BEGINNING OF YEAR	<u>4,366,631</u>	<u>4,366,631</u>	<u>1,195,358</u>	<u>(3,171,273)</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,121,706</u>	<u>\$ 2,086,706</u>	<u>\$ 3,482,910</u>	<u>\$ 1,396,204</u>

# CITY OF BOULDER CITY

## GENERAL FUND RECONCILIATION OF BUDGETARY BASIS TO ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES BASIS FOR THE YEAR ENDED JUNE 30, 2013

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Fund balance, end of year, accounting principles generally accepted in the United States basis	\$ (1,594,338)
Principal payments on advances from other funds are reported as expenditures for budgetary basis reporting, but reduce advances from other funds for accounting principles generally accepted in the United States basis reporting	(741,550)
Advances from other funds are allowed to be treated as medium-term obligations; and therefore, are not reported as a liability for budgetary basis reporting based on criteria listed in State of Nevada statutes NAC 350.151 and NAC 354.290, but are reported as a liability for accounting principles generally accepted in the United States basis reporting	<u>5,818,798</u>
Fund balance, end of year, budgetary basis	<u>\$ 3,482,910</u>

**CITY OF BOULDER CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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**Note 1. Postemployment Benefits Other Than Pensions**

For the year ended June 30, 2013, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2012, June 30, 2010, and June 30, 2008.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revision.

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

**Note 2. Budget Information**

The accompanying required supplementary schedule of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual general fund data. The original budget was adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 2 to the basic financial statements.

**OTHER SUPPLEMENTARY  
INFORMATION**



# **MAJOR GOVERNMENTAL FUNDS**



**CITY OF BOULDER CITY**  
**MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Special Projects

Accounts for the acquisition and construction of major capital assets other than those financed by proprietary funds.



## CITY OF BOULDER CITY

### SPECIAL PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 60,000	\$ 60,000	\$ 93,692	\$ 33,692
Intergovernmental	<u>8,358,594</u>	<u>8,358,594</u>	<u>3,400,104</u>	<u>(4,958,490)</u>
Total revenues	<u>8,418,594</u>	<u>8,418,594</u>	<u>3,493,796</u>	<u>(4,924,798)</u>
EXPENDITURES				
General government				
Information systems				
Services and supplies	<u>990,738</u>	<u>990,738</u>	<u>470,347</u>	<u>520,391</u>
Central services				
Services and supplies	146,094	146,094	129,265	16,829
Capital outlay	<u>8,616,560</u>	<u>8,616,560</u>	<u>4,678,529</u>	<u>3,938,031</u>
Total central services	<u>8,762,654</u>	<u>8,762,654</u>	<u>4,807,794</u>	<u>3,954,860</u>
Total expenditures	<u>9,753,392</u>	<u>9,753,392</u>	<u>5,278,141</u>	<u>4,475,251</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,334,798)</u>	<u>(1,334,798)</u>	<u>(1,784,345)</u>	<u>(449,547)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>474,738</u>	<u>474,738</u>	<u>1,416,128</u>	<u>941,390</u>
CHANGE IN FUND BALANCE	(860,060)	(860,060)	(368,217)	491,843
FUND BALANCE, BEGINNING OF YEAR	<u>2,462,740</u>	<u>2,462,740</u>	<u>1,224,902</u>	<u>(1,237,838)</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,602,680</u>	<u>\$ 1,602,680</u>	<u>\$ 856,685</u>	<u>\$ (745,995)</u>



**NON-MAJOR  
GOVERNMENTAL FUNDS**



**CITY OF BOULDER CITY**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

**Capital Improvement**

Accounts for the accumulation of resources from the sale of City of Boulder City-owned land, which is specifically restricted by City Charter to be expended on voter approved projects. When designated projects are approved by the voters, resources of this fund are transferred to the special projects fund.

**Residential Construction Tax**

Accounts for revenues from residential construction taxes that are specifically restricted for the development of park projects.

**Municipal Court**

Accounts for the collection of an administrative assessment in the municipal court for the provision of court facilities in accordance with Nevada Revised Statute 176.0611 and the collection of an administrative assessment in the municipal court for the training and education of personnel, acquisition of capital assets, management and operational studies, and audits in accordance with Nevada Revised Statute 176.059.

**More Cops**

Accounts for revenues received from sales and use taxes that are to be used to employ and equip additional police officers.

**Multipurpose**

Accounts for resources received from, but not limited to, property confiscated by the police department, room taxes received from various hotels within the City of Boulder City and purpose restricted contributions. These resources are to be used for specific purposes including, but not limited to, the Clark County Desert Tortoise Reserve, distribution to local not-for-profit organizations, the purchase of flags by the American Legion, parent training programs for parents of strong-willed or out of control adolescent children, and renewable energy projects.

**Land Improvement**

Accounts for up to two percent of the proceeds from land sales to be used for promotion and advertising of City-owned land.

**Golf Course Improvement**

Accounts for the accumulation of resources from a surcharge on each round of golf played and is specifically restricted to repay the City of Boulder City for financing improvements at the Boulder City Municipal golf course.

**Redevelopment District #1**

Accounts for the accumulation of resources from a portion of local property taxes and was established as a separate legal entity to encourage renovation and development in the City of Boulder City core business area.

**Police Forfeiture**

Accounts for the proceeds received from the sale of forfeited property that may be used for any lawful purpose by the police department, except for ordinary expenses, in accordance with Nevada Revised Statute 179.1187.

**Municipal Court Administrative Assessment**

Accounts for the collection of an administrative assessment in the municipal court for the training and education of personnel, acquisition of capital assets, management and operational studies, and audits in accordance with Nevada Revised Statute 176.059.

**Municipal Court Construction Fee**

Accounts for the collection of an administrative assessment in the municipal court for the provision of court facilities in accordance with Nevada Revised Statute 176.0611.



**CITY OF BOULDER CITY**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2013**

	<u>Capital Improvement</u>	<u>Residential Construction Tax</u>	<u>Municipal Court</u>	<u>More Cops</u>	<u>Multipurpose</u>
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 5,047,243	\$ 91,294	\$ 505,504	\$ 25,132	\$ 2,796,126
Accounts receivable, net	37,102				8,099
Taxes receivable					
Due from other governments				<u>152,134</u>	
Total assets	<u>\$ 5,084,345</u>	<u>\$ 91,294</u>	<u>\$ 505,504</u>	<u>\$ 177,266</u>	<u>\$ 2,804,225</u>
<b>LIABILITIES</b>					
Accounts payable			\$ 465		\$ 2,206
Accrued expenses			1,020	25,132	
Due to other funds				152,134	
Unearned revenue	<u>2,832,174</u>				<u>2,000,000</u>
Total liabilities	<u>2,832,174</u>		<u>1,485</u>	<u>177,266</u>	<u>2,002,206</u>
<b>FUND BALANCES</b>					
Nonspendable					
Restricted for					
Fire, police and other public safety programs					45,443
Committed to					
Capital improvement projects	<u>2,252,171</u>	<u>91,294</u>	<u>504,019</u>		<u>756,576</u>
Total fund balances	<u>2,252,171</u>	<u>91,294</u>	<u>504,019</u>		<u>802,019</u>
Total liabilities and fund balances	<u>\$ 5,084,345</u>	<u>\$ 91,294</u>	<u>\$ 505,504</u>	<u>\$ 177,266</u>	<u>\$ 2,804,225</u>

(Continued)

**CITY OF BOULDER CITY**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**JUNE 30, 2013**

	Golf Course Improvement	Redevelopment District #1	Total Non-major Special Revenue
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 189,807	\$ 682,676	\$ 9,337,782
Accounts receivable, net		1,988	47,189
Taxes receivable		344,880	344,880
Due from other governments			152,134
	<u>189,807</u>	<u>1,029,544</u>	<u>9,881,985</u>
Total assets	<u>\$ 189,807</u>	<u>\$ 1,029,544</u>	<u>\$ 9,881,985</u>
<b>LIABILITIES</b>			
Accounts payable	\$	\$ 1,864	\$ 4,535
Accrued expenses		1,343	27,495
Due to other funds			152,134
Unearned revenue		7,060	4,839,234
		<u>10,267</u>	<u>5,023,398</u>
Total liabilities		<u>10,267</u>	<u>5,023,398</u>
<b>FUND BALANCES</b>			
Nonspendable			
Restricted for			
Fire, police and other public safety programs			45,443
Committed to			
Capital improvement projects	189,807	1,019,277	4,813,144
	<u>189,807</u>	<u>1,019,277</u>	<u>4,858,587</u>
Total fund balances	<u>189,807</u>	<u>1,019,277</u>	<u>4,858,587</u>
Total liabilities and fund balances	<u>\$ 189,807</u>	<u>\$ 1,029,544</u>	<u>\$ 9,881,985</u>

# CITY OF BOULDER CITY

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2013

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Land Improvement
<b>REVENUES</b>						
Property taxes	\$	\$ 11,000	\$	\$ 611,800	\$	\$
Charges for services						
Fines and forfeitures			168,549			
Rents and royalties	1,356,842					
Investment income	373					
Miscellaneous	204				227,210	
<b>Total revenues</b>	<u>1,357,419</u>	<u>11,000</u>	<u>168,549</u>	<u>611,800</u>	<u>227,210</u>	
<b>EXPENDITURES</b>						
Current						
General government					6,578	7,912
Public safety				752,725	3,723	
Judicial			100,847			
Culture and recreation					112,141	
Community support						
<b>Total expenditures</b>			<u>100,847</u>	<u>752,725</u>	<u>122,442</u>	<u>7,912</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,357,419</u>	<u>11,000</u>	<u>67,702</u>	<u>(140,925)</u>	<u>104,768</u>	<u>(7,912)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in			436,317	140,925	45,443	
Transfers out	(1,800,000)					
<b>Total other financing sources (uses)</b>	<u>(1,800,000)</u>		<u>436,317</u>	<u>140,925</u>	<u>45,443</u>	
<b>CHANGE IN FUND BALANCE</b>	<u>(442,581)</u>	<u>11,000</u>	<u>504,019</u>		<u>150,211</u>	<u>(7,912)</u>
<b>FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	2,694,752	80,294			651,808	7,912
Adjustment						
<b>FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED</b>	<u>2,694,752</u>	<u>80,294</u>			<u>651,808</u>	<u>7,912</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,252,171</u>	<u>\$ 91,294</u>	<u>\$ 504,019</u>	<u>\$</u>	<u>\$ 802,019</u>	<u>\$</u>

(Continued)

## CITY OF BOULDER CITY

### NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2013

	Golf Course Improvement	Redevelopment District #1	Police Forfeiture	Municipal Court Administrative Assessment	Municipal Court Construction Fee	Total Non-major Special Revenue
<b>REVENUES</b>						
Property taxes	\$	\$ 880,663	\$	\$	\$	\$ 1,503,463
Charges for services	118,228					118,228
Fines and forfeitures						168,549
Rents and royalties		24				1,356,866
Investment income		149				522
Miscellaneous						227,414
Total revenues	<u>118,228</u>	<u>880,836</u>	<u></u>	<u></u>	<u></u>	<u>3,375,042</u>
<b>EXPENDITURES</b>						
Current						
General government						14,490
Public safety						756,448
Judicial						100,847
Culture and recreation						112,141
Community support		688,433				688,433
Total expenditures		<u>688,433</u>				<u>1,672,359</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>118,228</u>	<u>192,403</u>				<u>1,702,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						622,685
Transfers out	(44,433)	(1,566,128)	(45,443)	(395,485)	(40,832)	(3,892,321)
Total other financing sources (uses)	<u>(44,433)</u>	<u>(1,566,128)</u>	<u>(45,443)</u>	<u>(395,485)</u>	<u>(40,832)</u>	<u>(3,269,636)</u>
CHANGE IN FUND BALANCE	<u>73,795</u>	<u>(1,373,725)</u>	<u>(45,443)</u>	<u>(395,485)</u>	<u>(40,832)</u>	<u>(1,566,953)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	116,012	2,393,002	45,443	395,485	40,832	5,773,732
Adjustment						651,808
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>116,012</u>	<u>2,393,002</u>	<u>45,443</u>	<u>395,485</u>	<u>40,832</u>	<u>6,425,540</u>
FUND BALANCE, END OF YEAR	<u>\$ 189,807</u>	<u>\$ 1,019,277</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,858,587</u>

# CITY OF BOULDER CITY

## CAPITAL IMPROVEMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Rents and royalties	\$ 1,709,441	\$ 1,709,441	\$ 1,356,842	\$ (352,599)
Investment income	5,000	5,000	373	(4,627)
Miscellaneous			204	204
Total revenues	<u>1,714,441</u>	<u>1,714,441</u>	<u>1,357,419</u>	<u>(357,022)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,714,441</u>	<u>1,714,441</u>	<u>1,357,419</u>	<u>(357,022)</u>
OTHER FINANCING USES				
Transfers out	<u>(2,463,688)</u>	<u>(2,463,688)</u>	<u>(1,800,000)</u>	<u>663,688</u>
CHANGE IN FUND BALANCE	(749,247)	(749,247)	(442,581)	306,666
FUND BALANCE, BEGINNING OF YEAR	<u>2,432,220</u>	<u>2,432,220</u>	<u>2,694,752</u>	<u>262,532</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,682,973</u>	<u>\$ 1,682,973</u>	<u>\$ 2,252,171</u>	<u>\$ 569,198</u>

## CITY OF BOULDER CITY

### RESIDENTIAL CONSTRUCTION TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 3,000	\$ 3,000	\$ 11,000	\$ 8,000
OTHER FINANCING SOURCES (USES)				
Transfers out	(39,000)	(39,000)		39,000
CHANGE IN FUND BALANCE	(36,000)	(36,000)	11,000	47,000
FUND BALANCE, BEGINNING OF YEAR	74,294	74,294	80,294	6,000
FUND BALANCE, END OF YEAR	<u>\$ 38,294</u>	<u>\$ 38,294</u>	<u>\$ 91,294</u>	<u>\$ 53,000</u>

## CITY OF BOULDER CITY

### MUNICIPAL COURT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 105,000	\$ 105,000	\$ 168,549	\$ 63,549
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	49,694	49,694	27,454	22,240
Employee benefits	24,479	24,479	12,375	12,104
Services and supplies	<u>64,200</u>	<u>64,200</u>	<u>61,018</u>	<u>3,182</u>
Total expenditures	<u>138,373</u>	<u>138,373</u>	<u>100,847</u>	<u>37,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,373)</u>	<u>(33,373)</u>	<u>67,702</u>	<u>101,075</u>
OTHER FINANCING SOURCES				
Transfers in			436,317	436,317
CHANGE IN FUND BALANCE	(33,373)	(33,373)	504,019	537,392
FUND BALANCE, BEGINNING OF YEAR	<u>365,789</u>	<u>365,789</u>		<u>(365,789)</u>
FUND BALANCE, END OF YEAR	<u>\$ 332,416</u>	<u>\$ 332,416</u>	<u>\$ 504,019</u>	<u>\$ 171,603</u>

## CITY OF BOULDER CITY

### MORE COPS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 600,000	\$ 600,000	\$ 611,800	\$ 11,800
EXPENDITURES				
Public safety				
Police				
Salaries and wages	396,245	396,245	460,587	(64,342)
Employee benefits	256,679	256,679	263,712	(7,033)
Services and supplies	<u>32,100</u>	<u>32,100</u>	<u>28,426</u>	<u>3,674</u>
Total expenditures	<u>685,024</u>	<u>685,024</u>	<u>752,725</u>	<u>(67,701)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(85,024)</u>	<u>(85,024)</u>	<u>(140,925)</u>	<u>(55,901)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>70,689</u>	<u>70,689</u>	<u>140,925</u>	<u>70,236</u>
CHANGE IN FUND BALANCE	(14,335)	(14,335)		14,335
FUND BALANCE, BEGINNING OF YEAR	<u>14,335</u>	<u>14,335</u>		<u>(14,335)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

## CITY OF BOULDER CITY

### MULTIPURPOSE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous	\$ _____	\$ _____	\$ 227,210	\$ 227,210
EXPENDITURES				
General government				
Executive				
Services and supplies	_____	_____	1,468	(1,468)
Finance				
Services and supplies	_____	_____	5,028	(5,028)
Central services				
Services and supplies	_____	_____	82	(82)
Total general government	_____	_____	6,578	(6,578)
Public safety				
Police				
Services and supplies	_____	_____	3,411	(3,411)
Fire				
Services and supplies	_____	_____	312	(312)
Total public safety	_____	_____	3,723	(3,723)
Culture and recreation				
Other recreation				
Services and supplies	_____	_____	112,141	(112,141)
Total expenditures	_____	_____	122,442	(122,442)
EXCESS OF REVENUES OVER EXPENDITURES	_____	_____	104,768	104,768
OTHER FINANCING SOURCES				
Transfers in	_____	_____	45,443	45,443
CHANGE IN FUND BALANCE	_____	_____	150,211	150,211
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				
Adjustment			651,808	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	_____	_____	651,808	651,808
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ 802,019	\$ 802,019

**CITY OF BOULDER CITY**

**LAND IMPROVEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General government				
Executive				
Services and supplies	\$ _____	\$ _____	\$ 7,912	\$ (7,912)
Total expenditures	_____	_____	7,912	(7,912)
CHANGE IN FUND BALANCE			(7,912)	(7,912)
FUND BALANCE, BEGINNING OF YEAR	_____	_____	7,912	7,912
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ _____	\$ _____

## CITY OF BOULDER CITY

### GOLF COURSE IMPROVEMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 112,500	\$ 112,500	\$ 118,228	\$ 5,728
Culture and recreation				
Boulder City Municipal golf course				
Capital outlay	152,500			
Total culture and recreation	152,500			
Total expenditures	152,500			
EXCESS OF REVENUES OVER EXPENDITURES	(40,000)	112,500	118,228	5,728
OTHER FINANCING USES				
Transfers out		(152,500)	(44,433)	108,067
CHANGE IN FUND BALANCE	(40,000)	(40,000)	73,795	113,795
FUND BALANCE, BEGINNING OF YEAR	103,221	103,221	116,012	12,791
FUND BALANCE, END OF YEAR	<u>\$ 63,221</u>	<u>\$ 63,221</u>	<u>\$ 189,807</u>	<u>\$ 126,586</u>

## CITY OF BOULDER CITY

### REDEVELOPMENT DISTRICT #1 SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 800,000	\$ 800,000	\$ 880,663	\$ 80,663
Rents and royalties			24	24
Investment income	<u>1,500</u>		<u>149</u>	<u>149</u>
Total revenues	<u>801,500</u>	<u>800,000</u>	<u>880,836</u>	<u>80,836</u>
EXPENDITURES				
Community support				
Community development administration				
Salaries and wages	51,921	51,921	39,573	12,348
Employee benefits	21,542	21,542	17,052	4,490
Services and supplies	565,098	589,075	631,808	(42,733)
Capital outlay	<u>83,977</u>	<u>60,000</u>		<u>60,000</u>
Total community support	<u>722,538</u>	<u>722,538</u>	<u>688,433</u>	<u>34,105</u>
Total expenditures	<u>722,538</u>	<u>722,538</u>	<u>688,433</u>	<u>34,105</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>78,962</u>	<u>77,462</u>	<u>192,403</u>	<u>114,941</u>
OTHER FINANCING USES				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(1,566,128)</u>	<u>(1,416,128)</u>
CHANGE IN FUND BALANCE	(71,038)	(72,538)	(1,373,725)	(1,301,187)
FUND BALANCE, BEGINNING OF YEAR	<u>2,874,783</u>	<u>2,874,783</u>	<u>2,393,002</u>	<u>(481,781)</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,803,745</u>	<u>\$ 2,802,245</u>	<u>\$ 1,019,277</u>	<u>\$ (1,782,968)</u>

**CITY OF BOULDER CITY**

**POLICE FORFEITURE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING USES				
Transfers out	\$ _____	\$ _____	\$ (45,443)	\$ (45,443)
CHANGE IN FUND BALANCE			(45,443)	(45,443)
FUND BALANCE, BEGINNING OF YEAR	_____	_____	45,443	45,443
FUND BALANCE, END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

**CITY OF BOULDER CITY**

**MUNICIPAL COURT ADMINISTRATIVE ASSESSMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING USES				
Transfers out	\$ _____	\$ _____	\$ (395,485)	\$ (395,485)
CHANGE IN FUND BALANCE			(395,485)	(395,485)
FUND BALANCE, BEGINNING OF YEAR	_____	_____	<u>395,485</u>	<u>395,485</u>
FUND BALANCE, END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

**CITY OF BOULDER CITY**

**MUNICIPAL COURT CONSTRUCTION FEE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING USES				
Transfers out	\$ _____	\$ _____	\$ (40,832)	\$ (40,832)
CHANGE IN FUND BALANCE			(40,832)	(40,832)
FUND BALANCE, BEGINNING OF YEAR	_____	_____	40,832	40,832
FUND BALANCE, END OF YEAR	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>



# **PROPRIETARY FUNDS**



# **MAJOR ENTERPRISE FUNDS**



# CITY OF BOULDER CITY

## MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

### Utility

Accounts for the electric, water, sewer and sanitation services provided to the residents of the City of Boulder City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operating, construction, maintenance, financing and related debt services, billing and collection.

### Aviation

Accounts for aviation services provided to users of the City of Boulder City's airport. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operating, construction and maintenance.



# CITY OF BOULDER CITY

## UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>				
Electric	\$ 14,150,000	\$ 14,150,000	\$ 13,745,996	\$ (404,004)
Water	6,500,000	6,500,000	5,117,469	(1,382,531)
Sewer	1,400,000	1,400,000	1,379,204	(20,796)
Refuse	850,000	850,000	894,886	44,886
Refuse special charge	76,500	76,500	58,054	(18,446)
Landfill receipts	125,000	125,000	196,322	71,322
Miscellaneous	457,000	457,000	417,335	(39,665)
Total operating revenues	<u>23,558,500</u>	<u>23,558,500</u>	<u>21,809,266</u>	<u>(1,749,234)</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,767,943	2,601,160	2,689,417	(88,257)
Employee benefits	976,405	1,243,188	1,094,469	148,719
Services and supplies	18,404,097	18,304,097	13,962,910	4,341,187
Depreciation and amortization	2,381,800	2,381,800	2,450,209	(68,409)
Total operating expenses	<u>24,530,245</u>	<u>24,530,245</u>	<u>20,197,005</u>	<u>4,333,240</u>
Operating income	<u>(971,745)</u>	<u>(971,745)</u>	<u>1,612,261</u>	<u>2,584,006</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	10,000	10,000	12,006	2,006
Gain (loss) on capital asset disposition			(9,358)	(9,358)
Interest and fiscal charges	(3,891,306)	(3,891,306)	(1,346,706)	2,544,600
Grants		100,000	26,730	(73,270)
.25% local sales and use tax			620,537	620,537
Total nonoperating revenues (expenses)	<u>(3,881,306)</u>	<u>(3,781,306)</u>	<u>(696,791)</u>	<u>3,084,515</u>
Income (loss) before transfers	<u>(4,853,051)</u>	<u>(4,753,051)</u>	<u>915,470</u>	<u>5,668,521</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	17,500	17,500		(17,500)
<b>TRANSFERS</b>				
Transfers in	2,550,000	2,550,000	1,950,000	(600,000)
Transfers out	(2,685,500)	(2,685,500)	(2,159,000)	526,500
Total transfers	<u>(135,500)</u>	<u>(135,500)</u>	<u>(209,000)</u>	<u>(73,500)</u>
CHANGE IN NET POSITION	<u>\$ (4,971,051)</u>	<u>\$ (4,871,051)</u>	<u>706,470</u>	<u>\$ 5,577,521</u>
NET POSITION, BEGINNING OF YEAR			<u>44,449,876</u>	
NET POSITION, END OF YEAR			<u>\$ 45,156,346</u>	

# CITY OF BOULDER CITY

## AVIATION ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Rents and royalties	\$ 468,735	\$ 468,735	\$ 377,331	\$ (91,404)
Miscellaneous	3,500	3,500	8,943	5,443
Total operating revenues	<u>472,235</u>	<u>472,235</u>	<u>386,274</u>	<u>(85,961)</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	155,493	155,493	193,577	(38,084)
Employee benefits	60,929	60,929	68,333	(7,404)
Services and supplies	2,054,352	2,054,352	210,021	1,844,331
Depreciation and amortization	375,000	375,000	501,744	(126,744)
Total operating expenses	<u>2,645,774</u>	<u>2,645,774</u>	<u>973,675</u>	<u>1,672,099</u>
Operating loss	<u>(2,173,539)</u>	<u>(2,173,539)</u>	<u>(587,401)</u>	<u>1,586,138</u>
<b>NONOPERATING REVENUES</b>				
Investment income			5,602	5,602
Grants	1,800,000	1,900,841	161,302	(1,739,539)
Total nonoperating revenues	<u>1,800,000</u>	<u>1,900,841</u>	<u>166,904</u>	<u>(1,733,937)</u>
CHANGE IN NET POSITION	<u>\$ (373,539)</u>	<u>\$ (272,698)</u>	<u>(420,497)</u>	<u>\$ (147,799)</u>
NET POSITION, BEGINNING OF YEAR			<u>12,376,286</u>	
NET POSITION, END OF YEAR			<u>\$ 11,955,789</u>	

# **NON-MAJOR ENTERPRISE FUNDS**



**CITY OF BOULDER CITY**

**NON-MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2013**

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Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

**Cemetery**

Accounts for cemetery services provided to the residents of the City of Boulder City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operating, construction and maintenance.



# CITY OF BOULDER CITY

## CEMETARY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Miscellaneous	\$ 71,000	\$ 71,000	\$ 89,784	\$ 18,784
OPERATING EXPENSES				
Salaries and wages	5,000	5,000		5,000
Employee benefits	2,500	2,500		2,500
Services and supplies	19,000	19,000	24,428	(5,428)
Depreciation and amortization			17,915	(17,915)
Total operating expenses	<u>26,500</u>	<u>26,500</u>	<u>42,343</u>	<u>(15,843)</u>
Operating income	<u>44,500</u>	<u>44,500</u>	<u>47,441</u>	<u>2,941</u>
NONOPERATING REVENUES				
Investment income	<u>1,500</u>	<u>1,500</u>		(1,500)
Income before transfers	<u>46,000</u>	<u>46,000</u>	<u>47,441</u>	<u>1,441</u>
TRANSFERS				
Transfers out	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>	
CHANGE IN NET POSITION	<u>\$</u>	<u>\$</u>	1,441	<u>\$ 1,441</u>
NET POSITION, BEGINNING OF YEAR			<u>751,769</u>	
NET POSITION, END OF YEAR			<u>\$ 753,210</u>	



P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

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

Members of the City Council  
City of Boulder City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder City (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 16, 2014.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 City's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013 - 001 and 2013 - 002, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013 - 003 through 2013 - 005 to be significant deficiencies.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the City, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**The City's Responses to Findings.** The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Piercy Bawler Taylor & Kern*

Las Vegas, Nevada  
January 16, 2014

# STATISTICAL SECTION



# CITY OF BOULDER CITY

## STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2013

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### Financial Trends

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

- Table 1 - Net Position by Component
- Table 2 - Changes in Net Position
- Table 3 - Fund Balances - Governmental Funds
- Table 4 - Changes in Fund Balances - Governmental Funds

### Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess the most significant local revenue source.

- Table 5 - Assessed and Estimated Actual Value of Taxable Property
- Table 6 - Property Tax Rates - Direct and Overlapping Governments
- Table 7 - Principal Taxpayers
- Table 8 - Property Tax Levies and Collections
- Table 9 - Utility Revenues by Source
- Table 10 - Largest Utility Customers

### Debt Capacity

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

- Table 11 - Debt Capacity Information
- Table 12 - Ratios of General Bonded Debt Outstanding
- Table 13 - Computation of General Obligation Direct and Overlapping Government Debt
- Table 14 - Computation of Legal Debt Margin
- Table 15 - Pledged Revenue Coverage

### Demographic and Economic Information

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

- Table 16 - Demographic and Economic Statistics
- Table 17 - Principal Employers

### Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the comprehensive annual financial report relates to services provided and activities performed.

- Table 18 - Full-time Equivalent City Employees by Function and Program
- Table 19 - Operating Indicators by Function and Program
- Table 20 - Capital Asset Statistics by Function and Program



## CITY OF BOULDER CITY

Net Position by Component, Last Ten Fiscal Years  
Accrual basis of accounting  
(Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 59,196,125	\$ 59,391,263	\$ 61,889,580	\$ 64,926,313	\$ 65,211,171	\$ 65,496,885	\$ 66,488,072	\$ 71,172,114	\$ 76,648,938	\$ 77,991,990
Restricted	6,024,955	7,484,167	492,700	667,937	594,642	409,695	196,790	80,609	45,444	5,715,272
Unrestricted	2,008,079	66,875,430	8,521,247	8,748,540	6,319,841	7,128,013	8,445,882	1,369,378	(85,145)	(4,220,153)
Total governmental activities net position	67,229,159		70,903,527	74,342,790	72,125,654	73,054,593	75,130,744	72,622,101	76,609,257	79,487,109
<b>Business-type activities</b>										
Net investment in capital assets	\$ 39,229,514	\$ 36,046,979	\$ 34,655,892	\$ 38,529,468	\$ 40,150,608	\$ 39,641,022	\$ 40,809,770	\$ 33,668,189	\$ 29,645,826	\$ 36,796,036
Restricted	132,411	1,163,994	408,607	1,280,592	1,457,101	2,660,373	3,376,838	5,314,431	2,047,339	2,047,339
Unrestricted	2,186,686	2,228,690	59,559	1,006,579	1,106,102	1,098,805	2,196,667	12,441,771	27,932,105	19,021,970
Total business-type activities net position	41,548,611	39,439,663	35,123,858	40,816,439	42,713,811	42,411,200	46,383,275	51,424,391	57,577,931	57,865,345
<b>Primary government</b>										
Net investment in capital assets	\$ 98,425,639	\$ 95,438,242	\$ 96,545,472	\$ 103,455,781	\$ 105,361,779	\$ 105,137,907	\$ 107,297,842	\$ 104,840,303	\$ 106,294,784	\$ 114,788,026
Restricted	6,157,366	1,163,994	901,307	1,948,529	2,051,743	3,070,068	3,573,628	5,395,040	45,444	7,762,611
Unrestricted	4,194,765	9,712,857	8,580,606	9,754,919	7,425,943	7,237,818	10,642,549	13,811,149	27,846,960	14,801,817
Total primary government net position	\$ 108,777,770	\$ 106,315,093	\$ 106,027,385	\$ 115,159,229	\$ 114,839,465	\$ 115,445,793	\$ 121,514,019	\$ 124,046,492	\$ 134,187,188	\$ 137,352,454

## CITY OF BOULDER CITY

Changes in Net Position, Last Ten Fiscal Years  
Accrual basis of accounting  
(Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>Expenses</b>										
Governmental activities										
General government	\$ 3,324,657	\$ 4,260,228	\$ 3,841,233	\$ 4,428,713	\$ 4,550,057	\$ 4,455,408	\$ 4,048,584	\$ 3,828,555	\$ 4,699,541	\$ 5,172,734
Judicial	382,335	338,102	393,959	408,062	481,389	494,969	596,017	576,424	607,243	669,647
Public safety	6,777,765	7,266,125	7,138,480	9,238,610	9,944,431	9,560,246	9,517,546	9,815,039	10,173,016	10,449,248
Public works	3,898,312	4,322,704	4,784,449	3,827,770	4,973,350	6,006,811	6,287,420	5,899,045	5,476,502	5,365,200
Culture and recreation	4,442,063	4,464,246	5,270,092	4,425,713	4,849,890	3,868,091	3,216,498	6,587,082	6,387,082	6,080,026
Community support	668,367	651,892	742,570	944,422	833,294	685,443	575,128	510,392	571,468	623,881
Interest on long-term debt								342,848		290,551
Total governmental activities expenses	19,493,499	21,333,297	22,170,783	23,293,290	25,632,411	25,070,968	24,241,193	27,537,889	28,256,972	28,651,287
Business-type activities										
Utility	16,955,298	17,078,879	18,782,189	17,070,177	18,723,523	18,744,818	19,197,026	18,923,849	19,207,705	21,553,069
Golf course	6,067,733	4,674,778	4,708,260	4,102,942	4,198,189	3,019,022	2,756,959	715,930		
Aviation										
Other business activities	239,075	324,807	453,929	362,906	388,980	630,106	22,669,915	814,251	937,903	973,675
Total business-type activities expenses	23,262,106	22,078,464	23,944,378	21,536,025	23,310,692	22,393,946	46,911,108	19,738,100	20,200,218	22,569,087
Total primary government expenses	\$ 42,755,605	\$ 43,401,761	\$ 46,115,161	\$ 44,829,315	\$ 48,943,103	\$ 47,464,914	\$ 71,152,301	\$ 47,276,089	\$ 48,457,190	\$ 51,220,374
<b>Program Revenues</b>										
Governmental activities										
Charges for services	\$ 1,362,282	\$ 1,898,817	\$ 1,452,663	\$ 1,353,410	\$ 1,428,197	\$ 1,408,883	\$ 1,576,977	\$ 1,308,598	\$ 2,030,986	\$ 1,432,357
General government	94,813	68,277	633,738	776,780	866,176	1,023,178	907,713	920,647	1,114,961	832,462
Judicial	243,517	331,511	329,312	338,180	355,495	340,102	337,823	379,915	471,671	727,778
Public safety	59,344									
Public works	1,992,441	2,032,303	2,712,486	2,095,293	2,144,725	1,940,316	1,762,776	3,647,458	3,680,622	3,776,041
Culture and recreation		16,600	13,657	36,508	21,847	1,124	21,233	17,723	5,895	
Community support										
Total charges for services	3,752,397	4,347,508	5,141,856	4,600,171	4,826,440	4,713,603	4,606,522	6,274,341	7,304,145	6,788,638
Operating grants and contributions	37,014	76,776	236,303	904,827	138,425	85,055	844,402	349,574	134,323	
Capital grants and contributions	3,375,487	1,048,125	3,870,697	3,613,833	575,766	2,314,844	2,997,907	1,813,618	4,917,590	2,931,703
Total governmental activities program revenues	7,164,898	5,472,409	9,248,856	9,118,831	5,540,631	7,113,502	8,448,831	8,437,533	12,356,038	9,720,341
Business-type activities										
Charges for services	17,005,612	15,620,432	16,572,394	19,432,531	18,847,726	18,510,706	21,098,629	22,244,673	22,967,506	21,809,266
Utility	2,177,811	2,464,779	2,522,116	3,102,583	3,088,608	2,472,653	2,147,087		538,057	385,624
Golf course										
Aviation	351,869	208,694	313,450	348,448	570,306	500,836	489,927	646,540	89,672	89,784
Other business activities	19,535,292	18,293,905	19,407,960	22,883,562	22,506,640	21,484,195	23,735,645	22,891,213	23,595,235	22,284,674
Total charges for services	19,535,292	18,293,905	19,407,960	22,883,562	22,506,640	21,484,195	23,735,645	22,891,213	23,595,235	22,284,674
Operating grants and contributions	1,139,437	1,583,684	99,639	3,027,880	3,042,034	1,785,114	3,876,882	741,138	3,568,126	6,350
Capital grants and contributions	20,674,729	19,877,589	19,507,598	25,911,442	25,548,674	23,269,309	27,612,325	23,632,351	27,163,361	181,682
Total business-type activities program revenues	21,859,627	20,349,998	20,349,998	25,020,273	25,020,273	25,020,273	25,020,273	25,020,273	25,020,273	25,020,273
Total primary government program revenues	\$ 18,984,515	\$ 18,822,407	\$ 20,598,854	\$ 24,141,104	\$ 23,561,304	\$ 19,524,208	\$ 46,169,104	\$ 32,707,806	\$ 48,612,411	\$ 34,940,682
<b>Net Revenue (Expense)</b>										
Governmental activities	\$ (12,328,601)	\$ (15,850,888)	\$ (12,921,927)	\$ (14,174,459)	\$ (20,091,780)	\$ (17,957,466)	\$ (15,792,362)	\$ (19,100,356)	\$ (15,900,914)	\$ (18,930,946)
Business-type activities	(2,587,377)	(2,200,875)	(4,486,799)	4,375,417	2,237,982	875,363	4,942,610	3,894,251	6,963,143	(96,381)
Total primary government net revenue (expense)	\$ (14,915,978)	\$ (18,051,763)	\$ (17,408,726)	\$ (9,799,042)	\$ (17,853,798)	\$ (17,082,103)	\$ (10,849,752)	\$ (15,206,105)	\$ (8,937,771)	\$ (19,027,327)

CITY OF BOULDER CITY

Changes in Net Position, Last Ten Fiscal Years  
(Unaudited - accrual basis of accounting)  
(Continued)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>General Revenues and Transfers</b>										
Governmental activities										
Property taxes	\$ 2,197,872	\$ 2,269,207	\$ 2,872,966	\$ 3,304,333	\$ 3,623,462	\$ 3,383,267	\$ 3,394,227	\$ 3,195,695	\$ 2,642,513	\$ 3,737,730
Consolidated tax	7,818,296	8,301,335	8,634,543	8,819,003	8,498,661	8,048,687	7,627,245	7,968,549	8,386,757	8,808,292
Other taxes	282,512	277,166	307,062	356,883	501,535	443,928	374,404	368,893	867,954	831,554
Unrestricted investment income									23,001	14,488
Leases and royalties									6,246,797	7,393,629
Gain on disposal of capital assets	3,186,097	3,764,871	4,372,695	4,117,291	4,162,961	5,156,624	4,978,614	5,467,961	76,052	37,800
Miscellaneous	(448,173)	884,380	762,759	1,016,212	1,086,025	1,833,899	1,514,023	1,844,328	2,055,000	78,497
Transfers	13,036,604	15,497,159	16,950,025	17,613,722	17,974,644	18,866,405	17,888,513	18,845,426	20,298,074	255,000
Total governmental activities	695,351	754,598	812,575	885,861	600,852	512,440	495,722	545,127	587,052	620,557
Business-type activities										
Intergovernmental	82,491	2,569,127	71,158	79,545	144,563	143,485	47,766	(52,469)	26,192	17,608
Unrestricted investment income	448,173	(884,580)	(762,759)	(1,016,212)	(1,086,025)	(1,833,899)	(1,514,023)	(1,844,328)	(2,055,000)	650
Miscellaneous	1,226,015	2,439,145	120,974	(30,806)	(340,610)	(1,177,974)	(970,535)	(1,351,670)	(1,441,756)	(255,000)
Transfers	14,262,619	17,936,304	17,070,999	17,562,916	17,534,034	17,688,431	16,917,978	17,493,756	18,856,318	383,795
Total business-type general revenues and other	\$ 708,003	\$ (353,729)	\$ 4,028,098	\$ 3,439,263	\$ (2,317,136)	\$ 908,939	\$ 2,096,151	\$ (254,930)	\$ 4,397,160	\$ 2,226,044
Total primary government general revenues and other	(1,361,362)	238,270	(4,313,805)	4,324,611	1,897,372	(302,611)	3,972,075	2,542,581	5,521,387	287,414
Change in Net Position	(651,359)	(115,459)	(287,707)	7,763,874	(319,764)	606,328	6,068,226	2,287,651	9,918,547	2,513,458
Governmental activities										
Business-type activities										
Total primary government										

**CITY OF BOULDER CITY**  
**Fund Balances, Governmental Funds, Last Ten Fiscal Years**  
 Modified accrual basis of accounting  
 (Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>General Fund</b>										
Nonspendable	\$ 22,385	\$ 19,589	\$ 19,589	\$ 19,589	\$ 19,685	\$ 22,707	\$ 20,958	\$ 20,958	\$ 123,212	\$ 24,088
Prepaid items	2,583,943	3,585,938	4,525,156	5,036,660	3,213,154	2,466,148	2,340,114	2,340,114	70,265	94,190
Inventories	2,606,328	3,605,527	4,544,745	5,056,249	3,232,839	2,488,855	2,361,072	2,361,072	(4,816,915)	(1,712,616)
Unassigned										
<b>Total general fund</b>										
	\$ 5,418,684	\$ 8,811,104	\$ 13,619,635	\$ 15,678,538	\$ 12,951,683	\$ 9,667,710	\$ 7,662,134	\$ 7,662,134	\$ 118,207	\$ (1,300,044)
<b>All Other Governmental Funds</b>										
Restricted for										
Additional police officers	\$ -	\$ -	\$ 492,700	\$ 667,937	\$ 594,642	\$ 409,695	\$ 196,790	\$ 196,790	\$ 45,444	\$ 45,443
Capital improvements	3,480,095	2,683,658	2,826,624	1,048,373	969,385	1,141,261	1,952,556	1,952,556		
Debt service										
Committed to										
Future projects	3,160,899	2,474,045	472,003	3,336,892	3,139,892	4,180,424	4,284,309	4,284,309	6,953,188	5,669,829
Special revenue purposes	728,509	702,834	778,974	852,856	886,692	904,481	975,477	892,039		
<b>Total all other governmental funds</b>	\$ 7,369,503	\$ 5,860,537	\$ 4,570,301	\$ 5,906,058	\$ 5,590,611	\$ 6,635,861	\$ 7,409,132	\$ 7,325,694	\$ 6,998,632	\$ 5,715,272

**CITY OF BOULDER CITY**  
**Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years**  
**Modified accrual basis of accounting**  
**(Unaudited)**

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>REVENUES</b>										
Taxes	\$ 2,197,872	\$ 2,269,207	\$ 2,872,966	\$ 3,304,333	\$ 3,625,462	\$ 3,383,267	\$ 3,394,227	\$ 3,082,446	\$ 4,175,885	
Licenses, permits and franchise fees	984,582	1,297,378	1,328,745	1,240,755	1,343,199	1,372,592	1,575,765	2,030,996	1,430,857	
Inergovernmental	11,513,309	9,703,402	10,427,348	13,021,931	9,731,841	10,724,447	11,358,514	13,860,690	13,135,562	
Charges for services	2,295,302	2,453,910	3,179,373	2,582,636	2,617,065	2,317,833	2,123,044	4,158,188	4,559,551	
Fines and forfeitures	472,513	596,220	633,738	776,780	866,176	1,023,178	907,713	1,114,961	852,462	
Leases and royalties		3,773,493	4,372,695	4,117,291	4,163,961	5,156,624	4,969,036	143,330	143,858	
Miscellaneous	20,649,675	20,093,610	22,814,865	25,043,726	22,346,704	23,977,941	24,328,299	30,599,131	31,704,927	
<b>Total revenues</b>	<b>3,409,954</b>	<b>4,242,044</b>	<b>3,830,283</b>	<b>4,436,473</b>	<b>4,896,857</b>	<b>4,545,834</b>	<b>4,410,049</b>	<b>4,498,301</b>	<b>4,975,304</b>	
<b>EXPENDITURES:</b>										
Current										
General government	353,494	364,883	413,005	418,232	454,330	472,915	575,617	563,195	624,015	
Judicial	6,784,610	7,178,848	7,112,750	9,236,539	10,201,761	9,712,629	10,347,971	9,462,064	9,635,716	
Public safety	5,570,816	4,751,085	6,252,632	4,674,243	4,409,043	5,565,856	6,357,322	3,543,957	3,218,171	
Public works	4,184,675	4,568,577	5,585,607	4,502,505	4,698,871	4,406,079	3,564,173	4,988,961	5,025,371	
Culture and recreation	684,093	648,382	734,365	944,685	824,161	699,701	570,017	539,687	1,279,996	
Community support										
Capital outlay										
Debt service										
Principal retirement										
Interest and fiscal charges										
Total expenditures	20,987,642	21,753,819	23,928,642	24,212,677	25,485,023	25,403,014	25,823,149	33,587,109	31,082,238	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(337,967)</b>	<b>(1,660,209)</b>	<b>(1,113,777)</b>	<b>831,049</b>	<b>(3,138,319)</b>	<b>(1,425,073)</b>	<b>(1,496,850)</b>	<b>(2,987,978)</b>	<b>622,689</b>	
<b>OTHER FINANCING SOURCES (USES)</b>										
Contingency					(86,563)	(107,560)	(35,923)			
Transfers in	3,192,369	3,742,873	2,964,549	4,821,000	3,050,171	3,619,414	2,481,000	4,144,066	4,288,246	
Transfers out	(3,640,542)	(2,858,293)	(2,201,790)	(3,804,788)	(1,964,146)	(1,785,515)	(966,977)	(2,089,066)	(4,033,246)	
Proceeds from capital asset disposal		265,862					664,238		40,943	
Proceeds from capital leases	(448,173)	(1,150,442)	762,759	1,016,212	999,462	1,726,339	2,142,338	2,055,000	175,300	
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (786,140)</b>	<b>\$ (509,767)</b>	<b>\$ (351,018)</b>	<b>\$ 1,847,261</b>	<b>\$ (2,138,857)</b>	<b>\$ 301,266</b>	<b>\$ 645,488</b>	<b>\$ (932,978)</b>	<b>\$ 1,095,932</b>	
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	7.04%	
									3.12%	

(1) This ratio is computed by dividing principal and interest by total expenditures less amounts that are capitalized on the accrual basis government-wide statement of net assets. This amount can be found on the reconciliation between the statement of revenues, expenditures, and changes in fund balance to the statement of activities for governmental funds.

## CITY OF BOULDER CITY

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2004	\$ 383,688,695	\$ 1,096,253,414	\$ 57,429,229	\$ 164,083,511	\$ 441,117,924	\$ 1,260,336,926	35%
2005	416,321,738	1,189,490,680	56,267,718	160,764,909	472,589,456	1,350,255,589	35%
2006	504,180,211	1,440,514,889	50,517,769	144,336,483	554,697,980	1,584,851,371	35%
2007	640,990,159	1,831,400,454	59,905,523	171,158,637	700,895,682	2,002,559,091	35%
2008	722,461,086	2,064,174,531	75,860,436	216,744,103	798,321,522	2,280,918,634	35%
2009	733,525,190	2,095,786,257	69,053,744	197,296,411	802,578,934	2,293,082,669	35%
2010	670,726,134	1,916,360,383	72,828,464	208,081,326	743,554,598	2,124,441,708	35%
2011	512,557,318	1,464,449,480	86,315,765	246,616,471	598,873,083	1,711,065,951	35%
2012	460,999,422	1,317,141,206	96,239,929	274,971,226	557,239,351	1,592,112,431	35%
2013	441,767,621	1,262,193,203	147,886,042	422,531,549	589,653,663	1,684,724,751	35%

Source: Clark County Assessor's Office

## CITY OF BOULDER CITY

**Property Tax Rates - Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Direct rate	Overlapping rates <sup>(1)</sup>				Total
	City of Boulder City	State of Nevada	Clark County School District	Clark County	Special Districts	
2003	0.2038	0.1500	1.3034	0.6352	0.1655	2.4579
2004	0.2038	0.1650	1.3034	0.6552	0.1655	2.4929
2005	0.2038	0.1700	1.3034	0.6502	0.1655	2.4929
2006	0.1844	0.1700	1.3034	0.6566	0.1655	2.4799
2007	0.2038	0.1700	1.3034	0.6566	0.1555	2.4893
2008	0.2038	0.1700	1.3034	0.6541	0.1485	2.4798
2009	0.2188	0.1700	1.3034	0.6541	0.1405	2.4868
2010	0.2600	0.1700	1.3034	0.6541	0.1485	2.5360
2011	0.2600	0.1700	1.3034	0.6541	0.1595	2.5470
2012	0.2600	0.1700	1.3034	0.6541	0.1755	2.5630
2013	0.2600	0.1700	1.3034	0.6541	0.2030	2.5905

The State Constitution has a maximum rate limit of \$5 per \$100 assessed value and Nevada Revised Statutes further lower the limit to a total combined tax rate of \$3.64.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Boulder City. Not all overlapping rates apply to all City of Boulder City property owners (e.g., the rates for special districts only apply to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).

Source: State of Nevada Department of Taxation's "Local Government Finance Redbook"

Table 7

**CITY OF BOULDER CITY**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Taxpayer	Type of Business	Fiscal 2013			Fiscal 2004		
		Taxable Assessed Value	Rank	Percentage of Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Valuation
El Dorado Energy, LLC (including Houston Industries, Inc.)	Energy	\$ 107,299,899	1	18.20%	\$ 48,002,402	1	10.88%
Nevada Solar One, LLC	Energy	22,314,480	2	3.78%			
Kowepo America Limited Liability Company	Energy	8,604,024	3	1.46%			
Taihen Techren USA Company	Energy	8,224,255	4	1.39%			
Korea Midland Power Company Limited	Energy	5,467,105	5	0.93%			
Caesar's Entertainment, LLC (including Cascata Golf)	Golf	3,546,706	6	0.60%	9,395,742	2	2.13%
Solargenix Energy Limited Liability Company	Energy	2,219,668	7	0.38%			
AMC Property Holdings (includes Boulder Inn & Suites; Boulder City Trailer Park; Mario & A. Canuso Revocable Family Trust; and Stanley K. Holdings, LLC	Real Estate	2,168,498	8	0.37%	2,309,090	3	0.52%
Gingerwood Mobile Home Park, LLC	RV Park	2,164,875	9	0.37%			
Francis Carrington	Real Estate	1,776,267	10	0.30%	2,266,166	4	0.51%
Arvis & Anna Forest Family Trust					2,121,596	5	0.48%
Lido & Laila Paglia (including Lido Construction Company, Inc.)					1,740,603	6	0.39%
Lakeview Properties, LLC					1,712,506	7	0.39%
Vons Companies, Inc.					1,697,796	8	0.38%
Central Telephone Company					1,628,412	9	0.37%
Boulder City Investments, LLC					1,459,887	10	0.33%
					<u>\$ 163,785,777</u>		<u>27.78%</u>
					<u>\$ 72,334,200</u>		<u>16.40%</u>

Source: Clark County Assessor's Office

Note: Taxable assessed value is 35% of appraised value.

## CITY OF BOULDER CITY

Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Collections as a Percentage of Total Tax Levy		Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percentage of Total Tax Levy
						Current Tax Collections	Delinquent Tax Collections		
2004	1,300,093	1,292,498	99.42%	7,456	1,299,954	99.99%	139	0.01%	
2005	1,376,924	1,365,814	99.19%	11,110	1,376,924	100.00%	-	0.00%	
2006	1,389,741	1,376,431	99.04%	13,310	1,389,741	100.00%	-	0.00%	
2007	1,574,356	1,560,562	99.12%	13,794	1,574,356	100.00%	-	0.00%	
2008	1,770,082	1,756,745	99.25%	13,337	1,770,082	100.00%	-	0.00%	
2009	1,919,560	1,895,135	98.73%	24,291	1,919,426	99.99%	134	0.01%	
2010	2,050,334	2,005,948	97.84%	42,491	2,048,439	99.91%	1,895	0.09%	
2011	1,877,197	1,823,343	97.13%	52,348	1,875,691	99.92%	1,506	0.08%	
2012	1,655,299	1,630,565	98.51%	18,704	1,649,269	99.64%	6,030	0.36%	
2013	1,491,187	1,472,781	98.77%	*	1,472,781	98.77%	18,406	1.23%	

Source: Clark County Comptroller's Office

\* Still in process of being collected

## CITY OF BOULDER CITY

Utility Revenue By Source  
Last Ten Fiscal Years  
(Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
REVENUE SOURCE										
Electric	\$ 8,378,479	\$ 7,504,647	\$ 8,386,505	\$ 10,506,107	\$ 10,456,533	\$ 9,634,256	\$ 12,411,131	\$ 13,742,257	\$ 14,130,461	\$ 13,745,996
Water	6,531,862	6,074,670	5,958,224	6,368,144	5,984,819	6,105,468	5,784,650	5,784,650	6,029,921	5,117,469
Sewer	903,565	856,552	909,454	1,060,307	962,491	1,315,927	1,394,536	1,394,536	1,386,531	1,379,204
Refuse	701,634	758,182	797,266	827,883	959,347	1,043,916	1,051,388	1,051,388	869,470	894,886
Refuse special charges									215,796	58,054
Landfill receipts	153,151	151,873	176,439	189,580	153,015	163,445	152,444	152,444	124,968	196,322
Rents and royalties										
Miscellaneous	336,921	274,508	344,506	480,510	331,521	247,694	304,480	304,480	312,103	417,335
Total revenues	\$ 17,005,612	\$ 15,620,432	\$ 16,572,394	\$ 19,432,531	\$ 18,847,726	\$ 18,510,706	\$ 21,098,629	\$ 22,429,755	\$ 23,595,234	\$ 21,809,266

Source: City of Boulder City Finance Department

**CITY OF BOULDER CITY**  
**Largest Utility Customers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Utility Customer	Type of Business	Fiscal 2013		Fiscal 2004	
		Taxable Utilities Billed	Rank	Taxable Utilities Billed	Rank
Caesar's Entertainment, LLC	Golf Course	\$ 951,527	1	\$ 904,099	1
City of Boulder City	Municipal	610,647	2	878,119	2
Clark County School District	Government, School District	450,539	3	230,000	4
Nevada Solar One, LLC	Energy	272,797	4	-	
State of Nevada	Veterans Home / Cemetary	268,654	5	141,004	6
Vons Companies, Inc.	Retail / Food	248,060	6	123,884	9
National Park Service	Government	212,011	7	-	
Boulder City Hospital	Health Care	206,799	8	134,689	7
Albertsons, Inc.	Retail / Food	194,726	9	124,617	8
Red Mountain RV Resort	RV Park	166,040	10	-	
Quarry 187	Construction			234,442	3
Construx	Construction			150,822	5
Canyon Trail RV Park	RV Park			115,412	10
		<u>\$ 3,581,800</u>		<u>\$ 3,037,088</u>	

Source: City of Boulder City, Utility Department

## CITY OF BOULDER CITY

Debt Capacity Information  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita
	Golf Course Revenue Bonds <sup>(1)</sup>	Capital Leases	Utility and Golf Course Revenue Bonds <sup>(1)</sup>	General Obligation Notes Payable	Capital Leases			
2004			\$ 9,950,000	\$ 32,234,360	\$ 2,670,654	\$ 44,855,014	-	3,004
2005		\$ 255,667	9,850,000	34,120,023	2,054,192	46,279,882	-	3,073
2006		193,961	9,335,000	33,827,253	1,407,546	44,763,760	-	2,944
2007		128,784	42,760,000	103,540	880,693	43,873,017	-	2,835
2008		59,940	42,630,000	78,791	113,353	42,882,084	-	2,703
2009			42,345,000	53,299	56,955	42,455,254	-	2,545
2010		524,583	41,550,000	13,627,042	34,657	55,736,282	-	3,470
2011	\$ 8,415,000	297,035	32,050,000	13,600,000	19,380	54,381,415	-	3,541
2012	7,175,000	110,445	31,355,000	6,512,727	19,380	45,172,552	-	2,914
2013	6,690,000	208,718	30,590,000	5,979,167		43,467,885	-	2,758

## Notes:

(1) - The Boulder Creek Golf Course fund was transferred into the general fund as of July 1, 2010

(2) - Information not available for the City of Boulder City

## CITY OF BOULDER CITY

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Population <sup>(1)</sup>	Estimated Value of Taxable Property	Total Debt (excluding capital leases)	Debt Service Available	Revenue - Pledged Debt	General Bonded Debt	Ratio of General Bonded Debt to	
							Estimated Value of Taxable Property	General Bonded Debt Per capita <sup>(2)</sup>
2004	14,934	\$ 1,260,336,925	\$ 42,184,360	-	\$ 9,950,000	\$ 32,234,360	2.56%	2,158
2005	15,058	1,350,255,589	43,970,023	-	9,850,000	34,120,023	2.53%	2,266
2006	15,203	1,584,851,372	43,162,253	-	9,335,000	33,827,253	2.13%	2,225
2007	15,478	2,002,559,091	42,863,540	-	42,760,000	103,540	0.01%	7
2008	15,863	2,280,918,633	42,708,791	-	42,630,000	78,791	0.00%	5
2009	16,684	2,293,082,668	42,398,299	-	42,345,000	53,299	0.00%	3
2010	16,064	2,124,441,709	55,177,042	-	41,550,000	13,627,042	0.64%	848
2011	15,359	1,711,065,951	54,065,000	-	40,465,000	13,600,000	0.79%	885
2012	15,502	1,592,112,431	45,042,727	-	38,530,000	6,512,727	0.41%	420
2013	15,759	1,684,724,751	43,259,167	-	37,280,000	5,979,167	0.35%	379

## Notes:

(1) See Schedule of the Assessed Value and Estimated Actual Value of Taxable Property on Table 5 for property value data

(2) Population data can be found on Table 16

## CITY OF BOULDER CITY

**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**  
**(Unaudited)**

	Assessed Value of Taxable Property (in thousands)	Net General Obligation Bonded Debt		Percentage Applicable to Boulder City	Direct and Overlapping Debt Applicable to Boulder City (in thousands)
		Outstanding (in thousands)			
City of Boulder City	\$ 510,495	\$	6,513	100.00%	\$ 6,513
Clark County	54,195,268		328,526	0.94%	3,088
Clark County School District	54,195,268		3,210,937	0.94%	30,183
<b>Total</b>	<b>\$ 108,901,031</b>	<b>\$</b>	<b>3,545,976</b>		<b>\$ 39,784</b>

Source for debt amounts for overlapping entities is the various governments; percentage applicable is derived from the State of Nevada Department of Taxation's "Local Government Finance Redbook."

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Boulder City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

## CITY OF BOULDER CITY

Computation of Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Assessed value	\$ 441,117,923	\$ 472,556,123	\$ 554,697,980	\$ 700,895,683	\$ 798,321,523	\$ 802,578,933	\$ 743,554,597	\$ 743,554,597	\$ 557,239,351	\$ 589,653,663
<b>Legal debt margin</b>										
Debt limit (30% of Assessed Value)	132,335,377	141,766,837	166,409,394	210,268,705	239,496,457	240,773,680	223,066,379	223,066,379	167,171,805	176,896,099
Debt applicable to limit: General obligation notes payable										
Legal Debt Margin	\$ 132,335,377	\$ 141,766,837	\$ 166,409,394	\$ 210,268,705	\$ 239,496,457	\$ 240,773,680	\$ 223,066,379	\$ 223,066,379	\$ 167,171,805	\$ 176,896,099
Total debt applicable to limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## CITY OF BOULDER CITY

Pledged Revenue Bond Coverage  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Operating Revenue	Direct Operating Expenses <sup>(1)</sup>	Net Operating Revenue	Accrued Interest	Consolidated Taxes (15% pledged)	Amount Available for		Debt Service Interest	Total	Coverage
						Debt Service	Principal			
2004	\$ 2,177,811	\$ 4,106,084	\$ (1,928,273)	\$ 86,717	\$ 1,172,744	\$ (668,812)	\$	\$ 487,680	\$ 487,680	(1.37)
2005	2,464,779	2,875,909	(411,130)	78,282	1,245,200	912,352	\$	485,680	585,680	1.56
2006	2,522,116	2,761,168	(239,052)	55,953	1,295,181	1,112,082		420,540	730,540	1.52
2007	22,535,114	16,296,213	6,238,901	681,043	1,322,850	8,242,794		357,088	477,088	17.28
2008	21,936,334	17,688,282	4,248,052	547,532	1,274,799	6,070,383		2,168,310	2,298,310	2.64
2009	20,983,359	16,836,736	4,146,623	512,125	1,207,303	5,866,051		1,793,780	2,078,780	2.82
2010	23,245,716	16,252,803	6,992,913	501,371	1,144,087	8,638,371		1,772,382	2,567,382	3.36
2011 <sup>(2)</sup>	24,215,024	16,513,363	7,701,661	501,371	1,195,282	9,398,314		1,735,184	2,820,184	3.33
2012 <sup>(2)</sup>	24,996,292	18,146,417	6,849,875	3,236	1,258,014	8,111,125		2,010,958	7,976,507	1.02
2013 <sup>(2)</sup>	23,984,595	17,271,746	6,712,849	472,470	1,321,244	8,506,563		1,613,207	5,143,207	1.65

Notes: (1) Total operating expenses, exclusive of depreciation.

(2) Beginning in fiscal 2011, this schedule contains information from both the Utility and General funds which have pledged revenue debt. The Utility Revenue Bonds (issued in fiscal 2007) are recorded in the Utility Fund and the Golf Course Revenue Bonds (originally issued in fiscal 2002 and refunded with new bonds in fiscal 2006) were recorded in the Boulder Creek Golf Course Enterprise fund until that fund was eliminated and transferred into the General fund as of July 1, 2010.

**CITY OF BOULDER CITY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

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Fiscal Year	Population <sup>(1)</sup>	Per Capita Personal Income <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2004	14,934	-	2,302	4.80%
2005	15,058	-	2,247	4.20%
2006	15,203	-	2,223	3.90%
2007	15,478	-	2,174	4.20%
2008	15,863	-	2,122	7.00%
2009	16,684	-	2,073	13.00%
2010	16,064	-	2,055	14.70%
2011	15,359	-	2,014	14.70%
2012	15,502	-	2,004	12.30%
2013	15,759	-	2,029	10.10%

Sources:

- (1) State of Nevada
- (2) Information not available for the City of Boulder City
- (3) Clark County School District
- (4) State of Nevada, Employment Agency, Clark County data

## CITY OF BOULDER CITY

Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

Employer	Product / Service	Fiscal 2013		Fiscal 2004	
		Employees <sup>(1)</sup>	Rank	Employees <sup>(1)</sup>	Rank
Bureau of Reclamation	Government	300	1	866	1
National Park Service	Government	243	2	180	3
Clark County School District	Government / school district	193	3	155	4
City of Boulder City	Local government	152	4	152	2
Boulder City Hospital	Health Care	142	5	130	5
Papillon Airways, Inc.	Aerial Sightseeing	105	6		
Albertsons, Inc.	Retail / food	92	7	92	6
Vons Companies	Retail / food	80	8	80	7
U.S. Department of Energy, Western Area Power Administration	Government	77	9	77	8
Fisher Pen	Manufacturing	55	10	75	9
Boulder Dam Credit Union	Financial / banking	-	-	43	10

Source:

(1) City of Boulder City, Department of Community Development

## CITY OF BOULDER CITY

**Full-Time Equivalent City Government Employees by Function/Program <sup>(1)</sup>**  
(Unaudited)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>Functions/Programs</b>								
<b>Governmental activities</b>								
General government	18	19	19	18	16	16	17	18
Judicial	3	3	3	3	3	3	4	4
Public safety	67	69	71	70	65	66	66	64
Public works	26	25	25	26	26	23	23	23
Culture and recreation	18	18	18	10	8	9	9	9
Community support	6	6	6	5	4	4	4	4
<b>Business-type activities</b>								
Airport	-	-	-	2	2	2	2	2
Water and sewer	10	10	10	10	9	9	9	9
Electric	21	21	21	20	19	19	19	19
<b>Total</b>	<b>169</b>	<b>171</b>	<b>173</b>	<b>164</b>	<b>152</b>	<b>151</b>	<b>153</b>	<b>152</b>

Source: City of Boulder City Finance Department

(1) Information was not available for ten years' reporting, but will be accumulated over time as it becomes available

## CITY OF BOULDER CITY

Operating Indicators by Function and Program <sup>(1)(2)</sup>  
(Unaudited)

Functions / Programs	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>Governmental activities</b>								
Judicial	13	16	22	23	22	24	23	23
Average charges filed per day								
Public safety								
Citations	4,992	5,891	5,991	7,232	8,616	8,800	8,900	9,000
Police calls for service	25,730	28,340	29,711	29,057	34,975	35,000	35,500	35,750
EMS responses	1,567	1,723	1,895	1,716	1,685	1,800	1,850	1,875
Fire responses	631	694	763	545	333	500	550	575
Public works								
Lane miles of street maintenance	87	87	87	87	87	87	87	87
Acres of turf	95	92	92	92	92	92	92	92
Facilities maintained	71	77	77	77	77	77	78	79
Culture and recreation								
Parks and Recreation class registrations	323,193	214,429	225,600	215,000	215,000	220,000	220,000	220,000
Community support								
Building inspections	3,884	4,950	5,500	5,500	5,300	4,900	4,500	4,500
Plans reviewed	491	490	550	490	490	470	470	470
<b>Business-type activities</b>								
Water								
Acre feet of water distributed	11,499	12,489	13,916	13,816	13,816	13,700	10,513	10,513
Water meter repairs	780	720	800	790	790	750	534	525
Water service repairs	144	120	150	140	140	150	66	65
Electric								
Kilowatt hours (kwh) purchased	176,571,324	183,386,834	185,990,964	187,210,227	186,000,000	187,000,000	169,898,399	169,772,262
Average purchased power (cost/kwh)	\$ 0.033	\$ 0.030	\$ 0.030	\$ 0.040	\$ 0.040	\$ 0.042	\$ 0.032	\$ 0.032
Sewer								
Line cleaned (feet)	100,000	110,000	115,000	115,000	115,000	115,000	3,500	3,500
Line location (call before you dig)	1,380	1,300	1,440	1,400	1,440	1,400	1,501	1,475
Acre ft. of water treated	1,500	1,500	1,600	1,600	1,600	1,500	1,458	1,425

Source: City of Boulder City Finance Department

(1) Indicators are not available for the general government function.

(2) Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

## CITY OF BOULDER CITY

Capital Asset Statistics by Function and Program <sup>(1)(2)</sup>  
(Unaudited)

Functions/Programs	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
<b>Governmental activities</b>								
Public safety								
# of police stations	1	1	1	1	1	1	1	1
# of fire stations	1	1	1	1	1	1	1	1
Public works								
Streets (miles)	87	87	87	87	87	87	87	87
Traffic signals	3	3	3	3	3	3	3	3
Culture and recreation								
Park acreage	111	111	111	111	111	111	111	111
# of parks	17	17	17	17	17	17	17	17
# of swimming pools	1	1	1	1	1	1	1	1
# of tennis courts	6	6	6	6	6	6	6	6
# of recreation centers	1	1	1	1	1	1	1	1
<b>Business-type activities</b>								
Water								
Water mains (miles)	121	121	121	121	121	121	122	122
# of treatment plants	-	-	-	-	-	-	-	-
# of water pump stations	-	-	-	-	-	-	-	-
Electric								
Miles of electrical lines	148	148	148	148	148	148	148	148
Number of substations	6	6	6	6	6	6	7	7
Sewer								
Number of sewage treatment plants	1	1	1	1	1	1	1	1
Number of sewer lift stations	3	3	3	3	3	3	3	3
Miles of sanitary sewer lines	69	69	69	69	69	69	69	69

Source: City of Boulder City Finance Department

(1) Indicators are not available for the general government function, judicial, community support functions

(2) Information was not available for ten years' reporting, but will be accumulated over time as it becomes available



# **BUSINESS LICENSE FEES**



**CITY OF BOULDER CITY**  
**SCHEDULE OF BUSINESS LICENSE FEES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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As required by Nevada Revised Statutes (NRS) 354.624, Section 4(a), all fees imposed by a local government are subject to the provisions of NRS 354.5989. A local government may adopt new business license fees only if the revenue from the fees is less than the prescribed calculated maximum.

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2013		\$	305,264
Business license revenue for the year ended June 30, 2012 (base year)		\$	291,139
Adjustment to base year			
Percentage change in local government population	0.00 %		
Percentage change in Consumer Price Index	1.70 %		
			1.70 %
Total adjustment to base year			4,949
Adjusted business license revenue base for the year ended June 30, 2013			296,088
Amount over allowable maximum		\$	9,176



# **SINGLE AUDIT INFORMATION**



# P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Members of the City Council  
City of Boulder City, Nevada

We have audited the compliance of the City of Boulder City (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2013. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility.** The City's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Major Federal Program.** In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2013.

**Other Matters.** The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013 - 006. Our opinion on the major federal program is not modified with respect to this matter.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

**Report on Internal Control Over Compliance.** The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over

compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.** We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 16, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Piercy Bowler Taylor & Kern*

Las Vegas, Nevada  
January 16, 2014

# CITY OF BOULDER CITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
US Department of Justice			
Congressionally Recommended Awards	16.753 *		\$ 539,465
Bulletproof Vest Partnership Program	16.607		2,875
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803		<u>21,480</u>
Total US Department of Justice			<u>563,820</u>
US Department of Transportation			
Airport Improvement Program	20.106		192,267
Formula Grants for Rural Areas	20.509		127,710
Highway Safety Cluster			
State and Community Highway Safety	20.600		48,094
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		
Occupant Protection Incentive Grants	20.602		
Safety Belt Performance Grants	20.609		
State Traffic Safety Information System Improvement Grants	20.610		
Total US Department of Transportation			<u>368,071</u>
US Department of Housing and Urban Development			
Clark County, Nevada			
Community Development Block Grants/Entitlement Grants	14.218	B-11UC32-0001	19,310
		B-11UC32-0001	<u>6,784</u>
Total US Department of Housing and Urban Development			<u>26,094</u>
Total federal expenditures			<u>\$ 957,985</u>
* A major program			

# CITY OF BOULDER CITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

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### **Note 1. Reporting Entity**

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the City of Boulder City, Nevada (the City). The reporting entity is defined in Note 1 to the basic financial statements. The Schedule includes all expended federal financial assistance received directly from federal agencies as well as passed through other government agencies.

### **Note 2. Basis of Presentation**

The Schedule includes the federal grant activity of the City presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

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### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No

#### Federal Awards

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major programs	Unqualified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes

#### Identification of major programs

CFDA number	16.753
Name of federal program or cluster	US Department of Justice, Congressionally Recommended Awards

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee	No

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards***

2013 - 001

Criteria

Government financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) require the use of both the modified accrual basis and the accrual basis of accounting. To provide reasonable assurance that financial statements, free of material errors, are presented using the appropriate basis of accounting, transactions must be accurately recognized in accordance with GAAP and associated policies and procedures.

Condition

The City has not effectively implemented policies and procedures designed to provide reasonable assurance that transactions are accurately recorded, and that the City's basic financial statements are free of material errors and presented using the appropriate basis of accounting.

Effect

Reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are presented using the appropriate basis of accounting, as required by GAAP, cannot readily be attained.

Cause

The City's implementation process appears to have been hampered by a lack of effective communication regarding expectations within the finance department, combined with a lack of attention to detail in the monthly account reconciliation process, and an ineffective review of monthly account reconciliations.

There also appears to be an undue reliance that is placed on the year-end external audit process to detect and remediate errors that should be addressed internally, prior to commencement of the year-end audit.

Recommendation

Policies and procedures should be developed and implemented to provide reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are appropriately presented. Such procedures, among others, could include 1) a detailed review (at least monthly) of the general ledger by someone possessing an appropriate level of skill and knowledge of GAAP and who is independent of the preparation process, 2) the creation and use of standard journal entries and closing programs/checklists and provisions for the review and approval thereof by someone independent of the preparation process, and 3) creation and retention of documentation of such procedures, including the review and approval thereof. Management should monitor for compliance with such policies and procedures to ensure that transactions are accurately recognized and financial statements, free of material errors, are appropriately presented.

Management's response

Management informed us that they continue to direct staff to complete monthly account reconciliations to avoid what has been a regular year end rush to complete work in preparation for the audit, review Balance Sheet, Revenue and Expense reports monthly to find and correct errors promptly rather than waiting until year end and to maintain adequate documentation.

The new system provides the ability to create standard journal entries and is being used for regular required entries. The system now requires review and approval by an individual not part of the preparation process.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2013 - 002

Criteria

Bank account reconciliations should be prepared monthly (with all reconciling items identified) by an individual independent of the cash receipts and disbursements functions. These reconciliations should be reviewed by an individual independent of the cash receipts and disbursements functions with the review and approval process appropriately documented.

Condition

Per examination of the June 2013 bank account reconciliations, we noted that two of the five bank accounts were not being reconciled monthly and that there was no documentation of the review and approval process. We were later informed that there is currently no requirement for the bank reconciliation process to be documented. It was also noted during the audit that the monthly bank reconciliations throughout fiscal 2013 contained large, unreconciled differences.

Effect

Large, unreconciled differences identified in the monthly bank reconciliations during the year were not addressed and corrected timely.

Cause

Controls over cash (specifically the bank reconciliation process) were not adequately designed to provide reasonable assurance that transactions involving cash are accurately accounted for and reported in the City's basic financial statements.

Recommendation

The City should implement policies and procedures requiring the timely review of month-end bank account reconciliations, with all reconciling items properly identified and agreed to supporting documentation. This review should be properly documented including at a minimum, the signature or initials of the individual performing the review, the date the review was completed and any variances noted (and the results of any related investigations performed). As noted earlier, the reviewer should be independent of the cash receipts and disbursements functions, and should also be independent of the bank account reconciliation preparation process. The City should also implement periodic monitoring procedures to ensure such procedures are functioning as intended.

Management's response

Management informed us that changes to the process have been made with the new software. The Chief Accountant will monitor this process to ensure that it is properly completed on at least a monthly basis.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2013 - 003

Criteria

Lease agreements should be reviewed and abstracted so that the salient terms and provisions that impact the City's basic financial statements are identified and properly accounted for and disclosed therein. In addition, payments on leases should be reconciled to the respective lease agreements to ensure that payments are consistent with the lease terms.

Condition

There is a lack of procedures in place to ensure that lease schedules are being properly updated for lease amendments and that lease transactions are being properly accounted for.

Effect

As a result of the audit, the City's lease schedules and related financial statement disclosures were updated to properly reflect the current terms and provisions.

Cause

Controls designed to provide reasonable assurance that operating and capital leases are properly accounted for and disclosed in the City's basic financial statements did not function as intended, due to ineffective monitoring for compliance therewith.

Recommendation

The City should implement policies and procedures requiring that all material lease agreements be reviewed and abstracted so that the salient terms and provisions that impact the City's basic financial statements are identified and properly accounted for and disclosed therein.

Management's response

Management informed us that staff has been instructed to update schedules whenever there is a change in terms. The Chief Accountant will monitor this process.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2013 - 004

Criteria

Purchase orders should be reviewed by someone who is independent of their preparation and the cash disbursement function, and documentation of the review and approval should be maintained. Additionally, prior to payment, invoices should be compared to approved purchase orders and receiving reports.

Condition

We noted three instances where purchase orders were prepared but did not contain evidence of review and approval. We also noted one instance where an invoice was paid but there was no approved purchase order associated with the payment.

Effect

It is possible that unauthorized purchases could be made, resulting in the inappropriate use of City resources.

Cause

Controls designed to provide reasonable assurance that purchase orders and disbursements are properly accounted for and disclosed in the City's basic financial statements did not function as intended, due to ineffective monitoring for compliance therewith.

Recommendation

The City should implement additional monitoring procedures to better ensure that purchase orders are reviewed and approved timely by someone independent of the creation of the purchase orders.

Management's response

Management informed us that the new software requires a review of all purchase orders after they have been entered into the system, before they are posted. The system will not release a purchase order until it has been approved by the appropriate approver.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2013 - 005

Criteria

Accurate capital asset schedules should be maintained and compared to general ledger accounts regularly to ensure that all assets are recorded properly. Also, depreciation should be calculated using a consistent manner.

Condition

Capital asset and depreciation schedules are maintained in Excel which creates a significant potential for clerical errors due to potentially large volume of transactions.

Effect

We noted several errors in the various Excel depreciation schedule in which depreciation was not being calculated consistently, and we also noted that the depreciation schedules did not reconcile to the amounts recorded in the City's general ledger.

Cause

Controls designed to provide reasonable assurance that capital asset records are being maintained accurately and that depreciation is being calculated in a consistent manner.

Recommendation

The City should migrate all capital asset subledger information into the Munis accounting system which should provide consistency in useful lives and asset classifications, as well as facilitate an easier reconciliation of the capital asset subledger to the general ledger.

Management's response

Management informed us that they have started the implementation process for the fixed asset module such that it should be up and running prior to FY2014 year end.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)**

2013 - 006 Program	United States Department of Justice, Congressionally Recommended Awards (CFDA #16.753)
Specific requirements	Financial and performance reports should be complete, accurate, prepared in accordance with the required basis of accounting, presented in accordance with the specific grantor requirements, and submitted timely.
Condition and context	We noted that two of the required quarterly financial reports and one progress report for fiscal year 2013 were not submitted in a timely manner.
Questioned costs	None
Effect	The City was not in compliance with the reporting requirements of the federal program. In addition, grant expenditures may not be eligible for reimbursement request until after all financial reports are submitted.
Cause	Grant management personnel have not established procedures to ensure the timely filing of required financial and progress reports.
Recommendation	Grant management personnel should develop and monitor procedures to ensure that required reports are filed timely.
Management's response	Management informed us that staff has been reminded about the requirements for reporting. Finance will monitor compliance.

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2012 - 001	
Criteria	Government financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) normally require the use of both the modified accrual basis and the accrual basis of accounting. To provide reasonable assurance that financial statements, free of material errors, are presented using the appropriate basis of accounting, transactions must be accurately recognized in accordance with GAAP and associated policies and procedures.
Condition	There is an apparent lack of effective policies and procedures designed to provide reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are presented using the appropriate basis of accounting.
Effect	Reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are presented using the appropriate basis of accounting, as required by GAAP, cannot readily be attained. As a result, numerous adjustments (most of which requiring significant time) were necessary.
Cause	Failure to adopt, effectively implement and monitor compliance with policies and procedures designed to provide reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are appropriately presented.
Current status	Not corrected. See current year finding 2013-001.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2012 - 002	
Criteria	Bank account reconciliations should be prepared monthly (with all reconciling items identified) by an individual independent of the cash receipts and disbursements functions. These reconciliations should be reviewed by an individual independent of the cash receipts and disbursements functions with the review and approval process appropriately documented.
Condition	Per examination of the June 2012 reconciliations, we noted that there was no documentation of the review and approval process. We were later informed that there is currently no requirement for the bank reconciliation process to be documented. It was also noted during the audit that the monthly bank reconciliations throughout fiscal 2012 contained large, unreconciled differences, and that a large adjustment was posted toward year end to properly account for the variances noted (but not corrected) during the year.
Effect	Large, unreconciled differences identified in the monthly bank reconciliations during the year were not addressed and corrected timely.
Cause	Controls over cash (specifically the bank reconciliation process) were not adequately designed to provide reasonable assurance that transactions involving cash are accurately accounted for and reported in the City's basic financial statements.
Current status	Not corrected. See current year finding 2013-002.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

---

**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2012 - 003	
Criteria	Lease agreements should be reviewed and abstracted so that the salient terms and provisions that impact the City's basic financial statements are identified and properly accounted for and disclosed therein. In addition, payments on leases should be reconciled to the respective lease agreements to ensure that payments are consistent with the lease terms.
Condition	Certain solar lease agreements were not properly accounted for during the year, which resulted in a significant audit adjustment in the current year, and a restatement of the prior fund balance for improper revenue recognition.
Effect	Approximately \$10.7 million of solar lease revenue was improperly recognized in the City's basic financial statements, due to lease provisions that could potentially result in the refund of payments received. The disclosure of future minimum lease payments was also materially misstated due to the inclusion of contracts with cancellation provisions that could result in the City not receiving the full contractual amount.  In addition, the finance department was unable to verify if payments were made during the year related to certain capital lease obligations.
Cause	Controls designed to provide reasonable assurance that operating and capital leases are properly accounted for and disclosed in the City's basic financial statements did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Not corrected. See current year finding 2013-003.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2012 - 004

Criteria

Material interlocal agreements should be reviewed and abstracted so that the salient terms and provisions that impact the City's basic financial statements are identified and properly accounted for and disclosed therein.

Condition

In May 2010, the City entered into an interlocal agreement with the Southern Nevada Water Authority (SNWA) to fund a portion of the construction cost of the third intake at Lake Mead. The City's portion of the obligation was determined to be \$13.6 million, which was based on the total estimated cost of the project (\$755 million) multiplied by the City's 2010 usage of water (1.8%). As of June 30, 2011, the City recorded a \$13.6 million, non-depreciable capital asset and a \$13.6 million long-term note payable related to this agreement.

At June 30, 2011, the City's obligation under the agreement was \$9.8 million (not \$13.6 million). Since the City has no obligation to fund costs that have yet to be incurred by the SNWA, the City's recorded long-term liability of \$13.6 million was overstated. In addition, the City does not and will not have title to any capital asset as a result of funding a portion of the costs. All costs are recorded on the books of SNWA. Accordingly, capital assets are also overstated at June 30, 2011.

Based on the terms of the underlying agreements and discussions with representatives of SNWA (who is also an audit client of PBTK), the substance of this agreement is for the City to pay regional commodity surcharges via the \$13.6 million funding obligation. Accordingly, the City's accounting treatment should be consistent with the other purveyor members who expense the regional commodity surcharge annually as part of the cost of purchasing water from SNWA.

Effect

The City's capital assets and long-term liabilities were materially misstated as of June 30, 2012 and 2011.

Cause

Controls designed to provide reasonable assurance that material agreements are properly accounted for and disclosed in the City's basic financial statements did not function as intended, due to ineffective monitoring for compliance therewith.

Current status

Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2012 - 005

Criteria

The City has approximately 35 retired employees that are receiving benefits under the Public Employee Benefit Plan (PEBP). As such, the City is required to obtain actuarial valuations to determine its annual required contributions and net obligation related to its postemployment benefits other than pensions (OPEB). In addition, the City is required to disclose specific information including the total unfunded actuarially determined liability.

Condition

Prior to fiscal 2012, the City had never had an actuarial valuation done to determine if it has an OPEB liability, and to determine the actuarial unfunded liability, which is a required disclosure by generally accepted government accounting standards. Accordingly, no OPEB liability was recorded and required disclosures were missing in the City's basic financial statements.

Effect

At our request, an actuarial valuation was performed and an OPEB obligation of \$84,858 was recorded in the City's basic financial statements. In addition, additional required disclosures were added to the notes, including the City's estimated unfunded actuarial accrued liability of \$1,901,928.

Cause

The finance department was unaware that the PEPB plan required an actuarial valuation, and was subject to the aforementioned disclosure requirements. Accordingly, no valuation was obtained and no disclosures were included in the City's unaudited financial statements.

Current status

Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

---

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2012 - 006

Criteria

Authority and responsibility for initiating, posting, reviewing and approving journal entries should be clearly established, documented and restricted to provide reasonable assurance of sufficient segregation of duties. Journal entries should also be pre-numbered, or sequentially ordered and reviewed to ensure accuracy and appropriate account classification by someone other than the individual who prepared the journal entry.

Condition

Out of 8 journal entries and supporting documentation selected for testing, none contained evidence of the authorization or review process. In addition, we noted that journal entries are not pre-numbered and in some cases were handwritten.

Effect

Reasonable assurance that journal entries are properly reviewed and approved cannot readily be attained.

Cause

Controls over the posting of journal entries were not adequately designed to provide reasonable assurance that journal entries are properly reviewed to ensure accuracy and proper account classification by someone other than the journal entry preparer.

Current status

Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2012 - 007	
Criteria	Signed checks should be mailed by individuals who are independent of cash disbursements and accounts payable (A/P) functions (i.e., segregation of duties).
Condition	The A/P accountant is responsible for mailing the signed checks to vendors, and also has user rights to set up new vendors in the City's accounting system.
Effect	Inadequate segregation of duties increases the risk of misappropriation of the City's assets.
Cause	Controls over the A/P function were not adequately designed to provide reasonable assurance that proper segregation of duties exists in the cash disbursement function.
Current status	Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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**Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)**

2012 - 008	
Criteria	Purchase orders should be created only by those authorized to do so, prior to the ordering of goods and services. Purchase orders should also expire and be voided upon reaching the expiration date set in the system.
Condition	Purchase orders are often created after the purchase has been made, and are sometimes used after the date they were set to expire.
Effect	The risk of unauthorized purchases is increased if purchase orders are not utilized and approved prior to ordering the goods or services.
Cause	Controls designed to provide reasonable assurance that purchases are properly approved by the respective department through the use of purchase orders did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Not corrected. See current year finding 2013-004.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2012 - 009 Program	US Department of Transportation, Airport Improvement Program (CFDA #20.106)
Specific requirements	Reimbursement requests should have adequate supporting documentation of reimbursable costs incurred and paid by the City to validate the request.
Condition and context	We noted the reimbursement requests dated January 4 and February 14, 2012 were submitted to the granting agency prior to payment of contractor invoices.
Questioned costs	None noted.
Effect	Reimbursement requests were submitted prematurely to the granting agency, and therefore, the City was not in compliance with the grant requirements.
Cause	Controls designed to provide reasonable assurance that cost reimbursement requests are submitted properly did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2012 - 010 Program	US Department of Transportation, Airport Improvement Program (CFDA #20.106)
Specific requirements	Submission of a financial status report, on SF-425, for each applicable program is required to be submitted no later than 30 days after the end of each reporting period for quarterly reports and no later than 90 days after the end of each reporting period for annual reports.
Condition and context	No financial status reports were submitted for the period of July 1, 2011 through June 30, 2012.
Questioned costs	None noted.
Effect	The City was not in compliance with the financial status reporting requirements of the grant.
Cause	Controls designed to provide reasonable assurance that periodic financial status reports are submitted properly did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Based on follow-up procedures performed, this finding has been corrected.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2012 - 011 Program	US Department of Transportation, Airport Improvement Program (CFDA #20.106)
Specific requirements	The Federal Funding Accountability and Transparency Act of 2006 requires the submission of certain sub-award reports, which should be complete and accurate, no later than the end of the month following the month in which the prime contractor awards any subcontract greater than \$25,000.
Condition and context	No required sub-award reports were submitted for the period of July 1, 2011 through June 30, 2012.
Questioned costs	None noted.
Effect	The City was not in compliance with the sub-award reporting requirements of the grant.
Cause	Controls designed to provide reasonable assurance that required sub-award reports are submitted properly did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Based on follow-up procedures performed, this finding has been corrected.



