



City of Boulder City Nevada



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015



City of Boulder City Nevada



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015

Prepared by
Finance Department

Shirley D. Hughes
Finance Director

CITY OF BOULDER CITY

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CITY OF BOULDER CITY

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INTRODUCTORY SECTION



**City of Boulder City
Finance Department**

401 California Avenue
Boulder City, NV 89005
www.bcnv.org

December 18, 2015

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, 2014, 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, 2015, 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 unmodified opinion that the City's basic financial statements as of and for the year ended June 30, 2015, 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 2014 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 2013 population estimate for Clark County (the County) is 2,027,868, compared to the State's population of more than 2.8 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 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 has completed negotiations with all collective bargaining units providing for contracts through FY2017.

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 FY2016, the total lease revenues are budgeted to be \$7.7 million.

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 2014 Comprehensive Annual Financial Report (CAFR). This was the 24th 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.

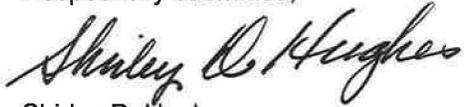
In addition, the GFOA presented a Distinguished Budget Presentation Award to the City for the fiscal year beginning July 1, 2014. This was the 13th consecutive year that the City received this award. The GFOA awards a Distinguished Budget Presentation Award to government units that publish a budget document, 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,

A handwritten signature in cursive script that reads "Shirley D. Hughes". The signature is written in black ink and is positioned above the printed name and title.

Shirley D. Hughes
Finance Director

**CITY OF BOULDER CITY, NEVADA
PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Mayor and City Council

Rod Woodbury	Mayor
Cam Walker	Mayor Pro Tem
Peggy Leavitt	Councilwoman
Duncan McCoy	Councilman
Rich Shuman	Councilman

City Officials

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

Organizational Structure

Citizens of Boulder City

Council Member
Cam Walker

Council Member
Duncan McCoy

Mayor
Rodney Woodbury

Council Member
Peggy Leavitt

Council Member
Rich Shuman

City Manager
David Fraser

City Attorney
Dave Olsen

City Clerk
Lou Krumm

Municipal Judge
Victor Miller

Advisory Commissions

Department Directors

Chief of Police
Administration
Bill Conger

Parks & Recreation
Director
Roger Hall

Fire Chief
Kevin Nicholson

Finance Director
Shirley Hughes

Community Development
Director
Brok Armantrout

Public Works Director
Scott Hansen

Division Heads

Personnel
Administrator
Bryce Boldt

Electric Utility
Administrator
Rory Dwyer

City Council	5
Appointed	3 FTE
Judge	1
Directors	6 FTE
Division Heads	2 FTE



Government Finance Officers Association

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

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**City of Boulder City
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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, 2015, 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 June 30, 2015, 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, proportionate share of the collective net pension liability information, proportionate share of

statutorily required pension contribution information and budgetary comparison information on pages 11-20 and 59-67 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 December 18, 2015, 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.



Las Vegas, Nevada
December 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$139,242,157 (net position). Of this amount, \$7,540,696 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. However due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), the City has negative unrestricted net assets in the Governmental Activities of \$9,864,216. GASB 68 requires the City to record its estimated proportionate share of the collective net pension liability of the Public Employees Retirement System (PERS) and related deferred inflows and outflows. An increase in long-term liabilities, deferred outflow of resources, and deferred inflow of resources is reported for fiscal year 2015, due to this pronouncement, and net position has been retroactively restated. Although GASB 68 requires the City to recognize a liability for its proportionate share of the unfunded PERS net pension liability, the Nevada Revised Statutes specify that respective participating public employers are not liable for any obligation of PERS.
- The City's total restated net position increased by approximately 20% (\$23,626,256), primarily due to the recognition of \$11,252,902 of previously unearned land lease revenues, combined with increased operating and capital grant contribution revenue of approximately \$8.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,899,425, an increase of 121% in comparison with the prior year primarily due to the recognition of \$11,252,902 related to previously unearned land lease revenues.
- At the end of the current fiscal year, fund balance for the general fund, was \$10,081,501, 27% of the total FY 2015 general fund expenditures.
- The City's total restated liabilities decreased by approximately 41% (\$22,461,879), due primarily to the recognition of \$11,252,902 of previously unearned land lease revenues, combined with the complete repayment of the Series 2005 Golf Course Refunding Bonds. In addition, the City's proportionate share of the PERS net pension liability decreased by \$6,092,447.

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.

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 23-26 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 yearend. Such information may be useful in evaluating the City's near-term financing requirements.

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 8 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 fund which is considered to be a major fund. Data from the remaining seven 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 27-30 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 and aviation which are considered to be major funds of the City. The cemetery fund is the City's only non-major proprietary fund.

The basic proprietary fund financial statements can be found on pages 31-34 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 35-62 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain 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 required supplementary information can be found on pages 63-74 of this report.

CITY OF BOULDER CITY

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 75-88 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 \$139,242,157.

Approximately 71% 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
Summary Statement of Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Totals</u>	
	2015	2014	2015	2014	2015	2014
Assets		(Restated)		(Restated)		(Restated)
Capital assets, net	\$ 84,569,998	\$ 81,510,467	\$ 70,012,800	\$ 65,591,274	\$ 154,582,798	\$ 147,101,741
Other assets	27,573,146	30,518,577	33,464,921	35,026,907	57,447,260	65,545,484
	<u>112,143,144</u>	<u>112,029,044</u>	<u>103,477,721</u>	<u>100,618,181</u>	<u>212,030,058</u>	<u>212,647,225</u>
Deferred outflows of resources	3,161,478	2,992,002	746,292	706,394	3,907,770	
Liabilities						
Long-term liabilities	21,102,679	30,202,399	39,138,839	42,637,077	60,241,518	72,839,476
Other liabilities	10,744,891	24,107,050	3,297,089	3,783,194	10,451,173	27,890,244
	<u>31,847,570</u>	<u>54,309,449</u>	<u>42,435,928</u>	<u>46,420,271</u>	<u>70,692,691</u>	<u>100,729,720</u>
Deferred inflows of resources	4,856,553		1,146,427		6,002,980	
Net position						
Net investment in capital assets	81,307,082	76,375,585	40,774,759	35,543,133	98,289,357	111,918,718
Restricted	7,157,633	4,867,878	2,461,987	2,047,339	9,619,620	6,915,217
Unrestricted	(9,864,216)	(20,531,866)	17,404,912	17,313,832	31,333,180	(3,218,034)
	<u>\$ 78,600,499</u>	<u>\$ 60,711,597</u>	<u>\$ 60,641,658</u>	<u>\$ 54,904,304</u>	<u>\$ 139,242,157</u>	<u>\$ 115,615,901</u>

CITY OF BOULDER CITY

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Governmental activities.

Effective July 1, 2014, the City adopted GASB 68, which resulted in a prior period adjustment that reduced net beginning net position of governmental activities by \$21,023,503. During fiscal 2015, total restated net position of governmental activities increased by \$17,888,902, which includes the recognition of \$11,252,902 in previously unearned land lease revenue. The negative unrestricted net position in both years presented is due to the adoption of GASB 68.

Business-type activities.

Effective July 1, 2014, the City adopted GASB 68, which resulted in a prior period adjustment that reduced net beginning net position of business-type activities by \$4,962,762. During fiscal 2015, total restated net position increased by \$5,737,354 due primarily to primarily to increased utility revenues and increased capital grant contributions related to ongoing capital asset improvement projects. At the current fiscal year end, the business-type activities had positive balances in all categories of net position. At June 30, 2015, unrestricted net position is \$17,404,912, which may be used to meet the business-type activities’ ongoing obligations.

The following table summarizes the City’s statement of activities for the fiscal years ended June 30, 2015 and 2014:

City of Boulder City, Nevada
Summary of Changes in Net Position

	Governmental activities		Business-type activities		Totals	
	2015	2014	2015	2014	2015	2014
		(Restated)		(Restated)		(Restated)
Revenues						
Program revenues						
Charges for services	\$ 7,324,925	\$ 9,418,704	\$ 23,739,423	\$ 22,422,919	\$ 31,064,348	\$ 31,841,623
Operating grant and contributions	7,371,784	3,076,023			7,371,784	3,076,023
Capital grants and contributions	84,251		4,931,594	718,077	5,015,845	718,077
General revenues					-	-
Property taxes	2,868,652	2,699,730			2,868,652	2,699,730
Consolidated taxes	9,612,900	9,303,748			9,612,900	9,303,748
Leases and royalties	20,171,504	9,987,339			20,171,504	9,987,339
Other	1,826,756	1,355,880	763,224	691,995	2,589,980	2,047,875
	<u>49,260,772</u>	<u>35,841,424</u>	<u>29,434,241</u>	<u>23,832,991</u>	<u>78,695,013</u>	<u>59,674,415</u>
Expenses						
General government	4,590,920	5,176,123			4,590,920	5,176,123
Judicial	948,908	770,477			948,908	770,477
Public safety	11,028,128	11,540,100			11,028,128	11,540,100
Public works	6,032,085	5,728,665			6,032,085	5,728,665
Culture and recreation	6,959,448	6,837,030			6,959,448	6,837,030
Community support	833,430	811,370			833,430	811,370
Utility	-	-	23,198,266	22,991,536	23,198,266	22,991,536
Other	443,115	317,801	1,034,457	976,001	1,477,572	1,293,802
	<u>30,836,034</u>	<u>31,181,566</u>	<u>24,232,723</u>	<u>23,967,537</u>	<u>55,068,757</u>	<u>55,149,103</u>

CITY OF BOULDER CITY

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Changes in net position before transfers	18,424,738	4,659,858	5,201,518	(134,546)	23,626,256	4,525,312
Transfers	(535,836)	(1,635,000)	535,836	1,635,000		
Change in net position	17,888,902	3,024,858	5,737,354	1,500,454	23,626,256	4,525,312
Net assets, beginning of year, as previously reported	60,711,597	78,710,242	54,904,304	57,865,345	115,615,901	136,575,587
Adjustments		(21,023,503)		(4,461,495)		(25,484,998)
Net assets, beginning of year, as restated	60,711,597	57,686,739	54,904,304	53,403,850	115,615,901	111,090,589
Net assets, end of year	\$ 78,600,499	\$ 60,711,597	\$ 60,641,658	\$ 54,904,304	\$ 139,242,157	\$ 115,615,901

Governmental activities. Governmental activities increased the City’s restated net position by approximately 15% \$(17,888,902). Key elements of this increase are as follows:

- Charges for services decreased by 22% (\$2,093,779), primarily due to the prior year having a one-time increase in Licenses and Permits fees associated with construction of solar facilities in the City’s energy zone.
- Operating and capital grants and contributions increased by \$4,295,761 during the year, due to Buchanan Boulevard capital asset improvements and flood control channel capital asset improvements.
- Consolidated taxes increased \$309,152 (approximately 3%) due to a state-wide increase in sales tax revenue compared to last year.
- Lease and royalty revenues increased \$10,184,165 (approximately 102%) due primarily to the recognition of previously unearned land lease revenues associated with planned solar projects in the City’s energy zone.
- Total expenses increased \$345,532 (approximately 1%). This increase can be attributed to normal fluctuation in day to day operational costs.

Business-type activities. Business-type activities increased the City’s restated net position by approximately 5% (\$5,737,357). Key elements of the increase are as follows:

- Charges for services increased by \$1,316,504 (approximately 1%) during the year primarily due to increased water revenue.
- Capital grants and contributions increased by \$4,213,517 due to the FAA grants used for taxi lane and access ramp capital improvements at the City’s airport.
- Other general revenues increased by \$71,229 (approximately 35%) due to an increase in the infrastructure sales tax.

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

- Utility operating expenses increased by \$206,730 (approximately 1%) This increase can be attributed to normal fluctuation in day to day operational costs.

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, unrestricted fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,899,425, an increase of \$9,814,410 (approximately 121%), in comparison with the prior year. The increase is primarily due to the recognition of previously unearned land lease revenue related to the City's 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 \$10,081,501. The ending cash balance in the general fund is \$12,794,052.

The aggregate non-major funds have a combined total fund balance of \$7,817,924 all of which is either restricted, committed or assigned for capital improvement projects, court and other judicial programs, public safety programs and parks and recreation programs. The net increase in fund balance during the current year in the aggregate non-major funds was \$2,950,046 (approximately 60%), in comparison with the prior year.

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, 2015, unrestricted net position amounted to \$16,646,452 for the utility fund, \$503,662 for the aviation fund and \$254,798 for the aggregate non-major (Cemetery) fund.

General Fund Budgetary Highlights

During the year, revenues were higher than the final budgetary estimate by \$7,222,320 (approximately 20%), and expenditures were less than the final budgetary estimate by \$1,961,780 (approximately 4%), due mainly to budgeted flood control projects that are not complete. All functions were within appropriation authority.

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets and Debt Administration

Capital assets. As of June 30, 2015, the City's investment in capital assets (net of accumulated depreciation), amounts to \$154,582,798. This investment in capital assets includes land, buildings, improvements other than buildings, machinery, equipment and furniture, utility delivery systems, infrastructure and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$7,481,057 (approximately 5%), which is due primarily to improvements at the airport and to flood control channels. Major capital asset events during the current fiscal year included the following:

- The cost of City buildings decreased by \$379,663 over the prior fiscal year. The primary reason for the decrease was for current year depreciation.
- Improvements other than buildings increased by \$10,902,512 primarily due to improvements to the airport taxi lane and access ramps and current flood control projects.
- Machinery, equipment and furniture assets decreased by \$404,145 primarily due to the purchase of new police vehicles and new golf carts at the municipal golf course being offset by the removal of old equipment and current year depreciation.
- City infrastructure decreased by \$1,751,403 primarily due to current year depreciation and the ongoing infrastructure projects in the construction in progress account.
- Utility delivery systems decreased by \$1,599,046 over the prior fiscal year. Improvements to water tank facilities and some equipment purchases were offset by current year depreciation.
- Depreciation expense for the fiscal year was \$7,393,139.

Capital assets at year-end were as follows:

	City of Boulder City, Nevada Capital Assets (net of accumulated depreciation)	
	Year Ended June 30,	
	2015	2014
Land	\$ 29,135,513	\$ 29,135,513
Buildings	8,263,771	8,643,434
Improvements other than buildings	35,054,013	24,151,501
Machinery, equipment and furniture	4,655,488	5,059,633
Infrastructure	23,968,695	25,720,098
Utility delivery systems	50,449,657	52,048,703
Construction in progress	3,055,661	2,342,859
	<u>\$154,582,798</u>	<u>\$147,101,741</u>

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, the City had total debt outstanding of \$32,761,706, of which \$29,020,000 is secured by specified revenue sources (revenue bonds) and \$283,274 is secured by specific capital assets.

	City of Boulder City, Nevada Outstanding Debt	
	2015	2014
General repayment obligations	\$ 3,454,070	\$ 5,419,356
Capital lease obligations	287,636	380,614
Revenue bonds	29,020,000	34,855,000
	<u>\$32,761,706</u>	<u>\$40,654,970</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 \$202,981,332, 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 3% 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 35% of general fund revenues.

All of these factors were considered in preparing the City's budget for the 2016 fiscal year.

CITY OF BOULDER CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 22,271,903	\$ 9,371,644	\$ 31,643,547
Cash, cash equivalents and investments, restricted	900,500	5,022,936	5,923,436
Accounts receivable	2,409,554	4,509,681	6,919,235
Taxes receivable	34,354		34,354
Due from other governments	1,885,882	62,894	1,948,776
Inventories	46,865		46,865
Prepaid items	24,088		24,088
Prepaid water commodity surcharge		10,906,959	10,906,959
Internal balances*		3,590,807	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	1,332,555	1,723,106	3,055,661
Land	28,529,138	606,375	29,135,513
Buildings and building improvements	7,825,140	438,631	8,263,771
Improvements other than buildings	19,219,134	15,834,879	35,054,013
Infrastructure	23,968,695		23,968,695
Machinery, equipment and furniture	3,695,336	960,152	4,655,488
Utility delivery systems		50,449,657	50,449,657
Total assets	112,143,144	103,477,721	212,030,058
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	3,161,478	746,292	3,907,770
LIABILITIES			
Accounts payable	592,051	1,225,278	1,817,329
Accrued expenses	1,073,211	224,255	1,297,466
Due to other governments	124,336	7,896	132,232
Customer deposits	53,933	230,300	284,233
Unearned revenue	4,206,812		4,206,812
Interest payable		438,314	438,314
Internal balances*	3,590,807		
Long-term liabilities, due within one year			
Compensated absences	899,347	222,040	1,121,387
Bonds payable		835,000	835,000
Capital leases	204,394		204,394
Notes payable		114,006	114,006
Long-term liabilities, due in more than one year			
Compensated absences	2,107,214	486,253	2,593,467
Net pension liability	18,912,223	4,445,301	23,357,524
Bonds payable, net of unamortized premiums and deferred refunding charges		28,403,041	28,403,041
Capital leases	83,242		83,242
Notes payable		3,340,064	3,340,064
Landfill closure and post-closure care		2,464,180	2,464,180
Total liabilities	31,847,570	42,435,928	70,692,691
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	4,856,553	1,146,427	6,002,980

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	81,307,082	40,774,759	122,081,841
Restricted for			
Stabilization and other general programs	11,005		11,005
Courts and other judicial programs	519,439		519,439
Fire, police and other public safety programs	281,035		281,035
Parks, cultural and recreational programs	102,472		102,472
Capital improvement projects	6,243,682	850,000	7,093,682
Customer deposits		27,870	27,870
Rate stabilization		736,778	736,778
Redevelopment Agency utility		642,630	642,630
Perpetual care, nonexpendable		204,709	204,709
Unrestricted	(9,864,216)	17,404,912	7,540,696
Total net position	\$ 78,600,499	\$ 60,641,658	\$ 139,242,157

* 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, 2015

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
Governmental activities						
General government	\$ 4,590,920	\$ 1,857,570	\$ 801,691	\$	\$ (1,931,659)	\$ (1,931,659)
Public safety	11,028,128	867,298			(10,160,830)	(10,160,830)
Judicial	948,908	722,333			(226,575)	(226,575)
Public works	6,032,085		6,447,126		415,041	415,041
Culture and recreation	6,959,448	3,661,449	122,967		(3,175,032)	(3,175,032)
Community support	833,430	216,275		84,251	(532,904)	(532,904)
Debt service						
Interest and fiscal charges	443,115				(443,115)	(443,115)
Total governmental activities	<u>30,836,034</u>	<u>7,324,925</u>	<u>7,371,784</u>	<u>84,251</u>	<u>(16,055,074)</u>	<u>(16,055,074)</u>
Business-type activities						
Utility	23,198,285	22,970,910		273,614		46,239
Aviation	988,439	693,708		4,657,980		4,363,249
Cemetery	45,999	74,805				28,806
Total business-type activities	<u>24,232,723</u>	<u>23,739,423</u>		<u>4,931,594</u>		<u>4,438,294</u>
Total function/program	<u>\$ 55,068,757</u>	<u>\$ 31,064,348</u>	<u>\$ 7,371,784</u>	<u>\$ 5,015,845</u>	<u>(16,055,074)</u>	<u>4,438,294</u>
GENERAL REVENUES						
Property taxes					2,868,652	2,868,652
Intergovernmental consolidated taxes					9,612,900	9,612,900
Room taxes					527,497	527,497
Other taxes					360,775	721,960
Rents and royalties					20,171,504	20,171,504
Unrestricted investment income					49,716	37,895
Gain on disposal of capital assets					656,973	656,973
Miscellaneous					231,795	3,369
Total general revenues					<u>34,479,812</u>	<u>763,224</u>

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	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					(535,836)	535,836	
CHANGE IN NET POSITION					17,888,902	5,737,354	23,626,256
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					81,735,100	59,365,799	141,100,899
Adjustment					(21,023,503)	(4,461,495)	(25,484,998)
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					60,711,597	54,904,304	115,615,901
NET POSITION, END OF YEAR					\$ 78,600,499	\$ 60,641,658	\$ 139,242,157

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF BOULDER CITY

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2015

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash, cash equivalents and investments	\$ 11,893,552	\$ 10,378,351	\$ 22,271,903
Cash, cash equivalents and investments, restricted	900,500		900,500
Accounts receivable	2,409,554		2,409,554
Taxes receivable	20,295	14,059	34,354
Due from other governments	1,705,335	180,547	1,885,882
Due from other funds	194,115		194,115
Inventories	46,865		46,865
Prepaid items	24,088		24,088
	<u>\$ 17,194,304</u>	<u>\$ 10,572,957</u>	<u>\$ 27,767,261</u>
Total assets			
LIABILITIES			
Accounts payable	\$ 584,161	\$ 11,540	\$ 595,701
Accrued expenses	990,376	82,835	1,073,211
Customer deposits	50,283		50,283
Due to other governments	124,336		124,336
Due to other funds		194,115	194,115
Advances from other funds	3,590,807		3,590,807
Unearned revenue	1,754,049	2,452,763	4,206,812
	<u>7,094,012</u>	<u>2,741,253</u>	<u>9,835,265</u>
Total liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	18,791	13,780	32,571
	<u>18,791</u>	<u>13,780</u>	<u>32,571</u>
Total deferred inflows of resources			
FUND BALANCES			
Nonspendable			
Prepaid items	24,088		24,088
Inventories	46,865		46,865
Restricted for			
Courts and other judicial programs		506,611	506,611
Fire, police and other public safety programs		236,114	236,114
Parks, cultural and recreational programs		17,669	17,669
Capital improvement projects		6,067,645	6,067,645
Committed to			
Courts and other judicial programs		12,828	12,828
Capital improvement projects		702,271	702,271
Assigned to			
Stabilization and other general programs		11,005	11,005
Fire, police and other public safety programs		44,921	44,921
Parks, cultural and recreational programs		84,803	84,803
Capital improvement projects		176,037	176,037
Unassigned	10,010,548	(41,980)	9,968,568
	<u>10,010,548</u>	<u>(41,980)</u>	<u>9,968,568</u>
Total fund balances	<u>10,081,501</u>	<u>7,817,924</u>	<u>17,899,425</u>
	<u>\$ 17,194,304</u>	<u>\$ 10,572,957</u>	<u>\$ 27,767,261</u>
Total liabilities and fund balances			

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, 2015

FUND BALANCE, GOVERNMENTAL FUNDS		\$	17,899,425
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		\$	164,322,108
Less accumulated depreciation			<u>(79,752,110)</u>
			84,569,998
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:			
Postemployment benefits other than pensions			(80,817)
Compensated absences			(3,006,561)
Capital lease obligations			(287,636)
Deferred outflows related to pensions			3,161,478
Net pension liability			(18,831,406)
Deferred inflows related to pensions			<u>(4,856,553)</u>
			(23,901,495)
Unearned revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:			
Unearned revenue			<u>32,571</u>
			<u>32,571</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u>78,600,499</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, 2015

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 1,559,455	\$ 1,260,592	\$ 2,820,047
Room tax	527,497		527,497
Franchise fees	823,514		823,514
Licenses and permits	1,051,228		1,051,228
Charges for services	4,644,438	122,967	4,767,405
Intergovernmental	17,258,798		17,258,798
Fines and forfeitures	571,512	150,821	722,333
Rents and royalties	16,190,939	4,004,364	20,195,303
Investment income	42,728	6,988	49,716
Miscellaneous	169,150	139,430	308,580
Total revenues	42,839,259	5,685,162	48,524,421
EXPENDITURES			
Current			
General government	4,297,912		4,297,912
Public safety	9,756,311	769,260	10,525,571
Judicial	593,513	120,452	713,965
Public works	4,034,181		4,034,181
Culture and recreation	5,432,551	67,790	5,500,341
Community support	780,585	191,646	972,231
Total current	24,895,053	1,149,148	26,044,201
Capital outlay			
Public safety	196,506		196,506
Public works	7,208,400		7,208,400
Culture and recreation	186,000		186,000
Total capital outlay	7,590,906		7,590,906
Debt service			
Principal payments	5,311,701		5,311,701
Interest and fiscal charges	187,006		187,006
Total debt service	5,498,707		5,498,707
Total expenditures	37,984,666	1,149,148	39,133,814
EXCESS OF REVENUES OVER EXPENDITURES	4,854,593	4,536,014	9,390,607
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset disposal	24,379	749,260	773,639
Proceeds from capital leases	186,000		186,000
Transfers in	1,799,392		1,799,392
Transfers out		(2,335,228)	(2,335,228)
Total other financing sources (uses)	2,009,771	(1,585,968)	423,803
CHANGE IN FUND BALANCE	6,864,364	2,950,046	9,814,410
FUND BALANCE, BEGINNING OF YEAR	3,217,137	4,867,878	8,085,015
FUND BALANCE, END OF YEAR	\$ 10,081,501	\$ 7,817,924	\$ 17,899,425

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, 2015

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$	9,814,410
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		\$	7,590,906
Less current year depreciation			(4,498,960)
Gain (loss) on disposal of capital assets			<u>(116,666)</u>
			2,975,280
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			12,299
Capital asset contributions			<u>84,251</u>
			96,550
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			(186,000)
Debt and capital lease principal repayments			<u>5,313,982</u>
			5,127,982
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			8,855
Change in compensated absences payable			(372,807)
Amortization of deferred refunding charges			(280,736)
Change in accrued interest			22,346
Change in net pension liability			<u>497,022</u>
			<u>(125,320)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u>17,888,902</u>

See notes to basic financial statements.

CITY OF BOULDER CITY

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2015

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 8,898,360	\$ 216,078	\$ 257,206	\$ 9,371,644
Cash, cash equivalents and investments, restricted	4,818,227		204,709	5,022,936
Accounts receivable	3,779,286	730,328	67	4,509,681
Due from other governments	62,894			62,894
Prepaid water commodity surcharge	<u>10,906,959</u>			<u>10,906,959</u>
Total current assets	<u>28,465,726</u>	<u>946,406</u>	<u>461,982</u>	<u>29,874,114</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation				
Construction in progress	1,703,106	20,000		1,723,106
Land	28,615	512,760	65,000	606,375
Buildings and building improvements	60,122	70,583		130,705
Improvements other than buildings	436,516	15,237,186	161,177	15,834,879
Machinery, equipment and furniture	895,011	65,141		960,152
Utility delivery systems	<u>50,757,583</u>			<u>50,757,583</u>
Total capital assets, net of accumulated depreciation	<u>53,880,953</u>	<u>15,905,670</u>	<u>226,177</u>	<u>70,012,800</u>
Other assets				
Advances to other funds	<u>3,590,807</u>			<u>3,590,807</u>
Total noncurrent assets	<u>57,471,760</u>	<u>15,905,670</u>	<u>226,177</u>	<u>73,603,607</u>
Total assets	<u>85,937,486</u>	<u>16,852,076</u>	<u>688,159</u>	<u>103,477,721</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	<u>690,815</u>	<u>55,477</u>		<u>746,292</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,213,710	9,093	2,475	1,225,278
Accrued expenses	206,000	18,255		224,255
Customer deposits	230,300			230,300
Due to other governments	7,896			7,896
Interest payable	438,314			438,314
Compensated absences	211,566	10,474		222,040
Bonds payable	835,000			835,000
Notes payable	<u>114,006</u>			<u>114,006</u>
Total current liabilities	<u>3,256,792</u>	<u>37,822</u>	<u>2,475</u>	<u>3,297,089</u>
Long-term liabilities				
Compensated absences	441,526	44,727		486,253
Net pension liability	4,114,851	330,450		4,445,301
Bonds payable, net of unamortized bond premiums	28,403,041			28,403,041
Notes payable	3,340,064			3,340,064
Landfill closure and post-closure care	<u>2,464,180</u>			<u>2,464,180</u>
Total long-term liabilities	<u>38,763,662</u>	<u>375,177</u>		<u>39,138,839</u>
Total liabilities	<u>42,020,454</u>	<u>412,999</u>	<u>2,475</u>	<u>42,435,928</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	<u>1,061,205</u>	<u>85,222</u>		<u>1,146,427</u>

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015**

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
NET POSITION				
Net investment in capital assets	24,642,912	15,905,670	226,177	40,774,759
Restricted				
Rate stabilization	736,778			736,778
Redevelopment Agency utility	642,630			642,630
Capital improvement projects	850,000			850,000
Perpetual care			204,709	204,709
Customer deposits	27,870			27,870
Unrestricted	<u>16,646,452</u>	<u>503,662</u>	<u>254,798</u>	<u>17,404,912</u>
Total net position	<u>\$ 43,546,642</u>	<u>\$ 16,409,332</u>	<u>\$ 685,684</u>	<u>\$ 60,641,658</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, 2015

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
OPERATING REVENUES				
Electric	\$ 13,597,563	\$	\$	\$ 13,597,563
Water	6,329,867			6,329,867
Sewer	1,451,558			1,451,558
Refuse	935,099			935,099
Refuse special charge	246,653			246,653
Landfill receipts	195,395			195,395
Rents and royalties		685,661		685,661
Miscellaneous	214,775	11,416	74,805	300,996
Total operating revenues	<u>22,970,910</u>	<u>697,077</u>	<u>74,805</u>	<u>23,742,792</u>
OPERATING EXPENSES				
Salaries and wages	2,638,861	203,871		2,842,732
Employee benefits	1,050,315	84,725		1,135,040
Services and supplies	15,308,042	166,519	29,407	15,503,968
Depreciation	2,352,985	524,602	16,592	2,894,179
Total operating expenses	<u>21,350,203</u>	<u>979,717</u>	<u>45,999</u>	<u>22,375,919</u>
Operating income (loss)	<u>1,620,707</u>	<u>(282,640)</u>	<u>28,806</u>	<u>1,366,873</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	37,895			37,895
Gain (loss) on capital asset disposition	(72,840)			(72,840)
Interest and fiscal charges	(1,783,964)			(1,783,964)
Grants	131,515	4,657,980		4,789,495
.25% local sales and use tax	721,960			721,960
Total nonoperating revenues (expenses)	<u>(965,434)</u>	<u>4,657,980</u>		<u>3,692,546</u>
Income (loss) before transfers	<u>655,273</u>	<u>4,375,340</u>	<u>28,806</u>	<u>5,059,419</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>142,099</u>			<u>142,099</u>
TRANSFERS				
Transfers in	2,166,836			2,166,836
Transfers out	(1,585,000)		(46,000)	(1,631,000)
Total transfers	<u>581,836</u>		<u>(46,000)</u>	<u>535,836</u>
CHANGE IN NET POSITION	<u>1,379,208</u>	<u>4,375,340</u>	<u>(17,194)</u>	<u>5,737,354</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	46,260,012	12,402,909	702,878	59,365,799
Adjustment	(4,092,578)	(368,917)		(4,461,495)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>42,167,434</u>	<u>12,033,992</u>	<u>702,878</u>	<u>54,904,304</u>
NET POSITION, END OF YEAR	<u>\$ 43,546,642</u>	<u>\$ 16,409,332</u>	<u>\$ 685,684</u>	<u>\$ 60,641,658</u>

See notes to basic financial statements.

CITY OF BOULDER CITY

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

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 22,442,299	\$	\$	\$ 22,442,299
Cash received from other sources	206,881	391,509	74,801	673,191
Cash payments for goods and services	(15,275,303)	(452,191)	(27,611)	(15,755,105)
Cash payments for employee services	(2,444,836)	(188,552)		(2,633,388)
Net cash provided by (used in) operating activities	<u>4,929,041</u>	<u>(249,234)</u>	<u>47,190</u>	<u>4,726,997</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,166,836			2,166,836
Transfers out	(1,585,000)		(46,000)	(1,631,000)
Net cash provided by (used in) noncapital financing activities	<u>581,836</u>	<u></u>	<u>(46,000)</u>	<u>535,836</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(2,466,153)	(4,922,393)		(7,388,546)
Principal payments on debt	(2,765,286)			(2,765,286)
Interest payments on debt	(1,558,584)			(1,558,584)
Payments received on advances to other funds	743,778			743,778
Capital grant contributions	131,515	4,657,980		4,789,495
Sales and use tax	721,960			721,960
Capital contributions	142,099			142,099
Net cash used in capital financing activities	<u>(5,050,671)</u>	<u>(264,413)</u>	<u></u>	<u>(5,315,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	37,895			37,895
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	498,101	(513,647)	1,190	(14,356)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,218,486</u>	<u>729,725</u>	<u>460,725</u>	<u>14,408,936</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 13,716,587</u>	<u>\$ 216,078</u>	<u>\$ 461,915</u>	<u>\$ 14,394,580</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,620,707	\$ (282,640)	\$ 28,806	\$ 1,366,873
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	2,352,985	524,602	16,592	2,894,179
(Increase) decrease in operating assets				
Accounts receivable	(335,592)	(305,568)		(641,160)
Due from other governments	(7,894)			(7,894)
Prepaid water commodity surcharge	1,217,430			1,217,430
Increase (decrease) in operating liabilities				
Accounts payable	(69,099)	(192,225)	1,792	(259,532)
Accrued expenses	76,583	8,303		84,886
Customer deposits	21,756			21,756
Due to other governments	7,896			7,896
Interest payable	3,495			3,495
Compensated absences	117,442	7,016		124,458
Landfill closure ad post-closure care	31,936			31,936
Net pension liability	(108,604)	(8,722)		(117,326)
Total adjustments	<u>3,308,334</u>	<u>33,406</u>	<u>18,384</u>	<u>3,360,124</u>
Net cash provided by (used in) operating activities	<u>\$ 4,929,041</u>	<u>\$ (249,234)</u>	<u>\$ 47,190</u>	<u>\$ 4,726,997</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, 2015

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, 2015

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 60 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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The City's only major governmental fund is the general fund, which 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.

Additionally, the City reports non-major special revenue funds, which 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*, which provides electric, water and sewer services to City residents.

The *Aviation Fund*, which is used to account for the operations of the City's airport.

Additionally, the City reports a nonmajor enterprise fund, which 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, transactions sometimes 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 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, 2015

Property taxes receivable that are not expected to be collected within 60 days of year end are recognized as unavailable 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 estimated allowance for uncollectible amounts.

Upon the certification of property tax rates by the Nevada State Tax Commission, the Clark 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 Clark 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 Clark 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 Clark County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the Clark County Treasurer may sell the property to satisfy the tax lien. The Clark County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

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

Inventories

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

Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the 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's capitalization threshold was \$5,000 for the current fiscal year.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

Capital asset depreciation is 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 obligations (*i.e.*, compensated absences) 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 City's 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 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 and discounts 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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 in the period incurred.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2015, the City has only one type of item, which qualifies for reporting in this category. The City reports deferred amounts related to pensions for the changes in proportion and differences between actual pension contributions and the City's proportionate share of pension contributions. This amount is deferred and amortized over the the average expected remaining service life of all employees that are provided with pension benefits. Deferred outflows are also recorded for pension contributions made by the Agency subsequent to the pension plan's actuarial measurement date, which are deferred for one year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under a modified accrual basis of accounting the governmental funds report unavailable revenues from property taxes receivable that were not collected within 60 days of year end. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Under full accrual accounting, the government-wide statement of net position also reports deferred inflows for 1) the differences between expected and actual pension plan experience and changes of pension plan actuarial assumptions, which are deferred and amortized over the the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years.

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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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.

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, the net pension liability, landfill closure and post-closure care, as well as the and useful lives of capital assets.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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.

Excess of Expenditures over Appropriations

For the year ended June 30, 2015, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

More Cops Special Revenue fund, Public Safety function	\$	20,512
Multiple Purpose Special Revenue fund, General Government function		3,581
Multiple Purpose Special Revenue fund, Public Safety function		18,394
Multiple Purpose Special Revenue fund, Judicial function		17,172
Multiple Purpose Special Revenue fund, Culture and Recreation function		64,209

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Prior Period Adjustments

Fund balance or net position as of July 1, 2014, has been retroactively adjusted as follows:

	Utility Enterprise Fund	Aviation Enterprise Fund	Governmental Activities	Business-type Activities
Fund balance or net position, as previously reported	\$ 46,260,012	\$ 12,402,909	\$ 81,735,100	\$ 59,365,799
Adjustments				
Adoption of GASB Statements 68 and 71	(4,593,845)	(368,917)	(21,023,503)	(4,461,495)
Adjustment to unbilled utility accounts receivable	501,267			
Fund balance or net position, as adjusted	\$ 42,167,434	\$ 12,033,992	\$ 60,711,597	\$ 54,904,304

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. This statement is effective for periods beginning after June 15, 2015, and is primarily intended to provide guidance related to pension plans not covered by GASB Statement No. 68. GASB 73. It also extends the approach to accounting and reporting established in Statement No. 68. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These statements are each effective for periods beginning after June 15, 2016, and replace GASB No's. 43, 47, and 57, as well as other prior guidance. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with OPEB. They also include specific recognition and disclosure requirements for various OPEB plans. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015. This statement does not address any specific reporting requirement; rather it discusses levels of authority that governments should use in applying requirements. GASB No. 76 establishes GASB Statements as Category A, which is the highest level of reporting authority for state and local governments, and Category B sources in the absence of Category A requirements. Category B includes GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB. It supersedes GASB Statement No. 55, and amends GASB Statement No. 62. Management does not expect the adoption of this statement to have a significant impact on the City's financial statements.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This statement also requires governments that enter into tax abatement agreements to disclose other information about the agreements. 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, 2015, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Cash and cash equivalents on deposit	\$ 25,199,223
Investments	12,362,289
Cash on hand	<u>5,471</u>
Total cash, cash equivalents and investments	<u>\$ 37,566,983</u>

At June 30, 2015, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

Governmental activities	\$ 23,172,403
Business-type activities	<u>14,394,580</u>
Total cash, cash equivalents and investments	<u>\$ 37,566,983</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 \$37,561,511, and the bank balance was \$38,343,442. As of June 30, 2015, 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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, 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, 2015, 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	\$ 1,552,483	\$ 379,462	\$ 1,000,336	\$ 552,147
Money market mutual funds	379,462	379,462		
Negotiable certificates of deposit	6,993,073	1,507,216	2,751,099	2,740,758
U.S. Agency securities				
Federal Home Loan Bank	1,124,152		1,124,152	
Federal Farm Credit Banks Funding Corporation	1,019,846		705,157	314,689
Federal National Mortgage Association	782,940		538,466	244,474
Federal Home Loan Mortgage Corporation	510,333		510,333	
Total investments	<u>\$ 12,362,289</u>	<u>\$ 1,886,678</u>	<u>\$ 6,629,543</u>	<u>\$ 3,852,068</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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Leases Receivable

The City receives lease revenue 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 as indicated below.

As of June 30, 2015, 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>	<u>General Fund</u>	<u>Aggregate Other Governmental Funds</u>	<u>Total</u>
2016	\$ 8,260,861	\$ 2,583,500	\$ 10,844,361
2017	8,327,427	2,607,501	10,934,928
2018	8,772,764	2,729,084	11,501,848
2019	8,836,949	2,756,549	11,593,498
2020	8,903,692	2,767,319	11,671,011
2021 - 2025	45,243,557	14,188,720	59,432,277
2026 - 2030	45,157,664	13,552,762	58,710,426
2031 - 2035	44,643,882	11,452,848	56,096,730
2036 - 2040	43,773,382	11,044,543	54,817,925
2041 - 2045	36,045,465	9,011,366	45,056,831
2046 - 2050	31,839,531	7,959,883	39,799,414
2051 - 2055	28,841,513	7,210,378	36,051,891
2056 - 2060	17,749,051	4,437,263	22,186,314
2061 - 2065	17,489,647	4,372,412	21,862,059
	<u>\$ 353,885,385</u>	<u>\$ 96,674,128</u>	<u>\$ 450,559,513</u>

Unearned Revenue

Unearned revenue is reported in connection with resources from land leases that have been received, but not yet earned. At June 30, 2015, unearned revenue was as follows:

	<u>Lease Revenue</u>
General Fund	\$ 1,754,049
Aggregate Other Governmental Funds	<u>2,452,763</u>
	<u>\$ 4,206,812</u>

Interfund Receivables, Payables, and Transfers

Due To and From Other Funds

At June 30, 2015, 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	\$ 194,115	\$
Aggregate Other Governmental Funds	<u></u>	<u>194,115</u>
	<u>\$ 194,115</u>	<u>\$ 194,115</u>

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Advances To and From Other Funds

At June 30, 2015, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	Receivable	Payable
General Fund	\$	\$ 3,590,807
Utility Enterprise Fund	3,590,807	
	\$ 3,590,807	\$ 3,590,807

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.

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 interfund loan was repaid in its entirety in July 2015, using available cash in the general fund.

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, 2015, interfund transfers were as follows

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Utility Enterprise Fund	\$ 1,585,000
	Aggregate Other Governmental Funds	168,392
	Nonmajor Cemetery Fund	46,000
Utility Enterprise Fund	Aggregate Other Governmental Funds	2,166,836
		\$ 3,966,228

Capital Assets

For the year ended June 30, 2015, capital asset activity was as follows:

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2015
Governmental activities					
Capital assets not being depreciated					
Construction in progress	\$ 1,277,310	\$ 7,208,401	\$	\$ (7,153,156)	\$ 1,332,555
Land	28,529,138				28,529,138
Total capital assets not being depreciated	29,806,448	7,208,401		(7,153,156)	29,861,693

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2015
Capital assets being depreciated					
Buildings and building improvements	\$ 13,286,917	\$	\$	\$	\$ 13,286,917
Improvements other than buildings	27,469,145			6,780,665	34,249,810
Infrastructure	73,312,216				73,312,216
Machinery, equipment and furniture	<u>14,038,749</u>	<u>466,757</u>	<u>(1,266,525)</u>	<u>372,491</u>	<u>13,611,472</u>
Total capital assets being depreciated	<u>128,107,027</u>	<u>466,757</u>	<u>(1,266,525)</u>	<u>7,153,156</u>	<u>134,460,415</u>
Accumulated depreciation					
Buildings and building improvements	(5,082,114)	(379,663)			(5,461,777)
Improvements other than buildings	(13,807,724)	(1,222,952)			(15,030,676)
Infrastructure	(47,592,118)	(1,751,403)			(49,343,521)
Machinery, equipment and furniture	<u>(9,921,052)</u>	<u>(1,144,943)</u>	<u>1,149,859</u>		<u>(9,916,136)</u>
Total accumulated depreciation	<u>(76,403,008)</u>	<u>(4,498,961)</u>	<u>1,149,859</u>		<u>(79,752,110)</u>
Total capital assets being depreciated, net	<u>51,704,019</u>	<u>(4,032,204)</u>	<u>(116,666)</u>	<u>7,153,156</u>	<u>54,708,305</u>
Total governmental activities	<u>\$ 81,510,467</u>	<u>\$ 3,176,197</u>	<u>\$ (116,666)</u>	<u>\$</u>	<u>\$ 84,569,998</u>

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

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2015
Business-type activities					
Capital assets not being depreciated					
Construction in progress	\$ 1,065,549	\$ 7,246,453	\$	\$ (6,588,896)	\$ 1,723,106
Land	<u>606,375</u>				<u>606,375</u>
Total capital assets not being depreciated	<u>1,671,924</u>	<u>7,246,453</u>		<u>(6,588,896)</u>	<u>2,329,481</u>
Capital assets being depreciated					
Buildings and building improvements	438,631				438,631
Improvements other than buildings	15,168,408			5,875,488	21,043,896
Machinery, equipment and furniture	5,948,933		(1,185,813)	235,370	4,998,490
Utility delivery systems	<u>91,933,634</u>	<u>142,099</u>		<u>478,038</u>	<u>92,553,771</u>
Total capital assets being depreciated	<u>113,489,606</u>	<u>142,099</u>	<u>(1,185,813)</u>	<u>6,588,896</u>	<u>119,034,788</u>
Accumulated depreciation					
Buildings and building improvements	(293,810)	(14,116)			(307,926)
Improvements other than buildings	(4,678,328)	(530,689)			(5,209,017)
Machinery, equipment and furniture	(5,006,997)	(142,975)	1,111,634		(4,038,338)
Utility delivery systems	<u>(39,591,121)</u>	<u>(2,205,067)</u>			<u>(41,796,188)</u>
Total accumulated depreciation	<u>(49,570,256)</u>	<u>(2,892,847)</u>	<u>1,111,634</u>		<u>(51,351,469)</u>
Total capital assets being depreciated, net	<u>63,919,350</u>	<u>(2,750,748)</u>	<u>(74,179)</u>	<u>6,588,896</u>	<u>67,683,319</u>
Total business-type activities	<u>\$ 65,591,274</u>	<u>\$ 4,495,705</u>	<u>\$ (74,179)</u>	<u>\$</u>	<u>\$ 70,012,800</u>

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For the year ended June 30, 2015, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 122,922
Public safety	804,333
Judicial	63,025
Public works	2,004,323
Culture and recreation	1,456,840
Community support	<u>47,518</u>
Total depreciation expense, governmental activities	<u>\$ 4,498,961</u>
Business-type activities	
Utility	\$ 2,351,653
Aviation	524,602
Cemetery	<u>16,592</u>
Total depreciation expense, business-type activities	<u>\$ 2,892,847</u>

Long-term Liabilities

Capital Leases - Governmental Activities

The City has entered into capital lease agreements to finance the acquisition of capital assets used in municipal golf course operations, with scheduled payments through June 2017. For accounting purposes, the assets acquired under these 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, 2015, were \$278,982.

At June 30, 2015, the net book value of capital assets acquired through capital leases was \$270,558, and future minimum capital lease payments are as follows:

<u>For the Year Ended June 30,</u>	
2016	\$ 207,966
2017	<u>85,645</u>
Total future minimum capital lease payments	293,611
Less portion of payment representing interest	<u>(10,337)</u>
Present value of total future minimum capital lease payments	<u>\$ 283,274</u>

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. In May 2015, the City repaid these bonds using available cash balances.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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.

Also pursuant to the interlocal agreement with SNWA, the City entered into the SNWA note in May 2010, which is scheduled to be repaid over a 25 year period, in an amount not to exceed \$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 commenced in fiscal year 2015.

Outstanding bonds and notes payable at June 30, 2015, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</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>29,020,000</u>
Notes payable				
Southern Nevada Water Authority Note	June 2034	4.92%	\$ <u>10,523,276</u>	\$ <u>3,454,070</u>
Total business-type activities			\$ <u><u>44,068,276</u></u>	\$ <u><u>32,474,070</u></u>

At June 30, 2015, annual debt service requirements to maturity for bond and note obligations were as follows:

<u>For the Year Ended June 30,</u>	<u>Utility Revenue Refunding Bonds, Series 2006</u>		<u>Southern Nevada Water Authority Note</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Business-type activities				
2016	\$ 835,000	\$ 1,255,756	\$ 114,006	\$ 169,940
2017	870,000	1,221,657	119,616	164,331
2018	1,150,000	1,175,506	125,501	158,446
2019	1,210,000	1,116,506	131,675	152,271
2020	1,270,000	1,116,506	138,154	145,793
2021 - 2025	7,255,000	4,370,556	799,666	620,067
2026 - 2030	9,070,000	2,557,341	1,016,717	403,016
2031 - 2035	6,520,000	706,775	1,008,735	127,052
2036 - 2040	<u>840,000</u>	<u>17,850</u>	<u> </u>	<u> </u>
Total business-type activities	\$ <u><u>29,020,000</u></u>	\$ <u><u>13,538,453</u></u>	\$ <u><u>3,454,070</u></u>	\$ <u><u>1,940,916</u></u>

Changes in Long-term Liabilities

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Long-term liabilities activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014 (Restated)	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Governmental activities					
General obligation bonds					
Golf Course Revenue Refunding Bonds, Series 2005	\$ 5,035,000	\$ _____	\$ (5,035,000)	\$ _____	\$ _____
Capital leases					
Key Government Finance, Inc. Lease No. 40741	38,537		(38,537)		
PNC Equipment Finance, LLC Lease No. 165640000	75,561		(55,794)	19,767	19,767
PNC Equipment Finance, LLC Lease No. 175758000	133,662		(60,368)	73,294	62,629
PNC Equipment Finance, LLC Lease No. 175758000	132,857		(60,000)	72,857	62,253
PNC Equipment Finance, LLC Lease No. 183538000	_____	186,000	(64,282)	121,718	59,745
Total capital leases	380,617	186,000	(278,981)	287,636	204,394
Unamortized deferred refunding charges	(280,735)		280,735		
Compensated absences	2,633,754	1,008,076	(635,269)	3,006,561	899,347
Postemployment benefits other than pensions	89,672	74,549	(83,404)	80,817	
Net pension liability	21,032,502	2,495,068	(4,696,164)	18,831,406	_____
Total governmental activities	28,890,810	3,763,693	(10,448,083)	22,206,420	1,103,741
Business-type activities					
General obligation bonds					
Utility Revenue Refunding Bonds, Series 2006	29,820,000	_____	(800,000)	29,020,000	835,000
Notes payable					
Southern Nevada Water Authority Note	5,419,356	_____	(1,965,286)	3,454,070	114,006
Unamortized bond premiums	228,141		(10,100)	218,041	10,680
Compensated absences	626,284	354,357	(272,347)	708,294	222,041
Net pension liability	4,962,762	588,980	(1,106,441)	4,445,301	_____
Total business-type activities	41,056,543	943,337	(4,154,174)	37,845,706	1,181,727
Total long-term liabilities	\$ 69,947,353	\$ 4,707,030	\$ (14,602,257)	\$ 60,052,126	\$ 2,285,468

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, no defeased debt remained outstanding.

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 \$2,464,180 represents the cumulative costs recorded to date, which is based on 46.4% capacity usage of the landfill as of June 30, 2015. The total estimated closure and post-closure costs are currently estimated at \$5,309,054, and accordingly, an additional \$2,845,173 in costs are expected to be recognized through 2049, the year in which the landfill is expected to be fully utilized.

The City has accumulated cash and cash equivalents in the amount of \$2,030,513, which is 82.4% of the recorded liability at June 30, 2015, 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 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, 2015. However, the actual cost of closure and post-closure care may fluctuate due to inflation, changes in technology, or changes in landfill laws and regulations.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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.

Including the City, 115 public agencies are members of the Pool as of June 30, 2015. 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, 2015, 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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015, 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 recently experienced a widespread recession accompanied by declines in residential real estate values, mortgage lending and related construction activity, higher energy costs and other inflationary trends, and weakness in the commercial and investment banking systems. 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.

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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 \$3,424,638 related to this commitment, of which \$2,940,351 was for water purchases and \$484,286 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.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The City does not exercise any control over PERS. NRS 286.110 states that, "The respective participating public employers are not liable for any obligations of the system."

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

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

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

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

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

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

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

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

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

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

For the fiscal years ended June 30, 2014 and 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members.

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

PERS collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience review completed in 2013), applied to all periods included in the measurement:

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

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

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

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

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

For non-disabled male regular members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA

For non-disabled female regular members - RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For all non-disabled police/fire members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year

For all disabled regular members and all disabled police/fire members - RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2014:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42 %	5.50 %
International equity	18 %	5.75 %
Domestic fixed income	30 %	25.00 %
Private markets	10 %	6.80 %

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

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

The City's proportionate share of the net pension liability at June 30, 2014, calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 36,197,824	\$ 23,276,707	\$ 12,535,968

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

The City's proportionate share (amount) of the collective net pension liability represents .22334% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2014, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For the period ended June 30, 2015, the City's pension expense was \$3,048,510 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2015, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,113,919
Changes of assumptions		
Net difference between projected and actual earnings on investments		4,889,061
Changes in proportion and differences between actual contributions and proportionate share of contributions	209,374	
Contributions made subsequent to the measurement date	3,698,396	

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

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$3,698,396 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,		
2016	\$	(1,368,243)
2017		(1,368,243)
2018		(1,368,243)
2019		(1,368,243)
2020		(188,608)
Thereafter		(132,026)

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

Net pension liability, beginning of year	\$	29,369,153
Pension expense		3,048,510
Employer contributions		(3,698,396)
Net new deferred inflows and outflows of resources		(5,442,560)
Net pension liability, end of year	\$	23,276,707

At June 30, 2015, \$293,886 is payable to PERS, equal to the June 2015 required contribution, was included in accounts payable.

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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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 2015, this subsidy ranged from \$4.02 to \$627.28 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. 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.

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	2,423
Adjustment to ARC	<u>(4,001)</u>
Annual OPEB cost	92,630
OPEB contributions made	<u>(83,727)</u>
Increase in net OPEB obligation	8,903
Net OPEB obligation, beginning of year	<u>80,769</u>
Net OPEB obligation, end of year	<u><u>\$ 89,672</u></u>

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

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, 2015	N/A ¹ \$	1,450,730 \$	1,450,730	0.0 %	N/A ²	N/A ²

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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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, 2013, 2014 and 2015 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				
2013	\$ 92,328	\$ 103,720	112.3 %	\$ 84,858
2014	92,551	96,640	104.4 %	80,769
2015	92,630	83,727	90.4 %	89,672

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, 2015
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 ¹
Health cost inflation rates for the year ending June 30,	
2016	7.25%
2017	7.50%
2018	6.75%
2019-2021	6.00%
2022-2033	6.25%
2034-2036	6.50%
2037-2038	6.25%
2039-2042	6.00%
2043-2048	5.75%
2049-2057	5.50%
2058-2063	5.25%
2064-2066	5.00%
2067-2069	4.75%
2070 and beyond	4.5%

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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.

Subsequent Event

As discussed in Note 3 (Interfund receivables, payables and transfers), the interfund loan between the City's General Fund and Utility Fund was repaid in its entirety in July 2015, using available cash in the general fund.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF BOULDER CITY

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2015

<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, 2010	N/A ¹ \$	2,795,851 \$	2,795,851	0.0 %	N/A ²	N/A ²
June 30, 2012	N/A ¹	1,901,928	1,901,928	0.0 %	N/A ²	N/A ²
June 30, 2015	N/A ¹	1,450,730	1,450,730	0.0 %	N/A ²	N/A ²

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

REQUIRED SUPPLEMENTARY INFORMATION MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2014 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	0.22334 %	\$ 23,276,707	\$ 12,623,369	184.39 %	76.30 %

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

CITY OF BOULDER CITY

REQUIRED SUPPLEMENTARY INFORMATION MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS¹

For the Year Ended June 30,	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 3,698,396	\$ 3,698,396	\$	\$ 12,408,347	29.81 %

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

CITY OF BOULDER CITY

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 1,464,747	\$ 1,464,747	\$ 1,559,455	\$ 94,708
Room tax	485,000	485,000	527,497	42,497
Franchise fees	745,000	745,000	823,514	78,514
Licenses and permits	575,000	575,000	1,051,228	476,228
Charges for services	4,686,744	4,767,649	4,644,438	(123,211)
Intergovernmental	9,590,000	18,077,352	17,258,798	(818,554)
Fines and forfeitures	714,500	714,500	571,512	(142,988)
Rents and royalties	8,495,691	8,495,691	16,190,939	7,695,248
Investment income	40,000	40,000	42,728	2,728
Miscellaneous	<u>252,000</u>	<u>252,000</u>	<u>169,150</u>	<u>(82,850)</u>
Total revenues	<u>27,048,682</u>	<u>35,616,939</u>	<u>42,839,259</u>	<u>7,222,320</u>
EXPENDITURES				
General government				
Legislative				
Salaries and wages	519,102	519,102	524,572	(5,470)
Employee benefits	194,954	194,954	196,864	(1,910)
Services and supplies	<u>414,305</u>	<u>684,305</u>	<u>568,143</u>	<u>116,162</u>
Total legislative	<u>1,128,361</u>	<u>1,398,361</u>	<u>1,289,579</u>	<u>108,782</u>
Executive				
Salaries and wages	393,132	393,132	379,163	13,969
Employee benefits	151,789	151,789	150,216	1,573
Services and supplies	<u>137,110</u>	<u>137,110</u>	<u>117,910</u>	<u>19,200</u>
Total executive	<u>682,031</u>	<u>682,031</u>	<u>647,289</u>	<u>34,742</u>
Finance				
Salaries and wages	429,683	429,683	347,106	82,577
Employee benefits	174,886	174,886	138,024	36,862
Services and supplies	<u>62,350</u>	<u>62,350</u>	<u>171,977</u>	<u>(109,627)</u>
Total finance	<u>666,919</u>	<u>666,919</u>	<u>657,107</u>	<u>9,812</u>
Information systems				
Salaries and wages	48,613	48,613	48,613	
Employee benefits	25,403	25,403	25,011	392
Services and supplies	<u>741,885</u>	<u>741,885</u>	<u>622,727</u>	<u>119,158</u>
Total information systems	<u>815,901</u>	<u>815,901</u>	<u>696,351</u>	<u>119,550</u>
Central services				
Salaries and wages			14,760	(14,760)
Employee benefits	112,078	112,078	106,127	5,951
Services and supplies	<u>861,660</u>	<u>1,282,514</u>	<u>886,699</u>	<u>395,815</u>
Total central services	<u>973,738</u>	<u>1,394,592</u>	<u>1,007,586</u>	<u>387,006</u>
Total general government	<u>4,266,950</u>	<u>4,957,804</u>	<u>4,297,912</u>	<u>659,892</u>
Public safety				
Police				
Salaries and wages	2,998,475	2,913,675	3,161,094	(247,419)
Employee benefits	1,751,084	1,751,084	1,682,730	68,354
Services and supplies	1,145,846	1,405,884	1,090,020	315,864
Capital outlay		<u>200,000</u>	<u>196,506</u>	<u>3,494</u>
Total police	<u>5,895,405</u>	<u>6,270,643</u>	<u>6,130,350</u>	<u>140,293</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, 2015

	Original Budget	Final Budget	Actual	Variance
Animal control				
Salaries and wages	149,146	149,146	140,547	8,599
Employee benefits	61,932	61,932	59,346	2,586
Services and supplies	24,340	24,340	23,207	1,133
Total animal control	<u>235,418</u>	<u>235,418</u>	<u>223,100</u>	<u>12,318</u>
Fire				
Salaries and wages	2,114,924	2,114,924	2,137,559	(22,635)
Employee benefits	1,109,314	1,109,314	1,056,237	53,077
Services and supplies	458,450	458,591	405,571	53,020
Total fire	<u>3,682,688</u>	<u>3,682,829</u>	<u>3,599,367</u>	<u>83,462</u>
Total public safety	<u>9,813,511</u>	<u>10,188,890</u>	<u>9,952,817</u>	<u>236,073</u>
Judicial				
Municipal court				
Salaries and wages	354,256	361,856	379,704	(17,848)
Employee benefits	140,949	140,949	143,348	(2,399)
Services and supplies	89,943	90,734	70,461	20,273
Total judicial	<u>585,148</u>	<u>593,539</u>	<u>593,513</u>	<u>26</u>
Public works				
Highway and streets				
Salaries and wages	550,766	550,766	516,000	34,766
Employee benefits	236,587	236,587	221,470	15,117
Services and supplies	308,059	329,222	554,328	(225,106)
Capital outlay		10,795,731	7,208,400	3,587,331
Total highway and streets	<u>1,095,412</u>	<u>11,912,306</u>	<u>8,500,198</u>	<u>3,412,108</u>
Engineering				
Salaries and wages	265,643	265,643	270,091	(4,448)
Employee benefits	113,234	113,234	112,739	495
Services and supplies	61,450	76,808	47,957	28,851
Total engineering	<u>440,327</u>	<u>455,685</u>	<u>430,787</u>	<u>24,898</u>
Administration				
Salaries and wages	137,955	137,955	158,335	(20,380)
Employee benefits	46,035	46,035	58,279	(12,244)
Services and supplies	429,000	429,942	508,469	(78,527)
Total administration	<u>612,990</u>	<u>613,932</u>	<u>725,083</u>	<u>(111,151)</u>
Landscaping				
Salaries and wages	524,901	524,901	533,141	(8,240)
Employee benefits	240,400	240,400	242,253	(1,853)
Services and supplies	381,400	406,095	363,217	42,878
Total landscaping	<u>1,146,701</u>	<u>1,171,396</u>	<u>1,138,611</u>	<u>32,785</u>
Building maintenance				
Salaries and wages	129,070	129,070	131,132	(2,062)
Employee benefits	56,803	56,803	57,317	(514)
Services and supplies	284,085	286,684	259,453	27,231
Total building maintenance	<u>469,958</u>	<u>472,557</u>	<u>447,902</u>	<u>24,655</u>
Total public works	<u>3,765,388</u>	<u>14,625,876</u>	<u>11,242,581</u>	<u>3,383,295</u>
Culture and recreation				

(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, 2015

	Original Budget	Final Budget	Actual	Variance
Boulder City Municipal golf course				
Services and supplies	1,318,341	1,326,469	1,197,592	128,877
Other recreation				
Salaries and wages	960,730	960,730	955,951	4,779
Employee benefits	298,959	298,959	297,152	1,807
Services and supplies	559,568	634,350	576,835	57,515
Total other recreation	1,819,257	1,894,039	1,829,938	64,101
Swimming pool				
Salaries and wages	290,756	290,756	272,017	18,739
Employee benefits	66,254	66,254	64,710	1,544
Services and supplies	136,415	136,415	167,708	(31,293)
Total swimming pool	493,425	493,425	504,435	(11,010)
Boulder Creek golf course				
Services and supplies	1,922,010	1,927,124	1,900,586	26,538
Capital outlay	130,000	130,000	186,000	(56,000)
Total boulder creek golf course	2,052,010	2,057,124	2,086,586	(29,462)
Total culture and recreation	5,683,033	5,771,057	5,618,551	152,506
Community support				
Community development administration				
Salaries and wages	131,201	131,201	126,443	4,758
Employee benefits	41,695	41,695	41,257	438
Services and supplies	11,600	11,600	12,196	(596)
Total community development administration	184,496	184,496	179,896	4,600
Planning and zoning				
Salaries and wages	99,786	99,786	101,692	(1,906)
Employee benefits	38,970	38,970	39,153	(183)
Services and supplies	25,269	65,991	52,069	13,922
Total planning and zoning	164,025	204,747	192,914	11,833
Building inspection and code enforcement				
Salaries and wages	230,732	230,732	218,654	12,078
Employee benefits	74,211	74,211	86,191	(11,980)
Services and supplies	133,195	221,951	102,930	119,021
Total building inspection and code enforcement	438,138	526,894	407,775	119,119
Total community support	786,659	916,137	780,585	135,552
Debt service				
Principal payments			5,311,701	(5,311,701)
Interest and fiscal charges	2,893,143	2,893,143	187,006	2,706,137
Total debt service	2,893,143	2,893,143	5,498,707	(2,605,564)
Total expenditures	27,793,832	39,946,446	37,984,666	1,961,780
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(745,150)	(4,329,507)	4,854,593	9,184,100

(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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal			24,379	24,379
Proceeds from capital leases			186,000	186,000
Transfers in	<u>1,676,000</u>	<u>1,917,903</u>	<u>1,799,392</u>	<u>(118,511)</u>
Total other financing sources	<u>1,676,000</u>	<u>1,917,903</u>	<u>2,009,771</u>	<u>91,868</u>
CHANGE IN FUND BALANCE	930,850	(2,411,604)	6,864,364	9,275,968
FUND BALANCE, BEGINNING OF YEAR	<u>2,121,706</u>	<u>2,086,706</u>	<u>3,217,137</u>	<u>1,130,431</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,052,556</u>	<u>\$ (324,898)</u>	<u>\$ 10,081,501</u>	<u>\$ 10,406,399</u>

CITY OF BOULDER CITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2015, 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, 2015, June 30, 2012 and June 30, 2010.

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. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2015, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2014.

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

Additional pension plan information can be found in Note 8 to the basic financial statements.

Note 3. 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.

**NON-MAJOR
GOVERNMENTAL FUNDS**

CITY OF BOULDER CITY

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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.

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.

CITY OF BOULDER CITY

**NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	<u>Capital Improvement</u>	<u>Residential Construction Tax</u>	<u>Municipal Court</u>	<u>More Cops</u>	<u>Multipurpose</u>	<u>Golf Course Improvement</u>	<u>Redevelopment District #1</u>	<u>Total Nonmajor Special Revenue</u>
ASSETS								
Cash, cash equivalents and investments	\$ 5,958,153	\$ 17,669	\$ 583,508	\$ 48,835	\$ 3,064,730	\$ 263,120	\$ 442,336	\$ 10,378,351
Taxes receivable							14,059	14,059
Due from other governments				180,547				180,547
Total assets	<u>\$ 5,958,153</u>	<u>\$ 17,669</u>	<u>\$ 583,508</u>	<u>\$ 229,382</u>	<u>\$ 3,064,730</u>	<u>\$ 263,120</u>	<u>\$ 456,395</u>	<u>\$ 10,572,957</u>
LIABILITIES								
Accounts payable	\$ 5,647	\$	\$ 2,071	\$	\$ 3,822	\$	\$	\$ 11,540
Accrued expenses			2,124	77,247			3,464	82,835
Due to other funds				194,115				194,115
Unearned revenue	452,763				2,000,000			2,452,763
Total liabilities	<u>458,410</u>		<u>4,195</u>	<u>271,362</u>	<u>2,003,822</u>		<u>3,464</u>	<u>2,741,253</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes							13,780	13,780

(Continued)

CITY OF BOULDER CITY

**NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015**

	<u>Capital Improvement</u>	<u>Residential Construction Tax</u>	<u>Municipal Court</u>	<u>More Cops</u>	<u>Multipurpose</u>	<u>Golf Course Improvement</u>	<u>Redevelopment District #1</u>	<u>Total Nonmajor Special Revenue</u>
FUND BALANCES								
Nonspendable								
Restricted for								
Courts and other judicial programs			506,611					506,611
Fire, police and other public safety programs					236,114			236,114
Parks, cultural and recreational programs		17,669						17,669
Capital improvement projects	5,499,743		72,702		495,200			6,067,645
Committed to								
Courts and other judicial programs					12,828			12,828
Capital improvement projects						263,120	439,151	702,271
Assigned to								
Stabilization and other general programs					11,005			11,005
Fire, police and other public safety programs					44,921			44,921
Parks, cultural and recreational programs					84,803			84,803
Capital improvement projects					176,037			176,037
Unassigned				(41,980)				(41,980)
Total fund balances	<u>5,499,743</u>	<u>17,669</u>	<u>579,313</u>	<u>(41,980)</u>	<u>1,060,908</u>	<u>263,120</u>	<u>439,151</u>	<u>7,817,924</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,958,153</u>	<u>\$ 17,669</u>	<u>\$ 583,508</u>	<u>\$ 229,382</u>	<u>\$ 3,064,730</u>	<u>\$ 263,120</u>	<u>\$ 456,395</u>	<u>\$ 10,572,957</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, 2015**

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Nonmajor Special Revenue
REVENUES								
Property taxes	\$	\$ 29,000	\$	\$ 708,884	\$	\$	\$ 522,708	\$ 1,260,592
Charges for services						122,967		122,967
Fines and forfeitures			150,821					150,821
Rents and royalties	4,004,364							4,004,364
Investment income	6,988							6,988
Miscellaneous					139,430			139,430
Total revenues	<u>4,011,352</u>	<u>29,000</u>	<u>150,821</u>	<u>708,884</u>	<u>139,430</u>	<u>122,967</u>	<u>522,708</u>	<u>5,685,162</u>
EXPENDITURES								
Current								
Public safety				750,866	18,394			769,260
Judicial			103,280		17,172			120,452
Culture and recreation					67,790			67,790
Community support							191,646	191,646
Total expenditures			<u>103,280</u>	<u>750,866</u>	<u>103,356</u>		<u>191,646</u>	<u>1,149,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,011,352</u>	<u>29,000</u>	<u>47,541</u>	<u>(41,982)</u>	<u>36,074</u>	<u>122,967</u>	<u>331,062</u>	<u>4,536,014</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from capital asset disposal	749,260							749,260
Transfers out	(2,016,836)	(45,540)				(122,852)	(150,000)	(2,335,228)
Total other financing sources (uses)	<u>(1,267,576)</u>	<u>(45,540)</u>				<u>(122,852)</u>	<u>(150,000)</u>	<u>(1,585,968)</u>
CHANGE IN FUND BALANCE	<u>2,743,776</u>	<u>(16,540)</u>	<u>47,541</u>	<u>(41,982)</u>	<u>36,074</u>	<u>115</u>	<u>181,062</u>	<u>2,950,046</u>
FUND BALANCE, BEGINNING OF YEAR	<u>2,755,967</u>	<u>34,209</u>	<u>531,772</u>	<u>2</u>	<u>1,024,834</u>	<u>263,005</u>	<u>258,089</u>	<u>4,867,878</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,499,743</u>	<u>\$ 17,669</u>	<u>\$ 579,313</u>	<u>\$ (41,980)</u>	<u>\$ 1,060,908</u>	<u>\$ 263,120</u>	<u>\$ 439,151</u>	<u>\$ 7,817,924</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Rents and royalties	\$ 2,012,836	\$ 2,012,836	\$ 4,004,364	\$ 1,991,528
Investment income	<u>3,000</u>	<u>3,000</u>	<u>6,988</u>	<u>3,988</u>
Total revenues	<u>2,015,836</u>	<u>2,015,836</u>	<u>4,011,352</u>	<u>1,995,516</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,015,836</u>	<u>2,015,836</u>	<u>4,011,352</u>	<u>1,995,516</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			749,260	749,260
Transfers out	<u>(2,016,836)</u>	<u>(2,016,836)</u>	<u>(2,016,836)</u>	<u></u>
Total other financing sources (uses)	<u>(2,016,836)</u>	<u>(2,016,836)</u>	<u>(1,267,576)</u>	<u>749,260</u>
CHANGE IN FUND BALANCE	(1,000)	(1,000)	2,743,776	2,744,776
FUND BALANCE, BEGINNING OF YEAR	<u>2,221,818</u>	<u>2,221,818</u>	<u>2,755,967</u>	<u>534,149</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,220,818</u>	<u>\$ 2,220,818</u>	<u>\$ 5,499,743</u>	<u>\$ 3,278,925</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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ <u>3,000</u>	\$ <u>3,000</u>	\$ <u>29,000</u>	\$ <u>26,000</u>
OTHER FINANCING USES				
Transfers out	<u> </u>	<u>(45,540)</u>	<u>(45,540)</u>	<u> </u>
CHANGE IN FUND BALANCE	3,000	(42,540)	(16,540)	26,000
FUND BALANCE, BEGINNING OF YEAR	<u>34,209</u>	<u>34,209</u>	<u>34,209</u>	<u> </u>
FUND BALANCE, END OF YEAR	\$ <u><u>37,209</u></u>	\$ <u><u>(8,331)</u></u>	\$ <u><u>17,669</u></u>	\$ <u><u>26,000</u></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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ <u>165,000</u>	\$ <u>165,000</u>	\$ <u>150,821</u>	\$ <u>(14,179)</u>
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	30,640	30,640	18,772	11,868
Employee benefits	14,072	14,072	8,119	5,953
Services and supplies	<u>164,868</u>	<u>164,868</u>	<u>76,389</u>	<u>88,479</u>
Total expenditures	<u>209,580</u>	<u>209,580</u>	<u>103,280</u>	<u>106,300</u>
CHANGE IN FUND BALANCE	(44,580)	(44,580)	47,541	92,121
FUND BALANCE, BEGINNING OF YEAR	<u>432,763</u>	<u>432,763</u>	<u>531,772</u>	<u>99,009</u>
FUND BALANCE, END OF YEAR	<u>\$ 388,183</u>	<u>\$ 388,183</u>	<u>\$ 579,313</u>	<u>\$ 191,130</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, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 700,000	\$ 700,000	\$ 708,884	\$ 8,884
EXPENDITURES				
Public safety				
Police				
Salaries and wages	443,027	443,027	461,826	(18,799)
Employee benefits	273,642	273,642	275,492	(1,850)
Services and supplies	13,685	13,685	13,548	137
Total expenditures	730,354	730,354	750,866	(20,512)
CHANGE IN FUND BALANCE	(30,354)	(30,354)	(41,982)	(11,628)
FUND BALANCE, BEGINNING OF YEAR	2	2	2	2
FUND BALANCE, END OF YEAR	\$ (30,354)	\$ (30,354)	\$ (41,980)	\$ (11,626)

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous	\$ _____	\$ _____	\$ 139,430	\$ 139,430
EXPENDITURES				
Public safety				
Police				
Services and supplies	_____	_____	17,691	(17,691)
Fire				
Services and supplies	_____	_____	703	(703)
Total public safety	_____	_____	18,394	(18,394)
Judicial				
Municipal court				
Services and supplies	_____	_____	17,172	(17,172)
Culture and recreation				
Other recreation				
Services and supplies	_____	_____	67,790	(67,790)
Total expenditures	_____	_____	103,356	(103,356)
CHANGE IN FUND BALANCE			36,074	36,074
FUND BALANCE, BEGINNING OF YEAR	_____	_____	1,024,834	1,024,834
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ 1,060,908	\$ 1,060,908

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ <u>118,000</u>	\$ <u>118,000</u>	\$ <u>122,967</u>	\$ <u>4,967</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>118,000</u>	<u>118,000</u>	<u>122,967</u>	<u>4,967</u>
OTHER FINANCING USES				
Transfers out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(122,852)</u>	<u>7,148</u>
CHANGE IN FUND BALANCE	(12,000)	(12,000)	115	12,115
FUND BALANCE, BEGINNING OF YEAR	<u>225,307</u>	<u>225,307</u>	<u>263,005</u>	<u>37,698</u>
FUND BALANCE, END OF YEAR	<u>\$ 213,307</u>	<u>\$ 213,307</u>	<u>\$ 263,120</u>	<u>\$ 49,813</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 453,000	\$ 453,000	\$ 522,708	\$ 69,708
Investment income	150	150		(150)
Total revenues	<u>453,150</u>	<u>453,150</u>	<u>522,708</u>	<u>69,558</u>
EXPENDITURES				
Community support				
Community development administration				
Salaries and wages	41,435	41,435	41,681	(246)
Employee benefits	18,055	18,055	18,317	(262)
Services and supplies	<u>209,924</u>	<u>209,924</u>	<u>131,648</u>	<u>78,276</u>
Total expenditures	<u>269,414</u>	<u>269,414</u>	<u>191,646</u>	<u>77,768</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>183,736</u>	<u>183,736</u>	<u>331,062</u>	<u>147,326</u>
OTHER FINANCING USES				
Transfers out	<u>(150,000)</u>	<u>(461,891)</u>	<u>(150,000)</u>	<u>311,891</u>
CHANGE IN FUND BALANCE	33,736	(278,155)	181,062	459,217
FUND BALANCE, BEGINNING OF YEAR	<u>258,089</u>	<u>258,089</u>	<u>258,089</u>	
FUND BALANCE, END OF YEAR	<u>\$ 291,825</u>	<u>\$ (20,066)</u>	<u>\$ 439,151</u>	<u>\$ 459,217</u>

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF BOULDER CITY

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Electric	\$ 14,145,000	\$ 14,145,000	\$ 13,597,563	\$ (547,437)
Water	6,371,429	6,371,429	6,329,867	(41,562)
Sewer	1,390,500	1,390,500	1,451,558	61,058
Refuse	900,000	900,000	935,099	35,099
Refuse special charge	176,000	176,000	246,653	70,653
Landfill receipts	195,000	195,000	195,395	395
Miscellaneous	131,500	131,500	214,775	83,275
Total operating revenues	<u>23,309,429</u>	<u>23,309,429</u>	<u>22,970,910</u>	<u>(338,519)</u>
OPERATING EXPENSES				
Salaries and wages	2,671,343	2,671,343	2,638,861	32,482
Employee benefits	1,085,538	1,085,538	1,050,315	35,223
Services and supplies	14,820,792	15,267,858	15,308,042	(40,184)
Depreciation	2,458,200	2,458,200	2,352,985	105,215
Total operating expenses	<u>21,035,873</u>	<u>21,482,939</u>	<u>21,350,203</u>	<u>132,736</u>
Operating income	<u>2,273,556</u>	<u>1,826,490</u>	<u>1,620,707</u>	<u>(205,783)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	10,000	10,000	37,895	27,895
Gain (loss) on capital asset disposition			(72,840)	(72,840)
Interest and fiscal charges	(3,889,456)	(3,889,456)	(1,783,964)	2,105,492
Grants			131,515	131,515
.25% local sales and use tax	675,000	675,000	721,960	46,960
Total nonoperating revenues (expenses)	<u>(3,204,456)</u>	<u>(3,204,456)</u>	<u>(965,434)</u>	<u>2,239,022</u>
Loss before capital contributions and transfers	<u>(930,900)</u>	<u>(1,377,966)</u>	<u>655,273</u>	<u>2,033,239</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			142,099	142,099
TRANSFERS				
Transfers in	2,700,000	4,669,207	2,166,836	(2,502,371)
Transfers out	(1,681,100)	(1,681,100)	(1,585,000)	96,100
Total transfers	<u>1,018,900</u>	<u>2,988,107</u>	<u>581,836</u>	<u>(2,406,271)</u>
CHANGE IN NET POSITION	<u>\$ 88,000</u>	<u>\$ 1,610,141</u>	<u>1,379,208</u>	<u>\$ (230,933)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			46,260,012	
Adjustment			<u>(4,092,578)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>42,167,434</u>	
NET POSITION, END OF YEAR			<u>\$ 43,546,642</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Rents and royalties	\$ 547,500	\$ 547,500	\$ 685,661	\$ 138,161
Miscellaneous	<u>52,255</u>	<u>52,255</u>	<u>11,416</u>	<u>(40,839)</u>
Total operating revenues	<u>599,755</u>	<u>599,755</u>	<u>697,077</u>	<u>97,322</u>
OPERATING EXPENSES				
Salaries and wages	221,085	221,085	203,871	17,214
Employee benefits	94,712	94,712	84,725	9,987
Services and supplies	177,012	177,012	166,519	10,493
Depreciation	<u>502,000</u>	<u>502,000</u>	<u>524,602</u>	<u>(22,602)</u>
Total operating expenses	<u>994,809</u>	<u>994,809</u>	<u>979,717</u>	<u>15,092</u>
Operating loss	<u>(395,054)</u>	<u>(395,054)</u>	<u>(282,640)</u>	<u>112,414</u>
NONOPERATING REVENUES				
Investment income	100	100		(100)
Grants	<u>85,000</u>	<u>4,936,649</u>	<u>4,657,980</u>	<u>(278,669)</u>
Total nonoperating revenues	<u>85,100</u>	<u>4,936,749</u>	<u>4,657,980</u>	<u>(278,769)</u>
CHANGE IN NET POSITION	<u>\$ (309,954)</u>	<u>\$ 4,541,695</u>	<u>4,375,340</u>	<u>\$ (166,355)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			12,402,909	
Adjustment			<u>(368,917)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>12,033,992</u>	
NET POSITION, END OF YEAR			<u>\$ 16,409,332</u>	

NON-MAJOR ENTERPRISE FUNDS

CITY OF BOULDER CITY

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

CEMETERY ENTERPRISE FUND

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Miscellaneous	\$ <u>69,500</u>	\$ <u>69,500</u>	\$ <u>74,805</u>	\$ <u>5,305</u>
OPERATING EXPENSES				
Services and supplies	111,500	111,500	29,407	82,093
Depreciation	<u>17,915</u>	<u>17,915</u>	<u>16,592</u>	<u>1,323</u>
Total operating expenses	<u>129,415</u>	<u>129,415</u>	<u>45,999</u>	<u>83,416</u>
Operating income (loss)	<u>(59,915)</u>	<u>(59,915)</u>	<u>28,806</u>	<u>88,721</u>
TRANSFERS				
Transfers out	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>(105,915)</u></u>	\$ <u><u>(105,915)</u></u>	(17,194)	\$ <u><u>88,721</u></u>
NET POSITION, BEGINNING OF YEAR			<u>702,878</u>	
NET POSITION, END OF YEAR			\$ <u><u>685,684</u></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, 2015, 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 December 18, 2015.

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 2015 - 001 and 2015 - 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2015 - 003 to be a significant deficiency.

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.

We noted certain matters that we reported to the City in a separate letter dated December 18, 2015.

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.



Las Vegas, Nevada
December 18, 2015

STATISTICAL SECTION

CITY OF BOULDER CITY

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

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, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental activities										
Net investment in capital assets	\$ 61,889,580	\$ 64,926,313	\$ 65,211,171	\$ 65,496,885	\$ 66,488,072	\$ 71,172,114	\$ 76,648,958	\$ 77,991,990	\$ 76,375,585	\$ 81,307,082
Restricted	492,700	667,937	594,642	409,695	196,790	80,609	45,444	5,715,272	4,867,878	7,157,633
Unrestricted	8,521,247	8,748,540	6,319,841	7,128,013	8,445,882	1,369,378	(85,145)	(4,220,153)	491,637	(9,864,216)
Total governmental activities net position	<u>70,903,527</u>	<u>74,342,790</u>	<u>72,125,654</u>	<u>73,034,593</u>	<u>75,130,744</u>	<u>72,622,101</u>	<u>76,609,257</u>	<u>79,487,109</u>	<u>81,735,100</u>	<u>78,600,499</u>
Business-type activities										
Net investment in capital assets	34,655,892	38,529,468	40,150,608	39,641,022	40,809,770	33,668,189	29,645,826	36,796,036	35,543,133	40,774,759
Restricted	408,607	1,280,592	1,457,101	2,660,373	3,376,838	5,314,431	2,047,339	2,047,339	2,047,339	2,461,987
Unrestricted	59,359	1,006,379	1,106,102	109,805	2,196,667	12,441,771	27,932,105	19,021,970	21,775,327	17,404,912
Total business-type activities net position	<u>35,123,858</u>	<u>40,816,439</u>	<u>42,713,811</u>	<u>42,411,200</u>	<u>46,383,275</u>	<u>51,424,391</u>	<u>57,577,931</u>	<u>57,865,345</u>	<u>59,365,799</u>	<u>60,641,658</u>
Primary government										
Net investment in capital assets	96,545,472	103,455,781	105,361,779	105,137,907	107,297,842	104,840,303	106,294,784	114,788,026	111,918,718	122,081,841
Restricted	901,307	1,948,529	2,051,743	3,070,068	3,573,628	5,395,040	45,444	7,762,611	6,915,217	9,619,620
Unrestricted	8,580,606	9,754,919	7,425,943	7,237,818	10,642,549	13,811,149	27,846,960	14,801,817	22,266,964	7,540,696
Total primary government net position	<u>\$ 106,027,385</u>	<u>\$ 115,159,229</u>	<u>\$ 114,839,465</u>	<u>\$ 115,445,793</u>	<u>\$ 121,514,019</u>	<u>\$ 124,046,492</u>	<u>\$ 134,187,188</u>	<u>\$ 137,352,454</u>	<u>\$ 141,100,899</u>	<u>\$ 139,242,157</u>

CITY OF BOULDER CITY
Changes in Net Position, Last Ten Fiscal Years
Accrual basis of accounting
(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	June 30, 2014	June 30, 2015
Expenses										
Governmental activities										
General government	\$ 3,841,233	\$ 4,428,713	\$ 4,550,057	\$ 4,455,408	\$ 4,048,584	\$ 3,828,555	\$ 4,699,541	\$ 5,172,734	\$ 5,176,123	\$ 4,590,920
Public safety	7,138,480	9,258,610	9,944,431	9,560,246	9,517,546	9,815,039	10,173,016	10,449,248	12,045,981	11,028,128
Judicial	393,959	408,062	481,389	494,969	596,017	576,424	607,243	669,647	770,477	948,908
Public works	4,784,449	3,827,770	4,973,350	6,006,811	6,287,420	5,899,045	5,476,502	5,365,200	5,728,665	6,032,085
Culture and recreation	5,270,092	4,425,713	4,849,890	3,868,091	3,216,498	6,565,586	6,387,082	6,080,026	6,837,030	6,959,448
Community support	742,570	944,422	833,294	685,443	575,128	510,392	571,468	623,881	811,370	833,430
Interest on long-term debt						342,848	342,120	290,551	317,801	443,115
Total governmental activities expenses	22,170,783	23,293,290	25,632,411	25,070,968	24,241,193	27,537,889	28,256,972	28,651,287	31,687,447	30,836,034
Business-type activities										
Utility	18,782,189	17,070,177	18,723,523	18,744,818	19,197,026	18,923,849	19,207,705	21,553,069	22,991,536	23,198,285
Golf course	4,708,260	4,102,942	4,198,189	3,019,022	2,756,959					
Aviation					715,930		937,903	973,675	920,766	988,439
Other business activities	453,929	362,906	388,980	630,106		814,251	54,610	42,343	55,235	45,999
Total business-type activities expenses	23,944,378	21,536,025	23,310,692	22,393,946	22,669,915	19,738,100	20,200,218	22,569,087	23,967,537	24,232,723
Total primary government expenses	\$ 46,115,161	\$ 44,829,315	\$ 48,943,103	\$ 47,464,914	\$ 46,911,108	\$ 47,275,989	\$ 48,457,190	\$ 51,220,374	\$ 55,654,984	\$ 55,068,757
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 1,452,663	\$ 1,353,410	\$ 1,428,197	\$ 1,408,883	\$ 1,576,977	\$ 1,308,598	\$ 2,030,996	\$ 1,432,357	\$ 3,307,428	\$ 1,857,570
Public safety	329,312	338,180	355,495	340,102	337,823	379,915	471,671	727,778	1,190,702	867,298
Judicial	633,738	776,780	866,176	1,023,178	907,713	920,647	1,114,961	852,462	761,949	722,333
Public works										
Culture and recreation	2,712,486	2,095,293	2,144,725	1,940,316	1,762,776	3,647,458	3,680,622	3,776,041	4,059,510	3,661,449
Community support	13,657	36,508	31,847	1,124	21,233	17,723	5,895		99,115	216,275
Total charges for services	5,141,856	4,600,171	4,826,440	4,713,603	4,606,522	6,274,341	7,304,145	6,788,638	9,418,704	7,324,925
Operating grants and contributions	236,303	904,827	138,425	85,055	844,402	349,574	134,323		3,076,023	7,371,784
Capital grants and contributions	3,870,697	3,613,833	575,766	2,314,844	2,997,907	1,813,618	4,917,590	2,931,703		84,251
Total governmental activities program revenues	9,248,856	9,118,831	5,540,631	7,113,502	8,448,831	8,437,533	12,356,058	9,720,341	12,494,727	14,780,960
Business-type activities										
Charges for services										
Utility	16,572,394	19,432,531	18,847,726	18,510,706	21,098,629	22,244,673	22,967,506	21,809,266	21,677,485	22,970,910
Golf course	2,522,116	3,102,583	3,088,608	2,472,653	2,147,087					
Aviation							538,057	385,624	694,574	693,708
Other business activities	313,450	348,448	570,306	500,836	489,927	646,540	89,672	89,784	50,860	74,805
Total charges for services	19,407,960	22,883,562	22,506,640	21,484,195	23,735,643	22,891,213	23,595,235	22,284,674	22,422,919	23,739,423
Operating grants and contributions								6,350		
Capital grants and contributions	99,639	3,027,880	3,042,034	1,785,114	3,876,882	741,138	3,568,126	181,682	718,077	4,931,594
Total business-type activities program revenues	19,507,599	25,911,442	25,548,674	23,269,309	27,612,525	23,632,351	27,163,361	22,472,706	23,140,996	28,671,017
Total primary government program revenues	\$ 28,756,455	\$ 35,030,273	\$ 31,089,305	\$ 30,382,811	\$ 36,061,356	\$ 32,069,884	\$ 39,519,419	\$ 32,193,047	\$ 35,635,723	\$ 43,451,977
Net Revenue (Expense)										
Governmental activities	\$ (12,921,927)	\$ (14,174,459)	\$ (20,091,780)	\$ (17,957,466)	\$ (15,792,362)	\$ (19,100,356)	\$ (15,900,914)	\$ (18,930,946)	\$ (19,192,720)	\$ (16,055,074)
Business-type activities	(4,436,779)	4,375,417	2,237,982	875,363	4,942,610	3,894,251	6,963,143	(96,381)	(826,541)	4,438,294
Total primary government net revenue (expense)	\$ (17,358,706)	\$ (9,799,042)	\$ (17,853,798)	\$ (17,082,103)	\$ (10,849,752)	\$ (15,206,105)	\$ (8,937,771)	\$ (19,027,327)	\$ (20,019,261)	\$ (11,616,780)

continued

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

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General Revenues and Transfers										
Governmental activities										
Property taxes	\$ 2,872,966	\$ 3,304,333	\$ 3,625,462	\$ 3,383,267	\$ 3,394,227	\$ 3,195,695	\$ 2,642,513	\$ 3,737,730	\$ 2,699,730	\$ 2,868,652
Intergovernmental consolidated tax	8,634,543	8,819,003	8,498,661	8,048,687	7,627,245	7,968,549	8,386,757	8,808,292	9,303,748	9,612,900
Other taxes	307,062	356,883	501,535	443,928	374,404	368,893	867,954	831,554	930,254	888,272
Unrestricted investment income							23,001	14,488	66,395	49,716
Rents and royalties							6,246,797	7,393,629	9,987,339	20,171,504
Gain on disposal of capital assets								37,800		656,973
Miscellaneous	4,372,695	4,117,291	4,162,961	5,156,624	4,978,614	5,467,961	76,052	78,497	359,231	231,795
Transfers	762,759	1,016,212	1,086,025	1,833,899	1,514,023	1,844,328	2,055,000	255,000	(1,635,000)	(535,836)
Total governmental activities	<u>16,950,025</u>	<u>17,613,722</u>	<u>17,874,644</u>	<u>18,866,405</u>	<u>17,888,513</u>	<u>18,845,426</u>	<u>20,298,074</u>	<u>21,156,990</u>	<u>21,711,697</u>	<u>33,943,976</u>
Business-type activities										
Other taxes	812,575	885,861	600,852	512,440	495,722	545,127	587,052	620,537	686,131	721,960
Unrestricted investment income							26,192	17,608	2,474	37,895
Miscellaneous	71,158	79,545	144,563	143,485	47,766	(52,469)		650	(7,294)	3,369
Transfers	(762,759)	(1,016,212)	(1,086,025)	(1,833,899)	(1,514,023)	(1,844,328)	(2,055,000)	(255,000)	1,635,000	535,836
Total business-type general revenues and other	<u>120,974</u>	<u>(50,806)</u>	<u>(340,610)</u>	<u>(1,177,974)</u>	<u>(970,535)</u>	<u>(1,351,670)</u>	<u>(1,441,756)</u>	<u>383,795</u>	<u>2,316,311</u>	<u>1,299,060</u>
Total primary government general revenues and other	<u>\$ 17,070,999</u>	<u>\$ 17,562,916</u>	<u>\$ 17,534,034</u>	<u>\$ 17,688,431</u>	<u>\$ 16,917,978</u>	<u>\$ 17,493,756</u>	<u>\$ 18,856,318</u>	<u>\$ 21,540,785</u>	<u>\$ 24,028,008</u>	<u>\$ 35,243,036</u>
Change in Net Position										
Governmental activities	\$ 4,028,098	\$ 3,439,263	\$ (2,217,136)	\$ 908,939	\$ 2,096,151	\$ (254,930)	\$ 4,397,160	\$ 2,226,044	\$ 2,518,977	\$ 17,888,902
Business-type activities	(4,315,805)	4,324,611	1,897,372	(302,611)	3,972,075	2,542,581	5,521,387	287,414	1,489,770	5,737,354
Total primary government	<u>\$ (287,707)</u>	<u>\$ 7,763,874</u>	<u>\$ (319,764)</u>	<u>\$ 606,328</u>	<u>\$ 6,068,226</u>	<u>\$ 2,287,651</u>	<u>\$ 9,918,547</u>	<u>\$ 2,513,458</u>	<u>\$ 4,008,747</u>	<u>\$ 23,626,256</u>

CITY OF BOULDER CITY

Fund Balances, Governmental Funds, Last Ten Fiscal Years
 Modified accrual basis of accounting
 (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	June 30, 2014	June 30, 2015
General Fund										
Nonspendable										
Prepaid items	\$ 19,589	\$ 19,589	\$ 19,685	\$ 22,707	\$ 20,958	\$ 20,958	\$ 123,212	\$ 24,088	\$ 24,088	\$ 24,088
Inventories							70,265	94,190	60,839	46,865
Unassigned	4,525,156	5,036,660	3,213,154	2,466,148	2,340,114	2,340,114	(4,816,915)	(1,712,616)	3,132,210	10,010,548
Total general fund	<u>\$ 4,544,745</u>	<u>\$ 5,056,249</u>	<u>\$ 3,232,839</u>	<u>\$ 2,488,855</u>	<u>\$ 2,361,072</u>	<u>\$ 2,361,072</u>	<u>\$ (4,623,438)</u>	<u>\$ (1,594,338)</u>	<u>\$ 3,217,137</u>	<u>\$ 10,081,501</u>
All Other Governmental Funds										
Restricted for										
Additional police officers	\$ 492,700	\$ 667,937	\$ 594,642	\$ 409,695	\$ 196,790	\$ 196,790	\$ 45,444	\$ 45,443	\$ 193,628	\$ 236,114
Capital improvements	2,826,624	1,048,373	969,385	1,141,261	1,952,556	1,952,556			3,357,716	6,067,645
Court Programs									459,432	506,611
Parks and recreational programs										17,669
Committed to										
Court Programs									30,000	12,828
Capital improvements	472,003	3,336,892	3,139,892	4,180,424	4,284,309	4,284,309	6,953,188	5,669,829	521,094	702,271
Special revenue purposes	778,974	852,856	886,692	904,481	975,477	892,039				
Assigned to										
Stabilization and other									9,251	11,005
Fire, police and other programs									38,941	44,921
Parks and recreational programs									81,779	84,803
Capital improvements									176,037	176,037
Unassigned										(41,980)
Total all other governmental funds	<u>\$ 4,570,301</u>	<u>\$ 5,906,058</u>	<u>\$ 5,590,611</u>	<u>\$ 6,635,861</u>	<u>\$ 7,409,132</u>	<u>\$ 7,325,694</u>	<u>\$ 6,998,632</u>	<u>\$ 5,715,272</u>	<u>\$ 4,867,878</u>	<u>\$ 7,817,924</u>

CITY OF BOULDER CITY
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years
Modified accrual basis of accounting
(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	June 30, 2014	June 30, 2015
REVENUES										
Taxes	\$ 2,872,966	\$ 3,304,333	\$ 3,625,462	\$ 3,383,267	\$ 3,394,227	\$ 3,394,227	\$ 3,082,446	\$ 4,175,885	\$ 3,142,158	\$ 3,347,544
Licenses, permits and franchise fees	1,328,745	1,240,755	1,343,199	1,372,592	1,575,765	1,575,765	2,030,996	1,430,857	3,307,428	1,874,742
Intergovernmental	10,427,348	13,021,931	9,731,841	10,724,447	11,358,514	11,358,514	13,860,690	13,135,562	12,737,105	17,258,798
Charges for services	3,179,373	2,582,636	2,617,065	2,317,833	2,123,044	2,123,044	4,158,188	4,539,551	5,386,072	4,767,405
Fines and forfeitures	633,738	776,780	866,176	1,023,178	907,713	907,713	1,114,961	852,462	761,949	722,333
Rents and royalties							6,208,520	7,386,933	10,010,356	20,195,303
Miscellaneous	4,372,695	4,117,291	4,162,961	5,156,624	4,969,036	4,969,036	143,330	246,783	1,099,142	358,296
Total revenues	<u>22,814,865</u>	<u>25,043,726</u>	<u>22,346,704</u>	<u>23,977,941</u>	<u>24,328,299</u>	<u>24,328,299</u>	<u>30,599,131</u>	<u>31,768,033</u>	<u>36,444,210</u>	<u>48,524,421</u>
EXPENDITURES:										
Current										
General government	3,830,283	4,436,473	4,896,857	4,545,834	4,410,049	4,410,049	4,498,301	4,975,304	4,108,907	4,297,912
Public safety	7,112,750	9,236,539	10,201,761	9,712,629	10,347,971	10,347,971	9,462,064	9,698,822	10,784,650	10,525,571
Judicial	413,005	418,232	454,330	472,915	575,617	575,617	563,195	624,015	709,467	713,965
Public works	6,252,632	4,674,243	4,409,043	5,565,856	6,357,322	6,357,322	3,543,957	3,218,171	3,766,312	4,034,181
Culture and recreation	5,585,607	4,502,505	4,698,871	4,406,079	3,564,173	3,564,173	4,988,961	5,025,371	5,440,161	5,500,341
Community support	734,365	944,685	824,161	699,701	570,017	494,443	559,687	1,279,996	1,207,266	972,231
Capital outlay							8,182,191	5,526,939	2,054,752	7,590,906
Debt service										
Principal retirement						400,000	1,446,633	562,027	1,846,601	5,311,701
Interest and fiscal charges						342,848	342,120	234,699	268,504	187,006
Total expenditures	<u>23,928,642</u>	<u>24,212,677</u>	<u>25,485,023</u>	<u>25,403,014</u>	<u>25,825,149</u>	<u>26,492,423</u>	<u>33,587,109</u>	<u>31,145,344</u>	<u>30,186,621</u>	<u>39,133,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,113,777)</u>	<u>831,049</u>	<u>(3,138,319)</u>	<u>(1,425,073)</u>	<u>(1,496,850)</u>	<u>(2,164,124)</u>	<u>(2,987,978)</u>	<u>622,689</u>	<u>6,257,589</u>	<u>9,390,607</u>
OTHER FINANCING SOURCES (USES)										
Contingency			(86,563)	(107,560)	(35,923)					
Transfers in	2,964,549	4,821,000	3,050,171	3,619,414	2,481,000	2,425,570	4,144,066	4,288,246	3,122,438	1,799,392
Transfers out	(2,201,790)	(3,804,788)	(1,964,146)	(1,785,515)	(966,977)	(581,242)	(2,089,066)	(4,033,246)	(4,757,438)	(2,335,228)
Proceeds from capital asset disposal								40,943	354,859	773,639
Proceeds from capital leases					664,238			175,300	363,500	186,000
	<u>762,759</u>	<u>1,016,212</u>	<u>999,462</u>	<u>1,726,339</u>	<u>2,142,338</u>	<u>1,844,328</u>	<u>2,055,000</u>	<u>471,243</u>	<u>(916,641)</u>	<u>423,803</u>
NET CHANGE IN FUND BALANCES	<u>\$ (351,018)</u>	<u>\$ 1,847,261</u>	<u>\$ (2,138,857)</u>	<u>\$ 301,266</u>	<u>\$ 645,488</u>	<u>\$ (319,796)</u>	<u>\$ (932,978)</u>	<u>\$ 1,093,932</u>	<u>\$ 5,340,948</u>	<u>\$ 9,814,410</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	7.04%	3.12%	7.52%	17.43%

(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	
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	2,124,441,709	35%
2011	512,557,318	1,464,449,480	86,315,765	246,616,471	598,873,083	1,711,065,950	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%
2014	417,058,456	1,191,595,589	159,081,325	454,518,071	576,139,781	1,646,113,660	35%
2015	458,269,063	1,309,340,180	218,335,378	623,815,366	676,604,441	1,933,155,546	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 ⁽¹⁾				Total
	City of Boulder City	State of Nevada	Clark County School District	Clark County	Special Districts	
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
2014	0.2600	0.1700	1.3034	0.6541	0.2030	2.5905
2015	0.2600	0.1700	1.3034	0.6541	0.1880	2.5755

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 *é.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 2015			Fiscal 2006		
		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	\$ 209,865,386	1	36.43%	\$ 36,867,886	1	6.65%
Nevada Solar One, LLC	Energy	21,224,379	2	3.68%			
Taihen Techren USA Company	Energy	7,683,505	3	1.33%			
Caesar's Entertainment, LLC	Golf	3,693,664	4	0.64%	16,139,747	2	2.91%
Kowepo America Limited Liability Company	Energy	3,095,435	5	0.54%			
Francis Carrington	Real Estate	2,283,372	6	0.40%	2,862,900	7	0.52%
AMC Property Holdings LLC	Real Estate	2,274,937	7	0.39%			
Gingerwood Mobile Home Park, LLC	RV Park	2,150,317	8	0.37%	3,222,816	4	0.58%
Solargenix Energy LLC	Energy	1,957,363	9	0.34%			
Lakeview Village ALF Limited Liability Company	Real Estate	1,947,983	10	0.34%			
Brother Sonny Limited Liability Co.					3,240,938	3	0.58%
Matthew P. Gardner					2,947,191	5	0.53%
Claremont Heights					2,927,555	6	0.53%
Mario & A. Caruso 1999 Family Trust					2,861,483	8	0.52%
Lido & Laila Paglia					2,028,044	9	0.37%
Canyon Road Self Storage					1,995,317	10	0.36%
		<u>\$ 256,176,341</u>		<u>44.46%</u>	<u>\$ 75,093,877</u>		<u>13.54%</u>

Source: Clark County Assessor's Office

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

Table 8**CITY OF BOULDER CITY****Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year Ended</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Collections as a Percentage of Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as a Percentage of Total Tax Levy</u>
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	1,770,081	1,756,745	99.25%	13,336	1,770,081	100.00%	-	0.00%
2009	1,919,511	1,895,135	98.73%	24,341	1,919,476	100.00%	35	0.00%
2010	2,049,326	2,005,948	97.88%	43,358	2,049,306	100.00%	20	0.00%
2011	1,876,410	1,823,343	97.17%	53,047	1,876,390	100.00%	20	0.00%
2012	1,655,230	1,630,565	98.51%	24,644	1,655,209	100.00%	21	0.00%
2013	1,491,086	1,472,781	98.77%	16,043	1,488,824	99.85%	2,262	0.15%
2014	1,448,147	1,428,163	98.62%	14,717	1,442,880	99.64%	5,267	0.37%
2015	1,401,213	1,374,489	98.09%	n/a	1,374,489	98.09%	26,724	1.94%

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, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
REVENUE SOURCE										
Electric	\$ 8,386,505	\$ 10,506,107	\$ 10,456,533	\$ 9,634,256	\$ 12,411,131	\$ 13,742,257	\$ 14,130,461	\$ 13,745,996	\$ 13,376,872	\$ 13,597,563
Water	5,958,224	6,368,144	5,984,819	6,105,468	5,784,650	5,784,650	6,029,921	5,117,469	5,349,490	6,329,867
Sewer	909,454	1,060,307	962,491	1,315,927	1,394,536	1,394,536	1,386,531	1,379,204	1,386,448	1,451,558
Refuse	797,266	827,883	959,347	1,043,916	1,051,388	1,051,388	869,470	894,886	902,926	935,099
Refuse special charges							215,796	58,054	109,898	246,653
Landfill receipts	176,439	189,580	153,015	163,445	152,444	152,444	124,968	196,322	254,824	195,395
Rents and royalties							525,984			685,661
Miscellaneous	344,506	480,510	331,521	247,694	304,480	304,480	312,103	417,335	168,763	300,996
Total revenues	<u>\$ 16,572,394</u>	<u>\$ 19,432,531</u>	<u>\$ 18,847,726</u>	<u>\$ 18,510,706</u>	<u>\$ 21,098,629</u>	<u>\$ 22,429,755</u>	<u>\$ 23,595,234</u>	<u>\$ 21,809,266</u>	<u>\$ 21,549,221</u>	<u>\$ 23,742,792</u>

Source: City of Boulder City Finance Department

Table 10

CITY OF BOULDER CITY

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

Utility Customer	Type of Business	Fiscal 2015		Fiscal 2006	
		Taxable Utilities Billed	Rank	Taxable Utilities Billed	Rank
Harrah's Entertainment	Golf Course	\$ 1,068,438	1	\$ 960,806	2
City of Boulder City	Municipal	616,356	2	1,062,777	1
Clark County School District	Government, School District	573,633	3	386,350	3
State of Nevada	Veterans Home / Cemetery	444,750	4	165,571	6
Nevada Solar One, LLC	Energy	250,441	5	134,578	8
Vons Companies, Inc./Haagens	Retail / Food	242,295	6	134,885	7
Albertsons, Inc.	Retail / Food	241,625	7		
Boulder City Hospital	Health Care	213,039	8	127,120	9
Quarry 187	Construction	194,577	9	258,360	4
National Park Service	Government	188,324	10	120,278	10
Canyon Trail RV Park	RV Park				
Construx	Construction			176,100	5
		<u>\$ 4,033,478</u>		<u>\$ 3,526,825</u>	

Source: City of Boulder City, Utility Department

Table 11

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 ⁽²⁾	Per Capita
	Golf Course Revenue Bonds ⁽¹⁾	Capital Leases	Utility and Golf Course Revenue Bonds ⁽¹⁾	General Obligation Notes Payable	Capital Leases			
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	-	2,946
2013	6,690,000	208,718	30,590,000	5,979,167	-	43,467,885	-	2,758
2014	5,035,000	380,614	29,820,000	5,419,356	-	40,654,970	-	2,600
2015	-	287,636	29,020,000	3,454,070	-	32,761,706	-	2,096

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

Table 12

CITY OF BOULDER CITY

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

Fiscal Year	Population ⁽¹⁾	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 ⁽²⁾
2005	15,203	43,162,253	-	9,335,000	33,827,253	2.13%	2,225
2006	15,478	42,863,540	-	42,760,000	103,540	0.01%	7
2007	15,863	42,708,791	-	42,630,000	78,791	0.00%	5
2008	16,684	42,398,299	-	42,345,000	53,299	0.00%	3
2009	16,064	55,177,042	-	41,550,000	13,627,042	0.64%	848
2010	15,359	54,065,000	-	40,465,000	13,600,000	0.79%	885
2011	15,335	45,042,727	-	38,530,000	6,512,727	0.41%	425
2013	15,759	43,259,167	-	37,280,000	5,979,167	0.35%	379
2014	15,635	40,274,356	-	34,855,000	5,419,356	0.33%	347
2015	15,627	32,474,070	-	29,020,000	3,454,070	0.21%	221

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, 2015
(Unaudited)

	Assessed Value of Taxable Property <small>(in thousands)</small>	Net General Obligation Bonded Debt Outstanding <small>(in thousands)</small>	Percentage Applicable to Boulder City	Direct and Overlapping Debt Applicable to Boulder City <small>(in thousands)</small>
City of Boulder City	\$ 609,805	\$ 3,454	100.00%	\$ 3,454
Clark County	62,898,942	228,136	0.97%	2,213
Clark County School District	62,898,942	2,522,051	0.97%	24,464
Total	\$ 126,407,689	\$ 2,753,641		\$ 30,131

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, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Assessed value	\$ 554,697,980	\$ 700,895,683	\$ 798,321,523	\$ 802,578,933	\$ 743,554,597	\$ 598,873,083	\$ 557,239,351	\$ 589,653,663	\$ 576,139,781	\$ 676,604,441
Legal debt margin										
Debt limit (30% of Assessed Value)	166,409,394	210,268,705	239,496,457	240,773,680	223,066,379	179,661,925	167,171,805	176,896,099	172,841,934	202,981,332
Debt applicable to limit: General obligation notes payable										
Legal Debt Margin	<u>\$ 166,409,394</u>	<u>\$ 210,268,705</u>	<u>\$ 239,496,457</u>	<u>\$ 240,773,680</u>	<u>\$ 223,066,379</u>	<u>\$ 179,661,925</u>	<u>\$ 167,171,805</u>	<u>\$ 176,896,099</u>	<u>\$ 172,841,934</u>	<u>\$ 202,981,332</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.00%</u>									

CITY OF BOULDER CITY

**Pledged Revenue Bond Coverage
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Operating Revenue	Direct Operating Expenses ⁽¹⁾	Net Operating Revenue	Accrued Interest	Interest Reserve	Consolidated Taxes (15% pledged)	Amount Available for Debt Service	Debt Service			Coverage
								Principal	Interest	Total	
2006	2,522,116	2,761,168	(239,052)	55,953		1,295,181	1,112,082	310,000	420,540	730,540	1.52
2007	22,535,114	16,296,213	6,238,901	681,043		1,322,850	8,242,794	120,000	357,088	477,088	17.28
2008	21,936,334	17,688,282	4,248,052	547,532		1,274,799	6,070,383	130,000	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	285,000	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	795,000	1,772,382	2,567,382	3.36
2011 ⁽²⁾	24,215,024	16,513,363	7,701,661	501,371		1,195,282	9,398,314	1,085,000	1,735,184	2,820,184	3.33
2012 ⁽²⁾	24,996,292	18,146,417	6,849,875	3,236		1,258,014	8,111,125	5,965,549	2,010,958	7,976,507	1.02
2013 ⁽²⁾	23,984,595	17,271,746	6,712,849	472,470		1,321,244	8,506,563	3,530,000	1,613,207	5,143,207	1.65
2014 ⁽²⁾	24,027,369	21,181,996	2,845,373	457,165		1,395,562	4,698,100	3,570,000	1,565,872	5,135,872	0.91
2015 ⁽²⁾	24,964,456	20,897,804	4,066,652	438,314		1,441,935	5,946,901	3,285,286	1,738,926	5,024,212	1.18

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)**

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
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	15,335	-	2,004	12.30%
2013	15,759	-	2,029	10.10%
2014	15,635	-	2,003	7.90%
2015	15,627	-	1,904	6.90%

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 2015	Fiscal 2006	
		Rank	Employees ⁽¹⁾	Rank
Bureau of Reclamation	Government	1	866	1
National Park Service	Government	2	180	3
Clark County School District	Government / school district	3	155	4
City of Boulder City	Local government	4	152	2
Boulder City Hospital	Health Care	5	130	5
Papillon Airways, Inc.	Aerial Sightseeing	6	110	
Albertsons, Inc.	Retail / food	7	92	6
Vons Companies	Retail / food	8	80	7
U.S. Department of Energy, Western Area Power Administration	Government	9	77	8
Fisher Pen	Manufacturing	10	75	9
Boulder Dam Credit Union	Financial / banking		43	10

CITY OF BOULDER CITY

Full-Time Equivalent City Government Employees by Function/Program ⁽¹⁾
(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	June 30, 2014	June 30, 2015
Functions/Programs										
Governmental activities										
General government	18	19	19	18	16	16	17	18	18	18
Judicial	3	3	3	3	3	3	4	4	4	4
Public safety	67	69	71	70	65	66	66	64	64	65
Public works	26	25	25	26	26	23	23	23	23	23
Culture and recreation	18	18	18	10	8	9	9	9	9	9
Community support	6	6	6	5	4	4	4	4	4	4
Business-type activities										
Airport	-	-	-	2	2	2	2	2	2	3
Water and sewer	10	10	10	10	9	9	9	9	9	9
Electric	21	21	21	20	19	19	19	19	19	19
Total	<u>169</u>	<u>171</u>	<u>173</u>	<u>164</u>	<u>152</u>	<u>151</u>	<u>153</u>	<u>152</u>	<u>152</u>	<u>154</u>

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 ^{(1) (2)}
(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	June 30, 2014	June 30, 2015
Governmental activities										
Judicial										
Average charges filed per day	13	16	22	23	22	23	26	16	17	18
Public safety										
Citations	4,992	5,891	5,991	7,232	8,616	6,130	6,030	6,232	6,104	6,300
Police calls for service	22,730	28,340	23,711	23,057	24,975	23,632	23,720	23,887	20,007	24,023
EMS responses	1,567	1,723	1,895	1,716	1,685	1,800	1,822	1,733	1,822	1,800
Fire responses	631	694	763	545	333	500	370	425	370	380
Public works										
Lane miles of street maintenance	87	87	87	87	87	87	87	87	87	87
Acres of turf	95	92	92	92	92	92	92	92	92	92
Facilities maintained	71	77	77	77	77	77	78	79	79	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	220,000	220,000
Community support										
Building inspections	3,884	4,950	5,500	5,500	5,300	4,900	2,856	3,063	6,617	6,000
Plans reviewed	491	490	550	490	490	470	485	578	550	550
Business-type activities										
Water										
Acre feet of water distributed	11,499	12,489	13,916	13,816	13,816	13,700	12,927	12,920	12,989	12,902
Water meter repairs	780	720	800	790	790	750	750	760	770	780
Water service repairs	144	120	150	140	140	150	123	125	130	125
Electric										
Kilowatt hours (kwh) purchased	176,571,324	183,386,834	185,990,964	187,210,227	186,000,000	187,000,000	171,183,698	170,073,781	171,774,719	173,492,264
Average purchased power (cost/kwh)	\$ 0.033	\$ 0.030	\$ 0.030	\$ 0.040	\$ 0.040	\$ 0.042	\$ 0.034	\$ 0.032	\$ 0.036	\$ 0.037
Sewer										
Line cleaned (feet)	100,000	110,000	115,000	115,000	115,000	115,000	115,000	114,000	114,500	114,500
Line location (call before you dig)	1,380	1,300	1,440	1,400	1,440	1,400	1,423	1,414	1,430	1,440
Acre ft. of water treated	1,500	1,500	1,600	1,600	1,600	1,500	1,600	1,600	1,600	1,600

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 ^{(1) (2)}
(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	June 30, 2014	June 30, 2015
Governmental activities										
Public safety										
# of police stations	1	1	1	1	1	1	1	1	1	1
# of fire stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	87	87	87	87	87	87	87	87	87	87
Traffic signals	3	3	3	3	3	3	3	3	3	3
Culture and recreation										
Park acreage	111	111	111	111	111	111	111	111	111	111
# of parks	17	17	17	17	17	17	17	17	17	17
# of swimming pools	1	1	1	1	1	1	1	1	1	1
# of tennis courts	6	6	6	6	6	6	6	6	6	6
# of recreation centers	1	1	1	1	1	1	1	1	1	1
Business-type activities										
Water										
Water mains (miles)	121	121	121	121	121	121	122	122	122	122
# of treatment plants	-	-	-	-	-	-	-	-	-	-
# of water pump stations										
Electric										
Miles of electrical lines	148	148	148	148	148	148	148	148	148	148
Number of substations	6	6	6	6	6	6	7	7	7	7
Sewer										
Number of sewage treatment plants	1	1	1	1	1	1	1	1	1	1
Number of sewer lift stations	3	3	3	3	3	3	3	3	3	3
Miles of sanitary sewer lines	69	69	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, 2015

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, 2015		\$	309,547
Business license revenue for the year ended June 30, 2014 (base year)		\$	307,201
Adjustment to base year			
Percentage change in local government population	0.00 %		
Percentage change in Consumer Price Index	<u>0.10 %</u>		
			<u>0.10 %</u>
Total adjustment to base year			<u>307</u>
Adjusted business license revenue base for the year ended June 30, 2015			<u>307,508</u>
Amount over allowable maximum		\$	<u><u>2,039</u></u>

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) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are 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 each of the City's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each 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 each of the City's major federal programs for the year ended June 30, 2015.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 18, 2015, 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.



Las Vegas, Nevada
December 18, 2015

CITY OF BOULDER CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
US Department of Justice			
Bulletproof Vest Partnership Program	16.607		\$ 772
Congressionally Recommended Awards (firing range grant)	16.753		<u>92,664</u>
Total US Department of Justice			<u>93,436</u>
US Department of Transportation			
Airport Improvement Program	20.106 *		4,643,919
Highway Safety Cluster			
State and Community Highway Safety	20.600		29,173
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		
Passed through the State of Nevada			
National Priority Safety Programs	20.616	22-JF-1.01	<u>10,000</u>
Total US Department of Transportation			<u>4,683,092</u>
US Department of Housing and Urban Development			
Passed through Clark County, Nevada			
Community Development Block Grants/Entitlement Grants	14.218	B-11UC32-0001	<u>112,614</u>
Total US Department of Housing and Urban Development			<u>112,614</u>
US Department of Interior			
Southern Nevada Public Land Management Act			
Bootleg Canyon Park	15.235*		<u>467,798</u>
US Environmental Protection Agency			
Water Infrastructure Tertiary Effluent Polishing and Pipeline	66.202		<u>259,600</u>
Total federal expenditures			<u>\$ 5,616,540</u>

* A major program

CITY OF BOULDER CITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

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, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
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	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	No

Identification of major programs

CFDA number	15.235
Name of federal program or cluster	Southern Nevada Public Land Management
CFDA number	20.106
Name of federal program or cluster	U.S. Department of Transportation, Airport Improvement Program

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, 2015

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*

2015 - 001

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

We noted that certain bank accounts were not being reconciled monthly, and that there was no documentation of the timely review and approval process. During the audit, it was brought to our attention that several utility deposits (dating as far back as January 2015) were not deposited in the City's bank accounts, and that approximately \$50,000 remains unaccounted for.

Effect

Unreconciled differences that would have been identified if the monthly bank reconciliations were completed timely were not detected, addressed or corrected timely. In addition, approximately \$50,000 of City funds can not be located.

Cause

Controls over cash (specifically the bank reconciliation process) did not function as intended and as a result, certain bank account reconciliations were not being prepared and reviewed timely. In addition, it was brought to our attention during the audit that several utility deposits (dating as far back as January 2015) were not deposited in the City's bank accounts, and that approximately \$50,000 of the City's utility deposits remains unaccounted for.

Recommendation

The City should implement formally-documented 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). 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 they have continued to work with an outside firm to assist in getting reconciliations done in a timely manner. We were also informed that a staff member has been assigned the task of bank reconciliations, and she is currently being trained as to the appropriate process and the necessity of timely completion.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 002

Criteria

The month-end and year-end closing process is formally documented to ensure that all necessary account reconciliations have been completed, and that all necessary closing entries have been posted. In addition, formally-documented procedures are in place to ensure that account reconciliations and journal entries are reviewed for completeness and accuracy.

Condition

Year-end balance sheet account reconciliations were either not prepared or were incomplete when audit fieldwork began.

Effect

Several audit adjustments were needed to "clean up" various balance sheet accounts at year end.

Cause

The month-end and year-end closing process is not effective in detecting misstatements in the general ledger. Month-end and year-end closing checklists are not utilized to ensure that all necessary account reconciliations have been completed, and that all necessary closing entries have been posted. There is also no formal process in place to ensure that account reconciliations and journal entries are reviewed for completeness and accuracy.

Recommendation

The month-end and year-end closing process should be formally documented via closing checklists to ensure that all necessary account reconciliations have been completed, and that all necessary closing entries have been posted. In addition, a formally-documented process should be put in place to ensure that account reconciliations and journal entries are reviewed for completeness and accuracy.

Management's response

Management informed us that they continue to work with staff to ensure that closings are accurate and completed in a timely manner, and that checklists are utilized for the various items that need to be completed.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 003	
Criteria	Procedures are in place to prevent an individual from having the ability to prepare, review, approve and post journal entries.
Condition	During our observation of the policies and procedures in place over journal entries, we noted that the Finance Director has the ability to prepare, review, approve and post journal entries. This ability is limited to the Finance Director.
Effect	Journal entries were posted that were not reviewed by someone independent of the preparation of the journal entry, therefore, errors may go undetected.
Cause	Controls over journal entries were not adequately designed to prevent an individual from preparing, reviewing/approving and posting journal entries.
Recommendation	We recommend that management design and implement procedures that would provide an independent review of the journal entries prepared by the Finance Director prior to the posting of those entries.
Management's response	Management informed us that there have been several changes made to remove activities that have been done via journal entries to being processed using Payment Entry – this then requires that another individual post the entries. In addition, we were informed that management continues to look at ways to segregate tasks requiring entry and posting of journal entries; however, having a small staff makes it more difficult to reassign job duties.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

None reported

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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*

2014 - 001	
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 2014 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 2014 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.
Current status	Uncorrected. See current year finding 2015-001.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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)

2014 - 002

Criteria	Procedures should be in place to prevent an individual from having the ability to prepare, review/approve and post journal entries.
Condition	During our observation of the policies and procedures in place over journal entries, we noted that the Finance Director has the ability to prepare, review/approve and post journal entries. This ability is limited to the Finance Director.
Effect	Journal entries were posted that were not reviewed by someone independent of the preparation of the journal entry, therefore, errors may go undetected.
Cause	Controls over journal entries were not adequately designed to prevent an individual from preparing, reviewing/approving and posting journal entries.
Current status	Uncorrected. See current year finding 2015-003.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 003	
Program	United States Department of Transportation, Airport Improvement Program (CFDA #20.106)
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 noted.
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.
Current status	Corrected.