



PHOTO BY RICK TRELEASE



# BOULDER CITY, NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

**JUNE 30, 2016**



**CITY OF BOULDER CITY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2016**

**PREPARED BY  
DEPARTMENT OF FINANCE  
HYUN J. KIM  
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](http://www.bcnv.org)

November 30, 2016

To the City Council and 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, 2016, 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, 2016, 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, 2016, 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.

"Clean Green Boulder City"

## 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 15,813 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. Although 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 Financial 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 and equipment replacement, building and facilities repairs and 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 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 FY2017, the total lease revenues are budgeted to be \$7.4 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 2015 Comprehensive Annual Financial Report (CAFR). This was the 25th 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 CAFR. 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.

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,



Hyun Kim  
Finance Director

**CITY OF BOULDER CITY**

**PRINCIPAL OFFICIALS**

**FOR THE YEAR ENDED JUNE 30, 2016**

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**Mayor and City Council**

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**Rod Woodbury, Mayor**

**Cam Walker, Mayor Pro Tem**

**Peggy Leavitt, Councilwoman**

**Duncan McCoy, Councilman**

**Rich Shuman, Councilman**

**City Officials**

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**J. David Fraser, City Manager**

**Lorene Krumm, City Clerk**

**David R. Olsen, City Attorney**

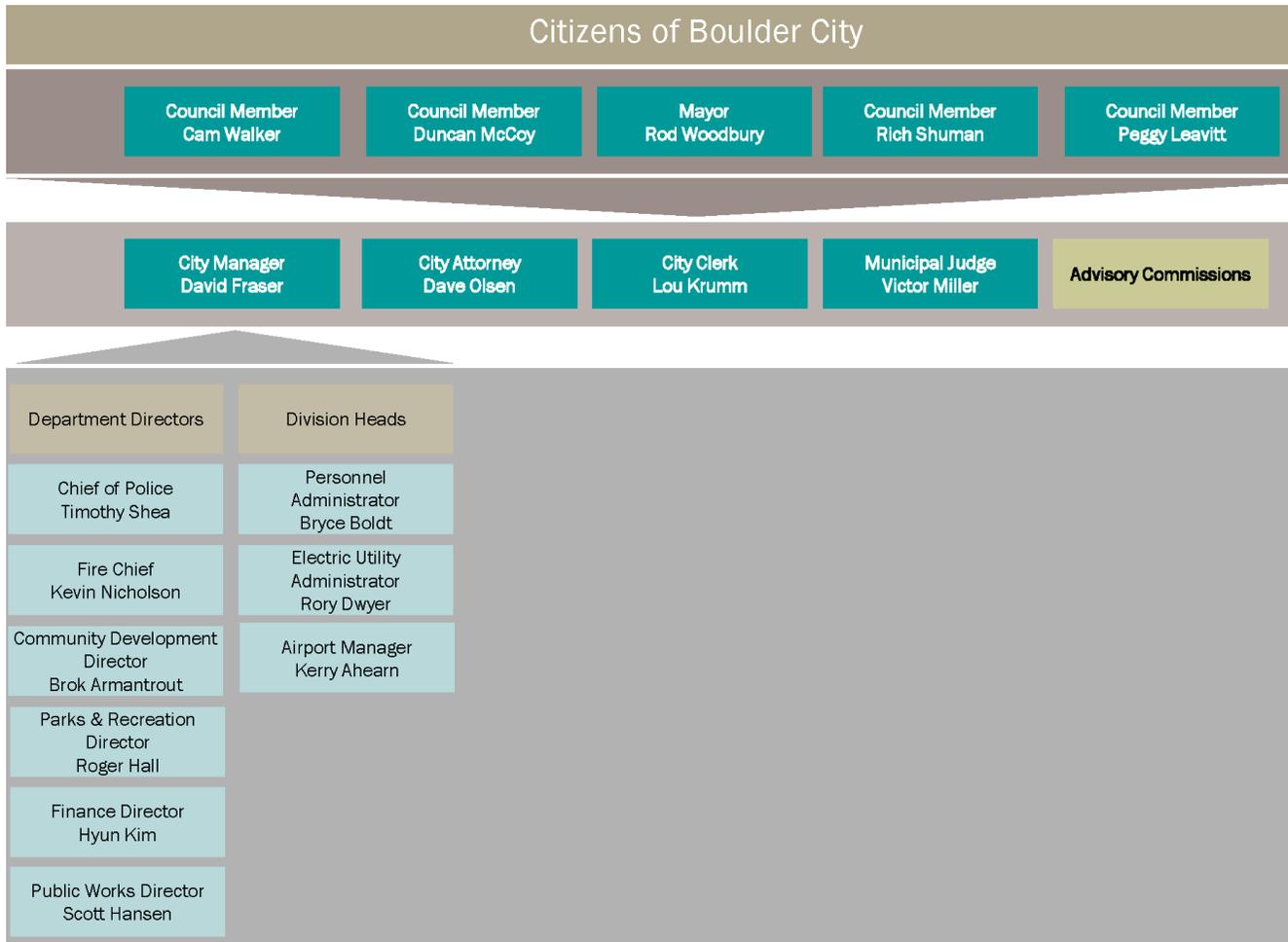
**Hyun Kim, Finance Director**

# CITY OF BOULDER CITY

## ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2016

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Government Finance Officers Association

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

Presented to

**City of Boulder City  
Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

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, 2016, 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, 2016, 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 11-18 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 November 30, 2016, 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  
November 30, 2016

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED June 30, 2016

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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, 2016.

### Financial Highlights

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$144,935,285 (net position). Of this amount, \$12,181,169 (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 \$7,562,900. 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. 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 net position increased by approximately 4.09% (\$5,693,128), primarily due to an increase in charges for services revenue and solar lease revenue.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,353,813, an increase of 19.3% in comparison with the prior year primarily due to an increase in charges for services revenue and solar lease revenue.

At the end of the current fiscal year, fund balance for the general fund, was \$15,194,230, 52.75% of the total fiscal year 2016 general fund expenditures.

The City's total liabilities increased by approximately 2.22% (\$1,567,093), due primarily to the City's proportionate share of the PERS net pension liability increasing by \$4,798,639. This was offset by the complete repayment of the SNWA intake bonds in the amount of \$3,340,064.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide Financial Statements

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

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

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

### Fund Financial Statements

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

### Governmental Funds

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

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

The City maintains eight 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 25-28 of this report.

### Proprietary Funds

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

(Continued)

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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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 29-32 of this report.

### Notes to Basic Financial Statements

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

The notes to the basic financial statements can be found on pages 33-60 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 61-69 of this report.

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

The combining and individual fund statements and schedules can be found on pages 71-80 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 \$144,935,285.

Approximately 86% 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED June 30, 2016**

### Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current, restricted and other	\$ 26,833,966	\$ 27,573,146	\$ 33,662,402	\$ 33,464,921	\$ 60,496,368	\$ 61,038,067
Capital	83,059,489	84,569,998	70,493,777	70,012,800	153,553,266	154,582,798
<b>Total assets</b>	<b>109,893,455</b>	<b>112,143,144</b>	<b>104,156,179</b>	<b>103,477,721</b>	<b>214,049,634</b>	<b>215,620,865</b>
Deferred outflows of resources	5,484,964	3,161,478	1,294,770	746,292	6,779,734	3,907,770
<b>Liabilities</b>						
Current	5,456,664	10,744,891	2,968,642	3,297,089	8,425,306	14,041,980
Long-term	26,439,544	21,102,679	37,394,934	39,138,839	63,834,478	60,241,518
<b>Total liabilities</b>	<b>31,896,208</b>	<b>31,847,570</b>	<b>40,363,576</b>	<b>42,435,928</b>	<b>72,259,784</b>	<b>74,283,498</b>
Deferred inflows of resources	2,940,233	4,856,553	694,066	1,146,427	3,634,299	6,002,980
<b>Net position</b>						
Net investment in capital assets	82,718,994	81,307,082	41,927,972	40,774,759	124,646,966	122,081,841
Restricted	5,385,884	7,157,633	2,721,266	2,461,987	8,107,150	9,619,620
Unrestricted	(7,562,900)	(9,864,216)	19,744,069	17,404,912	12,181,169	7,540,696
<b>Total net position</b>	<b>\$ 80,541,978</b>	<b>\$ 78,600,499</b>	<b>\$ 64,393,307</b>	<b>\$ 60,641,658</b>	<b>\$ 144,935,285</b>	<b>\$ 139,242,157</b>

### Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 8,238,594	\$ 7,324,925	\$ 23,523,603	\$ 23,739,423	\$ 31,762,197	\$ 31,064,348
Operating grants and contributions	2,742,878	7,371,784			2,742,878	7,371,784
Capital grants and contributions	270,538	84,251	1,393,814	4,931,594	1,664,352	5,015,845
<b>General revenues</b>						
Property taxes	2,990,090	2,868,652			2,990,090	2,868,652
Intergovernmental consolidated taxes	9,972,510	9,612,900			9,972,510	9,612,900
Room taxes	534,641	527,497			534,641	527,497
Other taxes	381,179	360,775	742,012	721,960	1,123,191	1,082,735
Rents and royalties	10,121,381	20,171,504			10,121,381	20,171,504
Unrestricted investment income	173,586	49,716	166,465	37,895	340,051	87,611
Gain on disposal of capital assets		656,973				656,973
Miscellaneous	404,781	231,795	7,390	3,369	412,171	235,164
<b>Total revenues</b>	<b>35,830,178</b>	<b>49,260,772</b>	<b>25,833,284</b>	<b>29,434,241</b>	<b>61,663,462</b>	<b>78,695,013</b>

(Continued)

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED June 30, 2016**

### Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Expenses						
General government	\$ 4,638,975	\$ 4,590,920	\$	\$	\$ 4,638,975	\$ 4,590,920
Public safety	10,888,370	11,028,128			10,888,370	11,028,128
Judicial	1,003,088	948,908			1,003,088	948,908
Public works	6,224,723	6,032,085			6,224,723	6,032,085
Culture and recreation	7,246,987	6,959,448			7,246,987	6,959,448
Community support	848,110	833,430			848,110	833,430
Interest and fiscal charges	300,376	443,115			300,376	443,115
Utility			23,610,144	23,198,285	23,610,144	23,198,285
Aviation			1,157,073	988,439	1,157,073	988,439
Cemetery			52,488	45,999	52,488	45,999
Total expenses	31,150,629	30,836,034	24,819,705	24,232,723	55,970,334	55,068,757
Transfers	(2,738,070)	(535,836)	2,738,070	535,836		
Change in net position	1,941,479	17,888,902	3,751,649	5,737,354	5,693,128	23,626,256
Net position, beginning of year	78,600,499	60,711,597	60,641,658	54,904,304	139,242,157	115,615,901
Net position, end of year	\$ 80,541,978	\$ 78,600,499	\$ 64,393,307	\$ 60,641,658	\$ 144,935,285	\$ 139,242,157

#### Governmental Activities

Governmental activities increased the City's net position by \$1,941,479 (2%) in fiscal year 2016 compared to 17,888,902 (15%) in fiscal year 2015. Key elements of this decrease compared to the prior year are as follows:

Charges for services increased by \$913,669 (12%), primarily due to 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 decreased by \$4,628,906 (63%) during the year, due to Buchanan Boulevard capital asset improvements and flood control channel capital asset improvements in fiscal year 2015.

Consolidated taxes increased \$359,610 (4%) due to a state-wide increase in sales tax revenue compared to last year.

Rents and royalties revenues decreased \$10,050,123 (50%) due primarily to the recognition in fiscal year 2015 of previously unearned land lease revenues associated with planned solar projects in the City's energy zone.

Total expenses increased \$314,595 (1%). This increase can be attributed to normal fluctuation in day to day operational costs.

(Continued)

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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### Business-type Activities

Business-type activities increased the City's net position by approximately \$3,751,649 (6%) in fiscal year 2016 compared to \$5,737,354 (10%). Key elements of this decrease compared to the prior year are as follows:

Capital grants and contributions decreased by \$3,537,780 (72%) due to the FAA grants used for taxi lane and access ramp capital improvements at the City's airport in fiscal year 2015.

Operating expenses increased by \$586,982 (2%) 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 \$21,353,813, an increase of \$3,454,388 (approximately 19.3%), in comparison with the prior year. The increase is primarily due to an increase in charges for services revenue and solar lease revenue.

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 \$15,194,230. The ending cash balance in the general fund is \$13,032,329.

The aggregate non-major funds have a combined total fund balance of \$6,159,583 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 decrease in fund balance during the current year in the aggregate non-major funds was \$1,658,341 (21.2%), 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, 2016, unrestricted net position amounted to \$18,956,521 for the utility fund, \$307,437 for the aviation fund and \$480,111 for the aggregate non-major (Cemetery) fund.

### General Fund Budgetary Highlights

During the year, revenues were higher than the final budgetary estimate by \$1,810,038 (6%), due primarily to building permits revenue increasing more than expected. The expenditures were less than the final budgetary estimate by \$7,477,870 (approximately 20.6%).

(Continued)

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED June 30, 2016**

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2016, the City's investment in capital assets (net of accumulated depreciation), amounts to \$153,553,266. 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 decrease in the City's investment in capital assets for the current fiscal year was \$1,029,532 (1%), which is due primarily to current year depreciation offset by current year additions. Major capital asset events during the current fiscal year included the following:

The cost of City buildings decreased by \$351,170 over the prior fiscal year. The primary reason for the decrease was for current year depreciation.

Improvements other than buildings decreased by \$723,761 primarily due to current year depreciation which was offset by improvements to the Bootleg Canyon park and airport taxi lanes.

Machinery, equipment and furniture assets decreased by \$142,767 primarily due to current year depreciation which was offset the purchase of vehicles and new golf carts at the municipal golf course.

Utility delivery systems decreased by \$1,011,298 over the prior fiscal year primarily due to current year depreciation which was offset by improvements to the electrical infrastructure system.

Depreciation expense for the fiscal year was \$7,867,708.

Capital assets at year-end were as follows:

Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Construction in progress	\$ 2,358,575	\$ 1,332,555	\$ 1,896,550	\$ 1,723,106	\$ 4,255,125	\$ 3,055,661
Land	28,529,138	28,529,138	606,375	606,375	29,135,513	29,135,513
Buildings and building improvements	7,489,570	7,825,140	116,589	130,705	7,606,159	7,955,845
Improvements other than buildings	19,039,336	19,219,134	17,010,115	15,834,879	36,049,451	35,054,013
Infrastructure	22,248,012	23,968,695			22,248,012	23,968,695
Machinery, equipment and furniture	3,394,858	3,695,336	1,117,863	960,152	4,512,721	4,655,488
Utility delivery systems			49,746,285	50,757,583	49,746,285	50,757,583
	<u>\$ 83,059,489</u>	<u>\$ 84,569,998</u>	<u>\$ 70,493,777</u>	<u>\$ 70,012,800</u>	<u>\$ 153,553,266</u>	<u>\$ 154,582,798</u>

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

#### Long-term Debt

At June 30, 2016, the City had total debt outstanding of \$28,525,495, of which \$28,185,000 is secured by specified revenue sources (revenue bonds) and \$340,495 is secured by specific capital assets.

(Continued)

# CITY OF BOULDER CITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED June 30, 2016**

### Summary of Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds and notes	\$	\$	\$	\$ 3,454,070	\$	\$ 3,454,070
Capital lease obligations	340,495	287,636			340,495	287,636
Revenue bonds			28,185,000	29,020,000	28,185,000	29,020,000
	<u>\$ 340,495</u>	<u>\$ 287,636</u>	<u>\$ 28,185,000</u>	<u>\$ 32,474,070</u>	<u>\$ 28,525,495</u>	<u>\$ 32,761,706</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 \$206,648,535, 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 trending upward, 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.

Utility rate increases, that were approved as part of the FY 2017 budget process, went into effect on October 1, 2016. These increases are for electric, water and wastewater rates and were based upon a rate study performed by EES Consulting. This study developed a ten year expense and revenue forecast for each utility and demonstrated the need for a rate increase in order for the City to achieve its goal of financial sustainability within the utility fund.

All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

#### Requests for Information

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

# **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



# CITY OF BOULDER CITY

## STATEMENT OF NET POSITION

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 21,385,975	\$ 14,430,820	\$ 35,816,795
Cash, cash equivalents and investments, restricted	900,500	5,777,353	6,677,853
Accounts receivable	2,605,918	3,779,598	6,385,516
Taxes receivable	39,884		39,884
Due from other governments	1,815,871	62,674	1,878,545
Inventories	61,730		61,730
Prepaid items	24,088		24,088
Prepaid water commodity surcharge		9,611,957	9,611,957
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	2,358,575	1,896,550	4,255,125
Land	28,529,138	606,375	29,135,513
Buildings and building improvements	7,489,570	116,589	7,606,159
Improvements other than buildings	19,039,336	17,010,115	36,049,451
Infrastructure	22,248,012		22,248,012
Machinery, equipment and furniture	3,394,858	1,117,863	4,512,721
Utility delivery systems		49,746,285	49,746,285
<b>Total assets</b>	<b>109,893,455</b>	<b>104,156,179</b>	<b>214,049,634</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	5,484,964	1,294,770	6,779,734
<b>LIABILITIES</b>			
Accounts payable	649,099	1,818,580	2,467,679
Accrued expenses	1,209,132	318,853	1,527,985
Due to other governments	22,798	15,753	38,551
Customer deposits	58,440	182,163	240,603
Unearned revenue	3,737,469		3,737,469
Interest payable		413,019	413,019
Internal balances*	(220,274)	220,274	
Long-term liabilities, due within one year			
Compensated absences	883,820	222,040	1,105,860
Bonds payable		870,000	870,000
Capital leases	178,421		178,421
Long-term liabilities, due in more than one year			
Compensated absences	2,423,453	746,931	3,170,384
Postemployment benefits other than pensions	66,906		66,906
Net pension liability	22,724,870	5,364,387	28,089,257
Bonds payable, net of unamortized premiums and deferred refunding charges		27,522,361	27,522,361
Capital leases	162,074		162,074
Landfill closure and post-closure care		2,669,215	2,669,215
<b>Total liabilities</b>	<b>31,896,208</b>	<b>40,363,576</b>	<b>72,259,784</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	2,940,233	694,066	3,634,299

(Continued)

See notes to basic financial statements.

# CITY OF BOULDER CITY

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	82,718,994	41,927,972	124,646,966
Restricted for			
Stabilization and other general programs	13,484		13,484
Courts and other judicial programs	542,857		542,857
Fire, police and other public safety programs	328,281		328,281
Parks, cultural and recreational programs	87,147		87,147
Capital improvement projects	4,414,115	850,000	5,264,115
Customer deposits		76,007	76,007
Rate stabilization		736,778	736,778
Redevelopment Agency utility		792,630	792,630
Landfill closure/post-closure		265,851	265,851
Unrestricted	<u>(7,562,900)</u>	<u>19,744,069</u>	<u>12,181,169</u>
Total net position	<u>\$ 80,541,978</u>	<u>\$ 64,393,307</u>	<u>\$ 144,935,285</u>

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

# CITY OF BOULDER CITY

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
			Capital Grants and Contributions	Operating Grants and Contributions			
Governmental activities							
General government	\$ 4,638,975	\$ 2,892,053	\$ 478,822	\$ 270,538	\$ (997,562)		\$ (997,562)
Public safety	10,888,370	846,524			(10,041,846)		(10,041,846)
Judicial	1,003,088	630,097			(372,991)		(372,991)
Public works	6,224,723		2,149,802		(4,074,921)		(4,074,921)
Culture and recreation	7,246,987	3,669,733	114,254		(3,463,000)		(3,463,000)
Community support	848,110	200,187			(647,923)		(647,923)
Debt service							
Interest and fiscal charges	300,376				(300,376)		(300,376)
Total governmental activities	<u>31,150,629</u>	<u>8,238,594</u>	<u>2,742,878</u>	<u>270,538</u>	<u>(19,898,619)</u>		<u>(19,898,619)</u>
Business-type activities							
Utility	23,610,144	22,684,442				(925,702)	(925,702)
Aviation	1,157,073	735,630		1,393,814		972,371	972,371
Cemetery	52,488	103,531				51,043	51,043
Total business-type activities	<u>24,819,705</u>	<u>23,523,603</u>		<u>1,393,814</u>		<u>97,712</u>	<u>97,712</u>
Total function/program	<u>\$ 55,970,334</u>	<u>\$ 31,762,197</u>	<u>\$ 2,742,878</u>	<u>\$ 1,664,352</u>	<u>(19,898,619)</u>	<u>97,712</u>	<u>(19,800,907)</u>
GENERAL REVENUES							
Property taxes					2,990,090		2,990,090
Intergovernmental consolidated taxes					9,972,510		9,972,510
Room taxes					534,641		534,641
Other taxes					381,179	742,012	1,123,191
Rents and royalties					10,121,381		10,121,381
Unrestricted investment income					173,586	166,465	340,051
Miscellaneous					404,781	7,390	412,171
Total general revenues					<u>24,578,168</u>	<u>915,867</u>	<u>25,494,035</u>

(Continued)

See notes to basic financial statements.

**CITY OF BOULDER CITY**  
**STATEMENT OF ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	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					(2,738,070)	2,738,070	
CHANGE IN NET POSITION					1,941,479	3,751,649	5,693,128
NET POSITION, BEGINNING OF YEAR					78,600,499	60,641,658	139,242,157
NET POSITION, END OF YEAR					\$ 80,541,978	\$ 64,393,307	\$ 144,935,285

See notes to basic financial statements.

# **FUND FINANCIAL STATEMENTS**



# CITY OF BOULDER CITY

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2016

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 13,032,329	\$ 8,353,646	\$ 21,385,975
Cash, cash equivalents and investments, restricted	900,500		900,500
Accounts receivable	2,390,090	215,828	2,605,918
Taxes receivable	37,655	2,229	39,884
Due from other governments	1,601,642	214,229	1,815,871
Due from other funds	414,389		414,389
Inventories	61,730		61,730
Prepaid items	24,088		24,088
	<u>\$ 18,462,423</u>	<u>\$ 8,785,932</u>	<u>\$ 27,248,355</u>
<b>Total assets</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 635,698	\$ 13,401	\$ 649,099
Accrued expenses	1,143,208	65,924	1,209,132
Customer deposits	58,440		58,440
Due to other governments	22,798		22,798
Due to other funds		194,115	194,115
Unearned revenue	1,386,789	2,350,680	3,737,469
	<u>3,246,933</u>	<u>2,624,120</u>	<u>5,871,053</u>
<b>Total liabilities</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	21,260	2,229	23,489
	<u>21,260</u>	<u>2,229</u>	<u>23,489</u>
<b>FUND BALANCES</b>			
Nonspendable			
Restricted for			
Courts and other judicial programs		491,929	491,929
Fire, police and other public safety programs		269,931	269,931
Parks, cultural and recreational programs		3,669	3,669
Capital improvement projects		4,238,078	4,238,078
Committed to			
Courts and other judicial programs		50,928	50,928
Capital improvement projects		746,351	746,351
Assigned to			
Stabilization and other general programs		13,484	13,484
Fire, police and other public safety programs		58,350	58,350
Parks, cultural and recreational programs		83,478	83,478
Capital improvement projects		176,037	176,037
Unassigned	15,194,230	27,348	15,221,578
	<u>15,194,230</u>	<u>6,159,583</u>	<u>21,353,813</u>
<b>Total fund balances</b>			
<b>Total liabilities and fund balances</b>	<u>\$ 18,462,423</u>	<u>\$ 8,785,932</u>	<u>\$ 27,248,355</u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2016

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FUND BALANCE, GOVERNMENTAL FUNDS		\$	21,353,813
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		\$	167,620,259
Less accumulated depreciation			<u>(84,560,770)</u>
			83,059,489
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			(66,906)
Compensated absences			(3,307,273)
Capital lease obligations			(340,495)
Deferred outflows related to pensions			5,484,964
Net pension liability			(22,724,870)
Deferred inflows related to pensions			<u>(2,940,233)</u>
			(23,894,813)
Unearned revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:			
Unearned revenue			<u>23,489</u>
			<u>23,489</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u><u>80,541,978</u></u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 1,643,598	\$ 1,294,680	\$ 2,938,278
Room tax	534,641		534,641
Franchise fees	806,783		806,783
Licenses and permits	2,127,909		2,127,909
Charges for services	4,623,847	114,254	4,738,101
Intergovernmental	13,313,745		13,313,745
Fines and forfeitures	481,193	148,904	630,097
Rents and royalties	8,268,869	1,909,712	10,178,581
Investment income	165,534	8,052	173,586
Miscellaneous	235,124	205,054	440,178
Total revenues	<u>32,201,243</u>	<u>3,680,656</u>	<u>35,881,899</u>
<b>EXPENDITURES</b>			
Current			
General government	3,900,828	1,134	3,901,962
Public safety	9,495,675	731,685	10,227,360
Judicial	644,143	175,727	819,870
Public works	4,010,303		4,010,303
Culture and recreation	5,717,959	57,820	5,775,779
Community support	778,256	179,112	957,368
Total current	<u>24,547,164</u>	<u>1,145,478</u>	<u>25,692,642</u>
Capital outlay			
Public safety	1,267,193		1,267,193
Public works	2,561,712	334	2,562,046
Culture and recreation	182,918		182,918
Total capital outlay	<u>4,011,823</u>	<u>334</u>	<u>4,012,157</u>
Debt service			
Principal payments	247,517		247,517
Total expenditures	<u>28,806,504</u>	<u>1,145,812</u>	<u>29,952,316</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,394,739</u>	<u>2,534,844</u>	<u>5,929,583</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from capital asset disposal	86,300	176,575	262,875
Transfers in	1,631,690		1,631,690
Transfers out		(4,369,760)	(4,369,760)
Total other financing sources (uses)	<u>1,717,990</u>	<u>(4,193,185)</u>	<u>(2,475,195)</u>
CHANGE IN FUND BALANCE	5,112,729	(1,658,341)	3,454,388
FUND BALANCE, BEGINNING OF YEAR	<u>10,081,501</u>	<u>7,817,924</u>	<u>17,899,425</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,194,230</u>	<u>\$ 6,159,583</u>	<u>\$ 21,353,813</u>

See notes to basic financial statements.

## CITY OF BOULDER CITY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS	\$	3,454,388
<p>Amounts reported in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:</p>		
Expenditures for capital assets	\$	4,012,157
Less current year depreciation		(4,813,385)
Gain (loss) on disposal of capital assets		<u>(709,281)</u>
		(1,510,509)
<p>Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:</p>		
Change in unearned property tax revenue		<u>(9,082)</u>
		(9,082)
<p>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:</p>		
Capital lease obligations incurred		(300,376)
Debt and capital lease principal repayments		<u>247,517</u>
		(52,859)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:</p>		
Change in postemployment benefits other than pensions		13,911
Change in compensated absences payable		(300,712)
Change in net pension liability		<u>346,342</u>
		<u>59,541</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u><u>1,941,479</u></u>

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 13,895,420	\$ 255,187	\$ 280,213	\$ 14,430,820
Cash, cash equivalents and investments, restricted	5,572,644		204,709	5,777,353
Accounts receivable	3,290,815	488,720	63	3,779,598
Due from other governments	62,674			62,674
Prepaid water commodity surcharge	9,611,957			9,611,957
Total current assets	<u>32,433,510</u>	<u>743,907</u>	<u>484,985</u>	<u>33,662,402</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation				
Construction in progress	1,859,649	36,901		1,896,550
Land	28,615	512,760	65,000	606,375
Buildings and building improvements	54,844	61,745		116,589
Improvements other than buildings	420,202	16,444,297	145,616	17,010,115
Machinery, equipment and furniture	1,068,934	48,929		1,117,863
Utility delivery systems	49,746,285			49,746,285
Total capital assets, net of accumulated depreciation	<u>53,178,529</u>	<u>17,104,632</u>	<u>210,616</u>	<u>70,493,777</u>
Total noncurrent assets	<u>53,178,529</u>	<u>17,104,632</u>	<u>210,616</u>	<u>70,493,777</u>
Total assets	<u>85,612,039</u>	<u>17,848,539</u>	<u>695,601</u>	<u>104,156,179</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	1,198,520	96,250		1,294,770
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,797,836	15,870	4,874	1,818,580
Accrued expenses	292,440	26,413		318,853
Customer deposits	182,163			182,163
Due to other governments	15,753			15,753
Due to other funds	220,274			220,274
Interest payable	413,019			413,019
Compensated absences	211,566	10,474		222,040
Bonds payable	870,000			870,000
Total current liabilities	<u>4,003,051</u>	<u>52,757</u>	<u>4,874</u>	<u>4,060,682</u>
Long-term liabilities				
Compensated absences	700,437	46,494		746,931
Net pension liability	4,965,612	398,775		5,364,387
Bonds payable, net of unamortized bond premiums	27,522,361			27,522,361
Landfill closure and post-closure care	2,669,215			2,669,215
Total long-term liabilities	<u>35,857,625</u>	<u>445,269</u>		<u>36,302,894</u>
Total liabilities	<u>39,860,676</u>	<u>498,026</u>	<u>4,874</u>	<u>40,363,576</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	642,471	51,595		694,066

(Continued)

See notes to basic financial statements.

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2016

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
NET POSITION				
Net investment in capital assets	24,629,625	17,087,731	210,616	41,927,972
Restricted				
Landfill closure/post-closure	265,851			265,851
Rate stabilization	736,778			736,778
Redevelopment Agency utility	792,630			792,630
Capital improvement projects	850,000			850,000
Customer deposits	76,007			76,007
Unrestricted	18,956,521	307,437	480,111	19,744,069
Total net position	\$ 46,307,412	\$ 17,395,168	\$ 690,727	\$ 64,393,307

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, 2016

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
OPERATING REVENUES				
Electric	\$ 12,867,172		\$	\$ 12,867,172
Water	6,923,725			6,923,725
Sewer	1,397,124			1,397,124
Refuse	903,254			903,254
Refuse special charge	236,263			236,263
Landfill receipts	193,168			193,168
Rents and royalties		726,830		726,830
Miscellaneous	163,736	16,190	103,531	283,457
Total operating revenues	<u>22,684,442</u>	<u>743,020</u>	<u>103,531</u>	<u>23,530,993</u>
OPERATING EXPENSES				
Salaries and wages	2,753,227	207,159		2,960,386
Employee benefits	1,319,716	87,982		1,407,698
Services and supplies	15,984,352	156,238	36,927	16,177,517
Depreciation	2,339,143	699,619	15,561	3,054,323
Total operating expenses	<u>22,396,438</u>	<u>1,150,998</u>	<u>52,488</u>	<u>23,599,924</u>
Operating income (loss)	<u>288,004</u>	<u>(407,978)</u>	<u>51,043</u>	<u>(68,931)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	166,465			166,465
Interest and fiscal charges	(1,219,781)			(1,219,781)
Grants		1,393,814		1,393,814
.25% local sales and use tax	742,012			742,012
Total nonoperating revenues (expenses)	<u>(311,304)</u>	<u>1,393,814</u>		<u>1,082,510</u>
Income (loss) before transfers	<u>(23,300)</u>	<u>985,836</u>	<u>51,043</u>	<u>1,013,579</u>
TRANSFERS				
Transfers in	4,104,070			4,104,070
Transfers out	(1,320,000)		(46,000)	(1,366,000)
Total transfers	<u>2,784,070</u>		<u>(46,000)</u>	<u>2,738,070</u>
CHANGE IN NET POSITION	2,760,770	985,836	5,043	3,751,649
NET POSITION, BEGINNING OF YEAR	<u>43,546,642</u>	<u>16,409,332</u>	<u>685,684</u>	<u>60,641,658</u>
NET POSITION, END OF YEAR	<u>\$ 46,307,412</u>	<u>\$ 17,395,168</u>	<u>\$ 690,727</u>	<u>\$ 64,393,307</u>

See notes to basic financial statements.

# CITY OF BOULDER CITY

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities			Total Enterprise Funds
	Utility	Aviation	Nonmajor Cemetery Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 22,961,040		\$	\$ 22,961,040
Cash received from other sources	163,956	984,628	103,535	1,252,119
Cash payments for goods and services	(15,092,747)	(243,518)	(34,528)	(15,370,793)
Cash payments for employee services	(2,407,876)	(197,234)		(2,605,110)
Net cash provided by operating activities	<u>5,624,373</u>	<u>543,876</u>	<u>69,007</u>	<u>6,237,256</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	4,104,070			4,104,070
Transfers out	(1,320,000)		(46,000)	(1,366,000)
Net cash provided by (used in) noncapital financing activities	<u>2,784,070</u>		<u>(46,000)</u>	<u>2,738,070</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(1,636,719)	(1,898,581)		(3,535,300)
Principal payments on debt	(4,289,070)			(4,289,070)
Interest payments on debt	(1,230,461)			(1,230,461)
Payments received on advances to other funds	3,590,807			3,590,807
Capital grant contributions		1,393,814		1,393,814
Sales and use tax	742,012			742,012
Net cash used in capital financing activities	<u>(2,823,431)</u>	<u>(504,767)</u>		<u>(3,328,198)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	166,465			166,465
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,751,477	39,109	23,007	5,813,593
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>13,716,587</u>	<u>216,078</u>	<u>461,915</u>	<u>14,394,580</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 19,468,064</u>	<u>\$ 255,187</u>	<u>\$ 484,922</u>	<u>\$ 20,208,173</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 288,004	\$ (407,978)	\$ 51,043	\$ (68,931)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	2,339,143	699,619	15,561	3,054,323
(Increase) in operating assets				
Accounts receivable	488,471	241,608	4	730,083
Due from other governments	220			220
Prepaid water commodity surcharge	1,295,002			1,295,002
Increase (decrease) in operating liabilities				
Accounts payable	584,126	6,777	2,399	593,302
Accrued expenses	86,440	8,158		94,598
Customer deposits	(48,137)			(48,137)
Due to other governments	7,857			7,857
Interest payable	(25,295)			(25,295)
Compensated absences	258,911	1,767		260,678
Landfill closure ad post-closure care	205,035			205,035
Due to other funds	220,274			220,274
Net pension liability	(75,678)	(6,075)		(81,753)
Total adjustments	<u>5,336,369</u>	<u>951,854</u>	<u>17,964</u>	<u>6,306,187</u>
Net cash provided by operating activities	<u>\$ 5,624,373</u>	<u>\$ 543,876</u>	<u>\$ 69,007</u>	<u>\$ 6,237,256</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, 2016

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### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

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

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

Together with the Boulder City Museum, the Boulder City Chamber of Commerce and the Boulder City Arts Council, Inc., the City established a not-for-profit corporation named the Boulder Dam Hotel Association, Inc. (the Association) primarily to own, maintain and operate the historic Boulder Dam Hotel. 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, 2016

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

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

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

#### Government-wide Financial Statements

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

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

#### Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 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.

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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### 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.

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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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.

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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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.

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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### 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, 2016, 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.

### 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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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*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. 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 useful lives of capital assets.

## **Note 2. Stewardship and Accountability**

### **Budgetary Information**

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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, 2016, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

General fund, Judicial function	\$	6,936
General fund, Culture and Recreation function		72,500
General fund, Community and Support function		24,372
Multiple Purpose Special Revenue fund, General Government function		1,134
Multiple Purpose Special Revenue fund, Public Safety function		16,962
Multiple Purpose Special Revenue fund, Judicial function		42,639
Multiple Purpose Special Revenue fund, Culture and Recreation function		55,821

### **New Accounting Pronouncements**

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This statement addresses the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This statement addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has not yet completed its assessment of this statement.

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement addresses the need for financial statements prepared by state and local governments in conformity with generally accepted accounting principles to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. Management has not yet completed its assessment of this statement.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

In June 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, effective for periods beginning after June 15, 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. Management has not yet completed its assessment of this statement.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for periods beginning after June 15, 2016. This Statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. 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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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, 2016, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Cash and cash equivalents on deposit	\$ 29,795,027
Investments	12,693,850
Cash on hand	<u>5,771</u>
Total cash, cash equivalents and investments	<u>\$ 42,494,648</u>

At June 30, 2016, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

Governmental activities	\$ 22,286,475
Business-type activities	<u>20,208,173</u>
Total cash, cash equivalents and investments	<u>\$ 42,494,648</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 \$42,488,876 the bank balance was \$43,133,646. As of June 30, 2016, the City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or was uninsured but collateralized with securities held by the pledging financial institution in accordance with the NRS.

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

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

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

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

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

At June 30, 2016, the City's investments were all registered and held by the City or the City's agent in the City's name.

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2016**

Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2. Inputs are other observable inputs.

Level 3. Inputs are unobservable

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

At year end, the City's Level 1 investments (comprised of U.S. Treasury obligations, money market mutual funds and negotiable certificates of deposit,) were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments (comprised of U.S. Agency securities) were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

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, 2016, 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 (Level 1)	\$ 1,564,842	\$	\$ 1,564,842	\$
Money market mutual funds (Level 1)	196,238	196,238		
Negotiable certificates of deposit (Level 1)	10,143,722	500,624	3,023,360	6,619,739
U.S. Agency securities (Level 2)				
Federal Home Loan Bank	278,207	278,207		
Federal Farm Credit Banks Funding Corporation	255,800	125,003	130,797	
Federal National Mortgage Association	255,040		255,040	
Total investments	<u>\$ 12,693,849</u>	<u>\$ 1,100,072</u>	<u>\$ 4,974,039</u>	<u>\$ 6,619,739</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, 2016

### 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, 2016, 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>
2017	\$ 9,064,249	\$ 2,791,707	\$ 11,855,956
2018	9,386,564	2,882,534	12,269,098
2019	9,450,749	2,909,999	12,360,748
2020	9,517,492	2,920,769	12,438,261
2021	9,423,137	2,358,183	11,781,320
2022 - 2026	48,665,816	15,043,236	63,709,052
2027 - 2031	45,950,880	13,749,715	59,700,595
2032 - 2036	45,006,188	11,543,424	56,549,612
2037 - 2041	42,904,939	10,827,433	53,732,372
2042 - 2046	34,401,304	8,600,326	43,001,630
2047 - 2051	31,535,811	7,883,953	39,419,764
2052 - 2056	26,064,280	6,516,070	32,580,350
2057 - 2061	17,882,169	4,470,542	22,352,711
2062 - 2066	13,859,569	3,464,892	17,324,461
	<u>\$ 353,113,147</u>	<u>\$ 95,962,783</u>	<u>\$ 449,075,930</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, 2016, unearned revenue was as follows:

	<u>Lease Revenue</u>
General Fund	\$ 1,386,789
Aggregate Other Governmental Funds	<u>2,350,680</u>
	<u>\$ 3,737,469</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

### Interfund Receivables, Payables, and Transfers

#### Due To and From Other Funds

At June 30, 2016, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 414,389	\$
Aggregate Other Governmental Funds		194,115
Utility Enterprise Fund		220,274
	\$ 414,389	\$ 414,389

#### 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, 2016, interfund transfers were as follows

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Utility Enterprise Fund	\$ 1,320,000
	Aggregate Other Governmental Funds	265,690
	Nonmajor Cemetery Fund	46,000
Utility Enterprise Fund	Aggregate Other Governmental Funds	4,104,070
		\$ 5,735,760

### Capital Assets

For the year ended June 30, 2016, capital asset activity was as follows:

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2016
Governmental activities					
Capital assets not being depreciated					
Construction in progress	\$ 1,332,555	\$ 2,309,019	\$	\$ (1,282,999)	\$ 2,358,575
Land	28,529,138				28,529,138
Total capital assets not being depreciated	29,861,693	2,309,019		(1,282,999)	30,887,713
Capital assets being depreciated					
Buildings and building improvements	13,286,917			44,216	13,331,133
Improvements other than buildings	34,249,810	2,520		1,232,731	35,485,061
Infrastructure	73,312,216				73,312,216
Machinery, equipment and furniture	13,611,472	1,695,893	(709,281)	6,052	14,604,136
Total capital assets being depreciated	134,460,415	1,698,413	(709,281)	1,282,999	136,732,546

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2016
Accumulated depreciation					
Buildings and building improvements	\$ (5,461,777)	\$ (381,270)		\$	\$ (5,841,563)
Improvements other than buildings	(15,030,676)	(3,134,248)			(16,445,725)
Infrastructure	(49,343,521)				(51,064,204)
Machinery, equipment and furniture	(9,916,136)	(1,293,142)			(11,209,278)
Total accumulated depreciation	<u>(79,752,110)</u>	<u>(4,808,660)</u>			<u>(84,560,770)</u>
Total capital assets being depreciated, net	<u>54,708,305</u>	<u>(3,110,247)</u>	<u>(709,281)</u>	<u>1,282,999</u>	<u>52,171,776</u>
Total governmental activities	<u>\$ 84,569,998</u>	<u>\$ (801,228)</u>	<u>\$ (709,281)</u>	<u>\$</u>	<u>\$ 83,059,489</u>

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

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Completed Construction	Balance June 30, 2016
Business-type activities					
Capital assets not being depreciated					
Construction in progress	\$ 1,723,106	\$ 3,089,819		\$ (2,916,375)	\$ 1,896,550
Land	606,375				606,375
Total capital assets not being depreciated	<u>2,329,481</u>	<u>3,089,819</u>		<u>(2,916,375)</u>	<u>2,502,925</u>
Capital assets being depreciated					
Buildings and building improvements	438,631				438,631
Improvements other than buildings	21,043,896			1,881,681	22,925,577
Machinery, equipment and furniture	4,998,490	350,834	(198,830)		5,150,494
Utility delivery systems	92,553,771	94,648		1,034,694	93,683,113
Total capital assets being depreciated	<u>119,034,788</u>	<u>445,482</u>	<u>(198,830)</u>	<u>2,916,375</u>	<u>122,197,815</u>
Accumulated depreciation					
Buildings and building improvements	(307,926)	(14,116)			(322,042)
Improvements other than buildings	(5,209,017)	(706,445)			(5,915,462)
Machinery, equipment and furniture	(4,038,338)	(204,407)	210,114		(4,032,631)
Utility delivery systems	(41,796,188)	(2,140,640)			(43,936,828)
Total accumulated depreciation	<u>(51,351,469)</u>	<u>(3,065,608)</u>	<u>210,114</u>		<u>(54,206,963)</u>
Total capital assets being depreciated, net	<u>67,683,319</u>	<u>(2,620,126)</u>	<u>11,284</u>	<u>2,916,375</u>	<u>67,990,852</u>
Total business-type activities	<u>\$ 70,012,800</u>	<u>\$ 469,693</u>	<u>\$ 11,284</u>	<u>\$</u>	<u>\$ 70,493,777</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, 2016

For the year ended June 30, 2016, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 128,277
Public safety	870,571
Judicial	73,936
Public works	2,205,792
Culture and recreation	1,469,048
Community support	<u>61,036</u>
Total depreciation expense, governmental activities	<u>\$ 4,808,660</u>
Business-type activities	
Utility	\$ 2,350,428
Aviation	699,619
Cemetery	<u>15,561</u>
Total depreciation expense, business-type activities	<u>\$ 3,065,608</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, 2016, were \$247,517.

At June 30, 2016, the net book value of capital assets acquired through capital leases was \$340,495, and future minimum capital lease payments are as follows:

<u>For the Year Ended June 30,</u>	
2017	\$ 188,508
2018	<u>167,147</u>
Total future minimum capital lease payments	355,655
Less portion of payment representing interest	<u>(15,160)</u>
Present value of total future minimum capital lease payments	<u>\$ 340,495</u>

#### Bond and Note Obligations

The City has entered into long-term debt obligations, of which the utility revenue refunding bonds are not a general obligation of the City. 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 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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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 was 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. In 2016, the City repaid the SNWA note in full, using available cash balances.

Outstanding bonds and notes payable at June 30, 2016, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2016</u>
Business-type activities				
Utility Revenue Refunding Bonds, Series 2006	September 2035	3.50 - 5.00%	\$ <u>33,545,000</u>	\$ <u>28,185,000</u>

At June 30, 2016, 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>Principal</u>	<u>Interest</u>
Business-type activities		
2017	\$ 870,000	\$ 1,221,656
2018	1,150,000	1,175,506
2019	1,210,000	1,116,506
2020	1,270,000	1,054,506
2021	1,330,000	993,663
2022 - 2026	7,585,000	4,043,750
2027 - 2031	9,465,000	2,159,616
2032 - 2036	5,305,000	455,494
2037 - 2041	<u>                    </u>	<u>                    </u>
Total business-type activities	<u>\$ 28,185,000</u>	<u>\$ 12,220,697</u>

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2016**

### Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
<b>Governmental activities</b>					
Capital leases					
PNC Equipment Finance, LLC Lease No. 165640000	\$ 19,767		\$ (19,767)	\$	
PNC Equipment Finance, LLC Lease No. 175758000	73,294		(62,630)	10,664	10,664
PNC Equipment Finance, LLC Lease No. 175762000	72,857		(62,257)	10,600	10,600
PNC Equipment Finance, LLC Lease No. 183538000	121,718			121,718	59,745
De Lage Landen Golf Course EQ		300,376	(102,863)	197,513	97,412
Total capital leases	<u>287,636</u>	<u>300,376</u>	<u>(247,517)</u>	<u>340,495</u>	<u>178,421</u>
Compensated absences	3,006,561	831,712	(531,000)	3,307,273	883,820
Postemployment benefits other than pensions	80,817	74,284	(88,195)	66,906	
Net pension liability	<u>18,831,406</u>	<u>6,954,424</u>	<u>(3,060,960)</u>	<u>22,724,870</u>	
Total governmental activities	<u>22,206,420</u>	<u>8,160,796</u>	<u>(3,927,672)</u>	<u>26,439,544</u>	<u>1,062,241</u>
<b>Business-type activities</b>					
Utility Revenue Refunding Bonds, Series 2006	<u>29,020,000</u>		<u>(835,000)</u>	<u>28,185,000</u>	<u>870,000</u>
Southern Nevada Water Authority Note	<u>3,454,070</u>		<u>(3,454,070)</u>		
Unamortized bond premiums	218,041		(10,680)	207,361	
Compensated absences	708,294	376,102	(115,425)	968,971	222,040
Net pension liability	<u>4,445,301</u>	<u>1,641,650</u>	<u>(722,564)</u>	<u>5,364,387</u>	
Total business-type activities	<u>37,845,706</u>	<u>2,017,752</u>	<u>(5,137,739)</u>	<u>34,725,719</u>	<u>1,092,040</u>
Total long-term liabilities	<u>\$ 60,052,126</u>	<u>\$ 10,178,548</u>	<u>\$ (9,065,411)</u>	<u>\$ 61,165,263</u>	<u>\$ 2,154,281</u>

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### 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, 2016, 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 \$2,669,215 represents the cumulative costs recorded to date, which is based on 48% capacity usage of the landfill as of June 30, 2016. The total estimated closure and post-closure costs are currently estimated at \$5,560,898, and accordingly, an additional \$2,891,683 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 \$2,464,180, which is 92.3% of the recorded liability at June 30, 2016, 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, 2016. 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.

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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### 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, 2016. 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, 2016, 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 \$150,000,000 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, personal injury, advertising injury, and malpractice all have an aggregate limit of \$10,000,000. The fire damage limit for any one fire is \$250,000. Medical expense limit any one person \$50,000. Hanger keepers any one occurrence, or aircraft \$10,000,000. Non-owned aircraft liability limit \$10,000,000 per occurrence.

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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At June 30, 2016, 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 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.

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 \$3,454,500 which was the remaining balance of the note. The total amount paid is included as a cost of water in the water quality control department of the City's utility fund.

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

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### **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.

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.

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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 year ended June 30, 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 were 14.5% and 28% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members remained the same.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications.

PERS collective net pension liability was measured as of June 30, 2015, 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.

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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, 2015
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, 2015, 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

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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, 2015:

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

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

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. 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, 2015, 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, 2015.

The City's proportionate share of the net pension liability at June 30, 2015, 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	\$ 42,802,403	\$ 28,089,257	\$ 15,854,249

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications. 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 .24512% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2015, 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, 2015.

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# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

For the period ended June 30, 2016, the City's pension expense was \$3,623,117 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2016, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 2,112,798
Changes of assumptions		
Net difference between projected and actual earnings on investments		1,521,501
Changes in proportion and differences between actual contributions and proportionate share of contributions	2,813,651	
Contributions made subsequent to the measurement date	3,966,082	

At June 30, 2015, 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 \$3,966,082 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. 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,			
2017		\$	(254,996)
2018			(254,996)
2019			(254,996)
2020			47,910
2021			(78,849)
Thereafter			(24,721)

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

Net pension liability, beginning of year	\$	23,276,706	
Pension expense		3,623,117	
Employer contributions		(3,783,524)	
Net changes in deferred inflows and outflows of resources		4,972,958	
Net pension liability, end of year	\$	28,089,257	

At June 30, 2016, \$303,388 is payable to PERS, equal to the June 2016 required contribution, which 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, 2016**

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 2016, this subsidy ranged from \$4.13 to \$772.11 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)	\$ 71,859
Interest on net OPEB obligation	2,425
Adjustment to ARC	<u>(4,003)</u>
Annual OPEB cost	70,281
OPEB contributions made	<u>(84,192)</u>
Decrease in net OPEB obligation	(13,911)
Net OPEB obligation, beginning of year	<u>80,817</u>
Net OPEB obligation, end of year	<u><u>\$ 66,906</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, 2014	N/A <sup>1</sup> \$	1,450,730 \$	1,450,730	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>

1. No assets have been placed in trust.

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

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

(Continued)

# CITY OF BOULDER CITY

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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, 2014, 2015 and 2016 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				
2014	\$ 92,551	\$ 96,640	104.4 %	\$ 80,769
2015	92,630	83,727	90.4 %	80,817
2016	70,281	84,192	119.8 %	66,906

#### 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, 2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	No assets in trust
Actuarial assumptions	
Average retiree age	65-69
Investment rate of return	3%
Projected salary increases	N/A <sup>1</sup>
Health cost inflation rates for the year ending June 30,	
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.

# **CITY OF BOULDER CITY**

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

**FOR THE YEAR ENDED JUNE 30, 2016**

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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 Events**

Management of the City has evaluated subsequent events and transactions through November 30, 2016, and has determined no events or transactions require recognition or disclosure in the City's financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



# CITY OF BOULDER CITY

## POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2016

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<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 <sup>1</sup> \$	2,795,851 \$	2,795,851	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
June 30, 2012	N/A <sup>1</sup>	1,901,928	1,901,928	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
June 30, 2014	N/A <sup>1</sup>	1,450,730	1,450,730	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>

1. No assets have been placed in trust.

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

# CITY OF BOULDER CITY

## 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, 2015 AND LAST NINE FISCAL YEARS<sup>1</sup>

<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 %	76.31 %
2015	0.24512 %	28,089,257	12,408,347	226.37 %	75.13 %

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, 2016 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 3,698,396	\$ 3,698,396	\$	\$ 12,408,347	29.81 %
2016	3,783,524	3,783,524		12,800,166	29.56 %

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, 2016**

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



# CITY OF BOULDER CITY

## GENERAL FUND

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

#### BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 1,481,000	\$ 1,481,000	\$ 1,643,598	\$ 162,598
Room tax	515,000	515,000	534,641	19,641
Franchise fees	801,000	801,000	806,783	5,783
Licenses and permits	589,000	589,000	2,127,909	1,538,909
Charges for services	4,601,700	4,601,700	4,623,847	22,147
Intergovernmental	10,190,300	14,412,956	13,313,745	(1,099,211)
Fines and forfeitures	556,000	556,000	481,193	(74,807)
Rents and royalties	7,243,049	7,243,049	8,268,869	1,025,820
Investment income	15,000	15,000	165,534	150,534
Miscellaneous	<u>176,500</u>	<u>176,500</u>	<u>235,124</u>	<u>58,624</u>
Total revenues	<u>26,168,549</u>	<u>30,391,205</u>	<u>32,201,243</u>	<u>1,810,038</u>
<b>EXPENDITURES</b>				
General government				
Legislative				
Salaries and wages	523,682	553,378	564,003	(10,625)
Employee benefits	211,167	219,154	219,596	(442)
Services and supplies	<u>327,292</u>	<u>327,292</u>	<u>373,611</u>	<u>(46,319)</u>
Total legislative	<u>1,062,141</u>	<u>1,099,824</u>	<u>1,157,210</u>	<u>(57,386)</u>
Executive				
Salaries and wages	377,864	388,864	399,941	(11,077)
Employee benefits	161,452	161,452	165,368	(3,916)
Services and supplies	<u>156,450</u>	<u>156,450</u>	<u>139,211</u>	<u>17,239</u>
Total executive	<u>695,766</u>	<u>706,766</u>	<u>704,520</u>	<u>2,246</u>
Finance				
Salaries and wages	354,224	354,224	359,846	(5,622)
Employee benefits	155,417	155,417	154,239	1,178
Services and supplies	<u>162,700</u>	<u>303,656</u>	<u>188,918</u>	<u>114,738</u>
Total finance	<u>672,341</u>	<u>813,297</u>	<u>703,003</u>	<u>110,294</u>
Information systems				
Salaries and wages	49,037	49,037	58,300	(9,263)
Employee benefits	26,797	26,797	29,858	(3,061)
Services and supplies	<u>684,285</u>	<u>684,285</u>	<u>640,721</u>	<u>43,564</u>
Total information systems	<u>760,119</u>	<u>760,119</u>	<u>728,879</u>	<u>31,240</u>
Central services				
Salaries and wages	18,720	18,720	16,234	2,486
Employee benefits	476,076	476,076	106,204	369,872
Services and supplies	<u>723,450</u>	<u>723,450</u>	<u>484,778</u>	<u>238,672</u>
Total central services	<u>1,218,246</u>	<u>1,218,246</u>	<u>607,216</u>	<u>611,030</u>
Total general government	<u>4,408,613</u>	<u>4,598,252</u>	<u>3,900,828</u>	<u>697,424</u>
Public safety				
Police				
Salaries and wages	3,037,094	3,037,094	3,100,491	(63,397)
Employee benefits	1,902,846	1,944,346	1,718,468	225,878
Services and supplies	1,170,348	1,170,348	794,850	375,498
Capital outlay	<u>1,086,372</u>	<u>1,086,372</u>	<u>1,267,193</u>	<u>(180,821)</u>
Total police	<u>6,110,288</u>	<u>7,238,160</u>	<u>6,881,002</u>	<u>357,158</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, 2016

	Original Budget	Final Budget	Actual	Variance
Animal control				
Salaries and wages	153,452	153,452	114,481	38,971
Employee benefits	65,869	65,869	45,409	20,460
Services and supplies	24,440	24,440	20,796	3,644
Total animal control	<u>243,761</u>	<u>243,761</u>	<u>180,686</u>	<u>63,075</u>
Fire				
Salaries and wages	2,247,367	2,247,367	2,268,620	(21,253)
Employee benefits	1,174,393	1,174,393	1,025,707	148,686
Services and supplies	464,550	464,550	406,853	57,697
Total fire	<u>3,886,310</u>	<u>3,886,310</u>	<u>3,701,180</u>	<u>185,130</u>
Total public safety	<u>10,240,359</u>	<u>11,368,231</u>	<u>10,762,868</u>	<u>605,363</u>
Judicial				
Municipal court				
Salaries and wages	383,159	383,159	411,439	(28,280)
Employee benefits	160,105	160,105	163,179	(3,074)
Services and supplies	93,943	93,943	69,525	24,418
Total judicial	<u>637,207</u>	<u>637,207</u>	<u>644,143</u>	<u>(6,936)</u>
Public works				
Highway and streets				
Salaries and wages	591,078	591,078	543,871	47,207
Employee benefits	278,524	278,524	248,266	30,258
Services and supplies	313,809	1,255,155	374,216	880,939
Capital outlay	1,642,500	4,428,052	2,560,132	1,867,920
Total highway and streets	<u>2,825,911</u>	<u>6,552,809</u>	<u>3,726,485</u>	<u>2,826,324</u>
Engineering				
Salaries and wages	267,930	267,930	283,296	(15,366)
Employee benefits	122,538	122,538	124,109	(1,571)
Services and supplies	61,450	61,450	56,350	5,100
Capital outlay			1,580	(1,580)
Total engineering	<u>451,918</u>	<u>451,918</u>	<u>465,335</u>	<u>(13,417)</u>
Administration				
Salaries and wages	228,779	228,779	240,332	(11,553)
Employee benefits	94,662	94,662	85,260	9,402
Services and supplies	425,000	425,000	371,644	53,356
Total administration	<u>748,441</u>	<u>748,441</u>	<u>697,236</u>	<u>51,205</u>
Landscaping				
Salaries and wages	538,968	538,968	560,000	(21,032)
Employee benefits	263,177	263,177	262,656	521
Services and supplies	454,320	454,320	425,090	29,230
Total landscaping	<u>1,256,465</u>	<u>1,256,465</u>	<u>1,247,746</u>	<u>8,719</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, 2016

	Original Budget	Final Budget	Actual	Variance
Building maintenance				
Salaries and wages	130,185	130,185	132,766	(2,581)
Employee benefits	61,495	61,495	61,884	(389)
Services and supplies	284,085	297,110	240,563	56,547
Total building maintenance	<u>475,765</u>	<u>488,790</u>	<u>435,213</u>	<u>53,577</u>
Total public works	<u>5,758,500</u>	<u>9,498,423</u>	<u>6,572,015</u>	<u>2,926,408</u>
Culture and recreation				
Boulder City Municipal golf course				
Services and supplies	1,283,341	1,283,341	1,246,900	36,441
Other recreation				
Salaries and wages	980,599	980,599	988,265	(7,666)
Employee benefits	325,426	325,426	324,335	1,091
Services and supplies	638,418	683,418	659,783	23,635
Total other recreation	<u>1,944,443</u>	<u>1,989,443</u>	<u>1,972,383</u>	<u>17,060</u>
Swimming pool				
Salaries and wages	291,410	291,410	260,043	31,367
Employee benefits	67,758	67,758	56,797	10,961
Services and supplies	136,415	136,415	115,788	20,627
Total swimming pool	<u>495,583</u>	<u>495,583</u>	<u>432,628</u>	<u>62,955</u>
Boulder Creek golf course				
Services and supplies	1,930,010	1,930,010	2,066,048	(136,038)
Capital outlay	130,000	130,000	182,918	(52,918)
Total boulder creek golf course	<u>2,060,010</u>	<u>2,060,010</u>	<u>2,248,966</u>	<u>(188,956)</u>
Total culture and recreation	<u>5,783,377</u>	<u>5,828,377</u>	<u>5,900,877</u>	<u>(72,500)</u>
Community support				
Community development administration				
Salaries and wages	123,140	123,140	126,215	(3,075)
Employee benefits	44,177	44,177	43,844	333
Services and supplies	13,600	13,600	13,527	73
Total community development administration	<u>180,917</u>	<u>180,917</u>	<u>183,586</u>	<u>(2,669)</u>
Planning and zoning				
Salaries and wages	100,645	100,645	103,787	(3,142)
Employee benefits	41,854	41,854	41,929	(75)
Services and supplies	25,269	55,401	37,574	17,827
Total planning and zoning	<u>167,768</u>	<u>197,900</u>	<u>183,290</u>	<u>14,610</u>
Building inspection and code enforcement				
Salaries and wages	224,540	224,540	242,556	(18,016)
Employee benefits	93,332	93,332	84,391	8,941
Services and supplies	57,195	57,195	84,433	(27,238)
Total building inspection and code enforcement	<u>375,067</u>	<u>375,067</u>	<u>411,380</u>	<u>(36,313)</u>
Total community support	<u>723,752</u>	<u>753,884</u>	<u>778,256</u>	<u>(24,372)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Debt service				
Principal payments	3,590,807	3,590,807	247,517	3,343,290
Interest and fiscal charges	<u>9,193</u>	<u>9,193</u>		<u>9,193</u>
Total debt service	<u>3,600,000</u>	<u>3,600,000</u>	<u>247,517</u>	<u>3,352,483</u>
Total expenditures	<u>31,151,808</u>	<u>36,284,374</u>	<u>28,806,504</u>	<u>7,477,870</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,983,259)</u>	<u>(5,893,169)</u>	<u>3,394,739</u>	<u>9,287,908</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal			86,300	86,300
Proceeds from capital leases	3,600,000	3,600,000		(3,600,000)
Transfers in	<u>1,591,000</u>	<u>1,834,000</u>	<u>1,631,690</u>	<u>(202,310)</u>
Total other financing sources	<u>5,191,000</u>	<u>5,434,000</u>	<u>1,717,990</u>	<u>(3,716,010)</u>
CHANGE IN FUND BALANCE	207,741	(459,169)	5,112,729	5,571,898
FUND BALANCE, BEGINNING OF YEAR	<u>10,081,501</u>	<u>10,081,501</u>	<u>10,081,501</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,614,922</u>	<u>\$ 9,461,616</u>	<u>\$ 15,194,230</u>	<u>\$ 5,732,614</u>

# CITY OF BOULDER CITY

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

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

For the year ended June 30, 2016, no significant events occurred that would have affected the information presented in the accompanying schedule of funding progress.

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, 2016, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2015 and 2014.

The actuarial valuation reports dated June 30, 2015 and 2014, are 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 4 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, 2016**

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

### **Capital Improvement**

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

### **Residential Construction Tax**

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

### **Municipal Court**

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

### **More Cops**

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

### **Multipurpose**

Accounts for resources received from, but not limited to, property confiscated by the police department, room taxes received from various hotels within the City of Boulder City and special purpose-restricted contributions. These resources are to be used for specific purposes including, but not limited to, 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 up to two percent of the proceeds from land sales to be used for promotion and advertising of City-owned land.

### **Redevelopment District #1**

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.



# CITY OF BOULDER CITY

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Nonmajor Special Revenue
<b>ASSETS</b>								
Cash, cash equivalents and investments	\$ 3,774,864	\$ 3,669	\$ 602,786	\$ 58,777	\$ 3,149,935	\$ 134,684	\$ 628,931	\$ 8,353,646
Accounts receivable	215,828							215,828
Taxes receivable							2,229	2,229
Due from other governments				219,089			(4,860)	214,229
<b>Total assets</b>	<b><u>\$ 3,990,692</u></b>	<b><u>\$ 3,669</u></b>	<b><u>\$ 602,786</u></b>	<b><u>\$ 277,866</u></b>	<b><u>\$ 3,149,935</u></b>	<b><u>\$ 134,684</u></b>	<b><u>\$ 626,300</u></b>	<b><u>\$ 8,785,932</u></b>
<b>LIABILITIES</b>								
Accounts payable			\$ 3,052		\$ 2,862		\$ 7,487	\$ 13,401
Accrued expenses			4,605	56,402			4,917	65,924
Due to other funds				194,115				194,115
Unearned revenue	350,680				2,000,000			2,350,680
<b>Total liabilities</b>	<b><u>350,680</u></b>		<b><u>7,657</u></b>	<b><u>250,517</u></b>	<b><u>2,002,862</u></b>		<b><u>12,404</u></b>	<b><u>2,624,120</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - property taxes							2,229	2,229

(Continued)

**CITY OF BOULDER CITY**

**NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2016**

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Nonmajor Special Revenue
<b>FUND BALANCES</b>								
Restricted for								
Courts and other judicial programs			491,929					491,929
Fire, police and other public safety programs					269,931			269,931
Parks, cultural and recreational programs		3,669						3,669
Capital improvement projects	3,640,012		103,200		494,866			4,238,078
Committed to								
Courts and other judicial programs					50,928			50,928
Capital improvement projects						134,684	611,667	746,351
Assigned to								
Stabilization and other general programs					13,484			13,484
Fire, police and other public safety programs					58,350			58,350
Parks, cultural and recreational programs					83,478			83,478
Capital improvement projects					176,037			176,037
Unassigned				27,349	(1)			27,348
Total fund balances	<u>3,640,012</u>	<u>3,669</u>	<u>595,129</u>	<u>27,349</u>	<u>1,147,073</u>	<u>134,684</u>	<u>611,667</u>	<u>6,159,583</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,990,692</u>	<u>\$ 3,669</u>	<u>\$ 602,786</u>	<u>\$ 277,866</u>	<u>\$ 3,149,935</u>	<u>\$ 134,684</u>	<u>\$ 626,300</u>	<u>\$ 8,785,932</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, 2016

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Nonmajor Special Revenue
<b>REVENUES</b>								
Property taxes	\$	\$ 9,000	\$	\$ 784,052	\$	\$	\$ 501,628	\$ 1,294,680
Charges for services						114,254		114,254
Fines and forfeitures			148,904					148,904
Rents and royalties	1,909,712							1,909,712
Investment income	8,052							8,052
Miscellaneous					205,054			205,054
<b>Total revenues</b>	<u>1,917,764</u>	<u>9,000</u>	<u>148,904</u>	<u>784,052</u>	<u>205,054</u>	<u>114,254</u>	<u>501,628</u>	<u>3,680,656</u>
<b>EXPENDITURES</b>								
<b>Current</b>								
General government					1,134			1,134
Public safety				714,723	16,962			731,685
Judicial			133,088		42,639			175,727
Culture and recreation					57,820			57,820
Community support							179,112	179,112
<b>Total current</b>			<u>133,088</u>	<u>714,723</u>	<u>118,555</u>		<u>179,112</u>	<u>1,145,478</u>
<b>Capital outlay</b>								
Public works					334			334
<b>Total capital outlay</b>					<u>334</u>			<u>334</u>
<b>Total expenditures</b>			<u>133,088</u>	<u>714,723</u>	<u>118,889</u>		<u>179,112</u>	<u>1,145,812</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,917,764</u>	<u>9,000</u>	<u>15,816</u>	<u>69,329</u>	<u>86,165</u>	<u>114,254</u>	<u>322,516</u>	<u>2,534,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from capital asset disposal	176,575							176,575
Transfers out	(3,954,070)	(23,000)				(242,690)	(150,000)	(4,369,760)
<b>Total other financing sources (uses)</b>	<u>(3,777,495)</u>	<u>(23,000)</u>				<u>(242,690)</u>	<u>(150,000)</u>	<u>(4,193,185)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(1,859,731)</u>	<u>(14,000)</u>	<u>15,816</u>	<u>69,329</u>	<u>86,165</u>	<u>(128,436)</u>	<u>172,516</u>	<u>(1,658,341)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<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>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,640,012</u>	<u>\$ 3,669</u>	<u>\$ 595,129</u>	<u>\$ 27,349</u>	<u>\$ 1,147,073</u>	<u>\$ 134,684</u>	<u>\$ 611,667</u>	<u>\$ 6,159,583</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Rents and royalties	\$ 1,759,511	\$ 1,759,511	\$ 1,909,712	\$ 150,201
Investment income	<u>1,800</u>	<u>1,800</u>	<u>8,052</u>	<u>6,252</u>
Total revenues	<u>1,761,311</u>	<u>1,761,311</u>	<u>1,917,764</u>	<u>156,453</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,761,311</u>	<u>1,761,311</u>	<u>1,917,764</u>	<u>156,453</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			176,575	176,575
Transfers out	<u>(2,643,360)</u>	<u>(2,643,360)</u>	<u>(3,954,070)</u>	<u>(1,310,710)</u>
Total other financing sources (uses)	<u>(2,643,360)</u>	<u>(2,643,360)</u>	<u>(3,777,495)</u>	<u>(1,134,135)</u>
CHANGE IN FUND BALANCE	(882,049)	(882,049)	(1,859,731)	(977,682)
FUND BALANCE, BEGINNING OF YEAR	<u>4,617,694</u>	<u>4,617,694</u>	<u>5,499,743</u>	<u>882,049</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,795,645</u>	<u>\$ 3,795,645</u>	<u>\$ 3,640,012</u>	<u>\$ (155,633)</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, 2016**

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	<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>9,000</u>	\$ <u>6,000</u>
OTHER FINANCING USES				
Transfers out	<u>          </u>	<u>(23,000)</u>	<u>(23,000)</u>	<u>          </u>
CHANGE IN FUND BALANCE	3,000	(20,000)	(14,000)	6,000
FUND BALANCE, BEGINNING OF YEAR	<u>20,669</u>	<u>20,669</u>	<u>17,669</u>	<u>(3,000)</u>
FUND BALANCE, END OF YEAR	<u>\$ 23,669</u>	<u>\$ 669</u>	<u>\$ 3,669</u>	<u>\$ 3,000</u>

# CITY OF BOULDER CITY

## MUNICIPAL COURT SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 155,000	\$ 155,000	\$ 148,904	\$ (6,096)
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	29,586	29,586	31,594	(2,008)
Employee benefits	14,845	14,845	14,835	10
Services and supplies	<u>144,868</u>	<u>144,868</u>	<u>86,659</u>	<u>58,209</u>
Total expenditures	<u>189,299</u>	<u>189,299</u>	<u>133,088</u>	<u>56,211</u>
CHANGE IN FUND BALANCE	(34,299)	(34,299)	15,816	50,115
FUND BALANCE, BEGINNING OF YEAR	<u>525,014</u>	<u>525,014</u>	<u>579,313</u>	<u>54,299</u>
FUND BALANCE, END OF YEAR	<u>\$ 490,715</u>	<u>\$ 490,715</u>	<u>\$ 595,129</u>	<u>\$ 104,414</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, 2016

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 700,000	\$ 700,000	\$ 784,052	\$ 84,052
EXPENDITURES				
Public safety				
Police				
Salaries and wages	445,035	445,035	438,454	6,581
Employee benefits	283,508	283,508	264,671	18,837
Services and supplies	13,685	13,685	11,598	2,087
Total expenditures	742,228	742,228	714,723	27,505
CHANGE IN FUND BALANCE	(42,228)	(42,228)	69,329	111,557
FUND BALANCE, BEGINNING OF YEAR			(41,980)	(41,980)
FUND BALANCE, END OF YEAR	\$ (42,228)	\$ (42,228)	\$ 27,349	\$ 69,577

# 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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous	\$ _____	\$ _____	\$ 205,054	\$ 205,054
EXPENDITURES				
General government				
Executive				
Services and supplies	_____	_____	1,134	(1,134)
Public safety				
Police				
Services and supplies	_____	_____	16,823	(16,823)
Fire				
Services and supplies	_____	_____	139	(139)
Total public safety	_____	_____	16,962	(16,962)
Judicial				
Municipal court				
Services and supplies	_____	_____	42,639	(42,639)
Public works				
Administration				
Capital outlay	_____	495,200	334	494,866
Culture and recreation				
Other recreation				
Services and supplies	_____	1,999	57,820	(55,821)
Total expenditures	_____	497,199	118,889	378,310
CHANGE IN FUND BALANCE		(497,199)	86,165	583,364
FUND BALANCE, BEGINNING OF YEAR	1,060,908	1,060,908	1,060,908	_____
FUND BALANCE, END OF YEAR	<u>\$ 1,060,908</u>	<u>\$ 563,709</u>	<u>\$ 1,147,073</u>	<u>\$ 583,364</u>

# 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, 2016

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ <u>130,000</u>	\$ <u>130,000</u>	\$ <u>114,254</u>	\$ <u>(15,746)</u>
EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(225,000)</u>	<u>(270,000)</u>	<u>(242,690)</u>	<u>27,310</u>
CHANGE IN FUND BALANCE	<u>(95,000)</u>	<u>(140,000)</u>	<u>(128,436)</u>	<u>11,564</u>
FUND BALANCE, BEGINNING OF YEAR	<u>123,120</u>	<u>123,120</u>	<u>263,120</u>	<u>140,000</u>
FUND BALANCE, END OF YEAR	<u>\$ 28,120</u>	<u>\$ (16,880)</u>	<u>\$ 134,684</u>	<u>\$ 151,564</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 500,000	\$ 500,000	\$ 501,628	\$ 1,628
Community support				
Community development administration				
Salaries and wages	41,803	41,803	42,625	(822)
Employee benefits	19,480	19,480	20,093	(613)
Services and supplies	<u>209,924</u>	<u>127,424</u>	<u>116,394</u>	<u>11,030</u>
Total community development administration	<u>271,207</u>	<u>188,707</u>	<u>179,112</u>	<u>9,595</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>228,793</u>	<u>311,293</u>	<u>322,516</u>	<u>11,223</u>
OTHER FINANCING USES				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	
CHANGE IN FUND BALANCE	78,793	161,293	172,516	11,223
FUND BALANCE, BEGINNING OF YEAR	<u>509,844</u>	<u>509,844</u>	<u>439,151</u>	<u>(70,693)</u>
FUND BALANCE, END OF YEAR	<u>\$ 588,637</u>	<u>\$ 671,137</u>	<u>\$ 611,667</u>	<u>\$ (59,470)</u>

# **PROPRIETARY FUNDS**



# **MAJOR ENTERPRISE FUNDS**



# **CITY OF BOULDER CITY**

## **MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2016**

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

### **Utility**

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

### **Aviation**

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



# CITY OF BOULDER CITY

## UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Electric	\$ 13,520,000	\$ 13,520,000	\$ 12,867,172	\$ (652,828)
Water	5,404,000	5,404,000	6,923,725	1,519,725
Sewer	1,391,000	1,391,000	1,397,124	6,124
Refuse	900,000	900,000	903,254	3,254
Refuse special charge	110,000	110,000	236,263	126,263
Landfill receipts	200,000	200,000	193,168	(6,832)
Miscellaneous	150,000	150,000	163,736	13,736
Total operating revenues	<u>21,675,000</u>	<u>21,675,000</u>	<u>22,684,442</u>	<u>1,009,442</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,354,873	2,354,873	2,753,227	(398,354)
Employee benefits	1,156,504	1,156,504	1,319,716	(163,212)
Services and supplies	16,378,038	15,192,599	15,984,352	(791,753)
Depreciation	2,458,200	2,458,200	2,339,143	119,057
Total operating expenses	<u>22,347,615</u>	<u>21,162,176</u>	<u>22,396,438</u>	<u>(1,234,262)</u>
Operating income (loss)	<u>(672,615)</u>	<u>512,824</u>	<u>288,004</u>	<u>(224,820)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	2,500	2,500	166,465	163,965
Interest and fiscal charges	(4,234,116)	(5,544,826)	(1,219,781)	4,325,045
.25% local sales and use tax	690,000	690,000	742,012	52,012
Total nonoperating revenues (expenses)	<u>(3,541,616)</u>	<u>(4,852,326)</u>	<u>(311,304)</u>	<u>4,541,022</u>
Loss before transfers	<u>(4,214,231)</u>	<u>(4,339,502)</u>	<u>(23,300)</u>	<u>4,316,202</u>
<b>TRANSFERS</b>				
Transfers in	6,393,360	7,704,070	4,104,070	(3,600,000)
Transfers out	(1,430,000)	(1,430,000)	(1,320,000)	110,000
Total transfers	<u>4,963,360</u>	<u>6,274,070</u>	<u>2,784,070</u>	<u>(3,490,000)</u>
CHANGE IN NET POSITION	<u>\$ 749,129</u>	<u>\$ 1,934,568</u>	2,760,770	<u>\$ 826,202</u>
NET POSITION, BEGINNING OF YEAR			43,546,642	
NET POSITION, END OF YEAR			<u>\$ 46,307,412</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>				
Rents and royalties	\$ 621,000	\$ 621,000	\$ 726,830	\$ 105,830
Miscellaneous	<u>8,500</u>	<u>8,500</u>	<u>16,190</u>	<u>7,690</u>
Total operating revenues	<u>629,500</u>	<u>629,500</u>	<u>743,020</u>	<u>113,520</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	226,509	226,509	207,159	19,350
Employee benefits	103,249	103,249	87,982	15,267
Services and supplies	202,060	202,060	156,238	45,822
Depreciation	<u>502,000</u>	<u>502,000</u>	<u>699,619</u>	<u>(197,619)</u>
Total operating expenses	<u>1,033,818</u>	<u>1,033,818</u>	<u>1,150,998</u>	<u>(117,180)</u>
Operating loss	<u>(404,318)</u>	<u>(404,318)</u>	<u>(407,978)</u>	<u>(3,660)</u>
<b>NONOPERATING REVENUES</b>				
Grants	<u></u>	<u>2,033,379</u>	<u>1,393,814</u>	<u>(639,565)</u>
CHANGE IN NET POSITION	<u>\$ (404,318)</u>	<u>\$ 1,629,061</u>	985,836	<u>\$ (643,225)</u>
NET POSITION, BEGINNING OF YEAR			<u>16,409,332</u>	
NET POSITION, END OF YEAR			<u>\$ 17,395,168</u>	

# **NON-MAJOR ENTERPRISE FUNDS**



**CITY OF BOULDER CITY**

**NON-MAJOR ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2016**

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

Cemetery

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



**CITY OF BOULDER CITY**

**CEMETERY ENTERPRISE FUND**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Miscellaneous	\$ <u>61,000</u>	\$ <u>61,000</u>	\$ <u>103,531</u>	\$ <u>42,531</u>
OPERATING EXPENSES				
Services and supplies	35,000	35,000	36,927	(1,927)
Depreciation	<u>17,915</u>	<u>17,915</u>	<u>15,561</u>	<u>2,354</u>
Total operating expenses	<u>52,915</u>	<u>52,915</u>	<u>52,488</u>	<u>427</u>
Operating income	<u>8,085</u>	<u>8,085</u>	<u>51,043</u>	<u>42,958</u>
TRANSFERS				
Transfers out	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>	
CHANGE IN NET POSITION	<u>\$ (37,915)</u>	<u>\$ (37,915)</u>	5,043	<u>\$ 42,958</u>
NET POSITION, BEGINNING OF YEAR			<u>685,684</u>	
NET POSITION, END OF YEAR			<u>\$ <u>690,727</u></u>	



**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, 2016, 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 November 30, 2016.

**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 described in the accompanying schedule of findings and questioned costs, 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 2016 - 001 and 2016 - 002, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016 - 003 through 2016 - 005 to be significant deficiencies.

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

the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2016 – 006.

**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 November 30, 2016.

**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.

A handwritten signature in black ink, appearing to read "P. Boulet Taylor". The signature is written in a cursive style with a large initial "P" and a stylized "B".

Las Vegas, Nevada  
November 30, 2016

# **STATISTICAL SECTION**



# CITY OF BOULDER CITY

## STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

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### Financial Trends

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

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

### Revenue Capacity

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

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

### Debt Capacity

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

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

### Demographic and Economic Information

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

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

### Operating Information

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

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



## CITY OF BOULDER CITY

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

	June 30, 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	June 30, 2016
<b>Governmental activities</b>										
Net investment in capital assets:	\$ 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	\$ 82,718,994
Restricted	667,937	594,642	409,695	196,790	80,609	45,444	5,715,272	4,867,878	7,157,633	5,385,884
Unrestricted	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)	(7,562,900)
Total governmental activities net position:	<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>	<u>80,541,978</u>
<b>Business-type activities</b>										
Net investment in capital assets:	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	41,927,972
Restricted	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	2,721,266
Unrestricted	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	19,744,069
Total business-type activities net position:	<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>	<u>64,393,307</u>
<b>Primary government</b>										
Net investment in capital assets:	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	124,646,966
Restricted	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	8,107,150
Unrestricted	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	12,181,169
Total primary government net position:	<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>	<u>\$ 144,935,285</u>

Table 2

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

	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	June 30, 2016
<b>Expenses</b>										
Governmental activities										
General government	\$ 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	\$ 4,638,975
Public safety	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	10,888,370
Judicial	408,062	481,389	494,969	596,017	576,424	607,243	669,647	770,477	948,908	1,003,088
Public works	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	6,224,723
Culture and recreation	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	7,246,987
Community support	944,422	833,294	685,443	575,128	510,392	571,468	623,881	811,370	833,430	848,110
Interest on long-term debt					342,848	342,120	290,551	317,801	443,115	300,376
Total governmental activities expenses	<u>23,293,290</u>	<u>25,632,411</u>	<u>25,070,968</u>	<u>24,241,193</u>	<u>27,537,889</u>	<u>28,256,972</u>	<u>28,651,287</u>	<u>31,687,447</u>	<u>30,836,034</u>	<u>31,150,629</u>
Business-type activities										
Utility	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	23,610,144
Golf course	4,102,942	4,198,189	3,019,022	2,756,959						
Aviation				715,930		937,903	973,675	920,766	988,439	1,157,073
Other business activities	362,906	388,980	630,106		814,251	54,610	42,343	55,235	45,999	52,488
Total business-type activities expenses	<u>21,536,025</u>	<u>23,310,692</u>	<u>22,393,946</u>	<u>22,669,915</u>	<u>19,738,100</u>	<u>20,200,218</u>	<u>22,569,087</u>	<u>23,967,537</u>	<u>24,232,723</u>	<u>24,819,705</u>
Total primary government expenses	<u>\$ 44,829,315</u>	<u>\$ 48,943,103</u>	<u>\$ 47,464,914</u>	<u>\$ 46,911,108</u>	<u>\$ 47,275,989</u>	<u>\$ 48,457,190</u>	<u>\$ 51,220,374</u>	<u>\$ 55,654,984</u>	<u>\$ 55,068,757</u>	<u>\$ 55,970,334</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 2,892,053
Public safety	338,180	355,495	340,102	337,823	379,915	471,671	727,778	1,190,702	867,298	846,524
Judicial	776,780	866,176	1,023,178	907,713	920,647	1,114,961	852,462	761,949	722,333	630,097
Public works										
Culture and recreation	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	3,669,733
Community support	36,508	31,847	1,124	21,233	17,723	5,895		99,115	216,275	200,187
Total charges for services	<u>4,600,171</u>	<u>4,826,440</u>	<u>4,713,603</u>	<u>4,606,522</u>	<u>6,274,341</u>	<u>7,304,145</u>	<u>6,788,638</u>	<u>9,418,704</u>	<u>7,324,925</u>	<u>8,238,594</u>
Operating grants and contributions	904,827	138,425	85,055	844,402	349,574	134,323		3,076,023	7,371,784	2,742,878
Capital grants and contributions	3,613,833	575,766	2,314,844	2,997,907	1,813,618	4,917,590	2,931,703		84,251	270,538
Total governmental activities program revenues	<u>9,118,831</u>	<u>5,540,631</u>	<u>7,113,502</u>	<u>8,448,831</u>	<u>8,437,533</u>	<u>12,356,058</u>	<u>9,720,341</u>	<u>12,494,727</u>	<u>14,780,960</u>	<u>11,252,010</u>
Business-type activities										
Charges for services										
Utility	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	22,684,442
Golf course	3,102,583	3,088,608	2,472,653	2,147,087						
Aviation						538,057	385,624	694,574	693,708	735,630
Other business activities	348,448	570,306	500,836	489,927	646,540	89,672	89,784	50,860	74,805	103,531
Total charges for services	<u>22,883,562</u>	<u>22,506,640</u>	<u>21,484,195</u>	<u>23,735,643</u>	<u>22,891,213</u>	<u>23,595,235</u>	<u>22,284,674</u>	<u>22,422,919</u>	<u>23,739,423</u>	<u>23,523,603</u>
Operating grants and contributions								6,350		
Capital grants and contributions	3,027,880	3,042,034	1,785,114	3,876,882	741,138	3,568,126	181,682	718,077	4,931,594	1,393,814
Total business-type activities program revenues	<u>25,911,442</u>	<u>25,548,674</u>	<u>23,269,309</u>	<u>27,612,525</u>	<u>23,632,351</u>	<u>27,163,361</u>	<u>22,472,706</u>	<u>23,140,996</u>	<u>28,671,017</u>	<u>24,917,417</u>
Total primary government program revenues	<u>\$ 35,030,273</u>	<u>\$ 31,089,305</u>	<u>\$ 30,382,811</u>	<u>\$ 36,061,356</u>	<u>\$ 32,069,884</u>	<u>\$ 39,519,419</u>	<u>\$ 32,193,047</u>	<u>\$ 35,635,723</u>	<u>\$ 43,451,977</u>	<u>\$ 36,169,427</u>
<b>Net Revenue (Expense)</b>										
Governmental activities	\$ (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)	\$ (19,898,619)
Business-type activities	4,375,417	2,237,982	875,363	4,942,610	3,894,251	6,963,143	(96,381)	(826,541)	4,438,294	97,712
Total primary government net revenue (expense)	<u>\$ (9,799,042)</u>	<u>\$ (17,853,798)</u>	<u>\$ (17,082,103)</u>	<u>\$ (10,849,752)</u>	<u>\$ (15,206,105)</u>	<u>\$ (8,937,771)</u>	<u>\$ (19,027,327)</u>	<u>\$ (20,019,261)</u>	<u>\$ (11,616,780)</u>	<u>\$ (19,800,907)</u>

continued

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

	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	June 30, 2016
<b>General Revenues and Transfers</b>										
Governmental activities										
Property taxes	\$ 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	\$ 2,990,090
Intergovernmental consolidated tax	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	9,972,510
Other taxes	356,883	501,535	443,928	374,404	368,893	867,954	831,554	930,254	888,272	915,820
Unrestricted investment income						23,001	14,488	66,395	49,716	173,586
Rents and royalties						6,246,797	7,393,629	9,987,339	20,171,504	10,121,381
Gain on disposal of capital assets							37,800		656,973	
Miscellaneous	4,117,291	4,162,961	5,156,624	4,978,614	5,467,961	76,052	78,497	359,231	231,795	404,781
Transfers	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)	(2,738,070)
Total governmental activities	<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>	<u>21,840,098</u>
Business-type activities										
Other taxes	885,861	600,852	512,440	495,722	545,127	587,052	620,537	686,131	721,960	742,012
Unrestricted investment income						26,192	17,608	2,474	37,895	166,465
Miscellaneous	79,545	144,563	143,485	47,766	(52,469)	650	(7,294)	3,369	3,369	7,390
Transfers	(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	2,738,070
Total business-type general revenues and other	<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>	<u>3,653,937</u>
Total primary government general revenues and other	<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>	<u>\$ 25,494,035</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 1,941,479
Business-type activities	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	3,751,649
Total primary government	<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>	<u>\$ 5,693,128</u>

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

	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	June 30, 2016
<b>General Fund</b>										
Nonspendable										
Prepaid items	\$ 19,589	\$ 19,685	\$ 22,707	\$ 20,958	\$ 20,958	\$ 123,212	\$ 24,088	\$ 24,088	\$ 24,088	\$ 24,088
Inventories						70,265	94,190	60,839	46,865	
Unassigned	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	\$ 15,194,230
<b>Total general fund</b>	<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>	<u>\$ 15,194,230</u>
<b>All Other Governmental Funds</b>										
Restricted for										
Additional police officers	\$ 667,937	\$ 594,642	\$ 409,695	\$ 196,790	\$ 196,790	\$ 45,444	\$ 45,443	\$ 193,628	\$ 236,114	\$ 269,931
Capital improvements	1,048,373	969,385	1,141,261	1,952,556	1,952,556			3,357,716	6,067,645	4,238,078
Court Programs								459,432	506,611	491,929
Parks and recreational programs									17,669	3,669
Committed to										
Court Programs								30,000	12,828	50,928
Capital improvements	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	746,351
Special revenue purposes	852,856	886,692	904,481	975,477	892,039					
Assigned to										
Stabilization and other								9,251	11,005	13,484
Fire, police and other programs								38,941	44,921	58,350
Parks and recreational programs								81,779	84,803	83,478
Capital improvements								176,037	176,037	176,037
Unassigned									(41,980)	27,348
<b>Total all other governmental funds</b>	<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>\$ 7,859,904</u>	<u>\$ 6,159,583</u>

Table 4

## CITY OF BOULDER CITY

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

	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	June 30, 2016
<b>REVENUES</b>										
Taxes	\$ 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	\$ 3,472,919
Licenses, permits and franchise fees	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	2,934,692
Intergovernmental	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	13,313,745
Charges for services	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	4,738,101
Fines and forfeitures	776,780	866,176	1,023,178	907,713	907,713	1,114,961	852,462	761,949	722,333	630,097
Rents and royalties						6,208,520	7,386,933	10,010,356	20,195,303	10,178,581
Miscellaneous	4,117,291	4,162,961	5,156,624	4,969,036	4,969,036	143,330	246,783	1,099,142	358,296	613,764
Total revenues	<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>	<u>35,881,899</u>
<b>EXPENDITURES:</b>										
Current										
General government	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	3,901,962
Public safety	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	10,227,360
Judicial	418,232	454,330	472,915	575,617	575,617	563,195	624,015	709,467	713,965	819,870
Public works	4,674,243	4,409,043	5,565,856	6,357,322	6,357,322	3,543,957	3,218,171	3,766,313	4,034,181	4,010,303
Culture and recreation	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	5,775,779
Community support	944,685	824,161	699,701	570,017	494,443	559,687	1,279,996	1,207,266	972,231	957,368
Capital outlay						8,182,191	5,526,939	2,054,752	7,590,906	4,012,157
Debt service										
Principal retirement					400,000	1,446,633	562,027	1,846,601	5,311,701	247,517
Interest and fiscal charges					342,848	342,120	234,699	268,504	187,006	
Total expenditures	<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>	<u>29,952,316</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>										
	<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>	<u>5,929,583</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Contingency		(86,563)	(107,560)	(35,923)						
Transfers in	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	1,631,690
Transfers out	(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)	(4,369,760)
Proceeds from capital asset disposal							40,943	354,859	773,639	262,875
Proceeds from capital leases				664,238			175,300	363,500	186,000	
	<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>	<u>(2,475,195)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<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>	<u>\$ 3,454,388</u>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	0.00%	0.00%	0.00%	0.00%	2.90%	7.04%	3.12%	7.52%	17.43%	0.95%

(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	
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%
2016	485,952,647	1,388,436,134	202,875,805	579,645,157	688,828,452	1,968,081,291	35%

Source: Clark County Assessor's Office

## CITY OF BOULDER CITY

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

Fiscal Year	Direct rate	Overlapping rates <sup>(1)</sup>				Total
	City of Boulder City	State of Nevada	Clark County School District	Clark County	Special Districts	
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
2016	0.2600	0.1700	1.3034	0.6541	0.2039	2.5914

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

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

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

Table 7

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

Taxpayer	Type of Business	Fiscal 2016			Fiscal 2007		
		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	\$ 354,710,311	1	61.57%	\$ 36,867,886	1	6.65%
Nevada Solar One, LLC	Energy	20,610,499	2	3.58%			
Taihen Techren USA Company	Energy	7,683,505	3	1.33%			
Caesar's Entertainment, LLC	Golf	7,674,223	4	1.33%	16,139,747	2	2.91%
Kowepo America Limited Liability Company	Energy	3,095,435	5	0.54%			
Francis Carrington	Real Estate	2,440,891	6	0.42%	2,862,900	7	0.52%
AMC Property Holdings LLC	Real Estate	2,318,052	7	0.40%			
Gingerwood Mobile Home Park, LLC	RV Park	2,288,011	8	0.40%	3,222,816	4	0.58%
Solargenix Energy LLC	Energy	1,965,970	9	0.34%			
Elois Veltman	Real Estate	1,640,703	10	0.28%			
Brother Sonny Limited Liability Co.	Real Estate				3,240,938	3	0.58%
Matthew P. Gardner	Real Estate				2,947,191	5	0.53%
Claremont Heights	Real Estate				2,927,555	6	0.53%
Mario & A. Caruso 1999 Family Trust	Hotel / Real Estate				2,861,483	8	0.52%
Lido & Laila Paglia	Real Estate				2,028,044	9	0.37%
Canyon Road Self Storage	Real Estate				1,995,317	10	0.36%
		<u>\$ 404,427,600</u>		<u>70.20%</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>
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%	43,357	2,049,305	100.00%	21	0.00%
2011	1,876,410	1,823,343	97.17%	53,046	1,876,389	100.00%	21	0.00%
2012	1,655,230	1,630,565	98.51%	24,644	1,655,209	100.00%	21	0.00%
2013	1,491,079	1,472,781	98.77%	16,280	1,489,061	99.86%	2,018	0.14%
2014	1,448,140	1,428,163	98.62%	16,085	1,444,248	99.73%	3,892	0.27%
2015	1,400,721	1,374,489	98.13%	18,354	1,392,843	99.44%	7,878	0.56%
2016	1,358,417	1,323,637	97.44%	n/a	1,323,637	97.44%	34,780	2.56%

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, 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	June 30, 2016
REVENUE SOURCE										
Electric	\$ 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	\$ 12,867,172
Water	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	6,923,725
Sewer	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	1,397,124
Refuse	827,883	959,347	1,043,916	1,051,388	1,051,388	869,470	894,886	902,926	935,099	903,254
Refuse special charges						215,796	58,054	109,898	246,653	236,263
Landfill receipts	189,580	153,015	163,445	152,444	152,444	124,968	196,322	254,824	195,395	193,168
Rents and royalties						525,984				
Miscellaneous	480,510	331,521	247,694	304,480	304,480	312,103	417,335	168,763	214,775	163,736
Total revenues	<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>\$ 22,970,910</u>	<u>\$ 22,684,442</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 2016		Fiscal 2007	
		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 / Cemetary	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 <sup>(2)</sup>	Per Capita
	Golf Course Revenue Bonds <sup>(1)</sup>	Capital Leases	Utility and Golf Course Revenue Bonds <sup>(1)</sup>	General Obligation Notes Payable	Capital Leases			
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	
2016		340,495	28,185,000			28,525,495	1,804	

**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 <sup>(2)</sup>	Estimated Value of Taxable Property <sup>(1)</sup>	Total Debt (excluding capital leases)	Debt Service Available	Revenue - Pledged Debt	General Bonded Debt	Ratio of General Bonded Debt to Estimated Value of Taxable Property	General Bonded Debt Per capita <sup>(2)</sup>
2007	15,478	\$ 2,002,559,091	\$ 42,863,540		\$ 42,760,000	\$ 103,540	0.01%	\$ 7
2008	15,863	2,280,918,633	42,708,791		42,630,000	78,791	0.00%	5
2009	16,684	2,293,082,668	42,398,299		42,345,000	53,299	0.00%	3
2010	16,064	2,124,441,709	55,177,042		41,550,000	13,627,042	0.64%	848
2011	15,359	1,711,065,951	54,065,000		40,465,000	13,600,000	0.79%	885
2012	15,335	1,592,112,431	45,042,727		38,530,000	6,512,727	0.41%	425
2013	15,759	1,684,724,751	43,259,167		37,280,000	5,979,167	0.35%	379
2014	15,635	1,646,113,660	40,274,356		34,855,000	5,419,356	0.33%	347
2015	15,627	1,933,155,546	32,474,070		29,020,000	3,454,070	0.18%	221
2016	15,813	1,968,081,291	28,185,000		28,185,000	28,185,000	1.43%	1,782

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, 2016  
(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	\$ 671,380		100.00%	
Clark County	69,258,468	1,602,055	0.97%	15,540
Clark County School District	69,258,468	1,820,495	0.97%	17,659
<b>Total</b>	<b>\$ 139,188,316</b>	<b>\$ 3,422,550</b>		<b>\$ 33,199</b>

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

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

CITY OF BOULDER CITY

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

	June 30, 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	June 30, 2016
Assessed value	\$ 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	\$ 688,828,452
<b>Legal debt margin</b>										
Debt limit (30% of Assessed Value)	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	206,648,536
Debt applicable to limit: General obligation notes payable										
Legal Debt Margin	<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>	<u>\$ 206,648,536</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 <sup>(1)</sup>	Net Operating Revenue	Accrued Interest	Interest Reserve	Consolidated Taxes (15% pledged)	Amount Available for Debt Service	Debt Service			Coverage
								Principal	Interest	Total	
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 <sup>(2)</sup>	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 <sup>(2)</sup>	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 <sup>(2)</sup>	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 <sup>(2)</sup>	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 <sup>(2)</sup>	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
2016 <sup>(3)</sup>	22,684,442	20,057,295	2,627,147	413,019		1,495,877	4,536,043	4,289,070	1,230,461	5,519,531	0.82

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

(3) Golf Course Revenue Bonds were paid off in Fiscal Year 2015

## CITY OF BOULDER CITY

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

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Fiscal Year	Population <sup>(1)</sup>	Per Capita Personal Income <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
2007	15,478		2,185	4.20%
2008	15,863		2,122	7.00%
2009	16,684		2,140	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		1,956	10.10%
2014	15,635		1,948	7.90%
2015	15,627		1,904	6.90%
2016	15,813		1,864	5.25%

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 2016	Fiscal 2007	
		Rank	Employees <sup>(1)</sup>	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<sup>(1)</sup>  
(Unaudited)

	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	June 30, 2016
Functions/Programs										
<b>Governmental activities</b>										
General government	19	19	18	16	16	17	18	18	18	18
Judicial	3	3	3	3	3	4	4	4	4	4
Public safety	69	71	70	65	66	66	64	64	65	65
Public works	25	25	26	26	23	23	23	23	23	23
Culture and recreation	18	18	10	8	9	9	9	9	9	9
Community support	6	6	5	4	4	4	4	4	4	4
<b>Business-type activities</b>										
Airport			2	2	2	2	2	2	3	3
Water and sewer	10	10	10	9	9	9	9	9	9	9
Electric	21	21	20	19	19	19	19	19	19	19
Total	<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>	<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

Table 19

**CITY OF BOULDER CITY**  
**Operating Indicators by Function and Program** <sup>(1)(2)</sup>  
**(Unaudited)**

Functions / Programs	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	June 30, 2016
<b>Governmental activities</b>										
Judicial										
Average charges filed per day	16	22	23	22	23	26	16	17	18	17
Public safety										
Citations	5,891	5,991	7,232	8,616	6,130	6,030	6,232	6,104	6,300	6,150
Police calls for service	28,340	23,711	23,057	24,975	23,632	23,720	23,887	20,007	24,023	21,500
EMS responses	1,723	1,895	1,716	1,685	1,800	1,822	1,733	1,822	1,800	1,750
Fire responses	694	763	545	333	500	370	425	370	380	370
Public works										
Lane miles of street maintenance	87	87	87	87	87	87	87	87	87	87
Acres of turf	92	92	92	92	92	92	92	92	92	92
Facilities maintained	77	77	77	77	77	78	79	79	79	79
Culture and recreation										
Parks and Recreation Special interest class registrations	2,153	2,035	2,001	1,704	2,087	2,200	2,999	3,107	2,867	2,950
Community support										
Building inspections	4,950	5,500	5,500	5,300	4,900	2,856	3,063	6,617	6,000	5,800
Plans reviewed	490	550	490	490	470	485	578	550	550	550
<b>Business-type activities</b>										
Water										
Acre feet of water distributed	12,489	13,916	13,816	13,816	13,700	12,927	12,920	12,989	12,902	12,902
Water meter repairs	720	800	790	790	750	750	760	770	780	770
Water service repairs	120	150	140	140	150	123	125	130	125	130
Electric										
Kilowatt hours (kwh) purchased	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	173,492,264
Average purchased power (cost/kwh)	\$ 0.030	\$ 0.030	\$ 0.040	\$ 0.040	\$ 0.042	\$ 0.034	\$ 0.032	\$ 0.036	\$ 0.037	\$ 0.037
Sewer										
Line cleaned (feet)	110,000	115,000	115,000	115,000	115,000	115,000	114,000	114,500	114,500	114,500
Line location (call before you dig)	1,300	1,440	1,400	1,440	1,400	1,423	1,414	1,430	1,440	1,425
Acre ft. of water treated	1,500	1,600	1,600	1,600	1,500	1,600	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.

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

Functions/Programs	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	June 30, 2016
<b>Governmental activities</b>										
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
<b>Business-type activities</b>										
Water										
Water mains (miles)	121	121	121	121	121	122	122	122	122	122
Electric										
Miles of electrical lines	148	148	148	148	148	148	148	148	148	148
Number of substations	6	6	6	6	6	7	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, 2016

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

#### FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2016		\$	290,735
Business license revenue for the year ended June 30, 2015 (base year)		\$	309,547
Adjustment to base year			
Percentage change in local government population	1.01 %		
Percentage change in Consumer Price Index	<u>1.00 %</u>		
			<u>2.01 %</u>
Total adjustment to base year			<u>6,222</u>
Adjusted business license revenue base for the year ended June 30, 2016			<u>315,769</u>
Amount under allowable maximum		\$	<u><u>(25,034)</u></u>



# **SINGLE AUDIT INFORMATION**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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 the City's major federal program for the year ended June 30, 2016. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Major Federal Program.** In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2016.

**Other Matters.** The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016 - 006. Our opinion on the major federal program is not modified with respect to this matter.

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

**Report on Internal Control Over Compliance.** The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to

above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.** 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 30, 2016, 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 the Uniform Guidance 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  
November 30, 2016

# CITY OF BOULDER CITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
US Department of Housing and Urban Development				
Clark County, Nevada				
Community Development Block Grants/Entitlement Grants-Master	14.218	B-13-UC32-0001	\$ 44,400	\$ 44,400
Community Development Block Grants/Entitlement Grants-Welfare	14.218	B-13-UC32-0001	22,298	22,298
Community Development Block Grants/Entitlement Grants-Lend-a-Hand	14.218	B-13-UC32-0001	<u>7,834</u>	<u>7,834</u>
Total US Department of Housing and Urban Development			<u>74,532</u>	<u>74,532</u>
U.S. Department of Interior-Bureau of Land Management				
Southern Nevada Public Land Management CMAQ Electric Cars	15.235			240,228
Southern Nevada Public Land Management Bootleg Canyon Park	15.235			<u>341,008</u>
Total U.S. Department of Interior-Bureau of Land Management				<u>581,236</u>
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607			<u>1,350</u>
Total U.S. Department of Justice				<u>1,350</u>
U.S. Department of Transportation-NDOT				
Highway Planning and Construction	20.205			<u>17,666</u>
Total U.S. Department of Transportation-NDOT				<u>17,666</u>
U.S. Department of Transportation-FAA				
Airport Improvement Program	20.106 *			<u>1,808,811</u>
Total U.S. Department of Transportation-FAA				<u>1,808,811</u>
U.S. Environmental Protection Agency				
Congressionally Mandated Projects Water Infrastructure Tertiary Effluent Polishing and Pipeline	66.202			<u>317</u>
Total U.S. Environmental Protection Agency				<u>317</u>
U.S. Office of Traffic Safety				
Public Safety State and Community Highway Safety	20.600			<u>37,500</u>
Total U.S. Office of Traffic Safety				<u>37,500</u>
Total federal expenditures			<u>\$ 74,532</u>	<u>\$ 2,521,412</u>

\* A major program

# CITY OF BOULDER CITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

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### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Boulder City, Nevada under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the City.

### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3. Indirect Cost Rate**

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2016

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### 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 2 CFR 200.516(a)	Yes
Identification of major programs	
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	\$750,000
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, 2016

---

**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***

2016 - 001

Criteria or specific requirement	Procedures are in place to prevent an individual from having the ability to prepare, review, approve, and post journal entries.
Condition and context	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.
Effect	Journal entries were posted for which the same individual prepared, reviewed, approved, and posted the entries.
Cause	Controls over journal entries were not adequately designed and implemented to prevent an individual from having the ability to prepare, review, approve, and post journal entries.
Recommendation	We recommend that management design and implement procedures that would provide an independent review of the journal entries prior to the posting of those entries.
Management's response	Management informed us that several changes were made to remedy this significant deficiency in February 2016. All journal entries created by the Finance Director were reviewed by the Chief Accountant. The system, however fails to adequately show the originator and approver of the journal entry. Management's plan is to move the review control from the system to paper until they are able to figure out a way for the system to show the journal entry approval.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

2016 - 002

Criteria or specific requirement	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 and context	Year-end balance sheet account reconciliations were either not prepared or were incomplete when audit fieldwork began.
Effect	Several audit adjustments were needed to correct 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. Management plans on updating their year-end closing procedures to ensure that all needed entries are recorded.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

2016 - 003

Criteria or specific requirement	Utility adjustments are authorized and reviewed by supervisory personnel and recorded daily in the Accounts Receivable Utility Account.
Condition and context	Based on our testing of Utility Adjustments, it was determined that all adjustments could be, and in some cases were, prepared and posted by cashiers without independent approval.
Effect	Unauthorized adjustments could be made to individuals' accounts.
Cause	Adjustments are not properly reviewed.
Recommendation	We recommend that the Utility Department Manager review and approve all adjustments daily.
Management's response	Management informed us that utility adjustments will be reviewed daily.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

---

**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)**

2016 - 004

Criteria or specific requirement	Bank account reconciliation's are prepared monthly (with all reconciling items identified) by an individual independent of the cash receipts and disbursements functions. Bank account reconciliation's are reviewed by an individual independent of its preparation and of the cash receipts and disbursements functions (review process includes inspection and checking numerical accountability of returned checks).
Condition and context	Per examination of the four bank account reconciliations for June 2016, we noted three reconciliations were not performed timely. We also noted that none of the reconciliations documented who reviewed the reconciliation and when the review was performed. In addition one of the four did not contain evidence of who prepared the reconciliation and when it was performed.
Effect	The evidence that controls performed over cash (specifically the bank reconciliation process) were performed was not adequately maintained.
Cause	Inadequate control procedures.
Recommendation	We recommend that reconciliations be performed timely and that the preparer signs and dates the reconciliation. We also recommend that an independent individual reviews the reconciliation and also signs and dates it.
Management's response	Management informed us that the bank reconciliations will be performed timely and that it will be reviewed by an independent individual going forward.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

---

**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)**

2016 - 005

Criteria or specific requirement	Subsequent Disbursements are checked for proper period recognition.
Condition and context	We noted one of 32 subsequent disbursements was not recorded in the proper period. Per discussion with the Chief Accountant, this was because monthly bills are recorded on the cash basis rather than the accrual basis. This is not appropriate, however, because the bills can differ significantly from month to month. We noted an approximate \$88,000 difference between the fiscal year 2015 invoice that was recorded in fiscal year 2016 and the fiscal year 2016 invoice that was recorded in fiscal year 2017.
Effect	Expenditures were not recorded in the proper period.
Cause	Inadequate control procedures.
Recommendation	We recommend that all disbursements be recorded on the accrual basis.
Management's response	Management informed us that all disbursements will be recorded on the accrual basis.

(Continued)

# CITY OF BOULDER CITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

2016 - 006	
Federal program	United States Department of Transportation, Airport Improvement Program (CFDA #20.106)
Criteria or specific requirement	Annual reports shall be submitted no later than 90 days after the end of each reporting period.
Condition and context	We noted that four of the required annual financial reports 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.
Cause	Grant management personnel have not established procedures to ensure the timely filing of required financial reports.
Repeat finding	No
Recommendation	We recommend that grant management personnel establish procedures to ensure the federal financial reports are submitted timely.
Management's response	Management informed us that the Federal Financial Reports will be submitted timely going forward.



# CITY OF BOULDER CITY

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 001

Criteria or specific requirement

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 and context

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.

Current status

Uncorrected. See finding 2016-004.

(Continued)

# CITY OF BOULDER CITY

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

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 002

Criteria or specific requirement

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 and context

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

Current status

Uncorrected. See current year finding 2016-002

(Continued)

# CITY OF BOULDER CITY

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

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 003

Criteria or specific requirement	Procedures are in place to prevent an individual from having the ability to prepare, review, approve and post journal entries.
Condition and context	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.
Current status	Uncorrected. See current year finding 2016-001

(Continued)

**CITY OF BOULDER CITY**

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

**FOR THE YEAR ENDED JUNE 30, 2015**

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**Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) and/or findings required by 2 CFR 200.516(a)**

None reported