



City of Boulder City Nevada



**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2014**



City of Boulder City Nevada



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

**Prepared by
Finance Department**

**Shirley D. Hughes
Finance Director**

CITY OF BOULDER CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



City of Boulder City

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

November 19, 2014

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

Nevada Revised Statute (NRS) 354.624 requires the City of Boulder City (the City) to submit a “complete set” of financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the comprehensive annual financial report for the City as of and for the year ended June 30, 2014, is hereby submitted.

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

The City's financial statements have been audited by Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors. The goal of the independent audit was to provide reasonable assurance that the City's basic financial statements as of and for the year ended June 30, 2014, 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, 2014, are fairly presented in conformity with GAAP. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* is presented as the last component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditors' Report on Financial Statements and Supplementary Information in the financial section of this report.

Profile of the City

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

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

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

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

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

Renewable energy and green technology are development niches that are consistent with Boulder City's culture. This development strategy appears to have panned out, and Boulder City has approximately 8,000 acres of City owned land under lease for renewable energy generation. These new revenues have enabled the City to weather the worst economic decline in the City's history. In 2012, the City saw an increase in the revenue generated from these land leases, providing a unique opportunity for the City to set the stage for financial sustainability long into the future. A portion of the new lease revenues are being set aside in a restricted reserve account. There are specific milestones that must be met prior to the beginning of full operation of the related solar facilities. Until these milestones have been completed, some or all of the payments may be refundable. Once the milestones have been met, the related reserves will be transferred to unrestricted reserves and will be available to fund general operations of the City.

Using a portion of the lease revenue, the City plans to reduce current debt balances by 65% over the next ten years. With a plan in place that focuses on debt reduction and the establishment of reserves, program fund balances will be restored and budget stability will be attained. The five year plan is effective for fiscal year 2014 and will be reviewed annually and revised as needed to ensure sustainability going forward.

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

Factors Affecting Financial Condition

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

The 2013 population estimate for Clark County (the County) is 2,027,868, compared to the State's population of more than 2.8 million. The County is the most populous of Nevada's 17 counties. The City's rate of growth is expected to continue at less than 2 percent per year as set out in the City's controlled growth ordinance. Southern Nevada's economy continues to be impacted by the national and world-wide economic issues; however, there are signs that these economic issues are beginning to turn around. Tourism continues to rise, albeit slower than in the past, foreclosures are decreasing, and consumers are showing more optimism. Consolidated tax revenues have continued to rise over the prior year. Overall revenues this past year are rebounding and are predicted to continue to slowly increase going forward.

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

Future issues requiring management's attention include the concern over labor costs, which are driven primarily by the Las Vegas metro labor market. Although Boulder City's labor costs are less than the surrounding Las Vegas area, they nevertheless are significant for a small city. The City can no longer sustain employee wage schedules that are combined with high benefit packages. The City has completed negotiations with all collective bargaining units providing for contracts through fiscal year 2017.

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

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

Renewable Energy Project lease revenues are a crucial component of reducing the City's dependence upon the State's tax-based revenue structure and achieving the goal of long-term sustainability. These funds can help provide essential services. For fiscal year 2015, the total lease revenues are budgeted to be \$9.1 million. We are restricting approximately \$1.6 million of these revenues as there are still milestones that have not been completed, leaving this amount as potentially refundable.

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

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its fiscal 2013 Comprehensive Annual Financial Report (CAFR). This was the 24th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements

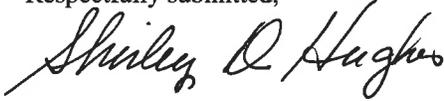
A Certificate of Achievement is valid for a period of one year only. We believe that the current report continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for award of a certificate.

In addition, the GFOA presented a Distinguished Budget Presentation Award to the City for the fiscal year beginning July 1, 2013. This was the 12th consecutive year that the City received this award. The GFOA awards a Distinguished Budget Presentation Award to government units that publish a budget document, which conforms to program standards as a policy document, operations guide, financial plan and a communications device.

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Shirley D. Hughes".

Shirley D. Hughes
Finance Director

**CITY OF BOULDER CITY, NEVADA
PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

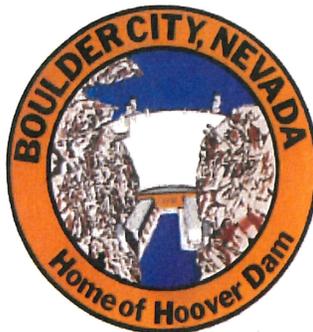
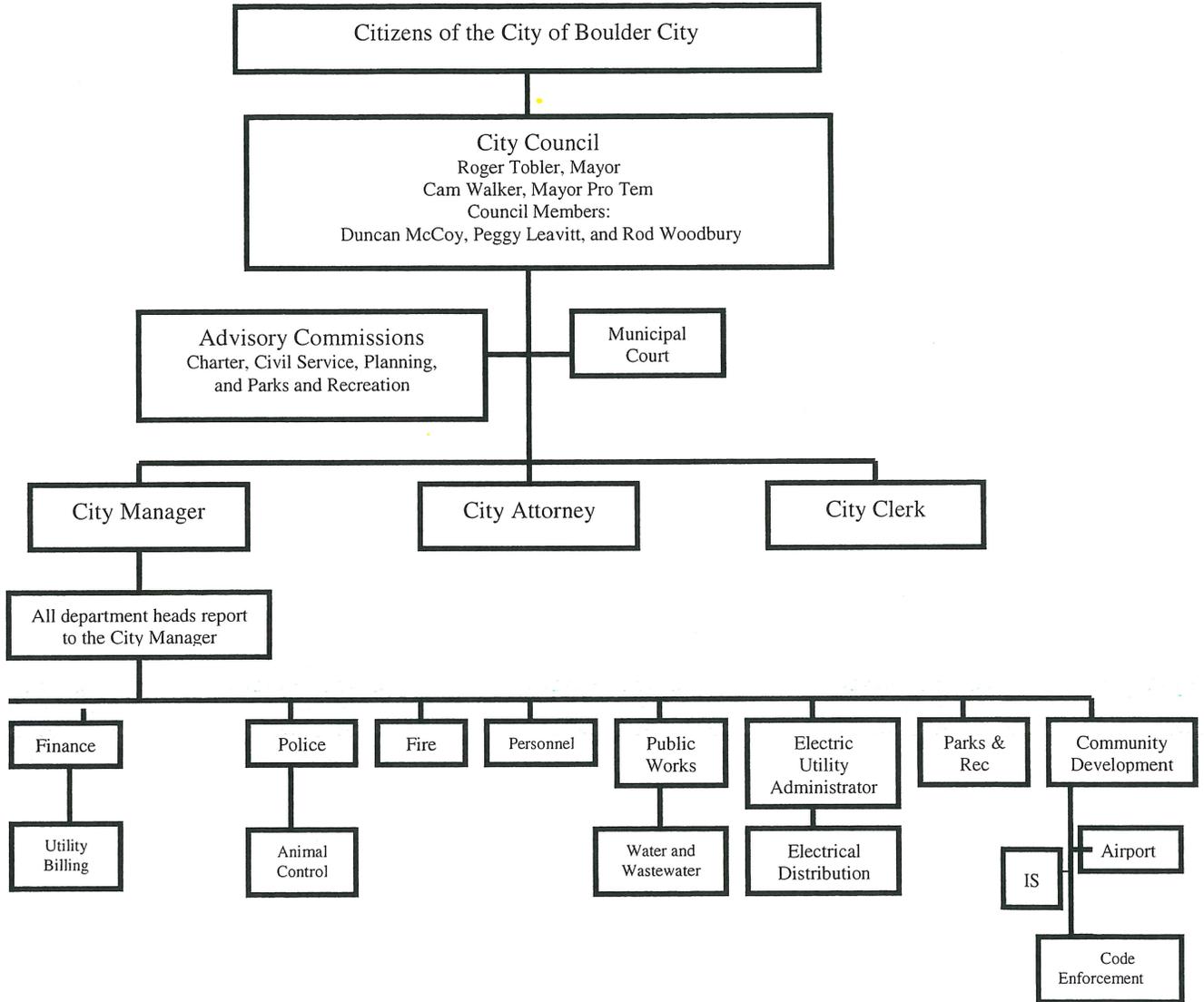
Mayor and City Council

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

City Officials

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

BOULDER CITY ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Boulder City
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

FINANCIAL SECTION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 11-20 and 57-63 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 19, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 19, 2014

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Management's Discussion and Analysis

As management of the City of Boulder City (the City), we offer readers of the financial report this narrative overview and analysis of the financial activities of the City as of and for the fiscal year ended June 30, 2014.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$141,100,899 (net position). Of this amount, \$21,014,061 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by 3% \$3,748,445 (including a \$776,867 prior period adjustment) primarily due to lease payments received for energy zone projects. However, a significant portion of these resources is reported as restricted cash until certain refund provisions expire. In addition, improvements to flood control channels and basins, and to the utility delivery systems increased the City's total net position invested in capital assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,085,015, an increase of 96% (\$3,964,081 including a \$776,867 prior period adjustment) in comparison with the prior year.
- At the end of the current fiscal year, fund balance for the general fund, was \$3,217,137, 11% of total general fund expenditures.
- The City's total liabilities decreased by 3% (\$1,920,414) during the current fiscal year, primarily due to the normal fluctuation of day to day operations.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at fiscal yearend. 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 funds.

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

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

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

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

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

The other required supplementary information can be found on pages 57-63 of this report.

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

The combining and individual fund statements and schedules can be found on pages 65-81 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 \$141,100,899.

Approximately 80% of the City's net position is invested in capital assets (land, buildings, improvements other than buildings, machinery, equipment and furniture, utility delivery systems, and infrastructure); less any related debt used to acquire these assets, which are used to provide services to citizens. Consequently, this classification of net position is not available for future spending. Nevertheless, it should be noted, that the resources needed to repay the debt associated with these capital assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

City of Boulder City, Nevada
Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Totals</u>	
	2014	2013	2014	2013	2014	2013
Assets						
Capital assets	\$ 81,510,467	\$ 84,583,022	\$ 65,591,274	\$ 67,634,479	\$147,101,741	\$152,217,501
Other assets	30,518,577	25,433,533	34,525,640	31,941,842	65,044,217	57,375,375
	<u>112,029,044</u>	<u>110,016,555</u>	<u>100,116,914</u>	<u>99,576,321</u>	<u>212,145,958</u>	<u>209,592,876</u>
Liabilities						
Long-term liabilities						
Outstanding	\$ 6,186,894	\$ 6,986,936	\$ 36,967,921	\$ 38,250,316	\$ 43,154,815	\$ 45,237,252
Other liabilities	24,107,050	23,542,510	3,783,194	3,460,660	27,890,244	27,003,170
	<u>30,293,944</u>	<u>30,529,446</u>	<u>40,751,115</u>	<u>41,710,976</u>	<u>71,045,059</u>	<u>72,240,422</u>
Net position						
Invested in capital assets, net of related debt	\$ 76,375,585	\$ 77,991,990	\$ 35,543,133	\$ 36,796,036	\$ 111,918,718	\$ 114,788,026
Restricted	4,867,878	5,715,272	2,047,339	2,047,339	6,915,217	7,762,611
Unrestricted	491,637	(4,220,153)	21,775,327	19,021,970	22,266,964	14,801,817
	<u>\$ 81,735,100</u>	<u>\$ 79,487,109</u>	<u>\$ 59,365,799</u>	<u>\$ 57,865,345</u>	<u>\$ 141,100,899</u>	<u>\$ 137,352,454</u>

Governmental activities.

The balance of unrestricted net position is \$491,637. During fiscal 2014, net position increased by \$2,247,991, due primarily to an increase in lease payments received for energy zone projects.

Business-type activities.

At June 30, 2014, unrestricted net position is \$20,522,424, which may be used to meet the business-type activities' ongoing obligations. At the current and prior fiscal year ends, the business-type activities had positive balances in all categories of net position. During fiscal 2014, net position increased by \$1,500,454 due to improvements to the electrical infrastructure.

Financial indicators and ratios

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

Working Capital – is the difference between current assets and current liabilities. Sources of working capital are income from operating activities, sale of non-current assets or the issuance of long-term debt. Uses of working capital include losses from operating activities, purchase of non-current assets or retirement of long-term debt. At the end of the current fiscal year, the City's working capital is \$20,542,865, which consists of \$6,259,393, from governmental activities and \$14,283,472, from business-type activities. Working capital increased by \$1,667,321, during the fiscal 2014.

Days Cash and Investments in Reserve – represents the number of days that normal operations of the City could continue with no revenue collections. The results of this ratio indicate that the City could operate 260 days on a city-wide basis, 292 days for governmental activities and 220 days for business-type activities. The days of reserve cash and investments increased by 26 days in FY 2014.

Total Liabilities to Total Assets – this ratio compares the total obligations of the City to its total assets. It is an indicator of the level of borrowing that has been used to finance operations of the City on a long-term basis. At June 30, 2014, this ratio is 34% on a city-wide basis, 27% for governmental activities and 41% for business-type activities. This ratio decreased by 1% when compared to the prior fiscal year.

Non-current Liabilities to Total Assets – this ratio compares the long-term debt of the City to its total assets. It is another indicator of the long-term financial strength of the City. At June 30, 2014, this ratio is 20% on a city-wide basis, 6% of governmental activities and 37% for business-type activities. This ratio decreased 3% from the previous fiscal year.

The following table summarizes the City's statement of activities for the fiscal years ended June 30, 2014 and 2013:

City of Boulder City, Nevada Changes in Net Position						
	Governmental activities		Business-type activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 9,418,704	\$ 6,788,638	\$ 22,422,919	\$ 22,284,674	\$ 31,841,623	\$ 29,073,312
Operating grant & contribute	3,076,023			6,350	3,076,023	6,350
Capital grants & contribut.		2,931,703	718,077	181,682	718,077	3,113,385
General revenues						
Property taxes	2,699,730	3,737,730			2,699,730	3,737,730
Consolidated taxes	9,303,748	8,808,292			9,303,748	8,808,292
Leases and royalties	9,987,339	7,353,810			9,987,339	7,353,810
Other	849,999	1,065,264	684,701	638,795	1,534,700	1,704,059
	<u>35,335,543</u>	<u>30,685,437</u>	<u>23,825,697</u>	<u>23,111,501</u>	<u>59,161,240</u>	<u>53,796,938</u>
Expenses						
General government	5,176,123	5,172,734			5,176,123	5,172,734
Judicial	770,477	669,647			770,477	669,647
Public safety	11,540,100	10,512,354			11,540,100	10,512,354
Public works	5,728,665	5,365,200			5,728,665	5,365,200
Culture and recreation	6,837,030	6,080,026			6,837,030	6,080,026
Community support	811,370	623,881			811,370	623,881
Utility			22,991,536	21,553,069	22,991,536	21,553,069
Other	317,801	290,551	976,001	1,016,018	1,293,802	1,306,569
	<u>31,181,566</u>	<u>28,714,393</u>	<u>23,960,243</u>	<u>22,569,087</u>	<u>55,149,103</u>	<u>51,283,480</u>
Changes in net position before						
Transfers	4,659,858	1,971,044	(134,546)	542,414	4,525,312	2,513,458
Transfers	(1,635,000)	255,000	1,635,000	(255,000)		
Change in net position	<u>3,024,858</u>	<u>2,226,044</u>	<u>1,500,454</u>	<u>287,414</u>	<u>4,525,312</u>	<u>2,513,458</u>
Net assets, beginning of year,						
as previously reported	79,487,109	77,261,065	57,865,345	57,577,931	137,352,454	134,838,996
Adjustments	(776,867)				(776,867)	
Net assets, beginning of year, as restated	<u>78,710,242</u>	<u>77,261,065</u>	<u>57,865,345</u>	<u>57,577,931</u>	<u>136,575,587</u>	<u>134,838,996</u>
Net assets, end of year	<u>\$ 81,735,100</u>	<u>\$ 79,487,109</u>	<u>\$ 59,365,799</u>	<u>\$ 57,865,345</u>	<u>\$ 141,100,899</u>	<u>\$ 137,352,454</u>

Governmental activities. Governmental activities increased the City's net assets by 3% \$2,247,991. Key elements of this increase are as follows:

- Charges for services increased by 7% (\$2,630,066), primarily due to an increase in Licenses and Permits fees associated with construction of solar facilities in the City's energy zone.
- Operating and capital grants and contributions increased by \$144,320 during the year, (approximately 5%), due to flood control channels improvements and Canyon Road improvements.
- Consolidated taxes increased \$495,456 (approximately 6%) due primarily to a state-wide increase in sales tax revenue compared to last year.

- Lease and royalty revenues increased \$2,633,529 (approximately 36%) due primarily to increased land lease revenues associated with planned solar projects in the City's energy zone.
- Total expenses increased \$1,961,292 (approximately 7%). This increase can be attributed to costs associated with certain employee retirement and reinstatement costs and increases in public safety.

Business-type activities. Business-type activities increased the City's net assets by \$1,500,454 (approximately 3%). Key elements of the changes from the prior year are as follows:

- Charges for services increased by \$138,245 (approximately 1%) during the year due to normal fluctuation in day to day utility operations.
- Capital grants and contributions increased by \$536,395 (approximately 295%) due to the taxi lane improvements at the airport.
- Other general revenues increased by \$45,906 (approximately 7%) due primarily to an increase in the infrastructure sales tax.
- Utility operating expenses increased by \$1,438,467 (approximately 6%) most of which was due to the purchase of water and electricity.

Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,085,015 an increase of \$3,964,081 (approximately 96%), in comparison with the prior year. The increase is primarily due to the lease payments received for energy zone projects.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was \$3,217,137. This ending fund balance includes the interfund payable to the Utility fund related to the Boulder Creek golf course. The ending cash balance in the general fund is \$13,530,138.

The aggregate non-major funds have a combined total fund balance of \$4,867,878 all of which is restricted or committed 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 \$847,394 (approximately 15%), 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, 2014, unrestricted net position amounted to \$19,232,153 for the utility fund, \$1,053,549 for the aviation fund and \$236,722 for the aggregate non-major (Cemetery) fund.

General Fund Budgetary Highlights

During the year, revenues were lower than the final budgetary estimate by \$557,310 (approximately 2%), and expenditures were less than the final budgetary estimate by \$5,439,978 (approximately 16%), due to savings in personnel that had not been replaced during the current year and budgeted flood control projects that are not complete. All functions were within appropriation authority.

Capital Assets and Debt Administration

Capital assets. As of June 30, 2014, the City's investments in capital assets (net of accumulated depreciation), amounts to \$147,101,741. 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 \$5,115,760 (approximately 3%), which is due primarily to current year depreciation. Major capital asset events during the current fiscal year included the following:

- The cost of City buildings decreased by \$1,330,642 over the prior fiscal year. The primary reason for the decrease was the disposal of the senior center and current year depreciation.
- Improvements other than buildings decreased by \$873,484 primarily due to current year depreciation and current flood control projects in the construction in progress account.
- Machinery, equipment and furniture assets increased by \$20,417 primarily due to the purchase of new golf carts at each golf course being offset by current year depreciation.
- City infrastructure decreased by \$1,774,779 primarily due to current year depreciation and the ongoing infrastructure projects in the construction in progress account.
- Utility delivery systems decreased by \$3,235,131 over the prior fiscal year. Improvements at the wastewater facility and some equipment purchases were offset by current year depreciation.
- Depreciation expense for the fiscal year was \$7,416,617.

Capital assets at year-end were as follows:

City of Boulder City, Nevada		
Capital Assets		
(net of accumulated depreciation)		
Year Ended June 30,		
	2014	2013
Land	\$ 29,135,513	\$ 29,400,513
Buildings	8,643,434	9,974,076
Improvements other than buildings	24,151,501	25,024,985
Machinery, equipment and furniture	5,059,633	5,039,216
Infrastructure	25,720,098	27,494,877
Utility delivery systems	52,048,703	55,283,834
Construction in progress	2,342,859	
	\$ 147,101,741	\$ 152,217,501

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, 2014, the City had total debt outstanding of \$40,654,970, of which \$34,855,000 is secured by specified revenue sources (revenue bonds), \$380,614 is secured by specific capital assets, and \$5,419,356 is backed only by the full faith and credit of the City.

City of Boulder City, Nevada		
Outstanding Debt		
	2014	2013
General repayment obligations	\$ 5,419,356	\$ 5,979,167
Capital lease obligations	380,614	208,718
Revenue bonds	34,855,000	37,280,000
	\$ 40,654,970	\$ 43,467,885

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 \$172,841,934, which is significantly in excess of the City's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

- In 2005 the Nevada State Legislature passed a law to provide property tax relief to all citizens. Assembly Bill 489 was signed in law on April 6, 2005 and provides a partial abatement of taxes by applying a 3% cap on the increase in the tax bill for the owner's primary residence (single family house, townhouse, condominium or manufactured home). Only one property may be selected in the State of Nevada as a primary residence. Some rental dwellings that meet the low-income rent limits may also qualify for a 3% cap on the tax bill. An 8% cap will also apply to vacant land, commercial buildings, business personal property, aircraft, etc. Property tax revenue is approximately 5% of the overall revenue budget.

- Consolidated taxes appear to be trending in an upward direction, while other revenues are stabilizing at slightly lower levels. Land lease payments increased over the previous year and now comprise approximately 25% of general fund revenues.
- Beginning in fiscal 2011, the golf course fund was incorporated into the recreation department of the general fund to consolidate all golf course operating activities of the City, operating and capital budgets. This change has caused the General Fund ending balance to be lower due to the transfer of the debt for the golf course, resulting in an interfund payable to the utility fund.

All of these factors were considered in preparing the City's budget for the 2015 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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 24,505,346	\$ 9,468,828	\$ 33,974,174
Cash, cash equivalents and investments, restricted		4,940,108	4,940,108
Accounts receivable	3,859,639	3,367,250	7,226,889
Taxes receivable	32,474		32,474
Interest receivable	10,686		10,686
Due from other governments	1,873,371	55,000	1,928,371
Inventories	60,839		60,839
Prepaid items	24,088	235,480	259,568
Prepaid water commodity surcharge		12,124,389	12,124,389
Internal balances*	152,134	4,334,585	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	1,277,310	1,065,549	2,342,859
Land	28,529,138	606,375	29,135,513
Buildings and building improvements	8,204,803	438,631	8,643,434
Improvements other than buildings	13,661,421	10,490,080	24,151,501
Infrastructure	25,720,098		25,720,098
Machinery, equipment and furniture	4,117,697	941,936	5,059,633
Utility delivery systems		52,048,703	52,048,703
Total assets	112,029,044	100,116,914	207,659,239
LIABILITIES			
Accounts payable	1,024,376	1,484,807	2,509,183
Accrued expenses	963,908	139,369	1,103,277
Contracts payable	380,405		380,405
Due to other governments	22,470		22,470
Customer deposits	87,997	208,544	296,541
Unearned revenue	15,447,415		15,447,415
Interest payable	22,346	434,819	457,165
Internal balances*	4,486,719		
Long-term liabilities, due within one year			
Compensated absences	932,357	215,655	1,148,012
Bonds payable	520,000	800,000	1,320,000
Capital leases	219,057		219,057
Notes payable		500,000	500,000
Long-term liabilities, due in more than one year			
Compensated absences	1,701,397	368,180	2,069,577
Postemployment benefits other than pensions	89,672		89,672
Bonds payable, net of unamortized premiums and deferred refunding charges	4,234,265	29,248,141	33,482,406
Capital leases	161,560		161,560
Notes payable		4,919,356	4,919,356
Landfill closure and post-closure care		2,432,244	2,432,244
Total liabilities	30,293,944	40,751,115	66,558,340

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	76,375,585	35,543,133	111,918,718
Restricted for			
Stabilization and other general programs	9,251		9,251
Courts and other judicial programs	489,432		489,432
Fire, police and other public safety programs	232,569		232,569
Parks, cultural and recreational programs	81,779		81,779
Capital improvement projects	4,054,847	750,000	4,804,847
Rate stabilization		750,000	750,000
Redevelopment Agency utility		342,630	342,630
Perpetual care, nonexpendable		204,709	204,709
Unrestricted	491,637	21,775,327	22,266,964
Total net position	\$ 81,735,100	\$ 59,365,799	\$ 141,100,899

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

See notes to basic financial statements.

CITY OF BOULDER CITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	\$ 5,176,123	\$ 3,307,428	\$ 242,458		\$ (1,626,237)	\$ (1,626,237)
Public safety	11,540,100	1,190,702			(10,349,398)	(10,349,398)
Judicial	770,477	761,949			(8,528)	(8,528)
Public works	5,728,665		2,700,287		(3,028,378)	(3,028,378)
Culture and recreation	6,837,030	4,059,510	133,278		(2,644,242)	(2,644,242)
Community support	811,370	99,115			(712,255)	(712,255)
Debt service						
Interest and fiscal charges	<u>317,801</u>				<u>(317,801)</u>	<u>(317,801)</u>
Total governmental activities	<u>31,181,566</u>	<u>9,418,704</u>	<u>3,076,023</u>		<u>(18,686,839)</u>	<u>(18,686,839)</u>
Business-type activities						
Utility	22,991,536	21,677,485		48,268		(1,265,783)
Aviation	920,766	694,574		669,809		443,617
Cemetery	<u>55,235</u>	<u>50,860</u>				<u>(4,375)</u>
Total business-type activities	<u>23,967,537</u>	<u>22,422,919</u>		<u>718,077</u>		<u>(826,541)</u>
Total function/program	<u>\$ 55,149,103</u>	<u>\$ 31,841,623</u>	<u>\$ 3,076,023</u>	<u>\$ 718,077</u>	<u>(18,686,839)</u>	<u>(826,541)</u>
GENERAL REVENUES						
Property taxes					2,699,730	2,699,730
Intergovernmental consolidated taxes					9,303,748	9,303,748
Room taxes					495,223	495,223
Other taxes					435,031	686,131
Rents and royalties					9,987,339	9,987,339
Unrestricted investment income					66,395	2,474
Miscellaneous					<u>359,231</u>	<u>3,390</u>
Total general revenues					<u>23,346,697</u>	<u>691,995</u>

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	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					(1,635,000)	1,635,000	
CHANGE IN NET POSITION					3,024,858	1,500,454	4,525,312
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					79,487,109	57,865,345	137,352,454
Adjustment					(776,867)		(776,867)
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					78,710,242	57,865,345	136,575,587
NET POSITION, END OF YEAR					\$ 81,735,100	\$ 59,365,799	\$ 141,100,899

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF BOULDER CITY

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2014

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash, cash equivalents and investments	\$ 13,530,138	\$ 9,147,208	\$ 22,677,346
Accounts receivable, net	3,409,316	450,323	3,859,639
Taxes receivable	23,362	9,112	32,474
Interest receivable	10,686		10,686
Due from other governments	1,705,718	167,653	1,873,371
Due from other funds	152,134		152,134
Inventories	60,839		60,839
Prepaid items	24,088		24,088
Cash, cash equivalents and investments, restricted	1,828,000		1,828,000
Total assets	\$ 20,744,281	\$ 9,774,296	\$ 30,518,577
LIABILITIES			
Accounts payable	\$ 1,027,599	\$ 10,232	\$ 1,037,831
Accrued expenses	922,265	41,643	963,908
Contracts and retentions payable	380,405		380,405
Customer deposits	74,542		74,542
Due to other governments	22,470		22,470
Due to other funds		152,134	152,134
Advances from other funds	4,334,585		4,334,585
Unearned revenue	10,765,278	4,702,409	15,467,687
Total liabilities	17,527,144	4,906,418	22,433,562
FUND BALANCES			
Nonspendable			
Prepaid items	24,088		24,088
Inventories	60,839		60,839
Restricted for			
Courts and other judicial programs		459,432	459,432
Fire, police and other public safety programs		193,628	193,628
Capital improvement projects		3,357,716	3,357,716
Committed to			
Courts and other judicial programs		30,000	30,000
Capital improvement projects		521,094	521,094
Assigned to			
Stabilization and other general programs		9,251	9,251
Fire, police and other public safety programs		38,941	38,941
Parks, cultural and recreational programs		81,779	81,779
Capital improvement projects		176,037	176,037
Unassigned	3,132,210		3,132,210
Total fund balances	3,217,137	4,867,878	8,085,015
Total liabilities and fund balances	\$ 20,744,281	\$ 9,774,296	\$ 30,518,577

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, 2014

FUND BALANCE, GOVERNMENTAL FUNDS		\$	8,085,015
Amounts reported in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:			
Capital assets		\$	157,913,475
Less accumulated depreciation			<u>(76,403,008)</u>
			81,510,467
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:			
Bonds payable		(5,035,000)	
Unamortized deferred refunding charges		280,735	
Postemployment benefits other than pensions		(89,672)	
Compensated absences		(2,633,754)	
Capital lease obligations		<u>(380,617)</u>	
			(7,858,308)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:			
Interest payable		<u>(22,346)</u>	
			(22,346)
Unearned revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:			
Unearned revenue		<u>20,272</u>	
			<u>20,272</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u><u>81,735,100</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, 2014

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 1,468,830	\$ 1,178,105	\$ 2,646,935
Room tax	495,223		495,223
Franchise fees	801,909		801,909
Licenses and permits	2,505,519		2,505,519
Charges for services	5,252,794	133,278	5,386,072
Intergovernmental	12,737,105		12,737,105
Fines and forfeitures	608,222	153,727	761,949
Rents and royalties	8,047,453	1,962,903	10,010,356
Investment income	64,511	1,884	66,395
Miscellaneous	247,174	185,573	432,747
Total revenues	<u>32,228,740</u>	<u>3,615,470</u>	<u>35,844,210</u>
EXPENDITURES			
Current			
General government	4,103,540	5,367	4,108,907
Public safety	10,012,968	771,682	10,784,650
Judicial	582,898	126,569	709,467
Public works	3,766,313		3,766,313
Culture and recreation	5,401,952	38,209	5,440,161
Community support	770,744	436,522	1,207,266
Total current	<u>24,638,415</u>	<u>1,378,349</u>	<u>26,016,764</u>
Capital outlay			
Public safety	52,677		52,677
Public works	1,631,740		1,631,740
Culture and recreation	370,335		370,335
Total capital outlay	<u>2,054,752</u>		<u>2,054,752</u>
Debt service			
Principal payments	1,846,601		1,846,601
Interest and fiscal charges	268,504		268,504
Total debt service	<u>2,115,105</u>		<u>2,115,105</u>
Total expenditures	<u>28,808,272</u>	<u>1,378,349</u>	<u>30,186,621</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,420,468</u>	<u>2,237,121</u>	<u>5,657,589</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset disposal	15,742	339,117	354,859
Proceeds from capital leases	363,500		363,500
Transfers in	2,944,741	177,697	3,122,438
Transfers out	(1,517,697)	(3,239,741)	(4,757,438)
Total other financing sources (uses)	<u>1,806,286</u>	<u>(2,722,927)</u>	<u>(916,641)</u>
CHANGE IN FUND BALANCE	<u>5,226,754</u>	<u>(485,806)</u>	<u>4,740,948</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(1,594,338)	5,715,272	4,120,934
Adjustment	(415,279)	(361,588)	(776,867)
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>(2,009,617)</u>	<u>5,353,684</u>	<u>3,344,067</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,217,137</u>	<u>\$ 4,867,878</u>	<u>\$ 8,085,015</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, 2014

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$	4,740,948
Amounts reported in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:			
Expenditures for capital assets		\$	2,054,752
Less current year depreciation			(4,426,768)
Gain (loss) on disposal of capital assets			<u>(860,740)</u>
			(3,232,756)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:			
Change in unearned property tax revenue			<u>(2,786)</u>
			(2,786)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:			
Capital lease obligations incurred			(363,500)
Debt principal repayments			<u>1,846,601</u>
			1,483,101
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:			
Change in postemployment benefits other than pensions			(8,903)
Change in compensated absences payable			94,551
Amortization of deferred refunding charges			(26,951)
Change in accrued interest			<u>(22,346)</u>
			<u>36,351</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		\$	<u><u>3,024,858</u></u>

See notes to basic financial statements.

CITY OF BOULDER CITY

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

	Business-type Activities			
	Utility	Aviation	Aggregate Enterprise Funds	Other Enterprise Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 8,483,087	\$ 729,725	\$ 256,016	\$ 9,468,828
Accounts receivable, net	2,942,427	424,760	63	3,367,250
Due from other governments	55,000			55,000
Prepaid water commodity surcharge	12,124,389			12,124,389
Restricted assets				
Cash, cash equivalents and investments	<u>4,735,399</u>		<u>204,709</u>	<u>4,940,108</u>
Total current assets	<u>28,340,302</u>	<u>1,154,485</u>	<u>460,788</u>	<u>29,955,575</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation				
Construction in progress	411,170	654,379		1,065,549
Land	28,615	512,760	65,000	606,375
Buildings and building improvements	65,400	79,421		144,821
Improvements other than buildings	132,344	10,179,966	177,770	10,490,080
Machinery, equipment and furniture	860,583	81,353		941,936
Utility delivery systems	<u>52,342,513</u>			<u>52,342,513</u>
Total capital assets, net of accumulated depreciation	<u>53,840,625</u>	<u>11,507,879</u>	<u>242,770</u>	<u>65,591,274</u>
Other assets				
Unamortized debt issuance costs	235,480			235,480
Advances to other funds	<u>4,334,585</u>			<u>4,334,585</u>
Total other assets	<u>4,570,065</u>			<u>4,570,065</u>
Total noncurrent assets	<u>58,410,690</u>	<u>11,507,879</u>	<u>242,770</u>	<u>70,161,339</u>
Total assets	<u>86,750,992</u>	<u>12,662,364</u>	<u>703,558</u>	<u>100,116,914</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,282,809	201,318	680	1,484,807
Accrued expenses	129,417	9,952		139,369
Customer deposits	208,544			208,544
Interest payable	434,819			434,819
Compensated absences	205,572	10,083		215,655
Bonds payable	800,000			800,000
Notes payable	<u>500,000</u>			<u>500,000</u>
Total current liabilities	<u>3,561,161</u>	<u>221,353</u>	<u>680</u>	<u>3,783,194</u>
Long-term liabilities				
Compensated absences	330,078	38,102		368,180
Bonds payable, net of unamortized bond premiums	29,248,141			29,248,141
Notes payable	4,919,356			4,919,356
Landfill closure and post-closure care	<u>2,432,244</u>			<u>2,432,244</u>
Total long-term liabilities	<u>36,929,819</u>	<u>38,102</u>		<u>36,967,921</u>
Total liabilities	<u>40,490,980</u>	<u>259,455</u>	<u>680</u>	<u>40,751,115</u>

(Continued)

See notes to basic financial statements.

CITY OF BOULDER CITY

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Business-type Activities			
	Utility	Aviation	Aggregate Enterprise Funds	Other Enterprise Funds
NET POSITION				
Net investment in capital assets	23,792,484	11,507,879	242,770	35,543,133
Restricted				
Rate stabilization	750,000			750,000
Redevelopment Agency utility	342,630			342,630
Capital improvement projects	750,000			750,000
Perpetual care			204,709	204,709
Unrestricted	20,624,898	895,030	255,399	21,775,327
Total net position	\$ 46,260,012	\$ 12,402,909	\$ 702,878	\$ 59,365,799

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, 2014

	Business-type Activities			
	Utility	Aviation	Aggregate Enterprise Funds	Other Enterprise Funds
OPERATING REVENUES				
Electric	\$ 13,376,872			\$ 13,376,872
Water	5,349,490			5,349,490
Sewer	1,386,448			1,386,448
Refuse	902,926			902,926
Refuse special charge	36,588			36,588
Landfill receipts	254,824			254,824
Rents and royalties		682,916		682,916
Miscellaneous	352,837	15,048	50,860	418,745
Total operating revenues	<u>21,659,985</u>	<u>697,964</u>	<u>50,860</u>	<u>22,408,809</u>
OPERATING EXPENSES				
Salaries and wages	2,714,507	187,931		2,902,438
Employee benefits	1,069,790	76,467		1,146,257
Services and supplies	15,237,694	141,944	36,558	15,416,196
Depreciation	2,466,168	509,009	16,798	2,991,975
Total operating expenses	<u>21,488,159</u>	<u>915,351</u>	<u>53,356</u>	<u>22,456,866</u>
Operating income (loss)	<u>171,826</u>	<u>(217,387)</u>	<u>(2,496)</u>	<u>(48,057)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	2,318	113	43	2,474
Gain (loss) on capital asset disposition	(222,697)	(5,415)	(1,879)	(229,991)
Interest and fiscal charges	(1,280,680)			(1,280,680)
Grants	48,268	669,809		718,077
.25% local sales and use tax	686,131			686,131
Total nonoperating revenues (expenses)	<u>(766,660)</u>	<u>664,507</u>	<u>(1,836)</u>	<u>(103,989)</u>
Income (loss) before capital contributions and transfers	<u>(594,834)</u>	<u>447,120</u>	<u>(4,332)</u>	<u>(152,046)</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>17,500</u>			<u>17,500</u>
TRANSFERS				
Transfers in	3,290,000			3,290,000
Transfers out	(1,609,000)		(46,000)	(1,655,000)
Total transfers	<u>1,681,000</u>		<u>(46,000)</u>	<u>1,635,000</u>
CHANGE IN NET POSITION	1,103,666	447,120	(50,332)	1,500,454
NET POSITION, BEGINNING OF YEAR	<u>45,156,346</u>	<u>11,955,789</u>	<u>753,210</u>	<u>57,865,345</u>
NET POSITION, END OF YEAR	<u>\$ 46,260,012</u>	<u>\$ 12,402,909</u>	<u>\$ 702,878</u>	<u>\$ 59,365,799</u>

See notes to basic financial statements.

CITY OF BOULDER CITY

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities			
	Utility	Aviation	Aggregate Enterprise Funds	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 21,575,714	\$	\$	\$ 21,575,714
Cash received from other sources	312,691	310,611	50,860	674,162
Cash payments for goods and services	(16,863,158)	(25,000)	(37,976)	(16,926,134)
Cash payments for employee services	(2,775,291)	(181,457)		(2,956,748)
Net cash provided by operating activities	<u>2,249,956</u>	<u>104,154</u>	<u>12,884</u>	<u>2,366,994</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	3,290,000			3,290,000
Transfers out	(1,609,000)		(46,000)	(1,655,000)
Net cash provided by (used in) noncapital financing activities	<u>1,681,000</u>	<u></u>	<u>(46,000)</u>	<u>1,635,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(417,753)	(672,943)		(1,090,696)
Principal payments on debt	(2,771,107)			(2,771,107)
Interest payments on debt	(1,280,680)			(1,280,680)
Payments received on advances to other funds	742,663			742,663
Operating and capital grant contributions	48,268	669,809		718,077
Sales and use tax	686,131			686,131
Capital contributions	17,500			17,500
Net cash used in capital financing activities	<u>(2,974,978)</u>	<u>(3,134)</u>	<u></u>	<u>(2,978,112)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	2,318	113	43	2,474
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	958,296	101,133	(33,073)	1,026,356
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,260,190</u>	<u>628,592</u>	<u>493,798</u>	<u>13,382,580</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 13,218,486</u>	<u>\$ 729,725</u>	<u>\$ 460,725</u>	<u>\$ 14,408,936</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 171,826	\$ (217,387)	\$ (2,496)	\$ (48,057)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	2,466,168	509,009	16,798	2,991,975
(Increase) decrease in operating assets				
Accounts receivable	300,692	(387,353)		(86,661)
Due from other governments	(22,646)			(22,646)
Prepaid water commodity surcharge	(627,728)			(627,728)
Increase (decrease) in operating liabilities				
Accounts payable	(64,597)	193,411	(1,418)	127,396
Accrued expenses	(19,389)	4,528		(14,861)
Customer deposits	(49,626)			(49,626)
Compensated absences	(41,395)	1,946		(39,449)
Landfill closure ad post-closure care	136,651			136,651
Total adjustments	<u>2,078,130</u>	<u>321,541</u>	<u>15,380</u>	<u>2,415,051</u>
Net cash provided by operating activities	<u>\$ 2,249,956</u>	<u>\$ 104,154</u>	<u>\$ 12,884</u>	<u>\$ 2,366,994</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, 2014

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basic Financial Statements

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

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

Governmental Fund Financial Statements

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

The City reports the following major governmental funds:

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

Proprietary Fund Financial Statements

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

The City reports the following major proprietary funds:

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

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

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

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

Assets and Liabilities

Deposits and Investments

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

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

Receivables, Payables and Unearned Revenues

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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 allowance for uncollectible amounts.

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

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

Inventories

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

Prepaid Items

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

Restricted Assets

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

Capital Assets

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

Capital asset depreciation 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 (compensated absences) obligations are reported in the government-wide financial statements. A liability for compensated absences is reported in the fund financial statements only to the extent it is due and payable at year end.

Deferred Compensation Plan

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

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

Postemployment Benefits Other Than Pensions (OPEB)

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

Long-Term Obligations

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

Net Position

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

Fund Balance

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

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

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

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

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

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

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.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Use of Estimates

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

Note 2. Stewardship and Accountability

Budgetary Information

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

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

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

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

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

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

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

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Excess of Expenditures over Appropriations

For the year ended June 30, 2014, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

General fund, Culture and Recreation function	\$	32,770
More Cops Special Revenue fund, Public Safety function		81,713
Multiple Purpose Special Revenue fund, General Government function		5,367
Multiple Purpose Special Revenue fund, Public Safety function		13,174
Multiple Purpose Special Revenue fund, Culture and Recreation function		38,209

Prior Period Adjustment

Fund balance or net position as of July 1, 2013, has been retroactively adjusted as follows:

	<u>Governmental Activities</u>
Fund balance or net position, as previously reported	\$ <u>79,487,109</u>
Adjustments	
Adjustment to properly record property tax revenues in the current year that were previously recorded in prior years.	(1,279,953)
Adjustment to record prior period receivables related to the Municipal court that were not previously recorded	<u>503,086</u>
Total adjustments	<u>(776,867)</u>
Fund balance or net position, as adjusted	<u>\$ <u>78,710,242</u></u>

New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management is currently awaiting the completed evaluation from the Public Employers Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's net position, results of operations or cash flows.

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

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*, and should be applied simultaneously with the provisions of Statement 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of the Statement by employers and nonemployers contributing entities. Management is currently awaiting the completed evaluation from the Public Employers Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

Note 3. Detailed Notes on all Funds

Deposits and Investments

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, the City's cash, cash equivalents and investments (including restricted amounts) were as follows:

Cash and cash equivalents on deposit	\$ 32,618,497
Cash on hand	5,471
Investments	<u>6,290,314</u>
Total cash, cash equivalents and investments	<u>\$ 38,914,282</u>

At June 30, 2014, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

Governmental activities	\$ 24,505,346
Business-type activities	<u>14,408,936</u>
Total cash, cash equivalents and investments	<u>\$ 38,914,282</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 \$32,618,497, and the bank balance was \$33,681,709. As of June 30, 2014, 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, 2014, the City's investments were all registered and held by the City or the City's agent in the City's name.

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, 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	\$ 4,614,995	\$	\$ 4,614,995	\$
Money market mutual funds	117,243	117,243		
U.S. Agency securities				
Federal Home Loan Bank	865,651		265,119	600,532
Federal Home Loan Mortgage Corporation	340,278		340,278	
Federal National Mortgage Association	352,147		129,813	222,334
Total investments	<u>\$ 6,290,314</u>	<u>\$ 117,243</u>	<u>\$ 5,350,205</u>	<u>\$ 822,866</u>

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

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

Leases Receivable

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

As of June 30, 2014, minimum future rental income under non-cancelable operating leases (with remaining terms in excess of one year) was as follows:

<u>For the Year Ended June 30.</u>	Aggregate Other		Total
	General Fund	Governmental Funds	
2015	\$ 8,271,717	\$ 2,521,058	\$ 10,792,775
2016	8,332,419	2,545,410	10,877,829
2017	8,358,234	2,546,303	10,904,537
2018	8,077,353	2,485,162	10,562,515
2019	8,143,218	2,511,853	10,655,071
2020 - 2024	41,421,594	12,813,409	54,235,003
2025 - 2029	42,073,153	12,434,616	54,507,769
2030 - 2034	41,516,797	10,794,987	52,311,784
2035 - 2039	42,006,513	10,648,650	52,655,163
2040 - 2044	36,263,511	9,065,878	45,329,389
2045 - 2049	32,478,706	8,119,677	40,598,383
2050 - 2054	31,851,904	7,962,976	39,814,880
2055 - 2059	17,791,898	4,447,974	22,239,872
2060 - 2064	18,356,121	4,589,030	22,945,151
2065 - 2069	935,054	233,763	1,168,817
	<u>\$ 345,878,192</u>	<u>\$ 93,720,746</u>	<u>\$ 439,598,938</u>

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Unearned Revenue

Unearned revenue is reported in connection with resources from land leases that have been received, but not yet earned. At June 30, 2014, unearned revenue was as follows:

	<u>Lease Revenue</u>
General Fund	\$ 10,765,278
Aggregate Other Governmental Funds	4,702,409
	<u>\$ 15,467,687</u>

Interfund Receivables, Payables, and Transfers

Due To and From Other Funds

At June 30, 2014, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 152,134	\$
Aggregate Other Governmental Funds		152,134
	<u>\$ 152,134</u>	<u>\$ 152,134</u>

Advances To and From Other Funds

At June 30, 2014, advances to and from other funds resulting from lending or borrowing transactions, were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$	\$ 4,334,585
Utility Enterprise Fund	4,334,585	
	<u>\$ 4,334,585</u>	<u>\$ 4,334,585</u>

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Annual debt service requirements for advances to and from other funds as of June 30, 2014, were as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 743,778	\$ 7,337
2016	744,894	5,106
2017	746,012	3,988
2018	747,131	2,869
2019	748,252	1,748
2020 - 2021	<u>604,518</u>	<u>625</u>
	<u>\$ 4,334,585</u>	<u>\$ 21,673</u>

Interfund Transfers

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

For the year ended June 30, 2014, interfund transfers were as follows

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Aggregate Other Governmental Funds	\$ 1,289,741
	Utility Enterprise Fund	1,609,000
	Aggregate Other Enterprise Funds	46,000
Aggregate Other Governmental Funds	General Fund	177,697
Utility Enterprise Fund	General Fund	1,340,000
	Aggregate Other Governmental Funds	<u>1,950,000</u>
		<u>\$ 6,412,438</u>

Capital Assets

For the year ended June 30, 2014, capital asset activity was as follows:

	<u>Balance July 1, 2013</u>	<u>Increases and transfers *</u>	<u>Decreases and transfers *</u>	<u>Balance June 30, 2014</u>
Governmental activities				
Capital assets not being depreciated				
Construction in progress	\$	\$ 1,277,310	\$	\$ 1,277,310
Land	<u>28,794,138</u>	<u>(265,000)</u>	<u>(265,000)</u>	<u>28,529,138</u>
Total capital assets not being depreciated	<u>28,794,138</u>	<u>1,277,310</u>	<u>(265,000)</u>	<u>29,806,448</u>
Capital assets being depreciated				
Buildings and building improvements	14,626,088		(1,339,171)	13,286,917
Improvements other than buildings	27,163,068	354,430	(48,353)	27,469,145
Infrastructure	73,312,216			73,312,216
Machinery, equipment and furniture	<u>13,615,737</u>	<u>423,012</u>	<u></u>	<u>14,038,749</u>
Total capital assets being depreciated	<u>128,717,109</u>	<u>777,442</u>	<u>(1,387,524)</u>	<u>128,107,027</u>

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Accumulated depreciation				
Buildings and building improvements	\$ (5,094,838)	\$ (379,364)	\$ 392,088	\$ (5,082,114)
Improvements other than buildings	(13,237,910)	(1,184,099)	614,285	(13,807,724)
Infrastructure	(45,817,339)	(1,774,779)		(47,592,118)
Machinery, equipment and furniture	(8,778,138)	(1,088,526)	(54,388)	(9,921,052)
Total accumulated depreciation	(72,928,225)	(4,426,768)	951,985	(76,403,008)
Total capital assets being depreciated, net	55,788,884	(3,649,326)	(435,539)	51,704,019
Total governmental activities	\$ 84,583,022	\$ (2,372,016)	\$ (700,539)	\$ 81,510,467

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

	Balance July 1, 2013	Increases and transfers *	Decreases and transfers *	Balance June 30, 2014
Business-type activities				
Capital assets not being depreciated				
Construction in progress	\$	\$ 1,065,549	\$	\$ 1,065,549
Land	606,375			606,375
Capital assets being depreciated				
Buildings and building improvements	442,826		(4,195)	438,631
Improvements other than buildings	15,183,747		(15,339)	15,168,408
Machinery, equipment and furniture	5,213,629	18,564	716,740	5,948,933
Utility delivery systems	93,075,560		(1,141,926)	91,933,634
Total capital assets being depreciated	113,915,762	18,564	(444,720)	113,489,606
Accumulated depreciation				
Buildings and building improvements	(288,664)	(14,117)	8,971	(293,810)
Improvements other than buildings	(4,083,920)	(506,769)	(87,639)	(4,678,328)
Machinery, equipment and furniture	(5,012,012)	(164,298)	169,313	(5,006,997)
Utility delivery systems	(37,503,062)	(2,304,665)	216,606	(39,591,121)
Total accumulated depreciation	(46,887,658)	(2,989,849)	307,251	(49,570,256)
Total capital assets being depreciated, net	67,028,104	(2,971,285)	(137,469)	63,919,350
Total business-type activities	\$ 67,634,479	\$ (1,905,736)	\$ (137,469)	\$ 65,591,274

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

For the year ended June 30, 2014, charges, by function, for depreciation expense were as follows:

Governmental activities		
General government	\$	130,834
Public safety		808,968
Judicial		63,025
Public works		1,978,088
Culture and recreation		1,405,136
Community support		40,717
Total depreciation expense, governmental activities	\$	4,426,768

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Business-type activities	
Utility	\$ 2,463,567
Aviation	509,483
Cemetery	<u>16,799</u>
Total depreciation expense, business-type activities	<u>\$ 2,989,849</u>

Long-term Liabilities

Capital Leases - Governmental Activities

In a prior fiscal year, the City entered into capital lease agreements to finance the acquisition of a phone system and related capital assets for general City operations. For accounting purposes, the assets acquired under these capital leases have been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2014, were \$209,223.

At June 30, 2014, the net book value of capital assets acquired through capital leases was \$725,281.

At June 30, 2014, future minimum capital lease payments were as follows:

<u>For the Year Ended June 30,</u>	
2015	\$ 230,585
2016	143,684
2017	<u>21,365</u>
Total future minimum capital lease payments	395,634
Less portion of payment representing interest	<u>(15,017)</u>
Present value of total future minimum capital lease payments	<u>\$ 380,617</u>

Capital Leases - Business-type Activities

The City entered into a capital lease agreement to finance the acquisition of capital assets used in golf course and airport operations, which expires in April 2013. For accounting purposes, the assets acquired under this capital lease have been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2014, were \$19,380.

At June 30, 2014, the net book value of capital assets acquired through capital leases was \$12,790.

Bond and Note Obligations

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

In May 2010, the City entered into the SNWA note, to be repaid over a 25 year period, in 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 are contractually due annually commencing in fiscal year 2015.

Outstanding bonds and notes payable at June 30, 2014, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Governmental activities				
General obligation bonds				
Golf Course Revenue Refunding Bonds, Series 2005	December 2024	3.85%	\$ <u>9,335,000</u>	\$ <u>5,035,000</u>
Business-type activities				
General obligation bonds				
Utility Revenue Refunding Bonds, Series 2006	September 2035	3.50 - 5.00%	<u>33,545,000</u>	<u>29,820,000</u>
Notes payable				
Southern Nevada Water Authority Note	June 2034	4.92%	<u>10,523,276</u>	<u>5,419,356</u>
Total business-type activities			<u>44,068,276</u>	<u>35,239,356</u>
Total bonds and notes payable			<u>\$ 53,403,276</u>	<u>\$ 40,274,356</u>

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, annual debt service requirements to maturity for bond and note obligations were as follows:

<u>For the Year Ended June 30,</u>	Golf Course Revenue Refunding Bonds, Series 2005			
	Principal	Interest		
Governmental activities				
2015	\$ 520,000	\$ 183,838		
2016	540,000	163,433		
2017	560,000	142,258		
2018	585,000	120,216		
2019	605,000	97,309		
2020 - 2024	2,225,000	150,439		
Total governmental activities	\$ 5,035,000	\$ 857,493		
<u>For the Year Ended June 30,</u>	Utility Revenue Refunding Bonds, Series 2006		Southern Nevada Water Authority Note	
	Principal	Interest	Principal	Interest
Business-type activities				
2015	\$ 800,000	\$ 1,288,457	\$ 163,334	\$ 272,728
2016	835,000	1,255,756	171,553	264,508
2017	870,000	1,221,657	180,187	255,875
2018	1,150,000	1,175,506	189,255	246,807
2019	1,210,000	1,116,506	198,779	237,283
2020 - 2024	6,945,000	4,681,256	1,154,402	1,025,905
2025 - 2029	8,680,000	2,946,484	1,475,622	704,685
2030 - 2034	7,685,000	1,008,631	1,886,224	294,083
2035 - 2039	1,645,000	70,656		
Total business-type activities	\$ 29,820,000	\$ 14,764,909	\$ 5,419,356	\$ 3,301,874

Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities					
General obligation bonds					
Golf Course Revenue Refunding Bonds, Series 2005	\$ 6,690,000	\$	\$ (1,655,000)	\$ 5,035,000	\$ 520,000
Capital leases					
Key Government Finance, Inc. Lease No. 40741	75,325		(36,788)	38,537	38,537
PNC Equipment Finance, LLC Lease No. 165640000	133,393		(57,832)	75,561	60,150
PNC Equipment Finance, LLC Lease No. 175758000		182,300	(48,638)	133,662	60,368
PNC Equipment Finance, LLC Lease No. 175762000		181,200	(48,343)	132,857	60,003
Total capital leases	208,718	363,500	(191,601)	380,617	219,058

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Unamortized deferred refunding charges	\$ (307,686)		\$ 26,951	\$ (280,735)	
Compensated absences	2,527,582	1,102,186	(996,014)	2,633,754	932,357
Postemployment benefits other than pensions	80,769	92,631	(83,728)	89,672	
Total governmental activities	9,199,383	1,558,317	(2,899,392)	7,858,308	1,671,415
Business-type activities					
General obligation bonds					
Utility Revenue Refunding Bonds, Series 2006	30,590,000		(770,000)	29,820,000	800,000
Notes payable					
Southern Nevada Water Authority Note	5,979,167	1,740,189	(2,300,000)	5,419,356	500,000
Unamortized bond premiums	238,821		(10,680)	228,141	
Compensated absences	606,746	296,939	(277,401)	626,284	215,654
Total business-type activities	37,414,734	2,037,128	(3,358,081)	36,093,781	1,515,654
Total long-term liabilities	\$ 46,614,117	\$ 3,595,445	\$ (6,257,473)	\$ 43,952,089	\$ 3,187,069

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

Arbitrage Rebate Requirements

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

Debt Covenant Requirements

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

Defeased Debt

In prior years, the City defeased certain long-term bond obligations by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2014, no defeased debt remained outstanding.

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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 \$2,432,244 represents the cumulative costs recorded to date, which is based on 44.8% capacity usage of the landfill as of June 30, 2014. The total estimated closure and post-closure costs are currently estimated at \$5,309,054, and accordingly, an additional \$2,876,810 in costs are expected to be recognized through 2048, the year in which the landfill is expected to be fully utilized.

The City has allocated cash and cash equivalents in the amount of \$1,984,599, which is 81.6% of the recorded liability at June 30, 2014, which are being held in an interest-bearing account and are presented as restricted assets on the City's government-wide and proprietary funds statements of net position.

The estimated total current cost of the landfill closure and post-closure care of \$5,309,054 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2014. 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.

Segment Information

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

Note 4. Other Information

Risk Management

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Including the City, 115 public agencies are members of the Pool as of June 30, 2014. 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, 2014, the City's coverage for various types of risks, with a maintenance deductible is \$25,000 for each and every loss, claim or event was as follows:

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

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

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

At June 30, 2014, coverage limits, with no maintenance deductible, were as follows:

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

The United States has recently experienced a widespread recession accompanied by declines in residential real estate sales, mortgage lending and related construction activity, higher energy costs and other inflationary trends, and weakness in the commercial and investment banking systems. The near- and long-term impact of these factors on the State's economy and the City's operating activities cannot be predicted at this time but may be substantial.

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

Contingent liabilities

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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 \$3,023,957 related to this commitment, of which \$2,990,446 was for water purchases and \$33,511 was for debt service reimbursements. The total amount paid is included as a cost of water in the water quality control department of the City's utility fund. No liability has been recorded related to this commitment, since the City's future obligations are to be met by future user charges.

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

Retirement Plan

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

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

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

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

<u>For the Year Ended June 30,</u>	<u>Contribution Rate</u>		Required Contribution and Amount Contributed
	<u>Police and Fire Employees</u>	<u>Other Employees</u>	
2012	37.00 %	21.50 %	\$ 3,160,777
2013	39.75 %	23.75 %	3,216,266
2014	40.50 %	25.75 %	3,484,591

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

Postemployment Benefits Other Than Pensions (OPEB)

Plan Information

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

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

Funding Policy and Annual OPEB Cost

The City is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2014, this subsidy ranged from \$4.02 to \$627.28 per retiree, per month.

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

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

	<u>Public Employee Benefit Program</u>
Annual required contribution (ARC)	\$ 94,208
Interest on net OPEB obligation	2,423
Adjustment to ARC	<u>(4,001)</u>
Annual OPEB cost	92,630
OPEB contributions made	<u>(83,727)</u>
Decrease in net OPEB obligation	8,903
Net OPEB obligation, beginning of year	<u>80,769</u>
Net OPEB obligation, end of year	<u><u>\$ 89,672</u></u>

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

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

1. No assets have been placed in trust.

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

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

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, 2012, 2013 and 2014 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2012	\$ 92,328	\$ 103,720	112.3 %	\$ 84,858
2013	92,551	96,640	104.4 %	80,769
2014	92,630	83,727	90.4 %	89,672

(Continued)

CITY OF BOULDER CITY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Methods and Assumptions

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

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

	<u>Public Employee Benefit Program</u>
Actuarial valuation date	June 30, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	No assets in trust
Actuarial assumptions	
Average retiree age	65-69
Investment rate of return	3%
Projected salary increases	N/A ¹
Health cost inflation rates for the year ending June 30,	
2013	7.00%
2014	6.50%
2015	6.00%
2016 - 2032	5.75%
2033 - 2038	5.50%
2039 - 2061	5.25%
20652 - 2076	5.00%
2077 - 2082	4.75%
2083 and beyond	4.50%

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF BOULDER CITY

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2014

<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, 2008	N/A ¹ \$	2,138,799 \$	2,138,799	0.0 %	N/A ²	N/A ²
June 30, 2010	N/A ¹	2,795,851	2,795,851	0.0 %	N/A ²	N/A ²
June 30, 2012	N/A ¹	1,901,928	1,901,928	0.0 %	N/A ²	N/A ²

1. No assets have been placed in trust.

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

CITY OF BOULDER CITY

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

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, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 1,410,000	\$ 1,410,000	\$ 1,468,830	\$ 58,830
Room tax	470,000	470,000	495,223	25,223
Franchise fees	885,000	885,000	801,909	(83,091)
Licenses and permits	578,000	578,000	2,505,519	1,927,519
Charges for services	4,184,344	4,373,054	5,252,794	879,740
Intergovernmental	8,925,000	16,184,871	12,737,105	(3,447,766)
Fines and forfeitures	800,000	800,000	608,222	(191,778)
Rents and royalties	7,991,425	7,991,425	8,047,453	56,028
Investment income	15,000	15,000	64,511	49,511
Miscellaneous	78,700	78,700	247,174	168,474
Total revenues	25,337,469	32,786,050	32,228,740	(557,310)
EXPENDITURES				
General government				
Legislative				
Salaries and wages	493,383	505,268	533,216	(27,948)
Employee benefits	192,983	196,196	203,153	(6,957)
Services and supplies	329,850	339,080	304,199	34,881
Total legislative	1,016,216	1,040,544	1,040,568	(24)
Executive				
Salaries and wages	331,789	340,073	354,424	(14,351)
Employee benefits	122,950	125,189	129,302	(4,113)
Services and supplies	189,410	189,410	77,220	112,190
Total executive	644,149	654,672	560,946	93,726
Finance				
Salaries and wages	405,018	416,311	491,887	(75,576)
Employee benefits	173,206	176,259	183,467	(7,208)
Services and supplies	55,033	55,033	83,469	(28,436)
Total finance	633,257	647,603	758,823	(111,220)
Information systems				
Salaries and wages	147,326	148,593	152,331	(3,738)
Employee benefits	65,253	65,595	43,933	21,662
Services and supplies	554,301	676,925	919,400	(242,475)
Capital outlay	60,000	60,000	60,000	60,000
Total information systems	826,880	951,113	1,115,664	(164,551)
Central services				
Salaries and wages	228,720	228,720	15,159	213,561
Employee benefits	611,687	270,109	88,217	181,892
Services and supplies	509,176	513,176	524,163	(10,987)
Total central services	1,349,583	1,012,005	627,539	384,466
Total general government	4,470,085	4,305,937	4,103,540	202,397
Public safety				
Police				
Salaries and wages	3,133,661	3,243,073	3,202,114	40,959
Employee benefits	1,748,285	1,774,261	1,732,557	41,704
Services and supplies	1,015,619	1,307,236	1,126,990	180,246
Capital outlay	48,000	48,000	47,678	322
Total police	5,897,565	6,372,570	6,109,339	263,231

(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, 2014

	Original Budget	Final Budget	Actual	Variance
Animal control				
Salaries and wages	143,405	146,692	143,145	3,547
Employee benefits	74,327	75,204	68,875	6,329
Services and supplies	24,900	25,394	12,319	13,075
Total animal control	242,632	247,290	224,339	22,951
Fire				
Salaries and wages	2,048,676	2,229,354	2,303,539	(74,185)
Employee benefits	1,098,771	1,116,821	1,078,937	37,884
Services and supplies	402,150	406,793	344,492	62,301
Capital outlay		33,772	4,999	28,773
Total fire	3,549,597	3,786,740	3,731,967	54,773
Total public safety	9,689,794	10,406,600	10,065,645	340,955
Judicial				
Municipal court				
Salaries and wages	335,302	358,947	369,064	(10,117)
Employee benefits	124,549	126,744	144,761	(18,017)
Services and supplies	98,230	98,262	69,073	29,189
Total judicial	558,081	583,953	582,898	1,055
Public works				
Highway and streets				
Salaries and wages	522,289	536,853	568,083	(31,230)
Employee benefits	232,060	235,860	245,990	(10,130)
Services and supplies	330,811	640,479	291,206	349,273
Capital outlay		6,704,605	1,631,740	5,072,865
Total highway and streets	1,085,160	8,117,797	2,737,019	5,380,778
Engineering				
Salaries and wages	257,699	263,920	264,294	(374)
Employee benefits	113,210	114,845	112,502	2,343
Services and supplies	87,650	99,749	83,059	16,690
Total engineering	458,559	478,514	459,855	18,659
Administration				
Salaries and wages	130,990	134,190	141,209	(7,019)
Employee benefits	46,517	47,382	55,913	(8,531)
Services and supplies	442,150	462,151	442,111	20,040
Total administration	619,657	643,723	639,233	4,490
Landscaping				
Salaries and wages	500,179	513,733	531,626	(17,893)
Employee benefits	241,071	244,679	251,403	(6,724)
Services and supplies	346,250	379,798	363,435	16,363
Total landscaping	1,087,500	1,138,210	1,146,464	(8,254)
Building maintenance				
Salaries and wages	121,663	137,035	131,421	5,614
Employee benefits	56,203	57,107	59,902	(2,795)
Services and supplies	202,440	202,824	224,159	(21,335)
Total building maintenance	380,306	396,966	415,482	(18,516)
Total public works	3,631,182	10,775,210	5,398,053	5,377,157
Culture and recreation				

(Continued)

CITY OF BOULDER CITY

GENERAL FUND

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

BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Boulder City Municipal golf course				
Services and supplies	1,184,989	1,188,078	1,154,218	33,860
Capital outlay	65,000	71,835	188,035	(116,200)
Total boulder city municipal golf course	1,249,989	1,259,913	1,342,253	(82,340)
Other recreation				
Salaries and wages	951,534	965,239	970,345	(5,106)
Employee benefits	298,490	302,100	313,153	(11,053)
Services and supplies	582,365	673,711	543,492	130,219
Total other recreation	1,832,389	1,941,050	1,826,990	114,060
Swimming pool				
Salaries and wages	304,615	306,614	276,214	30,400
Employee benefits	71,629	72,170	66,556	5,614
Services and supplies	118,915	118,915	100,270	18,645
Total swimming pool	495,159	497,699	443,040	54,659
Boulder Creek golf course				
Services and supplies	1,888,078	1,910,855	1,977,704	(66,849)
Capital outlay	130,000	130,000	182,300	(52,300)
Total boulder creek golf course	2,018,078	2,040,855	2,160,004	(119,149)
Total culture and recreation	5,595,615	5,739,517	5,772,287	(32,770)
Community support				
Community development administration				
Salaries and wages	125,104	127,946	125,195	2,751
Employee benefits	39,838	40,607	42,007	(1,400)
Services and supplies	15,200	15,200	12,328	2,872
Total community development administration	180,142	183,753	179,530	4,223
Planning and zoning				
Salaries and wages	94,058	96,579	103,207	(6,628)
Employee benefits	38,285	38,966	40,431	(1,465)
Services and supplies	22,480	214,536	63,960	150,576
Total planning and zoning	154,823	350,081	207,598	142,483
Building inspection and code enforcement				
Salaries and wages	192,204	209,628	223,567	(13,939)
Employee benefits	82,870	86,633	89,586	(2,953)
Services and supplies	28,748	79,160	70,463	8,697
Total building inspection and code enforcement	303,822	375,421	383,616	(8,195)
Total community support	638,787	909,255	770,744	138,511
Debt service				
Principal payments			1,846,601	(1,846,601)
Interest and fiscal charges	1,527,778	1,527,778	268,504	1,259,274
Total debt service	1,527,778	1,527,778	2,115,105	(587,327)
Total expenditures	26,111,322	34,248,250	28,808,272	5,439,978
EXCESS OF REVENUES OVER EXPENDITURES	(773,853)	(1,462,200)	3,420,468	4,882,668

(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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			15,742	15,742
Proceeds from capital leases			363,500	363,500
Transfers in	1,720,000	2,099,811	2,944,741	844,930
Transfers out	<u>(766,997)</u>	<u>(766,997)</u>	<u>(1,517,697)</u>	<u>(750,700)</u>
Total other financing sources (uses)	<u>953,003</u>	<u>1,332,814</u>	<u>1,806,286</u>	<u>473,472</u>
CHANGE IN FUND BALANCE	<u>179,150</u>	<u>(129,386)</u>	<u>5,226,754</u>	<u>5,356,140</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			(1,594,338)	
Adjustment			<u>(415,279)</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>2,749,924</u>	<u>2,749,924</u>	<u>(2,009,617)</u>	<u>(4,759,541)</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,121,706</u>	<u>\$ 2,086,706</u>	<u>\$ 3,217,137</u>	<u>\$ 1,130,431</u>

CITY OF BOULDER CITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2014, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2012, June 30, 2010, and June 30, 2008.

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

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

Note 2. Budget Information

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

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

**OTHER SUPPLEMENTARY
INFORMATION**

**NON-MAJOR
GOVERNMENTAL FUNDS**

CITY OF BOULDER CITY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	<u>Non-major Special Revenue</u>	<u>Non-major Capital Projects</u>	<u>Aggregate Other Governmental Funds</u>
ASSETS			
Cash, cash equivalents and investments	\$ 9,147,208	\$	\$ 9,147,208
Accounts receivable, net	450,323		450,323
Taxes receivable	9,112		9,112
Due from other governments	<u>167,653</u>		<u>167,653</u>
Total assets	<u>9,774,296</u>		<u>9,774,296</u>
Total assets and deferred outflows of resources	<u>\$ 9,774,296</u>	<u>\$</u>	<u>\$ 9,774,296</u>
LIABILITIES			
Accounts payable	\$ 10,232	\$	\$ 10,232
Accrued expenses	41,643		41,643
Due to other funds	152,134		152,134
Unearned revenue	<u>4,702,409</u>		<u>4,702,409</u>
Total liabilities	<u>4,906,418</u>		<u>4,906,418</u>
Total liabilities and deferred inflows of resources	<u>4,906,418</u>		<u>4,906,418</u>
FUND BALANCES			
Restricted for			
Courts and other judicial programs	459,432		459,432
Fire, police and other public safety programs	193,628		193,628
Capital improvement projects	3,357,716		3,357,716
Committed to			
Courts and other judicial programs	30,000		30,000
Capital improvement projects	521,094		521,094
Assigned to			
Stabilization and other general programs	9,251		9,251
Fire, police and other public safety programs	38,941		38,941
Parks, cultural and recreational programs	81,779		81,779
Capital improvement projects	<u>176,037</u>		<u>176,037</u>
Total fund balances	<u>4,867,878</u>		<u>4,867,878</u>
Total liabilities and fund balances	<u>\$ 9,774,296</u>	<u>\$</u>	<u>\$ 9,774,296</u>

CITY OF BOULDER CITY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Non-major Special Revenue Funds	Non-major Capital Projects Fund	Aggregate Other Governmental Funds
REVENUES			
Property taxes	\$ 1,178,105	\$	\$ 1,178,105
Charges for services	133,278		133,278
Fines and forfeitures	153,727		153,727
Rents and royalties	1,962,903		1,962,903
Investment income	1,884		1,884
Miscellaneous	<u>185,573</u>		<u>185,573</u>
Total revenues	<u>3,615,470</u>		<u>3,615,470</u>
EXPENDITURES			
Current			
General government	5,367		5,367
Public safety	771,682		771,682
Judicial	126,569		126,569
Culture and recreation	38,209		38,209
Community support	<u>436,522</u>		<u>436,522</u>
Total current	<u>1,378,349</u>		<u>1,378,349</u>
Total expenditures	<u>1,378,349</u>		<u>1,378,349</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,237,121</u>		<u>2,237,121</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset disposal	339,117		339,117
Transfers in	177,697		177,697
Transfers out	<u>(2,383,056)</u>	<u>(856,685)</u>	<u>(3,239,741)</u>
Total other financing sources (uses)	<u>(1,866,242)</u>	<u>(856,685)</u>	<u>(2,722,927)</u>
CHANGE IN FUND BALANCE	370,879	(856,685)	(485,806)
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	4,858,587	856,685	5,715,272
Adjustment	<u>(361,588)</u>		<u>(361,588)</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>4,496,999</u>	<u>856,685</u>	<u>5,353,684</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,867,878</u>	<u>\$</u>	<u>\$ 4,867,878</u>

CITY OF BOULDER CITY

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

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

Capital Improvement

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

Residential Construction Tax

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

Municipal Court

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

More Cops

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

Multipurpose

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

Golf Course Improvement

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

Redevelopment District #1

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

CITY OF BOULDER CITY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Non-major Special Revenue
ASSETS								
Cash, cash equivalents and investments	\$ 5,008,379	\$ 34,209	\$ 536,326	\$ 28,548	\$ 3,022,684	\$ 263,005	\$ 254,057	\$ 9,147,208
Accounts receivable, net	447,453				2,870			450,323
Taxes receivable							9,112	9,112
Due from other governments				167,653				167,653
Total assets	<u>\$ 5,455,832</u>	<u>\$ 34,209</u>	<u>\$ 536,326</u>	<u>\$ 196,201</u>	<u>\$ 3,025,554</u>	<u>\$ 263,005</u>	<u>\$ 263,169</u>	<u>\$ 9,774,296</u>
LIABILITIES								
Accounts payable			2,754	6,359	720		399	10,232
Accrued expenses			1,800	37,706			2,137	41,643
Due to other funds				152,134				152,134
Unearned revenue	2,699,865				2,000,000		2,544	4,702,409
Total liabilities	<u>2,699,865</u>		<u>4,554</u>	<u>196,199</u>	<u>2,000,720</u>		<u>5,080</u>	<u>4,906,418</u>
FUND BALANCES								
Nonspendable								
Restricted for								
Courts and other judicial programs			459,432					459,432
Fire, police and other public safety programs				2	193,626			193,628
Capital improvement projects	2,755,967	34,209	72,340		495,200			3,357,716
Committed to								
Courts and other judicial programs					30,000			30,000
Capital improvement projects						263,005	258,089	521,094
Assigned to								
Stabilization and other general programs					9,251			9,251
Fire, police and other public safety programs					38,941			38,941
Parks, cultural and recreational programs					81,779			81,779
Capital improvement projects					176,037			176,037
Total fund balances	<u>2,755,967</u>	<u>34,209</u>	<u>531,772</u>	<u>2</u>	<u>1,024,834</u>	<u>263,005</u>	<u>258,089</u>	<u>4,867,878</u>
Total liabilities and fund balances	<u>\$ 5,455,832</u>	<u>\$ 34,209</u>	<u>\$ 536,326</u>	<u>\$ 196,201</u>	<u>\$ 3,025,554</u>	<u>\$ 263,005</u>	<u>\$ 263,169</u>	<u>\$ 9,774,296</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, 2014**

	Capital Improvement	Residential Construction Tax	Municipal Court	More Cops	Multipurpose	Golf Course Improvement	Redevelopment District #1	Total Non-major Special Revenue
REVENUES								
Property taxes	\$	\$ 4,000	\$	\$ 675,410	\$	\$	\$ 498,695	\$ 1,178,105
Charges for services						133,278		133,278
Fines and forfeitures			153,727					153,727
Rents and royalties	1,962,903							1,962,903
Investment income	1,776						108	1,884
Miscellaneous			595		184,968		10	185,573
Total revenues	<u>1,964,679</u>	<u>4,000</u>	<u>154,322</u>	<u>675,410</u>	<u>184,968</u>	<u>133,278</u>	<u>498,813</u>	<u>3,615,470</u>
EXPENDITURES								
Current								
General government					5,367			5,367
Public safety				758,508	13,174			771,682
Judicial			126,569					126,569
Culture and recreation					38,209			38,209
Community support							436,522	436,522
Total expenditures			<u>126,569</u>	<u>758,508</u>	<u>56,750</u>		<u>436,522</u>	<u>1,378,349</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES								
	<u>1,964,679</u>	<u>4,000</u>	<u>27,753</u>	<u>(83,098)</u>	<u>128,218</u>	<u>133,278</u>	<u>62,291</u>	<u>2,237,121</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from capital asset disposal	339,117							339,117
Transfers in				83,100	94,597			177,697
Transfers out	(1,800,000)	(61,085)				(60,080)	(461,891)	(2,383,056)
Total other financing sources (uses)	<u>(1,460,883)</u>	<u>(61,085)</u>		<u>83,100</u>	<u>94,597</u>	<u>(60,080)</u>	<u>(461,891)</u>	<u>(1,866,242)</u>
CHANGE IN FUND BALANCE	<u>503,796</u>	<u>(57,085)</u>	<u>27,753</u>	<u>2</u>	<u>222,815</u>	<u>73,198</u>	<u>(399,600)</u>	<u>370,879</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED								
	2,252,171	91,294	504,019		802,019	189,807	1,019,277	4,858,587
Adjustment							(361,588)	(361,588)
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>2,252,171</u>	<u>91,294</u>	<u>504,019</u>		<u>802,019</u>	<u>189,807</u>	<u>657,689</u>	<u>4,496,999</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,755,967</u>	<u>\$ 34,209</u>	<u>\$ 531,772</u>	<u>\$ 2</u>	<u>\$ 1,024,834</u>	<u>\$ 263,005</u>	<u>\$ 258,089</u>	<u>\$ 4,867,878</u>

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Rents and royalties	\$ 1,920,896	\$ 1,920,896	\$ 1,962,903	\$ 42,007
Investment income	<u>3,000</u>	<u>3,000</u>	<u>1,776</u>	<u>(1,224)</u>
Total revenues	<u>1,923,896</u>	<u>1,923,896</u>	<u>1,964,679</u>	<u>40,783</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,923,896</u>	<u>1,923,896</u>	<u>1,964,679</u>	<u>40,783</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			339,117	339,117
Transfers out	<u>(1,954,249)</u>	<u>(1,954,249)</u>	<u>(1,800,000)</u>	<u>154,249</u>
Total other financing sources (uses)	<u>(1,954,249)</u>	<u>(1,954,249)</u>	<u>(1,460,883)</u>	<u>493,366</u>
CHANGE IN FUND BALANCE	(30,353)	(30,353)	503,796	534,149
FUND BALANCE, BEGINNING OF YEAR	<u>2,101,706</u>	<u>2,101,706</u>	<u>2,252,171</u>	<u>150,465</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,073,353</u>	<u>\$ 2,073,353</u>	<u>\$ 2,755,967</u>	<u>\$ 682,614</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, 2014**

	<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>4,000</u>	\$ <u>1,000</u>
OTHER FINANCING USES				
Transfers out	<u> </u>	<u>(61,085)</u>	<u>(61,085)</u>	<u> </u>
CHANGE IN FUND BALANCE	3,000	(58,085)	(57,085)	1,000
FUND BALANCE, BEGINNING OF YEAR	<u>52,294</u>	<u>52,294</u>	<u>91,294</u>	<u>39,000</u>
FUND BALANCE, END OF YEAR	\$ <u><u>55,294</u></u>	\$ <u><u>(5,791)</u></u>	\$ <u><u>34,209</u></u>	\$ <u><u>40,000</u></u>

CITY OF BOULDER CITY

MUNICIPAL COURT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	\$ 165,000	\$ 165,000	\$ 153,727	\$ (11,273)
Miscellaneous			595	595
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>154,322</u>	<u>(10,678)</u>
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	49,881	49,881	31,168	18,713
Employee benefits	16,176	16,176	14,994	1,182
Services and supplies	<u>170,200</u>	<u>174,787</u>	<u>80,407</u>	<u>94,380</u>
Total expenditures	<u>236,257</u>	<u>240,844</u>	<u>126,569</u>	<u>114,275</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(71,257)</u>	<u>(75,844)</u>	<u>27,753</u>	<u>103,597</u>
CHANGE IN FUND BALANCE	(71,257)	(75,844)	27,753	103,597
FUND BALANCE, BEGINNING OF YEAR	<u>495,091</u>	<u>495,091</u>	<u>504,019</u>	<u>8,928</u>
FUND BALANCE, END OF YEAR	<u>\$ 423,834</u>	<u>\$ 423,834</u>	<u>\$ 531,772</u>	<u>\$ 107,938</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 700,000	\$ 700,000	\$ 675,410	\$ (24,590)
EXPENDITURES				
Public safety				
Police				
Salaries and wages	386,839	386,839	460,512	(73,673)
Employee benefits	244,171	244,171	282,797	(38,626)
Services and supplies	<u>45,785</u>	<u>45,785</u>	<u>15,199</u>	<u>30,586</u>
Total expenditures	<u>676,795</u>	<u>676,795</u>	<u>758,508</u>	<u>(81,713)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>23,205</u>	<u>23,205</u>	<u>(83,098)</u>	<u>(106,303)</u>
OTHER FINANCING SOURCES				
Transfers in	<u> </u>	<u> </u>	<u>83,100</u>	<u>83,100</u>
CHANGE IN FUND BALANCE	23,205	23,205	2	(23,203)
FUND BALANCE, BEGINNING OF YEAR	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 23,205</u>	<u>\$ 23,205</u>	<u>\$ 2</u>	<u>\$ (23,203)</u>

CITY OF BOULDER CITY

MULTIPURPOSE SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous	\$ _____	\$ _____	\$ 184,968	\$ 184,968
EXPENDITURES				
General government				
Executive				
Services and supplies	_____	_____	5,342	(5,342)
Finance				
Services and supplies	_____	_____	25	(25)
Total general government	_____	_____	5,367	(5,367)
Public safety				
Police				
Services and supplies	_____	_____	12,999	(12,999)
Fire				
Services and supplies	_____	_____	175	(175)
Total public safety	_____	_____	13,174	(13,174)
Culture and recreation				
Other recreation				
Services and supplies	_____	_____	38,209	(38,209)
Total expenditures	_____	_____	56,750	(56,750)
EXCESS OF REVENUES OVER EXPENDITURES	_____	_____	128,218	128,218
OTHER FINANCING SOURCES				
Transfers in	_____	_____	94,597	94,597
CHANGE IN FUND BALANCE			222,815	222,815
FUND BALANCE, BEGINNING OF YEAR	_____	_____	802,019	802,019
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ 1,024,834	\$ 1,024,834

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ <u>112,500</u>	\$ <u>119,335</u>	\$ <u>133,278</u>	\$ <u>13,943</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>112,500</u>	<u>119,335</u>	<u>133,278</u>	<u>13,943</u>
OTHER FINANCING USES				
Transfers out	<u>(65,000)</u>	<u>(71,835)</u>	<u>(60,080)</u>	<u>11,755</u>
CHANGE IN FUND BALANCE	47,500	47,500	73,198	25,698
FUND BALANCE, BEGINNING OF YEAR	<u>155,792</u>	<u>155,792</u>	<u>189,807</u>	<u>34,015</u>
FUND BALANCE, END OF YEAR	<u>\$ 203,292</u>	<u>\$ 203,292</u>	<u>\$ 263,005</u>	<u>\$ 59,713</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 590,000	\$ 590,000	\$ 498,695	\$ (91,305)
Investment income	2,500	2,500	108	(2,392)
Miscellaneous			10	10
Total revenues	<u>592,500</u>	<u>592,500</u>	<u>498,813</u>	<u>(93,687)</u>
EXPENDITURES				
Community support				
Community development administration				
Salaries and wages	39,056	39,056	42,353	(3,297)
Employee benefits	17,760	17,760	18,956	(1,196)
Services and supplies	385,684	387,479	375,213	12,266
Total expenditures	<u>442,500</u>	<u>444,295</u>	<u>436,522</u>	<u>7,773</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>150,000</u>	<u>148,205</u>	<u>62,291</u>	<u>(85,914)</u>
OTHER FINANCING USES				
Transfers out	<u>(150,000)</u>	<u>(461,891)</u>	<u>(461,891)</u>	
CHANGE IN FUND BALANCE		<u>(313,686)</u>	<u>(399,600)</u>	<u>(85,914)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			1,019,277	
Adjustment			<u>(361,588)</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>727,277</u>	<u>727,277</u>	<u>657,689</u>	<u>(69,588)</u>
FUND BALANCE, END OF YEAR	<u>\$ 727,277</u>	<u>\$ 413,591</u>	<u>\$ 258,089</u>	<u>\$ (155,502)</u>

CITY OF BOULDER CITY

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

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

Special Projects

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

CITY OF BOULDER CITY

SPECIAL PROJECTS CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Public works				
Highway and streets				
Capital outlay	\$ _____	\$ 1,596,935	\$ _____	\$ 1,596,935
Total expenditures	_____	1,596,935	_____	1,596,935
DEFICIENCY OF REVENUES UNDER EXPENDITURES	_____	(1,596,935)	_____	1,596,935
OTHER FINANCING USES				
Transfers out	_____	_____	(856,685)	(856,685)
CHANGE IN FUND BALANCE		(1,596,935)	(856,685)	740,250
FUND BALANCE, BEGINNING OF YEAR	_____	_____	856,685	856,685
FUND BALANCE, END OF YEAR	\$ _____	\$ (1,596,935)	\$ _____	\$ 1,596,935

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF BOULDER CITY

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Electric	\$ 14,130,000	\$ 14,130,000	\$ 13,376,872	\$ (753,128)
Water	6,500,000	6,500,000	5,349,490	(1,150,510)
Sewer	1,400,000	1,400,000	1,386,448	(13,552)
Refuse	875,000	875,000	902,926	27,926
Refuse special charge	76,500	76,500	36,588	(39,912)
Landfill receipts	150,000	150,000	254,824	104,824
Miscellaneous	<u>355,500</u>	<u>355,500</u>	<u>352,837</u>	<u>(2,663)</u>
Total operating revenues	<u>23,487,000</u>	<u>23,487,000</u>	<u>21,659,985</u>	<u>(1,827,015)</u>
OPERATING EXPENSES				
Salaries and wages	2,603,139	2,661,246	2,714,507	(53,261)
Employee benefits	1,267,230	1,208,974	1,069,790	139,184
Services and supplies	17,195,311	18,474,451	15,237,694	3,236,757
Depreciation	<u>2,381,800</u>	<u>2,381,800</u>	<u>2,466,168</u>	<u>(84,368)</u>
Total operating expenses	<u>23,447,480</u>	<u>24,726,471</u>	<u>21,488,159</u>	<u>3,238,312</u>
Operating income	<u>39,520</u>	<u>(1,239,471)</u>	<u>171,826</u>	<u>1,411,297</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	18,500	18,500	2,318	(16,182)
Gain (loss) on capital asset disposition			(222,697)	(222,697)
Interest and fiscal charges	(3,891,306)	(3,891,306)	(1,280,680)	2,610,626
Grants			48,268	48,268
.25% local sales and use tax	<u>585,000</u>	<u>585,000</u>	<u>686,131</u>	<u>101,131</u>
Total nonoperating revenues (expenses)	<u>(3,287,806)</u>	<u>(3,287,806)</u>	<u>(766,660)</u>	<u>2,521,146</u>
Loss before capital contributions and transfers	<u>(3,248,286)</u>	<u>(4,527,277)</u>	<u>(594,834)</u>	<u>3,932,443</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	
TRANSFERS				
Transfers in	2,700,000	2,700,000	3,290,000	590,000
Transfers out	<u>(2,035,500)</u>	<u>(2,035,500)</u>	<u>(1,609,000)</u>	<u>426,500</u>
Total transfers	<u>664,500</u>	<u>664,500</u>	<u>1,681,000</u>	<u>1,016,500</u>
CHANGE IN NET POSITION	<u>\$ (2,566,286)</u>	<u>\$ (3,845,277)</u>	1,103,666	<u>\$ 4,948,943</u>
NET POSITION, BEGINNING OF YEAR			45,156,346	
NET POSITION, END OF YEAR			<u>\$ 46,260,012</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Rents and royalties	\$ 421,335	\$ 421,335	\$ 682,916	\$ 261,581
Miscellaneous	<u>9,220</u>	<u>9,220</u>	<u>15,048</u>	<u>5,828</u>
Total operating revenues	<u>430,555</u>	<u>430,555</u>	<u>697,964</u>	<u>267,409</u>
OPERATING EXPENSES				
Salaries and wages	170,354	170,354	187,931	(17,577)
Employee benefits	72,230	72,230	76,467	(4,237)
Services and supplies	153,412	1,386,746	141,944	1,244,802
Depreciation	<u>375,000</u>	<u>375,000</u>	<u>509,009</u>	<u>(134,009)</u>
Total operating expenses	<u>770,996</u>	<u>2,004,330</u>	<u>915,351</u>	<u>1,088,979</u>
Operating loss	<u>(340,441)</u>	<u>(1,573,775)</u>	<u>(217,387)</u>	<u>1,356,388</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	8,500	8,500	113	(8,387)
Gain (loss) on capital asset disposition			(5,415)	(5,415)
Grants	<u>50,000</u>	<u>1,211,146</u>	<u>669,809</u>	<u>(541,337)</u>
Total nonoperating revenues (expenses)	<u>58,500</u>	<u>1,219,646</u>	<u>664,507</u>	<u>(555,139)</u>
CHANGE IN NET POSITION	<u>\$ (281,941)</u>	<u>\$ (354,129)</u>	447,120	<u>\$ 801,249</u>
NET POSITION, BEGINNING OF YEAR			<u>11,955,789</u>	
NET POSITION, END OF YEAR			<u>\$ 12,402,909</u>	

CITY OF BOULDER CITY

CEMETARY ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Miscellaneous	\$ 71,000	\$ 71,000	\$ 50,860	\$ (20,140)
OPERATING EXPENSES				
Salaries and wages	5,000	5,000		5,000
Employee benefits	2,500	2,500		2,500
Services and supplies	53,200	55,300	36,558	18,742
Depreciation			16,798	(16,798)
Total operating expenses	60,700	62,800	53,356	9,444
Operating income	10,300	8,200	(2,496)	(10,696)
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,500	1,500	43	(1,457)
Gain (loss) on capital asset disposition			(1,879)	(1,879)
Total nonoperating revenues (expenses)	1,500	1,500	(1,836)	(3,336)
Income (loss) before transfers	11,800	9,700	(4,332)	(14,032)
TRANSFERS				
Transfers out	(46,000)	(46,000)	(46,000)	
CHANGE IN NET POSITION	\$ (34,200)	\$ (36,300)	(50,332)	\$ (14,032)
NET POSITION, BEGINNING OF YEAR			753,210	
NET POSITION, END OF YEAR			\$ 702,878	

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

Members of the City Council
City of Boulder City, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder City (the City) as of and for the year ended June 30, 2014, 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 19, 2014.

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

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

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 2014 - 001 and 2014 - 002, to be material weaknesses.

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 2014 - 003.

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

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

Piercy Bawler Taylor & Kern

Las Vegas, Nevada
November 19, 2014

STATISTICAL SECTION

CITY OF BOULDER CITY

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities										
Net investment in capital assets:	\$ 59,391,263	\$ 61,889,580	\$ 64,926,313	\$ 65,211,171	\$ 65,496,885	\$ 66,488,072	\$ 71,172,114	\$ 76,648,958	\$ 77,991,990	\$ 76,375,585
Restricted		492,700	667,937	594,642	409,695	196,790	80,609	45,444	5,715,272	4,867,878
Unrestricted	7,484,167	8,521,247	8,748,540	6,319,841	7,128,013	8,445,882	1,369,378	(85,145)	(4,220,153)	491,637
Total governmental activities net position:	<u>66,875,430</u>	<u>70,903,527</u>	<u>74,342,790</u>	<u>72,125,654</u>	<u>73,034,593</u>	<u>75,130,744</u>	<u>72,622,101</u>	<u>76,609,257</u>	<u>79,487,109</u>	<u>81,735,100</u>
Business-type activities										
Net investment in capital assets:	36,046,979	34,655,892	38,529,468	40,150,608	39,641,022	40,809,770	33,668,189	29,645,826	36,796,036	35,543,133
Restricted	1,163,994	408,607	1,280,592	1,457,101	2,660,373	3,376,838	5,314,431		2,047,339	2,047,339
Unrestricted	2,228,690	59,359	1,006,379	1,106,102	109,805	2,196,667	12,441,771	27,932,105	19,021,970	21,775,327
Total business-type activities net position:	<u>39,439,663</u>	<u>35,123,858</u>	<u>40,816,439</u>	<u>42,713,811</u>	<u>42,411,200</u>	<u>46,383,275</u>	<u>51,424,391</u>	<u>57,577,931</u>	<u>57,865,345</u>	<u>59,365,799</u>
Primary government										
Net investment in capital assets:	95,438,242	96,545,472	103,455,781	105,361,779	105,137,907	107,297,842	104,840,303	106,294,784	114,788,026	111,918,718
Restricted	1,163,994	901,307	1,948,529	2,051,743	3,070,068	3,573,628	5,395,040	45,444	7,762,611	6,915,217
Unrestricted	9,712,857	8,580,606	9,754,919	7,425,943	7,237,818	10,642,549	13,811,149	27,846,960	14,801,817	22,266,964
Total primary government net position:	<u>\$ 106,315,093</u>	<u>\$ 106,027,385</u>	<u>\$ 115,159,229</u>	<u>\$ 114,839,465</u>	<u>\$ 115,445,793</u>	<u>\$ 121,514,019</u>	<u>\$ 124,046,492</u>	<u>\$ 134,187,188</u>	<u>\$ 137,352,454</u>	<u>\$ 141,100,899</u>

CITY OF BOULDER CITY

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2013
Expenses										
Governmental activities										
General government	\$ 4,260,228	\$ 3,841,233	\$ 4,428,713	\$ 4,550,057	\$ 4,455,408	\$ 4,048,584	\$ 3,828,555	\$ 4,699,541	\$ 5,172,734	\$ 5,176,123
Judicial	358,102	393,959	408,062	481,389	494,969	596,017	576,424	607,243	669,647	770,477
Public safety	7,266,125	7,138,480	9,258,610	9,944,431	9,560,246	9,517,546	9,815,039	10,173,016	10,449,248	11,540,100
Public works	4,322,704	4,784,449	3,827,770	4,973,350	6,006,811	6,287,420	5,899,045	5,476,502	5,365,200	5,728,665
Culture and recreation	4,464,246	5,270,092	4,425,713	4,849,890	3,868,091	3,216,498	6,565,586	6,387,082	6,080,026	6,837,030
Community support	651,892	742,570	944,422	833,294	685,443	575,128	510,392	571,468	623,881	811,370
Interest on long-term debt							342,848	342,120	290,551	317,801
Total governmental activities expenses	21,323,297	22,170,783	23,293,290	25,632,411	25,070,968	24,241,193	27,537,889	28,256,972	28,651,287	31,181,566
Business-type activities										
Utility	17,078,879	18,782,189	17,070,177	18,723,523	18,744,818	19,197,026	18,923,849	19,207,705	21,553,069	22,991,536
Golf course	4,674,778	4,708,260	4,102,942	4,198,189	4,198,260	2,756,959	3,019,022			
Aviation						715,930		937,903	973,675	920,766
Other business activities	324,807	453,929	362,906	388,980	630,106		814,251	54,610	42,343	55,235
Total business-type activities expenses	22,078,464	23,944,378	21,536,025	23,310,692	22,393,946	22,669,915	19,738,100	20,200,218	22,569,087	23,967,537
Total primary government expenses	\$ 43,401,761	\$ 46,115,161	\$ 44,829,315	\$ 48,943,103	\$ 47,464,914	\$ 46,911,108	\$ 47,275,989	\$ 48,457,190	\$ 51,220,374	\$ 55,149,103
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 1,898,817	\$ 1,452,663	\$ 1,353,410	\$ 1,428,197	\$ 1,408,883	\$ 1,576,977	\$ 1,308,598	\$ 2,030,996	\$ 1,432,357	\$ 3,307,428
Judicial	68,277	633,738	776,780	866,176	1,023,178	907,713	920,647	1,114,961	852,462	761,949
Public safety	331,511	329,312	338,180	355,495	340,102	337,823	379,915	471,671	727,778	1,190,702
Public works										
Culture and recreation	2,032,303	2,712,486	2,095,293	2,144,725	1,940,316	1,762,776	3,647,458	3,680,622	3,776,041	4,059,510
Community support	16,600	13,657	36,508	31,847	1,124	21,233	17,723	5,895		99,115
Total charges for services	4,347,508	5,141,856	4,600,171	4,826,440	4,713,603	4,606,522	6,274,341	7,304,145	6,788,638	9,418,704
Operating grants and contributions	76,776	236,303	904,827	138,425	85,055	844,402	349,574	134,323		3,076,023
Capital grants and contributions	1,048,125	3,870,697	3,613,833	575,766	2,314,844	2,997,907	1,813,618	4,917,590	2,931,703	
Total governmental activities program revenues	5,472,409	9,248,856	9,118,831	5,540,631	7,113,502	8,448,831	8,437,533	12,356,058	9,720,341	12,494,727
Business-type activities										
Charges for services										
Utility	15,620,432	16,572,394	19,432,531	18,847,726	18,510,706	21,098,629	22,244,673	22,967,506	21,809,266	21,677,485
Golf course	2,464,779	2,522,116	3,102,583	3,088,608	2,472,653	2,147,087				
Aviation								538,057	385,624	694,574
Other business activities	208,694	313,450	348,448	570,306	500,836	489,927	646,540	89,672	89,784	50,860
Total charges for services	18,293,905	19,407,960	22,883,562	22,506,640	21,484,195	23,735,643	22,891,213	23,595,235	22,284,674	22,422,919
Operating grants and contributions									6,350	
Capital grants and contributions	1,583,684	99,639	3,027,880	3,042,034	1,785,114	3,876,882	741,138	3,568,126	181,682	718,077
Total business-type activities program revenues	19,877,589	19,507,599	25,911,442	25,548,674	23,269,309	27,612,525	23,632,351	27,163,361	22,472,706	23,140,996
Total primary government program revenues	\$ 25,349,998	\$ 28,756,455	\$ 35,030,273	\$ 31,089,305	\$ 30,382,811	\$ 36,061,356	\$ 32,069,884	\$ 39,519,419	\$ 32,193,047	\$ 35,635,723
Net Revenue (Expense)										
Governmental activities	\$ (15,850,888)	\$ (12,921,927)	\$ (14,174,459)	\$ (20,091,780)	\$ (17,957,466)	\$ (15,792,362)	\$ (19,100,356)	\$ (15,900,914)	\$ (18,930,946)	\$ (18,686,839)
Business-type activities	(2,200,875)	(4,436,779)	4,375,417	2,237,982	875,363	4,942,610	3,894,251	6,963,143	(96,381)	(826,541)
Total primary government net revenue (expense)	\$ (18,051,763)	\$ (17,358,706)	\$ (9,799,042)	\$ (17,853,798)	\$ (17,082,103)	\$ (10,849,752)	\$ (15,206,105)	\$ (8,937,771)	\$ (19,027,327)	\$ (19,513,380)

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General Revenues and Transfers										
Governmental activities										
Property taxes	\$ 2,269,207	\$ 2,872,966	\$ 3,304,333	\$ 3,625,462	\$ 3,383,267	\$ 3,394,227	\$ 3,195,695	\$ 2,642,513	\$ 3,737,730	\$ 2,699,730
Consolidated tax	8,301,335	8,634,543	8,819,003	8,498,661	8,048,687	7,627,245	7,968,549	8,386,757	8,808,292	9,303,748
Other taxes	277,166	307,062	356,883	501,535	443,928	374,404	368,893	867,954	831,554	930,254
Unrestricted investment income								23,001	14,488	66,395
Leases and royalties								6,246,797	7,393,629	9,987,339
Gain on disposal of capital assets									37,800	(505,881)
Miscellaneous	3,764,871	4,372,695	4,117,291	4,162,961	5,156,624	4,978,614	5,467,961	76,052	78,497	359,231
Transfers	884,580	762,759	1,016,212	1,086,025	1,833,899	1,514,023	1,844,328	2,055,000	255,000	(1,635,000)
Total governmental activities	<u>15,497,159</u>	<u>16,950,025</u>	<u>17,613,722</u>	<u>17,874,644</u>	<u>18,866,405</u>	<u>17,888,513</u>	<u>18,845,426</u>	<u>20,298,074</u>	<u>21,156,990</u>	<u>21,205,816</u>
Business-type activities										
Intergovernmental	754,598	812,575	885,861	600,852	512,440	495,722	545,127	587,052	620,537	686,131
Unrestricted investment income								26,192	17,608	2,474
Miscellaneous	2,569,127	71,158	79,545	144,563	143,485	47,766	(52,469)		650	(7,294)
Transfers	(884,580)	(762,759)	(1,016,212)	(1,086,025)	(1,833,899)	(1,514,023)	(1,844,328)	(2,055,000)	(255,000)	1,635,000
Total business-type general revenues and other	<u>2,439,145</u>	<u>120,974</u>	<u>(50,806)</u>	<u>(340,610)</u>	<u>(1,177,974)</u>	<u>(970,535)</u>	<u>(1,351,670)</u>	<u>(1,441,756)</u>	<u>383,795</u>	<u>2,316,311</u>
Total primary government general revenues and other	<u>\$ 17,936,304</u>	<u>\$ 17,070,999</u>	<u>\$ 17,562,916</u>	<u>\$ 17,534,034</u>	<u>\$ 17,688,431</u>	<u>\$ 16,917,978</u>	<u>\$ 17,493,756</u>	<u>\$ 18,856,318</u>	<u>\$ 21,540,785</u>	<u>\$ 23,522,127</u>
Change in Net Position										
Governmental activities	\$ (353,729)	\$ 4,028,098	\$ 3,439,263	\$ (2,217,136)	\$ 908,939	\$ 2,096,151	\$ (254,930)	\$ 4,397,160	\$ 2,226,044	\$ 2,518,977
Business-type activities	238,270	(4,315,805)	4,324,611	1,897,372	(302,611)	3,972,075	2,542,581	5,521,387	287,414	1,489,770
Total primary government	<u>\$ (115,459)</u>	<u>\$ (287,707)</u>	<u>\$ 7,763,874</u>	<u>\$ (319,764)</u>	<u>\$ 606,328</u>	<u>\$ 6,068,226</u>	<u>\$ 2,287,651</u>	<u>\$ 9,918,547</u>	<u>\$ 2,513,458</u>	<u>\$ 4,008,747</u>

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General Fund										
Nonspendable										
Prepaid items	\$ 19,589	\$ 19,589	\$ 19,589	\$ 19,685	\$ 22,707	\$ 20,958	\$ 20,958	\$ 123,212	\$ 24,088	\$ 24,088
Inventories								70,265	94,190	60,839
Unassigned	3,585,938	4,525,156	5,036,660	3,213,154	2,466,148	2,340,114	2,340,114	(4,816,915)	(1,712,616)	3,132,210
Total general fund	<u>\$ 3,605,527</u>	<u>\$ 4,544,745</u>	<u>\$ 5,056,249</u>	<u>\$ 3,232,839</u>	<u>\$ 2,488,855</u>	<u>\$ 2,361,072</u>	<u>\$ 2,361,072</u>	<u>\$ (4,623,438)</u>	<u>\$ (1,594,338)</u>	<u>\$ 3,217,137</u>
All Other Governmental Funds										
Restricted for										
Additional police officers	\$ -	\$ 492,700	\$ 667,937	\$ 594,642	\$ 409,695	\$ 196,790	\$ 196,790	\$ 45,444	\$ 45,443	\$ 193,628
Capital improvements	2,683,658	2,826,624	1,048,373	969,385	1,141,261	1,952,556	1,952,556			3,357,716
Court programs										459,432
Debt service										
Committed to										
Court programs										30,000
Future projects	2,474,045	472,003	3,336,892	3,139,892	4,180,424	4,284,309	4,284,309	6,953,188	5,669,829	521,094
Special revenue purposes	702,834	778,974	852,856	886,692	904,481	975,477	892,039			
Assigned to										
Stabilization and other										9,251
Fire, police and other programs										38,941
Parks and recreational programs										81,779
Capital improvements										176,037
Total all other governmental funds	<u>\$ 5,860,537</u>	<u>\$ 4,570,301</u>	<u>\$ 5,906,058</u>	<u>\$ 5,590,611</u>	<u>\$ 6,635,861</u>	<u>\$ 7,409,132</u>	<u>\$ 7,325,694</u>	<u>\$ 6,998,632</u>	<u>\$ 5,715,272</u>	<u>\$ 4,867,878</u>

CITY OF BOULDER CITY

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2014
REVENUES										
Taxes	\$ 2,269,207	\$ 2,872,966	\$ 3,304,333	\$ 3,625,462	\$ 3,383,267	\$ 3,394,227	\$ 3,394,227	\$ 3,082,446	\$ 4,175,885	\$ 3,142,158
Licenses, permits and franchise fees	1,297,378	1,328,745	1,240,755	1,343,199	1,372,592	1,575,765	1,575,765	2,030,996	1,430,857	3,307,428
Intergovernmental	9,703,402	10,427,348	13,021,931	9,731,841	10,724,447	11,358,514	11,358,514	13,860,690	13,135,562	12,737,105
Charges for services	2,453,910	3,179,373	2,582,636	2,617,065	2,317,833	2,123,044	2,123,044	4,158,188	4,539,551	5,386,072
Fines and forfeitures	596,220	633,738	776,780	866,176	1,023,178	907,713	907,713	1,114,961	852,462	761,949
Leases and royalties								6,208,520	7,426,752	10,010,356
Miscellaneous	3,773,493	4,372,695	4,117,291	4,162,961	5,156,624	4,969,036	4,969,036	143,330	143,858	1,099,142
Total revenues	<u>20,093,610</u>	<u>22,814,865</u>	<u>25,043,726</u>	<u>22,346,704</u>	<u>23,977,941</u>	<u>24,328,299</u>	<u>24,328,299</u>	<u>30,599,131</u>	<u>31,704,927</u>	<u>36,444,210</u>
EXPENDITURES:										
Current										
General government	4,242,044	3,830,283	4,436,473	4,896,857	4,545,834	4,410,049	4,410,049	4,498,301	4,975,304	4,108,907
Judicial	364,883	413,005	418,232	454,330	472,915	575,617	575,617	563,195	624,015	709,467
Public safety	7,178,848	7,112,750	9,236,539	10,201,761	9,712,629	10,347,971	10,347,971	9,462,064	9,635,716	10,784,650
Public works	4,751,085	6,252,632	4,674,243	4,409,043	5,565,856	6,357,322	6,357,322	3,543,957	3,218,171	3,766,313
Culture and recreation	4,568,577	5,585,607	4,502,505	4,698,871	4,406,079	3,564,173	3,564,173	4,988,961	5,025,371	5,440,161
Community support	648,382	734,365	944,685	824,161	699,701	570,017	494,443	559,687	1,279,996	1,207,266
Capital outlay								8,182,191	5,526,939	2,054,752
Debt service										
Principal retirement							400,000	1,446,633	562,027	1,846,601
Interest and fiscal charges							342,848	342,120	234,699	268,504
Total expenditures	<u>21,753,819</u>	<u>23,928,642</u>	<u>24,212,677</u>	<u>25,485,023</u>	<u>25,403,014</u>	<u>25,825,149</u>	<u>26,492,423</u>	<u>33,587,109</u>	<u>31,082,238</u>	<u>30,186,621</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,660,209)</u>	<u>(1,113,777)</u>	<u>831,049</u>	<u>(3,138,319)</u>	<u>(1,425,073)</u>	<u>(1,496,850)</u>	<u>(2,164,124)</u>	<u>(2,987,978)</u>	<u>622,689</u>	<u>6,257,589</u>
OTHER FINANCING SOURCES (USES)										
Contingency				(86,563)	(107,560)	(35,923)				
Transfers in	3,742,873	2,964,549	4,821,000	3,050,171	3,619,414	2,481,000	2,425,570	4,144,066	4,288,246	3,122,438
Transfers out	(2,858,293)	(2,201,790)	(3,804,788)	(1,964,146)	(1,785,515)	(966,977)	(581,242)	(2,089,066)	(4,033,246)	(4,757,438)
Proceeds from capital asset disposal								40,943		354,859
Proceeds from capital leases	265,862					664,238		175,300		363,500
	<u>1,150,442</u>	<u>762,759</u>	<u>1,016,212</u>	<u>999,462</u>	<u>1,726,339</u>	<u>2,142,338</u>	<u>1,844,328</u>	<u>2,055,000</u>	<u>471,243</u>	<u>(916,641)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (509,767)</u>	<u>\$ (351,018)</u>	<u>\$ 1,847,261</u>	<u>\$ (2,138,857)</u>	<u>\$ 301,266</u>	<u>\$ 645,488</u>	<u>\$ (319,796)</u>	<u>\$ (932,978)</u>	<u>\$ 1,093,932</u>	<u>\$ 5,340,948</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	7.04%	3.12%	7.52%

(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	
2005	\$ 416,321,738	\$ 1,189,490,680	\$ 56,267,718	\$ 160,764,909	\$ 472,589,456	\$ 1,350,255,589	35%
2006	504,180,211	1,440,514,889	50,517,769	144,336,483	554,697,980	1,584,851,371	35%
2007	640,990,159	1,831,400,454	59,905,523	171,158,637	700,895,682	2,002,559,091	35%
2008	722,461,086	2,064,174,531	75,860,436	216,744,103	798,321,522	2,280,918,634	35%
2009	733,525,190	2,095,786,257	69,053,744	197,296,411	802,578,934	2,293,082,669	35%
2010	670,726,134	1,916,360,383	72,828,464	208,081,326	743,554,598	2,124,441,708	35%
2011	512,557,318	1,464,449,480	86,315,765	246,616,471	598,873,083	1,711,065,951	35%
2012	460,999,422	1,317,141,206	96,239,929	274,971,226	557,239,351	1,592,112,431	35%
2013	441,767,621	1,262,193,203	147,886,042	422,531,549	589,653,663	1,684,724,751	35%
2014	417,058,456	1,191,595,589	159,081,325	454,518,071	576,139,781	1,646,113,660	35%

Source: Clark County Assessor's Office

CITY OF BOULDER CITY

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

Fiscal Year	Direct rate	Overlapping rates ⁽¹⁾				Total
	City of Boulder City	State of Nevada	Clark County School District	Clark County	Special Districts	
2005	0.2038	0.1700	1.3034	0.6502	0.1655	2.4929
2006	0.1844	0.1700	1.3034	0.6566	0.1655	2.4799
2007	0.2038	0.1700	1.3034	0.6566	0.1555	2.4893
2008	0.2038	0.1700	1.3034	0.6541	0.1485	2.4798
2009	0.2188	0.1700	1.3034	0.6541	0.1405	2.4868
2010	0.2600	0.1700	1.3034	0.6541	0.1485	2.5360
2011	0.2600	0.1700	1.3034	0.6541	0.1595	2.5470
2012	0.2600	0.1700	1.3034	0.6541	0.1755	2.5630
2013	0.2600	0.1700	1.3034	0.6541	0.2030	2.5905
2014	0.2600	0.1700	1.3034	0.6541	0.2030	2.5905

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

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

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

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

Taxpayer	Type of Business	Fiscal 2014			Fiscal 2005		
		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	\$ 198,858,459	1	33.72%	\$ 40,680,588	1	8.61%
Nevada Solar One, LLC	Energy	19,104,535	2	3.24%			
Taihen Techren USA Company	Energy	7,683,504	3	1.30%			
Caesar's Entertainment, LLC (including Cascata Golf)	Golf	3,909,375	4	0.66%	29,170,383	2	6.17%
Kowepo America Limited Liability Company	Energy	3,095,435	5	0.52%			
AMC Property Holdings (includes Boulder Inn & Suites; Boulder City Trailer Park; Mario & A. Caruso Revocable Family Trust; and Stanley K. Holdings, LLC)	Real Estate	2,191,855	6	0.37%			
Gingerwood Mobile Home Park, LLC	RV Park	2,163,408	7	0.37%			
Solargenix Energy Limited Liability Company	Energy	1,957,363	8	0.33%			
Francis Carrington	Real Estate	1,772,433	9	0.30%	6,911,640	3	1.46%
Canyon Road Self Storage	Real Estate	1,509,351	10	0.26%			
Mario & A. Caruso 1999 Family Trust					2,295,711	4	0.49%
Arvis & Anna Forest Family Trust					2,125,467	5	0.45%
Vons Companies, Inc.					1,662,952	6	0.35%
N F D Mini Storage, Inc.					1,659,487	7	0.35%
Central Telephone Company					1,635,815	8	0.35%
Lido & Laila Paglia					1,631,291	9	0.35%
Mortgage Mart Principal Trust					1,594,688	10	0.34%
		<u>\$ 242,245,718</u>		<u>41.08%</u>	<u>\$ 89,368,022</u>		<u>18.91%</u>

Source: Clark County Assessor's Office

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

CITY OF BOULDER CITY

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

<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>
2005	\$ 1,376,924	\$ 1,365,814	99.19%	\$ 11,110	\$ 1,376,924	100.00%	\$ -	0.00%
2006	1,389,741	1,376,431	99.04%	13,310	1,389,741	100.00%	-	0.00%
2007	1,574,356	1,560,562	99.12%	13,794	1,574,356	100.00%	-	0.00%
2008	1,770,082	1,756,745	99.25%	13,337	1,770,082	100.00%	-	0.00%
2009	1,919,511	1,895,135	98.73%	24,341	1,919,476	100.00%	35	0.00%
2010	2,049,327	2,005,948	97.88%	43,358	2,049,306	100.00%	21	0.00%
2011	1,876,410	1,823,343	97.17%	52,945	1,876,288	99.99%	122	0.01%
2012	1,655,274	1,630,565	98.51%	21,481	1,652,046	99.80%	3,228	0.20%
2013	1,491,120	1,472,781	98.77%	9,407	1,482,188	99.40%	8,932	0.60%
2014	1,448,300	1,428,163	98.61%	*	1,428,163	98.61%	20,137	1.39%

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
REVENUE SOURCE										
Electric	\$ 7,504,647	\$ 8,386,505	\$ 10,506,107	\$ 10,456,533	\$ 9,634,256	\$ 12,411,131	\$ 13,742,257	\$ 14,130,461	\$ 13,745,996	#####
Water	6,074,670	5,958,224	6,368,144	5,984,819	6,105,468	5,784,650	5,784,650	6,029,921	5,117,469	5,349,490
Sewer	856,552	909,454	1,060,307	962,491	1,315,927	1,394,536	1,394,536	1,386,531	1,379,204	1,386,448
Refuse	758,182	797,266	827,883	959,347	1,043,916	1,051,388	1,051,388	869,470	894,886	902,926
Refuse special charges								215,796	58,054	109,898
Landfill receipts	151,873	176,439	189,580	153,015	163,445	152,444	152,444	124,968	196,322	254,824
Rents and royalties								525,984		
Miscellaneous	274,508	344,506	480,510	331,521	247,694	304,480	304,480	312,103	417,335	168,763
Total revenues	<u>\$ 15,620,432</u>	<u>\$ 16,572,394</u>	<u>\$ 19,432,531</u>	<u>\$ 18,847,726</u>	<u>\$ 18,510,706</u>	<u>\$ 21,098,629</u>	<u>\$ 22,429,755</u>	<u>\$ 23,595,234</u>	<u>\$ 21,809,266</u>	#####

Source: City of Boulder City Finance Department

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

Utility Customer	Type of Business	Fiscal 2014		Fiscal 2005	
		Taxable Utilities Billed	Rank	Taxable Utilities Billed	Rank
Caesar's Entertainment, LLC	Golf Course	\$ 1,010,787	1	\$ 942,931	1
Clark County School District	Government, School District	441,300	2	313,518	4
City of Boulder City	Municipal	426,747	3	729,234	2
State of Nevada	Veterans Home / Cemetary	257,832	4	167,601	5
Vons Companies, Inc.	Retail / Food	247,720	5	133,896	7
Albertsons, Inc.	Retail / Food	244,751	6	124,857	10
Nevada Solar One, LLC	Energy	240,182	7	-	
Sukut Construction	Construction	234,750	8	-	
Boulder City Hospital	Health Care	197,644	9	125,993	8
National Park Service	Government	184,441	10	-	
Canyon Trail RV Park	RV Park			124,987	9
El Dorado Energy	Energy			135,255	6
Construx	Construction			450,006	3
		<u>\$ 3,486,154</u>		<u>\$ 3,248,278</u>	

Source: City of Boulder City, Utility Department

CITY OF BOULDER CITY

**Debt Capacity Information
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita
	Golf Course Revenue Bonds ⁽¹⁾	Capital Leases	Utility and Golf Course Revenue Bonds ⁽¹⁾	General Obligation Notes Payable	Capital Leases			
2005		\$ 255,667	9,850,000	34,120,023	2,054,192	46,279,882	-	3,073
2006		193,961	9,335,000	33,827,253	1,407,546	44,763,760	-	2,944
2007		128,784	42,760,000	103,540	880,693	43,873,017	-	2,835
2008		59,940	42,630,000	78,791	113,353	42,882,084	-	2,703
2009			42,345,000	53,299	56,955	42,455,254	-	2,545
2010		524,583	41,550,000	13,627,042	34,657	55,736,282	-	3,470
2011	\$ 8,415,000	297,035	32,050,000	13,600,000	19,380	54,381,415	-	3,541
2012	7,175,000	110,445	31,355,000	6,512,727	19,380	45,172,552	-	2,914
2013	6,690,000	208,718	30,590,000	5,979,167		43,467,885	-	2,758
2014	5,035,000	380,617	29,820,000	5,419,356		40,654,973	-	2,600

Notes:

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

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

CITY OF BOULDER CITY

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

Fiscal Year	Population ⁽¹⁾	Estimated Value of Taxable Property	Total Debt (excluding capital leases)	Debt Service Available	Revenue - Pledged Debt	General Bonded Debt	Ratio of General Bonded Debt to Estimated Value of Taxable Property	General Bonded Debt Per capita ⁽²⁾
2005	15,058	\$ 1,350,255,589	\$ 43,970,023	-	\$ 9,850,000	\$ 34,120,023	2.53%	2,266
2006	15,203	1,584,851,372	43,162,253	-	9,335,000	33,827,253	2.13%	2,225
2007	15,478	2,002,559,091	42,863,540	-	42,760,000	103,540	0.01%	7
2008	15,863	2,280,918,633	42,708,791	-	42,630,000	78,791	0.00%	5
2009	16,684	2,293,082,668	42,398,299	-	42,345,000	53,299	0.00%	3
2010	16,064	2,124,441,709	55,177,042	-	41,550,000	13,627,042	0.64%	848
2011	15,359	1,711,065,951	54,065,000	-	40,465,000	13,600,000	0.79%	885
2012	15,502	1,592,112,431	45,042,727	-	38,530,000	6,512,727	0.41%	420
2013	15,759	1,684,724,751	43,259,167	-	37,280,000	5,979,167	0.35%	379
2014	15,635	1,646,113,660	40,274,356	-	34,855,000	5,419,356	0.33%	347

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, 2014
(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	\$ 528,727	\$ 5,419	100.00%	\$ 5,419
Clark County	55,218,018	4,883,689	0.96%	46,883
Clark County School District	55,218,018	3,052,822	0.96%	29,307
Total	\$ 110,964,763	\$ 7,941,930		\$ 81,609

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

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

CITY OF BOULDER CITY

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

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Assessed value	\$ 441,117,923	\$ 472,556,123	\$ 554,697,980	\$ 700,895,683	\$ 798,321,523	\$ 802,578,933	\$ 743,554,597	\$ 743,554,597	\$ 557,239,351	\$ 589,653,663	576,139,781
Legal debt margin											
Debt limit (30% of Assessed Value)	132,335,377	141,766,837	166,409,394	210,268,705	239,496,457	240,773,680	223,066,379	223,066,379	167,171,805	176,896,099	172,841,934
Debt applicable to limit: General obligation notes payable											
Legal Debt Margin	<u>\$ 132,335,377</u>	<u>\$ 141,766,837</u>	<u>\$ 166,409,394</u>	<u>\$ 210,268,705</u>	<u>\$ 239,496,457</u>	<u>\$ 240,773,680</u>	<u>\$ 223,066,379</u>	<u>\$ 223,066,379</u>	<u>\$ 167,171,805</u>	<u>\$ 176,896,099</u>	<u>\$ 172,841,934</u>
Total debt applicable to limit as a percentage of debt limit	<u>0.00%</u>										

CITY OF BOULDER CITY

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

Fiscal Year	Operating Revenue	Direct Operating Expenses ⁽¹⁾	Net Operating Revenue	Accrued Interest	Consolidated Taxes (15% pledged)	Amount Available for Debt Service	Debt Service			Coverage
							Principal	Interest	Total	
2005	2,464,779	2,875,909	(411,130)	78,282	1,245,200	912,352	\$ 100,000	485,680	585,680	1.56
2006	2,522,116	2,761,168	(239,052)	55,953	1,295,181	1,112,082	310,000	420,540	730,540	1.52
2007	22,535,114	16,296,213	6,238,901	681,043	1,322,850	8,242,794	120,000	357,088	477,088	17.28
2008	21,936,334	17,688,282	4,248,052	547,532	1,274,799	6,070,383	130,000	2,168,310	2,298,310	2.64
2009	20,983,359	16,836,736	4,146,623	512,125	1,207,303	5,866,051	285,000	1,793,780	2,078,780	2.82
2010	23,245,716	16,252,803	6,992,913	501,371	1,144,087	8,638,371	795,000	1,772,382	2,567,382	3.36
2011 ⁽²⁾	24,215,024	16,513,363	7,701,661	501,371	1,195,282	9,398,314	1,085,000	1,735,184	2,820,184	3.33
2012 ⁽²⁾	24,996,292	18,146,417	6,849,875	3,236	1,258,014	8,111,125	5,965,549	2,010,958	7,976,507	1.02
2013 ⁽²⁾	23,984,595	17,271,746	6,712,849	472,470	1,321,244	8,506,563	3,530,000	1,613,207	5,143,207	1.65
2014 ⁽²⁾	24,027,369	20,999,695	3,027,674	434,819	1,395,562	4,858,055	4,725,000	1,565,872	6,290,872	0.77

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

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2005	15,058	-	2,247	4.20%
2006	15,203	-	2,223	3.90%
2007	15,478	-	2,174	4.20%
2008	15,863	-	2,122	7.00%
2009	16,684	-	2,073	13.00%
2010	16,064	-	2,055	14.70%
2011	15,359	-	2,014	14.70%
2012	15,502	-	2,004	12.30%
2013	15,759	-	2,029	10.10%
2014	15,635	-	2,003	7.90%

Sources:

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

CITY OF BOULDER CITY
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Product / Service	Fiscal 2014		Fiscal 2005	
		Employees ⁽¹⁾	Rank	Employees ⁽¹⁾	Rank
Bureau of Reclamation	Government	300	1	866	1
National Park Service	Government	243	2	180	3
Clark County School District	Government / school district	193	3	155	4
City of Boulder City	Local government	152	4	152	2
Boulder City Hospital	Health Care	142	5	130	5
Papillon Airways, Inc.	Aerial Sightseeing	105	6		
Albertsons, Inc.	Retail / food	92	7	92	6
Vons Companies	Retail / food	80	8	80	7
U.S. Department of Energy, Western Area Power Administration	Government	77	9	77	8
Fisher Pen	Manufacturing	55	10	75	9
Boulder Dam Credit Union	Financial / banking	-		43	10

Source:

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

CITY OF BOULDER CITY

Full-Time Equivalent City Government Employees by Function/Program ⁽¹⁾
(Unaudited)

	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>
Functions/Programs									
Governmental activities									
General government	18	19	19	18	16	16	17	18	18
Judicial	3	3	3	3	3	3	4	4	4
Public safety	67	69	71	70	65	66	66	64	64
Public works	26	25	25	26	26	23	23	23	23
Culture and recreation	18	18	18	10	8	9	9	9	9
Community support	6	6	6	5	4	4	4	4	4
Business-type activities									
Airport	-	-	-	2	2	2	2	2	2
Water and sewer	10	10	10	10	9	9	9	9	9
Electric	21	21	21	20	19	19	19	19	19
Total	<u>169</u>	<u>171</u>	<u>173</u>	<u>164</u>	<u>152</u>	<u>151</u>	<u>153</u>	<u>152</u>	<u>152</u>

Source: City of Boulder City Finance Department

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

CITY OF BOULDER CITY
Operating Indicators by Function and Program ^{(1) (2)}
(Unaudited)

Functions / Programs	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities									
Judicial	13	16	22	23	22	23	26	16	17
Average charges filed per day									
Public safety									
Citations	4,992	5,891	5,991	7,232	8,616	6,130	6,030	6,232	6,300
Police calls for service	22,730	28,340	23,711	23,057	24,975	23,632	23,720	23,887	24,023
EMS responses	1,567	1,723	1,895	1,716	1,685	1,800	1,822	1,733	1,822
Fire responses	631	694	763	545	333	500	370	425	370
Public works									
Lane miles of street maintenance	87	87	87	87	87	87	87	87	87
Acres of turf	95	92	92	92	92	92	92	92	92
Facilities maintained	71	77	77	77	77	77	78	79	79
Culture and recreation									
Parks and Recreation class registrations	323,193	214,429	225,600	215,000	215,000	220,000	220,000	220,000	220,000
Community support									
Building inspections	3,884	4,950	5,500	5,500	5,300	4,900	2,856	3,063	6,617
Plans reviewed	491	490	550	490	490	470	485	578	550
Business-type activities									
Water									
Acre feet of water distributed	11,499	12,489	13,916	13,816	13,816	13,700	12,927	12,920	12,989
Water meter repairs	780	720	800	790	790	750	750	760	770
Water service repairs	144	120	150	140	140	150	123 #	125	130
Electric									
Kilowatt hours (kwh) purchased	176,571,324	183,386,834	185,990,964	187,210,227	186,000,000	187,000,000	171,183,698	170,073,781	171,774,719
Average purchased power (cost/kwh)	\$ 0.033	\$ 0.030	\$ 0.030	\$ 0.040	\$ 0.040	\$ 0.042	\$ 0.034	\$ 0.032	\$ 0.036
Sewer									
Line cleaned (feet)	100,000	110,000	115,000	115,000	115,000	115,000	114,000	114,500	114,500
Line location (call before you dig)	1,380	1,300	1,440	1,400	1,440	1,400	1,423	1,414	1,430
Acre ft. of water treated	1,500	1,500	1,600	1,600	1,600	1,500	1,600	1,600	1,600

Source: City of Boulder City Finance Department

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

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

CITY OF BOULDER CITY

Capital Asset Statistics by Function and Program ^{(1) (2)}
(Unaudited)

Functions/Programs	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities									
Public safety									
# of police stations	1	1	1	1	1	1	1	1	1
# of fire stations	1	1	1	1	1	1	1	1	1
Public works									
Streets (miles)	87	87	87	87	87	87	87	87	87
Traffic signals	3	3	3	3	3	3	3	3	3
Culture and recreation									
Park acreage	111	111	111	111	111	111	111	111	111
# of parks	17	17	17	17	17	17	17	17	17
# of swimming pools	1	1	1	1	1	1	1	1	1
# of tennis courts	6	6	6	6	6	6	6	6	6
# of recreation centers	1	1	1	1	1	1	1	1	1
Business-type activities									
Water									
Water mains (miles)	121	121	121	121	121	121	122	122	122
# of treatment plants	-	-	-	-	-	-	-	-	-
# of water pump stations									
Electric									
Miles of electrical lines	148	148	148	148	148	148	148	148	148
Number of substations	6	6	6	6	6	6	7	7	7
Sewer									
Number of sewage treatment plants	1	1	1	1	1	1	1	1	1
Number of sewer lift stations	3	3	3	3	3	3	3	3	3
Miles of sanitary sewer lines	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, 2014

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, 2014		\$	307,201
Business license revenue for the year ended June 30, 2013 (base year)		\$	305,264
Adjustment to base year			
Percentage change in local government population	0.00 %		
Percentage change in Consumer Price Index	<u>1.70 %</u>		
			<u>1.70 %</u>
Total adjustment to base year			<u>5,189</u>
Adjusted business license revenue base for the year ended June 30, 2014			<u>310,453</u>
Amount under allowable maximum		\$	<u><u>(3,252)</u></u>

SINGLE AUDIT INFORMATION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

Members of the City Council
City of Boulder City, Nevada

We have audited the compliance of the City of Boulder City (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2014. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2014.

Other Matters. The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014 - 003. Our opinion on the major federal program is not modified with respect to this matter.

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

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

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 19, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 19, 2014

CITY OF BOULDER CITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
US Department of Justice			
Congressionally Recommended Awards	16.753		\$ 186,147
Bulletproof Vest Partnership Program	16.607		<u>2,812</u>
Total US Department of Justice			<u>188,959</u>
US Department of Transportation			
Airport Improvement Program	20.106 *		669,808
Highway Safety Cluster			
State and Community Highway Safety	20.600		54,152
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		
Occupant Protection Incentive Grants	20.602		
Safety Belt Performance Grants	20.609		
State Traffic Safety Information System Improvement Grants	20.610		<u> </u>
Total US Department of Transportation			<u>723,960</u>
US Department of Housing and Urban Development			
Clark County, Nevada			
Community Development Block Grants/Entitlement Grants	14.218	B-11UC32-0001	21,318
	14.218	B-11UC32-0001	7,490
	14.218	B-11UC32-0001	<u>29,094</u>
Total US Department of Housing and Urban Development			<u>57,902</u>
US Department of Interior			
Southern Nevada Public Land Management Act			
Bootleg Canyon Park	15.235		<u>2,095</u>
US Environmental Protection Agency			
Enter Cluster Title for Direct Grant			
Water Infrastructure Tertiary Effluent Polishing and Pipeline			<u>48,268</u>
Total federal expenditures			<u>\$ 1,021,184</u>

* A major program

CITY OF BOULDER CITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Reporting Entity

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

Note 2. Basis of Presentation

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

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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	None reported
Noncompliance material to financial statements	No

Federal Awards

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

Identification of major programs

CFDA number	20.106
Name of federal program or cluster	US Department of Transportation, Airport Improvement Program

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

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 001	
Criteria	Bank account reconciliations should be prepared monthly (with all reconciling items identified) by an individual independent of the cash receipts and disbursements functions. These reconciliations should be reviewed by an individual independent of the cash receipts and disbursements functions with the review and approval process appropriately documented.
Condition	Per examination of the June 2014 bank account reconciliations, we noted that two of the five bank accounts were not being reconciled monthly and that there was no documentation of the review and approval process. We were later informed that there is currently no requirement for the bank reconciliation process to be documented. It was also noted during the audit that the monthly bank reconciliations throughout fiscal 2014 contained large, unreconciled differences.
Effect	Large, unreconciled differences identified in the monthly bank reconciliations during the year were not addressed and corrected timely.
Cause	Controls over cash (specifically the bank reconciliation process) were not adequately designed to provide reasonable assurance that transactions involving cash are accurately accounted for and reported in the City's basic financial statements.
Recommendation	The City should implement policies and procedures requiring the timely review of month-end bank account reconciliations, with all reconciling items properly identified and agreed to supporting documentation. This review should be properly documented including at a minimum, the signature or initials of the individual performing the review, the date the review was completed and any variances noted (and the results of any related investigations performed). As noted earlier, the reviewer should be independent of the cash receipts and disbursements functions, and should also be independent of the bank account reconciliation preparation process. The City should also implement periodic monitoring procedures to ensure such procedures are functioning as intended.
Management's response	Management informed us that management has hired an outside accounting firm to assist with cash reconciliations. In addition, the department is being reorganized and staff will receive additional training.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 002

Criteria	Procedures should be in place to prevent an individual from having the ability to prepare, review/approve and post journal entries.
Condition	During our observation of the policies and procedures in place over journal entries, we noted that the Finance Director has the ability to prepare, review/approve and post journal entries. This ability is limited to the Finance Director.
Effect	Journal entries were posted that were not reviewed by someone independent of the preparation of the journal entry, therefore, errors may go undetected.
Cause	Controls over journal entries were not adequately designed to prevent an individual from preparing, reviewing/approving and posting journal entries.
Recommendation	We recommend that management design and implement procedures that would provide an independent review of the journal entries prepared by the Finance Director prior to the posting of those entries.
Management's response	Management informed us that the finance department is being reorganized and that once the reorganization is complete that there will be appropriate staff assigned to initiate all journal entries with review and approval being performed by the Finance Director.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 003	
Program	United States Department of Transportation, Airport Improvement Program (CFDA #20.106)
Specific requirements	Financial and performance reports should be complete, accurate, prepared in accordance with the required basis of accounting, presented in accordance with the specific grantor requirements, and submitted timely.
Condition and context	We noted that two of the required quarterly financial reports and one progress report for fiscal year 2014 were not submitted in a timely manner.
Questioned costs	None
Effect	The City was not in compliance with the reporting requirements of the federal program. In addition, grant expenditures may not be eligible for reimbursement request until after all financial reports are submitted.
Cause	Grant management personnel have not established procedures to ensure the timely filing of required financial and progress reports.
Recommendation	Grant management personnel should develop and monitor procedures to ensure that required reports are filed timely.
Management's response	Management informed us that staff has been reminded about the requirements for reporting. Finance will monitor compliance.

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 001

Criteria

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

Condition

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

Effect

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

Cause

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

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

Current status

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

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 002

Criteria

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

Condition

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

Effect

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

Cause

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

Current status

Not corrected. See current year finding 2014-001.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 003

Criteria	Lease agreements should be reviewed and abstracted so that the salient terms and provisions that impact the City's basic financial statements are identified and properly accounted for and disclosed therein. In addition, payments on leases should be reconciled to the respective lease agreements to ensure that payments are consistent with the lease terms.
Condition	There is a lack of procedures in place to ensure that lease schedules are being properly updated for lease amendments and that lease transactions are being properly accounted for.
Effect	As a result of the audit, the City's lease schedules and related financial statement disclosures were updated to properly reflect the current terms and provisions.
Cause	Controls designed to provide reasonable assurance that operating and capital leases are properly accounted for and disclosed in the City's basic financial statements did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Based on follow-up procedures performed, this finding has been corrected.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 004

Criteria

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

Condition

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

Effect

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

Cause

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

Current status

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

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 005

Criteria	Accurate capital asset schedules should be maintained and compared to general ledger accounts regularly to ensure that all assets are recorded properly. Also, depreciation should be calculated using a consistent manner.
Condition	Capital asset and depreciation schedules are maintained in Excel which creates a significant potential for clerical errors due to potentially large volume of transactions.
Effect	We noted several errors in the various Excel depreciation schedule in which depreciation was not being calculated consistently, and we also noted that the depreciation schedules did not reconcile to the amounts recorded in the City's general ledger.
Cause	Controls designed to provide reasonable assurance that capital asset records are being maintained accurately and that depreciation is being calculated in a consistent manner.
Current status	Based on follow-up procedures performed, this finding has been corrected.

(Continued)

CITY OF BOULDER CITY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 006	
Program	United States Department of Justice, Congressionally Recommended Awards (CFDA #16.753)
Specific requirements	Financial and performance reports should be complete, accurate, prepared in accordance with the required basis of accounting, presented in accordance with the specific grantor requirements, and submitted timely.
Condition and context	We noted that two of the required quarterly financial reports and one progress report for fiscal year 2013 were not submitted in a timely manner.
Questioned costs	None noted.
Effect	The City was not in compliance with the reporting requirements of the federal program. In addition, grant expenditures may not be eligible for reimbursement request until after all financial reports are submitted.
Cause	Grant management personnel have not established procedures to ensure the timely filing of required financial and progress reports.
Current status	Not corrected. See current year finding 2014-003.