

NORTH LAS VEGAS
**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**
FISCAL YEAR ENDED
JUNE 30, 2015



CITY OF
NORTH LAS VEGAS

Your Community of Choice

**CITY OF
NORTH LAS VEGAS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

STATE OF NEVADA

**CITY OF
NORTH LAS VEGAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

**PREPARED BY
DEPARTMENT OF FINANCE
DARREN ADAIR
DIRECTOR OF FINANCE**

CITY OF NORTH LAS VEGAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Page</u>
Introductory Section	
Letter of Transmittal	1
Certificate of Achievement	6
Organization Chart	7
City Officials	8
Financial Section	
Independent Auditors' Report on Financial Statements and Supplementary Information	9
Management's Discussion and Analysis	11
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	27
Statement of Activities	29
Fund Financial Statements	
Balance Sheet - Governmental Funds	31
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities - Governmental Activities	35
Statement of Net Position - Proprietary Funds	36
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	38
Statement of Cash Flows - Proprietary Funds	39
Statement of Net Position - Fiduciary Funds	41
Notes to Basic Financial Statements	43
Required Supplementary Information	
Postemployment Benefits Other Than Pensions - Schedule of Funding Progress	77
Proportionate Share of the Collective Net Pension Liability Information	78
Proportionate Share of Statutorily Required Contribution Information	79
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	81
Major Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Public Safety Tax Fund	85
Notes to Required Supplementary Information	86
Other Supplementary Information	
Capital Projects Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Projects Street Improvements Fund	87
Non-major Governmental Funds	
Combining Balance Sheet - Non-major Governmental Funds	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds	90
Special Revenue Funds	
Combining Balance Sheet - Non-major Special Revenue Funds	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds	93
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Parks and Recreation Support Fund	95
Redevelopment Agency Fund	97
Library District Fund	98
Special Purpose Revenue Fund	99
More Cops Sales Tax Fund	101
Park Construction Tax Fund	102

(Continued)

CITY OF NORTH LAS VEGAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT TABLE OF CONTENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Page</u>
Public Safety Support Fund	103
Municipal Court Support Fund	105
Community Development Fund	106
Debt Service Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund	107
Capital Projects Funds	
Combining Balance Sheet - Non-major Capital Projects Funds	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds	110
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -	
General Government Improvements Fund	111
Municipal Buildings Facilities Fund	112
Civic Center Facilities Fund	114
Parks and Recreation Projects Fund	115
Public Safety Projects Fund	117
Proprietary Funds	
Major Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Wastewater Utility	119
Water Utility Fund	120
Non-major Enterprise Funds	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Municipal Golf Courses Fund	121
Internal Service Funds	
Combining Statement of Net Position - Internal Service Funds	123
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	124
Combining Statement of Cash Flows - Internal Service Funds	125
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -	
Motor Equipment Fund	126
Self-insurance Reserve Fund	127
Fiduciary Funds	
Agency Funds	
Combining Statement of Fiduciary Assets and Liabilities	129
Combining Statement of Changes in Fiduciary Assets and Liabilities	131
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 <i>Government Auditing Standards</i>	135
Statistical Section	
Net Position by Component	137
Changes in Net Position	138
Fund Balances, Governmental Funds	140
Changes in Fund Balances, Governmental Funds	141
Assessed and Estimated Actual Value of Taxable Property	144
Property Tax Rates - Direct and Overlapping Governments	145
Principal Property Taxpayers	146
Property Tax Levies and Collections	146
Ratios of Outstanding Debt by Type	147
Ratios of General Bonded Debt Outstanding	148
Direct and Overlapping Governmental Activities Debt	149
Legal Debt Margin Information	150
Demographic and Economic Statistics	151
Principal Employers	152
Full-time Equivalent City Government Employees by Function/Program	153
Operating Indicators by Function/Program	154

(Continued)

CITY OF NORTH LAS VEGAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT TABLE OF CONTENTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Page</u>
Capital Asset Statistics by Function/Program	156
Business License Fees	
Schedule of Business License Fees	157
Single Audit Information	
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	159
Schedule of Expenditures of Federal Awards	163
Notes to Schedule of Expenditures of Federal Awards	166
Schedule of Findings and Questioned Costs	167
Schedule of Prior Findings and Questioned Costs	173

Mayor
John Lee

Council Members
Anita G. Wood
Pamela A. Goynes-Brown
Isaac E. Barron
Richard Cherdhie



City Manager
Dr. Qiong X. Liu P.E., PTOE

Finance Department - Darren Adair, Director

2250 Las Vegas Boulevard North, Suite 710 - North Las Vegas, Nevada 89030-5875
Telephone: (702) 633-1460 - Fax: (702) 649-5077 - TDD: (702)326-6868
www.cityofnorthlasvegas.com

December 4, 2015

To the Honorable Mayor, Members of City Council and Citizens of the City of North Las Vegas:

The Comprehensive Annual Financial Report (CAFR) for the City of North Las Vegas (the "City") for the fiscal year ended June 30, 2015, is hereby submitted. The State of Nevada (the "State") law requires that a local government obtain an annual audit by independent certified public accountants of its financial statements in accordance with auditing standards generally accepted in the United States.

Except for the independent auditors' reports included herein, 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 of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed 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 accounting principles generally accepted in the United States (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this 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 an independent audit is to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's basic financial statements for the fiscal year ended June 30, 2015, are presented fairly in all material respects in conformity with GAAP. The independent auditors' report on the basic financial statements is presented as the first component of the Financial Section of this report.

The independent audit of the basic financial statements of the City was part of a broader, federally-mandated "Single Audit" designed to meet the special needs 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 City's compliance with certain provisions of laws, regulations, contracts, grant agreements and internal controls over both financial reporting and compliance.

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 report of the independent auditors on the basic financial statements.

Profile of the City of North Las Vegas

The City of North Las Vegas is located in Clark County, Nevada. With a population of approximately 230,491 as of July 1, 2014, the City ranks as the fourth largest city in the State of Nevada. The City was incorporated in 1946, and currently occupies 100.7 square miles and is approximately 43% built-out, with a majority of land remaining undeveloped. The City is empowered by State Statutes to extend its corporate limits by annexation, which it has done from time to time. The City boasts a cosmopolitan cultural diversity, living up to its motto of being "Your Community of Choice."

The City is empowered by State Statutes to levy a property tax on both real and personal property located within its boundaries. The City's property tax rate is \$1.1637 per \$100 in assessed valuation.

The City operates under a Council-Manager form of government, with elective offices consisting of the Mayor, four City Council members and two municipal judges. The Mayor and municipal judges are elected at-large, while Council members must live within and are elected by the constituents of their respective ward; all are elected on a non-partisan basis. Terms of office for the Mayor and City Council are four years and are staggered so that City-wide elections are held every two years for two or three of the five offices; terms of office for the municipal judges are six years.

The City provides a full range of services, including a municipal court, public safety (police, fire, and building safety), water and wastewater, highways and streets, planning and zoning, parks and recreational facilities, community development and general administrative services. In addition to general governmental activities, the City Council exercises oversight responsibility for the North Las Vegas Library District and the North Las Vegas Redevelopment Agency; consequently, these activities have been included in this financial report as blended component units.

The annual budget serves as the foundation for the City's financial planning and control. Prior to April 15, the City Manager and City Finance Director submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the citizens through public hearings. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval.

Activities of the general fund, special revenue funds, debt service fund, capital projects funds, enterprise funds and internal service funds are included in the annual budget. The level of budgetary control is statutorily required to be exercised at the function level. Encumbered amounts lapse at year-end.

Local Economy

The tourism industry, which is based on legalized gambling and related forms of entertainment, continues to be the largest component of Southern Nevada's economic base, though it suffered during the recent recession. During the downturn, Southern Nevada experienced drastic declines in visitor volume and a change in spending habits for those visitors who continued to come to the area. Such changes led to significant drops in taxable sales, gaming revenue, and room occupancy. It followed that many businesses were forced to close or scale back operations, leading to record unemployment and underemployment for the area. Visitor volume has since rebounded to pre-recession levels. The Las Vegas Metro area has shown a 3.8% increase for the first nine months of 2014 vs. the first nine months of 2013 and 2015 visitor volume is anticipated to slightly surpass 2014 volume. Additionally, many other economic indicators have begun to show year-over-year improvement as well.

Employment, a key driver of the economy, continues to draw significant attention. Consumer spending is vital to economic health, and it does not occur at the level necessary to maintain a healthy economy when large portions of the population are unemployed, underemployed, or fearful that they may become unemployed. Under these conditions, individuals tend to spend more for their needs, and to save, to the extent possible, for the “rainy day” that they perceive to be coming. Strong employment, or perceived employment options, improves consumer confidence, and leads to more spending: the fuel which drives the economic engine.

The Las Vegas Metro area continues to see a positive economic recovery with falling unemployment rates and healthier job creation over the last year. Per the Las Vegas Review Journal, as of March 2015, the jobless rate was at 7.1%, down from 8.2% in March 2014. Construction, retail and resort industries continue to lead a jobs base that is becoming increasingly diversified.

The housing market is continuing its rebound from the Great Recession. The median price of an existing single-family home in April 2015 was \$212,568, up 10.7% from April of 2014. Steady pricing and sales increases coupled with a sustained investor presence, resulted in a supply of less than 3 months. This compares favorably to a historical average supply of more than 6 months. Delinquencies have continued its positive trend falling to less than 8%. The overall improvement in major housing market indices has led to an increase in the City's assessed valuation, which is published in the spring of each year by the Nevada Department of Taxation. The City has experienced a year-over-year increase, improving by 16.4% from \$4.7 billion in fiscal year 2014 to \$5.5 billion in fiscal year 2015.

Long-Term Financial Planning

In 2006, for budgetary and financial planning purposes, the City Council mandated that an 18% ratio of fund balance (including transfers), compared to the combined total of encumbrances and operating expenditures, be maintained in the General Fund. For several reasons, the most prominent being declining revenues, the City Council temporarily modified the aforementioned fund balance policy by enacting Resolution No. 2471 which required that the City produce a budget which would result in a General Fund ending fund balance of no less than 8% (including transfers), and then again temporarily reduced the minimum to not less than 6% for the prior year. The change in General Fund balance during fiscal year 2015 was an increase in ending fund balance after transfers out from 6.3% to 9.6% at the end of fiscal years 2014 and 2015, respectfully. The long-term goal of the City Council is to return to the 18% fund balance minimum by striving to rebuild the general fund balance over time.

The City's rating from Moody's Investors Service improved from "Ba3" to "Ba2" while both Standard & Poors's and Fitch ratings remained unchanged at "BB-" and "B". The City's ratings are based on a number of key items as cited by the rating agencies, including the Great Recession and the effects on the housing market and assessed valuations. Also cited is the 30% decline in consolidated taxes, the largest single revenue source of the City's General Fund. Consolidated taxes decreased from an all-time high in fiscal year 2006 to an all-time low in fiscal year 2010; however, consolidated taxes have increased by nearly 38% since fiscal year 2010. The City's contractual recurring expenditures were in excess of its contractual recurring revenues.

Maintaining adequate levels of service remains a critical challenge to be addressed as the City's population continues to grow in this challenging economic environment. The City maintains a seven-year financial forecast for all of its funds, which serves as the cornerstone for the financial action plan and operating budget strategies. The forecast provides an understanding of how the total financial program will be affected by certain economic factors and assumptions, and enables the City to estimate the resources that will be necessary to meet the requirements of existing programs and to make adjustments accordingly.

Since 2007, the City has been implementing cost-saving actions in order to continue its prudent fiscal management. Such actions have included across-the-board budget reductions, the elimination of non-critical and vacant positions, major reductions in discretionary spending, implementation of efficiency savings in all departments, the investigation of shared services with other local jurisdictions and the implementation of private sector solutions and best practices. In addition, a number of capital improvement projects have been delayed, cancelled, or were reduced in scope.

Looking to the future, the City has taken action to balance the fiscal year 2016 budget with a projected General Fund ending balance of at least 8.1%. Most notably the City is striving to accomplish this thru encouraged business growth and licensing revenues along with professional service partnerships when increased services and reduced costs can reasonably be achieved. Mutually beneficial agreements with the City's labor organizations and representatives have helped to

stabilize personnel and benefit costs.

Major initiatives

The North 5th Street Super-Arterial continues as a major roadway improvement project which includes four separate phases of street improvements along the North 5th Street corridor. Portions of the project already completed include the widening and improving of the roadway from Owens Avenue to Carey Avenue and the construction of the overpass crossing Interstate 15. Other notable Public Works projects included the improvement of the Simmons and Losee roadways. In addition, access and sewer is in the design and engineering phases for the opening of over 1,000+ acres of commercial real estate for development in the Northern Beltway Business Park.

Construction of the Craig Ranch Regional Park Amphitheater was primarily completed this Fiscal Year. The project encompassed a 4,000 seat outdoor performance venue/stage, a large pond and pedestrian walk area and various landscape features. The project was completed in conformance with the Craig Ranch Regional Park Master Plan and is anticipated to provide increased revenue to the City and nearby businesses from the related events.

The Las Vegas Wash Trails Pedestrian Bridge at I-15 was completed this Fiscal Year. The project included the construction of a pedestrian bridge from Civic Center Drive to the trail system along Losee Road. The bridge spans across Interstate 15, the UPRR system and the wash area.

In compliance with the North Las Vegas Police Department Phase II Relocation Project, the evidence material(s)/staff relocation was completed and building rehabilitated. The 911 Dispatch staff and equipment was relocated and the new CSI building rehabilitated and equipment relocated. The City IT staff successfully completed the relocation of its primary data center and servers to a hosting partner and completed the construction of its secondary back-up data center within the City's Justice Center.

Completion of the Buena Vista Springs Phase I Demolition project was a major milestone for this Fiscal Year. The project involved the abatement and demolition of 54 buildings near Carey Avenue and West Street which the neighboring residents considered blight.

As a result of the resurgence in the regional housing market there has been a renewed interest in the development of the Park Highlands master planned community located on the northern edge of the City. Originally approved under a development agreement in 2006, the 2,675 acre master planned community was split into two separate but similar development agreements. The western portion, approximately 600 acres, is still known as the Park Highlands development and is proposed to be developed under the original agreement and design standards. The eastern portion, approximately 2,000 acres, is now known as The Villages at Tule Springs. A new development agreement and land plan has been approved by the City. In anticipation of this renewed development activity, the City recently entered into an agreement to upsize certain sewer mains serving the future Park Highland master planned area. As currently proposed, this master planned community would include more than 13,000 housing units, mixed use commercial areas, parks, trails, schools and public facilities to provide for an estimated population at build out of approximately 43,000 people.

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 CAFR for the fiscal year ended June 30, 2014. This was the 34th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

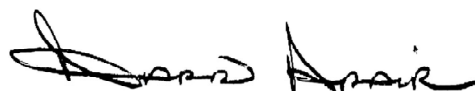
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and as such will be submitted to the GFOA to determine its eligibility for recognition.

Preparation of this report would not have been possible without the dedicated services of the Finance Department and our independent auditors, Piercy Bowler Taylor & Kern, Certified Public Accountants and Business Advisors. We would like to express our appreciation to all who assisted and contributed to the preparation of this report. Credit is also given to the Mayor and members of the City Council for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,



Dr. Qiong X. Liu P.E., PTOE, City Manager



Darren Adair, Director



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

Presented to

**City of North Las Vegas
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

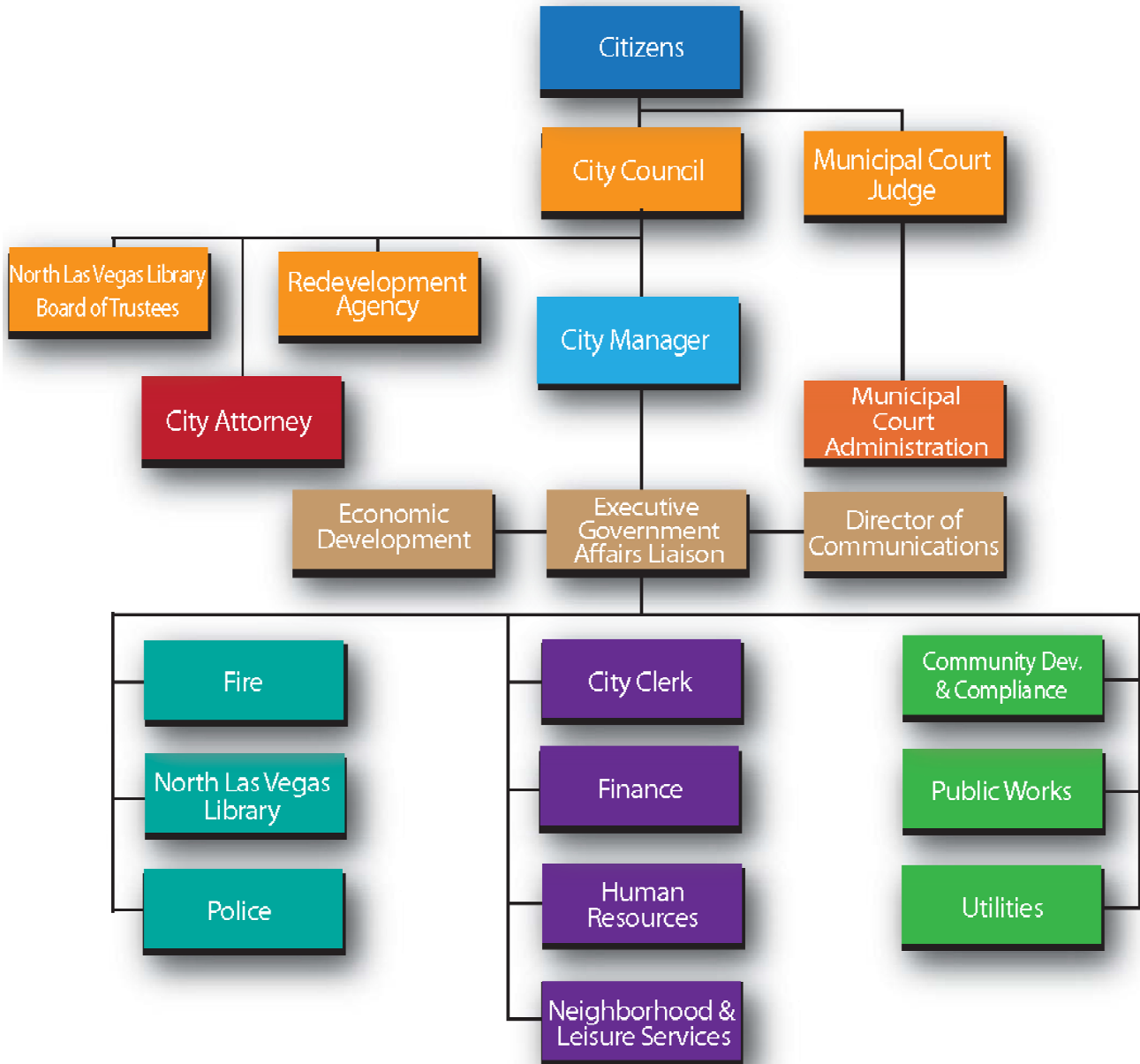
June 30, 2014

Executive Director/CEO

CITY OF NORTH LAS VEGAS

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2015



CITY OF NORTH LAS VEGAS

CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2015

Elected Officials

Mayor	John J. Lee
Mayor Pro Tempore	Pamela A. Goynes-Brown
Council Member	Anita G. Wood
Council Member	Isaac E. Barron
Council Member	Richard J. Cherchio
Municipal Judge	Sean Hoeffgen
Municipal Judge	Catherine Ramsey

Appointed Officials

City Manager	Dr. Qiong X. Liu
City Attorney	Sandra Douglass-Morgan
Assistant City Manager	Ryann Juden
Director of Finance & IT	Darren J. Adair
Fire Chief	Jeffery Lytle
Police Chief	Alexander Perez
Director of Community Development & Compliance	Gregory W. Blackburn
Director of Utilities	Randall E. De Vaul
Director of Communications	Mitch Fox
Director of Library Services	Forrest Lewis
Director of Public Works	Jennifer Doody
Director of Neighborhood & Leisure Services	Cass Palmer
City Clerk	Barbara A. Andolina
Court Administrator	Cindy S. Marshall

FINANCIAL SECTION

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Honorable Mayor and Members of the City Council
City of North Las Vegas, 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 North Las Vegas (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 11-25 and 77-86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada
December 4, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2015

As management of the City of North Las Vegas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found beginning on page 1 of this report.

Financial Highlights

The City's total net position at June 30, 2015, is \$1.31 billion. Of this \$1.31 billion, \$1.02 billion is related to governmental activities, while \$283.91 million is related to its business type activities.

The City's total assets increased by \$55.29 million, primarily due to an increase in the valuation of construction in progress, amounts due from other governments, and an increase in accounts receivable. The City's total liabilities decreased by \$55.61 million, primarily due to the change in net pension liability.

The City's capital assets, net of related debt, totaled \$1.29 billion. This represents a \$29.66 million reduction compared to the prior fiscal year net capital assets of \$1.32 billion.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100.65 million, an increase of \$11.02 million in comparison with the amount reported for the prior fiscal year. Of this amount, \$9.23 million is non-spendable, \$79.29 million is restricted, \$0.54 million is committed and \$2.12 million is assigned; the remaining \$9.48 million is unassigned and therefore, available for spending at the government's discretion.

The general fund's ending fund balance is \$12.57 million at June 30, 2015, which represents 10.8% of total general fund expenditures, excluding transfers out. If transfers out are included, then the \$12.57 million ending fund balance represents 9.8% of total expenditures. The City had a reserve policy of maintaining a fund balance of at least 18% and in the past, reserves consistently exceeded 19% of expenditures. However, the City's tax revenue has fallen sharply as a result of the recession and the City's tax base deterioration has been among the worst in the nation. For example, the City's assessed valuation has dropped by over 55% from a high of \$9.1 billion in FY 2008-09 to \$4.16 billion in FY 2014-15. Similarly, intergovernmental consolidated taxes revenue (primarily consisting of sales tax) declined by 11.2% from a high of \$53.7 million in FY 2005-06 to nearly \$47.69 million in 2015. As a result of these declining revenues, the City Council temporarily first lowered the reserve policy to 8% and then again briefly to 6% with the intent that ending fund balance be restored to the 18% level as soon as fiscal conditions allow.

The general fund's primary revenue sources are: intergovernmental consolidated taxes (\$47.69 million), franchise fees (\$21.32 million) and licenses and permits (\$13.86 million). Property taxes consist of ad valorem taxes on real and personal property (\$7.68 million). The combination of the above four primary revenue sources represents approximately 83% of the general fund's total revenues for the year ended June 30, 2015. In addition to the aforementioned revenue sources for the general fund, transfers were made from the water and wastewater funds in the amount of \$23.74 million.

The City's long-term liabilities and bond indebtedness decreased by a net \$63.50 million, or 8.3% due primarily to the change in net pension liabilities. The City is now reflecting a net pension liability of \$201.19 million. This is pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 68 which requires employers to measure the liability of defined benefits plans as the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The City's long-term liability for compensated absences increased by 4.7% or \$1.67 million and the City's postemployment benefits other than pensions increased by 11.4% or \$1.33 million. The total bonded debt outstanding decreased by \$12.09 million over the fiscal year.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The City's long-term liabilities and bond indebtedness decreased by a net \$63.50 million, or 8.3% due primarily to the change in net pension liabilities. The City is now reflecting a net pension liability of \$201.19 million. This is pursuant to the Governmental Accounting Standards Board (GASB) Statement No. 68 which requires employers to measure the liability of defined benefits plans as the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The City's long-term liability for compensated absences increased by 4.7% or \$1.67 million and the City's postemployment benefits other than pensions increased by 11.4% or \$1.33 million. The total bonded debt outstanding decreased by \$12.09 million over the fiscal year.

For the year ended June 30, 2015, the City's total revenues amounted to \$395.86 million. The primary revenue sources for the City were charges for services (\$162.40 million), grants and contributions (\$104.78 million), property taxes (\$50.35 million), intergovernmental consolidated taxes (\$47.69 million), and franchise fees (\$21.32 million).

For fiscal year 2014-15, the City's total expenses amounted to \$335.77 million. The primary expense functions for the City's government-wide activities were public safety at \$141.35 million, general government at \$56.17 million, wastewater activities at \$45.24 million, water activities at \$36.07 million and culture and recreation activities at \$17.32 million.

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets and liabilities, as well as deferred inflows and outflows of resources, 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 and sick leave benefits).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by 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 a municipal court, public safety (police and fire), highways and streets, planning and zoning, parks and recreational facilities, libraries, community development and general government. The business-type activities include a water delivery system, a wastewater collection operation and municipal golf courses.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency and a legally separate library district for which the City is financially accountable. Financial information for these component units is blended with the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 27 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain 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.

The 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, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

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

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the public safety tax fund and the capital projects street improvements fund, which are considered to be major funds. Data from the remaining 15 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules and individual fund schedules, which can be found beginning on page 89 of this report.

The City adopts annual appropriations budgets for its general and public safety tax funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the adopted budgets.

The governmental fund financial statements can be found beginning on page 31 of this report.

The City maintains two different types of proprietary funds. Enterprise funds 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 water supply and distribution system, wastewater collection and treatment operations and two golf courses. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and for its self-insurance program, which is also where the City accounts for postemployment benefits other than pensions (OPEB). Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains five individual proprietary funds. The proprietary fund financial statements provide separate information for the water system and the wastewater operation, both of which are considered to be major funds of the City. The City also presents a non-major proprietary fund for the operations of its two golf courses. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules and individual fund schedules, which can be found beginning on page 123 of this report. Financial data for the golf courses are combined into a single aggregated presentation, which can be found beginning on page 121 of this report.

The proprietary fund financial statements can be found beginning on page 36 and 119 of this report.

The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own operations and programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found beginning on page 41 and 129 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 43 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. A schedule of funding progress for the City's postemployment benefit plans is presented as required supplementary information and information concerning the City's business license fees is presented as other supplementary information. The required and other supplementary information can be found beginning on page 77 and 87 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$1.31 billion at the close of the most recent fiscal year.

The largest portion of the City's net position (87%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net assets (5.0%) represents resources that are subject to external restrictions on how they may be used.

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Assets						
Current, restricted and other	\$ 170,628,279	\$ 138,499,537	\$ 103,935,536	\$ 108,108,209	\$ 274,563,815	\$ 246,607,746
Capital	<u>1,293,774,902</u>	<u>1,261,065,363</u>	<u>500,942,190</u>	<u>506,313,669</u>	<u>1,794,717,092</u>	<u>1,767,379,032</u>
Total assets	<u>1,464,403,181</u>	<u>1,399,564,900</u>	<u>604,877,726</u>	<u>614,421,878</u>	<u>2,069,280,907</u>	<u>2,013,986,778</u>
Deferred outflows of resources	<u>41,728,673</u>	<u>40,785,781</u>	<u>2,511,552</u>	<u>2,380,776</u>	<u>44,240,225</u>	<u>43,166,557</u>
Liabilities						
Current	37,552,063	28,128,217	13,160,678	14,690,918	50,712,741	42,819,135
Long-term	<u>396,961,807</u>	<u>448,110,005</u>	<u>306,111,998</u>	<u>318,468,064</u>	<u>703,073,805</u>	<u>766,578,069</u>
Total liabilities	<u>434,513,870</u>	<u>476,238,222</u>	<u>319,272,676</u>	<u>333,158,982</u>	<u>753,786,546</u>	<u>809,397,204</u>
Deferred inflows of resources	<u>47,676,351</u>	<u> </u>	<u>4,209,551</u>	<u> </u>	<u>51,885,902</u>	<u> </u>
Net position						
Net investment in capital assets	1,147,394,961	1,106,799,902	214,812,299	214,759,669	1,362,207,260	1,321,559,571
Restricted	79,291,604	73,249,575		75,134	79,291,604	73,324,709
Unrestricted	<u>(202,744,932)</u>	<u>(215,937,018)</u>	<u>69,094,752</u>	<u>68,808,869</u>	<u>(133,650,180)</u>	<u>(147,128,149)</u>
Total net position	<u>\$ 1,023,941,633</u>	<u>\$ 964,112,459</u>	<u>\$ 283,907,051</u>	<u>\$ 283,643,672</u>	<u>\$ 1,307,848,684</u>	<u>\$ 1,247,756,131</u>

The City's unrestricted net position totals \$162.55 billion. For further details relating to the City's net position and restrictions thereon, please see the Statement of Net Position beginning on page 27 of this document.

The following Summary Statement of Changes in Net Position reflects the City's decrease in net position of \$16.43 million. While overall revenues increased by \$8.52 million (2.2%) and overall expenses declined by \$7.39 million (2.2%), the primary reason for the decline in net position is prior period adjustments related to recording the City's proportionate share of PERS's net pension liability (\$224.61 million) which is now required by accounting standards but is not a legal liability of the City.

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
		(Restated)		(Restated)		(Restated)
Revenues						
Program revenues						
Charges for services	\$ 63,497,320	\$ 58,705,138	\$ 98,902,913	\$ 96,553,717	\$ 162,400,233	\$ 155,258,855
Operating grants and contributions	27,229,507	23,491,365	3,019,938	6,209,435	30,249,445	29,700,800
Capital grants and contributions	70,196,112	32,366,318	4,344,083	2,776,902	74,540,195	35,143,220
General revenues						
Property taxes	50,350,577	49,088,718			50,350,577	49,088,718
Residential construction taxes	313,837	314,546			313,837	314,546
Room taxes	486,389	422,474			486,389	422,474
Franchise fees, based on gross receipts	21,322,332	20,788,938			21,322,332	20,788,938
Intergovernmental consolidated taxes	47,685,565	43,976,942			47,685,565	43,976,942
Other local government shared revenues	2,096,928	2,082,929			2,096,928	2,082,929
Unrestricted investment income	1,321,011	1,035,183	15,803	13,586	1,336,814	1,048,769
Gain on disposal of capital assets	2,932,638	2,102,479	21,612	12,668	2,954,250	2,115,147
Miscellaneous	1,909,778	2,281,880	216,234	356,096	2,126,012	2,637,976
Total revenues	289,341,994	236,656,910	106,520,583	105,922,404	395,862,577	342,579,314
Expenses						
General government	56,167,676	56,381,592			56,167,676	56,381,592
Judicial	9,060,508	9,896,150			9,060,508	9,896,150
Public safety	141,351,681	154,787,847			141,351,681	154,787,847
Public works	14,374,970	8,416,102			14,374,970	8,416,102
Culture and recreation	17,323,716	16,347,681			17,323,716	16,347,681
Community support	7,142,087	5,722,271			7,142,087	5,722,271
Interest expense and fiscal charges	6,640,779	4,111,816			6,640,779	4,111,816
Wastewater			45,235,686	46,654,631	45,235,686	46,654,631
Water			36,065,019	37,367,967	36,065,019	37,367,967
Municipal golf courses			2,407,902	3,253,520	2,407,902	3,253,520
Total expenses	252,061,417	255,663,459	83,708,607	87,276,118	335,770,024	342,939,577
Change in net position before transfers	37,280,577	(19,006,549)	22,811,976	18,646,286	60,092,553	(360,263)
Transfers	22,548,597	24,046,761	(22,548,597)	(24,046,761)		
Change in net position	59,829,174	5,040,212	263,379	(5,400,475)	60,092,553	(360,263)
Net position, beginning of year, as previously reported	1,170,498,353	1,165,458,141	301,866,375	307,266,850	1,472,364,728	1,472,724,991
Adjustment	(206,385,894)	(206,385,894)	(18,222,703)	(18,222,703)	(224,608,597)	(224,608,597)
Net position, beginning of year, as adjusted	964,112,459	959,072,247	283,643,672	289,044,147	1,247,756,131	1,248,116,394
Net position, end of year	\$ 1,023,941,633	\$ 964,112,459	\$ 283,907,051	\$ 283,643,672	\$ 1,307,848,684	\$ 1,247,756,131

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

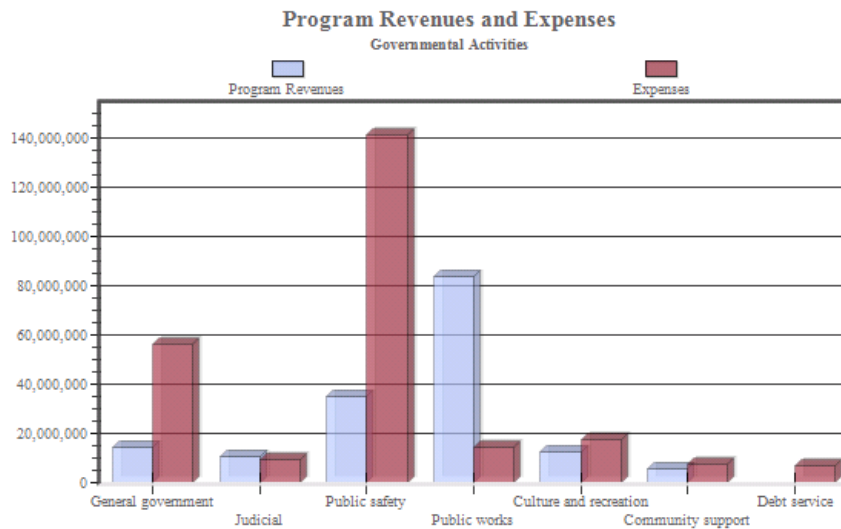
FOR THE YEAR ENDED JUNE 30, 2015

Governmental-type program revenues increased by \$4.57 million during the fiscal year. The largest component of the increase, \$11.75 million, was realized in charges for services. While overall a much smaller increase, the city is also beginning to realize the first stages of economic recovery, having received an additional \$4.97 million (5.3% increase) in combined property taxes and intergovernmental consolidated taxes (primarily sales tax). These increases were offset by decreases totaling \$13.99 million in reduced funding in grants and contributions, primarily due to a slowed pace during this phase in the construction of the North 5th Street Corridor Project, compared to the prior year.

Overall business-type revenues increased slightly by \$0.60 million (less than 1.0%). There was a slight decrease in capital grants and contributions offset by an increase in charges for services (water and wastewater user fees) as compared to FY 2013-14.

Business type expenses decreased by \$3.57 million. This is primarily due to reduced costs associated with managing the city's two golf courses, a municipal par-3 golf course and Aliante Golf Course, a 72-hole championship course. Additionally, slight reductions in both wastewater and water operations costs contributed to the reduced expenses.

The following graphs provide expense and program revenue information with regard to the various functions of the City's governmental activities and revenues by source information with regard to the City's governmental activities.

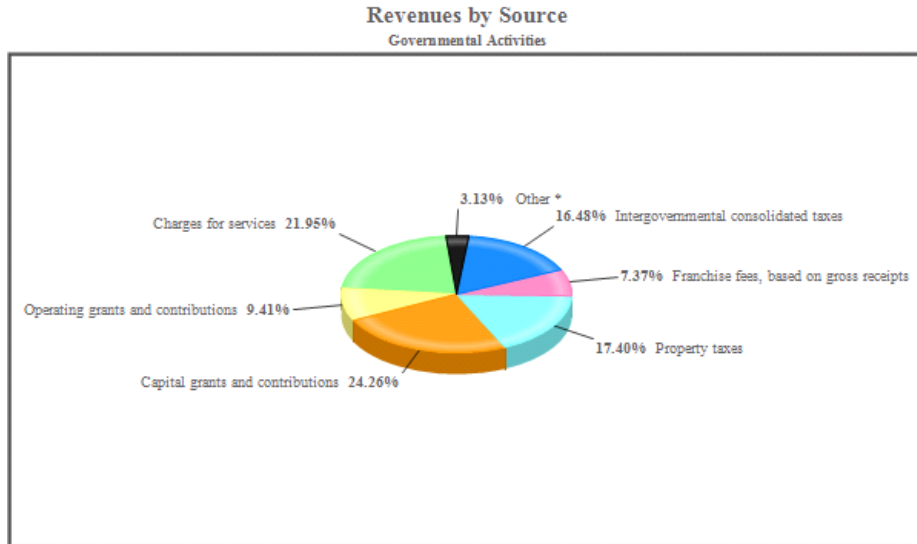


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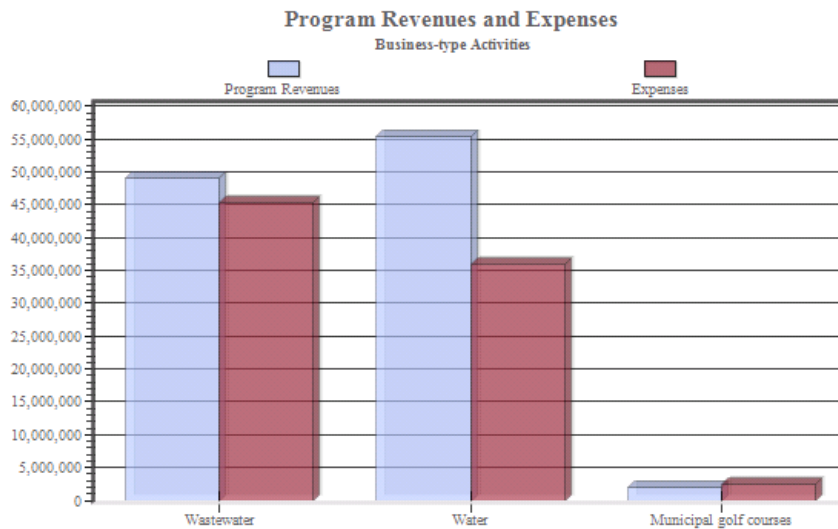
CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015



The following graphs provide expense and program revenue information with regard to the various functions of the City's business type activities and revenues by source information with regard to the City's business type activities.

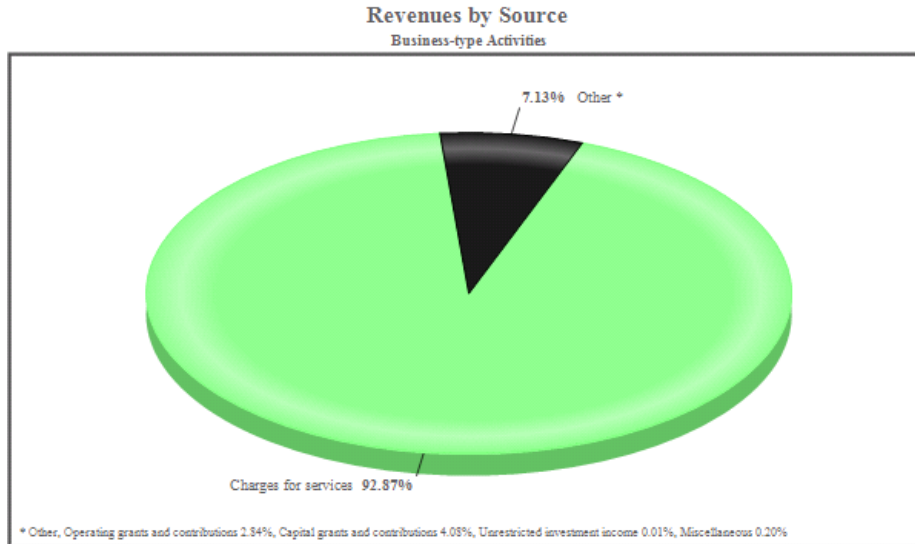


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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to 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 spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$100.65 million, an increase of \$11.02 million in comparison with the amount reported for the prior fiscal year. Of the ending fund balance, \$9.23 million is nonspendable as this amount represents land held for resale and prepaid items, which are not in a spendable form; \$79.29 million is restricted as amounts in this classification are restricted for specific purposes by external creditors, such as bondholders, grantors, laws and/or regulations of other governments; \$0.54 million is committed for specific purposes pursuant to City Council direction; \$2.12 million is assigned with the intent that these funds will be used for a specific purpose, but these funds are not restricted nor committed; and \$9.48 million is unassigned fund balance, which is available for spending at the City Council's discretion.

The City reports both major and non-major funds, and as such, major funds are reported in a separate column in the entity-wide statements, while non-major funds are reported in a single aggregated column. By definition, the general fund is always considered a major fund. Funds must be reported as major funds if they meet both of the following criteria:

An individual fund reports at least 10 percent of any of the following: a) total assets, b) total liabilities, c) total revenues, or d) total expenditures/expenses.

An individual fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the 10 percent criterion.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Following are summaries of key information relating to the City's major funds:

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund's ending fund balance was \$12.57 million. Of this amount, \$2.74 million was nonspendable due to prepaid items and \$166,202 was committed for the matching component of a number of grant-related programs. Finally, as noted above, \$9.48 million is unassigned. As a measure of the general fund's liquidity, it may also be useful to compare fund balance to total fund expenditures. As such, fund balance represents 10.8% of total general fund expenditures, when excluding transfers out.

The fund balance of the City's general fund increased by \$4.52 million during the fiscal year. Overall revenues, excluding transfers in, increased from \$100.67 million to 108.87 million (8.2%) and transfers in decreased by \$0.83 million (3.3%), compared to the prior fiscal year. These differences are mostly attributable to increases in intergovernmental consolidated taxes (\$3.71 million), increases in licenses and permit revenue (\$3.11 million) and slight increases in franchise fee revenues (\$0.53 million).

As noted above, general fund revenues increased by \$8.20 million due to continuing improvements in the economy. The largest percentage growth in general fund revenues was realized in the license and permits revenue stream where the \$3.11 million increase represented a 28.9% increase over the prior fiscal year. The City is starting to realize the benefits of an improved economy and a resurgence in the housing market as more commercial builders and property owners re-engage in homebuilding activities. The increase in consolidated taxes (primarily sales tax) of \$3.71 million represents an 8.4% increase over FY 2013-14 and reflects increasing consumer spending in an improving economy. As recently as 2013, the Clark County unemployment rate was over 9.5% but has steadily decreased to the current 7.0% rate. The consolidated tax distribution, representing nearly 44% of total general fund revenues, is collected by the State of Nevada and allocated to local governments based on statutory formulas, with sales and use taxes being the largest component (generally falling between 80% and 90% of the total). The increase in the consolidated tax distribution appears primarily attributable to the increase in consumer spending, as the local economy continues to recover. According to a Las Vegas Convention and Visitors Authority report, over 41 million visitors came to the Las Vegas Valley in 2014, reaching a five-year high

Revenues directly related to population and assessed valuation, such as property taxes, increased slightly by 2.6% during the current fiscal year. Property values began increasing last fiscal year and FY 2014-15 saw the first increase in this revenue stream. While the City expects the population growth to continue, the City remains prudent with estimating growth rates more moderately than in the past, prior to the most recent recession.

Investment income rose slightly in the current fiscal year, from \$0.64 million to \$1.02 million, due to slightly rising interest rates.

Charges for services revenues grew during FY 2014-15, rising by 22.1%, which amounted to a \$1.10 million increase. This increase was primarily the result of an increase in development-related fees.

Fines and forfeitures, which consist almost exclusively of municipal court fines saw a decrease of \$1.11 million, or 16.1%.

Overall expenditures for the general fund, including transfers out, decreased very slightly by \$0.72 million from the prior fiscal year. A modest increase in public safety expenses (\$2.57 million) reflected overtime costs necessary to maintain adequate coverage throughout the City. Also, a slight increase in culture and recreation (\$0.77 million) was incurred this fiscal year due to increased recreation programming. These increases were offset by a reduction in transfers out of \$4.16 million. Transfers out of the general fund were higher in FY 2013-14, as the City transferred the funds to the self-insurance reserve fund in order to settle a reverse condemnation lawsuit in which the City was ordered to pay a \$6.30 million judgment.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The public safety tax fund had a total ending fund balance of \$5.47 million at June 30, 2015. The majority of ending fund balance is restricted to the expenditure of additional public safety support with respect to police and detention activities pursuant to voter approved tax overrides. Tax revenues for this fund increased slightly from \$28.20 million last fiscal year to \$28.95 million this year, while expenditures decreased slightly by 3.3% (\$0.92 million). Primarily contributing to this expenditure reduction is the inter-local agreement with the City of Las Vegas resulting in a combined detention operation between the two cities. This consolidation of services has continued to provide savings to the City in fiscal year 2014-2015. Also contributing was attrition, to the extent positions which were voluntarily vacated have not immediately been filled.

Proprietary Funds

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

Operating revenues of the City's water and wastewater business-type activities increased by \$2.32 million (2.4%) to \$97.16 million in 2015. The water and wastewater utility customers billed usage increased by 5.6% during fiscal year 2015. This increase is due to a 1.3% increase in new accounts being opened and a 3.0% rate increase during the fiscal year.

Likewise, operating expenses, excluding transfers out, decreased by \$2.06 million (3.1%).

Further information regarding these changes in revenues and expenses for the water and wastewater operations are as follows:

The water enterprise fund had an overall decrease in net position of \$9.19 million due to various increases and decreases in this year's operations as noted in the following paragraphs.

Water utility fees increased 1.3%, or \$0.65 million during this fiscal year. This increase is due to a 3.0% rate increase and an increase in new accounts. The overall increase is net of the effects of a rate reduction for all City-owned accounts and continued customer water conservations. This year, the City development fees decreased by 30.6% or \$0.36 million. The other operating revenues showed an increase during the year to make up the difference.

Operating expenses of the water enterprise fund decreased \$0.81 million (2.3%) to \$35.49 million, compared to the prior fiscal year. Expenses for salaries, related benefits and services and supplies decreased \$0.46 million (2.8%). This decrease is due to a reorganization of the utility department and not filling all vacant positions during the year. Purchases of water during the fiscal year from the City's purveyor, Southern Nevada Water Authority, decreased by 3.28% or \$0.46 million. Depreciation expense increased by 0.7%.

Additionally, capital contributions decreased by \$0.88 million and transfers out decreased by \$0.16 million during fiscal year 2014-2015, compared to the prior year. The City's capital contributions consist primarily of infrastructure that's paid and constructed by developers and then contributed to the City, such as water and wastewater pipelines.

The wastewater enterprise fund had an overall decrease in net position of \$0.86 million due to various increases and decreases in this year's operations as noted in the following paragraphs.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Wastewater utility fees increased by \$1.30 million (3.3%) for the fiscal year. This increase is due to a 3.0% rate increase during the year and an increase in new service accounts during the year. Since the City's wastewater fee structure is substantially based on actual water consumption, the increase in demand for water services ultimately results in increased wastewater to treat. The City continued to see an increase in new development fees of \$0.14 million (7.3%) over the prior year.

Non-operating revenues primarily consist of intergovernmental revenues, which increased by \$0.16 million as a result of the increase in the sales and use taxes collected. During the year, the City had a net increase of \$0.17 million in sales taxes revenue. Use of this revenue source is restricted to capital expenses and / or the repayment of debt specifically pertaining to the City's wastewater reclamation facility.

Operating expenses of the wastewater enterprise fund decreased by \$1.2 million (4.1%) to \$29.9 million. Salaries and related benefits expenses decreased by 4.0%. This decrease is due to the reorganization of the utility department during the year. Services and supplies decreased by \$1.1 million (9.7%). The wastewater reclamation facility had a \$1.7 million decrease in electrical power during the year. The City received a power allocation from the Colorado River Commission (CRC), which provides the wastewater reclamation facility with lower electrical costs. The change from NV Energy to the CRC resulted in a lump-sum settlement payment to NV Energy in the amount of \$1.49 million. This change to the CRC will result in a lower energy cost for the WRF operations going forward. Depreciation expenses increased by \$0.16 million or 1.2%.

Non-operating expenses consist of interest and bond issuance costs, which decreased by \$0.15 million (1.0%). This decrease is due to repayment of principal on outstanding bonds.

As noted earlier, the City maintains the operations of two golf courses. One is a nine-hole par-3 course and the other is an 18-hole par-72 championship course. The net position for FY 2015 increased by \$0.30 million, primarily due to a decrease in operating expenses. Specifically, while the City purchases water from the Southern Nevada Water Authority, it also has the option of pumping water from its own groundwater wells. As such, the City Council approved the pumping of groundwater to be used for City-owned facilities, such as the golf courses and parks.

Operating revenues remained relatively unchanged and as a result, operating losses decreased \$0.73 million, which was the approximate amount of the savings in expenses for the provision of water.

General Fund Budget

During the fiscal year, there was a mere \$0.22 million increase in appropriations between the original and final amended budget. This was due to an increase in salaries and benefits related to the police department.

The original revenue budget was increased by \$5.20 million, of which \$7.5 million is due to a procedural change in accounting for the allocation of costs to the utilities funds, whereby overhead costs are calculated and payments for franchise fees, as well as property taxes are computed and collected. This increase in revenue was offset by the reduction in transfer in from the utilities funds. The original revenue budget was also increased by \$2.7 million for intergovernmental consolidated taxes and \$1.47 million in licenses and permits. The reason for the increase in the budget for consolidated taxes and licenses and permits was because these revenue sources trended higher than originally anticipated. These increases were offset by a \$1.10 million decrease in fines and forfeitures as this revenue source trended downward during the fiscal year.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the City's investment in capital assets for its governmental and business-type activities amounts to \$1.79 billion (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, infrastructure, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 1.6%.

Major capital asset activity during the current fiscal year included the following:

\$43.83 million expended from the capital projects street improvements fund primarily related to the ongoing construction of the North 5th Street Corridor Project, which will provide for a high volume north-south super arterial roadway, and the Simmons Street improvements, which is expected to be a major carrier of north-south traffic and Losee Road improvements. The Losee Road improvements consisted of the design, right-of-way acquisition, and construction of six travel lanes with traffic control devices and localized drainage improvements.

\$14.71 million expended from the capital projects public safety fund primarily related to the construction improvements of flood control facilities, including pipes, culverts, channels, energy dissipaters, channel structures, channel access, storm drain inlets and laterals and other appurtenances as required.

\$9.75 million expended from the capital projects parks and recreation fund primarily related to the design and construction of a 4,000 seat bermed outdoor performance venue, including a "green room" and other building improvements, as well as landscaping, within the Craig Ranch Regional Park. Expenditures also include other capital improvements to various parks and recreation buildings and facilities within the City limits.

Additional information on the City's capital assets can be found in Note 3 beginning on page 55 of this report.

Long-term Debt

At the end of the current fiscal year, the total outstanding bonded debt of the City was \$438.77 million. Of this amount, \$433.52 million comprises debt backed by the full faith and credit of the government and \$5.25 million is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment.

The City's total bonded debt outstanding decreased by \$13.87 million (2.9%) during the current fiscal year due to bond repayments.

The City's rating from Standard & Poor's remained unchanged at "BB-" but the outlook was revised from "Negative" to "Stable." However, Moody's Investors Service upgraded the City's indebtedness from "Ba3" to "Ba2" and Fitch Ratings remained unchanged at "B" but the outlook was revised from "Negative" to "Stable." These actions by the rating agencies are primarily due to the City's relative financial stability compared to recent years, including the timely adoption of a city-wide balanced budget that includes a modest surplus for operating funds. This is further supported by the state's economic recovery and rebounding tax base following the deep housing downturn.

Pursuant to Nevada Revised Statutes, the State limits the amount of general obligation debt a government entity may issue to 20% of its total assessed valuation. The current statutory debt limitation for the City is \$832.34 million, which is significantly in excess of the City's actual outstanding applicable net general obligation debt of \$427.35 million.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Additional information on the City's long term debt can be found in Note 3 beginning on page 58 of this report.

Next Year's Budget

As expenditures continue to outpace revenues, the City has been implementing a number of cost saving actions in order to continue its prudent fiscal management and avoid the need to raise taxes or service charges over the next few years. Such actions over the past seven years have included: the elimination of vacant positions, implementation of a hiring freeze, budget reduction programs, layoffs and voluntary separation packages, reorganization of the City's departmental structure, consolidating programs for further efficiency, partnering with professional service organizations and neighboring municipalities, implementing private-sector best practices, and renegotiating certain elements of collective bargaining agreements. In addition, a number of capital improvement projects have been delayed, cancelled, or face a reduction in project scope.

In looking to the future, the City has increased the FY 2015-16 general fund budgeted revenues by \$2.91 million for a total of \$108.69 million from the FY 2014-15 budget. As most revenues remain flat or show modest increases, intergovernmental consolidated taxes (primarily consisting of sales taxes) is continuing to show gains with an estimated increase of \$1.7 million in FY 2015-16. Additionally, property taxes revenue is projected to increase by almost 5.8% for the fiscal year ending June 30, 2016.

The City has increased the FY 2015-16 budgeted appropriations by \$6.66 million for a total of \$124.01 million. The increase in budgeted appropriations is primarily increased costs of for services and supplies. The City continues to strive to balance its contractually-recurring expenditures with its contractually-recurring revenues by renegotiating recurring service and supply contracts and working together with its employee bargaining groups in an effort to stabilize employee costs and related benefits.

The City's adopted operating budget for FY 2015-16 is currently at \$352.5 million and the adopted capital improvement plan for FY 2015-16 is \$99.3 million; however, a number of capital projects continue to be deferred until such time as the local economy improves.

Property taxes revenue account for approximately 7.4% of general fund revenues. During fiscal year 2005, the State of Nevada enacted legislation that provided for a partial abatement of property taxes going forward. The level of abatement is based on the type and use of the property, but generally, if the property is a primary residence, then the abatement is the amount of taxes that exceeded the prior year's tax bill plus 3.0%. In FY 2014-15, assessed property values exceeded the caps for abatement and is expected to do so for FY 2015-16.

Workers' Compensation Issue

Pursuant to Nevada Revised Statutes, diseases of the lungs and heart are considered occupational diseases for firefighters and police officers. Specifically, the statutes provide that a disease of the lung and/or heart is conclusively presumed to have arisen out of and in the course of employment and as such, are compensable with regard to workers' compensation benefits. Further, the statutes permit claims to be reopened at any time during the life of the claimant for further examination and treatment should circumstances change which would warrant an increase or rearrangement of compensation.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At issue is the cost of workers' compensation benefits and settlement costs that the City will presumably incur beginning over the next ten years as the age and gross number of the City's covered police and fire safety workforce increases. It could be further assumed that a large portion of the police and fire safety workforce will develop some form of lung and/or heart disease as part of the natural process of aging, yet the City would be financially accountable for all the disability benefits as it would be conclusively determined that the disease arose out of and/or in connection with employment with the City. As a result, the cost to the City for disability and death benefits to claimants under these statutes could very well cause a significant financial hardship over a short period of time.

Post-Employment Benefits Other Than Pensions

The City was required on July 1, 2007, to implement GASB (Governmental Accounting Standards Board) Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions. The purpose of GASB Statement No. 45 is to require the accrual of liabilities and expenses of other post-employment benefits, such as healthcare, generally over the working career of plan members, rather than on a pay-as-you-go basis, which was the City's past practice. As such, the City had an actuarial study performed and as of June 30, 2015, the City's net OPEB obligation was \$13.02 million.

Requests for information

This 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 Finance Department, City of North Las Vegas, 2250 Las Vegas Boulevard North, Suite 710, North Las Vegas, Nevada, 89030-5875.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF NORTH LAS VEGAS

STATEMENT OF NET POSITION

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 109,431,885	\$ 59,470,318	\$ 168,902,203
Cash, cash equivalents and investments, restricted	2,176,795	7,215,688	9,392,483
Accounts receivable, net	7,265,727	13,260,268	20,525,995
Grants receivable	9,335,426		9,335,426
Property taxes receivable	2,381,687		2,381,687
Special assessments receivable	18,225		18,225
Interest receivable	1,803		1,803
Due from other governments	26,228,606	702,312	26,930,918
Inventories	258,143	2,905,851	3,163,994
Prepaid land lease, net of amortization		21,125,000	21,125,000
Other prepaid items	3,124,815	931,582	4,056,397
Refundable deposits		2,302,705	2,302,705
Property held for resale	6,426,980		6,426,980
Internal balances	3,978,187	(3,978,188)	(1)
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	233,569,190	32,895,394	266,464,584
Land	190,800,644	15,514,483	206,315,127
Buildings and building improvements	170,853,268	76,384,608	247,237,876
Improvements other than buildings	49,337,323	42,410,678	91,748,001
Infrastructure	640,406,455	329,748,089	970,154,544
Machinery, equipment and software	8,808,022	3,988,938	12,796,960
Total assets	1,464,403,181	604,877,726	2,069,280,907
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	13,283,450		13,283,450
Unamortized amounts related to pensions	28,445,223	2,511,552	30,956,775
Total deferred outflows of resources	41,728,673	2,511,552	44,240,225
LIABILITIES			
Accounts payable and other accrued expenses	16,455,291	1,593,014	18,048,305
Accrued salaries and benefits	15,864,964	666,774	16,531,738
Due to other governments	1,060,961	4,204,083	5,265,044
Customer deposits	49,829	4,291,241	4,341,070
Unearned revenue	2,716,560	47,029	2,763,589
Interest payable	1,404,458	2,358,537	3,762,995
Long-term liabilities, due within one year			
Bonds and notes payable	4,534,700	7,099,875	11,634,575
Compensated absences	5,056,997	469,503	5,526,500
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	155,128,691	279,030,016	434,158,707
Compensated absences	34,358,979	3,189,964	37,548,943
Postemployment benefits other than pensions	13,016,187		13,016,187
Net pension liability	184,866,253	16,322,640	201,188,893
Total liabilities	434,513,870	319,272,676	753,786,546
DEFERRED INFLOWS OF RESOURCES			
Unamortized amounts related to pensions	47,676,351	4,209,551	51,885,902

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,147,394,961	214,812,299	1,362,207,260
Restricted for			
Debt service	4,453,270		4,453,270
Street improvements projects	9,029,767		9,029,767
Other capital projects	22,324,499		22,324,499
Police, fire and other public safety programs and projects	22,788,989		22,788,989
Parks, cultural and other recreational programs	3,213,439		3,213,439
Library district operations	515,014		515,014
Courts and other judicial programs	1,679,329		1,679,329
Community assistance and support programs	15,222,956		15,222,956
Other	64,341		64,341
Unrestricted	(202,744,932)	69,094,752	(133,650,180)
Total net position	\$ 1,023,941,633	\$ 283,907,051	\$ 1,307,848,684

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 56,167,676	\$ 14,222,091	\$ 1,687	\$	\$ (41,943,898)	\$	\$ (41,943,898)
Judicial	9,060,508	10,164,809			1,104,301		1,104,301
Public safety	141,351,681	23,225,991	11,733,443	43,926	(106,348,321)		(106,348,321)
Public works	14,374,970	9,006,208	11,437,350	63,623,553	69,692,141		69,692,141
Culture and recreation	17,323,716	5,730,717	105,410	6,528,633	(4,958,956)		(4,958,956)
Community support	7,142,087	1,147,504	3,951,617		(2,042,966)		(2,042,966)
Debt service							
Interest expense and fiscal charges	6,640,779				(6,640,779)		(6,640,779)
Total governmental activities	<u>252,061,417</u>	<u>63,497,320</u>	<u>27,229,507</u>	<u>70,196,112</u>	<u>(91,138,478)</u>		<u>(91,138,478)</u>
Business-type activities							
Wastewater	45,235,686	42,237,133	3,019,938	3,776,280		3,797,665	3,797,665
Water	36,065,019	54,747,339		567,803		19,250,123	19,250,123
Municipal golf courses	2,407,902	1,918,441				(489,461)	(489,461)
Total business-type activities	<u>83,708,607</u>	<u>98,902,913</u>	<u>3,019,938</u>	<u>4,344,083</u>		<u>22,558,327</u>	<u>22,558,327</u>
Total function/program	<u>\$ 335,770,024</u>	<u>\$ 162,400,233</u>	<u>\$ 30,249,445</u>	<u>\$ 74,540,195</u>	<u>\$ (91,138,478)</u>	<u>22,558,327</u>	<u>(68,580,151)</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES							
Property taxes					50,350,577		50,350,577
Residential construction taxes					313,837		313,837
Room taxes					486,389		486,389
Franchise fees, based on gross receipts					21,322,332		21,322,332
Intergovernmental consolidated taxes					47,685,565		47,685,565
Other local government shared revenues					2,096,928		2,096,928
Unrestricted investment income					1,321,011	15,803	1,336,814
Gain on disposal of capital assets					2,932,638	21,612	2,954,250
Miscellaneous					1,909,778	216,234	2,126,012
Total general revenues					<u>128,419,055</u>	<u>253,649</u>	<u>128,672,704</u>
Transfers					<u>22,548,597</u>	<u>(22,548,597)</u>	
CHANGE IN NET POSITION					<u>59,829,174</u>	<u>263,379</u>	<u>60,092,553</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					1,170,498,353	301,866,375	1,472,364,728
Adjustment					<u>(206,385,894)</u>	<u>(18,222,703)</u>	<u>(224,608,597)</u>
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					<u>964,112,459</u>	<u>283,643,672</u>	<u>1,247,756,131</u>
NET POSITION, END OF YEAR					<u>\$ 1,023,941,633</u>	<u>\$ 283,907,051</u>	<u>\$ 1,307,848,684</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Aggregate Other Governmental Funds	Total Governmental Funds
		Public Safety Tax	Capital Projects Street Improvements		
ASSETS					
Cash, cash equivalents and investments	\$ 3,039,419	\$ 5,663,709	\$ (5,155,340)	\$ 66,520,903	\$ 70,068,691
Accounts receivable, net	4,067,042	12,958	1,098,323	2,043,939	7,222,262
Grants receivable			4,605,838	4,772,616	9,378,454
Property taxes receivable	433,630	1,329,689		618,368	2,381,687
Interest receivable				1,803	1,803
Special assessments receivable				18,225	18,225
Prepaid items	2,741,016	5,371		27,594	2,773,981
Due from other governments	8,906,391	3,006	9,038,266	8,280,943	26,228,606
Property held for resale				6,426,980	6,426,980
Total assets	\$ 19,187,498	\$ 7,014,733	\$ 9,587,087	\$ 88,711,371	\$ 124,500,689
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 445,059	\$ 22,328	\$ 4,879,978	\$ 6,566,907	\$ 11,914,272
Accrued salaries and benefits	5,127,023	1,050,956		759,721	6,937,700
Due to other funds	276,149	76,407		471,718	824,274
Due to other governments	628,440	189,719		218,501	1,036,660
Customer deposits	39,036			11,112	50,148
Unearned revenue	20,318		68,503	2,627,739	2,716,560
Total liabilities	6,536,025	1,339,410	4,948,481	10,655,698	23,479,614
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	55,121	203,009		115,868	373,998
Total liabilities and deferred inflows of resources	6,591,146	1,542,419	4,948,481	10,771,566	23,853,612
FUND BALANCES					
Nonspendable					
Prepaid items	2,743,971	27,025		27,594	2,798,590
Land held for resale				6,426,980	6,426,980
Restricted for					
Debt service				4,453,270	4,453,270
Street improvements projects			4,638,606	4,391,161	9,029,767
Other capital projects				22,324,499	22,324,499
Police, fire and other public safety programs and projects		5,445,289		17,343,700	22,788,989
Parks, cultural and other recreational programs				3,213,439	3,213,439
Library district operations				515,014	515,014
Courts and other judicial programs				1,679,329	1,679,329
Community assistance and support programs				15,222,956	15,222,956
Other				64,341	64,341
Committed to					
Police, fire and other public safety programs and projects	166,202				166,202
Community assistance and support programs				378,334	378,334
Assigned to					
Parks, cultural and other recreational programs				2,122,074	2,122,074
Unassigned	9,686,179			(222,886)	9,463,293
Total fund balances	12,596,352	5,472,314	4,638,606	77,939,805	100,647,077
Total liabilities, deferred inflows of resources and fund balances	\$ 19,187,498	\$ 7,014,733	\$ 9,587,087	\$ 88,711,371	\$ 124,500,689

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2015

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 100,647,077
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	\$ 1,783,339,882	
Less accumulated depreciation	<u>(491,436,410)</u>	1,291,903,472
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	(157,424,000)	
Unamortized premiums and discounts	(2,239,391)	
Unamortized deferred refunding charges	13,283,450	
Compensated absences payable	(38,943,383)	
Net pension liability	(183,113,126)	
Deferred outflows related to pensions	28,175,471	
Deferred inflows related to pensions	<u>(47,224,226)</u>	(387,485,205)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(1,404,458)</u>	(1,404,458)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>373,998</u>	373,998
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	15,549,884	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	3,892,355	
Internal service fund balance receivable from business-type activities from current year activity	<u>464,510</u>	<u>19,906,749</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,023,941,633</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Fund		Capital Projects Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Tax	Capital Projects Street Improvements			
REVENUES						
Property taxes	\$ 7,684,226	\$ 28,947,023			\$ 13,942,759	\$ 50,574,008
Residential construction taxes					313,837	313,837
Room taxes					486,389	486,389
Franchise fees	21,322,332					21,322,332
Licenses and permits	13,860,541					13,860,541
Special assessments					2,170,946	2,170,946
Charges for services	6,076,810	16,591			2,900,418	8,993,819
Intergovernmental consolidated taxes	47,685,565					47,685,565
Intergovernmental	4,291,395		43,560,856		45,183,680	93,035,931
Fines and forfeitures	5,795,494				351,035	6,146,529
Contributions	50,010				186,059	236,069
Rents and royalties	749,572				90,738	840,310
Investment income	840,676				178,215	1,018,891
Miscellaneous	516,017	2,857	26,899		1,885,316	2,431,089
Total revenues	<u>108,872,638</u>	<u>28,966,471</u>	<u>43,587,755</u>		<u>67,689,392</u>	<u>249,116,256</u>
EXPENDITURES						
Current						
General government	18,207,478		76		512,267	18,719,821
Judicial	7,297,895				649,087	7,946,982
Public safety	78,736,590	26,601,267			16,685,362	122,023,219
Public works	2,444,849		380,571		4,572,933	7,398,353
Culture and recreation	7,992,264				4,472,497	12,464,761
Community support	1,619,921				3,846,937	5,466,858
Total current	<u>116,298,997</u>	<u>26,601,267</u>	<u>380,647</u>		<u>30,739,083</u>	<u>174,019,994</u>
Capital outlay						
General government			483,331		2,306,602	2,789,933
Public safety					14,359	2,882,924
Public works			42,949,814		13,654,482	56,604,296
Culture and recreation					8,911,379	8,911,379
Community support					1,551,569	1,551,569
Total capital outlay			<u>43,447,504</u>		<u>29,292,597</u>	<u>72,740,101</u>
Debt service						
Principal payments					5,757,700	5,757,700
Interest and fiscal charges					7,642,269	7,642,269
Total debt service					<u>13,399,969</u>	<u>13,399,969</u>
Total expenditures	<u>116,298,997</u>	<u>26,601,267</u>	<u>43,828,151</u>		<u>73,431,649</u>	<u>260,160,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,426,359)</u>	<u>2,365,204</u>	<u>(240,396)</u>		<u>(5,742,257)</u>	<u>(11,043,808)</u>
OTHER FINANCING SOURCES (USES)						
Contingencies	(400,000)					(400,000)
Proceeds from capital asset disposal	121,210	73,172			2,718,789	2,913,171
Transfers in	23,986,762		1,380,512		16,104,615	41,471,889
Transfers out	(11,763,961)	(278,252)			(9,881,079)	(21,923,292)
Total other financing sources (uses)	<u>11,944,011</u>	<u>(205,080)</u>	<u>1,380,512</u>		<u>8,942,325</u>	<u>22,061,768</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund Public Safety Tax	Capital Projects Fund Capital Projects Street Improvements	Aggregate Other Governmental Funds	Total Governmental Funds
CHANGE IN FUND BALANCE	4,517,652	2,160,124	1,140,116	3,200,068	11,017,960
FUND BALANCE, BEGINNING OF YEAR	<u>8,078,700</u>	<u>3,312,190</u>	<u>3,498,490</u>	<u>74,739,737</u>	<u>89,629,117</u>
FUND BALANCE, END OF YEAR	<u>\$ 12,596,352</u>	<u>\$ 5,472,314</u>	<u>\$ 4,638,606</u>	<u>\$ 77,939,805</u>	<u>\$ 100,647,077</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 11,017,960
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	\$ 72,740,101	
Less current year depreciation	(43,134,831)	
Gain (loss) on disposal of capital assets	<u>(2,503,529)</u>	27,101,741
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Capital asset contributions	6,300,547	
Change in unavailable revenue	<u>(223,431)</u>	6,077,116
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		
Debt principal repayments	<u>5,757,700</u>	5,757,700
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 compensated absences payable	(1,807,481)	
Change in net pension liability and related deferred outflows and inflows of resources	2,266,809	
Amortization of debt premiums and discounts	198,707	
Amortization of deferred refunding charges	(635,066)	
Change in accrued interest	<u>1,437,849</u>	1,460,818
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	7,949,329	
The internal service funds change in net position related to business-type activities	<u>464,510</u>	<u>8,413,839</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 59,829,174</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2015

	Business-type Activities				Governmental
			Aggregate Other		Activities
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 20,413,735	\$ 38,469,221	\$ 587,362	\$ 59,470,318	\$ 39,363,194
Accounts receivable, net	6,471,848	6,787,211	1,209	13,260,268	437
Prepaid items	877,450	37,504	16,628	931,582	350,834
Due from other funds		411,346		411,346	449,074
Due from other governments	702,312			702,312	
Inventories	278,175	2,561,216	66,460	2,905,851	258,143
Restricted assets					
Cash, cash equivalents and investments	4,970,722	2,244,966		7,215,688	2,176,795
Total current assets	<u>33,714,242</u>	<u>50,511,464</u>	<u>671,659</u>	<u>84,897,365</u>	<u>42,598,477</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	28,898,257	3,997,137		32,895,394	66,964
Land	12,514,647	2,434,299	565,537	15,514,483	
Buildings and building improvements	71,449,424	3,397,887	1,537,297	76,384,608	245,985
Improvements other than buildings	24,451,374	14,682,400	3,276,904	42,410,678	87,807
Infrastructure	244,112,519	85,635,570		329,748,089	
Machinery, equipment and software	3,428,554	560,384		3,988,938	1,470,674
Total capital assets, net of accumulated depreciation and amortization	<u>384,854,775</u>	<u>110,707,677</u>	<u>5,379,738</u>	<u>500,942,190</u>	<u>1,871,430</u>
Other assets					
Prepaid land lease, net of current portion and amortization	21,125,000			21,125,000	
Refundable deposits	2,296,920		5,785	2,302,705	
Total other assets	<u>23,421,920</u>		<u>5,785</u>	<u>23,427,705</u>	
Total noncurrent assets	<u>408,276,695</u>	<u>110,707,677</u>	<u>5,385,523</u>	<u>524,369,895</u>	<u>1,871,430</u>
Total assets	<u>441,990,937</u>	<u>161,219,141</u>	<u>6,057,182</u>	<u>609,267,260</u>	<u>44,469,907</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized amounts related to pensions	<u>1,019,657</u>	<u>1,489,476</u>	<u>2,419</u>	<u>2,511,552</u>	<u>269,752</u>
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	626,575	839,269	127,170	1,593,014	4,540,997
Accrued salaries and benefits	285,764	377,076	3,934	666,774	8,927,264
Due to other funds	12,921	19,603	145	32,669	3,478
Due to other governments	109,829	4,088,199	6,055	4,204,083	24,004
Customer deposits	65,540	4,213,788	11,913	4,291,241	
Unearned revenue			47,029	47,029	
Compensated absences	155,226	314,277		469,503	60,633
Interest payable	2,245,888	112,649		2,358,537	
Bonds and notes payable	4,068,275	3,031,600		7,099,875	
Total current liabilities	<u>7,570,018</u>	<u>12,996,461</u>	<u>196,246</u>	<u>20,762,725</u>	<u>13,556,376</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

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

	Business-type Activities				Governmental Activities
	Wastewater Utility		Water Utility		Internal Service Funds
	Aggregate Other Enterprise Funds		Total Enterprise Funds		
Noncurrent liabilities					
Compensated absences	1,054,658	2,135,306		3,189,964	411,960
Postemployment benefits other than pensions					13,016,187
Bonds and notes payable	271,393,243	7,636,773		279,030,016	
Net Pension Liability	<u>6,626,775</u>	<u>9,680,141</u>	<u>15,724</u>	<u>16,322,640</u>	<u>1,753,127</u>
Total noncurrent liabilities	<u>279,074,676</u>	<u>19,452,220</u>	<u>15,724</u>	<u>298,542,620</u>	<u>15,181,274</u>
Total liabilities	<u>286,644,694</u>	<u>32,448,681</u>	<u>211,970</u>	<u>319,305,345</u>	<u>28,737,650</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized liabilities related to pensions	<u>1,709,022</u>	<u>2,496,474</u>	<u>4,055</u>	<u>4,209,551</u>	<u>452,125</u>
Total deferred inflows of resources	<u>1,709,022</u>	<u>2,496,474</u>	<u>4,055</u>	<u>4,209,551</u>	<u>452,125</u>
NET POSITION					
Net investment in capital assets	109,393,257	100,039,304	5,379,738	214,812,299	1,871,430
Unrestricted	<u>45,263,621</u>	<u>27,724,158</u>	<u>463,838</u>	<u>73,451,617</u>	<u>13,678,454</u>
Total net position	<u>\$ 154,656,878</u>	<u>\$ 127,763,462</u>	<u>\$ 5,843,576</u>	288,263,916	<u>\$ 15,549,884</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				<u>(4,356,865)</u>	
Net position of business-type activities				<u>\$ 283,907,051</u>	

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities				Governmental
	Wastewater		Aggregate Other		Internal Service
	Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Funds
OPERATING REVENUES					
Utility fees	\$ 38,796,307	\$ 49,426,691	\$	\$ 88,222,998	\$
Construction fees	359,038	320,629		679,667	
User fees			1,918,416	1,918,416	
Connection fees	1,733,865	511,289		2,245,154	
Other charges for services	274,064	1,832,667		2,106,731	30,740,968
Fines and forfeitures	717,046	1,871,443		2,588,489	
Miscellaneous	531,607	786,440	39,645	1,357,692	
Total operating revenues	<u>42,411,927</u>	<u>54,749,159</u>	<u>1,958,061</u>	<u>99,119,147</u>	<u>30,740,968</u>
OPERATING EXPENSES					
Salaries and wages	3,772,527	5,483,576	97,423	9,353,526	3,403,345
Employee benefits	1,683,486	2,480,249	17,685	4,181,420	1,891,416
Services and supplies	10,993,273	21,946,226	2,064,859	35,004,358	19,738,890
Depreciation and amortization	13,490,928	5,582,900	226,356	19,300,184	787,961
Total operating expenses	<u>29,940,214</u>	<u>35,492,951</u>	<u>2,406,323</u>	<u>67,839,488</u>	<u>25,821,612</u>
Operating income (loss)	<u>12,471,713</u>	<u>19,256,208</u>	<u>(448,262)</u>	<u>31,279,659</u>	<u>4,919,356</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	15,803			15,803	10,111
Gain on capital asset disposition	2,621	18,991		21,612	19,467
Interest and fiscal charges	(15,016,128)	(388,481)		(15,404,609)	
Intergovernmental	6,376,618			6,376,618	
Total nonoperating revenues (expenses)	<u>(8,621,086)</u>	<u>(369,490)</u>		<u>(8,990,576)</u>	<u>29,578</u>
Income (loss) before capital contributions and transfers	<u>3,850,627</u>	<u>18,886,718</u>	<u>(448,262)</u>	<u>22,289,083</u>	<u>4,948,934</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	<u>419,600</u>	<u>567,803</u>		<u>987,403</u>	<u>395</u>
TRANSFERS					
Transfers in		416,454	778,434	1,194,888	3,000,000
Transfers out	(5,486,816)	(18,256,669)		(23,743,485)	
Total transfers	<u>(5,486,816)</u>	<u>(17,840,215)</u>	<u>778,434</u>	<u>(22,548,597)</u>	<u>3,000,000</u>
CHANGE IN NET POSITION	<u>(1,216,589)</u>	<u>1,614,306</u>	<u>330,172</u>	<u>727,889</u>	<u>7,949,329</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	163,271,642	136,956,129	5,530,959		9,557,759
Adjustment	(7,398,175)	(10,806,973)	(17,555)		(1,957,204)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>155,873,467</u>	<u>126,149,156</u>	<u>5,513,404</u>		<u>7,600,555</u>
NET POSITION, END OF YEAR	<u>\$ 154,656,878</u>	<u>\$ 127,763,462</u>	<u>\$ 5,843,576</u>		<u>\$ 15,549,884</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(464,510)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 263,379</u>	

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

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

	Business-type Activities				Governmental
	Wastewater		Aggregate Other		Internal Service
	Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 42,509,179	\$ 55,397,124	\$ 1,948,736	\$ 99,855,039	
Cash received from other sources	1,070,630	416,227	39,645	1,526,502	
Cash payments for goods and services	(2,590,963)	(21,854,421)	(2,385,471)	(26,830,855)	\$ (21,895,826)
Cash payments for employee services	(5,381,367)	(7,793,478)	(116,381)	(13,291,226)	(1,425,026)
Cash payments for interfund services			(125)	(125)	
Net cash provided by (used in) operating activities	<u>35,607,479</u>	<u>26,165,452</u>	<u>(513,596)</u>	<u>61,259,335</u>	<u>13,317,249</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in		416,454	778,434	1,194,888	3,000,000
Transfers out	(5,486,816)	(18,256,669)		(23,743,485)	
Net cash provided by (used in) noncapital financing activities	<u>(5,486,816)</u>	<u>(17,840,215)</u>	<u>778,434</u>	<u>(22,548,597)</u>	<u>3,000,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(11,303,145)	(1,638,156)		(12,941,301)	(102,291)
Proceeds received from disposal of capital assets	2,621	18,991		21,612	26,546
Principal payments on debt	(4,367,600)	(3,741,400)		(8,109,000)	
Interest payments on debt	(15,174,360)	(545,916)		(15,720,276)	
Capital grants and subsidies received	5,796,236			5,796,236	
Capital contributions					395
Net cash provided by (used in) capital financing activities	<u>(25,046,248)</u>	<u>(5,906,481)</u>		<u>(30,952,729)</u>	<u>(75,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	15,803			15,803	10,110
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,090,218	2,418,756	264,838	7,773,812	16,252,009
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,294,239</u>	<u>38,295,431</u>	<u>322,524</u>	<u>58,912,194</u>	<u>25,287,980</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 25,384,457</u>	<u>\$ 40,714,187</u>	<u>\$ 587,362</u>	<u>\$ 66,686,006</u>	<u>\$ 41,539,989</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

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

	Business-type Activities				Governmental
			Aggregate Other		
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 12,471,713	\$ 19,256,208	\$ (448,262)	\$ 31,279,659	\$ 4,919,356
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	13,490,928	5,582,900	226,356	19,300,184	787,961
Provision for uncollectible receivables	(29,944)	(29,345)		(59,289)	
(Increase) decrease in operating assets					
Accounts receivable	641,568	1,028,302	21,891	1,691,761	4,457
Due from other governments	540,364			540,364	
Due from other funds		(370,213)		(370,213)	5,897,135
Inventories	18,965	211,641	5,117	235,723	
Prepaid items	392,814	6,369	(11,616)	387,567	(276,913)
Refundable deposit	9,639,226			9,639,226	
Increase (decrease) in operating liabilities					
Accounts payable	(1,430,312)	91,805	(314,113)	(1,652,620)	(1,857,690)
Accrued salaries and benefits	84,538	79,206	(1,078)	162,666	2,503,804
Due to other funds	(1,341)	(1,314)	(125)	(2,780)	(85)
Due to other governments	(199,418)	102,365		(97,053)	(22,333)
Customer deposits		115,073	248	115,321	(4,374)
Unearned revenues	(1,730)		8,181	6,451	
Compensated absences	72,143	212,289		284,432	59,355
Postemployment benefits other than pensions	(82,035)	(119,834)	(195)	(202,064)	1,306,576
Total adjustments	<u>23,135,766</u>	<u>6,909,244</u>	<u>(65,334)</u>	<u>29,979,676</u>	<u>8,397,893</u>
Net cash provided by (used in) operating activities	<u>\$ 35,607,479</u>	<u>\$ 26,165,452</u>	<u>\$ (513,596)</u>	<u>\$ 61,259,335</u>	<u>\$ 13,317,249</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 13,207,961
Accounts receivable, net	2,601,419
Interest receivable	4,118
Special assessments receivable	<u>51,632</u>
Total assets	<u>15,865,130</u>
LIABILITIES	
Due to other governments	283,796
Due to developers	2,418,535
Due to others	<u>13,162,799</u>
Total liabilities	<u>15,865,130</u>
NET POSITION	<u>\$ <u> </u></u>

See notes to basic financial statements.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The City of North Las Vegas (the City), was incorporated in 1946 and is governed by an elected Mayor and City Council comprised of four members. The City is a full-service city located at the northern tip of the Las Vegas valley. Services provided by the City include a municipal court, public safety (police and fire), water and wastewater, highways and streets, planning and zoning, parks and recreational facilities, libraries, community development and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 or has the ability to otherwise access are significant to the primary government.

The City has complied with GASB Statements Nos. 14, 39 and 61 by examining its position relative to other entities and 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 reports. The North Las Vegas Redevelopment Agency (the Agency) and the North Las Vegas Library District (the Library District) are legally separate entities for budget reporting purposes as required by the State of Nevada (the State or Nevada), Department of Taxation. However, they both have substantially the same governing body as the City and the City provides a majority of services required by the Agency and the Library District, such as financial administration, human resources administration, and redevelopment planning. Based on these factors, the Agency and Library District are considered to be blended component units and are reported as special revenue funds of the City. No other entities were determined to be component units of the City.

Basic Financial Statements

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 net position, or 3) unrestricted net position.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment and include indirect expenses allocated to each function. 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 and fiduciary funds 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.

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 90 days of fiscal year end.

The primary revenue sources, which have been treated as susceptible to accrual by the City are property taxes, intergovernmental consolidated taxes (sales, cigarette, motor vehicle privilege and liquor taxes), gaming taxes, gasoline taxes, grants, franchise fees and interest. All other revenue items are considered to be measurable and available only when the City receives payment.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences and postemployment benefits other than pensions are recorded only when payment is due.

The City reports the following major governmental funds:

General Fund - Accounts for all financial resources not required to be accounted for in some other fund.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Public Safety Tax Special Revenue Fund - Accounts for voter-approved property tax overrides to be used exclusively for public safety programs.

Capital Projects Street Improvement Fund - Accounts for the design, acquisition, construction and improvements of and to various streets and roadways within the City limits.

The City reports the following non-major governmental fund types:

Special Revenue Funds - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Projects Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

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:

Wastewater Utility Fund - Accounts for the collection from the residents of the City and the transmission of sewage through the system infrastructure for treatment and release into Lake Mead.

Water Utility Fund - Accounts for the delivery of water services through the system infrastructure to the residents of the City and other service areas.

The City reports the following non-major proprietary fund:

Municipal Golf Courses Fund - Accounts for the operations of a nine-hole par-3 golf course and an 18-hole par-72 championship course.

The City reports the following non-major proprietary fund type:

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements, comprised of a statement of net position, report the City's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Fiduciary fund financial statements, comprised of a statement of net position, report the City's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

The City reports the following fiduciary fund type:

Agency Funds - Accounts for assets held by the City as an agent for individuals, private organizations, other governments or other funds.

Assets and Liabilities

Cash, Cash Equivalents 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 City invests by individual fund in two instances, but primarily pools cash resources of all other funds in order to facilitate the management of cash and investments. With this approach, the City is able to invest the monies at higher interest rates and with longer maturities. With the exception of those funds that are legally required to retain interest earnings, all interest earnings are reported in the general fund.

The proprietary funds participate in the City's internal investment management pool. This 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 without prior notice or penalty. Accordingly, amounts invested in this pool by proprietary funds are considered to be cash equivalents. Monies that are not required for immediate obligations are invested.

Investments are reported at fair value, regardless of the length of time remaining to maturity. The fair values of investments are determined using quotations obtained from independent published sources.

Receivables, Payables and Unavailable or Unearned Revenues

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Transactions that constitute reimbursements to a fund for expenditures or 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. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. 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 NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Upon the certification of tax rates by the State Tax Commission, the Clark County (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. Real 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.

Property taxes receivable that are not expected to be collected within 90 days of year end are classified as unavailable revenue in the fund financial statements rather than current revenue since the asset is not available to satisfy current obligations.

Unearned revenues arise when the City receives resources before it has a legal claim to them as when property taxes levied for the following tax year are received before year end.

Inventories and Prepaid Items

The City's inventories are valued at cost using the first-in/first-out (FIFO) method, with the exception of inventory held for resale, which is valued at market. In the governmental fund financial statements, inventories are recorded as expenditures when purchased rather than when consumed.

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

Restricted Assets

Cash, cash equivalents and investments related to customer deposits, unspent bond proceeds and bond retirement (amounts accumulated to pay debt service payments over the next 12 months) are classified and reported as restricted assets.

Capital Assets

Capital assets are reported in proprietary fund financial statements and in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' useful lives are not capitalized.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

	<u>Years</u>
Buildings and building improvements	40
Improvements other than buildings	15-40
Infrastructure	15-100
Machinery, equipment and software	5-10

Long-term Liabilities

In the government-wide and proprietary fund statements, long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts are deferred and amortized as a component of interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the defeased debt is deferred and amortized as a component of interest expense using the straight-line method, which also approximates the effective interest method. Debt issuance costs are expensed in the period incurred.

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation, holiday and sick leave benefits that would be paid to them upon separation from City service if not previously taken. A liability for these obligations is reported in the government-wide and proprietary fund financial statements as incurred. A liability for compensated absences is reported in the governmental fund financial statements only to the extent it is due and payable at year end. Expenditures for compensated absences are recognized by the applicable fund when paid.

Deferred Compensation Plans

In addition to the retirement plan disclosed in Note 4, the City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The City is not required to and does not contribute to the deferred compensation plans. The assets of these plans are held in trust outside the control of the City. Since the assets of these plans are not considered assets of the City and are not subject to the claims of the City's general creditors, these plans 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 upon adoption. 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Outflows and Inflows of Resources

Deferred outflows of resources, represents a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/ expenditure) until then. The government-wide and proprietary funds statement of net position reports deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt), which will be amortized over the life of the related debt and amounts related to pensions, including 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) contributions made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds balance sheet reports unavailable property tax revenues, which will be recognized as revenue in the period that the amounts become available. The government-wide and proprietary funds statement of net position reports amounts related to pensions, including 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on investments, which will be amortized over five years.

Net Position

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

Fund Balance

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

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

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by a resolution or ordinance (both are considered equally binding) of the City Council, which is 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 Manager and Finance Director have been authorized by the City Council in the budget approval process to make all 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.

Interfund Activity

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The resulting payables and receivables, which are outstanding at year end, are referred to as due to or from other funds in the fund financial statements. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are reported 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.

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 for compensated absences, pensions, postemployment benefits other than pensions and useful lives of capital assets.

Note 2. Stewardship and Accountability

Budgets and Budgetary Accounting

The City adopts annual budgets, in accordance with Nevada Revised Statutes (NRS), in which annual budgets are legally adopted by the City Council for all funds except agency funds. Budgeted revenues and appropriations for all fund types are consistent with accounting principles generally accepted in the United States.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

On or before April 15, the Finance Director submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the citizens through public hearings. The Nevada Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval.

Formal budgetary integration is employed as a management control tool during the fiscal year for all funds. Appropriations and encumbered appropriations lapse at year end.

In accordance with the NRS, actual expenditures may not exceed budgeted appropriations of the various governmental functions, excluding the debt service function, of the general, special revenue, and capital projects funds. Pursuant to NRS 354.626, expenditures in excess of budgeted appropriations are allowed for bond repayments, medium-term obligation repayments, and other long-term contracts expressly authorized by law. The sum of operating and nonoperating expenses in proprietary funds also may not exceed total appropriations.

Per the NRS, the City Manager is authorized to transfer budgeted amounts between functions if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Amendments, which affect the total fund appropriations or transfers between funds, are accomplished through formal City Council approval. Amendments to the adopted budget are made a matter of public record by actions of the City Council. The budgets reflected in the accompanying financial statements have been amended in accordance with the NRS.

Prior Period Adjustment

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

	Wastewater Utility Enterprise Fund	Water Utility Enterprise Fund	Aggregate Other Enterprise Funds	Internal Service Funds	Governmental Activities	Business-type Activities
Fund balance or net position, as previously reported	\$ 163,271,642	\$ 136,956,129	\$ 5,530,959	\$ 9,557,759	\$ 1,170,498,353	\$ 301,866,375
Adjustment						
Cumulative effect of adopting GASB Statement Nos. 68 and 71 related to the City's multiple-employer cost-sharing defined benefit pension plan	(7,398,175)	(10,806,973)	(17,555)	(1,957,204)	(206,385,894)	(18,222,703)
Fund balance or net position, as adjusted	\$ 155,873,467	\$ 126,149,156	\$ 5,513,404	\$ 7,600,555	\$ 964,112,459	\$ 283,643,672

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Recently Issued Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015. The objective of this statement is to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. 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 June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Management will work with the State of Nevada Public Employees' Retirement System to assess this statement and determine whether it will not have a material effect the City's net position, results of operations, or cash flows.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for financial statements for fiscal years beginning after June 15, 2016. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has not completed a full assessment of the statement to determine if it will have a material effect on the City's net position.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal years beginning after June 15, 2017. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improved information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has completed a preliminary assessment of the statement and has determined it will have a material effect on the City's net position, results of operations, or cash flows.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for financial statements for periods beginning after June 15, 2015. The objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). Management has completed its assessment of this statement and has determined that it will not have a material effect on the City's net position, results of operations, or cash flows.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for financial statements for periods beginning after December 15, 2015. This statement requires governments that enter into tax abatement agreements to disclose certain information regarding the agreements with the goals of improving financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Management has not completed a full assessment of the statement to determine if it will have a material effect on the City's net position.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

At June 30, 2015, the City's cash, cash equivalents and investments (including restricted and designated amounts) were as follows:

Pooled cash on deposit and investments	\$ 191,693,007
Cash on hand	<u>52,686</u>
Total cash, cash equivalents and investments	<u>\$ 191,745,693</u>

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

	Unrestricted	Restricted	Designated	Total
Governmental activities	\$ 106,840,903	\$ 2,176,795	\$ 2,834,028	\$ 111,851,726
Business-type activities	<u>59,470,318</u>	<u>7,215,688</u>	<u>2,834,028</u>	<u>66,686,006</u>
	166,311,221	9,392,483	2,834,028	178,537,732
Fiduciary Funds	<u>166,311,221</u>	<u>13,207,961</u>	<u>2,834,028</u>	<u>13,207,961</u>
Total cash, cash equivalents and investments	<u>\$ 166,311,221</u>	<u>\$ 22,600,444</u>	<u>\$ 2,834,028</u>	<u>\$ 191,745,693</u>

The City manages its investment portfolio in compliance with the NRS and its adopted Cash and Investment Financial Policy. Pursuant to NRS 355.170, permitted investments include obligations of the U.S. Treasury and agencies, not to exceed 10 years to maturity; negotiable certificates of deposit issued by insured financial institutions, notes or short-term negotiable bonds issued by other Nevada local governments; bankers' acceptances eligible for rediscount with the Federal Reserve Bank that do not exceed 180 days in maturity and 20% of total investments; commercial paper having an A-1 rating or equivalent, not to exceed 270 days to maturity and 20% of total investment; and money market mutual funds invested only in federal government agency securities with an AAA rating or equivalent or in repurchase agreements fully collateralized by such securities. Additionally, the City is permitted to purchase for investment the following securities, with certain limitations: notes, bonds and obligations issued by corporations, collateralized mortgage obligations and asset-backed securities.

Interest Rate Risk

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 daily operations.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, the City had the following investment types and maturities:

	Reported Amount (Fair Value)	Investment Maturities (In Years)	
		Less Than One	One to Four
U.S. Treasury securities	\$ 37,774,910	\$ 5,505,850	\$ 32,269,060
U.S. government-sponsored securities	88,397,985	440,198	87,957,787
Money market mutual funds	22,403,839	22,403,839	
Local government investment pool	34,101,969	34,101,969	
Certificates of Deposit	5,100,000	5,100,000	
Total investments	\$ 187,778,703	\$ 67,551,856	\$ 120,226,847

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. One of the ways that the City manages its credit risk is by purchasing investment securities that are rated AAA.

On August 5, 2011, the credit rating on all investments in U.S. government securities was lowered from AAA to AA+ by Standard & Poor's.

At June 30, 2015, the credit rating for each investment type was as follows:

	Reported Amount (Fair Value)	AAA or AA+	Not Required to be Rated	Unrated
U.S. Treasury securities	\$ 37,774,910	\$	\$ 37,774,910	\$
U.S. government-sponsored securities	88,397,985	88,397,985		
Money market mutual funds	22,403,839	22,403,839		
Local government investment pool	34,101,969			34,101,969
Certificates of Deposit	5,100,000			5,100,000
Total investments	\$ 187,778,703	\$ 110,801,824	\$ 37,774,910	\$ 39,201,969

Custodial Credit Risk

For deposits, this is the risk that in the event of a bank failure, the entity's deposits may not be returned to it. Pursuant to NRS 356.005, local governments may deposit public money in any insured state or national bank, in any insured credit union or in any insured savings and loan association; however, the NRS does not specifically require collateral for demand deposits. The City's demand deposits were covered at year end by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 for each financial institution with which the City has demand deposit accounts.

At June 30, 2015, the City's cash deposits in financial institutions was \$3,946,705. The City participates in a collateral pool for public deposits program administered by the State Treasurer. The program serves as an alternative method to allow financial institutions and local government agencies within the State to participate in a pooled collateralization of their deposits in an efficient and cost effective manner. The program provides for centralized reporting, processing and management of all pledged collateral through the State Treasurer's Office. The State Treasurer requires that acceptable securities pledged as collateral be maintained at 102% of those entities' deposits participating in the pool and that the pledged securities be held by a third party for the benefit of the State Treasurer. As such, at year end the FDIC covered \$250,000 and the remaining \$3,696,705 was secured by the State Treasurer's pooled collateral program at 102%.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For investments, this is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

At June 30, 2015, the City's individual investments in U.S. Treasuries, U.S. government-sponsored securities and federal agencies were held in the City's name either by the City's contracted external investment manager or the counterparty to the transaction's trust department.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities.

Investments in any one investment type that represent 5% or more of total investments at June 30, 2015, were as follows:

	Percentage of Portfolio
U.S. Treasury securities	20.11 %
U.S. government-sponsored securities	47.08 %
Money market mutual funds	11.93 %
Local government investment pool	18.16 %

Capital Assets

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

	Balance July 1, 2014	Increases and transfers *	Decreases and transfers *	Balance June 30, 2015
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 190,719,919	\$ 69,742,964	\$ (26,893,693)	\$ 233,569,190
Land	191,153,005	884,781	(1,237,142)	190,800,644
Total capital assets not being depreciated or amortized	381,872,924	70,627,745	(28,130,835)	424,369,834
Capital assets being depreciated or amortized				
Buildings and building improvements	216,296,263	43,942		216,340,205
Improvements other than buildings	79,393,100			79,393,100
Infrastructure	970,990,667	31,956,179		1,002,946,846
Machinery, equipment and software	70,811,481	2,141,984	(1,212,019)	71,441,446
Total capital assets being depreciated or amortized	1,337,491,511	34,142,105	(1,212,019)	1,370,121,597

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Increases and</u> <u>transfers *</u>	<u>Decreases and</u> <u>transfers *</u>	<u>Balance</u> <u>June 30, 2015</u>
Accumulated depreciation and amortization				
Buildings and building improvements	\$ (40,194,728)	\$ (5,292,209)	\$	\$ (45,486,937)
Improvements other than buildings	(27,337,928)	(2,717,849)		(30,055,777)
Infrastructure	(329,372,296)	(33,168,095)		(362,540,391)
Machinery, equipment and software	<u>(61,394,120)</u>	<u>(2,744,639)</u>	<u>1,505,335</u>	<u>(62,633,424)</u>
Total accumulated depreciation and amortization	<u>(458,299,072)</u>	<u>(43,922,792)</u>	<u>1,505,335</u>	<u>(500,716,529)</u>
Total capital assets being depreciated or amortized, net	<u>879,192,439</u>	<u>(9,780,687)</u>	<u>293,316</u>	<u>869,405,068</u>
Total governmental activities	<u>\$ 1,261,065,363</u>	<u>\$ 60,847,058</u>	<u>\$ (27,837,519)</u>	<u>\$ 1,293,774,902</u>
* Includes transfers from and to proprietary funds, if any.				
Business-type activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 21,561,929	\$ 11,333,468	\$	\$ 32,895,394
Land	<u>15,514,483</u>			<u>15,514,483</u>
Total capital assets not being depreciated or amortized	<u>37,076,412</u>	<u>11,333,468</u>		<u>48,409,877</u>
Capital assets being depreciated or amortized				
Buildings and building improvements	87,055,606			87,055,606
Improvements other than buildings	67,053,810			67,053,810
Infrastructure	471,866,207	1,992,483		473,858,690
Machinery, equipment and software	<u>10,617,203</u>	<u>102,753</u>	<u>(26,890)</u>	<u>10,693,066</u>
Total capital assets being depreciated or amortized	<u>636,592,826</u>	<u>2,095,236</u>	<u>(26,890)</u>	<u>638,661,172</u>
Accumulated depreciation and amortization				
Buildings and building improvements	(8,328,029)	(2,342,972)		(10,670,998)
Improvements other than buildings	(22,723,215)	(1,919,916)		(24,643,132)
Infrastructure	(130,335,684)	(13,774,917)		(144,110,601)
Machinery, equipment and software	<u>(5,968,641)</u>	<u>(762,378)</u>	<u>26,890</u>	<u>(6,704,128)</u>
Total accumulated depreciation and amortization	<u>(167,355,569)</u>	<u>(18,800,183)</u>	<u>26,890</u>	<u>(186,128,859)</u>
Total capital assets being depreciated or amortized, net	<u>469,237,257</u>	<u>(16,704,947)</u>		<u>452,532,313</u>
Total business-type activities	<u>\$ 506,313,669</u>	<u>\$ (5,371,479)</u>		<u>\$ 500,942,190</u>

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

Governmental activities	
General government	\$ 33,350,578
Judicial	36,777
Public safety	1,863,715
Public works	5,384,601
Culture and recreation	2,484,985
Community support	14,175
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>787,961</u>
Total depreciation expense, governmental activities	<u>\$ 43,922,792</u>
Business-type activities	
Wastewater	\$ 12,990,928
Water	5,582,900
Municipal golf courses	<u>226,355</u>
Total depreciation expense, business-type activities	<u>\$ 18,800,183</u>

Due To and From Other Funds

During the course of operations, numerous reimbursable transactions occur between individual funds for goods provided or services rendered. At June 30, 2015, the resulting payables and receivables (reported as due to and from other funds) resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$	\$ 276,149
Public Safety Tax Special Revenue Fund		76,407
Aggregate Other Governmental Funds		471,718
Wastewater Utility Enterprise Fund		12,921
Water Utility Enterprise Fund	411,346	19,603
Aggregate Other Enterprise Funds		144
Internal Service Funds	<u>449,074</u>	<u>3,478</u>
	<u>\$ 860,420</u>	<u>\$ 860,420</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, 2015, interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Aggregate Other Governmental Funds	\$ 243,277
	Wastewater Utility Enterprise Fund	18,256,669
	Water Utility Enterprise Fund	5,486,816
Aggregate Other Governmental Funds	General Fund	7,985,527
	Aggregate Other Governmental Funds	8,119,088
Water Utility Enterprise Fund	Aggregate Other Governmental Funds	416,454
Aggregate Other Enterprise Funds	General Fund	778,434

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Transfer In Fund	Transfer Out Fund	Amount
	Capital Projects Street Improvements Capital Projects Fund	\$ 1,380,512
	Internal Service Funds	3,000,000
		\$ 45,666,777

During fiscal year 2013, the City transferred approximately \$24.0 million from the wastewater and water utility enterprise funds to the general fund as payment in lieu of taxes, franchise fees and general overhead charges. During the 76th legislative session in 2011, Nevada Assembly Bill 471, amending NRS 354.613, was passed. This new law requires municipalities making such transfers to eliminate any amounts in excess of actual costs by 2021.

Depending on the timing and amounts of these reductions in transfers required to support general fund operations, the City may fall below the statutory minimum operating fund balance of 4% and be required to enter into supervised fiscal receivership by the Nevada Department of Taxation under NRS 354.685.

Long-term Liabilities

Internal service funds predominantly serve the governmental funds; accordingly, long-term liabilities for these funds are included in the following table as part of governmental activities.

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

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Governmental activities					
General obligation bonds					
\$32,500,000 2003 Judicial/Public Safety Facilities bonds due in annual installments through March 2023; interest varies between 3% and 5%	\$ 6,855,000	\$	\$	\$ 6,855,000	\$
\$105,000,000 2006 Civic Center Facilities bonds due in annual installments through May 2036; interest varies between 4.25% and 5%	95,820,000		(1,365,000)	94,455,000	
\$7,630,000 2007A Judicial/Public Safety Facilities refunding bonds due in annual installments beginning May 2017 through May 2023; interest is at 4.15%	7,630,000			7,630,000	
\$1,530,000 2007B Street Improvement refunding bonds due in annual installments through June 2015; interest varies between 3.76% and 4.02%	247,000		(247,000)		
\$3,145,000 2010 Library District medium-term refunding bonds due in annual installments through April 2020; interest is at 4.38%	2,460,000		(365,000)	2,095,000	385,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
\$17,090,000 2010 Building Projects medium-term refunding bonds due in annual installments beginning July 2013 through July 2020; interest is at 4.18%	\$ 16,090,000	\$	\$ (2,020,000)	\$ 14,070,000	\$ 2,110,000
\$27,070,000 2011 Building Projects refunding bonds due in annual installments beginning June 2016 through June 2036; interest varies between 3% and 5%	<u>27,070,000</u>	<u> </u>	<u> </u>	<u>27,070,000</u>	<u>200,000</u>
Total general obligation bonds	<u>156,172,000</u>	<u> </u>	<u>(3,997,000)</u>	<u>152,175,000</u>	<u>2,695,000</u>
Special assessment bonds					
\$3,250,000 2007 SIAD No. 61 (Ann Road) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	894,800		(284,400)	610,400	303,100
\$1,250,000 2007 SIAD No. 62 (Clayton Street) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	424,900		(136,300)	288,600	141,600
\$12,680,000 2007 SIAD No. 63 (Lamb Blvd.) improvement bonds due in semi-annual installments through May 2017; interest varies between 3.4% and 4%	<u>5,690,000</u>	<u> </u>	<u>(1,340,000)</u>	<u>4,350,000</u>	<u>1,395,000</u>
Total special assessment bonds	<u>7,009,700</u>	<u> </u>	<u>(1,760,700)</u>	<u>5,249,000</u>	<u>1,839,700</u>
Unamortized bond premiums	<u>2,708,446</u>	<u> </u>	<u>(216,964)</u>	<u>2,491,482</u>	<u> </u>
Unamortized bond discounts	<u>(270,350)</u>	<u> </u>	<u>18,257</u>	<u>(252,093)</u>	<u> </u>
Compensated absences	<u>37,549,139</u>	<u>15,462,289</u>	<u>(13,595,453)</u>	<u>39,415,975</u>	<u>5,056,997</u>
Postemployment benefits other than pensions	<u>11,687,907</u>	<u>2,967,763</u>	<u>(1,639,483)</u>	<u>13,016,187</u>	<u> </u>
Total governmental activities	<u>214,856,842</u>	<u>18,430,052</u>	<u>(21,191,343)</u>	<u>212,095,551</u>	<u>9,591,697</u>
Business-type activities					
General obligation/pledged revenue bonds					
\$8,685,000 2003B Water general obligation refunding revenue bonds due in annual installments through November 2015; interest varies between 3% and 5%	900,000		(440,000)	460,000	460,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
\$14,365,000 2005A Water/Wastewater general obligation refunding revenue bonds due in annual installments through December 2017; interest is at 5%	\$ 6,190,000		\$ (1,615,000)	\$ 4,575,000	\$ 1,695,000
\$10,030,000 2005B Water/Wastewater general obligation refunding revenue bonds due in annual installments through August 2019; interest varies between 3.25% and 4%	6,490,000		(975,000)	5,515,000	1,010,000
\$140,000,000 2006 General obligation Wastewater reclamation system bonds due in annual installments through October 2036; interest varies between 4% and 5%	126,135,000		(3,140,000)	122,995,000	3,280,000
\$5,713,000 2007 Water/Wastewater general obligation refunding revenue bonds due in annual installments through September 2014; interest is at 3.885%	839,000		(839,000)		
\$145,000,000 2010A Water/Wastewater improvement bonds (Build America Bonds) due in annual installments beginning June 2015 through June 2040; interest varies between 4.13% and 6.572%	<u>145,000,000</u>		<u>(100,000)</u>	<u>144,900,000</u>	
Total general obligation/pledged revenue bonds	<u>285,554,000</u>		<u>(7,109,000)</u>	<u>278,445,000</u>	<u>6,445,000</u>
Notes payable					
\$7,000,000 medium-term financing due in quarterly installments through July 2022; interest is at 2% beginning April 2015	<u>6,000,000</u>		<u>(1,000,000)</u>	<u>5,000,000</u>	<u>654,875</u>
Unamortized bond premiums	<u>2,944,100</u>		<u>(259,209)</u>	<u>2,684,891</u>	
Compensated absences	<u>3,375,035</u>	<u>1,330,141</u>	<u>(1,081,709)</u>	<u>3,623,467</u>	<u>469,503</u>
Total business-type activities	<u>297,873,135</u>	<u>1,330,141</u>	<u>(9,449,918)</u>	<u>289,753,358</u>	<u>7,569,378</u>
Total long-term liabilities	<u>\$ 512,729,977</u>	<u>\$ 19,760,193</u>	<u>\$ (30,641,261)</u>	<u>\$ 501,848,909</u>	<u>\$ 17,161,075</u>

Compensated absences and postemployment benefits other than pensions are liquidated through the self-insurance reserve internal service fund, which is funded by assessing a flat percentage to each fund based on the fund's gross salaries, plus a flat fee for each employee for health insurance.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligation bonds		
2016	\$ 2,695,000	\$ 7,207,302
2017	2,870,000	7,094,464
2018	7,320,000	6,974,095
2019	7,810,000	6,645,787
2020	8,140,000	6,310,845
2021 - 2025	31,860,000	27,004,578
2026 - 2030	35,700,000	19,388,550
2031 - 2035	45,310,000	9,635,000
2036 - 2040	<u>10,470,000</u>	<u>523,500</u>
Total general obligation bonds	<u>152,175,000</u>	<u>90,784,121</u>
Special assessment bonds		
2016	1,839,700	172,571
2017	1,904,300	99,460
2018	<u>1,505,000</u>	<u>29,159</u>
Total special assessment bonds	<u>5,249,000</u>	<u>301,190</u>
Total governmental activities	<u>\$ 157,424,000</u>	<u>\$ 91,085,311</u>
Business-type activities		
General obligation/pledged revenue bonds		
2016	\$ 6,445,000	\$ 15,396,875
2017	6,580,000	15,090,837
2018	6,880,000	14,784,896
2019	7,170,000	14,471,443
2020	7,490,000	14,110,705
2021 - 2025	42,625,000	64,384,723
2026 - 2030	53,260,000	51,374,144
2031 - 2035	66,335,000	35,232,751
2036 - 2040	<u>81,660,000</u>	<u>15,584,204</u>
Total general obligation/pledged revenue bonds	<u>278,445,000</u>	<u>240,430,578</u>
Notes payable		
2016	654,875	95,125
2017	668,072	81,928
2018	681,533	68,467
2019	695,267	54,733
2020	709,277	40,723
2021 - 2025	<u>1,590,976</u>	<u>38,925</u>
Total notes payable	<u>5,000,000</u>	<u>379,901</u>
Total business-type activities	<u>\$ 283,445,000</u>	<u>\$ 240,810,479</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Component Unit Debt

In 2008, the City and the Library District entered into a cooperative agreement under which the City would design, construct and equip a library facility and the Library District would reimburse the City \$9,500,000, plus interest at 5%, for its costs by making annual interfund transfers through January 2019. Since actual costs to design, construct and equip the library were completed under budget by \$2,500,000, the total to be reimbursed by the Library District to the City is \$7,000,000.

Defeased Debt

In prior years, the City defeased certain long-term bond obligations by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

At June 30, 2015, \$7,005,000 of defeased debt remained outstanding.

Debt Covenants and Legal Debt Margin

Certain long-term liabilities are subject to restrictive debt covenants and the amount of long-term general obligation debt that can be incurred by the City is limited by the NRS. Management believes the City to be in compliance with all applicable limitations and restrictions.

Arbitrage Rebate Requirement

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. The arbitrage rebate calculation as of the most recent such date indicates that no amount is due. Future calculations might result in adjustments to this determination.

Special Assessment Debt

The City has issued various special assessments bonds, the proceeds of which have been used to fund specific infrastructure improvements. These bonds do not constitute debt of the City within the meaning of any constitutional or statutory provision or limitation, are not considered a general obligation of the City, and are considered special obligations payable solely from assessments levied in the special assessment districts. Furthermore, the City is not secondarily liable in the case of payment deficiencies. The City uses a fiduciary (agency) fund to account for special assessment revenue collections and repayment of the related debt.

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Outstanding special assessment debt obligations accounted for in a fiduciary (agency) fund at June 30, 2015, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</u>
2006 Special Assessment District 60 (Aliante Development)	May 31, 2006 - December 1, 2022	3.875% - 5.1%	\$ <u>42,180,000</u>	\$ <u>17,625,000</u>
			\$ <u>42,180,000</u>	\$ <u>17,625,000</u>

Segment Information

The City has issued long-term debt (in some cases revenue supported) to finance the improvement, acquisition or construction of wastewater and water utility system capital assets. This debt has historically been paid from the revenues of the City's wastewater and water utility funds. 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

Construction and Other Commitments

The City has active construction projects as of June 30, 2015. These projects include public safety projects associated with the installation of or upgrade to traffic signals in developing areas; the design, acquisition, construction and improvements of and to various streets and roadways within the City limits; capital improvements associated with parks and recreation buildings and facilities; flood control projects and improvements and general government capital improvement projects.

At June 30, 2015 the City's construction and other significant commitments were as follows:

	<u>Remaining Commitment</u>
Parks and Recreation Projects	\$ 2,556,928
Public Safety Projects	20,828,021
Municipal Building Facilities	871,328
Capital Projects Street Improvements	20,759,567
Wastewater facilities	<u>417,194</u>
	<u>\$ 45,433,038</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Litigation

In the ordinary course of its operations, claims are filed against the City including, but not limited to those arising from alleged improper actions by employees, police actions and negligence. City management intends to vigorously defend each claim and, although, total damages claimed are substantial, believes that most of these claims will settle for substantially less than the claimed amount, may be partially offset by payments from the City's liability insurance policies, as discussed below under "Risk Management," and will not result in any material adverse future effect on the City's financial position, results of operation, or cash flows.

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

Risk Management

The City's operating activities are concentrated in the Las Vegas, Nevada metropolitan area; and therefore, realization of the City's receivables and its future operations could be affected by an adverse change in the economic conditions in the area.

Over the last few years, the United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had, and is likely to continue to have, far-reaching effects on the economic activity in the country. The near- and long-term impact of these factors on the Southern Nevada 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 economic conditions discussed in the preceding 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.

The City is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these and other risks, the City established the self-insurance internal service fund and purchases commercial insurance coverage for claims in excess of the coverage provided by the self-insurance internal service fund and for other insurable risks of loss. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Self-insurance Internal Service Fund

The City reports activity related to liability insurance, workers' compensation and postemployment benefits other than pensions in the self-insurance internal service fund.

Liability insurance - The City maintains its self-insurance fund to cover all liability and property damage claims made or occurring prior to securing its excess liability policy. NRS 41.035 caps the City's tort liability at \$50,000 per claim for causes of action that occurred on or before September 30, 2007, \$75,000 per claim for causes of action that occurred on or after October 1, 2007, and \$100,000 per claim for causes of action that occurred on or after October 1, 2011. These caps do not apply to civil rights claims against the City in either State or Federal courts.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Workers' compensation - The City maintains a self-insurance fund related to workers' compensation claims. Self-insurance is in effect up to an individual self insured retention (SIR) amount of \$2,500,000 per claim for all employees. The City maintains coverage from private insurers for losses in excess of the stop-loss amount up to \$1,000,000 per accident.

Postemployment benefits other than pensions - Includes all activity for unemployment compensation, postemployment benefits other than pensions and employee separation leave benefits. The City reimburses the State for the actual costs of unemployment compensation claims on a quarterly basis. Earned but unused leave benefits are distributed to employees at separation from City employment. Postemployment benefits other than pensions liabilities and payments are based on an actuarial valuation (see additional detailed information in the Postemployment Benefits Other Than Pensions (OPEB) section below).

For the fiscal years ended June 30, 2013, 2014 and 2015, changes in claims liability amounts were as follows:

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
For the year ended June 30, 2014				
Liability insurance	\$ 392,430	\$ 1,656,494	\$ (1,651,810)	\$ 397,114
Worker's compensation	4,191,251	4,385,473	(2,120,178)	6,456,546
Postemployment benefits other than pensions	8,847,689	1,366,666		10,214,355
Unemployment compensation and employee separation leave benefits		6,706,739	(6,706,739)	
	\$ 13,431,370	\$ 14,115,372	\$ (10,478,727)	\$ 17,068,015
For the year ended June 30, 2014				
Liability insurance	\$ 397,114	\$ 12,837,888	\$ (7,106,426)	\$ 6,128,576
Worker's compensation	6,456,546	2,036,019	(2,076,566)	6,415,999
Postemployment benefits other than pensions	10,214,355	1,473,553		11,687,908
Unemployment compensation and employee separation leave benefits		5,210,792	(5,210,792)	
	\$ 17,068,015	\$ 21,558,252	\$ (14,393,784)	\$ 24,232,483
For the year ended June 30, 2015				
Liability insurance	\$ 6,128,576	\$ (1,836,796)	\$ (808,214)	\$ 3,483,566
Worker's compensation	6,415,999	(330,990)	(2,507,625)	3,577,384
Postemployment benefits other than pensions	11,687,908	1,328,279		13,016,187
Unemployment compensation and employee separation leave benefits		1,783,620	(1,783,620)	
	\$ 24,232,483	\$ 944,113	\$ (5,099,459)	\$ 20,077,137

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

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

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

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

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

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

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

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

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

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

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

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

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

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

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

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

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

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

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

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

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

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

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

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

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 312,870,730	\$ 201,188,894	\$ 108,352,849

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

The City's proportionate share (amount) of the collective net pension liability was \$201,188,894, which represents 1.93043% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2014, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014.

For the period ended June 30, 2015, the City's pension expense was \$26,656,513 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2015, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 9,627,997
Changes of assumptions		
Net difference between projected and actual earnings on investments		42,257,905
Changes in proportion and differences between actual contributions and proportionate share of contributions	1,809,688	
Contributions made subsequent to the measurement date	29,147,087	

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

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$29,147,087 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For the Year Ended June 30,

2016	\$ (11,826,215)
2017	(11,826,215)
2018	(11,826,215)
2019	(11,286,215)
2020	(1,630,209)
Thereafter	(1,141,146)

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

Net pension liability, beginning of year	\$ 253,848,088
Pension expense	26,656,513
Employer contributions	(29,239,493)
Net new deferred inflows and outflows of resources	<u>(50,076,214)</u>
Net pension liability, end of year	<u>\$ 201,188,894</u>

At June 30, 2015, \$4,067,755 payable to PERS, equal to the June 2015 required contribution, was included in accounts payable.

Teamsters Security Fund for Southern Nevada

The City participates in the Teamsters Security Fund for Southern Nevada, a cost-sharing multiple-employer defined benefit plan that covers the City's International Brotherhood of Teamsters employees (the Teamsters Plan).

The Teamsters Plan is available to active and retired employees represented by the International Brotherhood of Teamsters and is a preferred provider organization (PPO) and administered by Zenith Administrators, Inc. The Teamsters Plan is a welfare benefit plan that provides hospital, medical, prescription, dental, vision, life and accidental death and dismemberment insurance. Financial statements for the Teamsters Plan can be obtained by writing Zenith Administrators, Inc., 101 Convention Center Drive, Suite 600, Las Vegas, Nevada, 89109 or Teamsters Local Union 14, Teamsters Security Fund for Southern Nevada, 1250 S. Burnham Avenue, Las Vegas, Nevada, 89104.

The Teamsters Plan is financed by employer contributions pursuant to collective bargaining agreements, interest earned on the investment of reserve funds and through voluntary contributions of participants to retain eligibility. For the year ended June 30, 2015, the City contributed \$880 per month for each active employee represented by the International Brotherhood of Teamsters.

No contributing employer has liability, directly or indirectly, to provide the benefits established under the Teamsters Plan beyond the obligation to make contributions as stipulated in the respective collective bargaining agreement. The Teamsters Plan clearly states that benefits are not guaranteed to always be available and that events may occur that force the trustees of the Teamsters Plan to change, reduce and/or eliminate the Teamster Plan altogether.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The number of eligible employees, annual covered payroll and amounts contributed were as follows:

<u>For the Year Ended June 30,</u>	<u>Number of Eligible Employees</u>	<u>Annual Covered Payroll</u>	<u>Required Contribution and Amount Contributed</u>
2013	504	\$ 42,073,999	\$ 4,916,546
2014	463	38,558,191	4,625,706
2015	483	34,871,927	4,779,055

International Associations of Fire Fighters

Effective August 1, 2012, the City's fire department employees began participating in a benefit plan administered by the North Las Vegas Fire Fighters Union Health and Welfare Trust (the "Fire Fighters Trust"). The City has no liability, directly or indirectly, to fund future benefits to participants in the plan beyond the obligation to make contributions as stipulated in the respective bargaining agreements. However, the defined contribution plan is treated like a defined benefit plan for accounting purposes because costs are not shared among multiple employers and contributions received by the Fire Fighters Trust are not assigned solely to, and for the benefit of, active employees.

Plan benefits include medical, prescription, dental and vision coverage for its participants. Financial statements for the plan can be obtained by writing North Las Vegas Fire Fighters Union Health and Welfare Trust, 11700 West Charleston Boulevard, Suite 170-182, Las Vegas, NV 89135.

For the year ended June 30, 2015, the City contributed \$1,000 per month for each active employee represented by the Fire Fighters Trust.

The number of eligible employees, annual covered payroll and amounts contributed were as follows:

<u>For the Year Ended June 30,</u>	<u>Number of Eligible Employees</u>	<u>Annual Covered Payroll</u>	<u>Required Contribution and Amount Contributed</u>
2014	158	\$ 19,047,992	\$ 2,057,000
2015	167	17,957,169	1,816,500

Postemployment Benefits Other Than Pensions (OPEB)

Plan Information

In accordance with NRS, the City provides postemployment benefits to its retirees that are not represented by the International Brotherhood of Teamsters. Eligible retirees receive coverage through a healthcare plan offered by the City (Healthcare Plan), which offers two plan options, a fully-insured health maintenance organization (HMO) plan or UnitedHealthcare, which is a self-insured tiered preferred provider organization (PPO). In addition to the Healthcare Plan, eligible retirees may receive coverage through the Public Employee Benefit Plan (PEBP). The PEBP is no longer offered to current employees. The City also offers a life insurance plan (Life Insurance Plan) to all employees (active and retired), including those represented by the International Brotherhood of Teamsters and the International Associations of Fire Fighters. Employees are eligible to receive benefits from the plan they were covered under as active employees.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The Healthcare Plan offers its retirees healthcare, dental, vision and life insurance benefits. Eligibility and contribution requirements for the Healthcare Plan and the Life Insurance are established by and may be amended by the City Council. Only employees covered under the PEBP receive subsidy from the City. Premiums for City offered life and health insurance, except PEBP are paid by retirees. The City is responsible for health claims for retired unrepresented and police employees based on the retiree's choice of plan.

PEBP is an agent multiple-employer defined benefit plan administered by a nine member governing board that provides medical, prescription, dental and vision benefits to retirees. Eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and 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 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.

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. For the year ended June 30, 2015, this subsidy ranged from \$116 to \$636 per retiree, per month.

For the year ended June 30, 2015, the average cost borne by the City for employees and retirees enrolled in the Healthcare Plan was \$1,585 per participant, per month. Retirees enrolled in the Healthcare Plan receive no direct subsidy from the City; however, retiree loss experience is pooled with active loss experience for the purpose of setting rates and the difference between the true claims cost and the blended premium creates an implicit rate subsidy from the City. Beginning July 1, 2014, the City started an employee/retiree premium contribution program with three alternative PPO plans. In addition, the City created one HMO plan at no cost to the employee.

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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:

	Public Employee Benefit Program	City of North Las Vegas Health Care Plan	City of North Las Vegas Life Insurance Plan	Total
Annual required contribution (ARC)	\$ 527,489	\$ 1,139,000	\$ 1,334,671	\$ 3,001,160
Interest on net OPEB obligation	52,543	193,787	188,448	434,778
Adjustment to ARC	<u>(88,416)</u>	<u>(192,532)</u>	<u>(187,227)</u>	<u>(468,175)</u>
Annual OPEB cost	491,616	1,140,255	1,335,892	2,967,763
OPEB contributions made	<u>(504,871)</u>	<u>(221,920)</u>	<u>(94,245)</u>	<u>(821,036)</u>
Increase (decrease) in net OPEB obligation	(13,255)	918,335	1,241,647	2,146,727
Net OPEB obligation, beginning of year	<u>1,313,579</u>	<u>4,844,683</u>	<u>4,711,198</u>	<u>10,869,460</u>
Net OPEB obligation, end of year	<u>\$ 1,300,324</u>	<u>\$ 5,763,018</u>	<u>\$ 5,952,845</u>	<u>\$ 13,016,187</u>

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the years ended June 30, 2013, 2014 and 2015 were as follows:

<u>For the Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions Made</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
Public Employee Benefit Program				
2013	\$ 649,345	\$ 641,639	98.8 %	\$ 1,260,047
2014	651,273	597,741	91.8 %	1,313,579
2015	491,616	504,871	102.7 %	1,300,324
City of North Las Vegas Health Care Plan				
2013	1,455,800	185,456	12.7 %	8,224,267
2014	1,543,821	212,207	13.7 %	4,844,683
2015	1,140,255	221,920	19.5 %	5,763,018
City of North Las Vegas Life Insurance Plan				
2013	147,563	58,947	39.9 %	730,041
2014	153,684	65,274	42.5 %	4,711,198
2015	1,335,892	94,245	7.1 %	5,952,845

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Funded Status and Funding Progress

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program June 30, 2015	N/A ¹ \$	7,645,416 \$	7,645,416	0.0 %	N/A ²	N/A ²
City of North Las Vegas Health Care Plan June 30, 2015	N/A ¹	12,722,773	12,722,773	0.0 %	30,506,686	41.7 %
City of North Las Vegas IAFF Plan June 30, 2015	N/A ¹	12,720,838	12,720,838	0.0 %	12,949,578	98.2 %

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.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans 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:

	Public Employee Benefit Program	City of North Las Vegas Health Care Plan	City of North Las Vegas Life Insurance Plan
Actuarial valuation date	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial cost method	Entry age normal, closed	Entry age normal, open	Entry age normal, open
Amortization method	Level dollar	Level percent of pay	Level percent of pay
Amortization period	25 years	30 years	30 years
Asset valuation method	No assets in trust	No assets in trust	No assets in trust

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Public Employee Benefit Program	City of North Las Vegas Health Care Plan	City of North Las Vegas Life Insurance Plan
Actuarial assumptions			
Investment rate of return	4%	4%	4%
Inflation rate	2.75%	2.75%	2.75%
Projected salary increase	4%	4%	4%
Number of retirees	163	429	160
Healthcare inflation rates			
Initial	8%	8%	8%
Ultimate	5%	5%	5%

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

The City utilizes the self-insurance reserve internal service fund to allocate OPEB costs. Each fund recognizes its portion of the annual OPEB costs based on each fund's actual salary costs. No governmental funds have been used to liquidate the net OPEB obligation thus far. As of June 30, 2015, the self-insurance reserve internal service fund had \$36,483,943 in unrestricted cash, cash equivalents and investments some of which is intended to fund future OPEB costs. Because these assets are not held in an irrevocable trust, they are not considered plan assets at this time and as such, are not reflected in any OPEB funding schedules. The City is required to have its actuarial valuation study updated every two years and will make funding decisions with regard to OPEB costs accordingly.

**REQUIRED SUPPLEMENTARY
INFORMATION**

CITY OF NORTH LAS VEGAS

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

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, 2011 ³	N/A ¹ \$	10,530,961 \$	10,530,961	0.0 %	N/A ²	N/A ²
June 30, 2013	N/A ¹	11,038,451	11,038,451	0.0 %	N/A ²	N/A ²
June 30, 2015 ⁴	N/A ¹	7,645,416	7,645,416	0.0 %	N/A ²	N/A ²
City of North Las Vegas Health Care Plan						
June 30, 2011 ³	N/A ¹	17,976,859	17,976,859	0.0 %	142,669,047	12.6 %
June 30, 2013	N/A ¹	13,937,406	13,937,406	0.0 %	82,838,760	16.8 %
June 30, 2015 ⁴	N/A ¹	12,722,773	12,722,773	0.0 %	30,506,686	41.7 %
City of North Las Vegas Life Insurance Plan						
June 30, 2011 ³	N/A ¹	2,431,608	2,431,608	0.0 %	142,669,047	1.7 %
June 30, 2013	N/A ¹	2,240,684	2,240,684	0.0 %	82,838,760	2.7 %
June 30, 2015 ⁴	N/A ¹			DIV/0 %		DIV/0 %
City of North Las Vegas IAFF Plan⁵						
June 30, 2011	N/A ¹			DIV/0 %		DIV/0 %
June 30, 2013	N/A ¹			DIV/0 %		DIV/0 %
June 30, 2015	N/A ¹	12,720,838	12,720,838	0.0 %	12,949,578	98.2 %

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.

3. During the year ended June 30, 2011, the City reduced staffing levels from 1,820 to 1,269 of eligible employees, and significant reductions occurred in the City's required subsidy for retirees participating in the Nevada Public Employees' Benefits Program. As a result, the actuarial valuation dated June 30, 2011, was reperformed to properly account for these events. The amounts reported above reflect the results of the second June, 30, 2011, actuarial report.

4. A change in estimate has occurred since the June 30, 2013 valuation related to retiree life insurance and the actuary no longer believes an OPEB liability exists since retiree premiums are now determined separately from active employee premiums for those plans, and retirees are responsible for paying the full premium for retiree life insurance.

5. The valuation as of June 30, 2015, separates the City's medical plan and the IAFF medical plan. In the past, the two were combined.

CITY OF NORTH LAS VEGAS

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

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	1.93043 %	\$ 253,848,088	\$ 105,995,735	239.48896 %	76.31210 %

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

CITY OF NORTH LAS VEGAS

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

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 29,147,087	\$ 29,147,087	\$	\$ 98,002,059	29.74130 %

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

CITY OF NORTH LAS VEGAS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2015

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

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 7,557,040	\$ 7,557,040	\$ 7,684,226	\$ 127,186
Franchise fees	20,519,900	21,519,900	21,322,332	(197,568)
Licenses and permits	11,130,607	12,595,607	13,860,541	1,264,934
Charges for services	4,699,143	5,514,607	6,076,810	562,203
Intergovernmental consolidated taxes	44,309,860	47,009,860	47,685,565	675,705
Intergovernmental	4,409,433	4,409,433	4,291,395	(118,038)
Fines and forfeitures	6,804,500	5,704,500	5,795,494	90,994
Contributions	300	300	50,010	49,710
Rents and royalties	450,000	650,000	749,572	99,572
Investment income	354,000	354,000	840,676	486,676
Miscellaneous	<u>342,010</u>	<u>462,915</u>	<u>516,017</u>	<u>53,102</u>
Total revenues	<u>100,576,793</u>	<u>105,778,162</u>	<u>108,872,638</u>	<u>3,094,476</u>
EXPENDITURES				
General government				
Legislative				
Salaries and wages	454,990	532,839	518,598	14,241
Employee benefits	316,584	326,551	316,667	9,884
Services and supplies	<u>133,409</u>	<u>134,334</u>	<u>88,849</u>	<u>45,485</u>
Total legislative	<u>904,983</u>	<u>993,724</u>	<u>924,114</u>	<u>69,610</u>
Executive				
Salaries and wages	153,359	153,359	154,511	(1,152)
Employee benefits	89,607	89,607	89,990	(383)
Services and supplies	<u>411,467</u>	<u>421,567</u>	<u>372,387</u>	<u>49,180</u>
Total executive	<u>654,433</u>	<u>664,533</u>	<u>616,888</u>	<u>47,645</u>
City attorney				
Salaries and wages	1,304,165	1,304,165	1,253,528	50,637
Employee benefits	667,234	667,234	632,345	34,889
Services and supplies	<u>203,413</u>	<u>204,397</u>	<u>153,150</u>	<u>51,247</u>
Total city attorney	<u>2,174,812</u>	<u>2,175,796</u>	<u>2,039,023</u>	<u>136,773</u>
City clerk				
Salaries and wages	321,130	325,650	300,271	25,379
Employee benefits	152,258	152,258	146,625	5,633
Services and supplies	<u>475,171</u>	<u>475,421</u>	<u>225,746</u>	<u>249,675</u>
Total city clerk	<u>948,559</u>	<u>953,329</u>	<u>672,642</u>	<u>280,687</u>
Finance				
Salaries and wages	1,640,532	1,791,668	1,449,246	342,422
Employee benefits	850,289	932,172	720,564	211,608
Services and supplies	<u>451,173</u>	<u>464,458</u>	<u>422,230</u>	<u>42,228</u>
Total finance	<u>2,941,994</u>	<u>3,188,298</u>	<u>2,592,040</u>	<u>596,258</u>
Planning				
Salaries and wages	726,849	776,845	656,561	120,284
Employee benefits	325,603	342,303	290,859	51,444
Services and supplies	<u>123,384</u>	<u>128,332</u>	<u>107,660</u>	<u>20,672</u>
Total planning	<u>1,175,836</u>	<u>1,247,480</u>	<u>1,055,080</u>	<u>192,400</u>
Other				
Salaries and wages	3,959,512	3,690,558	3,701,457	(10,899)
Employee benefits	1,847,144	1,720,372	3,286,922	(1,566,550)
Services and supplies	<u>4,110,937</u>	<u>4,021,929</u>	<u>3,319,312</u>	<u>702,617</u>
Total other	<u>9,917,593</u>	<u>9,432,859</u>	<u>10,307,691</u>	<u>(874,832)</u>

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total general government	18,718,210	18,656,019	18,207,478	448,541
Judicial				
Municipal court				
Salaries and wages	3,037,312	3,037,312	3,015,621	21,691
Employee benefits	1,496,673	1,496,673	1,479,072	17,601
Services and supplies	519,708	559,708	529,564	30,144
Total municipal court	<u>5,053,693</u>	<u>5,093,693</u>	<u>5,024,257</u>	<u>69,436</u>
Marshals				
Salaries and wages	1,139,331	1,179,331	1,089,703	89,628
Employee benefits	826,981	826,981	819,822	7,159
Services and supplies	167,516	217,516	156,998	60,518
Total marshals	<u>2,133,828</u>	<u>2,223,828</u>	<u>2,066,523</u>	<u>157,305</u>
Other				
Salaries and wages			207,115	(207,115)
Total judicial	<u>7,187,521</u>	<u>7,317,521</u>	<u>7,297,895</u>	<u>19,626</u>
Public safety				
Police				
Salaries and wages	16,638,236	16,780,905	17,356,671	(575,766)
Employee benefits	10,512,616	10,580,610	10,369,319	211,291
Services and supplies	4,022,844	3,980,087	3,230,176	749,911
Total police	<u>31,173,696</u>	<u>31,341,602</u>	<u>30,956,166</u>	<u>385,436</u>
Corrections				
Salaries and wages	3,656,480	3,496,671	4,207,096	(710,425)
Employee benefits	2,477,442	2,399,188	2,220,711	178,477
Services and supplies	6,813,135	6,858,892	6,219,873	639,019
Total corrections	<u>12,947,057</u>	<u>12,754,751</u>	<u>12,647,680</u>	<u>107,071</u>
Protective services				
Salaries and wages	1,662,071	1,782,976	1,785,282	(2,306)
Employee benefits	817,301	817,301	706,604	110,697
Services and supplies	1,061,236	1,057,236	907,055	150,181
Total protective services	<u>3,540,608</u>	<u>3,657,513</u>	<u>3,398,941</u>	<u>258,572</u>
Fire				
Salaries and wages	17,247,412	17,366,000	18,154,426	(788,426)
Employee benefits	10,487,394	10,377,903	10,429,935	(52,032)
Services and supplies	3,274,435	3,309,288	3,149,442	159,846
Total fire	<u>31,009,241</u>	<u>31,053,191</u>	<u>31,733,803</u>	<u>(680,612)</u>
Total public safety	<u>78,670,602</u>	<u>78,807,057</u>	<u>78,736,590</u>	<u>70,467</u>
Public works				
Administration				
Salaries and wages	244,267	244,267	335,501	(91,234)
Employee benefits	120,057	120,057	158,574	(38,517)
Services and supplies	25,612	25,612	22,009	3,603
Total administration	<u>389,936</u>	<u>389,936</u>	<u>516,084</u>	<u>(126,148)</u>

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Flood control				
Salaries and wages	307,396	307,396	299,402	7,994
Employee benefits	136,167	136,167	126,885	9,282
Services and supplies	<u>32,415</u>	<u>32,415</u>	<u>(129,193)</u>	<u>161,608</u>
Total flood control	<u>475,978</u>	<u>475,978</u>	<u>297,094</u>	<u>178,884</u>
Streets				
Salaries and wages			538	(538)
Employee benefits			85	(85)
Services and supplies			<u>72</u>	<u>(72)</u>
Total streets			<u>695</u>	<u>(695)</u>
Engineering				
Salaries and wages	141,784	105,528	116,713	(11,185)
Employee benefits	54,748	37,483	51,815	(14,332)
Services and supplies	<u>97,507</u>	<u>96,238</u>	<u>80,760</u>	<u>15,478</u>
Total engineering	<u>294,039</u>	<u>239,249</u>	<u>249,288</u>	<u>(10,039)</u>
Real property				
Salaries and wages	290,063	290,063	239,852	50,211
Employee benefits	133,708	133,708	115,665	18,043
Services and supplies	<u>38,928</u>	<u>38,928</u>	<u>17,759</u>	<u>21,169</u>
Total real property	<u>462,699</u>	<u>462,699</u>	<u>373,276</u>	<u>89,423</u>
Construction				
Salaries and wages	311,994	311,994	261,592	50,402
Employee benefits	119,844	119,844	115,656	4,188
Services and supplies	<u>113,617</u>	<u>113,817</u>	<u>64,843</u>	<u>48,974</u>
Total construction	<u>545,455</u>	<u>545,655</u>	<u>442,091</u>	<u>103,564</u>
Survey				
Salaries and wages	192,342	137,481	114,863	22,618
Employee benefits	76,938	56,477	59,860	(3,383)
Services and supplies	<u>90,260</u>	<u>88,406</u>	<u>58,848</u>	<u>29,558</u>
Total survey	<u>359,540</u>	<u>282,364</u>	<u>233,571</u>	<u>48,793</u>
Other				
Salaries and wages		91,117	23,844	67,273
Employee benefits		37,726	308,906	(271,180)
Services and supplies		<u>3,123</u>		<u>3,123</u>
Total other		<u>131,966</u>	<u>332,750</u>	<u>(200,784)</u>
Total public works	<u>2,527,647</u>	<u>2,527,847</u>	<u>2,444,849</u>	<u>82,998</u>
Culture and recreation				
Administration				
Salaries and wages	156,538	156,538	196,656	(40,118)
Employee benefits	77,116	77,116	81,902	(4,786)
Services and supplies	<u>14,051</u>	<u>14,751</u>	<u>11,726</u>	<u>3,025</u>
Total administration	<u>247,705</u>	<u>248,405</u>	<u>290,284</u>	<u>(41,879)</u>
Participant recreation				
Salaries and wages	776,971	691,721	651,059	40,662
Employee benefits	237,784	199,342	175,732	23,610
Services and supplies	<u>815,857</u>	<u>819,816</u>	<u>651,538</u>	<u>168,278</u>
Total participant recreation	<u>1,830,612</u>	<u>1,710,879</u>	<u>1,478,329</u>	<u>232,550</u>

(Continued)

CITY OF NORTH LAS VEGAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Parks and grounds				
Salaries and wages	1,029,744	1,114,994	1,002,123	112,871
Employee benefits	455,621	494,269	1,520,816	(1,026,547)
Services and supplies	4,794,554	4,805,189	3,700,712	1,104,477
Total parks and grounds	6,279,919	6,414,452	6,223,651	190,801
Total culture and recreation	8,358,236	8,373,736	7,992,264	381,472
Community support				
Housing and neighborhood services				
Salaries and wages	577,297	577,297	499,723	77,574
Employee benefits	273,316	273,316	239,704	33,612
Services and supplies	373,520	373,520	307,679	65,841
Total housing and neighborhood services	1,224,133	1,224,133	1,047,106	177,027
Economic development				
Salaries and wages	105,886	105,886	157,037	(51,151)
Employee benefits	53,172	53,172	79,181	(26,009)
Services and supplies	226,071	226,771	31,586	195,185
Total economic development	385,129	385,829	267,804	118,025
Developer agreements				
Services and supplies	61,000	61,000	35,000	26,000
Other				
Salaries and wages			70,011	(70,011)
Employee benefits			200,000	(200,000)
Total other			270,011	(270,011)
Total community support	1,670,262	1,670,962	1,619,921	51,041
Total expenditures	117,132,478	117,353,142	116,298,997	1,054,145
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(16,555,685)	(11,574,980)	(7,426,359)	4,148,621
OTHER FINANCING SOURCES (USES)				
Contingencies	(250,000)	1,680,073	(400,000)	(2,080,073)
Proceeds from capital asset disposal	25,000	25,000	121,210	96,210
Transfers in	23,743,485	23,743,485	23,986,762	243,277
Transfers out	(8,734,961)	(11,763,961)	(11,763,961)	
Total other financing sources (uses)	14,783,524	13,684,597	11,944,011	(1,740,586)
CHANGE IN FUND BALANCE	(1,772,161)	2,109,617	4,517,652	2,408,035
FUND BALANCE, BEGINNING OF YEAR	11,883,258	8,078,700	8,078,700	
FUND BALANCE, END OF YEAR	\$ 10,111,097	\$ 10,188,317	\$ 12,596,352	\$ 2,408,035

CITY OF NORTH LAS VEGAS

MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Public Safety Tax

Accounts for voter-approved property tax overrides to be used exclusively for public safety programs.

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY TAX SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 28,480,300	\$ 28,480,300	\$ 28,947,023	\$ 466,723
Charges for services	98,000	98,000	16,591	(81,409)
Miscellaneous			2,857	2,857
Total revenues	28,578,300	28,578,300	28,966,471	388,171
EXPENDITURES				
Public safety				
Police				
Salaries and wages	13,296,596	13,344,981	13,054,280	290,701
Employee benefits	8,803,400	8,827,790	8,836,613	(8,823)
Services and supplies	2,968,036	2,975,196	2,295,017	680,179
Total police	25,068,032	25,147,967	24,185,910	962,057
Corrections				
Salaries and wages	706,156	657,771	591,860	65,911
Employee benefits	451,082	426,692	385,584	41,108
Services and supplies	1,627,126	1,619,966	1,322,263	297,703
Total corrections	2,784,364	2,704,429	2,299,707	404,722
Protective services				
Salaries and wages	78,365	78,365	70,063	8,302
Employee benefits	35,455	35,455	37,262	(1,807)
Services and supplies	11,012	11,012	8,325	2,687
Total protective services	124,832	124,832	115,650	9,182
Total expenditures	27,977,228	27,977,228	26,601,267	1,375,961
EXCESS OF REVENUES OVER EXPENDITURES	601,072	601,072	2,365,204	1,764,132
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			73,172	73,172
Transfers out		(278,252)	(278,252)	
Total other financing sources (uses)		(278,252)	(205,080)	73,172
CHANGE IN FUND BALANCE	601,072	322,820	2,160,124	1,837,304
FUND BALANCE, BEGINNING OF YEAR	994,495	3,312,190	3,312,190	
FUND BALANCE, END OF YEAR	\$ 1,595,567	\$ 3,635,010	\$ 5,472,314	\$ 1,837,304

CITY OF NORTH LAS VEGAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Postemployment Benefits Other Than Pensions

During the year ended June 30, 2011, the City reduced staffing levels from 1,820 to 1,269 of eligible employees, and significant reductions occurred in the City's required subsidy for retirees participating in the Nevada Public Employees' Benefits Program. As a result, the actuarial valuation dated June 30, 2011, was reperformed to properly account for these events. The amounts reported in the schedule of funding progress reflect the results of the second June 30, 2011, actuarial report.

For the year ended June 30, 2015, no significant events occurred that would have affected the actuarial valuation; 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 July 1, 2013, July 1, 2011 and July 1, 2009.

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

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

Note 2. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

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

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

Note 3. Budget Information

The accompanying required supplementary schedules of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual fund data for the general fund and each major special revenue fund. The original budgets were 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 budgets were as prescribed by law and similarly consistent.

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

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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.

Capital Projects Street Improvements

Accounts for capital improvement expenditures associated with the City's parks and recreation buildings and facilities.

CITY OF NORTH LAS VEGAS

CAPITAL PROJECTS STREET IMPROVEMENTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 64,920,064	\$ 64,920,064	\$ 43,560,856	\$ (21,359,208)
Miscellaneous	157,800	157,800	26,899	(130,901)
Total revenues	65,077,864	65,077,864	43,587,755	(21,490,109)
EXPENDITURES				
General government				
Finance				
Services and supplies			76	(76)
Capital outlay			32,074	(32,074)
Total finance			32,150	(32,150)
Other				
Capital outlay			451,257	(451,257)
Total general government			483,407	(483,407)
Public safety				
Protective services				
Capital outlay			14,359	(14,359)
Total public safety			14,359	(14,359)
Public works				
Flood control				
Employee benefits			675	(675)
Services and supplies			223,072	(223,072)
Capital outlay			(99,700)	99,700
Total flood control			124,047	(124,047)
Streets				
Salaries and wages	4,668,982	4,690,613		4,690,613
Employee benefits	2,029,811	2,029,811		2,029,811
Services and supplies	4,775,568	4,993,937	51,224	4,942,713
Capital outlay	56,752,495	56,752,495	41,974,087	14,778,408
Total streets	68,226,856	68,466,856	42,025,311	26,441,545
Engineering				
Salaries and wages			45,480	(45,480)
Employee benefits			11,798	(11,798)
Services and supplies			10,889	(10,889)
Total engineering			68,167	(68,167)
Real property				
Salaries and wages			2,247	(2,247)
Employee benefits			2,449	(2,449)
Services and supplies			2,391	(2,391)
Total real property			7,087	(7,087)
Construction				
Salaries and wages			7,669	(7,669)
Services and supplies			16,251	(16,251)
Total construction			23,920	(23,920)

(Continued)

CITY OF NORTH LAS VEGAS

CAPITAL PROJECTS STREET IMPROVEMENTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Survey				
Salaries and wages			1,119	(1,119)
Employee benefits			717	(717)
Services and supplies			3,476	(3,476)
Capital outlay			160,060	(160,060)
Total survey			<u>165,372</u>	<u>(165,372)</u>
Other				
Salaries and wages			48	(48)
Employee benefits			390	(390)
Services and supplies			676	(676)
Capital outlay			915,367	(915,367)
Total other			<u>916,481</u>	<u>(916,481)</u>
Total public works	<u>68,226,856</u>	<u>68,466,856</u>	<u>43,330,385</u>	<u>25,136,471</u>
Total expenditures	<u>68,226,856</u>	<u>68,466,856</u>	<u>43,828,151</u>	<u>24,638,705</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,148,992)</u>	<u>(3,388,992)</u>	<u>(240,396)</u>	<u>3,148,596</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,307,487</u>	<u>1,547,487</u>	<u>1,380,512</u>	<u>(166,975)</u>
CHANGE IN FUND BALANCE	(1,841,505)	(1,841,505)	1,140,116	2,981,621
FUND BALANCE, BEGINNING OF YEAR	<u>2,820,342</u>	<u>3,498,511</u>	<u>3,498,490</u>	<u>(21)</u>
FUND BALANCE, END OF YEAR	<u>\$ 978,837</u>	<u>\$ 1,657,006</u>	<u>\$ 4,638,606</u>	<u>\$ 2,981,600</u>

**NON-MAJOR
GOVERNMENTAL FUNDS**

CITY OF NORTH LAS VEGAS

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 47,302,793	\$ 4,434,398	\$ 14,783,712	\$ 66,520,903
Accounts receivable, net	701,384		1,342,555	2,043,939
Grants receivable	1,329,462		3,443,154	4,772,616
Property taxes receivable	615,392	2,976		618,368
Interest receivable		1,803		1,803
Special assessments receivable		18,225		18,225
Prepaid items	27,594			27,594
Due from other governments	4,214,465		4,066,478	8,280,943
Property held for resale	<u>6,426,980</u>			<u>6,426,980</u>
Total assets	<u>\$ 60,618,070</u>	<u>\$ 4,457,402</u>	<u>\$ 23,635,899</u>	<u>\$ 88,711,371</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 1,237,657	\$ 1,845	\$ 5,327,405	\$ 6,566,907
Accrued salaries and benefits	759,721			759,721
Due to other funds	471,718			471,718
Due to other governments	173,278		45,223	218,501
Customer deposits	11,112			11,112
Unearned revenue	<u>2,627,535</u>		<u>204</u>	<u>2,627,739</u>
Total liabilities	<u>5,281,021</u>	<u>1,845</u>	<u>5,372,832</u>	<u>10,655,698</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>113,581</u>	<u>2,287</u>		<u>115,868</u>
Total liabilities and deferred inflows of resources	<u>5,394,602</u>	<u>4,132</u>	<u>5,372,832</u>	<u>10,771,566</u>
FUND BALANCES				
Nonspendable				
Prepaid items	27,594			27,594
Land held for resale	6,426,980			6,426,980
Restricted for				
Debt service		4,453,270		4,453,270
Street improvements projects	4,391,161			4,391,161
Other capital projects	16,729,647		5,594,852	22,324,499
Police, fire and other public safety programs and projects	7,351,846		9,991,854	17,343,700
Parks, cultural and other recreational programs	314,192		2,899,247	3,213,439
Library district operations	515,014			515,014
Courts and other judicial programs	1,679,329			1,679,329
Community assistance and support programs	15,222,956			15,222,956
Other	64,341			64,341
Committed to				
Community assistance and support programs	378,334			378,334
Assigned to				
Parks, cultural and other recreational programs	2,122,074			2,122,074
Unassigned			<u>(222,886)</u>	<u>(222,886)</u>
Total fund balances	<u>55,223,468</u>	<u>4,453,270</u>	<u>18,263,067</u>	<u>77,939,805</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,618,070</u>	<u>\$ 4,457,402</u>	<u>\$ 23,635,899</u>	<u>\$ 88,711,371</u>

CITY OF NORTH LAS VEGAS

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 13,935,814	\$ 6,945	\$	\$ 13,942,759
Residential construction taxes	313,837			313,837
Room taxes	486,389			486,389
Special assessments		2,170,946		2,170,946
Charges for services	2,658,738		241,680	2,900,418
Intergovernmental	24,926,622		20,257,058	45,183,680
Fines and forfeitures	331,060	19,975		351,035
Contributions	60,809		125,250	186,059
Rents and royalties	90,738			90,738
Investment income	109,448	15,101	53,666	178,215
Miscellaneous	1,885,316			1,885,316
Total revenues	44,798,771	2,212,967	20,677,654	67,689,392
EXPENDITURES				
Current				
General government	75,228		437,039	512,267
Judicial	649,087			649,087
Public safety	16,420,935		264,427	16,685,362
Public works	4,387,833		185,100	4,572,933
Culture and recreation	4,456,533		15,964	4,472,497
Community support	3,846,937			3,846,937
Total current	29,836,553		902,530	30,739,083
Capital outlay				
General government			2,306,602	2,306,602
Public safety	793,647		2,074,918	2,868,565
Public works	11,845		13,642,637	13,654,482
Culture and recreation			8,911,379	8,911,379
Community support	1,025,255		526,314	1,551,569
Total capital outlay	1,830,747		27,461,850	29,292,597
Debt service				
Principal payments	365,000	5,392,700		5,757,700
Interest and fiscal charges	107,748	7,534,521		7,642,269
Total debt service	472,748	12,927,221		13,399,969
Total expenditures	32,140,048	12,927,221	28,364,380	73,431,649
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,658,723	(10,714,254)	(7,686,726)	(5,742,257)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	2,718,789			2,718,789
Transfers in	991,698	10,659,808	4,453,109	16,104,615
Transfers out	(8,664,086)	(116,993)	(1,100,000)	(9,881,079)
Total other financing sources (uses)	(4,953,599)	10,542,815	3,353,109	8,942,325
CHANGE IN FUND BALANCE	7,705,124	(171,439)	(4,333,617)	3,200,068
FUND BALANCE, BEGINNING OF YEAR	47,518,344	4,624,709	22,596,684	74,739,737
FUND BALANCE, END OF YEAR	\$ 55,223,468	\$ 4,453,270	\$ 18,263,067	\$ 77,939,805

SPECIAL REVENUE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Parks and Recreation Support

Accounts for monies collected for the enhancement and support of park facilities and recreation programs.

Redevelopment Agency

Accounts for supplemental property taxes assessed on the redevelopment district property and the costs of carrying out the redevelopment plan.

Library District

Accounts for monies received by the District from property taxes and contributions from the general fund and costs related to the Library District.

Special Purpose Revenue

Accounts for monies received from various sources, which are to be used for specific purposes.

More Cops Sales Tax

Accounts for a voter-approved increase in sales and use tax to employ and equip additional police officers.

Park Construction Tax

Accounts for monies collected from developers to finance park construction projects.

Public Safety Support

Accounts for monies received by the City from various sources that are to be used for programs that enhance public safety.

Municipal Court Support

Accounts for fees collected to defray the costs of maintaining the Municipal Court.

Community Development

Accounts for monies received by the City from the County as a grantee participant in the federal Community Development Block Grant Program as well as funds received from the State of Nevada and other sources, which must be used for qualifying community development projects.

CITY OF NORTH LAS VEGAS

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

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
ASSETS					
Cash, cash equivalents and investments	\$ 2,421,499	\$ 13,043,146	\$ 526,778	\$ 18,903,694	\$ 1,931,001
Accounts receivable, net	48,603	254,036		93,935	9,359
Grants receivable	17,934			(208)	
Property taxes receivable		65,458	115,327	425,490	
Prepaid items					
Due from other governments	69,473		21	921,617	2,611,634
Property held for resale					
Total assets	\$ 2,557,509	\$ 13,362,640	\$ 642,126	\$ 20,344,528	\$ 4,551,994
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 39,513	\$ 8,691	\$ 25,304	\$ 604,782	\$ 177
Accrued salaries and benefits	31,617	21,637	63,824	192,058	388,542
Due to other funds	1,788	1,232	3,741	8,697	35,869
Due to other governments	3,550		16,571	45,238	
Customer deposits	5,112	6,000			
Unearned revenue	39,663	2,873	11	2,128	
Total liabilities	121,243	40,433	109,451	852,903	424,588
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		31,138	17,661	63,385	
Total liabilities and deferred inflows of resources	121,243	71,571	127,112	916,288	424,588
FUND BALANCES					
Nonspendable					
Prepaid items					
Land held for resale					
Restricted for					
Street improvements projects				4,391,161	
Other capital projects				14,972,738	
Police, fire and other public safety programs and projects					4,127,406
Parks, cultural and other recreational programs	314,192				
Library district operations			515,014		
Courts and other judicial programs					
Community assistance and support programs		13,291,069			
Other				64,341	
Committed to					
Community assistance and support programs					
Assigned to					
Parks, cultural and other recreational programs	2,122,074				
Total fund balances	2,436,266	13,291,069	515,014	19,428,240	4,127,406
Total liabilities, deferred inflows of resources and fund balances	\$ 2,557,509	\$ 13,362,640	\$ 642,126	\$ 20,344,528	\$ 4,551,994

(Continued)

CITY OF NORTH LAS VEGAS

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

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
ASSETS					
Cash, cash equivalents and investments	\$ 1,756,909	\$ 3,074,215	\$ 1,743,996	\$ 3,901,555	\$ 47,302,793
Accounts receivable, net		282,338		13,113	701,384
Grants receivable		271,441		1,040,295	1,329,462
Property taxes receivable		9,117			615,392
Prepaid items			27,594		27,594
Due from other governments		118,132		493,588	4,214,465
Property held for resale				6,426,980	6,426,980
	<u>\$ 1,756,909</u>	<u>\$ 3,755,243</u>	<u>\$ 1,771,590</u>	<u>\$ 11,875,531</u>	<u>\$ 60,618,070</u>
Total assets					
LIABILITIES					
Accounts payable and other accrued liabilities	\$	\$ 362,116	\$ 44,696	\$ 152,378	\$ 1,237,657
Accrued salaries and benefits		31,324	18,902	11,817	759,721
Due to other funds		6,508	1,069	412,814	471,718
Due to other governments				107,919	173,278
Customer deposits					11,112
Unearned revenue		129,458		2,453,402	2,627,535
		<u>529,406</u>	<u>64,667</u>	<u>3,138,330</u>	<u>5,281,021</u>
Total liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		1,397			113,581
		<u>530,803</u>	<u>64,667</u>	<u>3,138,330</u>	<u>5,394,602</u>
Total liabilities and deferred inflows of resources					
FUND BALANCES					
Nonspendable					
Prepaid items			27,594		27,594
Land held for resale				6,426,980	6,426,980
Restricted for					
Street improvements projects					4,391,161
Other capital projects	1,756,909				16,729,647
Police, fire and other public safety programs and projects		3,224,440			7,351,846
Parks, cultural and other recreational programs					314,192
Library district operations					515,014
Courts and other judicial programs			1,679,329		1,679,329
Community assistance and support programs				1,931,887	15,222,956
Other					64,341
Committed to					
Community assistance and support programs				378,334	378,334
Assigned to					
Parks, cultural and other recreational programs					2,122,074
	<u>1,756,909</u>	<u>3,224,440</u>	<u>1,706,923</u>	<u>8,737,201</u>	<u>55,223,468</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,756,909</u>	<u>\$ 3,755,243</u>	<u>\$ 1,771,590</u>	<u>\$ 11,875,531</u>	<u>\$ 60,618,070</u>

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
REVENUES					
Property taxes	\$	\$ 1,342,230	\$ 2,507,590	\$ 9,887,656	\$
Residential construction taxes					
Room taxes				486,389	
Charges for services	2,104,646	2,000			
Intergovernmental	46,254		10,707	9,119,320	10,136,949
Fines and forfeitures	175		62,970		
Contributions	48,449				
Rents and royalties		90,738			
Investment income	1,434	71,271		8,633	13,078
Miscellaneous	4,064		46,196	364,736	(8,000)
Total revenues	2,205,022	1,506,239	2,627,463	19,866,734	10,142,027
EXPENDITURES					
Current					
General government	1,101	71,181		2,065	
Judicial					
Public safety	12,795			3,824,136	9,837,716
Public works	7,963	211		4,379,595	
Culture and recreation	1,620,701		2,083,833	736,111	
Community support	785	659,505		2,843	
Total current	1,643,345	730,897	2,083,833	8,944,750	9,837,716
Capital outlay					
Public safety	35,818				
Public works				11,845	
Community support		1,025,255			
Total capital outlay	35,818	1,025,255		11,845	
Debt service					
Principal payments			365,000		
Interest and fiscal charges			107,748		
Total debt service			472,748		
Total expenditures	1,679,163	1,756,152	2,556,581	8,956,595	9,837,716
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	525,859	(249,913)	70,882	10,910,139	304,311
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal		2,681,022		12,184	15,746
Transfers in			55,000	116,993	
Transfers out	(916,000)		(519,000)	(5,315,811)	
Total other financing sources (uses)	(916,000)	2,681,022	(464,000)	(5,186,634)	15,746
CHANGE IN FUND BALANCE	(390,141)	2,431,109	(393,118)	5,723,505	320,057
FUND BALANCE, BEGINNING OF YEAR	2,826,407	10,859,960	908,132	13,704,735	3,807,349
FUND BALANCE, END OF YEAR	\$ 2,436,266	\$ 13,291,069	\$ 515,014	\$ 19,428,240	\$ 4,127,406

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
REVENUES					
Property taxes	\$	\$ 198,338	\$	\$	\$ 13,935,814
Residential construction taxes	313,837				313,837
Room taxes					486,389
Charges for services		36,776	515,316		2,658,738
Intergovernmental		1,584,124		4,029,268	24,926,622
Fines and forfeitures		267,915			331,060
Contributions		12,360			60,809
Rents and royalties					90,738
Investment income	11,408	3,624			109,448
Miscellaneous		655,203	485,980	337,137	1,885,316
Total revenues	325,245	2,758,340	1,001,296	4,366,405	44,798,771
EXPENDITURES					
Current					
General government		881			75,228
Judicial			649,087		649,087
Public safety		2,746,288			16,420,935
Public works		64			4,387,833
Culture and recreation		15,888			4,456,533
Community support				3,183,804	3,846,937
Total current	_____	2,763,121	649,087	3,183,804	29,836,553
Capital outlay					
Public safety		757,829			793,647
Public works					11,845
Community support					1,025,255
Total capital outlay	_____	757,829	_____	_____	1,830,747
Debt service					
Principal payments					365,000
Interest and fiscal charges					107,748
Total debt service	_____	_____	_____	_____	472,748
Total expenditures	_____	3,520,950	649,087	3,183,804	32,140,048
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	325,245	(762,610)	352,209	1,182,601	12,658,723
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal		9,837			2,718,789
Transfers in		717,825		101,880	991,698
Transfers out	(639,309)	(243,277)	(300,000)	(730,689)	(8,664,086)
Total other financing sources (uses)	(639,309)	484,385	(300,000)	(628,809)	(4,953,599)
CHANGE IN FUND BALANCE	(314,064)	(278,225)	52,209	553,792	7,705,124
FUND BALANCE, BEGINNING OF YEAR	2,070,973	3,502,665	1,654,714	8,183,409	47,518,344
FUND BALANCE, END OF YEAR	\$ 1,756,909	\$ 3,224,440	\$ 1,706,923	\$ 8,737,201	\$ 55,223,468

CITY OF NORTH LAS VEGAS

PARKS AND RECREATION SUPPORT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ 1,866,974	\$ 1,862,000	\$ 2,104,646	\$ 242,646
Intergovernmental	78,600	79,600	46,254	(33,346)
Fines and forfeitures			175	175
Contributions	30,000	30,000	48,449	18,449
Investment income	700	700	1,434	734
Miscellaneous	10,000	24,974	4,064	(20,910)
Total revenues	1,986,274	1,997,274	2,205,022	207,748
EXPENDITURES				
General government				
Finance				
Services and supplies			1,101	(1,101)
Public safety				
Police				
Salaries and wages			2,575	(2,575)
Employee benefits			359	(359)
Services and supplies			9,861	(9,861)
Total police			12,795	(12,795)
Other				
Capital outlay			35,818	(35,818)
Total public safety			48,613	(48,613)
Public works				
Streets				
Salaries and wages			1,249	(1,249)
Employee benefits			564	(564)
Total streets			1,813	(1,813)
Construction				
Salaries and wages			627	(627)
Survey				
Salaries and wages			3,225	(3,225)
Employee benefits			187	(187)
Services and supplies			113	(113)
Total survey			3,525	(3,525)
Other				
Salaries and wages			135	(135)
Employee benefits			1,841	(1,841)
Services and supplies			22	(22)
Total other			1,998	(1,998)
Total public works			7,963	(7,963)
Culture and recreation				
Participant recreation				
Salaries and wages	1,254,271	1,174,271	921,542	252,729
Employee benefits	209,764	209,764	224,209	(14,445)
Services and supplies	725,522	806,522	346,737	459,785
Capital outlay	303,691	303,691	303,691	303,691
Total participant recreation	2,493,248	2,494,248	1,492,488	1,001,760

(Continued)

CITY OF NORTH LAS VEGAS

PARKS AND RECREATION SUPPORT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Parks and grounds				
Salaries and wages			3,655	(3,655)
Employee benefits			275	(275)
Services and supplies			50,551	(50,551)
Total parks and grounds			<u>54,481</u>	<u>(54,481)</u>
Other				
Salaries and wages			66,709	(66,709)
Employee benefits			7,023	(7,023)
Total other			<u>73,732</u>	<u>(73,732)</u>
Total culture and recreation	<u>2,493,248</u>	<u>2,494,248</u>	<u>1,620,701</u>	<u>873,547</u>
Community support				
Housing and neighborhood services				
Services and supplies			785	(785)
Total expenditures	<u>2,493,248</u>	<u>2,494,248</u>	<u>1,679,163</u>	<u>815,085</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(506,974)</u>	<u>(496,974)</u>	<u>525,859</u>	<u>1,022,833</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	375,000	375,000		(375,000)
Transfers out	<u>(375,000)</u>	<u>(1,291,000)</u>	<u>(916,000)</u>	<u>375,000</u>
Total other financing sources (uses)		<u>(916,000)</u>	<u>(916,000)</u>	
CHANGE IN FUND BALANCE	(506,974)	(1,412,974)	(390,141)	1,022,833
FUND BALANCE, BEGINNING OF YEAR	<u>1,860,669</u>	<u>2,826,407</u>	<u>2,826,407</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,363,695</u>	<u>\$ 1,413,433</u>	<u>\$ 2,436,266</u>	<u>\$ 1,022,833</u>

CITY OF NORTH LAS VEGAS

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,087,890	\$ 1,087,890	\$ 1,342,230	\$ 254,340
Charges for services			2,000	2,000
Rents and royalties			90,738	90,738
Investment income	<u>31,600</u>	<u>31,600</u>	<u>71,271</u>	<u>39,671</u>
Total revenues	<u>1,119,490</u>	<u>1,119,490</u>	<u>1,506,239</u>	<u>386,749</u>
EXPENDITURES				
General government				
Executive				
Services and supplies			<u>71,181</u>	<u>(71,181)</u>
Public works				
Survey				
Employee benefits			<u>211</u>	<u>(211)</u>
Community support				
Economic development				
Salaries and wages	378,518	378,518	376,694	1,824
Employee benefits	182,681	182,681	191,877	(9,196)
Services and supplies	762,749	762,749	73,336	689,413
Capital outlay	<u>650,000</u>	<u>1,215,000</u>	<u>1,025,255</u>	<u>189,745</u>
Total economic development	<u>1,973,948</u>	<u>2,538,948</u>	<u>1,667,162</u>	<u>871,786</u>
Other				
Salaries and wages			10,802	(10,802)
Employee benefits			6,426	(6,426)
Services and supplies			<u>370</u>	<u>(370)</u>
Total other			<u>17,598</u>	<u>(17,598)</u>
Total community support	<u>1,973,948</u>	<u>2,538,948</u>	<u>1,684,760</u>	<u>854,188</u>
Total expenditures	<u>1,973,948</u>	<u>2,538,948</u>	<u>1,756,152</u>	<u>782,796</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(854,458)</u>	<u>(1,419,458)</u>	<u>(249,913)</u>	<u>1,169,545</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal		<u>2,451,021</u>	<u>2,681,022</u>	<u>230,001</u>
CHANGE IN FUND BALANCE	(854,458)	1,031,563	2,431,109	1,399,546
FUND BALANCE, BEGINNING OF YEAR	<u>9,515,517</u>	<u>10,859,955</u>	<u>10,859,960</u>	<u>5</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,661,059</u>	<u>\$ 11,891,518</u>	<u>\$ 13,291,069</u>	<u>\$ 1,399,551</u>

CITY OF NORTH LAS VEGAS

LIBRARY DISTRICT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,499,855	\$ 2,499,855	\$ 2,507,590	\$ 7,735
Intergovernmental			10,707	10,707
Fines and forfeitures	70,000	70,000	62,970	(7,030)
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>46,196</u>	<u>(13,804)</u>
Total revenues	<u>2,629,855</u>	<u>2,629,855</u>	<u>2,627,463</u>	<u>(2,392)</u>
EXPENDITURES				
Culture and recreation				
Library district operations				
Salaries and wages	1,155,970	1,155,970	1,088,580	67,390
Employee benefits	550,814	550,814	522,684	28,130
Services and supplies	<u>547,773</u>	<u>547,773</u>	<u>472,569</u>	<u>75,204</u>
Total culture and recreation	<u>2,254,557</u>	<u>2,254,557</u>	<u>2,083,833</u>	<u>170,724</u>
Debt service				
Principal payments	365,000	365,000	365,000	
Interest and fiscal charges	<u>107,748</u>	<u>107,748</u>	<u>107,748</u>	
Total debt service	<u>472,748</u>	<u>472,748</u>	<u>472,748</u>	
Total expenditures	<u>2,727,305</u>	<u>2,727,305</u>	<u>2,556,581</u>	<u>170,724</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(97,450)</u>	<u>(97,450)</u>	<u>70,882</u>	<u>168,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000	55,000	55,000	
Transfers out	<u>(519,000)</u>	<u>(519,000)</u>	<u>(519,000)</u>	
Total other financing sources (uses)	<u>(464,000)</u>	<u>(464,000)</u>	<u>(464,000)</u>	
CHANGE IN FUND BALANCE	(561,450)	(561,450)	(393,118)	168,332
FUND BALANCE, BEGINNING OF YEAR	<u>691,599</u>	<u>908,137</u>	<u>908,132</u>	<u>(5)</u>
FUND BALANCE, END OF YEAR	<u>\$ 130,149</u>	<u>\$ 346,687</u>	<u>\$ 515,014</u>	<u>\$ 168,327</u>

CITY OF NORTH LAS VEGAS

SPECIAL PURPOSE REVENUE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 9,168,320	\$ 9,168,320	\$ 9,887,656	\$ 719,336
Room taxes	400,000	400,000	486,389	86,389
Intergovernmental	4,519,419	4,519,419	9,119,320	4,599,901
Investment income	1,950	1,950	8,633	6,683
Miscellaneous	<u>100,840</u>	<u>100,840</u>	<u>364,736</u>	<u>263,896</u>
Total revenues	<u>14,190,529</u>	<u>14,190,529</u>	<u>19,866,734</u>	<u>5,676,205</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages			176	(176)
Employee benefits			90	(90)
Services and supplies			<u>6</u>	<u>(6)</u>
Total finance			<u>272</u>	<u>(272)</u>
Other				
Services and supplies			<u>1,793</u>	<u>(1,793)</u>
Total general government			<u>2,065</u>	<u>(2,065)</u>
Public safety				
Protective services				
Salaries and wages	1,393,815	1,277,489	1,175,691	101,798
Employee benefits	642,305	597,194	580,396	16,798
Services and supplies	<u>2,680,339</u>	<u>2,676,353</u>	<u>2,068,049</u>	<u>608,304</u>
Total public safety	<u>4,716,459</u>	<u>4,551,036</u>	<u>3,824,136</u>	<u>726,900</u>
Public works				
Administration				
Salaries and wages			1,731	(1,731)
Employee benefits			1,140	(1,140)
Services and supplies			<u>61</u>	<u>(61)</u>
Total administration			<u>2,932</u>	<u>(2,932)</u>
Flood control				
Services and supplies			<u>1,058</u>	<u>(1,058)</u>
Streets				
Salaries and wages	1,384,970	1,501,296	1,301,469	199,827
Employee benefits	650,821	695,932	628,054	67,878
Services and supplies	<u>2,824,652</u>	<u>2,816,638</u>	<u>2,414,947</u>	<u>401,691</u>
Total streets	<u>4,860,443</u>	<u>5,013,866</u>	<u>4,344,470</u>	<u>669,396</u>
Engineering				
Salaries and wages			6,247	(6,247)
Employee benefits			996	(996)
Services and supplies			<u>74</u>	<u>(74)</u>
Total engineering			<u>7,317</u>	<u>(7,317)</u>
Real property				
Salaries and wages			<u>58</u>	<u>(58)</u>

(Continued)

CITY OF NORTH LAS VEGAS

SPECIAL PURPOSE REVENUE SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Survey				
Salaries and wages			499	(499)
Employee benefits			28	(28)
Services and supplies			17	(17)
Total survey			<u>544</u>	<u>(544)</u>
Other				
Employee benefits			1,508	(1,508)
Services and supplies			21,708	(21,708)
Capital outlay		12,000	11,845	155
Total other		<u>12,000</u>	<u>35,061</u>	<u>(23,061)</u>
Total public works	<u>4,860,443</u>	<u>5,025,866</u>	<u>4,391,440</u>	<u>634,426</u>
Culture and recreation				
Parks and grounds				
Services and supplies	<u>864,847</u>	<u>864,847</u>	<u>736,111</u>	<u>128,736</u>
Community support				
Housing and neighborhood services				
Salaries and wages			1,777	(1,777)
Employee benefits			1,004	(1,004)
Services and supplies	<u>100,000</u>	<u>100,000</u>	<u>62</u>	<u>99,938</u>
Total community support	<u>100,000</u>	<u>100,000</u>	<u>2,843</u>	<u>97,157</u>
Total expenditures	<u>10,541,749</u>	<u>10,541,749</u>	<u>8,956,595</u>	<u>1,585,154</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,648,780</u>	<u>3,648,780</u>	<u>10,910,139</u>	<u>7,261,359</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			12,184	12,184
Transfers in	116,993	116,993	116,993	
Transfers out	<u>(5,075,811)</u>	<u>(5,315,811)</u>	<u>(5,315,811)</u>	
Total other financing sources (uses)	<u>(4,958,818)</u>	<u>(5,198,818)</u>	<u>(5,186,634)</u>	<u>12,184</u>
CHANGE IN FUND BALANCE	(1,310,038)	(1,550,038)	5,723,505	7,273,543
FUND BALANCE, BEGINNING OF YEAR	<u>11,889,545</u>	<u>13,704,746</u>	<u>13,704,735</u>	<u>(11)</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,579,507</u>	<u>\$ 12,154,708</u>	<u>\$ 19,428,240</u>	<u>\$ 7,273,532</u>

CITY OF NORTH LAS VEGAS

MORE COPS SALES TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 9,897,564	\$ 9,897,564	\$ 10,136,949	\$ 239,385
Investment income	13,400	13,400	13,078	(322)
Miscellaneous			(8,000)	(8,000)
Total revenues	<u>9,910,964</u>	<u>9,910,964</u>	<u>10,142,027</u>	<u>231,063</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	5,523,483	5,523,483	5,300,194	223,289
Employee benefits	4,109,503	4,109,503	3,869,826	239,677
Services and supplies	817,241	817,241	667,696	149,545
Total public safety	<u>10,450,227</u>	<u>10,450,227</u>	<u>9,837,716</u>	<u>612,511</u>
Total expenditures	<u>10,450,227</u>	<u>10,450,227</u>	<u>9,837,716</u>	<u>612,511</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(539,263)</u>	<u>(539,263)</u>	<u>304,311</u>	<u>843,574</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal			15,746	15,746
CHANGE IN FUND BALANCE	(539,263)	(539,263)	320,057	859,320
FUND BALANCE, BEGINNING OF YEAR	<u>3,083,198</u>	<u>3,807,347</u>	<u>3,807,349</u>	<u>2</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,543,935</u>	<u>\$ 3,268,084</u>	<u>\$ 4,127,406</u>	<u>\$ 859,322</u>

CITY OF NORTH LAS VEGAS

PARK CONSTRUCTION TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Residential construction taxes	\$ 230,000	\$ 230,000	\$ 313,837	\$ 83,837
Investment income	<u>5,600</u>	<u>5,600</u>	<u>11,408</u>	<u>5,808</u>
Total revenues	<u>235,600</u>	<u>235,600</u>	<u>325,245</u>	<u>89,645</u>
EXPENDITURES				
Culture and recreation				
Administration				
Services and supplies	<u>113,200</u>	<u>113,200</u>	<u> </u>	<u>113,200</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>122,400</u>	<u>122,400</u>	<u>325,245</u>	<u>202,845</u>
OTHER FINANCING USES				
Transfers out	<u>(639,309)</u>	<u>(639,309)</u>	<u>(639,309)</u>	<u> </u>
CHANGE IN FUND BALANCE	(516,909)	(516,909)	(314,064)	202,845
FUND BALANCE, BEGINNING OF YEAR	<u>1,841,692</u>	<u>2,070,973</u>	<u>2,070,973</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,324,783</u>	<u>\$ 1,554,064</u>	<u>\$ 1,756,909</u>	<u>\$ 202,845</u>

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY SUPPORT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 195,070	\$ 195,070	\$ 198,338	\$ 3,268
Charges for services	17,000	17,000	36,776	19,776
Intergovernmental	1,309,780	2,342,543	1,584,124	(758,419)
Fines and forfeitures		256,600	267,915	11,315
Contributions	15,000	15,000	12,360	(2,640)
Investment income			3,624	3,624
Miscellaneous	<u>283,206</u>	<u>503,206</u>	<u>655,203</u>	<u>151,997</u>
Total revenues	<u>1,820,056</u>	<u>3,329,419</u>	<u>2,758,340</u>	<u>(571,079)</u>
EXPENDITURES				
General government				
Other				
Salaries and wages			881	(881)
Public safety				
Police				
Salaries and wages	639,577	1,304,854	943,416	361,438
Employee benefits	125,728	583,280	454,454	128,826
Services and supplies	275,427	757,909	471,313	286,596
Capital outlay		837,101	65,268	771,833
Total police	<u>1,040,732</u>	<u>3,483,144</u>	<u>1,934,451</u>	<u>1,548,693</u>
Corrections				
Salaries and wages		33,853	22,834	11,019
Employee benefits		4,723	792	3,931
Services and supplies	118,413	118,413	3,984	114,429
Total corrections	<u>118,413</u>	<u>156,989</u>	<u>27,610</u>	<u>129,379</u>
Protective services				
Salaries and wages	302,274	401,859	343,611	58,248
Employee benefits	148,728	145,557	185,169	(39,612)
Services and supplies	251,219	279,813	290,931	(11,118)
Capital outlay		67,892	39,316	28,576
Total protective services	<u>702,221</u>	<u>895,121</u>	<u>859,027</u>	<u>36,094</u>
Fire				
Salaries and wages			16,267	(16,267)
Employee benefits			2,237	(2,237)
Services and supplies		10,000	11,280	(1,280)
Total fire		<u>10,000</u>	<u>29,784</u>	<u>(19,784)</u>
Other				
Capital outlay			653,245	(653,245)
Total public safety	<u>1,861,366</u>	<u>4,545,254</u>	<u>3,504,117</u>	<u>1,041,137</u>
Public works				
Construction				
Employee benefits			64	(64)
Culture and recreation				
Other				
Salaries and wages			15,888	(15,888)

(Continued)

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY SUPPORT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total expenditures	1,861,366	4,545,254	3,520,950	1,024,304
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(41,310)	(1,215,835)	(762,610)	453,225
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			9,837	9,837
Transfers in	279,363	586,615	717,825	131,210
Transfers out			(243,277)	(243,277)
Total other financing sources (uses)	<u>279,363</u>	<u>586,615</u>	<u>484,385</u>	<u>(102,230)</u>
CHANGE IN FUND BALANCE	238,053	(629,220)	(278,225)	350,995
FUND BALANCE, BEGINNING OF YEAR	<u>2,218,125</u>	<u>3,502,666</u>	<u>3,502,665</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,456,178</u>	<u>\$ 2,873,446</u>	<u>\$ 3,224,440</u>	<u>\$ 350,994</u>

CITY OF NORTH LAS VEGAS

MUNICIPAL COURT SUPPORT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 363,191	\$ 363,191	\$ 515,316	\$ 152,125
Miscellaneous	<u>675,000</u>	<u>675,000</u>	<u>485,980</u>	<u>(189,020)</u>
Total revenues	<u>1,038,191</u>	<u>1,038,191</u>	<u>1,001,296</u>	<u>(36,895)</u>
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	298,826	298,826	302,969	(4,143)
Employee benefits	151,613	151,613	152,218	(605)
Services and supplies	<u>280,458</u>	<u>280,458</u>	<u>193,900</u>	<u>86,558</u>
Total expenditures	<u>730,897</u>	<u>730,897</u>	<u>649,087</u>	<u>81,810</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>307,294</u>	<u>307,294</u>	<u>352,209</u>	<u>44,915</u>
OTHER FINANCING USES				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>
CHANGE IN FUND BALANCE	7,294	7,294	52,209	44,915
FUND BALANCE, BEGINNING OF YEAR	<u>949,780</u>	<u>1,654,714</u>	<u>1,654,714</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 957,074</u>	<u>\$ 1,662,008</u>	<u>\$ 1,706,923</u>	<u>\$ 44,915</u>

CITY OF NORTH LAS VEGAS

COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 8,826,287	\$ 9,447,187	\$ 4,029,268	\$ (5,417,919)
Miscellaneous	<u>250,000</u>	<u>250,000</u>	<u>337,137</u>	<u>87,137</u>
Total revenues	<u>9,076,287</u>	<u>9,697,187</u>	<u>4,366,405</u>	<u>(5,330,782)</u>
EXPENDITURES				
Community support				
Housing and neighborhood services				
Salaries and wages	491,072	558,022	414,238	143,784
Employee benefits	225,891	258,791	192,792	65,999
Services and supplies	8,398,779	8,919,829	2,576,774	6,343,055
Capital outlay	<u>717,900</u>	<u>717,900</u>	<u>717,900</u>	<u>717,900</u>
Total expenditures	<u>9,833,642</u>	<u>10,454,542</u>	<u>3,183,804</u>	<u>7,270,738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(757,355)</u>	<u>(757,355)</u>	<u>1,182,601</u>	<u>1,939,956</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	101,880	101,880	101,880	
Transfers out	<u>(350,000)</u>	<u>(1,075,000)</u>	<u>(730,689)</u>	<u>344,311</u>
Total other financing sources (uses)	<u>(248,120)</u>	<u>(973,120)</u>	<u>(628,809)</u>	<u>344,311</u>
CHANGE IN FUND BALANCE	(1,005,475)	(1,730,475)	553,792	2,284,267
FUND BALANCE, BEGINNING OF YEAR	<u>4,247,353</u>	<u>8,183,409</u>	<u>8,183,409</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,241,878</u>	<u>\$ 6,452,934</u>	<u>\$ 8,737,201</u>	<u>\$ 2,284,267</u>

DEBT SERVICE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2015

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Debt Service

Accounts for the accumulation of resources for, and the payment of, general obligation medium- and long-term debt principal and interest.

Additionally, this fund is used to account for the collection and accumulation of resources for, and the payment of, principal and interest payments pertaining to those special assessments levied against and secured by a lien upon property within certain assessment districts, for which the City is financially obligated in the event there are deficiencies.

CITY OF NORTH LAS VEGAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,016,425	\$ 2,016,425	\$ 6,945	\$ 6,945
Special assessments			2,170,946	154,521
Fines and forfeitures			19,975	19,975
Investment income	<u>8,100</u>	<u>8,100</u>	<u>15,101</u>	<u>7,001</u>
Total revenues	<u>2,024,525</u>	<u>2,024,525</u>	<u>2,212,967</u>	<u>188,442</u>
EXPENDITURES				
Debt service				
Principal payments	5,392,700	5,392,700	5,392,700	
Interest and fiscal charges	<u>7,538,962</u>	<u>7,538,962</u>	<u>7,534,521</u>	<u>4,441</u>
Total expenditures	<u>12,931,662</u>	<u>12,931,662</u>	<u>12,927,221</u>	<u>4,441</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(10,907,137)</u>	<u>(10,907,137)</u>	<u>(10,714,254)</u>	<u>192,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,659,808	10,659,808	10,659,808	
Transfers out	<u>(116,993)</u>	<u>(116,993)</u>	<u>(116,993)</u>	
Total other financing sources (uses)	<u>10,542,815</u>	<u>10,542,815</u>	<u>10,542,815</u>	
CHANGE IN FUND BALANCE	(364,322)	(364,322)	(171,439)	192,883
FUND BALANCE, BEGINNING OF YEAR	<u>3,313,112</u>	<u>4,624,709</u>	<u>4,624,709</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,948,790</u>	<u>\$ 4,260,387</u>	<u>\$ 4,453,270</u>	<u>\$ 192,883</u>

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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.

General Government Improvements

Accounts for various general government capital improvement projects.

Municipal Buildings Facilities

Accounts for the design, acquisition, construction and improvements of and to various streets and roadways within the City limits.

Civic Center Facilities

Accounts for the costs of acquisition, construction, equipping and furnishing of various new facilities financed through the issuance of general obligation bonds.

Parks and Recreation Projects

Accounts for the costs of acquisition, construction, equipping and furnishing of a new civic center facility financed through the sale of general obligation bonds.

Public Safety Projects

Accounts for

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	General Government Improvements	Municipal Buildings Facilities	Civic Center Facilities	Parks and Recreation Projects	Public Safety Projects	Total Capital Projects
ASSETS						
Cash, cash equivalents and investments	\$ 143,380	\$ 5,504,761	\$ 2,492,116	\$ 1,295,823	\$ 5,347,632	\$ 14,783,712
Accounts receivable, net				40,923	1,301,632	1,342,555
Grants receivable				70,416	3,372,738	3,443,154
Due from other governments				501,543	3,564,935	4,066,478
Total assets	\$ 143,380	\$ 5,504,761	\$ 2,492,116	\$ 1,908,705	\$ 13,586,937	\$ 23,635,899
LIABILITIES						
Accounts payable and other accrued liabilities	\$	\$ 466,727	\$ 141,736	\$ 203,541	\$ 4,515,401	\$ 5,327,405
Due to other governments				45,223		45,223
Unearned revenue				204		204
Total liabilities		466,727	141,736	248,968	4,515,401	5,372,832
FUND BALANCES						
Restricted for						
Other capital projects	143,380	3,101,092	2,350,380			5,594,852
Police, fire and other public safety programs and projects		697,432			9,294,422	9,991,854
Parks, cultural and other recreational programs		1,239,510		1,659,737		2,899,247
Unassigned					(222,886)	(222,886)
Total fund balances	143,380	5,038,034	2,350,380	1,659,737	9,071,536	18,263,067
Total liabilities and fund balances	\$ 143,380	\$ 5,504,761	\$ 2,492,116	\$ 1,908,705	\$ 13,586,937	\$ 23,635,899

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	General Government Improvements	Municipal Buildings Facilities	Civic Center Facilities	Parks and Recreation Projects	Public Safety Projects	Total Capital Projects
REVENUES						
Charges for services	\$	\$	\$	\$	\$ 241,680	\$ 241,680
Intergovernmental Contributions				6,818,570	13,438,488	20,257,058
Investment income		36,710	16,956		125,250	125,250
Total revenues		<u>36,710</u>	<u>16,956</u>	<u>6,818,570</u>	<u>13,805,418</u>	<u>20,677,654</u>
EXPENDITURES						
Current						
General government	333	405,965	29,627	871	243	437,039
Public safety		39,897		41,848	182,682	264,427
Public works	7,797	42,910	123,559	3,522	7,312	185,100
Culture and recreation				15,964		15,964
Total current	<u>8,130</u>	<u>488,772</u>	<u>153,186</u>	<u>62,205</u>	<u>190,237</u>	<u>902,530</u>
Capital outlay						
General government		106,612	1,944,102	87,361	168,527	2,306,602
Public safety		948,030		723	1,126,165	2,074,918
Public works		30,809		162,596	13,449,232	13,642,637
Culture and recreation				8,911,379		8,911,379
Community support				526,314		526,314
Total capital outlay		<u>1,085,451</u>	<u>1,944,102</u>	<u>9,688,373</u>	<u>14,743,924</u>	<u>27,461,850</u>
Total expenditures	<u>8,130</u>	<u>1,574,223</u>	<u>2,097,288</u>	<u>9,750,578</u>	<u>14,934,161</u>	<u>28,364,380</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(8,130)</u>	<u>(1,537,513)</u>	<u>(2,080,332)</u>	<u>(2,932,008)</u>	<u>(1,128,743)</u>	<u>(7,686,726)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in		1,100,000		2,386,109	967,000	4,453,109
Transfers out		(1,100,000)				(1,100,000)
Total other financing sources (uses)		<u>0</u>		<u>2,386,109</u>	<u>967,000</u>	<u>3,353,109</u>
CHANGE IN FUND BALANCE	(8,130)	(1,537,513)	(2,080,332)	(545,899)	(161,743)	(4,333,617)
FUND BALANCE, BEGINNING OF YEAR	<u>151,510</u>	<u>6,575,547</u>	<u>4,430,712</u>	<u>2,205,636</u>	<u>9,233,279</u>	<u>22,596,684</u>
FUND BALANCE, END OF YEAR	<u>\$ 143,380</u>	<u>\$ 5,038,034</u>	<u>\$ 2,350,380</u>	<u>\$ 1,659,737</u>	<u>\$ 9,071,536</u>	<u>\$ 18,263,067</u>

CITY OF NORTH LAS VEGAS

GENERAL GOVERNMENT IMPROVEMENTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages	\$	\$	\$ 192	\$ (192)
Employee benefits			134	(134)
Services and supplies			<u>7</u>	<u>(7)</u>
Total general government			<u>333</u>	<u>(333)</u>
Public works				
Engineering				
Salaries and wages			170	(170)
Employee benefits			111	(111)
Services and supplies			<u>7</u>	<u>(7)</u>
Total engineering			<u>288</u>	<u>(288)</u>
Construction				
Salaries and wages			4,539	(4,539)
Employee benefits			2,813	(2,813)
Services and supplies			<u>157</u>	<u>(157)</u>
Total construction			<u>7,509</u>	<u>(7,509)</u>
Total public works			<u>7,797</u>	<u>(7,797)</u>
Total expenditures			<u>8,130</u>	<u>(8,130)</u>
CHANGE IN FUND BALANCE			(8,130)	(8,130)
FUND BALANCE, BEGINNING OF YEAR	<u>144,447</u>	<u>151,510</u>	<u>151,510</u>	
FUND BALANCE, END OF YEAR	<u>\$ 144,447</u>	<u>\$ 151,510</u>	<u>\$ 143,380</u>	<u>\$ (8,130)</u>

CITY OF NORTH LAS VEGAS

MUNICIPAL BUILDINGS FACILITIES CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Investment income	\$ 11,350	\$ 11,350	\$ 36,710	\$ 25,360
EXPENDITURES				
General government				
Finance				
Services and supplies			20	(20)
Capital outlay			988	(988)
Total finance			1,008	(1,008)
Other				
Salaries and wages	8,750	8,750		8,750
Employee benefits	3,750	3,750		3,750
Services and supplies	983,300	1,033,300	405,945	627,355
Capital outlay	170,000	120,000	105,624	14,376
Total other	1,165,800	1,165,800	511,569	654,231
Total general government	1,165,800	1,165,800	512,577	653,223
Public safety				
Protective services				
Services and supplies			66	(66)
Capital outlay			3,526	(3,526)
Total protective services			3,592	(3,592)
Other				
Salaries and wages	22,094	22,094		22,094
Employee benefits	9,468	9,468		9,468
Services and supplies	319,688	319,688	39,831	279,857
Capital outlay	617,500	1,167,500	944,504	222,996
Total other	968,750	1,518,750	984,335	534,415
Total public safety	968,750	1,518,750	987,927	530,823
Public works				
Construction				
Services and supplies			42,137	(42,137)
Capital outlay			12,513	(12,513)
Total construction			54,650	(54,650)
Survey				
Capital outlay			1,941	(1,941)
Other				
Services and supplies			773	(773)
Capital outlay			16,355	(16,355)
Total other			17,128	(17,128)
Total public works			73,719	(73,719)
Culture and recreation				
Other				
Salaries and wages	22,175	22,175		22,175
Employee benefits	9,551	9,551		9,551
Services and supplies	60,358	60,358		60,358
Capital outlay	1,092,000	1,092,000		1,092,000
Total culture and recreation	1,184,084	1,184,084		1,184,084

(Continued)

Total expenditures	<u>3,318,634</u>	<u>3,868,634</u>	<u>1,574,223</u>	<u>2,294,411</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,307,284)</u>	<u>(3,857,284)</u>	<u>(1,537,513)</u>	<u>2,319,771</u>
OTHER FINANCING SOURCES				
Transfers in	550,000	1,100,000	1,100,000	
Transfers out	<u>(550,000)</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>	
Total other financing sources				
CHANGE IN FUND BALANCE	(3,307,284)	(3,857,284)	(1,537,513)	2,319,771
FUND BALANCE, BEGINNING OF YEAR	<u>5,209,112</u>	<u>6,575,547</u>	<u>6,575,547</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,901,828</u>	<u>\$ 2,718,263</u>	<u>\$ 5,038,034</u>	<u>\$ 2,319,771</u>

CITY OF NORTH LAS VEGAS

CIVIC CENTER FACILITIES CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ 11,500	\$ 11,500	\$ 16,956	\$ 5,456
EXPENDITURES				
General government				
City clerk				
Capital outlay			1,246	(1,246)
Other				
Services and supplies	2,779,600	2,904,195	29,627	2,874,568
Capital outlay			1,942,856	(1,942,856)
Total other	<u>2,779,600</u>	<u>2,904,195</u>	<u>1,972,483</u>	<u>931,712</u>
Total general government	<u>2,779,600</u>	<u>2,904,195</u>	<u>1,973,729</u>	<u>930,466</u>
Public works				
Construction				
Services and supplies			123,559	(123,559)
Total public works			<u>123,559</u>	<u>(123,559)</u>
Total expenditures	<u>2,779,600</u>	<u>2,904,195</u>	<u>2,097,288</u>	<u>806,907</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,768,100)</u>	<u>(2,892,695)</u>	<u>(2,080,332)</u>	<u>812,363</u>
CHANGE IN FUND BALANCE	(2,768,100)	(2,892,695)	(2,080,332)	812,363
FUND BALANCE, BEGINNING OF YEAR	<u>3,500,267</u>	<u>4,430,718</u>	<u>4,430,712</u>	<u>(6)</u>
FUND BALANCE, END OF YEAR	<u>\$ 732,167</u>	<u>\$ 1,538,023</u>	<u>\$ 2,350,380</u>	<u>\$ 812,357</u>

CITY OF NORTH LAS VEGAS

PARKS AND RECREATION PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 11,222,800	\$ 11,222,800	\$ 6,818,570	\$ (4,404,230)
EXPENDITURES				
General government				
Finance				
Salaries and wages			160	(160)
Employee benefits			79	(79)
Services and supplies			8	(8)
Capital outlay			5,448	(5,448)
Total finance			<u>5,695</u>	<u>(5,695)</u>
Other				
Employee benefits			451	(451)
Services and supplies			173	(173)
Capital outlay			81,913	(81,913)
Total other			<u>82,537</u>	<u>(82,537)</u>
Total general government			<u>88,232</u>	<u>(88,232)</u>
Public safety				
Protective services				
Capital outlay			723	(723)
Other				
Services and supplies			41,848	(41,848)
Total public safety			<u>42,571</u>	<u>(42,571)</u>
Public works				
Administration				
Capital outlay			110	(110)
Streets				
Employee benefits			132	(132)
Engineering				
Salaries and wages			542	(542)
Survey				
Capital outlay			17,773	(17,773)
Other				
Salaries and wages			2,848	(2,848)
Capital outlay			144,713	(144,713)
Total other			<u>147,561</u>	<u>(147,561)</u>
Total public works			<u>166,118</u>	<u>(166,118)</u>
Culture and recreation				
Administration				
Capital outlay	13,039,309	14,481,309	8,911,379	5,569,930
Other				
Salaries and wages	607,633	640,683	6,367	634,316
Employee benefits	265,192	280,642	4,218	276,424
Services and supplies	<u>772,975</u>	<u>823,475</u>	<u>5,379</u>	<u>818,096</u>
Total other	<u>1,645,800</u>	<u>1,744,800</u>	<u>15,964</u>	<u>1,728,836</u>

(Continued)

CITY OF NORTH LAS VEGAS

PARKS AND RECREATION PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total culture and recreation	14,685,109	16,226,109	8,927,343	7,298,766
Community support				
Housing and neighborhood services			526,314	(526,314)
Capital outlay				
Total community support			526,314	(526,314)
Total expenditures	14,685,109	16,226,109	9,750,578	6,475,531
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,462,309)	(5,003,309)	(2,932,008)	2,071,301
OTHER FINANCING SOURCES				
Transfers in	1,470,109	3,111,109	2,386,109	(725,000)
CHANGE IN FUND BALANCE	(1,992,200)	(1,892,200)	(545,899)	1,346,301
FUND BALANCE, BEGINNING OF YEAR	2,297,082	2,205,637	2,205,636	(1)
FUND BALANCE, END OF YEAR	<u>\$ 304,882</u>	<u>\$ 313,437</u>	<u>\$ 1,659,737</u>	<u>\$ 1,346,300</u>

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$	\$	\$ 241,680	\$ 241,680
Intergovernmental	43,388,208	43,388,208	13,438,488	(29,949,720)
Contributions	<u>25,000</u>	<u>25,000</u>	<u>125,250</u>	<u>100,250</u>
Total revenues	<u>43,388,208</u>	<u>43,413,208</u>	<u>13,805,418</u>	<u>(29,607,790)</u>
EXPENDITURES				
General government				
Finance				
Capital outlay	<u> </u>	<u> </u>	<u>9,970</u>	<u>(9,970)</u>
Other				
Services and supplies	<u> </u>	<u> </u>	<u>243</u>	<u>(243)</u>
Capital outlay	<u> </u>	<u> </u>	<u>158,557</u>	<u>(158,557)</u>
Total other	<u> </u>	<u> </u>	<u>158,800</u>	<u>(158,800)</u>
Total general government	<u> </u>	<u> </u>	<u>168,770</u>	<u>(168,770)</u>
Public safety				
Protective services				
Services and supplies	<u> </u>	<u> </u>	<u>33,186</u>	<u>(33,186)</u>
Capital outlay	<u> </u>	<u> </u>	<u>33,542</u>	<u>(33,542)</u>
Total protective services	<u> </u>	<u> </u>	<u>66,728</u>	<u>(66,728)</u>
Fire				
Employee benefits	<u> </u>	<u> </u>	<u>520</u>	<u>(520)</u>
Services and supplies	417,000	90,000	148,976	(58,976)
Capital outlay	<u>2,063,000</u>	<u>2,943,781</u>	<u>1,092,623</u>	<u>1,851,158</u>
Total fire	<u>2,480,000</u>	<u>3,033,781</u>	<u>1,242,119</u>	<u>1,791,662</u>
Other				
Services and supplies	<u> </u>	<u>25,000</u>	<u> </u>	<u>25,000</u>
Total public safety	<u>2,480,000</u>	<u>3,058,781</u>	<u>1,308,847</u>	<u>1,749,934</u>
Public works				
Survey				
Capital outlay	<u> </u>	<u> </u>	<u>18,264</u>	<u>(18,264)</u>
Other				
Salaries and wages	2,101,542	2,101,542		2,101,542
Employee benefits	928,849	928,849		928,849
Services and supplies	2,069,419	2,772,469	7,312	2,765,157
Capital outlay	<u>38,288,398</u>	<u>37,585,348</u>	<u>13,430,968</u>	<u>24,154,380</u>
Total other	<u>43,388,208</u>	<u>43,388,208</u>	<u>13,438,280</u>	<u>29,949,928</u>
Total public works	<u>43,388,208</u>	<u>43,388,208</u>	<u>13,456,544</u>	<u>29,931,664</u>
Total expenditures	<u>45,868,208</u>	<u>46,446,989</u>	<u>14,934,161</u>	<u>31,512,828</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,480,000)</u>	<u>(3,033,781)</u>	<u>(1,128,743)</u>	<u>1,905,038</u>
OTHER FINANCING SOURCES				
Transfers in	<u>967,000</u>	<u>967,000</u>	<u>967,000</u>	<u> </u>

(Continued)

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	(1,513,000)	(2,066,781)	(161,743)	1,905,038
FUND BALANCE, BEGINNING OF YEAR	<u>8,065,890</u>	<u>9,233,289</u>	<u>9,233,279</u>	<u>(10)</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,552,890</u>	<u>\$ 7,166,508</u>	<u>\$ 9,071,536</u>	<u>\$ 1,905,028</u>

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Wastewater Utility

Accounts for the collection from the residents of the City and the transmission of sewage through the system infrastructure for treatment and release into Lake Mead.

Water Utility

Accounts for the delivery of water services through the system infrastructure to the residents of the City and other service areas.

CITY OF NORTH LAS VEGAS

WASTEWATER UTILITY ENTERPRISE FUND

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 38,105,000	\$ 38,105,000	\$ 38,796,307	\$ 691,307
Construction fees	230,000	230,000	359,038	129,038
Connection fees	945,000	945,000	1,733,865	788,865
Other charges for services			274,064	274,064
Fines and forfeitures	599,000	599,000	717,046	118,046
Miscellaneous	329,000	329,000	531,607	202,607
Total operating revenues	<u>40,208,000</u>	<u>40,208,000</u>	<u>42,411,927</u>	<u>2,203,927</u>
OPERATING EXPENSES				
Salaries and wages	4,004,222	4,004,222	3,772,527	231,695
Employee benefits	1,815,533	1,815,533	1,683,486	132,047
Services and supplies	15,851,940	15,036,860	10,993,273	4,043,587
Depreciation and amortization	13,280,830	13,280,830	13,490,928	(210,098)
Total operating expenses	<u>34,952,525</u>	<u>34,137,445</u>	<u>29,940,214</u>	<u>4,197,231</u>
Operating income	<u>5,255,475</u>	<u>6,070,555</u>	<u>12,471,713</u>	<u>6,401,158</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income			15,803	15,803
Gain on capital asset disposition			2,621	2,621
Interest and fiscal charges	(15,174,359)	(15,174,359)	(15,016,128)	158,231
Intergovernmental	5,657,754	5,657,754	6,376,618	718,864
Total nonoperating revenues (expenses)	<u>(9,516,605)</u>	<u>(9,516,605)</u>	<u>(8,621,086)</u>	<u>895,519</u>
Income (loss) before capital contributions and transfers	<u>(4,261,130)</u>	<u>(3,446,050)</u>	<u>3,850,627</u>	<u>7,296,677</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			419,600	419,600
TRANSFERS				
Transfers out	<u>(5,486,816)</u>	<u>(5,486,816)</u>	<u>(5,486,816)</u>	
CHANGE IN NET POSITION	<u>\$ (9,747,946)</u>	<u>\$ (8,932,866)</u>	<u>(1,216,589)</u>	<u>\$ 7,716,277</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			163,271,642	
Adjustment			<u>(7,398,175)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>155,873,467</u>	
NET POSITION, END OF YEAR			<u>\$ 154,656,878</u>	

CITY OF NORTH LAS VEGAS

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 48,437,000	\$ 48,437,000	\$ 49,426,691	\$ 989,691
Construction fees	405,000	405,000	320,629	(84,371)
Connection fees	1,146,000	1,146,000	511,289	(634,711)
Other charges for services	1,786,000	1,786,000	1,832,667	46,667
Fines and forfeitures	1,462,000	1,462,000	1,871,443	409,443
Miscellaneous	843,000	843,000	786,440	(56,560)
Total operating revenues	<u>54,079,000</u>	<u>54,079,000</u>	<u>54,749,159</u>	<u>670,159</u>
OPERATING EXPENSES				
Salaries and wages	6,287,044	6,287,044	5,483,576	803,468
Employee benefits	2,805,388	2,805,388	2,480,249	325,139
Services and supplies	25,921,214	25,871,214	21,946,226	3,924,988
Depreciation and amortization	5,508,370	5,508,370	5,582,900	(74,530)
Total operating expenses	<u>40,522,016</u>	<u>40,472,016</u>	<u>35,492,951</u>	<u>4,979,065</u>
Operating income	<u>13,556,984</u>	<u>13,606,984</u>	<u>19,256,208</u>	<u>5,649,224</u>
NONOPERATING REVENUES (EXPENSES)				
Gain on capital asset disposition			18,991	18,991
Interest and fiscal charges	(545,917)	(545,917)	(388,481)	157,436
Total nonoperating revenues (expenses)	<u>(545,917)</u>	<u>(545,917)</u>	<u>(369,490)</u>	<u>176,427</u>
Income before capital contributions and transfers	<u>13,011,067</u>	<u>13,061,067</u>	<u>18,886,718</u>	<u>5,825,651</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			567,803	567,803
TRANSFERS				
Transfers in			416,454	416,454
Transfers out	(18,256,669)	(18,256,669)	(18,256,669)	
Total transfers	<u>(18,256,669)</u>	<u>(18,256,669)</u>	<u>(17,840,215)</u>	<u>416,454</u>
CHANGE IN NET POSITION	<u>\$ (5,245,602)</u>	<u>\$ (5,195,602)</u>	<u>1,614,306</u>	<u>\$ 6,809,908</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			136,956,129	
Adjustment			(10,806,973)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>126,149,156</u>	
NET POSITION, END OF YEAR			<u>\$ 127,763,462</u>	

NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Municipal Golf Courses

Accounts for the operations of a nine-hole par-3 golf course and an 18-hole par-72 championship course.

CITY OF NORTH LAS VEGAS

MUNICIPAL GOLF COURSES ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
User fees	\$ 1,773,037	\$ 1,773,037	\$ 1,918,416	\$ 145,379
Miscellaneous	505,114	505,114	39,645	(465,469)
Total operating revenues	<u>2,278,151</u>	<u>2,278,151</u>	<u>1,958,061</u>	<u>(320,090)</u>
OPERATING EXPENSES				
Salaries and wages	188,361	131,311	97,423	33,888
Employee benefits	53,491	38,041	17,685	20,356
Services and supplies	2,771,061	2,627,561	2,064,859	562,702
Depreciation and amortization	229,626	226,356	226,356	
Total operating expenses	<u>3,242,539</u>	<u>3,023,269</u>	<u>2,406,323</u>	<u>616,946</u>
Operating loss	<u>(964,388)</u>	<u>(745,118)</u>	<u>(448,262)</u>	<u>296,856</u>
TRANSFERS				
Transfers in	<u>778,434</u>	<u>778,434</u>	<u>778,434</u>	
CHANGE IN NET POSITION	<u>\$ (185,954)</u>	<u>\$ 33,316</u>	<u>330,172</u>	<u>\$ 296,856</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			5,530,959	
Adjustment			<u>(17,555)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>5,513,404</u>	
NET POSITION, END OF YEAR			<u>\$ 5,843,576</u>	

INTERNAL SERVICE FUNDS

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Motor Equipment

Accounts for repairs, maintenance, fuel and services to vehicles of all departments of the City.

Self-insurance Reserve

Accounts for costs incurred in self-insuring liability claims, unemployment, employee and retiree health care (including medical, dental and vision), workers' compensation programs and post employment benefits other than pensions.

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2015

	<u>Motor Equipment</u>	<u>Self-insurance Reserve</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets			
Cash, cash equivalents and investments	\$ 5,056,046	\$ 34,307,148	\$ 39,363,194
Accounts receivable, net		437	437
Prepaid items		350,834	350,834
Due from other funds		449,074	449,074
Inventories	258,143		258,143
Restricted assets			
Cash, cash equivalents and investments		<u>2,176,795</u>	<u>2,176,795</u>
Total current assets	<u>5,314,189</u>	<u>37,284,288</u>	<u>42,598,477</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	66,964		66,964
Buildings and building improvements	245,985		245,985
Improvements other than buildings	87,807		87,807
Machinery, equipment and software	<u>1,470,674</u>		<u>1,470,674</u>
Total noncurrent assets	<u>1,871,430</u>		<u>1,871,430</u>
Total assets	<u>7,185,619</u>	<u>37,284,288</u>	<u>44,469,907</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized amounts related to pensions	<u>161,738</u>	<u>108,014</u>	<u>269,752</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	194,038	4,346,959	4,540,997
Accrued salaries and benefits	14,784	8,912,480	8,927,264
Due to other funds	2,118	1,360	3,478
Due to other governments	157	23,847	24,004
Compensated absences	<u>37,114</u>	<u>23,519</u>	<u>60,633</u>
Total current liabilities	<u>248,211</u>	<u>13,308,165</u>	<u>13,556,376</u>
Noncurrent liabilities			
Compensated absences	252,166	159,794	411,960
Postemployment benefits other than pensions		13,016,187	13,016,187
Net Pension Liability	<u>1,051,139</u>	<u>701,988</u>	<u>1,753,127</u>
Total noncurrent liabilities	<u>1,303,305</u>	<u>13,877,969</u>	<u>15,181,274</u>
Total liabilities	<u>1,551,516</u>	<u>27,186,134</u>	<u>28,737,650</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized liabilities related to pensions	<u>271,085</u>	<u>181,040</u>	<u>452,125</u>
NET POSITION			
Net investment in capital assets	1,871,430		1,871,430
Unrestricted	<u>3,653,326</u>	<u>10,025,128</u>	<u>13,678,454</u>
Total net position	<u>\$ 5,524,756</u>	<u>\$ 10,025,128</u>	<u>\$ 15,549,884</u>

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

	<u>Motor Equipment</u>	<u>Self-insurance Reserve</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Other charges for services	\$ 5,259,370	\$ 25,481,598	\$ 30,740,968
OPERATING EXPENSES			
Salaries and wages	710,087	2,693,258	3,403,345
Employee benefits	272,981	1,618,435	1,891,416
Services and supplies	2,379,203	17,359,687	19,738,890
Depreciation and amortization	787,961		787,961
Total operating expenses	<u>4,150,232</u>	<u>21,671,380</u>	<u>25,821,612</u>
Operating income	<u>1,109,138</u>	<u>3,810,218</u>	<u>4,919,356</u>
NONOPERATING REVENUES			
Investment income		10,111	10,111
Gain on capital asset disposition	19,467		19,467
Total nonoperating revenues	<u>19,467</u>	<u>10,111</u>	<u>29,578</u>
Income before capital contributions and transfers	<u>1,128,605</u>	<u>3,820,329</u>	<u>4,948,934</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>395</u>		<u>395</u>
TRANSFERS			
Transfers in		<u>3,000,000</u>	<u>3,000,000</u>
CHANGE IN NET POSITION	<u>1,129,000</u>	<u>6,820,329</u>	<u>7,949,329</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	5,569,255	3,988,504	9,557,759
Adjustment	<u>(1,173,499)</u>	<u>(783,705)</u>	<u>(1,957,204)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>4,395,756</u>	<u>3,204,799</u>	<u>7,600,555</u>
NET POSITION, END OF YEAR	<u>\$ 5,524,756</u>	<u>\$ 10,025,128</u>	<u>\$ 15,549,884</u>

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services	\$ 5,264,097	\$ 31,374,004	\$ 36,638,101
Cash payments for goods and services	(2,430,132)	(19,465,694)	(21,895,826)
Cash payments for employee services	(948,996)	(476,030)	(1,425,026)
Net cash provided by operating activities	1,884,969	11,432,280	13,317,249
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		3,000,000	3,000,000
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(102,291)		(102,291)
Proceeds received from disposal of capital assets	26,546		26,546
Capital contributions	395		395
Net cash used in capital financing activities	(75,350)		(75,350)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		10,110	10,110
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,809,619	14,442,390	16,252,009
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,246,427	22,041,553	25,287,980
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,056,046	\$ 36,483,943	\$ 41,539,989
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 1,109,138	\$ 3,810,218	\$ 4,919,356
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	787,961		787,961
(Increase) decrease in operating assets			
Accounts receivable	4,725	(268)	4,457
Due from other funds		5,897,135	5,897,135
Prepaid items		(276,913)	(276,913)
Increase (decrease) in operating liabilities			
Accounts payable	(51,002)	(1,806,688)	(1,857,690)
Accrued salaries and benefits	7,923	2,495,881	2,503,804
Due to other funds	2	(87)	(85)
Due to other governments	73	(22,406)	(22,333)
Customer deposits		(4,374)	(4,374)
Compensated absences	39,162	20,193	59,355
Postemployment benefits other than pensions	(13,013)	1,319,589	1,306,576
Total adjustments	775,831	7,622,062	8,397,893
Net cash provided by operating activities	\$ 1,884,969	\$ 11,432,280	\$ 13,317,249

CITY OF NORTH LAS VEGAS

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 5,709,183	\$ 5,709,183	\$ 5,259,370	\$ (449,813)
OPERATING EXPENSES				
Salaries and wages	718,639	718,639	710,087	8,552
Employee benefits	312,191	312,191	272,981	39,210
Services and supplies	3,107,177	3,107,177	2,379,203	727,974
Depreciation and amortization	168,305	168,305	787,961	(619,656)
Total operating expenses	<u>4,306,312</u>	<u>4,306,312</u>	<u>4,150,232</u>	<u>156,080</u>
Operating income	<u>1,402,871</u>	<u>1,402,871</u>	<u>1,109,138</u>	<u>(293,733)</u>
NONOPERATING REVENUES				
Gain on capital asset disposition			19,467	19,467
Income before capital contributions	<u>1,402,871</u>	<u>1,402,871</u>	<u>1,128,605</u>	<u>(274,266)</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			395	395
CHANGE IN NET POSITION	<u>\$ 1,402,871</u>	<u>\$ 1,402,871</u>	<u>1,129,000</u>	<u>\$ (273,871)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			5,569,255	
Adjustment			<u>(1,173,499)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>4,395,756</u>	
NET POSITION, END OF YEAR			<u>\$ 5,524,756</u>	

CITY OF NORTH LAS VEGAS

SELF-INSURANCE RESERVE ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 21,917,746	\$ 22,441,582	\$ 25,481,598	\$ 3,040,016
OPERATING EXPENSES				
Salaries and wages	5,559,610	5,559,610	2,693,258	2,866,352
Employee benefits	517,711	517,711	1,618,435	(1,100,724)
Services and supplies	15,609,437	19,633,273	17,359,687	2,273,586
Total operating expenses	<u>21,686,758</u>	<u>25,710,594</u>	<u>21,671,380</u>	<u>4,039,214</u>
Operating income (loss)	<u>230,988</u>	<u>(3,269,012)</u>	<u>3,810,218</u>	<u>7,079,230</u>
NONOPERATING REVENUES				
Investment income	<u> </u>	<u> </u>	<u>10,111</u>	<u>10,111</u>
Income (loss) before transfers	<u>230,988</u>	<u>(3,269,012)</u>	<u>3,820,329</u>	<u>7,089,341</u>
TRANSFERS				
Transfers in	<u> </u>	<u>3,000,000</u>	<u>3,000,000</u>	<u> </u>
CHANGE IN NET POSITION	<u>\$ 230,988</u>	<u>\$ (269,012)</u>	<u>6,820,329</u>	<u>\$ 7,089,341</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			3,988,504	
Adjustment			<u>(783,705)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>3,204,799</u>	
NET POSITION, END OF YEAR			<u>\$ 10,025,128</u>	

FIDUCIARY FUNDS

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

Agency funds are used to account for assets held as an agent for individuals, private organizations, other governments or other funds.

Bail Deposits

Accounts for funds deposited or pledged for the release of a suspect from detention, with the understanding that the suspect will return for trial or forfeit the bail (and possibly be brought up on charges of the crime or failure to appear).

Non-forfeiture Holding

Accounts for those funds associated with the seizure of narcotics from a suspect to be held until such time as a trial is held and a determination is made with regard to the purpose of the funds.

Other Deposits

Accounts for funds deposited by developers in-lieu of a surety bond.

Business Cleanup Deposits

Accounts for funds deposited as a condition to the issuance of a special use permit in the event the business fails to adequately clean up the area after the special event.

Special Trust Reward

Accounts for funds from Clark County to be used as a reward to eligible tipsters who provide information that directly leads to the whereabouts of Everlyse Cabrera and the subsequent felony arrest and/or indictment.

Employee Insurance Deposits

Accounts for employee and employer contributions to group health and life insurance, which are held until they are disbursed to the City's insurance carriers.

Workers' Compensation Retention

Accounts for funds held by the State of Nevada as a retention requirement.

Contractor Retention Accounts

Accounts for money withheld from contract payments as retention requirements in construction contracts.

New Construction Privilege Tax

Accounts for funds collected from new construction by the City and remitted to Clark County, Nevada.

Convention Authority Tax

Accounts for gaming taxes and room tax receipts collected from North Las Vegas businesses by the City and transmitted to the Las Vegas Convention and Visitors Authority.

Garbage Company Collection

Accounts for billings and collections by the City for garbage pick-up services performed by a local disposal company.

Inmate Deposits

Accounts for funds held for inmates in the City Detention Center until they are released or transferred.

SIAD No. 54 (Civic Center Drive Development)

Accounts for the collection of property assessments pledged for the payment of principal and interest and for which no assets or revenues of the City have been pledged.

SIAD No. 60 (Aliante Development)

Accounts for the collection of property assessments pledged for the payment of principal and interest and for which no assets or revenues of the City have been pledged.

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2015

	Bail Deposits	Non-forfeiture Holding	Other Deposits	Business Cleanup Deposits	Special Trust Reward	Employee Insurance Deposits	Workers' Compensation Retention	Contractor Retention Accounts
ASSETS								
Cash, cash equivalents and investments	\$ 188,488	\$ 327,550	\$ 3,044,881	\$ 14,549	\$ 15,000	\$ 104,846	\$ 258	\$ 2,378,657
Accounts receivable, net						423		
Interest receivable								
Special assessments receivable								
Total assets	<u>\$ 188,488</u>	<u>\$ 327,550</u>	<u>\$ 3,044,881</u>	<u>\$ 14,549</u>	<u>\$ 15,000</u>	<u>\$ 105,269</u>	<u>\$ 258</u>	<u>\$ 2,378,657</u>
LIABILITIES								
Due to other governments						\$ 6,252		
Due to developers			39,940					2,378,595
Due to others	188,488	327,550	3,004,941	14,549	15,000	99,017	258	62
Total liabilities	<u>\$ 188,488</u>	<u>\$ 327,550</u>	<u>\$ 3,044,881</u>	<u>\$ 14,549</u>	<u>\$ 15,000</u>	<u>\$ 105,269</u>	<u>\$ 258</u>	<u>\$ 2,378,657</u>

(Continued)

CITY OF NORTH LAS VEGAS

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2015**

	<u>New Construction Privilege Tax</u>	<u>Convention Authority Tax</u>	<u>Garbage Company Collection</u>	<u>Inmate Deposits</u>	<u>SIAD No. 54 (Civic Center Drive Development)</u>	<u>SIAD No. 60 (Aliante Development)</u>	<u>Total Agency Funds</u>
ASSETS							
Cash, cash equivalents and investments	\$ 70,146	\$ 205,822	\$ 1,715,154	\$ 5,070	\$ 471,182	\$ 4,666,358	\$ 13,207,961
Accounts receivable, net		243	2,600,753				2,601,419
Interest receivable						4,118	4,118
Special assessments receivable						51,632	51,632
Total assets	<u>\$ 70,146</u>	<u>\$ 206,065</u>	<u>\$ 4,315,907</u>	<u>\$ 5,070</u>	<u>\$ 471,182</u>	<u>\$ 4,722,108</u>	<u>\$ 15,865,130</u>
LIABILITIES							
Due to other governments	\$ 70,146	\$ 207,398		\$	\$	\$	\$ 283,796
Due to developers							2,418,535
Due to others		(1,333)	4,315,907	5,070	471,182	4,722,108	13,162,799
Total liabilities	<u>\$ 70,146</u>	<u>\$ 206,065</u>	<u>\$ 4,315,907</u>	<u>\$ 5,070</u>	<u>\$ 471,182</u>	<u>\$ 4,722,108</u>	<u>\$ 15,865,130</u>

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
BAIL DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 249,328	\$ 391,781	\$ 452,621	\$ 188,488
LIABILITIES				
Due to others	\$ 249,328	\$ 1,404,657	\$ 1,465,497	\$ 188,488
NON-FORFEITURE HOLDING				
ASSETS				
Cash, cash equivalents and investments	\$ 356,654	\$ 76,072	\$ 105,176	\$ 327,550
LIABILITIES				
Due to others	\$ 356,654	\$ 93,423	\$ 122,527	\$ 327,550
OTHER DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 2,641,749	\$ 1,866,141	\$ 1,463,009	\$ 3,044,881
LIABILITIES				
Due to others	\$ 2,641,749	\$ 2,283,582	\$ 1,880,450	\$ 3,004,941
BUSINESS CLEANUP DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 13,549	\$ 5,050	\$ 4,050	\$ 14,549
LIABILITIES				
Due to others	\$ 13,549	\$ 2,700	\$ 1,700	\$ 14,549
SPECIAL TRUST REWARD				
ASSETS				
Cash, cash equivalents and investments	\$ 15,000	\$	\$	\$ 15,000
LIABILITIES				
Due to others	\$ 15,000	\$	\$	\$ 15,000
EMPLOYEE INSURANCE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 91,661	\$ 33,158,232	\$ 33,145,047	\$ 104,846
Accounts receivable, net	394	424	395	423
Total assets	\$ 92,055	\$ 33,158,656	\$ 33,145,442	\$ 105,269
LIABILITIES				
Due to others	\$ 92,055	\$ 33,804,808	\$ 33,791,594	\$ 99,017
WORKERS' COMPENSATION RETENTION				
ASSETS				
Cash, cash equivalents and investments	\$ 258	\$	\$	\$ 258
LIABILITIES				
Due to others	\$ 258	\$	\$	\$ 258

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
CONTRACTOR RETENTION ACCOUNTS				
ASSETS				
Cash, cash equivalents and investments	\$ 741,648	\$ 2,418,055	\$ 781,046	\$ 2,378,657
LIABILITIES				
Due to developers	\$ 741,586	\$ 6,045,274	\$ 4,408,265	\$ 2,378,595
NEW CONSTRUCTION PRIVILEGE TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 68,618	\$ 1,665,988	\$ 1,664,460	\$ 70,146
LIABILITIES				
Due to other governments	\$ 68,618	\$ 3,418,780	\$ 3,417,252	\$ 70,146
CONVENTION AUTHORITY TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 172,816	\$ 2,379,180	\$ 2,346,174	\$ 205,822
Accounts receivable, net	952	93,321	94,030	243
Total assets	\$ 173,768	\$ 2,472,501	\$ 2,440,204	\$ 206,065
LIABILITIES				
Due to other governments	\$ 173,768	\$ 5,224,297	\$ 5,192,000	\$ 207,398
GARBAGE COMPANY COLLECTION				
ASSETS				
Cash, cash equivalents and investments	\$ 1,657,055	\$ 23,217,677	\$ 23,159,578	\$ 1,715,154
Accounts receivable, net	2,880,481	21,616,576	21,896,304	2,600,753
Total assets	\$ 4,537,536	\$ 44,834,253	\$ 45,055,882	\$ 4,315,907
LIABILITIES				
Due to others	\$ 4,537,536	\$ 42,985,485	\$ 43,207,114	\$ 4,315,907
INMATE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 5,015	\$ 55	\$	\$ 5,070
LIABILITIES				
Due to others	\$ 5,015	\$ 55	\$	\$ 5,070
SIAD NO. 54 (CIVIC CENTER DRIVE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 468,796	\$ 61,712	\$ 59,326	\$ 471,182
LIABILITIES				
Due to others	\$ 468,796	\$ 179,337	\$ 176,951	\$ 471,182

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
SIAD NO. 60 (ALIANTE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 4,487,427	\$ 3,708,326	\$ 3,529,394	\$ 4,666,358
Interest receivable	8,325		4,208	4,118
Special assessments receivable	51,632			51,632
Total assets	\$ 4,547,384	\$ 3,708,326	\$ 3,533,602	\$ 4,722,108
LIABILITIES				
Due to others	\$ 4,547,384	\$ 8,715,230	\$ 8,540,506	\$ 4,722,108
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ 10,969,574	\$ 68,948,269	\$ 66,709,881	\$ 13,207,961
Accounts receivable, net	2,881,827	21,710,321	21,990,729	2,601,419
Interest receivable	8,325		4,208	4,118
Special assessments receivable	51,632			51,632
Total assets	\$ 13,911,358	\$ 90,658,590	\$ 88,704,818	\$ 15,865,130
LIABILITIES				
Due to other governments	\$ 242,386	\$ 8,643,077	\$ 8,609,252	\$ 283,796
Due to developers	741,586	6,045,274	4,408,265	2,418,535
Due to others	12,927,386	89,469,277	89,186,339	13,162,799
Total liabilities	\$ 13,911,358	\$ 104,157,628	\$ 102,203,856	\$ 15,865,130

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**

Honorable Mayor and Members of the City Council
City of North Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Las Vegas (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 4, 2015.

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

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015 - 001, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015 - 002 to be a significant deficiency.

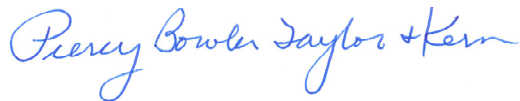
Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

We noted certain matters that we reported to the City in a separate letter dated December 4, 2015.

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

A handwritten signature in blue ink that reads "Percy Bowler Taylor & Kern". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
December 4, 2015

STATISTICAL SECTION

CITY OF NORTH LAS VEGAS

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Financial Trends

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

- Net Position by Component
- Changes in Net Position
- Fund Balances, Governmental Funds
- 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.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity

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

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information

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.

- Demographic and Economic Statistics
- 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.

- Full-time Equivalent City Government Employees by Function/Program
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

CITY OF NORTH LAS VEGAS

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS⁽¹⁾ (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013 ¹	June 30, 2014	June 30, 2015
Governmental activities										
Net investment in capital assets	\$ 426,076,443	\$ 686,823,759	\$ 647,951,709	\$ 931,368,784	\$ 1,015,611,134	\$ 1,008,326,661	\$ 1,035,550,177	\$ 1,109,705,374	\$ 1,106,799,902	\$ 70,396,589
Restricted	219,962,997	170,062,533	175,099,469	822,415	25,463,718	74,650,721	70,286,644	73,249,575	73,249,575	(11,492,911)
Unrestricted	90,089,008	(17,102,203)	134,661,363	126,254,419	65,197,112	49,244,494	(5,838,643)	(14,533,877)	9,551,124	(11,492,911)
Total governmental activities	736,128,448	839,784,089	957,712,541	1,058,445,618	1,080,808,246	1,083,034,873	1,104,362,255	1,165,458,141	1,189,600,601	58,903,678
Business-type activities										
Net investment in capital assets	148,354,185	143,131,044	38,022,471	198,618,584	213,075,462	181,912,347	226,097,835	229,033,516	214,759,669	
Restricted	6,299,601	135,082,528	159,367,463	10,945,118	13,317,115	47,537,496	7,132,932	4,514,658	75,134	
Unrestricted	93,561,682	(9,672,204)	81,888,662	84,546,345	66,022,121	57,830,202	71,322,255	73,718,676	87,031,572	283,643,672
Total business-type activities	248,215,468	268,541,368	279,278,596	294,110,047	292,414,698	287,280,045	304,553,022	307,266,850	301,866,375	283,643,672
Primary government										
Net investment in capital assets	574,430,628	829,954,803	685,974,180	1,129,987,368	1,228,686,596	1,190,239,008	1,261,648,012	1,338,738,890	1,321,559,571	
Restricted	226,262,598	305,145,061	334,466,932	11,767,533	13,317,115	73,001,214	81,783,653	74,801,302	73,324,709	70,396,589
Unrestricted	183,650,690	(26,774,407)	216,550,025	210,800,764	131,219,233	107,074,696	65,483,612	59,184,799	96,582,696	272,150,761
Total primary government	\$ 984,343,916	\$ 1,108,325,457	\$ 1,236,991,137	\$ 1,352,555,665	\$ 1,373,222,944	\$ 1,370,314,918	\$ 1,408,915,277	\$ 1,472,724,991	\$ 1,491,466,976	\$ 342,547,350

1. Fiscal year 2012 amounts were retroactively restated in fiscal year 2013.

CITY OF NORTH LAS VEGAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS⁽¹⁾ (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015
Expenses										
Governmental activities										
General government	\$ 35,392,023	\$ 44,525,088	\$ 77,831,201	\$ 79,790,759	\$ 81,909,186	\$ 81,162,689	\$ 49,229,276	\$ 51,855,800	\$ 56,381,592	\$ 56,167,676
Judicial	7,867,369	11,798,220	13,226,034	14,153,887	10,780,531	10,125,028	10,521,037	9,496,348	9,896,150	9,060,508
Public safety	116,315,250	141,118,701	149,836,872	160,483,422	172,629,424	149,867,948	160,705,260	147,724,400	154,787,847	141,351,681
Public works	29,476,778	36,982,106	30,407,379	26,999,830	16,794,794	13,694,463	10,164,862	11,197,298	8,416,102	14,152,084
Culture and recreation	14,661,434	18,112,226	17,040,617	19,585,869	18,044,295	14,177,795	15,245,421	13,295,753	16,347,681	17,323,716
Community support	4,719,421	5,230,808	5,527,004	7,897,550	15,363,130	8,239,825	7,807,086	5,168,774	5,722,271	7,142,087
Interest on long-term debt	3,374,753	10,021,271	9,751,729	9,417,258	8,846,315	8,775,931	3,106,240	4,388,732	4,111,816	6,640,779
Total governmental activities	<u>211,807,028</u>	<u>267,788,420</u>	<u>303,620,836</u>	<u>318,328,575</u>	<u>324,367,675</u>	<u>286,043,679</u>	<u>256,779,182</u>	<u>243,127,105</u>	<u>255,663,459</u>	<u>251,838,531</u>
Business-type activities										
Wastewater	16,674,919	24,549,809	27,885,130	29,181,700	31,443,978	36,986,026	26,615,574	38,806,095	46,654,631	45,235,686
Water	32,392,345	36,406,905	38,491,805	34,652,481	33,198,374	32,402,016	33,863,783	33,417,139	37,368,080	36,065,019
Municipal golf courses	1,661,367	1,696,700	1,865,239	1,806,068	1,198,958	1,116,228	2,422,211	2,321,525	3,253,407	2,407,902
Total business-type activities	<u>50,728,631</u>	<u>62,653,414</u>	<u>68,242,174</u>	<u>65,640,249</u>	<u>65,841,310</u>	<u>70,504,270</u>	<u>62,901,568</u>	<u>74,544,759</u>	<u>87,276,118</u>	<u>83,708,607</u>
Total primary government expenses	<u>\$ 262,535,659</u>	<u>\$ 330,441,834</u>	<u>\$ 371,863,010</u>	<u>\$ 383,968,824</u>	<u>\$ 390,208,985</u>	<u>\$ 356,547,949</u>	<u>\$ 319,680,750</u>	<u>\$ 317,671,864</u>	<u>\$ 342,939,577</u>	<u>\$ 335,547,138</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 7,538,821	\$ 7,624,085	\$ 7,808,363	\$ 8,557,114	\$ 10,911,870	\$ 8,635,975	\$ 11,467,970	\$ 12,001,422	\$ 13,813,102	\$ 14,222,091
Judicial	9,435,382	11,631,052	2,208,306	2,515,779	3,098,548	12,222,293	10,412,316	10,446,582	10,950,414	10,164,809
Public safety	27,777,824	23,849,055	30,131,176	28,995,220	29,888,956	10,631,966	20,574,051	21,124,279	24,235,187	23,225,991
Public works	5,282,467	5,622,943	2,548,356	1,297,430	1,883,015	2,702,747	4,876,338	4,751,577	5,375,946	9,006,208
Culture and recreation	2,184,512	2,382,876	2,568,030	2,354,508	1,866,740	1,945,886	2,787,964	2,874,363	3,707,230	5,730,717
Community support						261,485	530,174	547,459	623,259	1,147,504
Operating grants and contributions	4,993,866	4,877,620	5,423,876	6,591,191	11,811,707	9,654,245	23,609,657	19,871,431	23,491,365	27,229,507
Capital grants and contributions	74,204,852	79,897,469	98,079,100	127,600,370	79,156,147	56,049,152	65,538,503	91,544,553	32,366,318	70,196,112
Total governmental activities	<u>131,417,724</u>	<u>135,885,100</u>	<u>148,767,207</u>	<u>177,911,612</u>	<u>138,616,983</u>	<u>102,103,749</u>	<u>139,796,973</u>	<u>163,161,666</u>	<u>114,562,821</u>	<u>160,922,939</u>
Business-type activities										
Charges for services										
Wastewater	44,914,104	39,620,242	39,129,724	36,035,962	34,444,912	37,163,386	39,614,919	40,239,867	41,243,489	42,237,133
Water	55,682,008	52,539,912	51,576,234	45,697,439	47,074,546	48,561,691	48,563,211	51,188,315	53,292,819	54,747,339
Municipal golf courses	2,239,586	2,019,026	1,719,315	1,425,561	335,745	257,839	1,993,004	1,791,935	2,017,409	1,918,441
Operating grants and contributions	477,392	50,511					6,127,457	3,116,042	3,023,196	6,376,618
Capital grants and contributions	14,305,840	12,601,983	8,504,641	19,002,302	19,871,057	9,420,345	7,460,413	5,857,325	5,963,141	987,403
Total business-type activities	<u>117,618,930</u>	<u>106,831,674</u>	<u>100,929,914</u>	<u>102,161,264</u>	<u>101,726,260</u>	<u>95,403,261</u>	<u>103,759,004</u>	<u>102,193,484</u>	<u>105,540,054</u>	<u>106,266,934</u>
Total primary government program revenues	<u>\$ 249,036,654</u>	<u>\$ 242,716,774</u>	<u>\$ 249,697,121</u>	<u>\$ 280,072,876</u>	<u>\$ 240,343,243</u>	<u>\$ 197,507,010</u>	<u>\$ 243,555,977</u>	<u>\$ 265,355,150</u>	<u>\$ 220,102,875</u>	<u>\$ 267,189,873</u>
Net (expenses) program revenues										
Governmental activities	\$ (80,389,304)	\$ (131,903,320)	\$ (154,853,629)	\$ (140,416,963)	\$ (185,750,692)	\$ (183,939,930)	\$ (116,982,209)	\$ (79,965,439)	\$ (141,100,638)	\$ (90,915,592)
Business-type activities	66,890,299	44,178,260	32,687,740	36,521,015	35,884,950	24,898,991	40,857,436	27,648,725	18,263,936	22,558,327
Primary government	<u>\$ (13,499,005)</u>	<u>\$ (87,725,060)</u>	<u>\$ (122,165,889)</u>	<u>\$ (103,895,948)</u>	<u>\$ (149,865,742)</u>	<u>\$ (159,040,939)</u>	<u>\$ (76,124,773)</u>	<u>\$ (52,316,714)</u>	<u>\$ (122,836,702)</u>	<u>\$ (68,357,265)</u>

(Continued)

CITY OF NORTH LAS VEGAS

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 56,697,663	\$ 71,404,630	\$ 82,250,980	\$ 87,102,142	\$ 77,024,811	\$ 57,540,748	\$ 55,137,022	\$ 48,831,490	\$ 49,088,718	\$ 50,350,577
Residential construction taxes	4,629,375	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837
Room taxes	337,299	357,956	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389
Franchise fees, based on gross receipts	13,778,783	15,773,376	18,989,378	17,083,699	16,717,339	16,224,681	16,142,005	15,769,356	20,788,938	21,322,332
Intergovernmental consolidated taxes	53,720,737	52,955,745	50,199,861	39,642,953	34,179,293	36,538,629	37,565,290	39,434,352	43,976,942	47,685,565
Other local government shared revenues	13,827,809	17,359,378	17,403,712	14,485,904	9,906,795	13,937,837	2,124,392	2,224,996	2,082,929	2,096,928
Unrestricted investment income	6,881,978	22,604,399	28,054,514	18,224,615	7,727,611	2,610,156	1,378,592	679,281	1,035,183	1,321,011
Gain on disposal of capital assets							316,407	204,150	2,102,479	2,932,638
Miscellaneous	16,193,249	21,618,036	42,097,298	28,479,414	23,144,183	28,064,262	2,199,961	1,767,227	2,281,880	1,909,778
Transfers	31,246,139	31,682,943	31,966,320	30,914,915	41,365,458	31,318,875	31,958,855	31,433,990	24,046,761	
Total governmental activities	<u>197,313,032</u>	<u>235,558,960</u>	<u>272,827,817</u>	<u>236,702,315</u>	<u>210,895,240</u>	<u>186,929,806</u>	<u>147,563,630</u>	<u>141,061,325</u>	<u>146,140,850</u>	<u>128,419,055</u>
Business-type activities										
Other local government shared revenues	174,764	3,189,017	538,471							
Unrestricted investment income	51,471	90	7,060,164	5,671,124	1,455,994	356,115	72,721	136,985	13,586	15,803
Gain on disposal of capital assets							23,860		12,668	21,612
Miscellaneous	5,157	4,641,476	2,417,173	3,554,227	2,329,165	3,055,358	36,782	6,362,108	356,096	216,234
Transfers	(31,246,139)	(31,682,943)	(31,966,320)	(30,914,915)	(41,365,458)	(31,318,875)	(31,958,855)	(31,433,990)	(24,046,761)	(22,548,597)
Total business-type activities	<u>(31,014,747)</u>	<u>(23,852,360)</u>	<u>(21,950,512)</u>	<u>(21,689,564)</u>	<u>(37,580,299)</u>	<u>(27,907,402)</u>	<u>(31,825,492)</u>	<u>(24,934,897)</u>	<u>(23,664,411)</u>	<u>(22,294,948)</u>
Total primary government general revenues and other changes in net position	<u>\$ 166,298,285</u>	<u>\$ 211,706,600</u>	<u>\$ 250,877,305</u>	<u>\$ 215,012,751</u>	<u>\$ 173,314,941</u>	<u>\$ 159,022,404</u>	<u>\$ 115,738,138</u>	<u>\$ 116,126,428</u>	<u>\$ 122,476,439</u>	<u>\$ 106,124,107</u>
Change in net position										
Governmental activities	\$ 116,923,728	\$ 103,655,640	\$ 117,974,188	\$ 96,285,352	\$ 25,144,548	\$ 2,989,876	\$ 30,581,421	\$ 61,095,886	\$ 5,040,212	\$ 37,503,463
Business-type activities	35,875,552	20,325,900	10,737,228	14,831,451	(1,695,349)	(3,008,411)	9,031,944	2,713,828	(5,400,475)	263,379
Primary government	<u>\$ 152,799,280</u>	<u>\$ 123,981,540</u>	<u>\$ 128,711,416</u>	<u>\$ 111,116,803</u>	<u>\$ 23,449,199</u>	<u>\$ (18,535)</u>	<u>\$ 39,613,365</u>	<u>\$ 63,809,714</u>	<u>\$ (360,263)</u>	<u>\$ 37,766,842</u>

1. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
2. FY 2012 amounts were retroactively restated in FY 2013.

CITY OF NORTH LAS VEGAS

FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015
General fund										
Reserved	\$ 3,245,348	\$ 542,793	\$ 758,891	\$ 39,361,193	\$ 22,953,382	\$	\$	\$	\$	\$
Unreserved	28,983,463	36,567,167	45,336,045							
Nonspendable						384,375	287,203	231,430	238,432	2,743,971
Restricted for						101,642	26,257	170,576		
Committed for							274,200	596,200	207,179	166,202
Unassigned						7,238,181	11,302,907	8,340,738	7,633,089	9,585,163
Total general fund	\$ 32,228,811	\$ 37,109,960	\$ 46,094,936	\$ 39,361,193	\$ 22,953,382	\$ 7,724,198 ¹	\$ 11,890,567 ²	\$ 9,338,944	\$ 8,078,700	\$ 12,495,336
Other governmental funds										
Reserved	\$ 1,810,042	\$ 904,655	\$ 1,256,971	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Special revenue funds	55,601,940	54,625,345	57,249,895	54,590,729	48,388,767					
Debt service funds	6,264,884	6,926,512	7,316,194	4,684,177	3,278,094					
Capital projects funds	211,893,685	208,120,685	189,433,342	155,724,644	111,345,725					
Nonspendable						87,162	224,923	2,655,236	6,499,075	6,494,034
Restricted for						84,687,535	74,624,464	70,116,032	70,396,589	79,486,892
Committed for						1,377,827	1,327,188	1,250,166	292,564	378,342
Assigned to						1,430,753	1,859,516	2,354,991	4,362,189	2,122,074
Total other governmental funds	\$ 275,570,551	\$ 270,577,197	\$ 255,256,402	\$ 214,999,550	\$ 163,012,586	\$ 87,583,277	\$ 78,036,091	\$ 76,376,425	\$ 81,550,417	\$ 88,481,342

1. Due to the reporting change as required by GASB No. 54, effective FY2010-11.
2. FY 2012 amounts were retroactively restated in FY 2013.

CITY OF NORTH LAS VEGAS

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
REVENUES										
Property taxes	\$ 56,697,663	\$ 71,404,630	\$ 82,250,980	\$ 87,102,142	\$ 77,024,811	\$ 57,540,748	\$ 55,137,022	\$ 49,160,817	\$ 49,097,031	\$ 50,574,008
Residential construction taxes	4,629,375	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837
Room taxes	337,299	357,956	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389
Franchise fees							16,142,005	15,769,356	20,788,938	21,322,332
Licenses and permits	35,431,853	33,416,360	32,347,464	28,734,711	26,062,330	26,271,308	10,132,978	10,722,526	10,748,799	13,860,541
Special assessments							2,202,745	2,202,185	2,170,942	2,170,946
Charges for services	22,249,296	20,397,993	21,033,088	22,240,756	23,296,938	14,280,489	6,023,699	5,369,223	7,573,999	8,993,819
Intergovernmental consolidated taxes							37,565,290	39,434,352	43,976,942	47,685,565
Intergovernmental	105,703,977	113,541,467	140,003,233	142,978,208	116,132,627	102,027,017	67,518,671	106,630,804	49,201,824	92,958,280
Fines and forfeitures	6,243,247	6,816,569	9,358,465	10,173,893	9,905,464	10,197,087	7,195,757	7,535,551	7,236,044	6,146,529
Contributions							219,350	106,332	571,956	236,069
Rents and royalties							513,578	557,856	582,762	840,310
Investment income							806,229	195,524	642,581	1,018,891
Miscellaneous	16,559,701	34,322,266	43,852,373	29,035,648	15,050,513	9,507,120	2,871,657	1,760,617	2,098,694	2,460,664
Total revenues	247,852,411	282,059,738	330,711,357	321,034,031	268,302,433	220,518,387	207,070,087	240,161,626	195,427,532	249,068,180
EXPENDITURES										
General government	25,960,959	37,255,958	55,369,189	44,557,977	67,149,968	64,597,945	24,346,198	20,954,097	18,696,163	21,545,649
Judicial	8,176,793	10,422,419	13,002,378	13,857,493	10,589,039	10,415,468	8,995,929	8,501,665	8,532,342	10,830,787
Public safety	123,202,142	145,738,363	151,348,964	166,332,695	165,279,861	151,511,917	136,959,835	153,567,436	121,831,060	178,964,728
Public works	51,614,517	67,046,155	103,964,900	105,808,278	55,421,439	31,517,296	36,683,544	21,626,361	21,156,322	6,871,776
Culture and recreation	21,298,887	26,652,050	29,009,898	36,289,596	45,258,925	38,247,284	23,051,356	52,141,269	23,412,874	21,369,036
Community support	6,931,645	7,425,578	9,821,305	11,413,230	15,513,020	8,165,001	7,395,157	6,962,391	4,444,462	6,877,580
	<u>237,184,943</u>	<u>294,540,523</u>	<u>362,516,634</u>	<u>378,259,269</u>	<u>359,212,252</u>	<u>304,454,911</u>	<u>237,432,019</u>	<u>263,753,219</u>	<u>198,073,223</u>	<u>246,459,556</u>
Debt service										
Principal payments	5,245,135	10,613,800	11,145,300	11,374,500	11,547,700	6,307,800	5,277,600	5,928,600	4,990,000	5,757,700
Interest and fiscal charges	2,496,086	9,184,281	9,774,489	9,601,384	9,095,696	7,526,085	3,076,503	3,246,669	3,035,503	7,642,269
Payment to current bond refunding agent						20,000,000				
Debt issuance costs		154,338	284,504			143,438	200,286			
Total debt service	<u>7,741,221</u>	<u>19,952,419</u>	<u>21,204,293</u>	<u>20,975,884</u>	<u>20,643,396</u>	<u>33,977,323</u>	<u>8,554,389</u>	<u>9,175,269</u>	<u>8,025,503</u>	<u>13,399,969</u>
Total expenditures	244,926,164	314,492,942	383,720,927	399,235,153	379,855,648	338,432,234	245,986,408	272,928,488	206,098,726	259,859,525
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,926,247	(32,433,204)	(53,009,570)	(78,201,122)	(111,553,215)	(117,913,847)	(38,916,321)	(32,766,862)	(10,671,194)	(10,791,345)

(Continued)

CITY OF NORTH LAS VEGAS

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
OTHER FINANCING SOURCES (USES)										
Contingencies	(10,000)			(49,395)						(400,000)
Debt issuance proceeds	160,000,000	4,500,000	12,680,000		3,145,000	17,090,000	27,070,000			
Debt issuance premiums	4,143,946	9,160,000	160,380							
Payment to advance refunding bond agent		(9,116,037)			(3,071,110)	(16,922,300)	(26,573,920)			
Debt issuance discounts	(1,494,180)	(15,000)	(15,750)		(52,183)		(257,999)			
Transfers in	68,284,156	73,826,205	75,287,726	79,675,504	88,126,189	52,280,115	43,764,721	46,423,036	46,358,276	41,456,655
Transfers out	(41,038,018)	(46,059,162)	(41,438,606)	(48,415,589)	(42,207,531)	(25,192,464)	(10,809,831)	(18,049,079)	(33,871,483)	(21,923,292)
Other	875,540	25,000					342,533	181,316	2,098,449	2,913,171
Total other financing sources (uses)	<u>190,761,444</u>	<u>32,321,006</u>	<u>46,673,750</u>	<u>31,210,520</u>	<u>45,940,365</u>	<u>27,255,351</u>	<u>33,535,504</u>	<u>28,555,273</u>	<u>14,585,242</u>	<u>22,046,534</u>
CHANGE IN FUND BALANCE	<u>\$ 193,687,691</u>	<u>\$ (112,198)</u>	<u>\$ (6,335,820)</u>	<u>\$ (46,990,602)</u>	<u>\$ (65,612,850)</u>	<u>\$ (90,658,496)</u>	<u>\$ (5,380,817)</u>	<u>\$ (4,211,589)</u>	<u>\$ 3,914,048</u>	<u>\$ 11,255,189</u>
Capital expenditures included in expenditures above	<u>\$ 59,888,265</u>	<u>\$ 78,408,888</u>	<u>\$ 121,827,730</u>	<u>\$ 118,033,178</u>	<u>\$ 112,947,115</u>	<u>\$ 94,972,764</u>	<u>\$ 51,457,061</u>	<u>\$ 87,382,782</u>	<u>\$ 26,921,150</u>	<u>\$ 72,740,101</u>
Debt service as a percentage of noncapital expenditures	<u>4.20 %</u>	<u>8.40 %</u>	<u>8.00 %</u>	<u>7.50 %</u>	<u>7.70 %</u>	<u>5.70 %</u>	<u>4.20 %</u>	<u>5.20 %</u>	<u>4.40 %</u>	<u>7.16 %</u>

1. FY 2012 amounts were retroactively restated in FY 2013.

CITY OF NORTH LAS VEGAS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY¹ LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Residential Property	Commercial Property	Industrial Property	Undeveloped Property	Less Tax Exempt Property	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio of Total Taxable Assessed to Total Estimated Actual Value ²
2006	\$ 2,831,615,000	\$ 640,304,000	\$ 365,053,000	\$ 2,035,717,000	\$ (1,407,739,000)	\$ 4,464,950,000	1.1837	\$ 12,757,000,000	35.00 %
2007	4,451,125,000	831,875,000	442,427,000	2,609,030,000	(1,565,997,000)	6,768,460,000	1.1637	19,338,454,000	35.00 %
2008	5,479,828,000	1,041,647,000	580,796,000	3,401,267,000	(2,298,842,000)	8,204,696,000	1.1587	23,441,991,000	35.00 %
2009	5,572,985,000	1,281,806,000	669,317,000	3,239,635,000	(2,475,324,000)	8,288,419,000	1.1587	23,681,197,000	35.00 %
2010	3,709,241,000	1,360,037,000	691,913,000	2,509,269,000	(2,144,624,000)	6,125,836,000	1.1587	17,502,381,000	35.00 %
2011	2,646,355,000	1,022,464,000	525,474,000	1,059,048,000	(1,108,378,000)	4,144,963,000	1.1587	11,842,751,000	35.00 %
2012	2,674,770,000	995,708,000	423,800,000	647,713,000	(869,661,000)	3,872,330,000	1.1587	11,063,797,000	35.00 %
2013	2,416,735,000	941,804,000	382,696,000	492,391,000	(779,884,000)	3,453,742,000	1.1587	9,867,835,000	35.00 %
2014	2,487,233,874	997,032,941	384,695,090	417,300,826	(784,220,790)	3,502,041,941	1.1587	10,005,834,117	35.00 %
2015	3,073,765,289	1,039,727,647	432,296,748	432,308,397	(816,397,511)	4,161,700,570	1.1587	11,890,573,057	35.00 %

1. Source - Clark County Assessor's Office
2. Pursuant to State statute, all property is assessed at 35% of its estimated value.

CITY OF NORTH LAS VEGAS

PROPERTY TAX RATES¹ - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESS VALUE²) LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	City of North Las Vegas, Direct Rates				Overlapping Rates				
	City Operations	Debt Service	Public Safety (Override)	Total Direct Tax Rate	State of Nevada	Clark County	Clark County School District	Emergency 911	Las Vegas Artesian Basin
2006	0.2014	0.0622	0.9201	1.1837	0.1700	0.6575	1.3034	0.0050	0.0013
2007	0.1937	0.0300	0.9400	1.1637	0.1700	0.6566	1.3034	0.0050	0.0009
2008	0.1901	0.0250	0.9436	1.1587	0.1700	0.6541	1.3034	0.0050	0.0008
2009	0.1901	0.0250	0.9436	1.1587	0.1700	0.6541	1.3034	0.0050	0.0008
2010	0.1937	0.0100	0.9550	1.1587	0.1700	0.6541	1.3034	0.0050	0.0011
2011	0.1937	0.0370	0.9280	1.1587	0.1700	0.6541	1.3034	0.0050	0.0015
2012	0.1937	0.0250	0.9400	1.1587	0.1700	0.6541	1.3034	0.0050	
2013	0.1937	0.0250	0.9400	1.1587	0.1700	0.6541	1.3034	0.0050	
2014	0.1937	0.0250	0.9400	1.1587	0.1700	0.6541	1.3034	0.0050	
2015	0.1937		0.9650	1.1587	0.1700	0.6541	1.3034	0.0050	

For the Year Ended June 30,	Overlapping Rates			
	Las Vegas - Clark County Library District	City of North Las Vegas Library District	Total Overlapping Rates	Total Direct and Overlapping Rates
2006	0.0123	0.0632	2.2127	3.3964
2007	0.0123	0.0632	2.2114	3.3751
2008	0.0123	0.0632	2.2088	3.3675
2009	0.0086	0.0632	2.2051	3.3638
2010	0.0100	0.0632	2.2068	3.3655
2011	0.0070	0.0632	2.2042	3.3629
2012		0.0632	2.1957	3.3544
2013		0.0632	2.1957	3.3544
2014		0.0632	2.1957	3.3544
2015		0.0632	2.1957	3.3544

1. Source - Clark County Treasurer's Office
2. The State of Nevada 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.

CITY OF NORTH LAS VEGAS

PRINCIPAL PROPERTY TAXPAYERS^{1, 2} CURRENT AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2015			2006		
	Taxable Assessed	Rank	Percentage of	Taxable Assessed	Rank	Percentage of
	Value ³		Taxable Assess	Value ³		Taxable Assess
Aliante Gaming LLC	\$ 78,364,836	1	1.88 %	\$		%
Picerne Real Estate Group	46,503,308	2	1.12 %			%
Golden Triangle Industrial Park	42,184,688	3	1.01 %			%
Cannery Casino Resorts	35,106,063	4	0.84 %			%
Station Casinos Incorporated	32,757,060	5	0.79 %	79,482,392	1	1.78 %
Colonial Realty Limited Partnership	24,524,480	6	0.59 %			%
Wal-Mart Stores Incorporated	23,091,886	7	0.55 %			%
Las Vegas Paving Corporation	21,223,520	8	0.51 %			%
Apex Nevada Solar LLC	20,174,370	9	0.48 %			%
Prologis	18,563,175	10	0.45 %			%
Centex Homes				62,983,717	2	1.41 %
Pardee Homes Nevada Incorporated				61,497,810	3	1.38 %
Greenspun Companies				56,400,772	4	1.26 %
Las Vegas Cogeneration				48,792,598	5	1.09 %
Operating Engineers Pension Trust				43,799,056	6	0.98 %
D.R. Horton Incorporated				38,866,626	7	0.87 %
KB Home Nevada Incorporated				32,273,500	8	0.72 %
Potlatch Corporation				31,865,075	9	0.71 %
Pulte Homes				28,572,132	10	0.64 %
	<u>\$ 342,493,386</u>		<u>8.22 %</u>	<u>\$ 484,533,678</u>		<u>10.84 %</u>

1. Located in Clark County, Nevada
2. Source - Clark County Assessor's Office
3. Taxable assessed value is 35% of appraised value.
4. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.

CITY OF NORTH LAS VEGAS

PROPERTY TAX LEVIES AND COLLECTIONS¹ LAST TEN FISCAL YEARS (UNAUDITED)

<u>For the Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Levy Collected</u>	<u>Percent of Total Tax Levy Collected to Tax Levy</u>
2006	\$ 50,957,310	\$ 50,570,826	99.2416 %	\$ 286,303	\$ 50,857,129	99.8034 %
2007	65,307,155	64,545,683	98.8340 %	761,287	65,306,970	99.9997 %
2008	75,518,219	74,309,000	98.3988 %	1,204,478	75,513,478	99.9937 %
2009	80,728,503	78,928,443	97.7702 %	1,782,248	80,710,691	99.9779 %
2010	71,204,380	68,995,648	96.8980 %	2,164,910	71,160,558	99.9385 %
2011	51,409,059	49,881,300	97.0282 %	1,430,459	51,311,759	99.8107 %
2012	47,624,187	46,781,680	98.2309 %	600,963	47,382,643	99.4928 %
2013	42,824,473	42,336,988	98.8617 %	182,336	42,519,324	99.2874 %
2014	42,179,362	41,711,002	98.8896 %	207,124 ²	41,918,126 ³	99.3807 %
2015			DIV/0 % ³			DIV/0 %

1. Source - Clark County Comptroller's Office.
2. Collections July 1 through September 30 of the subsequent year.
3. Not available at time of report completion

CITY OF NORTH LAS VEGAS

RATIOS OF OUSTANDING DEBT¹ BY TYPE LAST TEN FISCAL YEARS² (UNAUDITED)

For the Year Ended June 30,	Governmental Activities			Business-type Activities		Total Primary Government ³	Percentage of Clark County Personal Income ⁴	City of North Las Vegas Per Capita ⁴
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation/Pledged Revenue Bonds	Other			
	2006	\$ 212,150,000	\$ 2,612,000	\$	\$ 42,510,000			
2007	198,940,000	6,753,200		179,634,000		385,327,200	0.53 %	1,954
2008	189,600,000	17,512,900		176,439,000		383,551,900	0.52 %	1,862
2009	180,330,000	15,993,400		173,090,000		369,413,400	0.54 %	1,735
2010	170,395,641	14,273,700	46,359	312,033,000		496,748,700	0.71 %	2,290
2011	147,435,033	12,532,900	34,967	305,588,000		465,590,900	0.66 %	2,123
2012	160,223,349	10,715,300	16,651	299,136,000		470,091,300	0.63 % ⁵	2,103
2013	156,632,000	8,729,700		292,391,000	7,000,000	464,752,700	0.61 %	
2014	153,712,000	7,009,700		285,554,000	6,000,000	452,275,700	% ⁵	1,962 ⁶
2015	150,080,000	5,249,000		278,445,000	5,000,000	438,774,000	% ⁵	

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
3. Excludes debt issued by the City's blended component units.
4. See the "Demographic and Economic Statistics" table for Clark County personal income and the City's population data.
5. Information not available at time of printing.
6. Using 2014 population for City of North Las Vegas Per Capita calculation

CITY OF NORTH LAS VEGAS

RATIOS OF GENERAL BONDED DEBT¹ OUTSTANDING LAST TEN FISCAL YEARS² (UNAUDITED)

For the Year Ended June 30,	General Obligation Bonds	General Obligation/Pledged Revenue Bonds	Total General Bonded Debt ³	Percentage of Estimated Actual Property Value ⁴	City of North Las Vegas Per Capita ⁵	Amounts Available to Repay General Bonded Debt	Net General Bonded Debt
2006	\$ 212,150,000	\$ 42,510,000	\$ 254,660,000	2.00 %	\$ 1,367	\$ 3,479,930	\$ 251,180,070
2007	198,940,000	179,634,000	378,574,000	1.96 %	1,919	4,276,162	374,297,838
2008	189,600,000	176,439,000	366,039,000	1.56 %	1,777	5,095,859	360,943,141
2009	180,330,000	173,090,000	353,420,000	1.49 %	1,660	4,892,967	348,527,033
2010	170,395,641	312,033,000	482,428,641	2.76 %	2,224	1,960,788	480,467,853
2011	147,435,033	305,588,000	453,023,033	3.83 %	2,066	432,004	452,591,029
2012	160,223,349	299,136,000	459,359,349	4.15 %	2,055	25,062	459,334,287
2013	156,632,000	292,391,000	449,023,000	4.55 %		243,501	448,779,499
2014	153,712,000	285,554,000	439,266,000	4.39 %	1,906 ⁶	389,316	438,876,684
2015	150,080,000 ⁷	278,445,000	428,525,000	3.60 %	6	1,176,607	427,348,393

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
3. Excludes debt issued by the City's blended component units.
4. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
5. See the "Demographic and Economic Statistics" table for the City's population data.
6. Information not available at time of printing.
7. Using 2014 population for City of North Las Vegas Per Capita calculation

CITY OF NORTH LAS VEGAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2} JUNE 30, 2015 IN THOUSANDS (UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
City of North Las Vegas	\$ 14,070 ⁴	100.00 %	\$ <u>14,070</u>
Overlapping governments	⁴		
Clark County	31,107	7.52 %	2,339
Clark County School District	1,964,995	7.52 %	147,768
Las Vegas - Clark County Library District	27,055	9.88 %	2,673
State of Nevada	<u>1,230,005</u>	5.20 %	<u>63,960</u>
Total overlapping governments	<u>3,253,162</u>		<u>216,740</u>
Total direct and overlapping debt	<u>3,267,232</u>		<u>\$ 230,810</u>

1. Source - Zions Bank Public Finance.
2. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
3. Excludes debt issued by the City's blended component units.
4. 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. 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. Debt amounts for overlapping entities in the various governments were provided by Zions Bank Public Finance. The percentage applicable was calculated by taking the City's assessed valuation divided by each respective governments' assessed valuation.

CITY OF NORTH LAS VEGAS

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS¹ (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Total taxable assessed property value	² \$ <u>4,464,950,000</u>	<u>6,768,460,000</u>	<u>8,204,696,000</u>	<u>8,288,419,000</u>	<u>6,125,836,000</u>	<u>4,144,963,000</u>	<u>3,872,330,000</u>	<u>3,453,742,000</u>	<u>3,502,041,941</u>	<u>4,161,700,570</u>
Legal debt Margin										
Legal debt limit (20% of taxable assessed property value)	\$ 892,990,000	\$ 1,353,692,000	\$ 1,640,939,200	\$ 1,657,683,800	\$ 1,225,167,200	\$ 828,992,600	\$ 774,466,000	\$ 690,748,400	\$ 700,408,388	\$ 832,340,114
Debt applicable to debt limit										
Net general bonded debt	³ <u>251,180,070</u>	<u>374,297,838</u>	<u>360,943,141</u>	<u>348,527,033</u>	<u>480,467,853</u>	<u>452,591,029</u>	<u>459,334,287</u>	<u>448,779,499</u>	<u>438,876,684</u>	<u>427,348,393</u>
Legal debt margin	<u>\$ 641,809,930</u>	<u>\$ 979,394,162</u>	<u>\$ 1,279,996,059</u>	<u>\$ 1,309,156,767</u>	<u>\$ 744,699,347</u>	<u>\$ 376,401,571</u>	<u>\$ 315,131,713</u>	<u>\$ 241,968,901</u>	<u>\$ 261,531,704</u>	<u>\$ 404,991,721</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>28.13 %</u>	<u>27.65 %</u>	<u>22.00 %</u>	<u>21.02 %</u>	<u>39.22 %</u>	<u>54.60 %</u>	<u>59.31 %</u>	<u>64.97 %</u>	<u>62.66 %</u>	<u>51.34 %</u>

1. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
2. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
3. See the "Ratios of General Bonded Debt Outstanding" table for the calculation of net general bonded debt.

CITY OF NORTH LAS VEGAS

DEMOGRAPHIC AND ECONOMIC STATISTICS¹ LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	City of North Las Vegas Population	Clark County Personal Income	Clark County Population	Clark County Per Capita Personal Income	Clark County Unemployment Rate
2006	186,350	\$ 68,874,056,000	\$ 1,803,774	\$ 38,183	4.30 %
2007	197,233	73,040,160,000	1,867,817	39,105	4.70 %
2008	206,044	74,279,798,000	1,912,349	38,842	7.00 %
2009	212,863	68,791,192,000	1,939,407	35,470	11.90 %
2010	216,961	69,800,237,000	1,951,269	35,772	14.20 %
2011	219,275	70,289,097,000	1,969,975	35,680	13.50 %
2012	223,491	74,886,428,000	2,000,759	37,429	11.20 %
2013		75,957,334,000 ²	2,027,868	37,457 ²	9.70 %
2014	230,491 ²		2,069,450 ²		7.80 %
2015					7.00 %

1. Source - Nevada Workforce Informer, Data Analysis (<http://www.nevadaworkforce.com/cgi/dataanalysis/dataTypeSelection.asp?tableName=notable>)
2. Information not available at time of printing.

CITY OF NORTH LAS VEGAS

PRINCIPAL EMPLOYERS⁽¹⁾ CURRENT AND NINE YEARS AGO (UNAUDITED)

Clark County Employer	2015			2006		
	Employees	Rank	Percentage of Total Clark County Employment	Employees	Rank	Percentage of Total Clark County Employment
Clark County School District	30000 to 39999 employees	1	3.66 %	30000 to 39999 employees	1	3.90 %
Clark County	30000 to 39999 employees	2	.86 %	9500 to 9999 employees	2	1.09 %
MGM Grand Hotel/Casino	8000 to 8499 employees	3	.86 %			%
Wynn Las Vegas	8000 to 8499 employees	4	.86 %			%
Bellagio LLC	8000 to 8499 employees	5	.86 %			%
Aria Resort & Casino LLC	7500 to 7999 employees	6	.81 %			%
Mandalay Bay Resort & Casino	7000 to 7499 employees	7	.76 %	7500 to 7999 employees	3	.86 %
University of Nevada Las Vegas	5000 to 5499 employees	8	.55 %	6000 to 6499 employees	4	.70 %
Caesars Palace	5000 to 5499 employees	9	.55 %	5500 to 5999 employees	5	.64 %
Las Vegas Metropolitan Police Dept	4500 to 4999 employees	10	.5 %	5000 to 5499 employees	8	.59 %
Mirage Casino Hotel				5500 to 5999 employees	6	.64 %
Venetian Casino Resorts LLC				5500 to 5999 employees	7	.64 %
University Medical Center of S NV				4000 to 4499 employees	9	.47 %
Rio Suite Hotel and Casino				4000 to 4499 employees	10	.47 %

1. Source - www.nevadaworkforce.com, Nevada's Largest Employers (Clark County), 1st Qtr 2015, 4th Qtr 2006
2. Source - www.nevadaworkforce.com, Data Analysis, Labor Force and Unemployment Tool, Clark County, Mar 2015
3. Source - www.nevadaworkforce.com, Data Analysis, Labor Force and Unemployment Tool, Clark County, Dec 2006
4. Total Employment based on mid-point of Employee Range.

CITY OF NORTH LAS VEGAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental activities										
General government	186	204	259	272	277	258	193	163	127	129
Judicial	59	82	87	91	98	99	98	85	72	72
Public safety	887	972	1,133	1,232	1,269	1,264	1,226	1,141	915	912
Public works	124	156	167	167	168	143	100	80	51	55
Culture and recreation	184	205	220	234	251	235	166	152	129	136
Community support	15	29	40	42	44	40	33	29	25	24
Total governmental activities	<u>1,455</u>	<u>1,648</u>	<u>1,906</u>	<u>2,038</u>	<u>2,107</u>	<u>2,039</u>	<u>1,816</u>	<u>1,650</u>	<u>1,319</u>	<u>1,328</u>
Business-type activities										
Wastewater	28	36	44	46	48	63	52	55	55	54
Water	68	73	91	96	97	84	96	95	93	92
Municipal golf courses	14	14	13	14	9	8	7	8	7	7
Total business-type activities	<u>110</u>	<u>123</u>	<u>148</u>	<u>156</u>	<u>154</u>	<u>155</u>	<u>155</u>	<u>158</u>	<u>155</u>	<u>153</u>
Total full-time equivalent employees	<u><u>1,565</u></u>	<u><u>1,771</u></u>	<u><u>2,054</u></u>	<u><u>2,194</u></u>	<u><u>2,261</u></u>	<u><u>2,194</u></u>	<u><u>1,971</u></u>	<u><u>1,808</u></u>	<u><u>1,474</u></u>	<u><u>1,481</u></u>

1. Source - City of North Las Vegas, Finance Department, Budget Division.

CITY OF NORTH LAS VEGAS

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS² (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Police										
Calls for service										
Officer initiated	184,000	166,364	194,527	190,668	211,130	207,019	113,946	106,247	95,699	72,582
Community generated	135,000	139,132	136,089	96,897	108,908	92,588	106,385	98,452	98,596	114,894
Neighborhood watch meetings	25	80	113	72	102	37	47	31	39	68
Detention										
Bookings	14,300	14,500	17,726	19,842	20,662	20,662	10,058	9,037	9,003	8,857
Average daily population	802	807	885	906	928	523	237	220	147	132
Daily meals service	945,000	850,000	1,045,686	900,000	1,171,704	532,888	276,122	276,122		
Fire										
Number of calls	23,270	24,500	25,986	26,351	27,016	27,828	28,540	30,187	28,909	23,070
EMS responses	12,104	12,400	17,895	15,588	18,983	24,309	24,766	24,831	23,692	20,346
Non-fire Incidents	10,228	11,150	5,750	6,040	3,673	1,170	509	2,448	2,301	1,758
Fire Incidents	938	950	2,142	1,839	4,346	2,330	1,954	2,191	2,274	527
Structure fires	108	89	667	543	673	643	516	717	642	439
Library facilities										
Circulation	226,771	416,494	465,304	613,658	793,000	725,905	710,415	649,445	604,614	502,249
Holdings	139,596	152,139	153,436	212,074	225,404	234,725	243,629	251,543	202,163	200,166
Library traffic	243,800	417,431	446,336	557,694	754,000	536,085	490,128	442,688	408,672	388,937
Culture and recreation										
Golf Courses										
Number of rounds of golf	104,891	94,738	86,670	74,474	68,000	63,565	64,297	61,102	66,647	65,407
Cost of operation per round (Municipal Course)	\$ 8	\$ 12	\$ 12	\$ 12	\$ 8	\$ 11	\$ 11	\$ 12	\$ 11	\$ 11
Cost of operation per round (Craig Ranch Course)	\$ 21	\$ 21	\$ 26							
Cost of operation per round (Aliante Course)				\$ 54	\$ 75	\$ 54	\$ 47	\$ 49	\$ 61	\$ 50
Parks/Recreation										
Program participation visits	1,517,745	1,618,451	194,443	1,271,769	1,300,000	1,435,852	1,154,162	1,197,216	1,401,118	1,450,151
Annual cost per acre to maintain	\$ 19,626	\$ 20,513	\$ 19,971	\$ 22,776	\$ 18,000	\$ 9,906	\$ 7,300	\$ 7,001	\$ 6,174	\$
Number of stage rentals	15	18	11	13	10	21	17	12	10	17
Public works										
Building safety-permits issued	17,009	11,470	9,616	6,693	6,044	6,480	6,285	5,586	5,812	7,925
Survey										
Technical reviews completed (maps, documents)	303	279	279	118	60	31	25	24	77	79
GPS features collected	109,189	66,370	66,371	75,327	55,000	5,851	9,543	1,253	10,916	4,368
Engineering services-active capital projects	55	64	57	64	72	65	47	50	56	49
Construction services-number of inspections	20,339	14,179	12,072	5,020	8,090	4,142	2,423	2,423		
Development and Flood Control-permits issued	824	1,055	1,100	699	500	309	322	275	415	460
Real property services										
Maps reviewed and processed	117	59	49	181	23	19	13	15	24	26
Planning Commission items reviewed	606	491	47	94	150	149	111	138	203	227
Addresses assigned	5,607	3,014	806	758	500	356	151	303	378	420

(Continued)

CITY OF NORTH LAS VEGAS

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS² (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Water										
Valves exercised	1,283	2,760	1,933	3,104	1,970	2,588	1,773	1,486	1,140	1,749
Water repairs	215	290	226	250	233	276	250	218	187	172
Service requests	2,054	2,344	90,717	82,644	76,462	69,700	76,731	70,423	71,097	72,564
Number of bills	910,679	974,142	994,641	970,590	974,406	980,797	1,079,258	1,006,250	1,017,587	1,011,433
Number of meters read	886,203	956,892	993,013	1,001,336	1,007,205	1,017,682	1,025,417	1,030,452	1,035,334	1,038,405

1. Source - Various City of North Las Vegas departments.
2. Change in methodology implemented 2008
3. Service requests expanded for the full Utility, prior only one division was tracking service requests.
4. Decrease due to reduction in staffing.

CITY OF NORTH LAS VEGAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS² (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Police stations	2	2	2	2	3	2	2	2	2	2
Fire stations	6	7	7	7	8	8	8	8	8	8
Library facilities	3	2	2	3	3	3	3	3	3	3
Culture and recreation										
Community centers	2	2	2	2	2	2	3	3	3	3
Parks	31	31	31	31	34	34	34	34	35	35
Park acreage	482	493	493	493	474	474	474	474	627	627
Golf courses	2	2	2	2	2	2	2	2	2	2
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	12	12	12	12	12	12	12	12	18	18
Public works										
Lane miles of paved street	2,150	1,925	1,971	2,150	2,150	2,167	2,171	2,489	2,489	2,489
Lane miles of unpaved street				630	700	698	698	698	698	698
Traffic signal intersections	85	105	120	138	141	143	152	155	155	155
Street lights	29,600	32,000	35,000	35,000	35,000	35,000	35,104	35,000	35,000	35,000
Water										
Miles of water main	1,048	1,072	1,096	1,110	1,127	1,130	1,117	1,119	1,060	1,064
Residential service connections	73,962	76,473	75,375	73,048	73,642	74,191	76,367	76,988	78,228	79,272
Commercial service connections	4,665	5,001	5,350	5,256	5,258	5,305	5,403	5,439	5,517	5,638
Average daily consumption in million gallons	44	50	49	47	46	46	45	44	45	45
Peak demand day in million gallons	68	75	74	76	75	74	66	69	69	69
Wastewater										
Miles of sewer wastewater main	595	609	625	625	625	625	625	638	651	667
Miles of storm wastewater main	129	147	175	180	183	193	263	266	153	157

1. Source - Various City of North Las Vegas departments.
2. Prior years revised

BUSINESS LICENSE FEES

CITY OF NORTH LAS VEGAS

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2015

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

FEES CALCULATED AS A PERCENTAGE OF GROSS REVENUE

Business license revenue for the year ended June 30, 2015	\$	2,988,195
Business license revenue for the year ended June 30, 2014 (base year)	\$	2,596,020
Adjustment to base year		
Percentage change in Consumer Price Index		0.12 %
Total adjustment to base year		<u>3,115</u>
Adjusted business license revenue base for the year ended June 30, 2015		<u>2,599,135</u>
Amount under allowable maximum	\$	<u><u>389,060</u></u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2015	\$	2,147,270
Business license revenue for the year ended June 30, 2014 (base year)	\$	1,578,290
Adjustment to base year		
Percentage change in local government population	(1.90)%	
Percentage change in Consumer Price Index	<u>0.12 %</u>	
Total adjustment to base year		<u>(1.78)%</u>
Adjusted business license revenue base for the year ended June 30, 2015		<u>(28,094)</u> <u>1,550,196</u>
Amount under allowable maximum	\$	<u><u>597,074</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

Honorable Mayor and Members of the City Council
City of North Las Vegas, Nevada

We have audited the compliance of the City of North Las Vegas (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Each Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015.

Other Matters. The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015 - 003 through 2015 - 005. Our opinion on each major federal program is not modified with respect to these matters.

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.

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

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

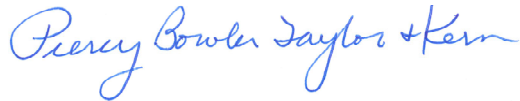
A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015 - 003 through 2015 - 005 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 4, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Percy Bowler Taylor & Kern". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
December 4, 2015

CITY OF NORTH LAS VEGAS

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
U.S. Department of Agriculture			
Passed through State of Nevada, Department of Education Child Nutrition Cluster Special Milk Program for Children	10.556	N/A	\$ 21,192
Passed through National Recreation and park Association Child and Adult Care Food Program	10.558	N/A	<u>3,472</u>
Total U.S. Department of Agriculture			<u>24,664</u>
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant Program (ARRA)	81.128		<u>1,653</u>
Total U.S. Department of Energy			<u>1,653</u>
U.S. Department of Health and Human Services			
Passed through Southern Nevada Health District Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work	93.520	C-7655	<u>4,651</u>
Total U.S. Department of Health and Human Services			<u>4,651</u>
U.S. Department of Homeland Security			
Assistance to Firefighters Grant	97.044		9,023
Passed through Office of U.S. Secret Service Las Vegas Electronic Crimes Task Force	N/A	N/A	793
Passed through Office of Homeland Security Investigations Joint Operation 13-14	N/A	N/A	1,712
Joint Operation 14-15	N/A	N/A	11,662
Passed through State of Nevada, Department of Public Safety Emergency Management Performance Grants	97.042	EMW-2013-EP-00022-S01 EMW-2014-EP-00003-S01 EMW-2015-EP-00002	39,999 78,170 75,080
Passed through Clark County Fire Department National Urban Search and Rescue (US&R) Response System	97.025	EMW-2013-CA-K00016	5,291
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2014-CA-K00152	11,129
Passed through Clark County Office of Emergency Management and Homeland Security Homeland Security Grant Program	97.067	EMW-2014-SS-00117	<u>83,810</u>
Total U.S. Department of Homeland Security			<u>316,669</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225		15,882
Passed through Clark County, Nevada, Department of Finance Community Development Block Grants/Entitlement Grants	14.218*	B-08-UC-32-0001 B-09-UC-32-0001 B-10-UC-32-0001	43,419 17,021 208,858

(Continued)

CITY OF NORTH LAS VEGAS

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
		B-11-UC-32-0001	327,176
		B-12-UC-32-0001	360,372
		B-13-UC-32-0001	262,280
		B-14-UC-32-0001	1,082,357
		B-15-UC-32-0001	975
Emergency Solutions Grant Program	14.231	E-14-UC-32-0001	77,651
Home Investment Partnerships Program	14.239*	M-09-DC-32-0001	362,788
		M-10-DC-32-0001	504,616
		Program Income	165,090
Neighborhood Stabilization Program	14.264	B-08-DN-32-0001	4,155
		B-08-UN-32-0001	97,349
		B-11-UN-32-0001	11,750
Total U.S. Department of Housing and Urban Development			<u>3,541,739</u>
U.S. Department of the Interior			
Passed through State of Nevada, Bureau of Land Management Southern Nevada Public Land Management	15.235	L07AC14012	27,734
		L09AC15510	1,331
		L11AC20228	209,688
		L12AC20493	48,171
		L14AC00132	3,013
Total U.S. Department of the Interior			<u>289,937</u>
U.S. Department of Justice			
State Criminal Alien Assistance Program	16.606		18,481
			26,034
Public Safety Partnership and Community Policing Grants	16.710		284,329
			242,423
Edward Byrne Memorial Justice Assistance Grant Program	16.738		38,000
			25,000
Passed through Federal Bureau of Investigation			
Nevada Joint Terrorist Task Force (JTTF) - 13	N/A	N/A	969
Nevada Joint Terrorist Task Force (JTTF) - 14	N/A	N/A	8,499
Child Exploitation Task Force (CETF)	N/A	62F-LV-A2604251	7,661
Passed through Drug Enforcement Administration			
Tactical Division Task Force - 13	N/A	N/A	3,796
Tactical Division Task Force - 14	N/A	N/A	11,732
Passed through State of Nevada, Department of Health and Human Services Crime Victim Assistance	16.575	2013-VA-GX-0062	88,000
Passed through Las Vegas Metropolitan Police Department Missing Children's Assistance	16.543	2011-MC-CX-K002	7,672
		2014-MC-FX-K045	3,458
Total U.S. Department of Justice			<u>766,054</u>

(Continued)

CITY OF NORTH LAS VEGAS

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
U.S. Department of Transportation			
Passed through the State of Nevada, Department of Public Safety Alcohol Open Container Requirements	20.607	JF-2014-NLVPD-00048 JF-2015-NLVPD-00033	17,231 13,000
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	15-HMEP-03-01 15-HMEP-03-03	1,293 14,900
Highway Planning and Construction Cluster Highway Planning and Construction	20.205*	TS-2014-NLVPD-00041 TS-2015-NLVPD-00097 JF-2015-NLVPD-00033	35,813 54,240 59,629
Highway Safety Cluster State and Community Highway Safety	20.600	JF-2014-NLVPD-00048 JF-2015-NLVPD-00033	29,978 7,560
National Priority Safety Programs	20.616(d) 20.616(b) 20.616(d)	JF-2014-NLVPD-00048 JF-2015-NLVPD-00033 JF-2015-NLVPD-00033	4,256 21,034 5,598
Passed through State of Nevada, Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205*	PR311-10-063 PR110-14-063 P348-10-063 PR395-11-063 P437-12-063 PR573-13-063 P040-12-063 P042-12-063 PR-411-14-063	1,416 16,745 18,063 17,374,081 22,289 36,362 33,676 695,724 273
Total U.S. Department of Transportation			<u>18,463,161</u>
Executive Office of the President, Office of National Drug Control Policy			
High Intensity Drug Trafficking Areas Program	95.001		101,173 3,484 35,997 8,693
Total Executive Office of the President, Office of National Drug Control Policy			<u>149,347</u>
Total federal expenditures			<u>\$ 23,557,875</u>

* A major program

CITY OF NORTH LAS VEGAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Reporting Entity

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

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the accrual basis of accounting.

The information in this 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 this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Subrecipients

During the year ended June 30, 2015, the following awards (including amendments) were given to subrecipients:

	<u>Award Amount</u>
Community Development Block Grants/Entitlement Grants (CFDA #14.218)	\$ 576,612
Home Investment Partnerships Program (CFDA #14.239)	1,810,228
Neighborhood Stabilization Program (CFDA #14.264)	113,254

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	Yes
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	14.218
Name of federal program or cluster	Community Development Block Grants/Entitlement Grants
CFDA number	14.239
Name of federal program or cluster	Home Investment Partnerships Program
CFDA number	20.205
Name of federal program or cluster	Highway Planning and Construction
Dollar threshold used to distinguish between Type A and Type B programs	\$706,736
Auditee qualified as low-risk auditee	No

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 001	
Criteria	Appropriate segregation of duties to prevent/detect errors and fraud in a timely manner by employees in the ordinary course performing their responsibilities.
Condition	The two accounts payable clerks can add vendors and print checks. While they are supposed to review each other's work, the process is not documented. Further, check registers and listings of new vendors are not, but should be, reviewed at least monthly for propriety by an accounting manager.
Effect	The risk that fraudulent disbursements can be processed is not sufficiently mitigated.
Cause	Segregation of duties in the accounts payable department is inadequate.
Recommendation	We recommend that management develop and implement policies and procedures that include an independent review of the check registers and listings of new vendors by an accounting manager.
Management's response	Management informed us that a monthly review of changes to vendors (name changes, additions, etc.) will be performed by the accounting manager. This procedure was previously in place however, due to turnover this procedure was overlooked in the reassignment of responsibilities. New vendor approval is processed by the Business License Department adding segregation of duties. The review of invoices posted to AP by the counter AP position and then by the accounting manager or senior financial analyst is currently in place and documented. AP weekly check review will also be included.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 002

Criteria

Proper budgeting and recording of fixed assets in the fund financial statements consistent with the classification used in the general fixed assets group of accounts.
Ledgers and schedules are routinely reconciled monthly, quarterly and annually, as applicable, including general and subsidiary journals/ledgers and schedules to the general ledger and financial statements.
Approved disbursements are not returned to the departments approving/requesting the disbursement for subsequent distribution.

Condition

We noted inconsistent budgeting for, and the recording of, capital expenditures in the fund financial statements versus the classification used in the general fixed assets group of accounts. We also noted that the process for accruing certain grant receivables and the related billing process are not timely or adequately reviewed by an accounting manager in finance before the entries are recorded. Additionally, signed checks are on occasion held for vendor pickup by the department approving the expenditure.

Effect

We proposed extensive entries to reclassify capitalized labor costs from payroll and benefits to capital outlay and certain other costs to / from services and supplies to / from capital outlay to agree with capital expenditures reflected in the fixed assets group of accounts. These reclassification had no effect on total expenditures. We also proposed entries to reduce HUD receivable balances and revenues (\$1.1 million) and to increase other grant receivables and revenues by \$377,000.

Cause

In-house capital projects are not appropriately tracked within the PnG module.
Subrecipient requests for reimbursement, including in-house capital projects, are not processed timely and tracked such that the amount receivable from Clark County, the grantor, at year end can be properly recorded.
The design of controls over processed checks does not adequately address the risk of manipulation of such checks.

Recommendation

A person with the requisite knowledge and expertise related to the administration of federal awards should be designated to review monthly, quarterly, and annual schedules and reports of current and completed programs/projects for accuracy and completeness and agreement to the general ledger. We also recommend that subrecipient requests for reimbursement be processed within 15 days after month end and that all reimbursable expenses be tracked and recorded as received. In addition, processed checks should be immediately mailed to the vendors and not held for subsequent pick-up.

Management's response

Management informed us that the issues noted are a result of past reductions in staff, lack of communication between the departments, and lack of cross-training of staff. As of FYE, two new positions have been created and filled to assist in the oversight of projects and grants. Their responsibilities will include review of internal schedules and agreement of schedules to the PnG module and general ledger.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 003	
Program	Community Development Block Grants/Entitlement Grants (CFDA #14.218) Home Investment Partnerships Program (CFDA #14.239)
Specific requirements	The schedule of expenditures of federal awards (SEFA) shall be complete and accurate and agree to supporting records/documentation. Pre-award project costs may not exceed 25 percent of the current HOME grant without written approval from HUD. Participating jurisdictions may authorize subrecipients and state recipients to incur pre-award costs, but authorization must be in writing.
Condition and context	We noted that expenditures of \$579,465 incurred during FY2015 for the CDBG grant were not included on the SEFA due to delays in recording the expended amounts. In addition, the HOME grant included non-federal expenditures of \$54,560 as part of the SEFA. We were informed that these costs were incurred inconjunction with HOME activities however, there was no agreement in place with Clark County at the time the expenses were incurred and there is no written authorization making such costs allowable.
Questioned costs	\$54,560
Effect	Reasonable assurance that the schedule of expenditures of federal awards is complete and accurate cannot readily be attained.
Cause	Management incorrectly excluded CDBG expenditures incurred during the year from the SEFA. Management also incorrectly included non-federal HOME expenditures on the SEFA and did not obtain formal written approval from the grantor allowing costs incurred prior to notification of award to be charged to the federal funds.
Recommendation	Management should adopt, implement and monitor compliance with policies and procedures designed to provide reasonable assurance that the schedule of expenditures of federal awards is complete and accurate. Additional resources should be made available to provide training and other resources to those delegated with the primary responsibility for grant compliance and the terms of the grants should be communicated to all personnel involved in administering federal grants.
Management's response	Management informed us that as of the end of FY 2015, the City has created a management position titled Real Property and Housing Services Manager which will oversee the Housing and Urban Development grants. This will include reviewing and managing the grant processes. In addition, an accounting manager in finance has also been hired and the first goal is to ensure that Projects and Grants are reconciled and reviewed on a monthly basis. A large part of the problem with the findings noted is a result of being understaffed. Improved communications between Projects and Grants and the Finance department along with training of staff on critical issues will result in accurate reporting of Projects and Grants.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 004 Program	Community Development Block Grants/Entitlement Grants (CFDA #14.218) Home Investment Partnerships Program (CFDA #14.239)
Specific requirements	Supervisory reviews performed to ensure compliance with federal rules and regulations including any award specific requirements.
Condition and context	Reliance is placed on Clark County's (the grantor) periodic monitorings to identify any noncompliance. Management does not review for compliance with earmarking, matching and subrecipient monitoring activities.
Questioned costs	N/A
Effect	Other than the procedures performed by Clark County, there is no assurance throughout the grant period that earmarking and matching requirements are being met or that subrecipient reporting decisions are appropriate.
Cause	The City relies on Clark County to identify noncompliance as no one at the City has been designated to oversee overall grant compliance.
Recommendation	We recommend that a person independent of the person performing the activities be assigned to review earmarking and matching schedules at least quarterly. This person should also review subrecipient monitoring reports for reporting decisions before reports are issued and subsequent to follow-up procedures when findings are reported.
Management's response	Management informed us that as of the end of FY 2015, the City has created a manager position over Real Property and Housing Services to review and oversee the tracking of the City's expenditures and compliance with grant regulations. In addition, the City has requested read only access to Clark County's and HUD's expenditure tracking systems so that internal information can be compared to that of the grantor and federal agency for completeness and consistency.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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

2015 - 005 Program	Community Development Block Grants/Entitlement Grants (CFDA #14.218) Home Investment Partnerships Program (CFDA #14.239) Highway Planning and Construction (CFDA #20.205)
Specific requirements	<p>Local governments and Indian tribal governments that are direct recipients of Federal awards and their subrecipients will use procurement procedures that conform to applicable Federal law and regulations and standards identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.</p> <p>The OMB guidance states that Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.</p>
Condition and context	The current Purchasing Guidelines does not include policies and procedures to address standards of conduct in governing the performance of their employees engaged in the award and administration of contracts. In addition, they do not include procedures to prevent contracting with or making transactions with parties that are suspended or debarred or whose principals are suspended or debarred.
Questioned costs	N/A
Effect	The City could enter into transactions which may create a conflict of interest and/or enter into transactions with debarred or suspended parties resulting in questioned costs.
Cause	The City did not have policies in place to adequately address the appropriate eligibility guidelines of the grant awards.
Recommendation	Management should implement policies and procedures to address the conduct of those involved in making procurement decisions. In addition, revision of the current procurement policy to include review of the excluded party listing at https://www.epls.gov to prevent contracting with or making transactions with parties that are suspended or debarred.
Management's response	Management informed us that policies and procedures will be put into place to review all entities involved in contracted services related to grants or projects to determine their eligibility to supply such services and or products. This will include obtaining certifications from the supplier that they are not suspended or debarred and verifying such assertions via the sam.gov website. In addition, policies and procedures will be updated to include a section to address conflicts of interest as it relates to the contract award process.

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 001	
Criteria	There should be a sufficient level of qualified accounting staff to 1) allow for proper segregation of duties, 2) ensure appropriate accounting recognition of transactions and journal entries, and 3) ensure that errors are detected and corrected timely during financial close procedures prior to commencement of audit procedures.
Condition	Due to staff reductions and the time period for financial close, there is a lack of adequate accounting staff available to review transactions and ensure that journal entries are appropriately recorded, reviewed and reconciled to supporting documentation prior to commencement of audit procedures.
Effect	Numerous adjustments were proposed by the auditor which should be made prior to audit procedures.
Cause	There is not adequate staff to perform financial close and analyze all accounts and transactions prior to commencement of the audit.
Current status	Partially corrected in fiscal 2015. An accounting manager and one staff account was hired at the beginning of fiscal 2015. Two additional staff accountants were hired after June 30, 2015.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 002	
Program	Southern Nevada Public Land Management (CFDA #15.235)
Specific requirements	Federal awards are required to be recorded and expensed within the compliance requirements set forth by the awarding agency.
Condition and context	Four disbursements, out of the 73 tested, included expenditures which were incurred after the period of availability of funds. The modified agreement extended the period of performance to March 31, 2014 and the related expenses were for services performed after that period.
Questioned costs	\$20,780.75
Effect	Costs were charged to the grant that were incurred after the period of performance.
Cause	A thorough review of invoices received after the period of performance was not performed by someone with the requisite skills, knowledge and expertise required to identify such expenditures.
Current status	Uncorrected. During our performance of current year audit procedures, we noted that expenditures incurred after the period of performance and prior to obtaining a new award agreement, are being charged to grant awards. As such, this finding will be reported as part of the current year audit. See 2015-003.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

2014 - 003 Program	Southern Nevada Public Land Management (CFDA #15.235) Highway Planning and Construction (CFDA #20.205)
Specific requirements	Local governments that are direct recipients of Federal awards and their subrecipients will use procurement procedures that conform to applicable Federal law and regulations and standards identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable. Specifically, no employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
Condition and context	The current Purchasing Guidelines does not include policies and procedures to address standards of conduct in governing the performance of their employees engaged in the award and administration of contracts.
Questioned costs	N/A
Effect	The City could enter into transactions which may create a conflict of interest resulting in questioned costs.
Cause	The City did not have policies in place to adequately address the appropriate eligibility guidelines of the grant awards.
Current status	Uncorrected. Updated policies and procedures related to procurement were drafted but were not in effect as of June 30, 2015. As such, this finding will be reported as part of the current year audit. See 2015-005.

