

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016
City of North Las Vegas, Nevada



**CITY OF
NORTH LAS VEGAS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

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

STATE OF NEVADA

**CITY OF
NORTH LAS VEGAS
STATE OF NEVADA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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

CITY OF NORTH LAS VEGAS

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Mayor
John J. Lee

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



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

Finance Department - Darren Adair, Director
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December 13, 2016

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, 2016, 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, 2016, 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") report on the City's basic financial statements as of and for the fiscal year ended June 30, 2016. 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 235,395 as of July 1, 2015, the City ranks as the fourth largest city in the State of Nevada. The City was incorporated May 16, 1946, and currently occupies 100.4 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 elected 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 submit 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 are conducted on the third Tuesday in May where all adjustments to the tentative budget are indicated. 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. Since the Great Recession, local tourism has experienced a slow but steady increase back to normalcy. Having recovered 97.1% of its loss according to the Clark County Tourism Index, tourism is anticipated to meet and surpass previous visitor highs in the not too distant future. With positive airport traffic and tourism growth, it is anticipated that gaming revenues will continue to rise in the near future.

The employment picture has been experiencing steady improvement over the prior twelve months. Per the Las Vegas Review Journal, in March, the state's unemployment rate dipped to 5.9% down from 6.8% in March of 2015. Nevada's initial claims for unemployment insurance fell to a pre-recession low of 12,343 claims. Construction has been the leading industry for growth adding 11.9% to the work force. Additional well diversified employment gains have been realized in a variety of industries including education, health services, professional business services and retail. 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 less, 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 real estate market is also doing quite well due to improving employment, rising incomes and a steady population growth. Per the Greater Las Vegas Association of Realtors, distressed properties have seen a dramatic reduction from about 135,000 during the peak of the recession to approximately 35,000. With less than a three month supply of homes available for sale in April, greater than 70% of all existing homes for sale are sold within 60 days of being placed on the market. This continues a positive trend in the long term recovery of the housing market.

Long-Term Financial Planning

In 2006, for budgetary and financial planning purposes, the City Council mandated that an 18% ratio of fund balance, compared to the combined total of encumbrances and operating expenditures after transfers out, be maintained in the General Fund. For several reasons, the most prominent being declining revenues, the City Council 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%. The change in General Fund balance during fiscal year 2016 was an increase in ending fund balance after transfers out from 9.8% to 10.4% at the end of fiscal years 2015 and 2016, 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 saw improved ratings from all three rating agencies. Moody's Investors Service improved from "Ba2" to "Ba1" Standard & Poors improved from "BB-" to "BB+" and Fitch's rating improved from "B" to "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 46% since fiscal year 2010 and are projected to increase by approximately another 4% in fiscal year 2017. The City's contractual recurring expenditures were in excess of its contractual recurring revenues. However, this shortfall continues to be covered by the Payment in Lieu of Taxes transfers in from the utility funds and anticipated ending General Fund balances from prior year operational savings.

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 partnership 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 2017 budget with a projected General Fund ending balance of at least 8.6%. Most notably the City is striving to accomplish this through encouraged business growth, licensing revenues and professional service partnerships where 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.

The Capital Improvement Plan (CIP) is a multi-year planning document that is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. The City Council adopted a FY 2017-21 CIP in excess of \$431.4 million, though it continually evaluates the financial condition of the City in order to ensure that the timing and scope of all projects are fiscally prudent.

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, the construction of the overpass crossing Interstate 15, the recently completed bridge over Losee Road and improvements to North 5th Street that extend to Cheyenne Avenue.

Other notable Public Works projects include the roadway and flood control improvements to Simmons Street from Cheyenne Avenue to Lone Mountain Road and the Colton and Brooks flood control projects which included flood improvements under the UPRR tracks, Colton Avenue, and Losee Road. In addition, these projects included various roadway improvements and utility system upgrades.

Under the Fuel Revenue Indexing Program, the Losee Road Phase 2B project expanded Losee Road from one/two lane each-way to three lanes-each way from approximately Craig Road to Centennial Parkway. The Fuel Revenue Indexing Program also included improved flood control along the alignment and added a new traffic signal at Tropical Parkway.

A major milestone for North Las Vegas historic preservation was accomplished with the completion of the Kiel Ranch Park (Phase I) improvements and historic building preservation. There are two additional phases planned for the North Las Vegas owned park area.

The interiors of several Fire Stations were renovated with a variety of new flooring, plumbing upgrades, new counter tops and fresh paint.

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 approximately 12,800 housing units, mixed use commercial areas, parks, trails, schools and public facilities to provide for an estimated population, at build out, of approximately 40,000 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, 2015. This was the 35th 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.

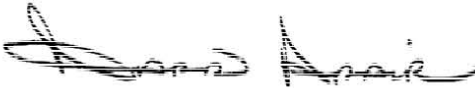
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and as such will be submitted to the GFOA to determine its eligibility for recognition.

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
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of North Las Vegas
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

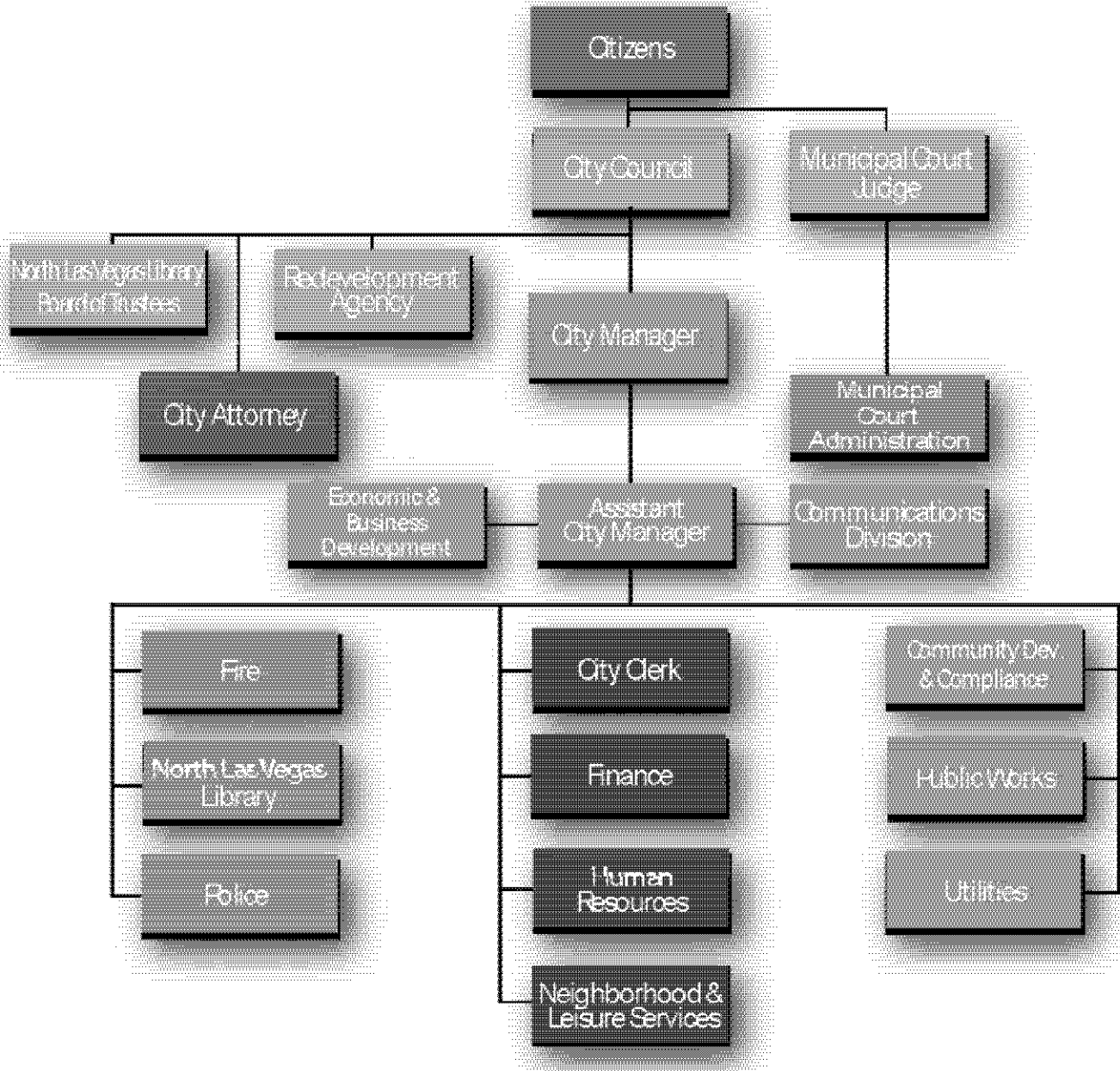
June 30, 2015

Executive Director/CEO

CITY OF NORTH LAS VEGAS

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2016



CITY OF NORTH LAS VEGAS

CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2016

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding

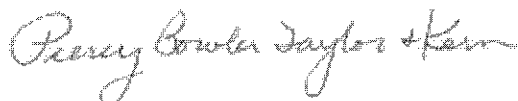
progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information, budgetary comparison information on pages 11-25 and 77-86 be presented to supplement the basic financial statements. Such information, although 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 13, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada
December 13, 2016

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016. 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 following summarizes are selected information related to the City's financial positions and changes thereto during the year:

Summary of Selected Statement of Net Position Information

	Total Primary Government			
	2016	2015	Change	
Cash, cash equivalents and investments, unrestricted	\$ 226,795,864	\$ 168,752,884	\$ 58,042,980	34.40 %
Cash, cash equivalents and investments, restricted	9,617,819	9,392,483	225,336	2.40 %
Due from other governments	13,553,692	26,930,918	(13,377,226)	(49.67)%
Capital assets, net	1,773,167,564	1,794,717,092	(21,549,528)	(1.20)%
Deferred outflows of resources	45,018,658	44,240,225	778,433	1.76 %
Bonds and notes payable, net of unamortized premiums and discounts	431,875,386	445,793,282	(13,917,896)	(3.12)%
Postemployment benefits other than pensions	15,305,563	13,016,187	2,289,376	17.59 %
Net pension liability	207,807,802	201,188,893	6,618,909	3.29 %
Deferred inflows of resources	39,884,588	51,885,902	(12,001,314)	(23.13)%
Total net position	1,345,569,263	1,307,848,684	37,720,579	2.88 %

Approximately 50% of the increase in cash, cash equivalents and investments is related to the timing of collecting receivables and the payment of amounts owed primarily from public works projects and utilities. In addition, the increase includes the sale of a parcel of land for \$4.5 million

The decrease in due from other governments resulted from a slow-down in construction activity, most notably related to the North 5th Street project, originally planned to be an eight-lane super arterial from downtown North Las Vegas to the northern City boundary. The Regional Transportation Commission has delayed funding of the remaining phases. The City's expenditures related to this project were \$9.5 million less than the prior year.

The decrease in capital assets mostly occurred in the City's business-type activities. In order to raise funds for the construction of infrastructure, the wastewater utility fund sold a 20.5-acre vacant parcel for \$4.5 million and incurred an \$8.2 million loss on the transaction.

The City did not incur any new debt during the fiscal year and continues its efforts to reduce its outstanding bonds and notes payable through the payment of regularly scheduled principal payments.

Pensions, postemployment benefits other than pensions, and all deferred inflows and \$32 million of deferred outflows (both related to pensions) are based on actuarial valuations. The pension amounts represent the City's proportionate share the Nevada Public Employees Retirement System's unfunded liability and is recorded in accordance with accounting standards but the City is not yet obligated to fund for such amounts according to Nevada Revised Statutes.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Summary of Selected Statement of Activities Information

	Total Primary Government			
	2016	2015	Change	
Charges for services	\$ 179,563,917	\$ 162,400,233	\$ 17,163,684	10.57 %
Property taxes	53,201,608	50,350,577	2,851,031	5.66 %
Intergovernmental consolidated taxes	49,903,290	47,685,565	2,217,725	4.65 %
Total expenses	347,399,389	334,752,110	12,647,279	3.78 %
Change in net position	39,206,194	58,626,913	(19,420,719)	(33.13)%

The above revenues are a solid indication of the continual growth and development in the business and residential sectors of the City. Charges for services have seen a year-over-year increase in both water and wastewater connection fees associated with the increase in new development of single family housing and the construction of commercial and industrial facilities. Likewise, there were similar increases in permitting, licensing and engineering fee revenue due to overall economic growth. Property taxes experienced similar gains due to new construction and increases in assessed valuations, despite annual limits on existing property (3.0% on residential and upto 3.2% on commercial). For fiscal year 2016-2017, the tax cap rate for all properties will be 0.2%.

For similar reasons, intergovernmental consolidated taxes increased for the fourth consecutive year. This revenue source primarily consists of sales tax, and as such, reflects increases in consumer spending.

\$8.2 million of the increase in total expenses relates to a loss on the sale of a parcel of vacant land.

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).

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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 and the public safety tax fund, which are considered to be major funds. Data from the remaining 16 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.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

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

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Government-wide Financial Analysis

The following summarized comparative statements of net position, changes during the year, and discussion of selected matters are presented to help the reader better understand the City's financial position:

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current, restricted and other	\$ 192,083,311	\$ 170,628,279	\$ 119,309,368	\$ 103,935,536	\$ 311,392,679	\$ 274,563,815
Capital	<u>1,298,466,883</u>	<u>1,293,774,902</u>	<u>474,700,681</u>	<u>500,942,190</u>	<u>1,773,167,564</u>	<u>1,794,717,092</u>
Total assets	<u>1,490,550,194</u>	<u>1,464,403,181</u>	<u>594,010,049</u>	<u>604,877,726</u>	<u>2,084,560,243</u>	<u>2,069,280,907</u>
Deferred outflows of resources	<u>42,272,885</u>	<u>41,728,673</u>	<u>2,745,773</u>	<u>2,511,552</u>	<u>45,018,658</u>	<u>44,240,225</u>
Liabilities						
Current	31,745,115	37,552,063	14,954,162	13,160,678	46,699,277	50,712,741
Long-term	<u>399,032,984</u>	<u>396,961,807</u>	<u>298,392,789</u>	<u>306,111,998</u>	<u>697,425,773</u>	<u>703,073,805</u>
Total liabilities	<u>430,778,099</u>	<u>434,513,870</u>	<u>313,346,951</u>	<u>319,272,676</u>	<u>744,125,050</u>	<u>753,786,546</u>
Deferred inflows of resources	<u>36,501,422</u>	<u>47,676,351</u>	<u>3,383,166</u>	<u>4,209,551</u>	<u>39,884,588</u>	<u>51,885,902</u>
Net position						
Net investment in capital assets	1,156,185,282	1,147,394,961	197,755,281	214,812,299	1,353,940,563	1,362,207,260
Restricted	91,020,657	79,291,604	7,113,754		98,134,411	79,291,604
Unrestricted	<u>(181,662,381)</u>	<u>(202,744,932)</u>	<u>75,156,670</u>	<u>69,094,752</u>	<u>(106,505,711)</u>	<u>(133,650,180)</u>
Total net position	<u>\$ 1,065,543,558</u>	<u>\$ 1,023,941,633</u>	<u>\$ 280,025,705</u>	<u>\$ 283,907,051</u>	<u>\$ 1,345,569,263</u>	<u>\$ 1,307,848,684</u>

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Assets						
Current, restricted and other	\$ 21,455,032	12.57 %	\$ 15,373,832	14.79 %	\$ 36,828,864	13.41 %
Capital	<u>4,691,981</u>	<u>0.36 %</u>	<u>(26,241,509)</u>	<u>(5.24)%</u>	<u>(21,549,528)</u>	<u>(1.20)%</u>
Total assets	<u>26,147,013</u>	<u>1.79 %</u>	<u>(10,867,677)</u>	<u>(1.80)%</u>	<u>15,279,336</u>	<u>0.74 %</u>
Deferred outflows of resources	<u>544,212</u>	<u>1.30 %</u>	<u>234,221</u>	<u>9.33 %</u>	<u>778,433</u>	<u>1.76 %</u>
Liabilities						
Current	(5,806,948)	(15.46)%	1,793,484	13.63 %	(4,013,464)	(7.91)%
Long-term	<u>2,071,177</u>	<u>0.52 %</u>	<u>(7,719,209)</u>	<u>(2.52)%</u>	<u>(5,648,032)</u>	<u>(0.80)%</u>
Total liabilities	<u>(3,735,771)</u>	<u>(0.86)%</u>	<u>(5,925,725)</u>	<u>(1.86)%</u>	<u>(9,661,496)</u>	<u>(1.28)%</u>
Deferred inflows of resources	<u>(11,174,929)</u>	<u>(23.44)%</u>	<u>(826,385)</u>	<u>(19.63)%</u>	<u>(12,001,314)</u>	<u>(23.13)%</u>
Net position						
Net investment in capital assets	8,790,321	0.77 %	(17,057,018)	(7.94)%	(8,266,697)	(0.61)%
Restricted	11,729,053	14.79 %	7,113,754	%	18,842,807	23.76 %
Unrestricted	<u>21,082,551</u>	<u>(10.40)%</u>	<u>6,061,918</u>	<u>8.77 %</u>	<u>27,144,469</u>	<u>(20.31)%</u>
Total net position	<u>\$ 41,601,925</u>	<u>4.06 %</u>	<u>\$ (3,881,346)</u>	<u>(1.37)%</u>	<u>\$ 37,720,579</u>	<u>2.88 %</u>

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Governmental Activities

Overall current, unrestricted and other assets increased due mostly to a large increase in cash offset by a decrease in due to other governments. Capital assets increased due to the purchase of equipment and the construction of infrastructure. There was a decline in current liabilities due to timing and a reduction in accounts payable and other accrued expenses, while long-term liabilities increased due to an increase in the postemployment benefits other than pensions. Restrictions of net position increased by \$3.2 million for debt service, \$6.6 million for public safety projects and \$2.4 million for claims and judgments.

Business-type Activities

Capital assets decreased \$12.5 million due to the sale of a parcel of land and \$19.9 million in depreciation, offset by a \$5.9 million increase in other assets.

Liabilities decreased primarily as a result of making scheduled bond payments and, to a lesser extent, the recording of an increase in estimated net pension liabilities.

In order to enhance this analysis and provide a means for evaluating the City's operating activities, summarized comparative statements of changes in net position, related changes between years, and discussion of selected matters follow:

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 74,756,754	\$ 63,497,320	\$ 104,807,163	\$ 98,902,913	\$ 179,563,917	\$ 162,400,233
Operating grants and contributions	24,516,475	27,229,507	3,034,877	3,019,938	27,551,352	30,249,445
Capital grants and contributions	43,854,707	70,196,112	3,930,962	4,344,083	47,785,669	74,540,195
General revenues						
Property taxes	53,201,608	50,350,577			53,201,608	50,350,577
Residential construction taxes	426,603	313,837			426,603	313,837
Room taxes	564,601	486,389			564,601	486,389
Franchise fees, based on gross receipts	21,307,694	21,322,332			21,307,694	21,322,332
Intergovernmental consolidated taxes	49,903,290	47,685,565			49,903,290	47,685,565
Other local government shared revenues	2,110,967	2,096,928			2,110,967	2,096,928
Unrestricted investment income	1,796,240	1,321,011	7,702	15,803	1,803,942	1,336,814
Gain on disposal of capital assets	183,390	429,109	6,517	21,612	189,907	450,721
Miscellaneous	1,984,280	1,929,753	211,753	216,234	2,196,033	2,145,987
Total revenues	274,606,609	286,858,440	111,998,974	106,520,583	386,605,583	393,379,023

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Expenses						
General government	\$ 61,473,941	\$ 53,664,007	\$	\$	\$ 61,473,941	\$ 53,664,007
Judicial	5,378,903	9,060,508			5,378,903	9,060,508
Public safety	141,730,894	141,315,863			141,730,894	141,315,863
Public works	14,894,436	14,375,110			14,894,436	14,375,110
Culture and recreation	17,811,729	17,359,534			17,811,729	17,359,534
Community support	6,855,958	7,142,087			6,855,958	7,142,087
Interest expense and fiscal charges	7,769,871	6,640,779			7,769,871	6,640,779
Wastewater			52,437,713	45,235,699	52,437,713	45,235,699
Water			36,490,347	37,550,621	36,490,347	37,550,621
Municipal golf courses			2,555,597	2,407,902	2,555,597	2,407,902
Total expenses	255,915,732	249,557,888	91,483,657	85,194,222	347,399,389	334,752,110
Change in net position before transfers	18,690,877	37,300,552	20,515,317	21,326,361	39,206,194	58,626,913
Transfers	22,911,048	22,548,597	(22,911,048)	(22,548,597)		
Change in net position	41,601,925	59,849,149	(2,395,731)	(1,222,236)	39,206,194	58,626,913
Net position, beginning of year	1,023,941,633	964,112,459	282,421,436	283,643,672	1,306,363,069	1,247,756,131
Net position, end of year	<u>\$ 1,065,543,558</u>	<u>\$ 1,023,941,633</u>	<u>\$ 280,025,705</u>	<u>\$ 282,421,436</u>	<u>\$ 1,345,569,263</u>	<u>\$ 1,306,363,069</u>

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Revenues						
Program revenues						
Charges for services	\$ 11,259,434	17.73 %	\$ 5,904,250	5.97 %	\$ 17,163,684	10.57 %
Operating grants and contributions	(2,713,032)	(9.96)%	14,939	0.49 %	(2,698,093)	(8.92)%
Capital grants and contributions	(26,341,405)	(37.53)%	(413,121)	(9.51)%	(26,754,526)	(35.89)%
General revenues						
Property taxes	2,851,031	5.66 %		%	2,851,031	5.66 %
Residential construction taxes	112,766	35.93 %		%	112,766	35.93 %
Room taxes	78,212	16.08 %		%	78,212	16.08 %
Franchise fees, based on gross receipts	(14,638)	(0.07)%		%	(14,638)	(0.07)%
Intergovernmental consolidated taxes	2,217,725	4.65 %		%	2,217,725	4.65 %
Other local government shared revenues	14,039	0.67 %		%	14,039	0.67 %
Unrestricted investment income	475,229	35.97 %	(8,101)	(51.26)%	467,128	34.94 %
Gain on disposal of capital assets	(245,719)	(57.26)%	(15,095)	(69.85)%	(260,814)	(57.87)%
Miscellaneous	54,527	2.83 %	(4,481)	(2.07)%	50,046	2.33 %
Total revenues	(12,251,831)	(4.27)%	5,478,391	5.14 %	(6,773,440)	(1.72)%

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Expenses						
General government	\$ 7,809,934	14.55 %	\$	%	7,809,934	14.55 %
Judicial	(3,681,605)	(40.63)%	%	%	(3,681,605)	(40.63)%
Public safety	415,031	0.29 %	%	%	415,031	0.29 %
Public works	519,326	3.61 %	%	%	519,326	3.61 %
Culture and recreation	452,195	2.60 %	%	%	452,195	2.60 %
Community support	(286,129)	(4.01)%	%	%	(286,129)	(4.01)%
Interest expense and fiscal charges	1,129,092	17.00 %	%	%	1,129,092	17.00 %
Wastewater		%	7,202,014	15.92 %	7,202,014	15.92 %
Water		%	(1,060,274)	(2.82)%	(1,060,274)	(2.82)%
Municipal golf courses		%	147,695	6.13 %	147,695	6.13 %
Total expenses	6,357,844	2.55 %	6,289,435	7.38 %	12,647,279	3.78 %
Change in net position before transfers	(18,609,675)	(49.89)%	(811,044)	(3.80)%	(19,420,719)	(33.13)%
Transfers	362,451	1.61 %	(362,451)	1.61 %		%
Change in net position	(18,247,224)	(30.49)%	(1,173,495)	96.01 %	(19,420,719)	(33.13)%
Net position, beginning of year	59,829,174	6.21 %	(1,222,236)	(0.43)%	58,606,938	4.70 %
Net position, end of year	<u>\$ 41,601,925</u>	<u>4.06 %</u>	<u>\$ (2,395,731)</u>	<u>(0.85)%</u>	<u>\$ 39,206,194</u>	<u>3.00 %</u>

Governmental Activities

Capital grants and contributions are largely dependent upon the timing of construction projects. Construction projects can be delayed or cancelled all together, thus reducing grant funding. Capital grants and contributions decreased primarily due to the Regional Transportation Commission delaying funding of the remaining phases of the North 5th Street Project and the completion of other projects, including Losee Road improvements (\$13.0 million), Valley Drive sawtooth infill (\$3.8 million), and Centennial Parkway improvements (\$6.3 million).

However, the biggest increase in charges for services relates to the City's internal service funds. The City maintains reserves in its motor equipment fund for the purchase of vehicles and equipment that are funded through charges to other funds and their user departments. During the year, the City increased its reserves to match the needs of its aging fleet by increasing user fees (approximately \$5.0 million). In addition, the City is self-insured and maintains a workers' compensation internal service fund. Due to significant increases in workers' compensation claims over the last few years, the reserves in this fund had declined so the City increased related charges for services (approximately \$5.5 million) during the year.

Business-type Activities

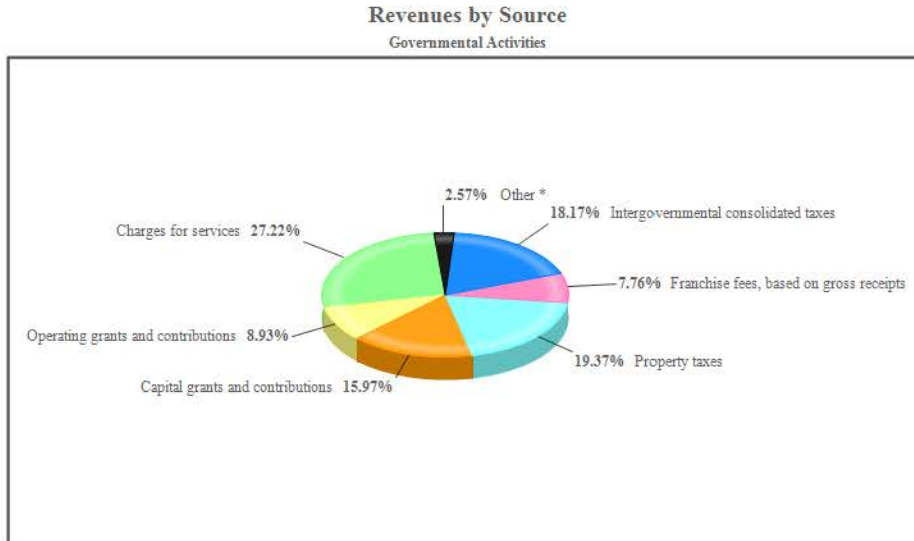
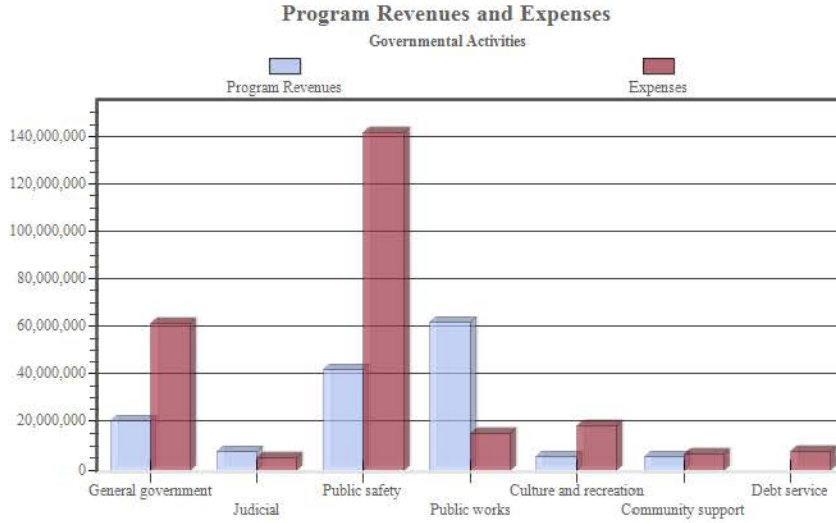
The change in revenues is primarily due to a 3% rate increase in both utility funds and, to a lesser extent, an increase of customers. The increase in expenses resulted from an \$8.4 million non-cash loss on the sale of land in the wastewater utility fund, offset primarily by reductions in staffing. Some of the savings were offset by increases in equipment and the utility system maintenance, which is intended to avoid more costly major repairs.

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016



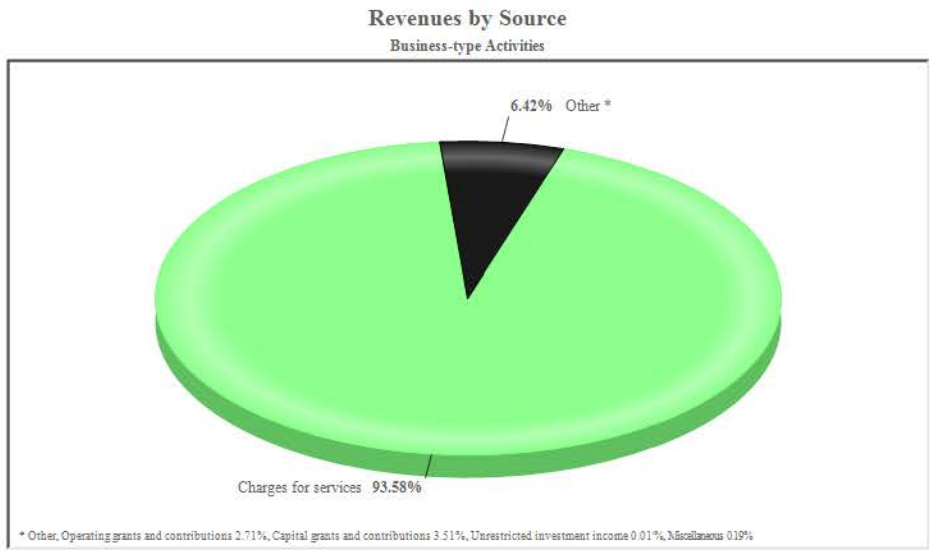
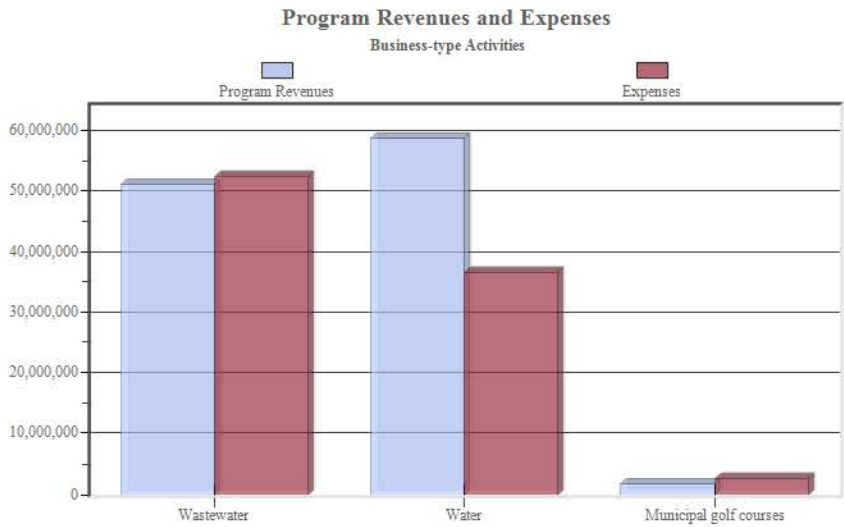
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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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



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.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Governmental Funds

The following tables summarized selected information about the City's governmental funds and changes during the year:

Total Assets - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 20,767,101	\$ 19,187,498	\$ 1,579,603	8.23 %
Public Safety Tax Special Revenue Fund	11,730,763	7,014,733	4,716,030	67.23 %
Aggregate Other Governmental Funds	96,120,429	98,149,139	(2,028,710)	(2.07)%
Total Liabilities - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 6,814,300	\$ 6,536,025	\$ 278,275	4.26 %
Public Safety Tax Special Revenue Fund	393,162	1,339,410	(946,248)	(70.65)%
Aggregate Other Governmental Funds	8,536,541	15,604,179	(7,067,638)	(45.29)%
Total Fund Balance - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 13,896,274	\$ 12,596,352	\$ 1,299,922	10.32 %
Public Safety Tax Special Revenue Fund	11,126,972	5,472,314	5,654,658	103.33 %
Aggregate Other Governmental Funds	87,463,382	82,578,411	4,884,971	5.92 %
Total Revenues - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 112,178,554	\$ 108,872,638	\$ 3,305,916	3.04 %
Public Safety Tax Special Revenue Fund	30,346,998	28,966,471	1,380,527	4.77 %
Aggregate Other Governmental Funds	85,315,281	111,277,147	(25,961,866)	(23.33)%
Total Expenditures - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 123,504,882	\$ 116,298,997	\$ 7,205,885	6.20 %
Public Safety Tax Special Revenue Fund	23,920,214	26,601,267	(2,681,053)	(10.08)%
Aggregate Other Governmental Funds	90,654,343	117,259,800	(26,605,457)	(22.69)%
Total Other Financing Sources (Uses) - Governmental Funds				
	2016	2015	Change	
General Fund	\$ 12,626,250	\$ 11,944,011	\$ 682,239	5.71 %
Public Safety Tax Special Revenue Fund	(772,126)	(205,080)	(567,046)	276.50 %
Aggregate Other Governmental Funds	10,224,033	10,322,837	(98,804)	(0.96)%

Of the above fund balances, \$0.1 million is categorized as nonspendable, \$95.1 million as restricted, \$0.8 million as committed, \$207.0 million as assigned, and \$13.8 million as unassigned.

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.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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 nonmajor 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% 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.

General Fund - The general fund is the chief operating fund of the City. The general fund's assets increased primarily as a result of increases in cash, cash equivalents, and investments as previously discussed, offset by a \$2.4 million reduction in deposits associated with prefunding payroll for the pay period ended June 26, 2015, which was not paid until July 2, 2015. Its liabilities increased due to there being two additional days included in accrued payroll. Fund balance increased because management continues to implement cost-savings measures, while revenues continue to climb. Expenditures increased due to higher internal service fund charges to establish vehicle replacement and workers compensation reserves.

Public Safety Tax Special Revenue Fund - This fund accounts for voter-approved property tax overrides to be used exclusively for public safety programs. Total assets increased primarily because revenues increased while expenditures decreased. In other words, tax revenues outpaced expenditures. Liabilities decreased due to lower accrued payroll costs (vacated positions have not been filled) and amounts due to the City of Las Vegas related to the detention facility have been brought current.

Aggregate Other Governmental Funds - Liabilities decreased due to a decline in construction activity and the completion of carryover projects. This also accounts for the reduction in revenues and expenditures which declined by similar amounts.

Proprietary Funds

The following tables summarize selected information about the City's Proprietary Funds and changes during the year:

Total Assets - Proprietary Funds

	2016	2015	Change	
Wastewater Utility Enterprise Fund	\$ 429,996,341	\$ 441,990,937	\$ (11,994,596)	(2.71)%
Water Utility Enterprise Fund	163,441,597	161,219,141	2,222,456	1.38 %
Aggregate Other Enterprise Funds	5,510,273	6,057,182	(546,909)	(9.03)%
Internal Service Funds	60,339,429	44,469,907	15,869,522	35.69 %

Total Liabilities - Proprietary Funds

	2016	2015	Change	
Wastewater Utility Enterprise Fund	\$ 281,074,703	\$ 286,644,694	\$ (5,569,991)	(1.94)%
Water Utility Enterprise Fund	32,072,692	33,934,296	(1,861,604)	(5.49)%
Aggregate Other Enterprise Funds	221,064	211,970	9,094	4.29 %
Internal Service Funds	32,511,967	28,737,650	3,774,317	13.13 %

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Total Net Position - Proprietary Funds				
	2016	2015	Change	
		(Restated)		
Wastewater Utility Enterprise Fund	\$ 148,667,927	\$ 154,656,878	\$ (5,988,951)	(3.87)%
Water Utility Enterprise Fund	130,987,142	126,277,847	4,709,295	3.73 %
Aggregate Other Enterprise Funds	5,287,290	5,843,576	(556,286)	(9.52)%
Internal Service Funds	27,757,951	15,549,884	12,208,067	78.51 %
Total Operating Revenues - Proprietary Funds				
	2016	2015	Change	
Wastewater Utility Enterprise Fund	\$ 44,709,311	\$ 42,411,927	\$ 2,297,384	5.42 %
Water Utility Enterprise Fund	58,425,234	54,749,159	3,676,075	6.71 %
Aggregate Other Enterprise Funds	1,884,371	1,958,061	(73,690)	(3.76)%
Internal Service Funds	40,742,095	30,740,968	10,001,127	32.53 %
Total Operating Expenses - Proprietary Funds				
	2016	2015	Change	
Wastewater Utility Enterprise Fund	\$ 29,065,188	\$ 29,928,373	\$ (863,185)	(2.88)%
Water Utility Enterprise Fund	36,007,347	36,973,673	(966,326)	(2.61)%
Aggregate Other Enterprise Funds	2,553,694	2,406,323	147,371	6.12 %
Internal Service Funds	29,140,408	25,821,612	3,318,796	12.85 %
Total Nonoperating Revenues (Expenses), Capital Contributions and Transfers - Proprietary Funds				
	2016	2015	Change	
Wastewater Utility Enterprise Fund	\$ (21,633,074)	\$ (13,688,302)	\$ (7,944,772)	58.04 %
Water Utility Enterprise Fund	(17,708,592)	(17,641,902)	(66,690)	0.38 %
Aggregate Other Enterprise Funds	113,037	778,434	(665,397)	(85.48)%
Internal Service Funds	606,380	3,029,973	(2,423,593)	(79.99)%

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. Selected information related to the City's proprietary funds follows:

Wastewater Utility Fund - Total assets of the wastewater utility fund decreased due to the sale of land that was originally purchased for the site of a water treatment facility, which is no longer required since an alternative site was used. The City determined that it was better to sell the property than holding on for some future unknown development. Total liabilities decreased due to scheduled repayments of outstanding bonds. The decrease in net position was the result of an \$8.4 million loss on the sale of land. In other words, net position would have increased approximately \$2.4 million if not for the non-cash loss on the sale of the land. This otherwise improvement is the result of rate increases that began in 2010 when the City decided to implement 3% annual increases (both for wastewater and water) to avoid large one-time increases. In addition, the number of customers increased. Operating expenses for both utilities declined as a result of not filling vacancies and the reallocation of certain utility employees' payroll and benefit costs who were performing capital project services for other funds of the City.

Water Utility Fund - Total assets increased as a result of capital projects. Liabilities decreased due to scheduled debt repayments. Rate increases as previously discussed accounted for the increase in net position and revenues.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Budgetary Highlights for General Fund

The following table summarizes selected budgetary information about the City's General Fund:

Summary of Selected General Fund Budget to Actual Information

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Revenues	\$ 108,687,797	\$ 108,870,389	\$ 112,178,554	\$ 3,308,165
Total Expenditures	123,510,329	123,878,711	123,504,882	373,829
Total Fund Balance	10,709,043	12,982,993	13,896,274	913,281

Investment income, licenses and permits, and intergovernmental consolidated taxes each exceeded appropriations by approximately \$1.0 million in the last quarter of the year outside of the June budget augmentation process.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2016, the City's investment in capital assets for its governmental and business-type activities amounts to \$1.77 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 1.2%.

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

Simmons Street improvements (\$9.5 million), consisting of the construction of three traffic lanes in each direction, a center median, LED street lighting, traffic control devices and concrete sidewalks in the developed sections.

North 5th Street Project (\$8.5 million), which is proposed, upon ultimate build-out, as an eight-lane super arterial which would provide for high volume north-south travel and is being funded by the Nevada Department of Transportation and Regional Transportation Commission.

Colton Avenue channel improvements (\$4.4 million), consisting of the design and construction of one mile of round catch basin storm drain. This improvement will reduce the flooding along this industrial roadway.

Brooks Avenue channel improvements (\$4.3 million) consisting of the design and construction of concrete channel and box culverts. These channel improvements will reduce flooding in the industrial area of Losee Road and Brooks Avenue.

Losee Road improvements (\$2.9 million) consisting of the design, right-of-way acquisition, and construction of six travel lanes with traffic control devices and localized drainage improvements, emergency breakdown lanes, curb, gutter, sidewalk and streetlights.

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

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Long-term Debt

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 \$1.23 billion, which is significantly in excess of the City's actual outstanding applicable net general obligation debt of \$807.4 million.

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

Known Economic Factors and Next Year's Budget

In looking to the future, the City has budgeted general fund revenues to be \$114.5 million for 2017, up \$5.5 million. As most revenues are expected to remain flat or show modest increases, intergovernmental consolidated taxes (primarily consisting of sales taxes) is expected to increase to approximately \$52.1 million, up \$2.7 million. Additionally, property taxes revenue is estimated to increase by approximately 1.9%

The City has budgeted appropriations to be \$131.6 million in 2017, up \$7.6 million, primarily for 58 net additional positions (\$5.2 million) and capital improvement projects related to information technology (\$1.1 million). 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 and capital improvement budgets totals \$366.7 million and \$149.5 million, respectively.

Property taxes revenue account for approximately 5.9% 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 a maximum of 3.0%. Non-residential property tax increases are capped at a maximum of 8.0% year-over-year, or less depending on the related formula. For the upcoming tax year, both are capped at 0.2% increase. Assessed property values exceeded the caps for abatement. Caps were also exceeded in the prior year.

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.

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 and/or result in a reduction of related safety services.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 149,159,310	\$ 77,636,554	\$ 226,795,864
Cash, cash equivalents and investments, restricted	2,504,065	7,113,754	9,617,819
Accounts receivable, net	5,359,103	14,522,056	19,881,159
Grants receivable	8,452,417		8,452,417
Property taxes receivable	1,464,101		1,464,101
Special assessments receivable	67,198		67,198
Interest receivable	3,241		3,241
Due from other governments	12,945,492	608,200	13,553,692
Inventories	258,143	3,063,055	3,321,198
Prepaid land lease, net of amortization		20,625,000	20,625,000
Other prepaid items	505,099	673,126	1,178,225
Refundable deposits		5,785	5,785
Property held for resale	6,426,980		6,426,980
Internal balances	4,938,162	(4,938,162)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	234,669,636	22,687,717	257,357,353
Land	190,849,389	3,005,336	193,854,725
Buildings and building improvements	165,575,987	74,041,634	239,617,621
Improvements other than buildings	50,004,524	40,502,623	90,507,147
Infrastructure	647,955,665	330,372,443	978,328,108
Machinery, equipment and software	9,411,682	4,090,928	13,502,610
Total assets	1,490,550,194	594,010,049	2,084,560,243
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	12,648,385		12,648,385
Unamortized amounts related to pensions	29,624,500	2,745,773	32,370,273
Total deferred outflows of resources	42,272,885	2,745,773	45,018,658
LIABILITIES			
Accounts payable and other accrued expenses	10,147,612	1,990,255	12,137,867
Accrued salaries and benefits	16,447,497	208,512	16,656,009
Due to other governments	1,078,980	6,223,256	7,302,236
Customer deposits	49,614	4,211,318	4,260,932
Unearned revenue	2,680,745	43,133	2,723,878
Interest payable	1,340,667	2,277,688	3,618,355
Long-term liabilities, due within one year			
Bonds and notes payable	4,774,300	7,070,328	11,844,628
Compensated absences	4,211,866	416,677	4,628,543
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	150,155,686	269,875,072	420,030,758
Compensated absences	34,404,834	3,403,645	37,808,479
Postemployment benefits other than pensions	15,305,563		15,305,563
Net pension liability	190,180,735	17,627,067	207,807,802
Total liabilities	430,778,099	313,346,951	744,125,050
DEFERRED INFLOWS OF RESOURCES			
Unamortized amounts related to pensions	36,501,422	3,383,166	39,884,588

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,156,185,282	197,755,281	1,353,940,563
Restricted for			
Debt service	7,617,874	7,113,754	14,731,628
Street improvements projects	9,250,793		9,250,793
Other capital projects	21,690,691		21,690,691
Police, fire and other public safety programs and projects	29,429,130		29,429,130
Parks, cultural and other recreational programs	3,320,286		3,320,286
Library district operations	461,755		461,755
Courts and other judicial programs	1,708,381		1,708,381
Community assistance and support programs	15,122,644		15,122,644
Claims and judgements	2,400,000		2,400,000
Other	19,103		19,103
Unrestricted	(181,662,381)	75,156,670	(106,505,711)
Total net position	\$ 1,065,543,558	\$ 280,025,705	\$ 1,345,569,263

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	\$ 61,473,941	\$ 20,458,488	\$ 18,962	\$	\$ (40,996,491)	\$ (40,996,491)
Judicial	5,378,903	7,917,230			2,538,327	2,538,327
Public safety	141,730,894	28,359,209	13,332,475		(100,039,210)	(100,039,210)
Public works	14,894,436	10,860,642	7,020,590	43,854,707	46,841,503	46,841,503
Culture and recreation	17,811,729	5,633,416	213,588		(11,964,725)	(11,964,725)
Community support	6,855,958	1,527,769	3,930,860		(1,397,329)	(1,397,329)
Debt service						
Interest expense and fiscal charges	<u>7,769,871</u>				<u>(7,769,871)</u>	<u>(7,769,871)</u>
Total governmental activities	<u>255,915,732</u>	<u>74,756,754</u>	<u>24,516,475</u>	<u>43,854,707</u>	<u>(112,787,796)</u>	<u>(112,787,796)</u>
Business-type activities						
Wastewater	52,437,713	44,544,995	3,034,877	3,656,382	(1,201,459)	(1,201,459)
Water	36,490,347	58,417,333		274,580	22,201,566	22,201,566
Municipal golf courses	<u>2,555,597</u>	<u>1,844,835</u>			<u>(710,762)</u>	<u>(710,762)</u>
Total business-type activities	<u>91,483,657</u>	<u>104,807,163</u>	<u>3,034,877</u>	<u>3,930,962</u>	<u>20,289,345</u>	<u>20,289,345</u>
Total function/program	<u>\$ 347,399,389</u>	<u>\$ 179,563,917</u>	<u>\$ 27,551,352</u>	<u>\$ 47,785,669</u>	<u>(112,787,796)</u>	<u>(92,498,451)</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES							
Property taxes					53,201,608		53,201,608
Residential construction taxes					426,603		426,603
Room taxes					564,601		564,601
Franchise fees, based on gross receipts					21,307,694		21,307,694
Intergovernmental consolidated taxes					49,903,290		49,903,290
Other local government shared revenues					2,110,967		2,110,967
Unrestricted investment income					1,796,240	7,702	1,803,942
Gain on disposal of capital assets					183,390	6,517	189,907
Miscellaneous					1,984,280	211,753	2,196,033
Total general revenues					<u>131,478,673</u>	<u>225,972</u>	<u>131,704,645</u>
Transfers					<u>22,911,048</u>	<u>(22,911,048)</u>	
CHANGE IN NET POSITION					<u>41,601,925</u>	<u>(2,395,731)</u>	<u>39,206,194</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					1,023,941,633	283,907,051	1,307,848,684
Adjustment						<u>(1,485,615)</u>	<u>(1,485,615)</u>
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					<u>1,023,941,633</u>	<u>282,421,436</u>	<u>1,306,363,069</u>
NET POSITION, END OF YEAR					<u>\$ 1,065,543,558</u>	<u>\$ 280,025,705</u>	<u>\$ 1,345,569,263</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2016

	Special Revenue Fund			Total Governmental Funds
	General Fund	Public Safety Tax	Aggregate Other Governmental Funds	
ASSETS				
Cash, cash equivalents and investments	\$ 6,797,015	\$ 10,984,674	\$ 75,981,466	\$ 93,763,155
Accounts receivable, net	4,407,437	18,701	963,887	5,390,025
Grants receivable	4,774		8,412,287	8,417,061
Property taxes receivable	386,877	726,188	351,036	1,464,101
Interest receivable			3,241	3,241
Special assessments receivable			67,198	67,198
Prepaid items	127,919	1,200	11,921	141,040
Due from other governments	9,043,079		3,902,413	12,945,492
Property held for resale			6,426,980	6,426,980
Total assets	\$ 20,767,101	\$ 11,730,763	\$ 96,120,429	\$ 128,618,293
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 718,030	\$ 26,698	\$ 5,544,333	\$ 6,289,061
Accrued salaries and benefits	4,895,277	306,797	252,657	5,454,731
Due to other funds	102,447	59,667	30,550	192,664
Due to other governments	819,547		254,687	1,074,234
Customer deposits	42,958		9,610	52,568
Unearned revenue	236,041		2,444,704	2,680,745
Total liabilities	6,814,300	393,162	8,536,541	15,744,003
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	56,527	210,629	120,506	387,662
Total liabilities and deferred inflows of resources	6,870,827	603,791	8,657,047	16,131,665
FUND BALANCES				
Nonspendable				
Prepaid items	127,919	1,200	11,921	141,040
Land held for resale			6,426,980	6,426,980
Restricted for				
Debt service			7,617,874	7,617,874
Street improvements projects			9,250,793	9,250,793
Other capital projects			21,690,691	21,690,691
Police, fire and other public safety programs and projects		11,125,772	18,303,358	29,429,130
Parks, cultural and other recreational programs			3,320,286	3,320,286
Library district operations			461,755	461,755
Courts and other judicial programs			1,708,381	1,708,381
Community assistance and support programs			15,122,644	15,122,644
Other			19,103	19,103
Committed to				
Police, fire and other public safety programs and projects	27,369			27,369
Community assistance and support programs			770,075	770,075
Assigned to				
Parks, cultural and other recreational programs			2,732,597	2,732,597
Unassigned	13,740,986		26,924	13,767,910
Total fund balances	13,896,274	11,126,972	87,463,382	112,486,628
Total liabilities, deferred inflows of resources and fund balances	\$ 20,767,101	\$ 11,730,763	\$ 96,120,429	\$ 128,618,293

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, 2016

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 112,486,628
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	\$ 1,832,333,908	
Less accumulated depreciation	<u>(535,462,741)</u>	1,296,871,167
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	(152,889,300)	
Unamortized premiums and discounts	(2,040,686)	
Unamortized deferred refunding charges	12,648,385	
Compensated absences payable	(38,188,416)	
Net pension liability	(188,258,408)	
Deferred outflows related to pensions	29,325,058	
Deferred inflows related to pensions	<u>(36,132,469)</u>	(375,535,836)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(1,340,667)</u>	(1,340,667)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>387,662</u>	387,662
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	27,757,951	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	4,356,865	
Internal service fund balance receivable from business-type activities from current year activity	<u>559,789</u>	<u>32,674,605</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,065,543,558</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, 2016

	Special Revenue Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Tax		
REVENUES				
Property taxes	\$ 8,052,022	\$ 30,337,588	\$ 14,798,334	\$ 53,187,944
Residential construction taxes			426,603	426,603
Room taxes			564,601	564,601
Franchise fees	21,307,694			21,307,694
Licenses and permits	15,470,650			15,470,650
Special assessments			2,167,784	2,167,784
Charges for services	5,724,957	6,326	2,996,929	8,728,212
Intergovernmental consolidated taxes	49,903,290			49,903,290
Intergovernmental	4,278,389		60,942,509	65,220,898
Fines and forfeitures	4,926,011		475,295	5,401,306
Contributions	1,600		20,730	22,330
Rents and royalties	568,094		97,000	665,094
Investment income	1,363,934		215,857	1,579,791
Miscellaneous	581,913	3,084	2,609,639	3,194,636
Total revenues	112,178,554	30,346,998	85,315,281	227,840,833
EXPENDITURES				
Current				
General government	21,617,683		347,911	21,965,594
Judicial	5,077,945		510,619	5,588,564
Public safety	84,378,262	23,920,214	18,252,538	126,551,014
Public works	2,361,534		5,417,491	7,779,025
Culture and recreation	8,403,975		4,750,381	13,154,356
Community support	1,645,556		5,090,497	6,736,053
Total current	123,484,955	23,920,214	34,369,437	181,774,606
Capital outlay				
General government	7,590		1,073,003	1,080,593
Public safety			2,480,751	2,480,751
Public works			37,848,747	37,848,747
Culture and recreation	12,337		2,874,615	2,886,952
Community support			75,788	75,788
Total capital outlay	19,927		44,352,904	44,372,831
Debt service				
Principal payments			4,534,700	4,534,700
Interest and fiscal charges			7,397,302	7,397,302
Total debt service			11,932,002	11,932,002
Total expenditures	123,504,882	23,920,214	90,654,343	238,079,439
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,326,328)	6,426,784	(5,339,062)	(10,238,606)
OTHER FINANCING SOURCES (USES)				
Contingencies	(500,000)			(500,000)
Proceeds from capital asset disposal	226,042	4,874	36,193	267,109
Transfers in	23,522,649		18,060,063	41,582,712
Transfers out	(10,622,441)	(777,000)	(7,872,223)	(19,271,664)
Total other financing sources (uses)	12,626,250	(772,126)	10,224,033	22,078,157

(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, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u> <u>Public Safety Tax</u>	<u>Aggregate Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CHANGE IN FUND BALANCE	1,299,922	5,654,658	4,884,971	11,839,551
FUND BALANCE, BEGINNING OF YEAR	<u>12,596,352</u>	<u>5,472,314</u>	<u>82,578,411</u>	<u>100,647,077</u>
FUND BALANCE, END OF YEAR	<u>\$ 13,896,274</u>	<u>\$ 11,126,972</u>	<u>\$ 87,463,382</u>	<u>\$ 112,486,628</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, 2016

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 11,839,551
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	\$ 44,543,015	
Less current year depreciation, net of gain (loss) on disposal of capital assets	<u>(44,814,241)</u>	(271,226)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Capital asset contributions	5,238,921	
Change in unavailable revenue	<u>13,664</u>	5,252,585
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>4,534,700</u>	4,534,700
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	754,967	
Change in net pension liability and related deferred outflows and inflows of resources	7,096,062	
Amortization of debt premiums and discounts	198,705	
Amortization of deferred refunding charges	(635,065)	
Change in accrued interest	<u>63,791</u>	7,478,460
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	12,208,067	
The internal service funds change in net position related to business-type activities	<u>559,789</u>	<u>12,767,856</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 41,601,925</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

	Business-type Activities				Governmental Activities
			Aggregate Other		
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 38,382,942	\$ 46,119,657	\$ 247,709	\$ 84,750,308	\$ 57,900,220
Accounts receivable, net	6,678,480	7,830,587	12,989	14,522,056	4,434
Prepaid items	615,992	35,741	21,393	673,126	364,059
Due from other funds					216,857
Due from other governments	608,200			608,200	
Inventories	420,889	2,573,150	69,016	3,063,055	258,143
Total current assets	<u>46,706,503</u>	<u>56,559,135</u>	<u>351,107</u>	<u>103,616,745</u>	<u>58,743,713</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	19,003,375	3,684,342		22,687,717	66,964
Land	5,500	2,434,299	565,537	3,005,336	
Buildings and building improvements	69,302,085	3,250,844	1,488,705	74,041,634	227,870
Improvements other than buildings	23,780,466	13,623,018	3,099,139	40,502,623	83,293
Infrastructure	247,219,137	83,153,306		330,372,443	
Machinery, equipment and software	3,354,275	736,653		4,090,928	1,217,589
Total capital assets, net of accumulated depreciation and amortization	<u>362,664,838</u>	<u>106,882,462</u>	<u>5,153,381</u>	<u>474,700,681</u>	<u>1,595,716</u>
Other assets					
Prepaid land lease, net of current portion and amortization	20,625,000			20,625,000	
Refundable deposits			5,785	5,785	
Total other assets	<u>20,625,000</u>		<u>5,785</u>	<u>20,630,785</u>	
Total noncurrent assets	<u>383,289,838</u>	<u>106,882,462</u>	<u>5,159,166</u>	<u>495,331,466</u>	<u>1,595,716</u>
Total assets	<u>429,996,341</u>	<u>163,441,597</u>	<u>5,510,273</u>	<u>598,948,211</u>	<u>60,339,429</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized amounts related to pensions	1,092,938	1,644,568	8,267	2,745,773	299,442
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	581,749	1,298,939	109,567	1,990,255	3,858,529
Accrued salaries and benefits	70,805	135,948	1,759	208,512	10,992,766
Due to other funds	7,288	14,082	138	21,508	2,684
Due to other governments	451,741	5,765,460	6,055	6,223,256	1,814
Customer deposits	65,540	4,138,435	7,343	4,211,318	
Unearned revenue			43,133	43,133	
Compensated absences	139,134	277,543		416,677	46,712
Interest payable	2,190,605	87,083		2,277,688	
Bonds and notes payable	4,235,328	2,835,000		7,070,328	
Total current liabilities	<u>7,742,190</u>	<u>14,552,490</u>	<u>167,995</u>	<u>22,462,675</u>	<u>14,902,505</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

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

	Business-type Activities				Governmental
	Aggregate Other			Total Enterprise	Internal Service
	Wastewater Utility	Water Utility	Enterprise Funds		
Noncurrent liabilities					
Compensated absences	1,136,526	2,267,119		3,403,645	381,572
Postemployment benefits other than pensions					15,305,563
Bonds and notes payable	265,179,640	4,695,432		269,875,072	
Net Pension Liability	<u>7,016,347</u>	<u>10,557,651</u>	<u>53,069</u>	<u>17,627,067</u>	<u>1,922,327</u>
Total noncurrent liabilities	<u>273,332,513</u>	<u>17,520,202</u>	<u>53,069</u>	<u>290,905,784</u>	<u>17,609,462</u>
Total liabilities	<u>281,074,703</u>	<u>32,072,692</u>	<u>221,064</u>	<u>313,368,459</u>	<u>32,511,967</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized liabilities related to pensions	<u>1,346,649</u>	<u>2,026,331</u>	<u>10,186</u>	<u>3,383,166</u>	<u>368,953</u>
Total deferred inflows of resources	<u>1,346,649</u>	<u>2,026,331</u>	<u>10,186</u>	<u>3,383,166</u>	<u>368,953</u>
NET POSITION					
Net investment in capital assets	93,249,870	99,352,030	5,153,381	197,755,281	1,595,716
Restricted for					
Debt service	2,092,500	5,021,254		7,113,754	
Claims and judgements					2,400,000
Unrestricted	<u>53,325,557</u>	<u>26,613,858</u>	<u>133,909</u>	<u>80,073,324</u>	<u>23,762,235</u>
Total net position	<u>\$ 148,667,927</u>	<u>\$ 130,987,142</u>	<u>\$ 5,287,290</u>	284,942,359	<u>\$ 27,757,951</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>(4,916,654)</u>	
Net position of business-type activities				<u>\$ 280,025,705</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, 2016

	Business-type Activities				Governmental Activities
	Wastewater Utility		Aggregate Other Enterprise Funds		Total Enterprise Funds
	Water Utility	Water Utility	Enterprise Funds	Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Utility fees	\$ 40,695,324	\$ 51,988,427	\$	\$ 92,683,751	\$
Construction fees	297,878	417,900		715,778	
User fees			1,844,830	1,844,830	
Connection fees	2,363,188	736,712		3,099,900	
Other charges for services	8,742	1,932,616		1,941,358	40,742,095
Fines and forfeitures	875,978	2,550,154		3,426,132	
Miscellaneous	468,201	799,425	39,541	1,307,167	
Total operating revenues	<u>44,709,311</u>	<u>58,425,234</u>	<u>1,884,371</u>	<u>105,018,916</u>	<u>40,742,095</u>
OPERATING EXPENSES					
Salaries and wages	2,605,213	5,362,061	83,216	8,050,490	5,129,836
Employee benefits	1,689,091	2,876,478	57,277	4,622,846	2,918,692
Services and supplies	10,693,600	22,172,309	2,186,845	35,052,754	20,273,889
Depreciation and amortization	14,077,284	5,596,499	226,356	19,900,139	817,991
Total operating expenses	<u>29,065,188</u>	<u>36,007,347</u>	<u>2,553,694</u>	<u>67,626,229</u>	<u>29,140,408</u>
Operating income (loss)	<u>15,644,123</u>	<u>22,417,887</u>	<u>(669,323)</u>	<u>37,392,687</u>	<u>11,601,687</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	7,702			7,702	27,918
Gain (loss) on capital asset disposition	(8,194,522)	6,517		(8,188,005)	(21,538)
Interest and fiscal charges	(14,841,346)	(261,771)		(15,103,117)	
Intergovernmental	6,509,631			6,509,631	
Total nonoperating revenues (expenses)	<u>(16,518,535)</u>	<u>(255,254)</u>		<u>(16,773,789)</u>	<u>6,380</u>
Income (loss) before capital contributions and transfers	<u>(874,412)</u>	<u>22,162,633</u>	<u>(669,323)</u>	<u>20,618,898</u>	<u>11,608,067</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	181,628	274,580		456,208	
TRANSFERS					
Transfers in		468,319	127,600	595,919	600,000
Transfers out	(5,296,167)	(18,196,237)	(14,563)	(23,506,967)	
Total transfers	<u>(5,296,167)</u>	<u>(17,727,918)</u>	<u>113,037</u>	<u>(22,911,048)</u>	<u>600,000</u>
CHANGE IN NET POSITION	<u>(5,988,951)</u>	<u>4,709,295</u>	<u>(556,286)</u>	<u>(1,835,942)</u>	<u>12,208,067</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	154,656,878	127,763,462	5,843,576		15,549,884
Adjustment		(1,485,615)			
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>154,656,878</u>	<u>126,277,847</u>	<u>5,843,576</u>		<u>15,549,884</u>
NET POSITION, END OF YEAR	<u>\$ 148,667,927</u>	<u>\$ 130,987,142</u>	<u>\$ 5,287,290</u>		<u>\$ 27,757,951</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(559,789)	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ (2,395,731)</u>	

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

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

	Business-type Activities				Governmental
			Aggregate	Total Enterprise	Internal Service
	Wastewater Utility	Water Utility	Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 44,034,478	\$ 56,507,080	\$ 1,824,584	\$ 102,366,142	\$ 37,048,988
Cash received from interfund services		411,346		411,346	3,921,327
Cash received from other sources	2,859,233	799,425	39,541	3,698,199	
Cash payments for goods and services	(9,777,770)	(21,531,164)	(2,211,768)	(33,520,702)	(20,991,772)
Cash payments for employee services	(4,235,143)	(7,749,499)	(99,232)	(12,083,874)	(3,630,589)
Cash payments for interfund services	(260,059)	(388,335)	(5,815)	(654,209)	(51,826)
Net cash provided by (used in) operating activities	<u>32,620,739</u>	<u>28,048,853</u>	<u>(452,690)</u>	<u>60,216,902</u>	<u>16,296,128</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in		468,319	127,600	595,919	600,000
Transfers out	(5,296,167)	(18,196,237)	(14,563)	(23,506,967)	
Interest payments on debt	6,509,631			6,509,631	
Net cash provided by (used in) noncapital financing activities	<u>1,213,464</u>	<u>(17,727,918)</u>	<u>113,037</u>	<u>(16,401,417)</u>	<u>600,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,214,866)	(1,490,187)		(5,705,053)	(563,815)
Proceeds received from disposal of capital assets	4,314,625			4,314,625	
Principal payments on debt	(6,046,550)	(3,031,600)		(9,078,150)	
Interest payments on debt	(14,896,629)	(287,337)		(15,183,966)	
Amortization of premiums/discounts		(106,341)		(106,341)	
Net cash provided by (used in) capital financing activities	<u>(20,843,420)</u>	<u>(4,915,465)</u>		<u>(25,758,885)</u>	<u>(563,815)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	<u>7,702</u>			<u>7,702</u>	<u>27,918</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>12,998,485</u>	<u>5,405,470</u>	<u>(339,653)</u>	<u>18,064,302</u>	<u>16,360,231</u>
CASH AND CASH EQUIVALENTS, BEGINNING 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>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 38,382,942</u>	<u>\$ 46,119,657</u>	<u>\$ 247,709</u>	<u>\$ 84,750,308</u>	<u>\$ 57,900,220</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, 2016

	Business-type Activities				Governmental
	Aggregate Other			Total Enterprise	Internal Service
	Wastewater Utility	Water Utility	Enterprise Funds		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 15,644,123	\$ 22,417,887	\$ (669,323)	\$ 37,392,687	\$ 11,601,687
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	14,077,284	5,596,499	226,357	19,900,140	817,991
Provision for uncollectible receivables	(26,350)	7,056		(19,294)	
(Increase) decrease in operating assets					
Accounts receivable	(180,282)	(1,050,432)	(11,780)	(1,242,494)	(3,997)
Due from other governments	94,112			94,112	
Due from other funds		411,346	(7)	411,339	232,217
Inventories	(142,714)	(11,934)	(2,556)	(157,204)	
Prepaid items	761,458	1,763	(4,765)	758,456	(13,225)
Refundable deposit	2,296,920			2,296,920	
Increase (decrease) in operating liabilities					
Accounts payable	(44,826)	459,670	(17,603)	397,241	(682,468)
Accrued salaries and benefits	(214,959)	(241,128)	(2,175)	(458,262)	2,065,502
Due to other funds	(5,633)	(5,521)		(11,154)	(794)
Due to other governments	341,912	191,646		533,558	(22,190)
Customer deposits		(75,353)	(4,570)	(79,923)	
Unearned revenues			(3,896)	(3,896)	
Compensated absences	65,776	95,079		160,855	(44,309)
Postemployment benefits other than pensions	(46,082)	252,275	37,628	243,821	2,345,714
Total adjustments	<u>16,976,616</u>	<u>5,630,966</u>	<u>216,633</u>	<u>22,824,215</u>	<u>4,694,441</u>
Net cash provided by (used in) operating activities	<u>\$ 32,620,739</u>	<u>\$ 28,048,853</u>	<u>\$ (452,690)</u>	<u>\$ 60,216,902</u>	<u>\$ 16,296,128</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$ 181,628</u>	<u>\$ 274,580</u>	<u>\$ _____</u>	<u>\$ 456,208</u>	<u>\$ _____</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 13,050,357
Accounts receivable, net	2,736,204
Interest receivable	625
Special assessments receivable	<u>4,499</u>
Total assets	<u>15,791,685</u>
LIABILITIES	
Due to other governments	275,248
Due to developers	2,868,125
Due to others	<u>12,648,312</u>
Total liabilities	<u>15,791,685</u>
NET POSITION	<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, 2016

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, 2016

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, 2016

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

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.

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

Deferred Outflows and Inflows of Resources

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

Net position of business-type activities and the water utility enterprise fund as of July 1, 2015, have been retroactively reduced by \$1,485,615 for expenses incurred during fiscal year 2015 that were unpaid at June 30, 2015, but were inadvertently not accrued.

Recently Issued Accounting Pronouncements

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, results of operations, or cash flows.

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, and 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, results of operations, or cash flows.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Management has not completed a full assessment of the statement to determine if it will have a material effect on the City's net position, results of operations, or cash flows.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, effective for financial statements for periods beginning after June 15, 2016. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity. 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 March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for financial statements for periods beginning after December 15, 2016. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. 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 March 2016, the GASB issued Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for financial statements for periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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. 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, results of operations, or cash flows.

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

At June 30, 2016, the City's cash, cash equivalents and investments (including restricted and designated amounts) were as follows:

Pooled cash and cash equivalents	\$ 6,886,012
Cash on hand	74,015
Pooled investments	238,113,513
Non-pooled investments	<u>4,390,500</u>
Total cash, cash equivalents and investments	\$ <u>249,464,040</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

	Unrestricted	Restricted	Designated	Total
Governmental activities	\$ 149,159,311	\$ 2,504,065	\$	\$ 151,663,376
Business-type activities	<u>77,636,554</u>	<u>7,113,754</u>	<u></u>	<u>84,750,308</u>
	226,795,865	9,617,819		236,413,684
Fiduciary Funds	<u></u>	<u>13,050,356</u>	<u></u>	<u>13,050,356</u>
Total cash, cash equivalents and investments	<u>\$ 226,795,865</u>	<u>\$ 22,668,175</u>	<u>\$</u>	<u>\$ 249,464,040</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.

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

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

Level 2. Inputs are other observable inputs.

Level 3. Inputs are unobservable.

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

The estimated fair values of the City's U.S. Treasury obligations, U.S. government-sponsored securities (excluding U.S. Agency securities), money market mutual funds and certificates of deposit are based on quoted market prices provided by recognized broker dealers (Level 1 inputs). The estimated fair value of its U.S. Agency securities is based on a matrix pricing model that maximizes the use of observable inputs for similar securities as provided by recognized broker dealers (Level 2 inputs). The estimated fair value of the City's Local Government Investment Pool investment is based on the City's proportionate share of the value of the pooled investments (Level 3 inputs).

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

At June 30, 2016, 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	\$ 54,228,787		\$ 54,228,787
U.S. government-sponsored securities	71,846,406	26,008,005	45,838,401
Money market mutual funds	34,395,800	34,395,800	
Local government investment pool	78,833,020	78,833,020	
Certificates of deposit	3,200,000	3,200,000	
Total investments	\$ 242,504,013	\$ 142,436,825	\$ 100,067,188

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.

At June 30, 2016, 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	\$ 54,228,787		\$ 54,228,787	
U.S. government-sponsored securities	71,846,406	71,846,406		
Money market mutual funds	34,395,800	34,395,800		
Local government investment pool	78,833,020			78,833,020
Certificates of deposit	3,200,000			3,200,000
Total investments	\$ 242,504,013	\$ 106,242,206	\$ 54,228,787	\$ 82,033,020

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

At June 30, 2016, the City's cash deposits in financial institutions was \$8,250,156. 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 \$78,583,020 was secured by the State Treasurer's pooled collateral program at 102%.

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, 2016, 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, 2016, were as follows:

	Percentage of Portfolio
U.S. Treasury securities	22.36 %
U.S. government-sponsored securities	29.63 %
Money market mutual funds	14.18 %
Local government investment pool	32.51 %
Certificates of deposit	1.32 %

Capital Assets

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

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2016
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 233,569,190	\$ 42,380,227	\$	\$ (41,279,781)	\$ 234,669,636
Land	190,800,644	48,745	_____	_____	190,849,389
Total capital assets not being depreciated or amortized	424,369,834	42,428,972	_____	(41,279,781)	425,519,025

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2016
Capital assets being depreciated or amortized					
Buildings and building improvements	\$ 216,340,205	\$	\$ (10)	\$	\$ 216,340,195
Improvements other than buildings	79,393,100	22,300		4,049,788	83,465,188
Infrastructure	1,002,946,846	5,183,490	(3,934)	36,468,665	1,044,595,067
Machinery, equipment and software	71,441,446	2,714,478	(945,926)	761,327	73,971,325
Total capital assets being depreciated or amortized	1,370,121,597	7,920,268	(949,870)	41,279,780	1,418,371,775
Accumulated depreciation and amortization					
Buildings and building improvements	(45,486,937)	(5,277,271)			(50,764,208)
Improvements other than buildings	(30,055,777)	(3,404,887)			(33,460,664)
Infrastructure	(362,540,391)	(34,099,011)			(396,639,402)
Machinery, equipment and software	(62,633,424)	(2,787,910)		861,691	(64,559,643)
Total accumulated depreciation and amortization	(500,716,529)	(45,569,079)		861,691	(545,423,917)
Total capital assets being depreciated or amortized, net	869,405,068	(37,648,811)	(949,870)	42,141,471	872,947,858
Total governmental activities	\$ 1,293,774,902	\$ 4,780,161	\$ (949,870)	\$ 861,690	\$ 1,298,466,883
* Includes transfers from and to proprietary funds, if any.					
	Balance July 1, 2015	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2016
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 32,895,394	\$ 4,388,669	\$	\$ (14,596,346)	\$ 22,687,717
Land	15,514,483		(12,509,147)		3,005,336
Total capital assets not being depreciated or amortized	48,409,877	4,388,669	(12,509,147)	(14,596,346)	25,693,053
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	473,858,690	456,207		14,473,433	488,788,330
Machinery, equipment and software	10,693,066	689,503		122,913	11,505,482
Total capital assets being depreciated or amortized	638,661,172	1,145,710		14,596,346	654,403,228

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015 (Restated)	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2016
Accumulated depreciation and amortization					
Buildings and building improvements	\$ (10,670,998)	\$ (2,342,974)	\$	\$	\$ (13,013,972)
Improvements other than buildings	(24,643,132)	(1,908,055)			(26,551,187)
Infrastructure	(144,110,601)	(14,315,240)		9,954	(158,415,887)
Machinery, equipment and software	(6,704,128)	(700,472)		(9,954)	(7,414,554)
Total accumulated depreciation and amortization	(186,128,859)	(19,266,741)			(205,395,600)
Total capital assets being depreciated or amortized, net	452,532,313	(18,121,031)		14,596,346	449,007,628
Total business-type activities	\$ 500,942,190	\$ (13,732,362)	\$ (12,509,147)	\$	\$ 474,700,681

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

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

Governmental activities		
General government		\$ 33,870,073
Judicial		84,571
Public safety		3,023,677
Public works		5,285,905
Culture and recreation		3,293,803
Community support		12,024
Total depreciation expense, governmental activities		\$ 45,570,053
Business-type activities		
Wastewater		\$ 13,443,884
Water		5,596,499
Municipal golf courses		226,356
Total depreciation expense, business-type activities		\$ 19,266,739

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, 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	\$	\$ 102,448
Public Safety Tax Special Revenue Fund		59,667
Aggregate Other Governmental Funds		30,550
Wastewater Utility Enterprise Fund		7,288
Water Utility Enterprise Fund		14,082
Aggregate Other Enterprise Funds		138
Internal Service Funds	216,857	2,684
	\$ 216,857	\$ 216,857

Interfund Transfers

Transfers of unrestricted revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization. For the year ended June 30, 2016, interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Aggregate Other Governmental Funds	\$ 30,245
	Wastewater Utility Enterprise Fund	5,296,167
	Water Utility Enterprise Fund	18,196,237
	General Fund	9,894,841
Aggregate Other Governmental Funds	Public Safety Tax Special Revenue Fund	777,000
	Aggregate Other Governmental Funds	7,374,792
	Aggregate Other Governmental Funds	468,319
Water Utility Enterprise Fund	General Fund	127,600
Aggregate Other Enterprise Funds	General Fund	600,000
Internal Service Funds		\$ 42,765,201

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
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%	94,455,000			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	75,000
\$3,145,000 2010 Library District medium-term refunding bonds due in annual installments through April 2020; interest is at 4.38%	2,095,000		(385,000)	1,710,000	385,000
\$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%	14,070,000		(2,110,000)	11,960,000	2,195,000
\$27,070,000 2011 Building Projects refunding bonds due in annual installments beginning June 2016 through June 2036; interest varies between 3% and 5%	27,070,000		(200,000)	26,870,000	200,000
Total general obligation bonds	152,175,000		(2,695,000)	149,480,000	2,855,000
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%	610,400		(303,100)	307,300	307,300
\$1,250,000 2007 SIAD No. 62 (Clayton Street) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	288,600		(141,600)	147,000	147,000
\$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%	4,350,000		(1,395,000)	2,955,000	1,450,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Total special assessment bonds	\$ 5,249,000	\$ _____	\$ (1,839,700)	\$ 3,409,300	\$ 1,904,300
Unamortized bond premiums	2,491,482	_____	(216,964)	2,274,518	_____
Unamortized bond discounts	(252,093)	_____	18,257	(233,836)	_____
Compensated absences	39,415,975	12,397,430	(13,196,705)	38,616,700	_____
Postemployment benefits other than pensions	13,016,187	3,117,538	(828,162)	15,305,563	_____
Net pension liability	184,866,253	19,556,827	(14,242,345)	190,180,735	_____
Total governmental activities	396,961,804	35,071,795	(33,000,619)	399,032,980	4,759,300
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%	460,000	_____	(460,000)	_____	_____
\$14,365,000 2005A Water/Wastewater general obligation refunding revenue bonds due in annual installments through December 2017; interest is at 5%	4,575,000	_____	(1,695,000)	2,880,000	1,780,000
\$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%	5,515,000	_____	(1,010,000)	4,505,000	1,055,000
\$140,000,000 2006 General obligation Wastewater reclamation system bonds due in annual installments through October 2036; interest varies between 4% and 5%	122,995,000	_____	(3,280,000)	119,715,000	3,425,000
\$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%	144,900,000	_____	_____	144,900,000	_____
Total general obligation/pledged revenue bonds	278,445,000	_____	(6,445,000)	272,000,000	6,260,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Notes payable					
\$7,000,000 medium-term financing due in quarterly installments through July 2022; interest is at 2% beginning April 2015	\$ 5,000,000	\$	\$ (2,647,781)	\$ 2,352,219	\$ 356,928
Unamortized bond premiums	2,684,891		(215,211)	2,469,680	
Compensated absences	3,623,467	1,328,598	(1,131,743)	3,820,322	469,503
Net pension liability	16,322,640	1,726,757	(422,330)	17,627,067	
Total business-type activities	<u>306,075,998</u>	<u>3,055,355</u>	<u>(10,862,065)</u>	<u>298,269,288</u>	<u>7,086,431</u>
Total long-term liabilities	<u>\$ 703,037,802</u>	<u>\$ 38,127,150</u>	<u>\$ (43,862,684)</u>	<u>\$ 697,302,268</u>	<u>\$ 11,845,731</u>

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. Compensated absences and pension liabilities are liquidated by the fund incurring the related payroll costs.

At June 30, 2016, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligation bonds		
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	8,015,000	5,958,917
2022 - 2026	30,435,000	25,583,011
2027 - 2031	37,310,000	17,640,200
2032 - 2036	<u>47,580,000</u>	<u>7,369,500</u>
Total general obligation bonds	<u>149,480,000</u>	<u>83,576,819</u>
Special assessment bonds		
2017	1,904,300	99,460
2018	<u>1,505,000</u>	<u>29,159</u>
Total special assessment bonds	<u>3,409,300</u>	<u>128,619</u>
Total governmental activities	<u>\$ 152,889,300</u>	<u>\$ 83,705,438</u>

(Continued)

CITY OF NORTH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

For the Year Ended June 30,	Principal	Interest
Business-type activities		
General obligation/pledged revenue bonds		
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	7,800,000	13,756,220
2022 - 2026	44,540,000	62,057,295
2027 - 2031	55,685,000	48,383,717
2032 - 2036	69,270,000	31,611,558
2037 - 2041	66,585,000	10,767,031
Total general obligation/pledged revenue bonds	272,000,000	225,033,702
Notes payable		
2017	356,928	44,379
2018	364,120	37,186
2019	371,457	29,849
2020	378,942	22,364
2021	386,578	14,728
2022 - 2026	494,195	7,438
Total notes payable	2,352,220	155,944
Total business-type activities	\$ 274,352,220	\$ 225,189,646

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, 2016, \$3,655,000 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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. On June 1, 2016, the City refunded its 2006 Special Assessment District 60 (Aliance Development) debt to reduce the interest rate that varied from 3.875% to 5.1% down to 2.0% to 2.25%, without changing the December 1, 2022 maturity date. The amount of the refunding and the outstanding balance at June 30, 2016, is \$14,015,000.

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, 2016. 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, 2016 the City's construction and other significant commitments were as follows:

	<u>Remaining Commitment</u>
Parks and Recreation Projects	\$ 622,500
Public Safety Projects	6,284,751
Capital Projects Street Improvements	5,995,544
Motor equipment	<u>708,230</u>
	<u>\$ 13,611,025</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

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, 2014, 2015 and 2016, 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	\$ 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
For the year ended June 30, 2016				
Liability insurance	\$ 3,483,566	\$ 605,332	\$ (1,472,109)	\$ 2,616,789
Worker's compensation	3,577,384	10,429,177	(3,123,688)	10,882,873
Postemployment benefits other than pensions	13,016,187	2,289,376		15,305,563
Unemployment compensation and employee separation leave benefits		3,750,407	(3,750,407)	
	\$ 20,077,137	\$ 17,074,292	\$ (8,346,204)	\$ 28,805,225

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." Yet, in accordance with GASB, the City records its proportionate share of PERS' unfunded liabilities.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

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

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

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

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

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

For the fiscal year ended June 30, 2016, the required contribution rates for regular members was 14.5% and 28% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members remained the same.

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

PERS collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

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, 2015
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, 2016

At June 30, 2015, assumed mortality rates and projected life expectancies for selected ages were as follows:

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

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

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

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

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

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

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

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 %	0.25 %
Private markets	10 %	6.80 %

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015 and 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

The City's proportionate share of the net pension liability at June 30, 2015, calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 316,657,475	\$ 207,807,802	\$ 117,291,696

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 \$207,807,802, which represents 1.81342% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2015, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015.

For the period ended June 30, 2016, the City's pension expense was \$21,283,584 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2016, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 15,630,744
Changes of assumptions		
Net difference between projected and actual earnings on investments		11,256,249
Changes in proportion and differences between actual contributions and proportionate share of contributions	3,134,677	12,997,595
Contributions made subsequent to the measurement date	29,235,596	

At June 30, 2015, the average expected remaining service life was 6.70 years.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$29,235,596 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,

2017	\$ (11,419,116)
2018	(11,419,116)
2019	(11,419,116)
2020	2,145,478
2021	(3,530,986)
Thereafter	(1,107,054)

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

Net pension liability, beginning of year	\$ 201,188,894
Pension expense	21,283,584
Employer contributions	(27,990,979)
Net new deferred inflows and outflows of resources	<u>13,326,302</u>
Net pension liability, end of year	<u>\$ 207,807,801</u>

At June 30, 2016, \$3,218,328 payable to PERS, equal to the June 2016 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, 2016, 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, 2016

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	463	\$ 35,558,191	\$ 4,625,706
2015	483	34,871,927	4,779,055
2016	478	35,066,517	4,262,691

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, 2016, 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
2016	156	17,621,112	2,004,400

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, 2016

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, 2016, this subsidy ranged from \$116 to \$636 per retiree, per month.

For the year ended June 30, 2016, 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, 2016

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)	\$ 530,397	\$ 1,202,704	\$ 1,419,371	\$ 3,152,472
Interest on net OPEB obligation	52,013	230,521	238,114	520,648
Adjustment to ARC	<u>(89,981)</u>	<u>(229,028)</u>	<u>(236,572)</u>	<u>(555,581)</u>
Annual OPEB cost	492,429	1,204,197	1,420,913	3,117,539
OPEB contributions made	<u>(486,703)</u>	<u>(239,674)</u>	<u>(101,786)</u>	<u>(828,163)</u>
Increase (decrease) in net OPEB obligation	5,726	964,523	1,319,127	2,289,376
Net OPEB obligation, beginning of year	<u>1,300,324</u>	<u>5,763,018</u>	<u>5,952,845</u>	<u>13,016,187</u>
Net OPEB obligation, end of year	<u>\$ 1,306,050</u>	<u>\$ 6,727,541</u>	<u>\$ 7,271,972</u>	<u>\$ 15,305,563</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, 2014, 2015 and 2016 were as follows:

<u>For the Year Ended June 30,</u>	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2014	\$ 651,273	\$ 597,741	91.8 %	\$ 1,313,579
2015	491,616	504,871	102.7 %	1,300,324
2016	492,429	486,703	98.8 %	1,306,050
City of North Las Vegas Health Care Plan				
2014	1,543,821	212,207	13.7 %	4,844,683
2015	1,140,255	221,920	19.5 %	5,763,018
2016	1,204,197	239,674	19.9 %	6,727,541
City of North Las Vegas Life Insurance Plan				
2014	153,684	65,274	42.5 %	4,711,198
2015	1,335,892	94,245	7.1 %	5,952,845
2016	1,420,913	101,786	7.2 %	7,271,972

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Funded Status and Funding Progress

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

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
Public Employee Benefit Program June 30, 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

	<u>Public Employee Benefit Program</u>	<u>City of North Las Vegas Health Care Plan</u>	<u>City of North Las Vegas Life Insurance Plan</u>
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
Actuarial assumptions			
Investment rate of return	4%	4%	4%
Projected salary increase	N/A ¹	4%	4%
Inflation rate	2.75%	2.75%	2.75%
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, 2016, the self-insurance reserve internal service fund had \$46,513,312 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, 2016

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 ⁴	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 ⁴	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 ⁴	N/A ¹	2,240,684	2,240,684	0.0 %	82,838,760	2.7 %
City of North Las Vegas IAFF Plan⁵						
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, 2015 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 %	\$ 201,188,894	\$ 87,200,964	230.71868 %	76.31210 %
2015	1.81342 %	207,807,801	82,840,577	250.85163 %	75.12611 %

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, 2016 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>
2014	\$ 28,986,153	\$ 28,986,153	\$	\$ 87,200,964	33.24044 %
2015	27,789,671	27,789,671		82,840,577	33.54538 %
2016	29,296,433	29,296,433		84,120,151	34.82643 %

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

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 7,993,531	\$ 7,993,531	\$ 8,052,022	\$ 58,491
Franchise fees	22,468,850	22,468,850	21,307,694	(1,161,156)
Licenses and permits	13,462,379	13,462,379	15,470,650	2,008,271
Charges for services	4,763,794	4,790,686	5,724,957	934,271
Intergovernmental consolidated taxes	48,825,320	48,825,320	49,903,290	1,077,970
Intergovernmental	4,250,113	4,274,813	4,278,389	3,576
Fines and forfeitures	5,777,500	5,777,500	4,926,011	(851,489)
Contributions	300	300	1,600	1,300
Rents and royalties	450,000	450,000	568,094	118,094
Investment income	354,000	354,000	1,363,934	1,009,934
Miscellaneous	342,010	473,010	581,913	108,903
Total revenues	<u>108,687,797</u>	<u>108,870,389</u>	<u>112,178,554</u>	<u>3,308,165</u>
EXPENDITURES				
General government				
Legislative				
Salaries and wages	507,486	507,486	401,879	105,607
Employee benefits	369,561	369,561	257,161	112,400
Services and supplies	135,176	135,176	58,830	76,346
Total legislative	<u>1,012,223</u>	<u>1,012,223</u>	<u>717,870</u>	<u>294,353</u>
Executive				
Salaries and wages	491,314	518,395	545,490	(27,095)
Employee benefits	297,990	311,333	303,665	7,668
Services and supplies	433,329	460,814	338,621	122,193
Total executive	<u>1,222,633</u>	<u>1,290,542</u>	<u>1,187,776</u>	<u>102,766</u>
City attorney				
Salaries and wages	1,312,227	1,312,227	1,192,662	119,565
Employee benefits	726,056	726,056	634,190	91,866
Services and supplies	255,389	280,439	194,376	86,063
Total city attorney	<u>2,293,672</u>	<u>2,318,722</u>	<u>2,021,228</u>	<u>297,494</u>
City clerk				
Salaries and wages	294,517	294,517	268,559	25,958
Employee benefits	154,353	154,353	141,344	13,009
Services and supplies	172,432	281,932	129,081	152,851
Total city clerk	<u>621,302</u>	<u>730,802</u>	<u>538,984</u>	<u>191,818</u>
Finance				
Salaries and wages	1,844,181	1,854,554	1,595,680	258,874
Employee benefits	1,042,517	1,048,029	854,602	193,427
Services and supplies	463,900	448,900	446,073	2,827
Total finance	<u>3,350,598</u>	<u>3,351,483</u>	<u>2,896,355</u>	<u>455,128</u>
Planning				
Salaries and wages	642,004	648,022	637,382	10,640
Employee benefits	305,534	309,667	306,448	3,219
Services and supplies	120,084	120,084	94,392	25,692
Total planning	<u>1,067,622</u>	<u>1,077,773</u>	<u>1,038,222</u>	<u>39,551</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other				
Salaries and wages	3,907,545	3,253,639	3,106,416	147,223
Employee benefits	1,954,861	1,556,816	3,430,212	(1,873,396)
Services and supplies	5,995,253	7,144,433	6,680,620	463,813
Capital outlay			7,590	(7,590)
Total other	<u>11,857,659</u>	<u>11,954,888</u>	<u>13,224,838</u>	<u>(1,269,950)</u>
Total general government	<u>21,425,709</u>	<u>21,736,433</u>	<u>21,625,273</u>	<u>111,160</u>
Judicial				
Municipal court				
Salaries and wages	2,639,718	2,624,718	2,716,806	(92,088)
Employee benefits	1,370,746	1,370,746	1,403,521	(32,775)
Services and supplies	554,340	554,340	473,772	80,568
Total municipal court	<u>4,564,804</u>	<u>4,549,804</u>	<u>4,594,099</u>	<u>(44,295)</u>
Marshals				
Salaries and wages	289,348	229,348	127,723	101,625
Employee benefits	201,206	201,206	72,883	128,323
Services and supplies	19,322	107,322	83,240	24,082
Capital outlay		25,000		25,000
Total marshals	<u>509,876</u>	<u>562,876</u>	<u>283,846</u>	<u>279,030</u>
Other				
Employee benefits			50,000	(50,000)
Services and supplies			150,000	(150,000)
Total other			<u>200,000</u>	<u>(200,000)</u>
Total judicial	<u>5,074,680</u>	<u>5,112,680</u>	<u>5,077,945</u>	<u>34,735</u>
Public safety				
Police				
Salaries and wages	17,182,305	17,590,660	16,438,801	1,151,859
Employee benefits	10,918,629	11,209,862	12,088,360	(878,498)
Services and supplies	4,185,706	4,206,652	4,447,674	(241,022)
Total police	<u>32,286,640</u>	<u>33,007,174</u>	<u>32,974,835</u>	<u>32,339</u>
Corrections				
Salaries and wages	4,482,816	4,121,271	3,382,679	738,592
Employee benefits	3,158,581	2,885,015	4,483,451	(1,598,436)
Services and supplies	8,794,680	8,770,734	7,902,783	867,951
Total corrections	<u>16,436,077</u>	<u>15,777,020</u>	<u>15,768,913</u>	<u>8,107</u>
Protective services				
Salaries and wages	2,416,330	1,885,734	1,826,004	59,730
Employee benefits	1,292,379	931,211	998,293	(67,082)
Services and supplies	1,032,447	1,016,513	954,010	62,503
Total protective services	<u>4,741,156</u>	<u>3,833,458</u>	<u>3,778,307</u>	<u>55,151</u>
Fire				
Salaries and wages	17,258,569	17,793,328	17,667,834	125,494
Employee benefits	10,371,822	10,660,683	11,114,281	(453,598)
Services and supplies	3,420,606	3,432,997	3,074,092	358,905
Total fire	<u>31,050,997</u>	<u>31,887,008</u>	<u>31,856,207</u>	<u>30,801</u>
Total public safety	<u>84,514,870</u>	<u>84,504,660</u>	<u>84,378,262</u>	<u>126,398</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Public works				
Administration				
Salaries and wages	201,083	172,006	192,282	(20,276)
Employee benefits	114,619	97,300	99,758	(2,458)
Services and supplies	22,101	22,101	16,884	5,217
Total administration	<u>337,803</u>	<u>291,407</u>	<u>308,924</u>	<u>(17,517)</u>
Flood control				
Salaries and wages	307,511	282,333	333,744	(51,411)
Employee benefits	144,917	129,933	142,183	(12,250)
Services and supplies	32,445	32,445	(337,816)	370,261
Total flood control	<u>484,873</u>	<u>444,711</u>	<u>138,111</u>	<u>306,600</u>
Streets				
Employee benefits			1,324	(1,324)
Services and supplies			33	(33)
Total streets			<u>1,357</u>	<u>(1,357)</u>
Engineering				
Salaries and wages	119,950	94,772	237,223	(142,451)
Employee benefits	61,074	46,090	114,018	(67,928)
Services and supplies	89,597	89,597	58,868	30,729
Total engineering	<u>270,621</u>	<u>230,459</u>	<u>410,109</u>	<u>(179,650)</u>
Real property				
Salaries and wages	290,063	290,063	137,180	152,883
Employee benefits	143,863	143,863	68,689	75,174
Services and supplies	38,928	38,928	11,262	27,666
Total real property	<u>472,854</u>	<u>472,854</u>	<u>217,131</u>	<u>255,723</u>
Construction				
Salaries and wages	312,375	255,345	299,700	(44,355)
Employee benefits	139,388	109,156	138,713	(29,557)
Services and supplies	115,133	115,133	78,111	37,022
Total construction	<u>566,896</u>	<u>479,634</u>	<u>516,524</u>	<u>(36,890)</u>
Survey				
Salaries and wages	65,085	(21,069)	111,315	(132,384)
Employee benefits	31,490	(10,683)	57,753	(68,436)
Services and supplies	75,834	75,834	50,310	25,524
Total survey	<u>172,409</u>	<u>44,082</u>	<u>219,378</u>	<u>(175,296)</u>
Other				
Salaries and wages		282,117		282,117
Employee benefits		157,933	400,000	(242,067)
Services and supplies			150,000	(150,000)
Total other		<u>440,050</u>	<u>550,000</u>	<u>(109,950)</u>
Total public works	<u>2,305,456</u>	<u>2,403,197</u>	<u>2,361,534</u>	<u>41,663</u>
Culture and recreation				
Administration				
Salaries and wages	189,620	189,620	190,900	(1,280)
Employee benefits	98,883	98,883	98,220	663
Services and supplies	15,671	15,671	15,741	(70)
Total administration	<u>304,174</u>	<u>304,174</u>	<u>304,861</u>	<u>(687)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Participant recreation				
Salaries and wages	732,824	701,982	660,391	41,591
Employee benefits	173,788	271,913	201,676	70,237
Services and supplies	904,779	916,679	844,225	72,454
Capital outlay			12,337	(12,337)
Total participant recreation	<u>1,811,391</u>	<u>1,890,574</u>	<u>1,718,629</u>	<u>171,945</u>
Parks and grounds				
Salaries and wages	1,030,171	1,083,331	945,797	137,534
Employee benefits	536,444	452,523	1,431,089	(978,566)
Services and supplies	4,737,047	4,725,147	4,015,936	709,211
Total parks and grounds	<u>6,303,662</u>	<u>6,261,001</u>	<u>6,392,822</u>	<u>(131,821)</u>
Total culture and recreation	<u>8,419,227</u>	<u>8,455,749</u>	<u>8,416,312</u>	<u>39,437</u>
Community support				
Housing and neighborhood services				
Salaries and wages	521,254	457,284	459,960	(2,676)
Employee benefits	267,880	227,455	230,903	(3,448)
Services and supplies	335,632	335,632	281,128	54,504
Total housing and neighborhood services	<u>1,124,766</u>	<u>1,020,371</u>	<u>971,991</u>	<u>48,380</u>
Economic development				
Salaries and wages	232,481	232,481	177,026	55,455
Employee benefits	122,831	122,831	100,043	22,788
Services and supplies	229,309	229,309	25,996	203,313
Total economic development	<u>584,621</u>	<u>584,621</u>	<u>303,065</u>	<u>281,556</u>
Developer agreements				
Services and supplies	61,000	61,000	20,500	40,500
Other				
Employee benefits			300,000	(300,000)
Services and supplies			50,000	(50,000)
Total other			<u>350,000</u>	<u>(350,000)</u>
Total community support	<u>1,770,387</u>	<u>1,665,992</u>	<u>1,645,556</u>	<u>20,436</u>
Total expenditures	<u>123,510,329</u>	<u>123,878,711</u>	<u>123,504,882</u>	<u>373,829</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(14,822,532)</u>	<u>(15,008,322)</u>	<u>(11,326,328)</u>	<u>3,681,994</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(500,000)	(500,000)	(500,000)	
Proceeds from capital asset disposal	25,000	25,000	226,042	201,042
Transfers in	23,492,404	23,492,404	23,522,649	30,245
Transfers out	(7,622,441)	(7,622,441)	(10,622,441)	(3,000,000)
Total other financing sources (uses)	<u>15,394,963</u>	<u>15,394,963</u>	<u>12,626,250</u>	<u>(2,768,713)</u>
CHANGE IN FUND BALANCE	572,431	386,641	1,299,922	913,281
FUND BALANCE, BEGINNING OF YEAR	<u>10,136,612</u>	<u>12,596,352</u>	<u>12,596,352</u>	
FUND BALANCE, END OF YEAR	<u>\$ 10,709,043</u>	<u>\$ 12,982,993</u>	<u>\$ 13,896,274</u>	<u>\$ 913,281</u>

CITY OF NORTH LAS VEGAS

MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 30,125,339	\$ 30,125,339	\$ 30,337,588	\$ 212,249
Charges for services			6,326	6,326
Miscellaneous			3,084	3,084
Total revenues	<u>30,125,339</u>	<u>30,125,339</u>	<u>30,346,998</u>	<u>221,659</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	13,369,417	13,369,417	12,167,655	1,201,762
Employee benefits	8,819,951	8,819,951	8,398,541	421,410
Services and supplies	3,092,009	3,092,009	2,334,117	757,892
Total police	<u>25,281,377</u>	<u>25,281,377</u>	<u>22,900,313</u>	<u>2,381,064</u>
Corrections				
Salaries and wages	666,210	666,210	577,955	88,255
Employee benefits	438,657	438,657	403,119	35,538
Services and supplies	29,707	29,707	26,169	3,538
Total corrections	<u>1,134,574</u>	<u>1,134,574</u>	<u>1,007,243</u>	<u>127,331</u>
Protective services				
Salaries and wages	3,500			
Employee benefits	320		544	(544)
Services and supplies	14,846	14,846	12,114	2,732
Total protective services	<u>18,666</u>	<u>14,846</u>	<u>12,658</u>	<u>2,188</u>
Total expenditures	<u>26,434,617</u>	<u>26,430,797</u>	<u>23,920,214</u>	<u>2,510,583</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>3,690,722</u>	<u>3,694,542</u>	<u>6,426,784</u>	<u>2,732,242</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			4,874	4,874
Transfers out	(777,000)	(777,000)	(777,000)	
Total other financing sources (uses)	<u>(777,000)</u>	<u>(777,000)</u>	<u>(772,126)</u>	<u>4,874</u>
CHANGE IN FUND BALANCE	2,913,722	2,917,542	5,654,658	2,737,116
FUND BALANCE, BEGINNING OF YEAR	<u>3,635,010</u>	<u>5,472,314</u>	<u>5,472,314</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,548,732</u>	<u>\$ 8,389,856</u>	<u>\$ 11,126,972</u>	<u>\$ 2,737,116</u>

CITY OF NORTH LAS VEGAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, 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, 2016, 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, 2015.

The actuarial valuation report dated June 30, 2015, 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.

**NON-MAJOR
GOVERNMENTAL FUNDS**

CITY OF NORTH LAS VEGAS

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Aggregate Other Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 49,708,430	\$ 7,552,386	\$ 18,720,650	\$ 75,981,466
Accounts receivable, net	917,651		46,236	963,887
Grants receivable	2,181,829		6,230,458	8,412,287
Property taxes receivable	349,842	1,194		351,036
Interest receivable		3,241		3,241
Special assessments receivable		67,198		67,198
Prepaid items	11,921			11,921
Due from other governments	3,902,225		188	3,902,413
Property held for resale	6,426,980			6,426,980
Total assets	<u>\$ 63,498,878</u>	<u>\$ 7,624,019</u>	<u>\$ 24,997,532</u>	<u>\$ 96,120,429</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 1,077,848	\$ 5,135	\$ 4,461,350	\$ 5,544,333
Accrued salaries and benefits	252,657			252,657
Due to other funds	30,550			30,550
Due to other governments	209,464		45,223	254,687
Customer deposits	9,610			9,610
Unearned revenue	2,378,005		66,699	2,444,704
Total liabilities	<u>3,958,134</u>	<u>5,135</u>	<u>4,573,272</u>	<u>8,536,541</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	119,496	1,010		120,506
Total liabilities and deferred inflows of resources	<u>4,077,630</u>	<u>6,145</u>	<u>4,573,272</u>	<u>8,657,047</u>
FUND BALANCES				
Nonspendable				
Prepaid items	11,921			11,921
Land held for resale	6,426,980			6,426,980
Restricted for				
Debt service				
Street improvements projects	5,194,054	7,617,874	4,056,739	9,250,793
Other capital projects	17,882,515		3,808,176	21,690,691
Police, fire and other public safety programs and projects	9,061,704		9,241,654	18,303,358
Parks, cultural and other recreational programs	29,519		3,290,767	3,320,286
Library district operations	461,755			461,755
Courts and other judicial programs	1,708,381			1,708,381
Community assistance and support programs	15,122,644			15,122,644
Other	19,103			19,103
Committed to				
Community assistance and support programs	770,075			770,075
Assigned to				
Parks, cultural and other recreational programs	2,732,597			2,732,597
Unassigned			26,924	26,924
Total fund balances	<u>59,421,248</u>	<u>7,617,874</u>	<u>20,424,260</u>	<u>87,463,382</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,498,878</u>	<u>\$ 7,624,019</u>	<u>\$ 24,997,532</u>	<u>\$ 96,120,429</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, 2016

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 14,795,644	\$ 2,690	\$	\$ 14,798,334
Residential construction taxes	426,603			426,603
Room taxes	564,601			564,601
Special assessments		2,167,784		2,167,784
Charges for services	2,882,663		114,266	2,996,929
Intergovernmental	22,538,324		38,404,185	60,942,509
Fines and forfeitures	474,865	430		475,295
Contributions	20,430		300	20,730
Rents and royalties	97,000			97,000
Investment income	147,274	21,200	47,383	215,857
Miscellaneous	2,053,295		556,344	2,609,639
Total revenues	44,000,699	2,192,104	39,122,478	85,315,281
EXPENDITURES				
Current				
General government	10,192		337,719	347,911
Judicial	510,619			510,619
Public safety	17,887,914		364,624	18,252,538
Public works	4,497,424		920,067	5,417,491
Culture and recreation	4,641,932		108,449	4,750,381
Community support	5,087,306		3,191	5,090,497
Total current	32,635,387		1,734,050	34,369,437
Capital outlay				
General government	248		1,072,755	1,073,003
Public safety	245,258		2,235,493	2,480,751
Public works	130,166		37,718,581	37,848,747
Culture and recreation	286,882		2,587,733	2,874,615
Community support	48,835		26,953	75,788
Total capital outlay	711,389		43,641,515	44,352,904
Debt service				
Principal payments	385,000	4,149,700		4,534,700
Interest and fiscal charges	91,761	7,305,541		7,397,302
Total debt service	476,761	11,455,241		11,932,002
Total expenditures	33,823,537	11,455,241	45,375,565	90,654,343
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,177,162	(9,263,137)	(6,253,087)	(5,339,062)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	19,000		17,193	36,193
Transfers in	1,584,027	12,427,741	4,048,295	18,060,063
Transfers out	(7,582,409)		(289,814)	(7,872,223)
Total other financing sources (uses)	(5,979,382)	12,427,741	3,775,674	10,224,033
CHANGE IN FUND BALANCE	4,197,780	3,164,604	(2,477,413)	4,884,971
FUND BALANCE, BEGINNING OF YEAR	55,223,468	4,453,270	22,901,673	82,578,411
FUND BALANCE, END OF YEAR	\$ 59,421,248	\$ 7,617,874	\$ 20,424,260	\$ 87,463,382

SPECIAL REVENUE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

		Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
ASSETS						
Cash, cash equivalents and investments	\$	2,719,001	\$ 13,694,577	\$ 483,790	\$ 20,850,631	\$ 2,152,902
Accounts receivable, net		48,575	306,292	3,895	245,647	(838)
Grants receivable		91,994		517	40,512	
Property taxes receivable			49,205	62,914	232,745	
Prepaid items				6,417		
Due from other governments					656,150	3,245,326
Property held for resale						
Total assets	\$	<u>2,859,570</u>	<u>\$ 14,050,074</u>	<u>\$ 557,533</u>	<u>\$ 22,025,685</u>	<u>\$ 5,397,390</u>
LIABILITIES						
Accounts payable and other accrued liabilities	\$	58,982	\$ 4,159	\$ 26,033	\$ 378,261	\$ 4,916
Accrued salaries and benefits		8,510	8,009	22,136	50,647	136,803
Due to other funds		770	835	2,280	5,263	18,442
Due to other governments				17,622	98,297	
Customer deposits		9,610				
Unearned revenue		19,582	2,873	3,011	475	
Total liabilities		<u>97,454</u>	<u>15,876</u>	<u>71,082</u>	<u>532,943</u>	<u>160,161</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues			32,813	18,279	66,958	
Total liabilities and deferred inflows of resources		<u>97,454</u>	<u>48,689</u>	<u>89,361</u>	<u>599,901</u>	<u>160,161</u>
FUND BALANCES						
Nonspendable						
Prepaid items				6,417		
Land held for resale						
Restricted for						
Street improvements projects					5,194,054	
Other capital projects					16,212,627	
Police, fire and other public safety programs and projects						5,237,229
Parks, cultural and other recreational programs		29,519				
Library district operations				461,755		
Courts and other judicial programs						
Community assistance and support programs			14,001,385			
Other					19,103	
Committed to						
Community assistance and support programs						
Assigned to						
Parks, cultural and other recreational programs		2,732,597				
Total fund balances		<u>2,762,116</u>	<u>14,001,385</u>	<u>468,172</u>	<u>21,425,784</u>	<u>5,237,229</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>2,859,570</u>	<u>\$ 14,050,074</u>	<u>\$ 557,533</u>	<u>\$ 22,025,685</u>	<u>\$ 5,397,390</u>

(Continued)

CITY OF NORTH LAS VEGAS

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

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
ASSETS					
Cash, cash equivalents and investments	\$ 1,669,888	\$ 3,415,315	\$ 1,715,621	\$ 3,006,705	\$ 49,708,430
Accounts receivable, net		218,065		96,015	917,651
Grants receivable		472,488		1,576,318	2,181,829
Property taxes receivable		4,978			349,842
Prepaid items			5,504		11,921
Due from other governments		749			3,902,225
Property held for resale				6,426,980	6,426,980
Total assets	\$ 1,669,888	\$ 4,111,595	\$ 1,721,125	\$ 11,106,018	\$ 63,498,878
LIABILITIES					
Accounts payable and other accrued liabilities	\$	\$ 141,539	\$ 459	\$ 463,499	\$ 1,077,848
Accrued salaries and benefits		16,811	6,140	3,601	252,657
Due to other funds		1,943	641	376	30,550
Due to other governments				93,545	209,464
Customer deposits					9,610
Unearned revenue		125,381		2,226,683	2,378,005
Total liabilities		285,674	7,240	2,787,704	3,958,134
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		1,446			119,496
Total liabilities and deferred inflows of resources		287,120	7,240	2,787,704	4,077,630
FUND BALANCES					
Nonspendable					
Prepaid items			5,504		11,921
Land held for resale				6,426,980	6,426,980
Restricted for					
Street improvements projects					5,194,054
Other capital projects	1,669,888				17,882,515
Police, fire and other public safety programs and projects		3,824,475			9,061,704
Parks, cultural and other recreational programs					29,519
Library district operations					461,755
Courts and other judicial programs			1,708,381		1,708,381
Community assistance and support programs				1,121,259	15,122,644
Other					19,103
Committed to					
Community assistance and support programs				770,075	770,075
Assigned to					
Parks, cultural and other recreational programs					2,732,597
Total fund balances	1,669,888	3,824,475	1,713,885	8,318,314	59,421,248
Total liabilities, deferred inflows of resources and fund balances	\$ 1,669,888	\$ 4,111,595	\$ 1,721,125	\$ 11,106,018	\$ 63,498,878

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, 2016

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
REVENUES					
Property taxes	\$	\$ 1,595,934	\$ 2,628,016	\$ 10,363,852	\$
Residential construction taxes					
Room taxes				564,601	
Charges for services	2,354,884				
Intergovernmental	90,207		110,218	4,869,502	11,562,218
Fines and forfeitures	150		62,087		
Contributions	11,603				
Rents and royalties		97,000			
Investment income	1,134	98,616		14,537	16,183
Miscellaneous	10,303		47,040	(18,547)	(3,220)
Total revenues	<u>2,468,281</u>	<u>1,791,550</u>	<u>2,847,361</u>	<u>15,793,945</u>	<u>11,575,181</u>
EXPENDITURES					
Current					
General government				1	
Judicial					
Public safety	9,594			3,861,035	10,465,358
Public works	60,250	186		4,428,250	
Culture and recreation	1,800,270		2,130,996	710,660	
Community support	(2)	1,032,303		7,128	
Total current	<u>1,870,112</u>	<u>1,032,489</u>	<u>2,130,996</u>	<u>9,007,074</u>	<u>10,465,358</u>
Capital outlay					
General government				248	
Public safety				31,185	
Public works				130,166	
Culture and recreation	286,882				
Community support		48,745		90	
Total capital outlay	<u>286,882</u>	<u>48,745</u>		<u>161,689</u>	
Debt service					
Principal payments			385,000		
Interest and fiscal charges			91,761		
Total debt service			<u>476,761</u>		
Total expenditures	<u>2,156,994</u>	<u>1,081,234</u>	<u>2,607,757</u>	<u>9,168,763</u>	<u>10,465,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>311,287</u>	<u>710,316</u>	<u>239,604</u>	<u>6,625,182</u>	<u>1,109,823</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal					
Transfers in	14,563		241,054	240,000	
Transfers out			(527,500)	(4,867,638)	
Total other financing sources (uses)	<u>14,563</u>		<u>(286,446)</u>	<u>(4,627,638)</u>	
CHANGE IN FUND BALANCE	325,850	710,316	(46,842)	1,997,544	1,109,823
FUND BALANCE, BEGINNING OF YEAR	<u>2,436,266</u>	<u>13,291,069</u>	<u>515,014</u>	<u>19,428,240</u>	<u>4,127,406</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,762,116</u>	<u>\$ 14,001,385</u>	<u>\$ 468,172</u>	<u>\$ 21,425,784</u>	<u>\$ 5,237,229</u>

(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, 2016

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
REVENUES					
Property taxes	\$	\$ 207,842	\$	\$	\$ 14,795,644
Residential construction taxes	426,603				426,603
Room taxes					564,601
Charges for services		83,345	444,434		2,882,663
Intergovernmental		1,761,090		4,145,089	22,538,324
Fines and forfeitures		412,628			474,865
Contributions		8,827			20,430
Rents and royalties					97,000
Investment income	12,311	4,493			147,274
Miscellaneous		810,645	379,622	827,452	2,053,295
Total revenues	438,914	3,288,870	824,056	4,972,541	44,000,699
EXPENDITURES					
Current					
General government			6,475	3,716	10,192
Judicial			510,619		510,619
Public safety		3,551,927			17,887,914
Public works				8,738	4,497,424
Culture and recreation				6	4,641,932
Community support				4,047,877	5,087,306
Total current	_____	3,551,927	517,094	4,060,337	32,635,387
Capital outlay					
General government					248
Public safety		214,073			245,258
Public works					130,166
Culture and recreation					286,882
Community support					48,835
Total capital outlay	_____	214,073	_____	_____	711,389
Debt service					
Principal payments					385,000
Interest and fiscal charges					91,761
Total debt service	_____	_____	_____	_____	476,761
Total expenditures	_____	3,766,000	517,094	4,060,337	33,823,537
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	438,914	(477,130)	306,962	912,204	10,177,162
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal		19,000			19,000
Transfers in		1,088,410			1,584,027
Transfers out	(525,935)	(30,245)	(300,000)	(1,331,091)	(7,582,409)
Total other financing sources (uses)	(525,935)	1,077,165	(300,000)	(1,331,091)	(5,979,382)
CHANGE IN FUND BALANCE	(87,021)	600,035	6,962	(418,887)	4,197,780
FUND BALANCE, BEGINNING OF YEAR	1,756,909	3,224,440	1,706,923	8,737,201	55,223,468
FUND BALANCE, END OF YEAR	\$ 1,669,888	\$ 3,824,475	\$ 1,713,885	\$ 8,318,314	\$ 59,421,248

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 2,418,000	\$ 2,418,000	\$ 2,354,884	\$ (63,116)
Intergovernmental	55,560	66,560	90,207	23,647
Fines and forfeitures			150	150
Contributions	30,000	30,000	11,603	(18,397)
Investment income			1,134	1,134
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>10,303</u>	<u>303</u>
Total revenues	<u>2,513,560</u>	<u>2,524,560</u>	<u>2,468,281</u>	<u>(56,279)</u>
EXPENDITURES				
Public safety				
Police				
Services and supplies			9,594	(9,594)
Total public safety			<u>9,594</u>	<u>(9,594)</u>
Public works				
Streets				
Salaries and wages			5,130	(5,130)
Employee benefits			541	(541)
Total streets			<u>5,671</u>	<u>(5,671)</u>
Engineering				
Services and supplies			48,000	(48,000)
Construction				
Salaries and wages			844	(844)
Survey				
Salaries and wages			1,692	(1,692)
Employee benefits			98	(98)
Services and supplies			59	(59)
Total survey			<u>1,849</u>	<u>(1,849)</u>
Other				
Employee benefits			3,676	(3,676)
Services and supplies			210	(210)
Total other			<u>3,886</u>	<u>(3,886)</u>
Total public works			<u>60,250</u>	<u>(60,250)</u>
Culture and recreation				
Administration				
Services and supplies	25,000	25,000		25,000
Capital outlay	<u>214,132</u>	<u>214,132</u>	<u>286,882</u>	<u>(72,750)</u>
Participant recreation				
Salaries and wages	1,431,965	1,303,965	910,709	393,256
Employee benefits	287,512	287,512	193,276	94,236
Services and supplies	<u>511,328</u>	<u>650,328</u>	<u>491,882</u>	<u>158,446</u>
Total participant recreation	<u>2,230,805</u>	<u>2,241,805</u>	<u>1,595,867</u>	<u>645,938</u>
Parks and grounds				
Salaries and wages			5,736	(5,736)
Employee benefits			12,144	(12,144)
Services and supplies	<u>403,576</u>	<u>403,576</u>	<u>175,713</u>	<u>227,863</u>
Total parks and grounds	<u>403,576</u>	<u>403,576</u>	<u>193,593</u>	<u>209,983</u>

(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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other				
Salaries and wages			9,589	(9,589)
Employee benefits			1,221	(1,221)
Total other			<u>10,810</u>	<u>(10,810)</u>
Total culture and recreation	<u>2,873,513</u>	<u>2,884,513</u>	<u>2,087,152</u>	<u>797,361</u>
Community support				
Housing and neighborhood services				
Services and supplies			(2)	2
Total expenditures	<u>2,873,513</u>	<u>2,884,513</u>	<u>2,156,994</u>	<u>727,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(359,953)</u>	<u>(359,953)</u>	<u>311,287</u>	<u>671,240</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	292,348	292,348	14,563	(277,785)
Transfers out	<u>(292,348)</u>	<u>(292,348)</u>		<u>292,348</u>
Total other financing sources (uses)			<u>14,563</u>	<u>14,563</u>
CHANGE IN FUND BALANCE	(359,953)	(359,953)	325,850	685,803
FUND BALANCE, BEGINNING OF YEAR	<u>1,413,433</u>	<u>2,436,266</u>	<u>2,436,266</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,052,480</u>	<u>\$ 2,076,313</u>	<u>\$ 2,762,116</u>	<u>\$ 685,803</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,311,579	\$ 1,311,579	\$ 1,595,934	\$ 284,355
Rents and royalties			97,000	97,000
Investment income	<u>31,600</u>	<u>31,600</u>	<u>98,616</u>	<u>67,016</u>
Total revenues	<u>1,343,179</u>	<u>1,343,179</u>	<u>1,791,550</u>	<u>448,371</u>
EXPENDITURES				
General government				
Executive				
Salaries and wages	(1,520)	(1,520)		(1,520)
Employee benefits	<u>600</u>	<u>600</u>		<u>600</u>
Other				
Salaries and wages	20,520	20,520		20,520
Employee benefits	8,971	8,971		8,971
Services and supplies	<u>665</u>	<u>665</u>		<u>665</u>
Total other	<u>30,156</u>	<u>30,156</u>		<u>30,156</u>
Total general government	<u>29,236</u>	<u>29,236</u>		<u>29,236</u>
Public works				
Other				
Salaries and wages			146	(146)
Employee benefits			38	(38)
Services and supplies			<u>2</u>	<u>(2)</u>
Total other			<u>186</u>	<u>(186)</u>
Community support				
Housing and neighborhood services				
Salaries and wages			1,222	(1,222)
Employee benefits			1,917	(1,917)
Services and supplies	<u>40,000</u>	<u>40,000</u>	<u>35,672</u>	<u>4,328</u>
Total housing and neighborhood services	<u>40,000</u>	<u>40,000</u>	<u>38,811</u>	<u>1,189</u>
Economic development				
Salaries and wages	351,584	351,584	365,789	(14,205)
Employee benefits	185,100	185,100	209,951	(24,851)
Services and supplies	1,218,960	1,352,730	417,748	934,982
Capital outlay	<u>700,000</u>	<u>779,446</u>	<u>48,745</u>	<u>730,701</u>
Total economic development	<u>2,455,644</u>	<u>2,668,860</u>	<u>1,042,233</u>	<u>1,626,627</u>
Other				
Services and supplies			4	(4)
Total community support	<u>2,495,644</u>	<u>2,708,860</u>	<u>1,081,048</u>	<u>1,627,812</u>
Total expenditures	<u>2,524,880</u>	<u>2,738,096</u>	<u>1,081,234</u>	<u>1,656,862</u>
CHANGE IN FUND BALANCE	(1,181,701)	(1,394,917)	710,316	2,105,233
FUND BALANCE, BEGINNING OF YEAR	<u>11,891,518</u>	<u>13,291,069</u>	<u>13,291,069</u>	
FUND BALANCE, END OF YEAR	<u>\$ 10,709,817</u>	<u>\$ 11,896,152</u>	<u>\$ 14,001,385</u>	<u>\$ 2,105,233</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,606,402	\$ 2,606,402	\$ 2,628,016	\$ 21,614
Intergovernmental		97,600	110,218	12,618
Fines and forfeitures	65,000	65,000	62,087	(2,913)
Miscellaneous	55,000	55,000	47,040	(7,960)
Total revenues	<u>2,726,402</u>	<u>2,824,002</u>	<u>2,847,361</u>	<u>23,359</u>
EXPENDITURES				
Culture and recreation				
Library district operations				
Salaries and wages	1,079,509	1,079,509	1,048,019	31,490
Employee benefits	545,721	545,721	526,740	18,981
Services and supplies	548,967	646,567	556,237	90,330
Total culture and recreation	<u>2,174,197</u>	<u>2,271,797</u>	<u>2,130,996</u>	<u>140,801</u>
Debt service				
Principal payments	385,000	385,000	385,000	
Interest and fiscal charges	91,761	91,761	91,761	
Total debt service	<u>476,761</u>	<u>476,761</u>	<u>476,761</u>	
Total expenditures	<u>2,650,958</u>	<u>2,748,558</u>	<u>2,607,757</u>	<u>140,801</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>75,444</u>	<u>75,444</u>	<u>239,604</u>	<u>164,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	241,054	241,054	241,054	
Transfers out	(527,500)	(527,500)	(527,500)	
Total other financing sources (uses)	<u>(286,446)</u>	<u>(286,446)</u>	<u>(286,446)</u>	
CHANGE IN FUND BALANCE	(211,002)	(211,002)	(46,842)	164,160
FUND BALANCE, BEGINNING OF YEAR	<u>346,687</u>	<u>515,014</u>	<u>515,014</u>	
FUND BALANCE, END OF YEAR	<u>\$ 135,685</u>	<u>\$ 304,012</u>	<u>\$ 468,172</u>	<u>\$ 164,160</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, 2016

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 9,697,883	\$ 9,697,883	\$ 10,363,852	\$ 665,969
Room taxes	400,000	400,000	564,601	164,601
Intergovernmental	4,690,877	4,690,877	4,869,502	178,625
Investment income	1,950	1,950	14,537	12,587
Miscellaneous	100,840	100,840	(18,547)	(119,387)
Total revenues	14,891,550	14,891,550	15,793,945	902,395
EXPENDITURES				
General government				
City attorney				
Capital outlay			6	(6)
Total city attorney			6	(6)
Finance				
Capital outlay			242	(242)
Total finance			242	(242)
Other				
Services and supplies		1,835	1	1,834
Total general government		1,835	249	1,586
Public safety				
Protective services				
Salaries and wages	1,295,289	1,216,867	1,161,201	55,666
Employee benefits	642,983	595,388	555,042	40,346
Services and supplies	2,744,230	2,687,230	2,144,792	542,438
Capital outlay		32,000	31,185	815
Total public safety	4,682,502	4,531,485	3,892,220	639,265
Public works				
Streets				
Salaries and wages	1,301,085	1,354,329	1,300,239	54,090
Employee benefits	644,627	629,643	654,462	(24,819)
Services and supplies	2,783,100	2,959,200	2,407,658	551,542
Capital outlay			97,801	(97,801)
Total streets	4,728,812	4,943,172	4,460,160	483,012
Engineering				
Salaries and wages			1,731	(1,731)
Employee benefits			(7,925)	7,925
Services and supplies			61	(61)
Capital outlay			29,960	(29,960)
Total engineering			23,827	(23,827)
Real property				
Employee benefits			(258)	258
Services and supplies			(18)	18
Capital outlay			711	(711)
Construction				
Salaries and wages			6,292	(6,292)
Employee benefits			3,540	(3,540)
Services and supplies			223	(223)

(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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Survey				
Employee benefits			(512)	512
Capital outlay			1,694	(1,694)
Total survey			<u>1,182</u>	<u>(1,182)</u>
Other				
Salaries and wages		25,178		25,178
Employee benefits		62,579	7,741	54,838
Services and supplies			55,016	(55,016)
Total other		<u>87,757</u>	<u>62,757</u>	<u>25,000</u>
Total public works	<u>4,728,812</u>	<u>5,030,929</u>	<u>4,558,416</u>	<u>472,513</u>
Culture and recreation				
Parks and grounds				
Services and supplies	<u>876,281</u>	<u>876,281</u>	<u>710,660</u>	<u>165,621</u>
Other				
Services and supplies	<u>546</u>	<u>546</u>		<u>546</u>
Community support				
Housing and neighborhood services				
Salaries and wages			4,219	(4,219)
Employee benefits			2,759	(2,759)
Services and supplies			150	(150)
Capital outlay			90	(90)
Other				
Services and supplies	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total community support	<u>100,000</u>	<u>100,000</u>	<u>7,218</u>	<u>92,782</u>
Total expenditures	<u>10,388,141</u>	<u>10,541,076</u>	<u>9,168,763</u>	<u>1,372,313</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,503,409</u>	<u>4,350,474</u>	<u>6,625,182</u>	<u>2,274,708</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		240,000	240,000	
Transfers out	(4,867,638)	(4,867,638)	(4,867,638)	
Total other financing sources (uses)	<u>(4,867,638)</u>	<u>(4,627,638)</u>	<u>(4,627,638)</u>	
CHANGE IN FUND BALANCE	(364,229)	(277,164)	1,997,544	2,274,708
FUND BALANCE, BEGINNING OF YEAR	<u>12,154,708</u>	<u>19,428,240</u>	<u>19,428,240</u>	
FUND BALANCE, END OF YEAR	<u>\$ 11,790,479</u>	<u>\$ 19,151,076</u>	<u>\$ 21,425,784</u>	<u>\$ 2,274,708</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 10,081,330	\$ 10,081,330	\$ 11,562,218	\$ 1,480,888
Investment income	13,400	13,400	16,183	2,783
Miscellaneous			(3,220)	(3,220)
Total revenues	<u>10,094,730</u>	<u>10,094,730</u>	<u>11,575,181</u>	<u>1,480,451</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	5,945,745	5,945,745	5,690,183	255,562
Employee benefits	4,201,093	4,201,093	4,019,846	181,247
Services and supplies	889,948	889,948	755,329	134,619
Total public safety	<u>11,036,786</u>	<u>11,036,786</u>	<u>10,465,358</u>	<u>571,428</u>
Total expenditures	<u>11,036,786</u>	<u>11,036,786</u>	<u>10,465,358</u>	<u>571,428</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(942,056)</u>	<u>(942,056)</u>	<u>1,109,823</u>	<u>2,051,879</u>
CHANGE IN FUND BALANCE	(942,056)	(942,056)	1,109,823	2,051,879
FUND BALANCE, BEGINNING OF YEAR	<u>3,268,084</u>	<u>4,127,406</u>	<u>4,127,406</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,326,028</u>	<u>\$ 3,185,350</u>	<u>\$ 5,237,229</u>	<u>\$ 2,051,879</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Residential construction taxes	\$ 230,000	\$ 230,000	\$ 426,603	\$ 196,603
Investment income	<u>220</u>	<u>220</u>	<u>12,311</u>	<u>12,091</u>
Total revenues	<u>230,220</u>	<u>230,220</u>	<u>438,914</u>	<u>208,694</u>
EXPENDITURES				
Culture and recreation				
Parks planning and development				
Services and supplies	<u>113,200</u>	<u>113,200</u>		<u>113,200</u>
Total parks planning and development	<u>113,200</u>	<u>113,200</u>		<u>113,200</u>
Total culture and recreation	<u>113,200</u>	<u>113,200</u>		<u>113,200</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>117,020</u>	<u>117,020</u>	<u>438,914</u>	<u>321,894</u>
OTHER FINANCING USES				
Transfers out	<u>(483,000)</u>	<u>(525,935)</u>	<u>(525,935)</u>	
CHANGE IN FUND BALANCE	(365,980)	(408,915)	(87,021)	321,894
FUND BALANCE, BEGINNING OF YEAR	<u>1,554,064</u>	<u>1,756,909</u>	<u>1,756,909</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,188,084</u>	<u>\$ 1,347,994</u>	<u>\$ 1,669,888</u>	<u>\$ 321,894</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, 2016

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 206,338	\$ 206,338	\$ 207,842	\$ 1,504
Charges for services	30,000	30,000	83,345	53,345
Intergovernmental	1,369,162	2,032,972	1,761,090	(271,882)
Fines and forfeitures		381,000	412,628	31,628
Contributions	15,000	15,000	8,827	(6,173)
Investment income			4,493	4,493
Miscellaneous	400,000	450,000	810,645	360,645
Total revenues	2,020,500	3,115,310	3,288,870	173,560
EXPENDITURES				
Public safety				
Police				
Salaries and wages	1,116,599	1,491,431	1,296,149	195,282
Employee benefits	730,472	843,612	770,119	73,493
Services and supplies	405,296	1,101,270	581,819	519,451
Capital outlay	123,581	187,915	151,833	36,082
Total police	2,375,948	3,624,228	2,799,920	824,308
Corrections				
Salaries and wages	28,500	66,603	33,631	32,972
Employee benefits	3,900	9,215	4,687	4,528
Services and supplies	100,000	100,000		100,000
Total corrections	132,400	175,818	38,318	137,500
Protective services				
Salaries and wages	277,849	412,476	416,603	(4,127)
Employee benefits	148,109	210,085	222,288	(12,203)
Services and supplies	261,901	184,268	170,736	13,532
Capital outlay		62,240	62,240	
Total protective services	687,859	869,069	871,867	(2,798)
Fire				
Salaries and wages			25,260	(25,260)
Employee benefits			3,512	(3,512)
Services and supplies		28,209	27,123	1,086
Total fire		28,209	55,895	(27,686)
Total public safety	3,196,207	4,697,324	3,766,000	931,324
Total expenditures	3,196,207	4,697,324	3,766,000	931,324
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,175,707)	(1,582,014)	(477,130)	1,104,884
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal		19,000	19,000	
Transfers in	975,443	1,106,653	1,088,410	(18,243)
Transfers out			(30,245)	(30,245)
Total other financing sources (uses)	975,443	1,125,653	1,077,165	(48,488)
CHANGE IN FUND BALANCE	(200,264)	(456,361)	600,035	1,056,396
FUND BALANCE, BEGINNING OF YEAR	2,873,446	3,224,440	3,224,440	
FUND BALANCE, END OF YEAR	\$ 2,674,182	\$ 2,768,079	\$ 3,824,475	\$ 1,056,396

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 343,400	\$ 343,400	\$ 444,434	\$ 101,034
Miscellaneous	<u>351,984</u>	<u>351,984</u>	<u>379,622</u>	<u>27,638</u>
Total revenues	<u>695,384</u>	<u>695,384</u>	<u>824,056</u>	<u>128,672</u>
EXPENDITURES				
General government				
Other				
Services and supplies	<u>369,410</u>	<u>369,410</u>	<u>6,475</u>	<u>362,935</u>
Total other	<u>369,410</u>	<u>369,410</u>	<u>6,475</u>	<u>362,935</u>
Total general government	<u>369,410</u>	<u>369,410</u>	<u>6,475</u>	<u>362,935</u>
Judicial				
Municipal court				
Salaries and wages	302,991	302,991	239,834	63,157
Employee benefits	159,954	159,954	121,278	38,676
Services and supplies	<u>327,170</u>	<u>327,170</u>	<u>149,507</u>	<u>177,663</u>
Total municipal court	<u>790,115</u>	<u>790,115</u>	<u>510,619</u>	<u>279,496</u>
Total expenditures	<u>1,159,525</u>	<u>1,159,525</u>	<u>517,094</u>	<u>642,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(464,141)</u>	<u>(464,141)</u>	<u>306,962</u>	<u>771,103</u>
OTHER FINANCING USES				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>
CHANGE IN FUND BALANCE	<u>(764,141)</u>	<u>(764,141)</u>	<u>6,962</u>	<u>771,103</u>
FUND BALANCE, BEGINNING OF YEAR	<u>1,662,008</u>	<u>1,706,923</u>	<u>1,706,923</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 897,867</u>	<u>\$ 942,782</u>	<u>\$ 1,713,885</u>	<u>\$ 771,103</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 10,078,886	\$ 10,175,520	\$ 4,145,089	\$ (6,030,431)
Miscellaneous	<u>250,000</u>	<u>730,000</u>	<u>827,452</u>	<u>97,452</u>
Total revenues	<u>10,328,886</u>	<u>10,905,520</u>	<u>4,972,541</u>	<u>(5,932,979)</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages			32	(32)
Employee benefits			9	(9)
Services and supplies			<u>1</u>	<u>(1)</u>
Other				
Employee benefits			3,412	(3,412)
Services and supplies			<u>262</u>	<u>(262)</u>
Total general government			<u>3,716</u>	<u>(3,716)</u>
Public works				
Streets				
Employee benefits			<u>643</u>	<u>(643)</u>
Engineering				
Salaries and wages			<u>7,531</u>	<u>(7,531)</u>
Other				
Employee benefits			<u>564</u>	<u>(564)</u>
Total other			<u>564</u>	<u>(564)</u>
Total public works			<u>8,738</u>	<u>(8,738)</u>
Culture and recreation				
Other				
Employee benefits			<u>6</u>	<u>(6)</u>
Total other			<u>6</u>	<u>(6)</u>
Total culture and recreation			<u>6</u>	<u>(6)</u>
Community support				
Housing and neighborhood services				
Salaries and wages	511,360	513,125	430,880	82,245
Employee benefits	256,161	256,627	224,912	31,715
Services and supplies	9,574,713	9,919,116	3,392,035	6,527,081
Capital outlay	<u>717,900</u>	<u>717,900</u>		<u>717,900</u>
Economic development				
Services and supplies			<u>50</u>	<u>(50)</u>
Total economic development			<u>50</u>	<u>(50)</u>
Total expenditures	<u>11,060,134</u>	<u>11,406,768</u>	<u>4,060,337</u>	<u>7,346,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(731,248)</u>	<u>(501,248)</u>	<u>912,204</u>	<u>1,413,452</u>
OTHER FINANCING USES				
Transfers out	<u>(400,900)</u>	<u>(532,110)</u>	<u>(1,331,091)</u>	<u>(798,981)</u>
Total other financing uses	<u>(400,900)</u>	<u>(532,110)</u>	<u>(1,331,091)</u>	<u>(798,981)</u>

(Continued)

CITY OF NORTH LAS VEGAS

COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	(1,132,148)	(1,033,358)	(418,887)	614,471
FUND BALANCE, BEGINNING OF YEAR	<u>6,452,934</u>	<u>8,737,201</u>	<u>8,737,201</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,320,786</u>	<u>\$ 7,703,843</u>	<u>\$ 8,318,314</u>	<u>\$ 614,471</u>

DEBT SERVICE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,020,090	\$ 2,020,090	\$ 2,690	\$ 2,690
Special assessments			2,167,784	147,694
Fines and forfeitures			430	430
Investment income			21,200	21,200
Total revenues	<u>2,020,090</u>	<u>2,020,090</u>	<u>2,192,104</u>	<u>172,014</u>
EXPENDITURES				
Debt service				
Principal payments	4,149,700	4,149,700	4,149,700	
Interest and fiscal charges	7,298,131	7,299,863	7,305,541	(5,678)
Total expenditures	<u>11,447,831</u>	<u>11,449,563</u>	<u>11,455,241</u>	<u>(5,678)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,427,741)</u>	<u>(9,429,473)</u>	<u>(9,263,137)</u>	<u>166,336</u>
OTHER FINANCING SOURCES				
Transfers in	9,427,741	9,427,741	12,427,741	3,000,000
CHANGE IN FUND BALANCE		(1,732)	3,164,604	3,166,336
FUND BALANCE, BEGINNING OF YEAR	<u>4,260,387</u>	<u>4,453,270</u>	<u>4,453,270</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,260,387</u>	<u>\$ 4,451,538</u>	<u>\$ 7,617,874</u>	<u>\$ 3,166,336</u>

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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

Civic Center Facilities

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

Parks and Recreation Projects

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

Public Safety Projects

Accounts for the cost of public safety projects associated with the City's police, fire and detention facilities, as well as the installation of traffic signals in developing areas and improvements of storm drainage systems.

Capital Projects Street Improvements

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

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	<u>General Government Improvements</u>	<u>Municipal Buildings Facilities</u>	<u>Civic Center Facilities</u>	<u>Parks and Recreation Projects</u>
ASSETS				
Cash, cash equivalents and investments	\$ 143,379	\$ 4,427,508	\$ 1,936,724	\$ 2,076,953
Accounts receivable, net				2,907
Grants receivable				319,938
Due from other governments				188
Total assets	<u>\$ 143,379</u>	<u>\$ 4,427,508</u>	<u>\$ 1,936,724</u>	<u>\$ 2,399,986</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 10,460	\$ 156,599	\$ 707,195	\$ 276,090
Due to other governments				45,223
Unearned revenue				4,578
Total liabilities	<u>10,460</u>	<u>156,599</u>	<u>707,195</u>	<u>325,891</u>
FUND BALANCES				
Restricted for				
Street improvements projects				
Other capital projects	132,919	2,445,728	1,229,529	
Police, fire and other public safety programs and projects		608,509		
Parks, cultural and other recreational programs		1,216,672		2,074,095
Unassigned				
Total fund balances	<u>132,919</u>	<u>4,270,909</u>	<u>1,229,529</u>	<u>2,074,095</u>
Total liabilities and fund balances	<u>\$ 143,379</u>	<u>\$ 4,427,508</u>	<u>\$ 1,936,724</u>	<u>\$ 2,399,986</u>

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

	<u>Public Safety Projects</u>	<u>Capital Projects Street Improvements</u>	<u>Total Capital Projects</u>
ASSETS			
Cash, cash equivalents and investments	\$ 7,059,414	\$ 3,076,672	\$ 18,720,650
Accounts receivable, net		43,329	46,236
Grants receivable	2,541,740	3,368,780	6,230,458
Due from other governments			188
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 9,601,154</u></u>	<u><u>\$ 6,488,781</u></u>	<u><u>\$ 24,997,532</u></u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 938,857	\$ 2,372,149	\$ 4,461,350
Due to other governments			45,223
Unearned revenue	2,228	59,893	66,699
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u><u>941,085</u></u>	<u><u>2,432,042</u></u>	<u><u>4,573,272</u></u>
FUND BALANCES			
Restricted for			
Street improvements projects		4,056,739	4,056,739
Other capital projects			3,808,176
Police, fire and other public safety programs and projects	8,633,145		9,241,654
Parks, cultural and other recreational programs			3,290,767
Unassigned	26,924		26,924
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u><u>8,660,069</u></u>	<u><u>4,056,739</u></u>	<u><u>20,424,260</u></u>
Total liabilities and fund balances	<u><u>\$ 9,601,154</u></u>	<u><u>\$ 6,488,781</u></u>	<u><u>\$ 24,997,532</u></u>

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, 2016

	General Government Improvements	Municipal Buildings Facilities	Civic Center Facilities	Parks and Recreation Projects
REVENUES				
Charges for services	\$	\$	\$	\$
Intergovernmental Contributions				1,057,700
Investment income		34,256	13,127	
Miscellaneous				4,146
Total revenues		34,256	13,127	1,061,846
EXPENDITURES				
Current				
General government		136,100	228,511	(1,475)
Public safety		13,457		
Public works	1	9,436		(66,386)
Culture and recreation		15,926		92,004
Community support		71		(244)
Total current	1	174,990	228,511	23,899
Capital outlay				
General government	10,460	145,105	869,083	1,475
Public safety		404,788		244
Public works		36,378		61,572
Culture and recreation		39,929		2,547,804
Community support		191		18,106
Total capital outlay	10,460	626,391	869,083	2,629,201
Total expenditures	10,461	801,381	1,097,594	2,653,100
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(10,461)	(767,125)	(1,084,467)	(1,591,254)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal				
Transfers in				2,005,612
Transfers out			(36,384)	
Total other financing sources (uses)			(36,384)	2,005,612
CHANGE IN FUND BALANCE	(10,461)	(767,125)	(1,120,851)	414,358
FUND BALANCE, BEGINNING OF YEAR	143,380	5,038,034	2,350,380	1,659,737
FUND BALANCE, END OF YEAR	\$ 132,919	\$ 4,270,909	\$ 1,229,529	\$ 2,074,095

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	Public Safety Projects	Capital Projects Street Improvements	Total Capital Projects
REVENUES			
Charges for services	\$ 114,266	\$	\$ 114,266
Intergovernmental	19,101,590	18,244,895	38,404,185
Contributions	300		300
Investment income			47,383
Miscellaneous	<u>574,750</u>	<u>(22,552)</u>	<u>556,344</u>
Total revenues	<u>19,790,906</u>	<u>18,222,343</u>	<u>39,122,478</u>
EXPENDITURES			
Current			
General government	539	(25,956)	337,719
Public safety	233,458	117,709	364,624
Public works	9,281	967,735	920,067
Culture and recreation		519	108,449
Community support	<u>338</u>	<u>3,026</u>	<u>3,191</u>
Total current	<u>243,616</u>	<u>1,063,033</u>	<u>1,734,050</u>
Capital outlay			
General government	16,128	30,504	1,072,755
Public safety	1,276,792	553,669	2,235,493
Public works	19,079,608	18,541,023	37,718,581
Culture and recreation			2,587,733
Community support	<u>852</u>	<u>7,804</u>	<u>26,953</u>
Total capital outlay	<u>20,373,380</u>	<u>19,133,000</u>	<u>43,641,515</u>
Total expenditures	<u>20,616,996</u>	<u>20,196,033</u>	<u>45,375,565</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(826,090)</u>	<u>(1,973,690)</u>	<u>(6,253,087)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset disposal	17,193		17,193
Transfers in	397,430	1,645,253	4,048,295
Transfers out		(253,430)	(289,814)
Total other financing sources (uses)	<u>414,623</u>	<u>1,391,823</u>	<u>3,775,674</u>
CHANGE IN FUND BALANCE	(411,467)	(581,867)	(2,477,413)
FUND BALANCE, BEGINNING OF YEAR	<u>9,071,536</u>	<u>4,638,606</u>	<u>22,901,673</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,660,069</u>	<u>\$ 4,056,739</u>	<u>\$ 20,424,260</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General government				
Finance				
Services and supplies	\$	\$	\$ (10,460)	\$ 10,460
Capital outlay			10,460	(10,460)
Other				
Services and supplies			10,460	(10,460)
Total general government			10,460	(10,460)
Public works				
Other				
Services and supplies			1	(1)
Total public works			1	(1)
Total expenditures			10,461	(10,461)
DEFICIENCY OF REVENUES UNDER EXPENDITURES			(10,461)	(10,461)
CHANGE IN FUND BALANCE			(10,461)	(10,461)
FUND BALANCE, BEGINNING OF YEAR	151,510	143,380	143,380	
FUND BALANCE, END OF YEAR	\$ 151,510	\$ 143,380	\$ 132,919	\$ (10,461)

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, 2016

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Investment income	\$ _____	\$ _____	\$ 34,256	\$ 34,256
EXPENDITURES				
General government				
City attorney				
Capital outlay	_____	_____	6	(6)
Finance				
Employee benefits			1	(1)
Services and supplies			14,366	(14,366)
Capital outlay	_____	_____	(14,065)	14,065
Total finance	_____	_____	302	(302)
Other				
Salaries and wages	7,000	7,000		7,000
Employee benefits	3,000	3,000		3,000
Services and supplies	180,885	234,885	121,733	113,152
Capital outlay	130,000	309,500	159,164	150,336
Total other	320,885	554,385	280,897	273,488
Total general government	320,885	554,385	281,205	273,180
Public safety				
Police				
Salaries and wages	28,575	28,575		28,575
Employee benefits	12,675	12,675		12,675
Services and supplies	27,750	27,750	13,182	14,568
Capital outlay	_____	_____	90,580	(90,580)
Protective services				
Salaries and wages			176	(176)
Employee benefits			93	(93)
Services and supplies			6	(6)
Total protective services	_____	_____	275	(275)
Safe streets 2000				
Capital outlay	_____	_____	176	(176)
Total safe streets 2000	_____	_____	176	(176)
Other				
Capital outlay	271,000	929,153	314,032	615,121
Total public safety	340,000	998,153	418,245	579,908
Public works				
Streets				
Salaries and wages			(176)	176
Employee benefits			(94)	94
Services and supplies			(6)	6
Total streets	_____	_____	(276)	276
Engineering				
Salaries and wages			(16,770)	16,770
Employee benefits			(10,707)	10,707
Services and supplies			(587)	587
Capital outlay	_____	_____	28,064	(28,064)

(Continued)

CITY OF NORTH LAS VEGAS

MUNICIPAL BUILDINGS FACILITIES CAPITAL PROJECTS FUND

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

	Original Budget	Final Budget	Actual	Variance
Real property				
Employee benefits			(66)	66
Services and supplies			(4)	4
Total real property			(70)	70
Construction				
Salaries and wages			(5,067)	5,067
Employee benefits			(3,071)	3,071
Services and supplies			(176)	176
Capital outlay			8,314	(8,314)
Total construction			(176)	176
Other				
Salaries and wages			27,662	(27,662)
Employee benefits			17,531	(17,531)
Services and supplies			967	(967)
Total other			46,160	(46,160)
Total public works			45,814	(45,814)
Culture and recreation				
Administration				
Salaries and wages		6,000		6,000
Employee benefits		6,580		6,580
Services and supplies		55,708	(29,031)	84,739
Capital outlay		1,092,000	39,929	1,052,071
Total administration		1,160,288	10,898	1,149,390
Library district operations				
Services and supplies			44,957	(44,957)
Total culture and recreation		1,160,288	55,855	1,104,433
Community support				
Housing and neighborhood services				
Employee benefits			67	(67)
Services and supplies			4	(4)
Capital outlay			191	(191)
Total housing and neighborhood services			262	(262)
Total community support			262	(262)
Total expenditures	660,885	2,712,826	801,381	1,911,445
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(660,885)	(2,712,826)	(767,125)	1,945,701
OTHER FINANCING SOURCES (USES)				
Transfers in	340,000	340,000		(340,000)
Transfers out	(340,000)	(340,000)		340,000
Total other financing sources (uses)				
CHANGE IN FUND BALANCE	(660,885)	(2,712,826)	(767,125)	1,945,701
FUND BALANCE, BEGINNING OF YEAR	3,268,263	5,038,034	5,038,034	
FUND BALANCE, END OF YEAR	\$ 2,607,378	\$ 2,325,208	\$ 4,270,909	\$ 1,945,701

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ _____	\$ _____	\$ 13,127	\$ 13,127
EXPENDITURES				
General government				
Finance				
Other				
Services and supplies	981,225	1,241,325	678,410	562,915
Capital outlay		80,000	419,184	(339,184)
Total other	<u>981,225</u>	<u>1,321,325</u>	<u>1,097,594</u>	<u>223,731</u>
Total general government	<u>981,225</u>	<u>1,321,325</u>	<u>1,097,594</u>	<u>223,731</u>
Total expenditures	<u>981,225</u>	<u>1,321,325</u>	<u>1,097,594</u>	<u>223,731</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(981,225)</u>	<u>(1,321,325)</u>	<u>(1,084,467)</u>	<u>236,858</u>
OTHER FINANCING USES				
Transfers out	<u>(36,384)</u>	<u>(36,384)</u>	<u>(36,384)</u>	
CHANGE IN FUND BALANCE	(1,017,609)	(1,357,709)	(1,120,851)	236,858
FUND BALANCE, BEGINNING OF YEAR	<u>1,538,023</u>	<u>2,350,380</u>	<u>2,350,380</u>	
FUND BALANCE, END OF YEAR	<u>\$ 520,414</u>	<u>\$ 992,671</u>	<u>\$ 1,229,529</u>	<u>\$ 236,858</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 1,454,282	\$ 1,620,117	\$ 1,057,700	\$ (562,417)
Miscellaneous			4,146	4,146
Total revenues	<u>1,454,282</u>	<u>1,620,117</u>	<u>1,061,846</u>	<u>(558,271)</u>
EXPENDITURES				
General government				
City attorney				
Salaries and wages			(78)	78
Employee benefits			(55)	55
Services and supplies			(3)	3
Capital outlay			164	(164)
Total city attorney			<u>28</u>	<u>(28)</u>
Finance				
Salaries and wages			(783)	783
Employee benefits			(528)	528
Services and supplies			(28)	28
Capital outlay			1,311	(1,311)
Total finance			<u>(28)</u>	<u>28</u>
Public safety				
Other				
Capital outlay			244	(244)
Total public safety			<u>244</u>	<u>(244)</u>
Public works				
Streets				
Salaries and wages			407	(407)
Employee benefits			1,995	(1,995)
Services and supplies			157	(157)
Total streets			<u>2,559</u>	<u>(2,559)</u>
Engineering				
Salaries and wages			(24,922)	24,922
Employee benefits			(16,066)	16,066
Services and supplies			(866)	866
Capital outlay			43,534	(43,534)
Total engineering			<u>1,680</u>	<u>(1,680)</u>
Real property				
Services and supplies			(9,053)	9,053
Total real property			<u>(9,053)</u>	<u>9,053</u>
Construction				
Salaries and wages			(7,946)	7,946
Employee benefits			(4,713)	4,713
Services and supplies			(278)	278
Capital outlay			12,937	(12,937)
Survey				
Salaries and wages			(2,787)	2,787
Employee benefits			(2,216)	2,216
Services and supplies			(98)	98
Capital outlay			5,101	(5,101)
Total public works			<u>(4,814)</u>	<u>4,814</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Culture and recreation				
Administration				
Services and supplies			100,094	(100,094)
Capital outlay	2,750,280	2,959,050	2,385,951	573,099
Parks planning and development				
Salaries and wages	149,955	149,955		149,955
Employee benefits	66,537	66,537		66,537
Services and supplies	673,049	673,049	(79,842)	752,891
Capital outlay			79,842	(79,842)
Total parks planning and development	889,541	889,541		889,541
Parks and grounds				
Services and supplies	27,551	27,551		27,551
Capital outlay			82,011	(82,011)
Total parks and grounds	27,551	27,551	82,011	(54,460)
Other				
Salaries and wages			42,634	(42,634)
Employee benefits			27,625	(27,625)
Services and supplies			1,493	(1,493)
Total other			71,752	(71,752)
Total culture and recreation	3,667,372	3,876,142	2,639,808	1,236,334
Community support				
Housing and neighborhood services				
Salaries and wages			(144)	144
Employee benefits			(95)	95
Services and supplies			(5)	5
Capital outlay			18,106	(18,106)
Total housing and neighborhood services			17,862	(17,862)
Total community support			17,862	(17,862)
Total expenditures	3,667,372	3,876,142	2,653,100	1,223,042
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,213,090)	(2,256,025)	(1,591,254)	664,771
OTHER FINANCING SOURCES				
Transfers in	1,366,551	1,409,486	2,005,612	596,126
CHANGE IN FUND BALANCE	(846,539)	(846,539)	414,358	1,260,897
FUND BALANCE, BEGINNING OF YEAR	1,113,436	1,659,737	1,659,737	
FUND BALANCE, END OF YEAR	\$ 266,897	\$ 813,198	\$ 2,074,095	\$ 1,260,897

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, 2016

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$	\$ 149,438	\$ 114,266	\$ (35,172)
Intergovernmental	41,652,022	41,652,022	19,101,590	(22,550,432)
Contributions		2,491	300	(2,191)
Miscellaneous			574,750	574,750
Total revenues	41,652,022	41,803,951	19,790,906	(22,013,045)
EXPENDITURES				
General government				
City attorney				
Salaries and wages			(1,015)	1,015
Employee benefits			(717)	717
Services and supplies			(36)	36
Capital outlay			2,062	(2,062)
Total city attorney			294	(294)
Finance				
Salaries and wages			(8,035)	8,035
Employee benefits			(5,567)	5,567
Services and supplies			(284)	284
Capital outlay			14,066	(14,066)
Total finance			180	(180)
Other				
Salaries and wages			9,457	(9,457)
Employee benefits			6,409	(6,409)
Services and supplies			327	(327)
Total other			16,193	(16,193)
Total general government			16,667	(16,667)
Public safety				
Protective services				
Salaries and wages			823	(823)
Employee benefits			456	(456)
Services and supplies		2,491	27	2,464
Capital outlay		149,438	108,048	41,390
Total protective services		151,929	109,354	42,575
Fire				
Services and supplies	613,000	230,500	232,152	(1,652)
Capital outlay	1,379,000	2,014,674	1,167,203	847,471
Total fire	1,992,000	2,245,174	1,399,355	845,819
Safe streets 2000				
Capital outlay			1,055	(1,055)
Total safe streets 2000			1,055	(1,055)
Other				
Capital outlay			486	(486)
Total public safety	1,992,000	2,397,103	1,510,250	886,853
Public works				

(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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Flood control				
Salaries and wages	140,923	140,923	(4,976)	145,899
Employee benefits	61,466	61,466	(3,086)	64,552
Services and supplies	72,797	72,797	(743,328)	816,125
Capital outlay	33,116,481	33,116,481	18,300,441	14,816,040
Total flood control	<u>33,391,667</u>	<u>33,391,667</u>	<u>17,549,051</u>	<u>15,842,616</u>
Streets				
Salaries and wages			(1,055)	1,055
Employee benefits			(457)	457
Services and supplies			9,971	(9,971)
Total streets			<u>8,459</u>	<u>(8,459)</u>
Engineering				
Salaries and wages			(109,874)	109,874
Employee benefits			(70,588)	70,588
Services and supplies			(3,830)	3,830
Capital outlay			184,304	(184,304)
Total engineering			<u>12</u>	<u>(12)</u>
Real property				
Salaries and wages			(3,978)	3,978
Employee benefits			(2,985)	2,985
Services and supplies			(157)	157
Capital outlay			6,782	(6,782)
Total real property			<u>(338)</u>	<u>338</u>
Construction				
Salaries and wages			(322,010)	322,010
Employee benefits			(192,437)	192,437
Services and supplies			(10,554)	10,554
Capital outlay			525,687	(525,687)
Total construction			<u>686</u>	<u>(686)</u>
Survey				
Salaries and wages			(34,607)	34,607
Employee benefits			(23,877)	23,877
Services and supplies			(1,211)	1,211
Capital outlay			59,935	(59,935)
Other				
Salaries and wages	2,964,129	2,964,129	476,145	2,487,984
Employee benefits	1,284,700	1,284,700	293,090	991,610
Services and supplies	2,736,373	2,736,373	759,085	1,977,288
Capital outlay	1,275,153	1,275,153	2,459	1,272,694
Total other	<u>8,260,355</u>	<u>8,260,355</u>	<u>1,530,779</u>	<u>6,729,576</u>
Total public works	<u>41,652,022</u>	<u>41,652,022</u>	<u>19,088,889</u>	<u>22,563,133</u>
Community support				
Housing and neighborhood services				
Employee benefits			320	(320)
Services and supplies			18	(18)
Capital outlay			852	(852)
Total housing and neighborhood services			<u>1,190</u>	<u>(1,190)</u>
Total community support			<u>1,190</u>	<u>(1,190)</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total expenditures	43,644,022	44,049,125	20,616,996	23,432,129
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,992,000)</u>	<u>(2,245,174)</u>	<u>(826,090)</u>	<u>1,419,084</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal			17,193	17,193
Transfers in	397,430	397,430	397,430	
Total other financing sources	<u>397,430</u>	<u>397,430</u>	<u>414,623</u>	<u>17,193</u>
CHANGE IN FUND BALANCE	(1,594,570)	(1,847,744)	(411,467)	1,436,277
FUND BALANCE, BEGINNING OF YEAR	<u>7,166,508</u>	<u>9,071,536</u>	<u>9,071,536</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,571,938</u>	<u>\$ 7,223,792</u>	<u>\$ 8,660,069</u>	<u>\$ 1,436,277</u>

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 37,055,462	\$ 37,055,462	\$ 18,244,895	\$ (18,810,567)
Contributions	357,000	357,000		(357,000)
Miscellaneous			(22,552)	(22,552)
Total revenues	<u>37,412,462</u>	<u>37,412,462</u>	<u>18,222,343</u>	<u>(19,190,119)</u>
EXPENDITURES				
General government				
City attorney				
Salaries and wages			(1,407)	1,407
Employee benefits			(992)	992
Capital outlay			3,022	(3,022)
Total city attorney			<u>623</u>	<u>(623)</u>
Finance				
Salaries and wages			(13,239)	13,239
Employee benefits			(9,792)	9,792
Services and supplies			(469)	469
Capital outlay			27,482	(27,482)
Total finance			<u>3,982</u>	<u>(3,982)</u>
Other				
Salaries and wages			(57)	57
Total other			<u>(57)</u>	<u>57</u>
Total general government			<u>4,548</u>	<u>(4,548)</u>
Public safety				
Protective services				
Services and supplies			117,709	(117,709)
Capital outlay			435,005	(435,005)
Total protective services			<u>552,714</u>	<u>(552,714)</u>
Safe streets 2000				
Capital outlay			3,375	(3,375)
Total safe streets 2000			<u>3,375</u>	<u>(3,375)</u>
Other				
Capital outlay			115,289	(115,289)
Total other			<u>115,289</u>	<u>(115,289)</u>
Total public safety			<u>671,378</u>	<u>(671,378)</u>
Public works				
Administration				
Salaries and wages			(1,206)	1,206
Total administration			<u>(1,206)</u>	<u>1,206</u>
Flood control				
Employee benefits			2	(2)
Services and supplies			2	(2)
Capital outlay			95,468	(95,468)
Total flood control			<u>95,472</u>	<u>(95,472)</u>

(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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Streets				
Salaries and wages	2,251,821	2,251,821		2,251,821
Employee benefits	975,864	975,864		975,864
Services and supplies	2,471,362	2,471,362	564,163	1,907,199
Capital outlay	32,922,136	32,922,136	17,557,499	15,364,637
Total streets	<u>38,621,183</u>	<u>38,621,183</u>	<u>18,121,662</u>	<u>20,499,521</u>
Engineering				
Salaries and wages	147,075	147,075	15,609	131,466
Employee benefits	64,575	64,575	10,292	54,283
Services and supplies	167,350	167,350	544	166,806
Capital outlay	1,827,000	1,827,000	344,671	1,482,329
Total engineering	<u>2,206,000</u>	<u>2,206,000</u>	<u>371,116</u>	<u>1,834,884</u>
Real property				
Salaries and wages			194	(194)
Employee benefits			(2,737)	2,737
Services and supplies			(145)	145
Capital outlay			89,658	(89,658)
Total real property			<u>86,970</u>	<u>(86,970)</u>
Construction				
Salaries and wages			11,710	(11,710)
Employee benefits			7,329	(7,329)
Services and supplies			408	(408)
Capital outlay			370,648	(370,648)
Total construction			<u>390,095</u>	<u>(390,095)</u>
Survey				
Salaries and wages			969	(969)
Employee benefits			488	(488)
Services and supplies			34	(34)
Capital outlay			79,981	(79,981)
Total survey			<u>81,472</u>	<u>(81,472)</u>
Other				
Salaries and wages			16,347	(16,347)
Employee benefits			10,623	(10,623)
Services and supplies			333,109	(333,109)
Capital outlay			3,098	(3,098)
Total other			<u>363,177</u>	<u>(363,177)</u>
Total public works	<u>40,827,183</u>	<u>40,827,183</u>	<u>19,508,758</u>	<u>21,318,425</u>
Culture and recreation				
Other				
Employee benefits			519	(519)
Total other			<u>519</u>	<u>(519)</u>
Total culture and recreation			<u>519</u>	<u>(519)</u>
Community support				
Housing and neighborhood services				
Employee benefits			2,871	(2,871)
Services and supplies			155	(155)
Capital outlay			7,804	(7,804)
Total housing and neighborhood services			<u>10,830</u>	<u>(10,830)</u>
Total community support			<u>10,830</u>	<u>(10,830)</u>

(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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total expenditures	<u>40,827,183</u>	<u>40,827,183</u>	<u>20,196,033</u>	<u>20,631,150</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,414,721)</u>	<u>(3,414,721)</u>	<u>(1,973,690)</u>	<u>1,441,031</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,805,190	1,805,190	1,645,253	(159,937)
Transfers out	<u>(13,430)</u>	<u>(253,430)</u>	<u>(253,430)</u>	<u> </u>
Total other financing sources (uses)	<u>1,791,760</u>	<u>1,551,760</u>	<u>1,391,823</u>	<u>(159,937)</u>
CHANGE IN FUND BALANCE	(1,622,961)	(1,862,961)	(581,867)	1,281,094
FUND BALANCE, BEGINNING OF YEAR	<u>3,138,602</u>	<u>4,638,606</u>	<u>4,638,606</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,515,641</u>	<u>\$ 2,775,645</u>	<u>\$ 4,056,739</u>	<u>\$ 1,281,094</u>

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 39,776,000	\$ 39,776,000	\$ 40,695,324	\$ 919,324
Construction fees	270,000	270,000	297,878	27,878
Connection fees	970,000	970,000	2,363,188	1,393,188
Other charges for services			8,742	8,742
Fines and forfeitures	600,000	600,000	875,978	275,978
Miscellaneous	300,000	300,000	468,201	168,201
Total operating revenues	<u>41,916,000</u>	<u>41,916,000</u>	<u>44,709,311</u>	<u>2,793,311</u>
OPERATING EXPENSES				
Salaries and wages	4,077,303	4,077,303	2,605,213	1,472,090
Employee benefits	1,905,011	1,905,011	1,689,091	215,920
Services and supplies	14,743,948	14,752,948	10,693,600	4,059,348
Depreciation and amortization	13,342,600	13,342,600	14,077,284	(734,684)
Total operating expenses	<u>34,068,862</u>	<u>34,077,862</u>	<u>29,065,188</u>	<u>5,012,674</u>
Operating income	<u>7,847,138</u>	<u>7,838,138</u>	<u>15,644,123</u>	<u>7,805,985</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income			7,702	7,702
Gain (loss) on capital asset disposition			(8,194,522)	(8,194,522)
Interest and fiscal charges	(15,098,437)	(15,098,437)	(14,841,346)	257,091
Intergovernmental	6,326,306	6,326,306	6,509,631	183,325
Total nonoperating revenues (expenses)	<u>(8,772,131)</u>	<u>(8,772,131)</u>	<u>(16,518,535)</u>	<u>(7,746,404)</u>
Loss before capital contributions and transfers	<u>(924,993)</u>	<u>(933,993)</u>	<u>(874,412)</u>	<u>59,581</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			181,628	181,628
TRANSFERS				
Transfers out	<u>(5,296,167)</u>	<u>(5,296,167)</u>	<u>(5,296,167)</u>	
CHANGE IN NET POSITION	<u>\$ (6,221,160)</u>	<u>\$ (6,230,160)</u>	(5,988,951)	<u>\$ 241,209</u>
NET POSITION, BEGINNING OF YEAR			<u>154,656,878</u>	
NET POSITION, END OF YEAR			<u>\$ 148,667,927</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 51,745,000	\$ 51,745,000	\$ 51,988,427	\$ 243,427
Construction fees	310,000	310,000	417,900	107,900
Connection fees	900,000	900,000	736,712	(163,288)
Other charges for services	1,802,000	1,802,000	1,932,616	130,616
Fines and forfeitures	1,465,000	1,465,000	2,550,154	1,085,154
Miscellaneous	775,000	775,000	799,425	24,425
Total operating revenues	<u>56,997,000</u>	<u>56,997,000</u>	<u>58,425,234</u>	<u>1,428,234</u>
OPERATING EXPENSES				
Salaries and wages	6,393,674	6,393,674	5,362,061	1,031,613
Employee benefits	3,031,443	3,031,443	2,876,478	154,965
Services and supplies	26,687,839	26,694,939	22,172,309	4,522,630
Depreciation and amortization	5,508,400	5,508,400	5,596,499	(88,099)
Total operating expenses	<u>41,621,356</u>	<u>41,628,456</u>	<u>36,007,347</u>	<u>5,621,109</u>
Operating income	<u>15,375,644</u>	<u>15,368,544</u>	<u>22,417,887</u>	<u>7,049,343</u>
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on capital asset disposition			6,517	6,517
Interest and fiscal charges	(393,563)	(393,563)	(261,771)	131,792
Total nonoperating revenues (expenses)	<u>(393,563)</u>	<u>(393,563)</u>	<u>(255,254)</u>	<u>138,309</u>
Income before capital contributions and transfers	<u>14,982,081</u>	<u>14,974,981</u>	<u>22,162,633</u>	<u>7,187,652</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			274,580	274,580
TRANSFERS				
Transfers in	87,284	87,284	468,319	381,035
Transfers out	(18,196,237)	(18,196,237)	(18,196,237)	
Total transfers	<u>(18,108,953)</u>	<u>(18,108,953)</u>	<u>(17,727,918)</u>	<u>381,035</u>
CHANGE IN NET POSITION	<u>\$ (3,126,872)</u>	<u>\$ (3,133,972)</u>	<u>4,709,295</u>	<u>\$ 7,843,267</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			127,763,462	
Adjustment			(1,485,615)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>126,277,847</u>	
NET POSITION, END OF YEAR			<u>\$ 130,987,142</u>	

NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
User fees	\$ 2,281,894	\$ 2,281,894	\$ 1,844,830	\$ (437,064)
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>39,541</u>	<u>9,541</u>
Total operating revenues	<u>2,311,894</u>	<u>2,311,894</u>	<u>1,884,371</u>	<u>(427,523)</u>
OPERATING EXPENSES				
Salaries and wages	114,060	82,060	83,216	(1,156)
Employee benefits	17,281	17,281	57,277	(39,996)
Services and supplies	2,296,486	2,328,486	2,186,845	141,641
Depreciation and amortization	<u>226,400</u>	<u>226,400</u>	<u>226,356</u>	<u>44</u>
Total operating expenses	<u>2,654,227</u>	<u>2,654,227</u>	<u>2,553,694</u>	<u>100,533</u>
Operating loss	<u>(342,333)</u>	<u>(342,333)</u>	<u>(669,323)</u>	<u>(326,990)</u>
TRANSFERS				
Transfers in	127,600	127,600	127,600	
Transfers out			<u>(14,563)</u>	<u>(14,563)</u>
CHANGE IN NET POSITION	<u>\$ (214,733)</u>	<u>\$ (214,733)</u>	<u>(556,286)</u>	<u>\$ (341,553)</u>
NET POSITION, BEGINNING OF YEAR			<u>5,843,576</u>	
NET POSITION, END OF YEAR			<u>\$ 5,287,290</u>	

INTERNAL SERVICE FUNDS

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
ASSETS			
Current assets			
Cash, cash equivalents and investments	\$ 11,386,908	\$ 46,513,312	\$ 57,900,220
Accounts receivable, net	519	3,915	4,434
Prepaid items		364,059	364,059
Due from other funds		216,857	216,857
Inventories	258,143		258,143
Total current assets	11,645,570	47,098,143	58,743,713
Noncurrent assets			
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	66,964		66,964
Buildings and building improvements	227,870		227,870
Improvements other than buildings	83,293		83,293
Machinery, equipment and software	1,217,589		1,217,589
Total noncurrent assets	1,595,716		1,595,716
Total assets	13,241,286	47,098,143	60,339,429
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized amounts related to pensions	200,746	98,696	299,442
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	399,837	3,458,692	3,858,529
Accrued salaries and benefits	18,124	10,974,642	10,992,766
Due to other funds	1,873	811	2,684
Due to other governments	145	1,669	1,814
Compensated absences	37,801	8,911	46,712
Total current liabilities	457,780	14,444,725	14,902,505
Noncurrent liabilities			
Compensated absences	308,779	72,793	381,572
Postemployment benefits other than pensions		15,305,563	15,305,563
Net Pension Liability	1,288,730	633,597	1,922,327
Total noncurrent liabilities	1,597,509	16,011,953	17,609,462
Total liabilities	2,055,289	30,456,678	32,511,967
DEFERRED INFLOWS OF RESOURCES			
Unamortized liabilities related to pensions	247,346	121,607	368,953
NET POSITION			
Net investment in capital assets	1,595,716		1,595,716
Claims and judgements		2,400,000	2,400,000
Unrestricted	9,543,681	14,218,554	23,762,235
Total net position	\$ 11,139,397	\$ 16,618,554	\$ 27,757,951

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

	<u>Motor Equipment</u>	<u>Self-insurance Reserve</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Other charges for services	\$ 10,177,336	\$ 30,564,759	\$ 40,742,095
OPERATING EXPENSES			
Salaries and wages	772,255	4,357,581	5,129,836
Employee benefits	503,879	2,414,813	2,918,692
Services and supplies	2,447,032	17,826,857	20,273,889
Depreciation and amortization	817,991		817,991
Total operating expenses	<u>4,541,157</u>	<u>24,599,251</u>	<u>29,140,408</u>
Operating income	<u>5,636,179</u>	<u>5,965,508</u>	<u>11,601,687</u>
NONOPERATING REVENUES			
Investment income		27,918	27,918
Gain (loss) on capital asset disposition	(21,538)		(21,538)
Total nonoperating revenues	<u>(21,538)</u>	<u>27,918</u>	<u>6,380</u>
Income before capital contributions and transfers	<u>5,614,641</u>	<u>5,993,426</u>	<u>11,608,067</u>
TRANSFERS			
Transfers in		600,000	600,000
CHANGE IN NET POSITION	5,614,641	6,593,426	12,208,067
NET POSITION, BEGINNING OF YEAR	<u>5,524,756</u>	<u>10,025,128</u>	<u>15,549,884</u>
NET POSITION, END OF YEAR	<u>\$ 11,139,397</u>	<u>\$ 16,618,554</u>	<u>\$ 27,757,951</u>

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 6,487,707	\$ 30,561,281	\$ 37,048,988
Cash received from interfund services	3,689,110	232,217	3,921,327
Cash payments for goods and services	(2,241,245)	(18,750,527)	(20,991,772)
Cash payments for employee services	(989,618)	(2,640,971)	(3,630,589)
Cash payments for interfund services	(51,277)	(549)	(51,826)
Net cash provided by operating activities	6,894,677	9,401,451	16,296,128
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		600,000	600,000
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(563,815)		(563,815)
Net cash used in capital financing activities	(563,815)		(563,815)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		27,918	27,918
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,330,862	10,029,369	16,360,231
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,056,046	36,483,943	41,539,989
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,386,908	\$ 46,513,312	\$ 57,900,220
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 5,636,179	\$ 5,965,508	\$ 11,601,687
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	817,991		817,991
(Increase) decrease in operating assets			
Accounts receivable	(519)	(3,478)	(3,997)
Due from other funds		232,217	232,217
Prepaid items		(13,225)	(13,225)
Increase (decrease) in operating liabilities			
Accounts payable	205,799	(888,267)	(682,468)
Accrued salaries and benefits	3,340	2,062,162	2,065,502
Due to other funds	(245)	(549)	(794)
Due to other governments	(12)	(22,178)	(22,190)
Compensated absences	57,300	(101,609)	(44,309)
Postemployment benefits other than pensions	174,844	2,170,870	2,345,714
Total adjustments	1,258,498	3,435,943	4,694,441
Net cash provided by operating activities	\$ 6,894,677	\$ 9,401,451	\$ 16,296,128

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 5,660,679	\$ 5,691,679	\$ 10,177,336	\$ 4,485,657
OPERATING EXPENSES				
Salaries and wages	715,433	715,433	772,255	(56,822)
Employee benefits	328,111	328,111	503,879	(175,768)
Services and supplies	3,109,055	3,109,055	2,447,032	662,023
Depreciation and amortization	763,700	763,700	817,991	(54,291)
Total operating expenses	<u>4,916,299</u>	<u>4,916,299</u>	<u>4,541,157</u>	<u>375,142</u>
Operating income	<u>744,380</u>	<u>775,380</u>	<u>5,636,179</u>	<u>4,860,799</u>
NONOPERATING REVENUES				
Gain (loss) on capital asset disposition			(21,538)	(21,538)
Income before capital contributions	<u>744,380</u>	<u>775,380</u>	<u>5,614,641</u>	<u>4,839,261</u>
CHANGE IN NET POSITION	<u>\$ 744,380</u>	<u>\$ 775,380</u>	5,614,641	<u>\$ 4,839,261</u>
NET POSITION, BEGINNING OF YEAR			<u>5,524,756</u>	
NET POSITION, END OF YEAR			<u>\$ 11,139,397</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 22,577,710	\$ 22,577,710	\$ 30,564,759	\$ 7,987,049
OPERATING EXPENSES				
Salaries and wages	5,673,108	5,673,108	4,357,581	1,315,527
Employee benefits	546,891	546,891	2,414,813	(1,867,922)
Services and supplies	17,176,192	17,176,192	17,826,857	(650,665)
Total operating expenses	<u>23,396,191</u>	<u>23,396,191</u>	<u>24,599,251</u>	<u>(1,203,060)</u>
Operating income (loss)	<u>(818,481)</u>	<u>(818,481)</u>	<u>5,965,508</u>	<u>6,783,989</u>
NONOPERATING REVENUES				
Investment income			27,918	27,918
Income (loss) before transfers	<u>(818,481)</u>	<u>(818,481)</u>	<u>5,993,426</u>	<u>6,811,907</u>
TRANSFERS				
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	
CHANGE IN NET POSITION	<u>\$ (218,481)</u>	<u>\$ (218,481)</u>	6,593,426	<u>\$ 6,811,907</u>
NET POSITION, BEGINNING OF YEAR			<u>10,025,128</u>	
NET POSITION, END OF YEAR			<u>\$ 16,618,554</u>	

FIDUCIARY FUNDS

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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 those deposit requirements 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, 2016**

	<u>Bail Deposits</u>	<u>Non-forfeiture Holding</u>	<u>Other Deposits</u>	<u>Business Cleanup Deposits</u>	<u>Special Trust Reward</u>	<u>Employee Insurance Deposits</u>	<u>Workers' Compensation Retention</u>	<u>Contractor Retention Accounts</u>
ASSETS								
Cash, cash equivalents and investments	\$ 155,699	\$ 695,289	\$ 3,376,590	\$ 16,599	\$ 15,000	\$ 9,613	\$ 258	\$ 2,852,631
Accounts receivable, net			5,337					
Interest receivable								
Special assessments receivable								
Total assets	<u>\$ 155,699</u>	<u>\$ 695,289</u>	<u>\$ 3,381,927</u>	<u>\$ 16,599</u>	<u>\$ 15,000</u>	<u>\$ 9,613</u>	<u>\$ 258</u>	<u>\$ 2,852,631</u>
LIABILITIES								
Due to other governments	\$	\$	\$	\$	\$	\$	\$	\$
Due to developers			15,557					2,852,568
Due to others	<u>155,699</u>	<u>695,289</u>	<u>3,366,370</u>	<u>16,599</u>	<u>15,000</u>	<u>9,613</u>	<u>258</u>	<u>63</u>
Total liabilities	<u>\$ 155,699</u>	<u>\$ 695,289</u>	<u>\$ 3,381,927</u>	<u>\$ 16,599</u>	<u>\$ 15,000</u>	<u>\$ 9,613</u>	<u>\$ 258</u>	<u>\$ 2,852,631</u>

(Continued)

CITY OF NORTH LAS VEGAS

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2016**

	<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	\$ 68,306	\$ 195,686	\$ 1,706,716	\$ 5,070	\$ 474,626	\$ 3,478,274	\$ 13,050,357
Accounts receivable, net		10,506	2,720,361				2,736,204
Interest receivable						625	625
Special assessments receivable						4,499	4,499
Total assets	<u>\$ 68,306</u>	<u>\$ 206,192</u>	<u>\$ 4,427,077</u>	<u>\$ 5,070</u>	<u>\$ 474,626</u>	<u>\$ 3,483,398</u>	<u>\$ 15,791,685</u>
LIABILITIES							
Due to other governments	\$ 68,306	\$ 206,942					\$ 275,248
Due to developers							2,868,125
Due to others		(750)	4,427,077	5,070	474,626	3,483,398	12,648,312
Total liabilities	<u>\$ 68,306</u>	<u>\$ 206,192</u>	<u>\$ 4,427,077</u>	<u>\$ 5,070</u>	<u>\$ 474,626</u>	<u>\$ 3,483,398</u>	<u>\$ 15,791,685</u>

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
BAIL DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 188,488	\$ 391,781	\$ 452,621	\$ 155,699
LIABILITIES				
Due to others	\$ 188,488	\$ 1,404,657	\$ 1,465,497	\$ 155,699
NON-FORFEITURE HOLDING				
ASSETS				
Cash, cash equivalents and investments	\$ 327,550	\$ 76,072	\$ 105,176	\$ 695,289
LIABILITIES				
Due to others	\$ 327,550	\$ 93,423	\$ 122,527	\$ 695,289
OTHER DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 3,044,881	\$ 1,866,141	\$ 1,463,009	\$ 3,376,590
Accounts receivable, net	\$	\$	\$	\$ 5,337
LIABILITIES				
Due to others	\$ 3,004,941	\$ 2,283,582	\$ 1,880,450	\$ 3,366,370
BUSINESS CLEANUP DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 14,549	\$ 5,050	\$ 4,050	\$ 16,599
LIABILITIES				
Due to others	\$ 14,549	\$ 2,700	\$ 1,700	\$ 16,599
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	\$ 104,846	\$ 33,158,232	\$ 33,145,047	\$ 9,613
Accounts receivable, net	423	424	395	
Total assets	\$ 105,269	\$ 33,158,656	\$ 33,145,442	\$ 9,613
LIABILITIES				
Due to others	\$ 99,017	\$ 33,804,808	\$ 33,791,594	\$ 9,613
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, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
CONTRACTOR RETENTION ACCOUNTS				
ASSETS				
Cash, cash equivalents and investments	\$ 2,378,657	\$ 2,418,055	\$ 781,046	\$ 2,852,631
LIABILITIES				
Due to developers	\$ 2,378,595	\$ 6,045,274	\$ 4,408,265	\$ 2,852,568
NEW CONSTRUCTION PRIVILEGE TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 70,146	\$ 1,665,988	\$ 1,664,460	\$ 68,306
LIABILITIES				
Due to other governments	\$ 70,146	\$ 3,418,780	\$ 3,417,252	\$ 68,306
CONVENTION AUTHORITY TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 205,822	\$ 2,379,180	\$ 2,346,174	\$ 195,686
Accounts receivable, net	243	93,321	94,030	10,506
Total assets	\$ 206,065	\$ 2,472,501	\$ 2,440,204	\$ 206,192
LIABILITIES				
Due to other governments	\$ 207,398	\$ 5,224,297	\$ 5,192,000	\$ 206,942
GARBAGE COMPANY COLLECTION				
ASSETS				
Cash, cash equivalents and investments	\$ 1,715,154	\$ 23,217,677	\$ 23,159,578	\$ 1,706,716
Accounts receivable, net	2,600,753	21,616,576	21,896,304	2,720,361
Total assets	\$ 4,315,907	\$ 44,834,253	\$ 45,055,882	\$ 4,427,077
LIABILITIES				
Due to others	\$ 4,315,907	\$ 42,985,485	\$ 43,207,114	\$ 4,427,077
INMATE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 5,070	\$ 55	\$	\$ 5,070
LIABILITIES				
Due to others	\$ 5,070	\$ 55	\$	\$ 5,070
SIAD NO. 54 (CIVIC CENTER DRIVE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 471,182	\$ 61,712	\$ 59,326	\$ 474,626
LIABILITIES				
Due to others	\$ 471,182	\$ 179,337	\$ 176,951	\$ 474,626

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
SIAD NO. 60 (ALIANTE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 4,666,358	\$ 3,708,326	\$ 3,529,394	\$ 3,478,274
Interest receivable	4,118		4,208	625
Special assessments receivable	51,632			4,499
Total assets	<u>\$ 4,722,108</u>	<u>\$ 3,708,326</u>	<u>\$ 3,533,602</u>	<u>\$ 3,483,398</u>
LIABILITIES				
Due to others	\$ 4,722,108	\$ 8,715,230	\$ 8,540,506	\$ 3,483,398
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ 13,207,961	\$ 68,948,269	\$ 66,709,881	\$ 13,050,357
Accounts receivable, net	2,601,419	21,710,321	21,990,729	2,736,204
Interest receivable	4,118		4,208	625
Special assessments receivable	51,632			4,499
Total assets	<u>\$ 15,865,130</u>	<u>\$ 90,658,590</u>	<u>\$ 88,704,818</u>	<u>\$ 15,791,685</u>
LIABILITIES				
Due to other governments	\$ 283,796	\$ 8,643,077	\$ 8,609,252	\$ 275,248
Due to developers	2,418,535	6,045,274	4,408,265	2,868,125
Due to others	13,162,799	89,469,277	89,186,339	12,648,312
Total liabilities	<u>\$ 15,865,130</u>	<u>\$ 104,157,628</u>	<u>\$ 102,203,856</u>	<u>\$ 15,791,685</u>

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

Members of the City Council
City of 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 13, 2016.

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

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016 - 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 2016 - 002 to be a significant deficiency.

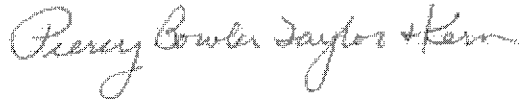
Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 13, 2016.

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



Las Vegas, Nevada
December 13, 2016

STATISTICAL SECTION

CITY OF NORTH LAS VEGAS

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Governmental activities										
Net investment in capital assets	\$ 686,823,759	\$ 647,951,709	\$ 931,368,784	\$ 1,015,611,134	\$ 1,008,326,661 ¹	\$ 1,035,550,177	\$ 1,109,705,374	\$ 1,106,799,902	\$ 1,147,394,961	\$ 1,156,185,282
Restricted	170,062,533	175,099,469	822,415	25,463,718	74,650,721	70,286,644	73,249,575	79,291,604	91,020,657	91,020,657
Unrestricted	<u>(17,102,203)</u>	<u>134,661,363</u>	<u>126,254,419</u>	<u>65,197,112</u>	<u>49,244,494</u>	<u>(5,838,643)</u>	<u>(14,533,877)</u>	<u>9,551,124</u>	<u>(202,744,932)</u>	<u>(181,662,381)</u>
Total governmental activities	<u>839,784,089</u>	<u>957,712,541</u>	<u>1,058,445,618</u>	<u>1,080,808,246</u>	<u>1,083,034,873</u>	<u>1,104,362,255</u>	<u>1,165,458,141</u>	<u>1,189,600,601</u>	<u>1,023,941,633</u>	<u>1,065,543,558</u>
Business-type activities										
Net investment in capital assets	143,131,044	38,022,471	198,618,584	213,075,462	181,912,347	226,097,835	229,033,516	214,759,669	214,812,299	197,755,281
Restricted	135,082,528	159,367,463	10,945,118	13,317,115	47,537,496	7,132,932	4,514,658	75,134	7,113,754	7,113,754
Unrestricted	<u>(9,672,204)</u>	<u>81,888,662</u>	<u>84,546,345</u>	<u>66,022,121</u>	<u>57,830,202</u>	<u>71,322,255</u>	<u>73,718,676</u>	<u>87,031,572</u>	<u>69,094,752</u>	<u>75,156,670</u>
Total business-type activities	<u>268,541,368</u>	<u>279,278,596</u>	<u>294,110,047</u>	<u>292,414,698</u>	<u>287,280,045</u>	<u>304,553,022</u>	<u>307,266,850</u>	<u>301,866,375</u>	<u>283,907,051</u>	<u>280,025,705</u>
Primary government										
Net investment in capital assets	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	1,362,207,260	1,353,940,563
Restricted	305,145,061	334,466,932	11,767,533	13,317,115	73,001,214	81,783,653	74,801,302	73,324,709	79,291,604	98,134,411
Unrestricted	<u>(26,774,407)</u>	<u>216,530,025</u>	<u>210,800,764</u>	<u>131,219,233</u>	<u>107,074,696</u>	<u>65,483,612</u>	<u>59,184,799</u>	<u>96,582,696</u>	<u>(133,650,180)</u>	<u>(106,505,711)</u>
Total primary government	<u>\$ 1,108,325,457</u>	<u>\$ 1,236,991,137</u>	<u>\$ 1,352,555,665</u>	<u>\$ 1,373,222,944</u>	<u>\$ 1,370,314,918</u>	<u>\$ 1,408,915,277</u>	<u>\$ 1,472,724,991</u>	<u>\$ 1,491,466,976</u>	<u>\$ 1,307,848,684</u>	<u>\$ 1,345,569,263</u>

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Expenses										
Governmental activities										
General government	\$ 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	\$ 61,473,941
Judicial	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	5,378,903
Public safety	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	141,730,894
Public works	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	14,894,436
Culture and recreation	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	17,811,729
Community support	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	6,855,958
Interest on long-term debt	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	7,769,871
Total governmental activities	<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>	<u>255,915,732</u>
Business-type activities										
Wastewater	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	52,437,713
Water	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	36,490,347
Municipal golf courses	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	2,555,597
Total business-type activities	<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>	<u>91,483,657</u>
Total primary government expenses	<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>	<u>\$ 347,399,389</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 20,458,488
Judicial	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	7,917,230
Public safety	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	28,359,209
Public works	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	10,860,642
Culture and recreation	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	5,633,416
Community support					261,485	530,174	547,459	623,259	1,147,504	1,527,769
Operating grants and contributions	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	24,516,475
Capital grants and contributions	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	43,854,707
Total governmental activities	<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>	<u>143,127,936</u>
Business-type activities										
Charges for services										
Wastewater	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	44,544,995
Water	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	58,417,333
Municipal golf courses	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	1,844,835
Operating grants and contributions	50,511					6,127,457	3,116,042	3,023,196	6,376,618	3,034,877
Capital grants and contributions	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	3,930,962
Total business-type activities	<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>	<u>111,773,002</u>
Total primary government program revenues	<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>	<u>\$ 254,900,938</u>
Net (expenses) program revenues										
Governmental activities	\$ (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)	\$ (112,787,796)
Business-type activities	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	20,289,345
Primary government	<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>	<u>\$ (92,498,451)</u>

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 53,201,608
Residential construction taxes	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837	426,603
Room taxes	357,956	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389	564,601
Franchise fees, based on gross receipts	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	21,307,694
Intergovernmental consolidated taxes	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	49,903,290
Other local government shared revenues	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	2,110,967
Unrestricted investment income	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	1,796,240
Gain on disposal of capital assets						316,407	204,150	2,102,479	2,932,638	183,390
Miscellaneous	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	1,984,280
Transfers	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	22,911,048
Total governmental activities	<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>150,967,652</u>	<u>154,389,721</u>
Business-type activities										
Other local government shared revenues	3,189,017	538,471								
Unrestricted investment income	90	7,060,164	5,671,124	1,455,994	356,115	72,721	136,985	13,586	15,803	7,702
Gain on disposal of capital assets						23,860		12,668	21,612	6,517
Miscellaneous	4,641,476	2,417,173	3,554,227	2,329,165	3,055,358	36,782	6,362,108	356,096	216,234	211,753
Transfers	(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)	(22,911,048)
Total business-type activities	<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>	<u>(22,685,076)</u>
Total primary government general revenues and other changes in net position	<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>\$ 128,672,704</u>	<u>\$ 131,704,645</u>
Change in net position										
Governmental activities	\$ 103,655,640	\$ 117,974,188	\$ 96,285,352	\$ 25,144,548	\$ 2,989,876	\$ 30,581,421	\$ 61,095,886	\$ 5,040,212	\$ 60,052,060	\$ 41,601,925
Business-type activities	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	(2,395,731)
Primary government	<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>\$ 60,315,439</u>	<u>\$ 39,206,194</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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
General fund										
Reserved	\$ 542,793	\$ 758,891	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	36,567,167	45,336,045	39,361,193	22,953,382						
Nonspendable					384,375	287,203	231,430	238,432	2,743,971	127,919
Restricted for					101,642	26,257	170,576			
Committed for						274,200	596,200	207,179	166,202	27,369
Unassigned					7,238,181	11,302,907	8,340,738	7,633,089	9,585,163	13,740,986
Total general fund	<u>\$ 37,109,960</u>	<u>\$ 46,094,936</u>	<u>\$ 39,361,193</u>	<u>\$ 22,953,382</u>	<u>\$ 7,724,198</u>	<u>\$ 11,890,567</u>	<u>\$ 9,338,944</u>	<u>\$ 8,078,700</u>	<u>\$ 12,495,336</u>	<u>\$ 13,896,274</u>
Other governmental funds										
Reserved	\$ 904,655	\$ 1,256,971	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Special revenue funds	54,625,345	57,249,895	54,590,729	48,388,767						
Debt service funds	6,926,512	7,316,194	4,684,177	3,278,094						
Capital projects funds	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	13,121
Restricted for					84,687,535	74,624,464	70,116,032	70,396,589	79,486,892	95,047,192
Committed for					1,377,827	1,327,188	1,230,166	292,564	378,342	797,444
Assigned to					1,430,753	1,859,516	2,354,991	4,362,189	2,122,074	2,732,597
Total other governmental funds	<u>\$ 270,577,197</u>	<u>\$ 255,256,402</u>	<u>\$ 214,999,550</u>	<u>\$ 163,012,586</u>	<u>\$ 87,583,277</u>	<u>\$ 78,036,091</u>	<u>\$ 76,376,425</u>	<u>\$ 81,550,417</u>	<u>\$ 88,481,342</u>	<u>\$ 98,590,354</u>

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
REVENUES										
Property taxes	\$ 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	\$ 53,187,944
Residential construction taxes	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837	426,603
Room taxes	357,956	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389	564,601
Franchise fees						16,142,005	15,769,356	20,788,938	21,322,332	21,307,694
Licenses and permits	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	15,470,650
Special assessments						2,202,745	2,202,185	2,170,942	2,170,946	2,167,784
Charges for services	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	8,728,212
Intergovernmental consolidated taxes						37,565,290	39,434,352	43,976,942	47,685,565	49,903,290
Intergovernmental	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	65,220,898
Fines and forfeitures	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	5,401,306
Contributions						219,350	106,332	571,956	236,069	22,330
Rents and royalties						513,578	557,856	582,762	840,310	665,094
Investment income						806,229	195,524	642,581	1,018,891	1,579,791
Miscellaneous	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	3,194,636
Total revenues	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	227,840,833
EXPENDITURES										
General government	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	23,046,187
Judicial	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	5,588,564
Public safety	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	129,031,765
Public works	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	45,627,772
Culture and recreation	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	16,041,308
Community support	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	6,811,841
	294,540,523	362,516,634	378,259,269	359,212,252	304,454,911	237,432,019	263,753,219	198,073,223	246,459,556	226,147,437
Debt service										
Principal payments	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	4,534,700
Interest and fiscal charges	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	7,397,302
Payment to current bond refunding agent					20,000,000					
Debt issuance costs	154,338	284,504			143,438	200,286				
Total debt service	19,952,419	21,204,293	20,975,884	20,643,396	33,977,323	8,554,389	9,175,269	8,025,503	13,399,969	11,932,002
Total expenditures	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	238,079,439
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(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)	(10,238,606)

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
OTHER FINANCING SOURCES (USES)										
Contingencies			(49,395)						(400,000)	(500,000)
Debt issuance proceeds	4,500,000	12,680,000		3,145,000	17,090,000	27,070,000				
Debt issuance premiums	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	(15,000)	(15,750)		(52,183)		(257,999)				
Proceeds from capital asset disposal										267,109
Transfers in	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	41,569,282
Transfers out	(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)	(19,258,234)
Other	25,000					342,533	181,316	2,098,449	2,913,171	
Total other financing sources (uses)	<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>	<u>22,078,157</u>
CHANGE IN FUND BALANCE	<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>	<u>\$ 11,839,551</u>
Capital expenditures included in expenditures above	<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>	<u>\$ 44,372,831</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>6.16 %</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
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 %
2016	3,741,983,035	1,155,035,683	429,444,964	528,219,810	(880,290,276)	4,974,393,216	1.1587	14,212,551,046	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 ASSES 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
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	
2016	0.1937		0.9650	1.1587	0.1700	0.6541	1.3034	0.0050	

For the Year Ended June 30,	Overlapping Rates		Total Overlapping Rates	Total Direct and Overlapping Rates
	Las Vegas - Clark County Library District	City of North Las Vegas Library District		
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
2016		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	2016			2007		
	Taxable Assessed	Rank	Percentage of	Taxable Assessed	Rank	Percentage of
	Value ³		Taxable Assess	Value ³		Taxable Assess
Aliante Gaming LLC	\$ 77,577,372	1	1.56 %	\$		%
Golden Triangle Industrial Park	52,727,901	2	1.06 %			%
Picorne Real Estate Group	37,967,792	3	0.76 %			%
Cannery Casino Resorts	37,270,735	4	0.75 %	37,532,880	10	0.55 %
Alliance Residential Company	36,103,263	5	0.73 %			%
Station Casinos Incorporated	35,480,496	6	0.71 %	87,957,952	4	1.30 %
Prologis	27,251,559	7	0.55 %			%
Colonial Realty Limited Partnership	25,448,669	8	0.51 %			%
Wal-Mart Stores Incorporated	24,312,552	9	0.49 %			%
Colfin AL-NV	23,585,612	10	0.47 %			%
Olympia Group LLC				258,415,491	1	3.82 %
Centex Homes				100,201,264	2	1.48 %
Pardee Homes Nevada Incorporated				93,610,996	3	1.38 %
D.R. Horton Incorporated				53,846,208	5	0.80 %
Operating Engineers Pension Trust				51,628,111	6	0.76 %
Lenner Corporation				46,371,848	7	0.69 %
Black Hills Corporation				45,879,662	8	0.68 %
Greenspun Corporation				42,191,607	9	0.62 %
	<u>\$ 377,725,951</u>		<u>7.59 %</u>	<u>\$ 817,636,019</u>		<u>12.08 %</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>
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	99.3807 %
2015	44,062,241	43,664,539	99.0974 %	299,360	43,963,899	99.7768 %
2016	45,924,264	45,608,849	99.3132 %	³	45,608,849	99.3132 %

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			
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 %	2,055
2014	153,712,000	7,009,700		285,554,000	6,000,000	452,275,700	0.55 % ⁵	1,962
2015	150,080,000	5,249,000		278,445,000	5,000,000	438,774,000	0.54 % ⁵	1,904 ⁶
2016	147,770,000	3,409,300		272,000,000	2,352,219	425,531,519	0.52 %	1,846

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
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 %	1,985	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	278,445,000	428,525,000	3.60 %	1,859 ⁶	1,176,607	427,348,393
2016	147,770,000 ⁷	272,000,000	419,770,000	2.95 %	1,821	4,146,706	415,623,294

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, 2016

IN THOUSANDS

(UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
City of North Las Vegas	\$ 14,948 ⁴	100.00 %	\$ 14,948
Overlapping governments	⁴		
Clark County	19,128	7.52 %	1,438
Clark County School District	1,881,385	7.52 %	141,480
Las Vegas - Clark County Library District	20,775	9.88 %	2,053
State of Nevada	1,139,760	5.20 %	59,268
Total overlapping governments	3,061,048		204,239
Total direct and overlapping debt	3,075,996		\$ 219,187

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Total taxable assessed property value	² \$ <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>	<u>4,974,393,216</u>
Legal debt Margin										
Legal debt limit (20% of taxable assessed property value)	\$ 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	\$ 994,878,643
Debt applicable to debt limit										
Net general bonded debt	³ <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>	<u>415,623,294</u>
Legal debt margin	<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>	<u>\$ 579,255,349</u>
Total debt applicable to debt limit as a percentage of debt limit	<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>	<u>41.78 %</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)

<u>For the Year Ended June 30,</u>	<u>City of North Las Vegas Population</u>	<u>Clark County Personal Income</u>	<u>Clark County Population</u>	<u>Clark County Per Capita Personal Income</u>	<u>Clark County Unemployment Rate</u>
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	226,199	75,957,334,000	2,027,868	37,457	9.70 %
2014	230,491	81,821,005,000	2,069,450	39,538	7.80 %
2015	230,491 ²	81,821,005,000 ²	2,088,149	39,184 ²	7.10 %
2016	230,491 ²	81,821,005,000 ²	2,107,031	38,832 ²	6.90 %

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. Used last published information.

CITY OF NORTH LAS VEGAS

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

Clark County Employer	2016			2007		
	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	3.57 %	30000 to 39999 employees	1	3.81 %
Clark County	30000 to 39999 employees	2	.84 %	9500 to 9999 employees	2	1.06 %
Bellagio LLC	8000 to 8499 employees	3	.84 %	9000 to 9499 employees	3	1.01 %
Wynn Las Vegas	8000 to 8499 employees	4	.84 %	8500 to 8999 employees	4	.95 %
MGM Grand Hotel/Casin	8000 to 8499 employees	5	.84 %	8500-8999 employees	5	.95 %
Aria Resort & Casino LLC	7500 to 7999 employees	6	.79 %			.95 %
Mandalay Bay Resort & Casino	7000 to 7499 employees	7	.74 %	6500 to 6999 employees	6	.74 %
University of Nevada Las Vegas	5000 to 5499 employees	8	.54 %	6000 to 6499 employees	7	.68 %
Caesars Palace	5000 to 5499 employees	9	.54 %	5500 to 5999 employees	8	.63 %
Las Vegas Metropolitan Police Dept	4500 to 4999 employees	10	.48 %	5500 to 5999 employees	9	.63 %
Mirage Casino Hotel				5000 to 5499 employees	10	.57 %

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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Governmental activities										
General government	204	259	272	277	258	193	163	127	129	122
Judicial	82	87	91	98	99	98	85	72	72	63
Public safety	972	1,133	1,232	1,269	1,264	1,226	1,141	915	912	688
Public works	156	167	167	168	143	100	80	51	55	50
Culture and recreation	205	220	234	251	235	166	152	129	136	130
Community support	29	40	42	44	40	33	29	25	24	19
Total governmental activities	<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>	<u>1,072</u>
Business-type activities										
Wastewater	36	44	46	48	63	52	55	55	54	81
Water	73	91	96	97	84	96	95	93	92	53
Municipal golf courses	14	13	14	9	8	7	8	7	7	7
Total business-type activities	<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>	<u>141</u>
Total full-time equivalent employees	<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>	<u><u>1,213</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, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Police										
Calls for service										
Officer initiated	166,364	194,527	190,668	211,130	207,019	113,946	106,247	95,699	72,582	64,286
Community generated	139,132	136,089	96,897	108,908	92,588	106,385	98,452	98,596	114,894	122,794
Neighborhood watch meetings	80	113	72	102	37	47	31	39	68	43
Detention										
Bookings	14,500	17,726	19,842	20,662	20,662	10,058	9,037	9,003	8,857	8,147
Average daily population	807	885	906	928	523	237	220	147	132	161
Daily meals service	850,000	1,045,686	900,000	1,171,704	532,888	276,122	276,122			
Fire										
Number of calls	24,500	25,986	26,351	27,016	27,828	28,540	30,187	28,909	30,272	32,419
EMS responses	12,400	17,895	15,588	18,983	18,983	24,309	24,766	24,831	23,692	24,486
Non-fire Incidents	11,150	5,750	6,040	3,673	1,170	509	2,448	2,301	2,211	2,194
Fire Incidents	950	2,142	1,839	4,346	2,330	1,954	2,191	2,274	1,284	1,344
Structure fires	89	667	543	673	643	516	717	642	684	696
Library facilities										
Circulation	416,494	465,304	613,658	793,000	725,905	710,415	649,445	604,614	502,249	478,159
Holdings	152,139	153,436	212,074	225,404	234,725	243,629	251,543	202,163	200,166	201,185
Library traffic	417,431	446,336	557,694	754,000	536,085	490,128	442,688	408,672	388,937	367,794
Culture and recreation										
Golf Courses										
Number of rounds of golf	94,738	86,670	74,474	68,000	63,565	64,297	61,102	66,647	65,407	55,389
Cost of operation per round (Municipal Course)	\$ 12	\$ 12	\$ 12	\$ 8	\$ 11	\$ 11	\$ 12	\$ 11	\$ 11	\$ 15
Cost of operation per round (Craig Ranch Course)	\$ 21	\$ 26								
Cost of operation per round (Aliante Course)	\$	\$	\$ 54	\$ 75	\$ 54	\$ 47	\$ 49	\$ 61	\$ 50	\$ 59
Parks/Recreation										
Program participation visits	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	1,551,452
Annual cost per acre to maintain	\$ 20,513	\$ 19,971	\$ 22,776	\$ 18,000	\$ 9,906	\$ 7,300	\$ 7,001	\$ 6,174	\$	\$
Number of stage rentals	18	11	13	10	21	17	12	10	17	19
Public works										
Building safety-permits issued	11,470	9,616	6,693	6,044	6,480	6,285	5,586	5,812	7,925	
Survey										
Technical reviews completed (maps, documents)	279	279	118	60	31	25	24	77	79	116
GPS features collected	66,370	66,371	75,327	55,000	5,851	9,543	1,253	10,916	4,368	5,447
Engineering services-active capital projects	64	57	64	72	65	47	50	56	49	61
Construction services-number of inspections	14,179	12,072	5,020	8,090	4,142	2,423	2,423			
Development and Flood Control-permits issued	1,055	1,100	699	500	309	322	275	415	460	
Real property services										
Maps reviewed and processed	59	49	181	23	19	13	15	24	26	56
Planning Commission items reviewed	491	47	94	150	149	111	138	203	227	202
Addresses assigned	3,014	806	758	500	356	151	303	378	420	531

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Water										
Valves exercised	2,760	1,933	3,104	1,970	2,588	1,773	1,486	1,140	1,749	1,031
Water repairs	290	226	250	233	276	250	218	187	172	235
Service requests	2,344	90,717	82,644	76,462	69,700	76,731	70,423	71,097	72,564	63,375
Number of bills	974,142	994,641	970,590	974,406	980,797	1,079,258	1,006,250	1,017,587	1,011,433	1,043,859
Number of meters read	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	1,055,488

CITY OF NORTH LAS VEGAS

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

Function/program	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016
Police stations	2	2	2	3	2	2	2	2	2	2
Fire stations	7	7	7	8	8	8	8	8	8	8
Library facilities	2	2	3	3	3	3	3	3	3	3
Culture and recreation										
Community centers	2	2	2	2	2	3	3	3	3	3
Parks	31	31	31	34	34	34	34	35	35	35
Park acreage	493	493	493	474	474	474	474	627	633	633
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	18	18	18
Public works										
Lane miles of paved street	1,925	1,971	2,150	2,150	2,167	2,171	2,489	2,489	2,489	2,489
Lane miles of unpaved street			630	700	698	698	698	698	698	698
Traffic signal intersections	105	120	138	141	143	152	155	155	155	155
Street lights	32,000	35,000	35,000	35,000	35,000	35,104	35,000	35,000	35,000	35,000
Water										
Miles of water main	1,072	1,096	1,110	1,127	1,130	1,117	1,119	1,060	1,064	1,100
Residential service connections	76,473	75,375	73,048	73,642	74,191	76,367	76,988	78,228	79,572	80,378
Commercial service connections	5,001	5,350	5,256	5,258	5,305	5,403	5,439	5,517	5,638	5,760
Average daily consumption in million gallons	50	49	47	46	46	45	44	45	45	47
Peak demand day in million gallons	75	74	76	75	74	66	69	69	69	68
Wastewater										
Miles of sewer wastewater main	609	625	625	625	625	625	638	651	667	670
Miles of storm wastewater main	147	175	180	183	193	263	266	153	157	178

BUSINESS LICENSE FEES

CITY OF NORTH LAS VEGAS

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016		\$	3,294,955
Business license revenue for the year ended June 30, 2015 (base year)	\$	2,988,195	
Adjustment to base year			
Percentage change in Consumer Price Index		<u>1.00</u>	%
Total adjustment to base year		<u>29,882</u>	
Adjusted business license revenue base for the year ended June 30, 2016			<u>3,018,077</u>
Amount over allowable maximum		\$	<u>276,878</u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2016		\$	1,938,568
Business license revenue for the year ended June 30, 2015 (base year)	\$	2,147,270	
Adjustment to base year			
Percentage change in local government population		0.00	%
Percentage change in Consumer Price Index		<u>1.00</u>	%
Total adjustment to base year		<u>21,473</u>	
Adjusted business license revenue base for the year ended June 30, 2016			<u>2,168,743</u>
Amount under allowable maximum		\$	<u>(230,175)</u>

SINGLE AUDIT INFORMATION

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

Members of the City Council
 City of 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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Each of the Major Federal Programs Identified in the Table Below. As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

<u>Finding Number</u>	<u>Compliance Requirement</u>	<u>CFDA Number(s)</u>	<u>Program Name</u>
2016 - 003	Procurement and Suspension and Debarment	14.218, 14.225 16.710 20.205	CDBG - Entitlement Grants Cluster Public Safety Partnership and Community Policing Grants Highway Planning and Construction Cluster
2016 - 004	Other Requirements	14.218, 14.225	CDBG - Entitlement Grants Cluster

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Each of the Major Federal Programs Identified in the Table Above. In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 major federal programs identified in the table above for the year ended June 30, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

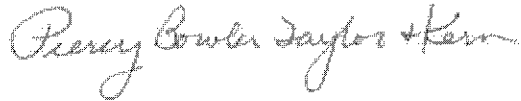
A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016 - 001, to be a material weakness.

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. We consider the deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016 - 003 and 2016 - 004 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 13, 2016, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada
December 13, 2016

CITY OF NORTH LAS VEGAS

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

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Housing and Urban Development				
Emergency Solutions Grant Program	14.231		\$ 58,119 \$ 144,357	\$ 58,172 156,057
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218 *		225,385	291,839
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225 *		6,120	6,120
Subtotal Entitlement Grants Cluster			<u>231,505</u>	<u>297,959</u>
Passed through Clark County, Nevada-Department of Finance				
Home Investment Partnerships Program	14.239	M-10-DC-32-0001	156,029	156,029
		M-11-DC-32-0001	162,582	162,582
		M-14-DC-32-0001		2,091
Neighborhood Stabilization Program	14.264	HUD HOME PI Fed Grant	93,050	93,050
		B-08-UN-32-0001	43,110	43,110
CDBG - Entitlement Grants Cluster				
Passed through Clark County, Nevada-Department of Finance				
Community Development Block Grants/Entitlement Grants	14.218 *	B-10-UC-32-0001	11,022	11,022
		B-12-UC-32-0001		282,921
		B-13-UC-32-0001	48,480	246,822
		B-14-UC-32-0001	310,451	310,778
		B-15-UC-32-0001	338,373	784,343
Subtotal Entitlement Grants Cluster			<u>708,326</u>	<u>1,635,886</u>
Total U.S. Department of Housing and Urban Development			<u>1,597,078</u>	<u>2,604,936</u>
U.S. Department of Homeland Security				
Assistance to Firefighters Grant	97.044			11
Joint Operation 15-16	N/A			23,845
Passed through State of Nevada, Department of Public Safety				
Emergency Management Performance Grants	97.042	EMW-2015-EP-00002		42,655
		EMF-2016-EP-00007		59,310
Passed through Clark County Fire Department				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2014-CA-K00152		18,836
		EMW-2015-CA-00021		10,538
Total U.S. Department of Homeland Security			<u>155,195</u>	
U.S. Department of Transportation				
Passed through State of Nevada, Department of Public Safety				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	15-HMEP-03-07		21,870
		16-HMEP-03-01		3,219
		16-HMEP-03-05		2,021
Highway Safety Cluster				
Passed through State of Nevada-Department of Public Safety				
State and Community Highway Safety	20.600	JF-2015-NLVPD-00033		54,189
		JF-2016-NLVPD-00027		91,667

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
National Priority Safety Programs	20.616(d)	JF-2015-NLVPD-00033 JF-2016-NLVPD-00026 LFD-2016-NLVPD-00022 TS-2016-NLVPD-00132		15,737 28,756 5,000 9,975
Subtotal Highway Safety Cluster				205,325
Highway Planning and Construction Cluster Passed through State of Nevada-Department of Public Safety Highway Planning and Construction	20.205 *	TS-2015-NLVPD-0097 TS-2016-NLVPD-00059		42,487 27,302
Subtotal				69,789
Passed through State of Nevada, Department of Transportation				
Highway Planning and Construction Cluster Passed through State of Nevada-Department of Transportation Highway Planning and Construction	20.205 *	PR411-14-063 PR110-14-063 PR395-11-063 P437-12-063 PR573-13-063 PR481-14-063 P040-12-063 P042-12-063		994 124,326 7,885,647 24,577 110,445 114,357 54,462 5,644
Subtotal				8,320,452
Total U.S. Department of Transportation				8,622,675
U.S. Department of Justice				
State Criminal Alien Assistance Program	16.606			12,542 25,774
Public Safety Partnership and Community Policing Grants	16.710 *			214,460 637,836
Edward Byrne Memorial Justice Assistance Grant Program	16.738			45,706 920 22,748
Nevada Joint Terrorist Task Force (JTTF) - 14	N/A			14,743
Child Exploitation Task Force (CETF)	N/A			14,564
Tactical Diversion Task Force - 14	N/A			4,532
Tactical Diversion Task Force - 15	N/A			11,965
Equitable Sharing Program	16.922			37,131
Passed through State of Nevada, Department of Health and Human Services: Crime Victim Assistance	16.575	2015-VA-GX-0024		127,843
Passed through State of Nevada, Office of the Attorney General Violence Against Women Formula Grants	16.588	2015-STOP-15		17,309
Passed through Las Vegas Metropolitan Police Department Missing Children's Assistance	16.543	2014-MC-FX-K045		12,682
Total U.S. Department of Justice				1,200,755

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-through Entity/Cluster or Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Federal Expenditures
Executive Office of the President				
High Intensity Drug Trafficking Areas Program	95.001			118,534 1,623 34,615 2,582
Total Executive Office of the President				157,354
U.S. Department of the Interior				
Passed through State of Nevada, Bureau of Land Management Southern Nevada Public Land Management	15.235	L11AC20228 L12AC20493 L14AC00132		933,851 54,186 71,485
Total U.S. Department of the Interior				1,059,522
U.S. Department of Agriculture				
Passed through National Recreation and Park Association Child and Adult Care Food Program	10.558	N/A		21,233
Child Nutrition Cluster Passed through State of Nevada, Department of Education Special Milk Program for Children	10.556	M-102400-10		16,347
Total U.S. Department of Agriculture				37,580
U.S. Department of Health and Human Services				
Passed through Southern Nevada Health District Highway Training and Education Partnerships to Improve Community Health	20.215 93.331	2015-12 SNHD-6-PICH-INT-15-028		2,628 72,638
Total U.S. Department of Health and Human Services				75,266
U.S. Department of Energy				
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128			1,653
Total U.S. Department of Energy				1,653
Total federal expenditures			\$ 1,597,078	\$ 13,914,936

* A major program

CITY OF NORTH LAS VEGAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Outstanding Loan Balances

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. There were no loan receivable at June 30, 2016.

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2016

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	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Qualified
Audit findings required to be reported in accordance with 2 CFR 200.516(a)	Yes
Identification of major programs	
CFDA number	14.218, 14.225
Name of federal program or cluster	CDBG - Entitlement Grants Cluster
CFDA number	16.710
Name of federal program or cluster	Public Safety Partnership and Community Policing Grants
CFDA number	20.205
Name of federal program or cluster	Highway Planning and Construction Cluster
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
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, 2016

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

2016 - 001

Criteria or specific requirement	Government financial statements are required to be prepared in accordance with accounting principles generally accepted in the United States (GAAP) to provide reasonable assurance that financial statements, free of material errors, are presented using the appropriate basis of accounting, transactions must be accurately recognized in accordance with GAAP and associated policies and procedures. This includes a timely review and reconciliation of accounts receivables
Condition and context	We noted insufficient staffing to monitor compliance with policies and procedures and to prepare timely, and accurate, account reconciliations, for example, the Neighborhood and Leisure Services Department does not have the resources to afford reasonable assurance of the appropriate application of GAAP in recording transactions and preparing financial statements as of year end. Specifically, accounts receivable balances at June 30, 2016 contained amounts received prior to year end as well as duplicate receivable entries.
Effect	Reasonable assurance that transactions are accurately recognized and financial statements, free of material errors, are presented using the appropriate basis of accounting, as required by GAAP, cannot readily be attained. Specifically, accounts receivable was overstated \$420,742 at year end.
Cause	Failure to retain and/or recruit sufficient personnel who possess an appropriate level of knowledge and skills to effectively develop, implement and monitor compliance with policies and procedures and to prepare timely, and accurate, account reconciliations.
Recommendation	Management should augment staffing to develop and monitor procedures designed to ensure that transactions are recognized accurately and in the proper period and financial statements, free of material errors are appropriately presented.
Management's response	Management informed us that they are evaluating a process was created and all data is being entered into the Oracle Purchase Order and Oracle Projects and Grants systems so the reliance on separate non-system tracking has diminished. If a second schedule is kept by a projects and grants employee, it is purely secondary, as any payments, accruals or other transactions are determined from the Oracle systems. For example, the main problem we experienced in the past was the manual preparation of invoices to the funding agency and the creation of the Oracle invoice after the funds were received and then the payment to the subrecipient entered in AP afterwards. Now, the invoice is initially created in AR, the AP invoice entered into AP along with a purchase order with a 30 hold and the funds only released via AP after the funding has been received from the granting agency.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

2016 - 002

Criteria or specific requirement	Appropriate segregation of duties to prevent/detect errors and fraud in a timely manner by employees in the ordinary course performing their responsibilities.
Condition and context	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, 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 vendor list changes by an accounting manager be performed or that accounts payable clerk rights to modify the vendor list be terminated.
Management's response	Management informed us that it will either complete the design of a report to facilitate monitoring, and will routinely monitor, vendor list changes or will terminate the rights of accounts payable clerks to make vendor list changes.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

2016 - 003

Federal program

Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Community Development Block Grants/Special Purpose Grants/Insular Areas (CFDA #14.225)
Public Safety Partnership and Community Policing Grants (CFDA #16.710)
Highway Planning and Construction (CFDA #20.205)

Criteria or specific requirement

States, and governmental subrecipients of States, will use the same State policies and procedures used for procurements from non-Federal funds (this includes conflict of interest policies). They also must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

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.

All non-Federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

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. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215."

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. We also noted that the policy to post vendor rankings on their website when there is a request for proposal was not followed.

Questioned costs

None.

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. In addition, contracting decision could be questioned as a result of not posting the vendor rankings as stipulated in the policies.

Cause

The City did not have policies in place to adequately address the appropriate eligibility guidelines of the grant awards and did not follow their policy related to requests for proposals.

Repeat finding

Yes

Recommendation

Management should implement policies and procedures to address the conduct of those involved in making procurement decisions and should follow their policies. In addition, revision of the current procurement policy should include review of the excluded party listing at <https://www.sam.gov> to prevent contracting with or making transactions with parties that are suspended or debarred.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Management's response

Management informed us that a new policy was submitted to the City's legal department prior to the audit but has not yet been returned with approval. The new policies and procedures will be put into place to review all entries involved in the contracted services related to grants or projects to determine their eligibility to supply such services and or products. This will include obtaining certifications from suppliers stating they are not suspended or debarred and verifying their eligibility via the sam.gov website. Policies will include a section to address conflicts of interest.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

2016 - 004	
Federal program	Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Criteria or specific requirement	The schedule of expenditures of federal awards (SEFA) shall be complete and accurate and agree to supporting records/documentation.
Condition and context	We noted insufficient staffing to monitor compliance with policies and procedures, for example, certain federal and non-federal expenditures were inappropriately excluded or included from/in the SEFA, possibly due to delays in recording and identifying the expended amounts.
Questioned costs	None.
Effect	Reasonable assurance that the schedule of expenditures of federal awards is complete and accurate cannot readily be attained.
Cause	Failure to retain and/or recruit sufficient personnel who possess an appropriate level of knowledge and skills to effectively develop, implement and monitor compliance with policies and procedures.
Repeat finding	Yes
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 fiscal year 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.

CITY OF NORTH LAS VEGAS
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
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 or specific requirement	Appropriate segregation of duties to prevent/detect errors and fraud in a timely manner by employees in the ordinary course performing their responsibilities.
Condition and context	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.
Current status	Partially corrected. Changes to the vendor list are not monitored. See finding 2016-002.
Reasons for this finding's recurrence	The vendor change report was a cumbersome process to generate an appropriate report. Due to other higher priority issues there was not a lot of focus on the vendor change report. The report has been created but it is difficult to review. Lack of staffing has moved this particular review to a lower position. The review of AP invoice batches and copies of checks issued helps in the prevention of fraud by the AP process.
Partial corrective action taken	An accounting manager reviews and approves check registers and printed checks. Management has started to design a report to facilitate monitoring of vendor list changes.
Planned corrective action	Management will either complete the design of a report to facilitate monitoring, and will routinely monitor, vendor list changes or will terminate the rights of accounts payable clerks to make vendor list changes.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR 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 or specific requirement

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 and context

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 manger in finance before the entries are recorded. Additionally, signed checks are on occasion held for vendor pickup by the department approving the expenditure.

Current status

Corrected.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR 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) and/or findings required by 2 CFR 200.516(a)

2015 - 003

Federal program

Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Home Investment Partnerships Program (CFDA #14.239)

Criteria or specific requirement

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 in conjunction 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.

Current status

Uncorrected. See finding 2016-004.

Reasons for this finding's recurrence

Implementation of the previously reported corrective action plan was not immediate.

Partial corrective action taken

None.

Planned corrective action

A process was created and all data is being entered into the Oracle Purchase Order and Oracle Projects and Grants systems so the reliance on separate non-system tracking has diminished. If a second schedule is kept by a projects and grants employee, it is purely secondary, as any payments, accruals or other transactions are determined from the Oracle systems. For example, the main problem we experienced in the past was the manual preparation of invoices to the funding agency and the creation of the Oracle invoice after the funds were received and then the payment to the subrecipient entered in AP afterwards. Now, the invoice is initially created in AR, the AP invoice entered into AP along with a purchase order with a 30 hold and the funds only released via AP after the funding has been received from the granting agency.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR 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) and/or findings required by 2 CFR 200.516(a) (continued)

2015 - 004

Federal program

Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Home Investment Partnerships Program (CFDA #14.239)

Criteria or specific requirement

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.

Current status

Corrected.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR 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) and/or findings required by 2 CFR 200.516(a) (continued)

2015 - 005

Federal program

Community Development Block Grants/Entitlement Grants (CFDA #14.218)
Home Investment Partnerships Program (CFDA #14.239)
Highway Planning and Construction (CFDA #20.205)

Criteria or specific requirement

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.

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.

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.

Current status

Uncorrected. See finding 2016-003.

Reasons for this finding's recurrence

There was a break in communication regarding the approval of the more detailed Purchasing Guidelines, so the new policy was not formally put into place but the required actions are in place, specifically the certifications of suppliers eligibility to be paid with governmental funding.

Partial corrective action taken

None.

Planned corrective action

A new policy was submitted to the City's legal department prior to the audit but has not yet been returned with approval. The new policies and procedures will be put into place to review all entries involved in the contracted services related to grants or projects to determine their eligibility to supply such services and or products. This will include obtaining certifications from suppliers stating they are not suspended or debarred and verifying their eligibility via the sam.gov website. Policies will include a section to address conflicts of interest.

City of North Las Vegas
Corrective Action Plan Pursuant to NRS 354.6245
As Included with the FY2016 CAFR

<u>Department</u>	<u>Finding/Corrective Action</u>
<p>Finance and Projects & Grants</p>	<p><u>Finding 2016-001:</u> Insufficient staffing to monitor compliance with policies and procedures and to prepare timely and accurate, account reconciliations, for example the Neighborhood and Leisure Services Department does not have resources to afford reasonable assurance of appropriate application of GAAP in recording transactions and preparing financial statements as of year end. Specifically, accounts receivable balances at June 30, 2016 contained amounts received prior to year end as well as duplicate receivable entries.</p> <p><u>Corrective Action:</u> Management has set a procedure to only create invoices within the Oracle Accounts Receivable/Projects and Grants modules. Subrecipient invoices have Purchase Orders created at time of service requests and invoices are to be submitted to Accounts Payable upon receipt with a 30 day hold. This procedure causes all transactions to be maintained within the system. If the department keeps a separate tracking worksheet, it is only secondary and should be reconciled with the General Ledger balances. This should minimize if not eliminate the possibility of duplicate or lost payable or receivable invoices.</p>
<p>Finance</p>	<p><u>Finding 2016-002:</u> 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, listings of new vendors are not, but should be, reviewed at least monthly for propriety by an accounting manager.</p> <p><u>Corrective Action:</u> The review of accounts payable entries are reviewed by the payables counterpart and also reviewed by either a financial analyst or accounting manager. These reviews are documented by initials on the invoice batch summary sheets. Beginning in January 2017, new vendor input (with the exception of Utility refunds which is uploaded by the Utility module as one time vendors), will be performed by a Financial Analyst employee, separate from Accounts Payable. New vendor entry will be tracked by the Financial Analyst and then verified monthly by an updated vendor input report.</p>

**Corrective Action Plan Pursuant to NRS 354.6245
As Included with the FY2016 CAFR**

Continued

<p>Projects & Grants</p>	<p><u>Finding 2016-003:</u> The current Purchasing Guidelines do 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. We also noted the policy to post vendor rankings on their website when there is a request for proposal was not followed.</p> <p><u>Corrective Action:</u> Updated purchasing policy will be put into place. Verification of eligibility to participate in Federal or State funded programs will be acquired prior to awarding contracts or requests for goods or services. The pending procedures are being followed, but the formal policy has not been implemented.</p>
<p>Projects & Grants</p>	<p><u>Finding 2016-004:</u> Insufficient staffing to monitor compliance with policies and procedures, for example, certain federal and non-federal expenditures were inappropriately excluded or included from/in the SEFA, possibly due to delays in recording and identifying the expended amounts.</p> <p><u>Corrective Action:</u> The procedures described in Finding 2016-001 will help solve this finding as well as all receipts and disbursements will be tracked directly in the Oracle modules. However, understaffing continues to be a problem and the solution for hiring new and qualified personnel is dependent on the tax revenues generated by the City.</p>
<p>Contact Information</p>	<p>Rhonda Garlick, Accounting Manager garlickr@cityofnorthlasvegas.com, 702-633-1460 x 3630.</p>