

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of North Las Vegas, Nevada
Fiscal Year Ended June 30, 2017



CITY OF
NORTH LAS VEGAS

Your Community of Choice



**CITY OF
NORTH LAS VEGAS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2017**

STATE OF NEVADA

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2017**

**PREPARED BY
DEPARTMENT OF FINANCE
DEBORAH J. BARTON
FINANCE MANAGER**

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 - Deborah J. Barton, Finance Manager
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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, 2017, 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, 2017, 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, 2017. 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 240,708 as of July 1, 2016, the City ranks as the fourth largest city in the State of Nevada. The City was incorporated May 16, 1946, and currently occupies 101.069 square miles (less than 50% built-out) with a large quantity 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 one municipal judge. The Mayor and municipal judge 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; term of office for the municipal judge is 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. 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. 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.

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. As a result of record breaking visitor volume in calendar year 2016 (up 1.5% over 2015), visitor spending was up across all key areas including food and beverage, transportation, shopping and sightseeing.

The employment picture has also experienced a robust recovery since the Great Recession. As of March 2017, Nevada's unemployment rate fell to 4.8% (73rd consecutive month of year-over-year declines) with strong jobs growth seen over a variety of industries. Leading the way is a rebound in the construction industry as well as growth in leisure and hospitality. High-tech businesses such as solar technology and custom manufacturing facilities are moving to North Las Vegas in greater numbers, creating new power centers and neighborhood shopping centers that further diversify career opportunities. Employment diversification and consumer spending are vital to economic health. 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 more, 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.

An increasing local population, improving job market, and overall confidence in a more diversified local economy has in-turn enhanced the Las Vegas housing market. As of February 2017, the median price of a single family home was \$240,000, an 8.9% increase from the prior year. Housing supply remains tight with a supply of only 3 months (6 months is considered balanced) and short sales in the market continue to see positive trending. The only negative in this sector is that even with the recent growth trends, the Las Vegas Valley still has the smallest percentage of homes (0.6%) in the country whose values have recouped their post bubble losses.

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 subsequently modified the aforementioned fund balance policy by enacting Resolution No. 2471, which requires 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 2017 was a slight decrease in ending fund balance, after transfers out, from 10.4% in fiscal year-end 2016 to 10.2% in 2017. The long-term goal of the City Council is to rebuild the general fund balance over time to a minimum threshold of 18%.

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.

The City saw improved ratings from two of the three rating agencies. Moody's Investors Service improved from "Ba2" to "Baa3" and S&P Global Ratings improved from "BB-" to "BB+". Fitch's rating remained unchanged at "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 regional housing market, which was among the hardest hit in the U.S., with a combined loss of 56% of taxable assessed valuation. While taxable assessed valuation has rebounded to some extent, it remains about two-thirds of the 2009 peak. The City's largest source of revenues is consolidated taxes, which account for more than 40% of general fund revenues and primarily consists of sales taxes. For fiscal year 2018, consolidated taxes are expected to be just slightly higher than the fiscal year 2006 all-time high of \$53,720,737. 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.

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 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.

Looking to the future, the City has taken action to balance the fiscal year 2018 budget with a projected General Fund ending fund balance of at least 12.9%. 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 fiscal year 2018-2022 CIP in excess of \$734.2 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 City continues to earn the reputation of being one of the premier municipalities in the country for commercial and industrial development. Our business friendly culture and the availability of real estate, land and infrastructure has been critical to the City's improving ability to attract developers of large warehouses and e-commerce centers, as well as supply-chain logistics centers and buildings. Boasting a prime location close to the transportation corridor, railways, and two airports, North Las Vegas businesses are provided the luxury of easy access to large and growing markets across the Western United States. For example, in 2015, Prologis built a 464,203 square-foot cross-docking warehouse on a 20.5-acre site, and in 2016, completed a 153,700 square-foot rear-loaded warehouse on 7.4 acres in the City.

The City is currently focused on the water and wastewater infrastructure development for two very large development areas to further accommodate commercial, industrial and heavy industrial land uses. The first is the Northern Beltway Commercial Area and consists of over 914 acres. Recently completed projects in this area include more than 2.2 million square-feet of logistics facilities constructed by Van Trust Real Estate, Inc., (VanTrust) and leased to entities such as Amazon, Fanatics and The Honest Company. In total, VanTrust plans to complete 3.2 million square-feet of logistics facilities. In addition, Prologis has completed a 525,200 square-foot logistics facility that it leased to Bed Bath & Beyond and is building a 633,122 square-foot logistics facility on another parcel scheduled for completion at the end of calendar 2017. Prologis also owns a 50.24 acre adjacent parcel zoned for industrial use.

The other large development area is known as the Apex Industrial Park that consists of 10,000 acres situated in a mountain pass approximate 15 miles northeast of City Hall primarily on the west side of Interstate 15, near Union Pacific Railroad tracks, both connecting Southern California to Northern Utah. Both of these large development areas are expected to generate increasing tax revenues as projects are completed.

In April 2017, developers broke ground on Vegas Trade Village, a \$100 million, 35-acre tourism and convention center project located at the northeast corner of Cheyenne Avenue and Commerce Street. Vegas Trade Village expands what the City has to offer. This seven-phase project is expected to evolve into a live work environment complete with a 20,000-square-foot convention center, apartment complex, four restaurants, convenience store, and a 12-room hotel. The property is anticipated to be a place where manufacturers can live, eat and conduct business.

The \$8.8 million Ann Road Channel East Project was funded by both the Regional Flood Control District and Motor Vehicle Fuel Taxes and connects the North 5th Street storm drain system to the Upper Las Vegas Wash. In addition, the project involved widening the Ann Road alignment, installing upgraded streetlights, curb/gutter/sidewalk and rehabilitating several sections of pavement between Commerce Street and the Upper Las Vegas Wash. It is an important segment of the flood control system in the Northern Beltway Commercial Area.

The \$3.0 million Valley Drive Project provided road improvements along the alignment from Cheyenne Avenue to Tropical Parkway consisting of two travel lanes in each direction and improved curb/gutter/sidewalk. The \$600,000 Sewer Main Rehabilitation Project improved utility infrastructure within the Pecos Road alignment using an "in situ" lining system that increases flow of existing sewer lines without having to excavate.

Utility infrastructure was improved by completing the Sewer Main Rehabilitation Project within the Pecos Road alignment. This Project used an in situ lining system that improves the interior flow and quality of existing sewer line without having to excavate the roadway. The cost of the lining work was approximately \$600,000. In addition, the \$800,000 Carlton Reservoir No. 1 rehabilitated and repainted a storage tank.

The City also has several master planned communities, including El Dorado and Aliante, which are substantially complete, and Sedona Ranch, Villages at Tule Springs and Valley Vista which are in various stages of development. These communities provide a variety of quality homes and amenities that allow people to live comfortably and conveniently near work, parks, schools and other services.

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, 2016. This was the 36th 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



Deborah J. Barton, Finance Manager



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

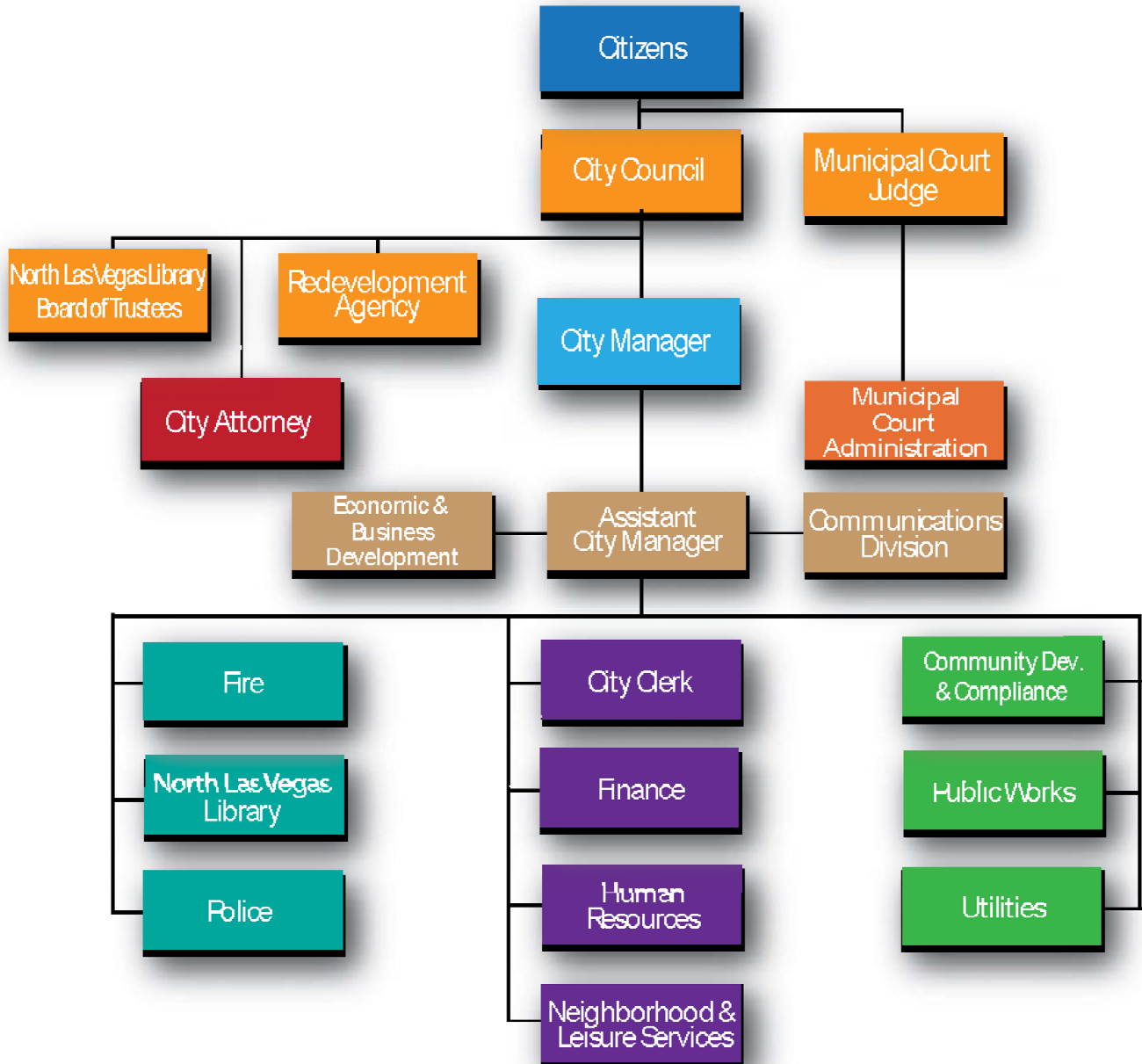
June 30, 2016

Executive Director/CEO

CITY OF NORTH LAS VEGAS

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2017



CITY OF NORTH LAS VEGAS

CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2017

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

Appointed Officials

City Manager	Dr. Qiong X. Liu
City Attorney	Micaela Rustia Moore
Assistant City Manager	Ryann Juden
Director of Finance & Information Technology	Darren J. Adair
Acting Fire Chief	Travis Anderson
Police Chief	Alexander Perez
Director of Land Development and Community Services	Alfredo Melesio
Director of Utilities	Randall E. De Vaul
Director of Library Services	Forrest Lewis
Director of Public Works	Jennifer Doody
Director of Neighborhood & Leisure Services	Cass Palmer
City Clerk	Catherine Raynor
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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 11-26 and 73-82 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 11, 2017, 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 11, 2017

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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 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			
	2017	2016	Change	
Cash, cash equivalents and investments, unrestricted	\$ 274,268,842	\$ 226,795,864	\$ 47,472,978	20.93 %
Cash, cash equivalents and investments, restricted	9,489,040	9,617,819	(128,779)	(1.34)%
Due from other governments	15,237,566	13,553,692	1,683,874	12.42 %
Capital assets, net	1,737,804,943	1,773,167,564	(35,362,621)	(1.99)%
Deferred outflows of resources	66,428,967	45,018,658	21,410,309	47.56 %
Bonds and notes payable, net of unamortized premiums and discounts	419,725,858	431,875,386	(12,149,528)	(2.81)%
Postemployment benefits other than pensions	17,412,139	15,305,563	2,106,576	13.76 %
Net pension liability	233,244,955	207,807,802	25,437,153	12.24 %
Deferred inflows of resources	37,289,595	39,884,588	(2,594,993)	(6.51)%
Total net position	1,371,757,025	1,345,569,263	26,187,762	1.95 %

The increase in cash, cash equivalents and investments is related to changes in net position of the various funds (approximately \$26 million) and the timing of collection of receivables and the payment of obligations incurred.

The increase in due from other governments primarily resulted from a new revenue source (Clark County Crime Prevention Act of 2016), which provided for an increase in the sales tax rate by .01% to fund more police officers. Additionally, there was an increase in revenues associated with the City's largest single source of revenue to the general fund (consolidated taxes), compared to the prior year.

The decrease in capital assets mostly occurred in the governmental activities. Infrastructure projects slowed in fiscal year 2016-17, compared to fiscal year 2015-16, primarily due to the completion of a number of large carryover projects. Depreciation expense exceeded the cost of capital asset additions.

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, which accounts for the decrease in the above bonds and notes payable.

The principal reasons for the increase in postemployment benefits other than pensions include a decrease in the assumed discount rate from 4% to 3.13%, updates in members covered and related plan coverage, an assumed increase in life expectancy, and other changes to medical premiums and claim cost trend assumptions, which were all part of the actuarial valuation process.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

The net pension liability and all the deferred outflows, as well as \$35 million of the deferred inflows, are based on an actuarial valuation. These pension amounts represent the City's proportionate share of the Nevada Public Employees Retirement System's unfunded liability and is recorded in accordance with accounting standards, however, the City is not yet obligated to fund for such amounts according to Nevada Revised Statutes.

Summary of Selected Statement of Activities Information

	Total Primary Government			
	2017	2016	Change	
Charges for services	\$ 195,415,484	\$ 179,563,917	\$ 15,851,567	8.83 %
Property taxes	54,395,962	53,201,608	1,194,354	2.24 %
Intergovernmental consolidated taxes	52,977,267	49,903,290	3,073,977	6.16 %
Total expenses	365,808,308	351,714,014	14,094,294	4.01 %
Change in net position	26,187,761	39,206,194	(13,018,433)	(33.21)%

The above revenues are a solid indication of the continual growth and development in the business and residential sectors of the City's economy. Service charges for water and wastewater consumption have seen a year over year increase as a result of new development and a water service rate increase of 3% during the fiscal year. The Utility Funds add approximately 1,000 new accounts annually.

The Nevada Legislature passed a law to provide property tax relief to all citizens. As such, existing residential, commercial and industrial construction are subject to an annual 3% cap for owner-occupied residential property and an annual 8% cap is applied to all other properties. The rate limitations are not applicable to all new construction. As such, property taxes have continued to increase slightly year-over-year.

Intergovernmental consolidated taxes increased for the seventh consecutive year. This revenue source primarily consists of sales tax, and as such, reflects increases in consumer spending.

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.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include a municipal court, public safety (police and fire), highways and streets, planning and zoning, parks and recreational facilities, libraries, community development and general government. The business-type activities include a water delivery system, a wastewater collection operation and municipal golf courses.

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 begin on page 27.

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 beginning on page 83.

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.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

The governmental fund financial statements begin on page 31.

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 begin on page 35.

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 statements begin on page 40.

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 begin on page 41.

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 begins on page 73.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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	
	2017	2016	2017	2016	2017	2016
Assets						
Current, restricted and other	\$ 229,687,886	\$ 192,083,311	\$ 134,182,359	\$ 119,309,368	\$ 363,870,245	\$ 311,392,679
Capital	<u>1,277,274,456</u>	<u>1,298,466,883</u>	<u>460,530,487</u>	<u>474,700,681</u>	<u>1,737,804,943</u>	<u>1,773,167,564</u>
Total assets	<u>1,506,962,342</u>	<u>1,490,550,194</u>	<u>594,712,846</u>	<u>594,010,049</u>	<u>2,101,675,188</u>	<u>2,084,560,243</u>
Deferred outflows of resources	<u>61,782,610</u>	<u>42,272,885</u>	<u>4,646,357</u>	<u>2,745,773</u>	<u>66,428,967</u>	<u>45,018,658</u>
Liabilities						
Current	36,314,538	31,745,115	15,628,507	14,954,162	51,943,045	46,699,277
Long-term	<u>413,979,428</u>	<u>399,032,984</u>	<u>293,135,062</u>	<u>298,392,789</u>	<u>707,114,490</u>	<u>697,425,773</u>
Total liabilities	<u>450,293,966</u>	<u>430,778,099</u>	<u>308,763,569</u>	<u>313,346,951</u>	<u>759,057,535</u>	<u>744,125,050</u>
Deferred inflows of resources	<u>34,296,835</u>	<u>36,501,422</u>	<u>2,992,760</u>	<u>3,383,166</u>	<u>37,289,595</u>	<u>39,884,588</u>
Net position						
Net investment in capital assets	1,139,228,934	1,156,185,282	190,863,437	197,755,281	1,330,092,371	1,353,940,563
Restricted	128,697,909	91,020,657	7,988,645	7,113,754	136,686,554	98,134,411
Unrestricted	<u>(183,772,692)</u>	<u>(181,662,381)</u>	<u>88,750,792</u>	<u>75,156,670</u>	<u>(95,021,900)</u>	<u>(106,505,711)</u>
Total net position	<u>\$ 1,084,154,151</u>	<u>\$ 1,065,543,558</u>	<u>\$ 287,602,874</u>	<u>\$ 280,025,705</u>	<u>\$ 1,371,757,025</u>	<u>\$ 1,345,569,263</u>

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Assets						
Current, restricted and other	\$ 37,604,575	19.58 %	\$ 14,872,991	12.47 %	\$ 52,477,566	16.85 %
Capital	<u>(21,192,427)</u>	<u>(1.63)%</u>	<u>(14,170,194)</u>	<u>(2.99)%</u>	<u>(35,362,621)</u>	<u>(1.99)%</u>
Total assets	<u>16,412,148</u>	<u>1.10 %</u>	<u>702,797</u>	<u>0.12 %</u>	<u>17,114,945</u>	<u>0.82 %</u>
Deferred outflows of resources	<u>19,509,725</u>	<u>46.15 %</u>	<u>1,900,584</u>	<u>69.22 %</u>	<u>21,410,309</u>	<u>47.56 %</u>
Liabilities						
Current	4,569,423	14.39 %	674,345	4.51 %	5,243,768	11.23 %
Long-term	<u>14,946,444</u>	<u>3.75 %</u>	<u>(5,257,727)</u>	<u>(1.76)%</u>	<u>9,688,717</u>	<u>1.39 %</u>
Total liabilities	<u>19,515,867</u>	<u>4.53 %</u>	<u>(4,583,382)</u>	<u>(1.46)%</u>	<u>14,932,485</u>	<u>2.01 %</u>
Deferred inflows of resources	<u>(2,204,587)</u>	<u>(6.04)%</u>	<u>(390,406)</u>	<u>(11.54)%</u>	<u>(2,594,993)</u>	<u>(6.51)%</u>
Net position						
Net investment in capital assets	(16,956,348)	(1.47)%	(6,891,844)	(3.49)%	(23,848,192)	(1.76)%
Restricted	37,677,252	41.39 %	874,891	12.30 %	38,552,143	39.29 %
Unrestricted	<u>(2,110,311)</u>	<u>1.16 %</u>	<u>13,594,122</u>	<u>18.09 %</u>	<u>11,483,811</u>	<u>(10.78)%</u>
Total net position	<u>\$ 18,610,593</u>	<u>1.75 %</u>	<u>\$ 7,577,169</u>	<u>2.71 %</u>	<u>\$ 26,187,762</u>	<u>1.95 %</u>

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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 \$2.7 million for debt service, \$4 million for public safety projects and \$17.8 million for claims and judgments. This specific increase is due to the increase in workers' compensation claims.

Business-type Activities

Capital assets decreased \$14.2 million due to \$20.9 million in depreciation, offset by a \$6.7 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	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 85,006,596	\$ 74,756,754	\$ 110,408,888	\$ 104,807,163	\$ 195,415,484	\$ 179,563,917
Operating grants and contributions	27,555,070	24,516,475	3,031,621	3,034,877	30,586,691	27,551,352
Capital grants and contributions	24,471,313	43,854,707	5,547,780	3,930,962	30,019,093	47,785,669
General revenues						
Property taxes	54,395,962	53,201,608			54,395,962	53,201,608
Residential construction taxes	634,897	426,603			634,897	426,603
Room taxes	634,163	564,601			634,163	564,601
Franchise fees, based on gross receipts	20,759,779	21,307,694			20,759,779	21,307,694
Intergovernmental consolidated taxes	52,977,267	49,903,290			52,977,267	49,903,290
Other local government shared revenues	2,086,117	2,110,967			2,086,117	2,110,967
Unrestricted investment income	897,004	1,624,244	17,449	7,702	914,453	1,631,946
Gain on disposal of capital assets	1,606,834	183,390	21,963	4,321,142	1,628,797	4,504,532
Miscellaneous	1,725,017	2,156,276	218,349	211,753	1,943,366	2,368,029
Total revenues	<u>272,750,019</u>	<u>274,606,609</u>	<u>119,246,050</u>	<u>116,313,599</u>	<u>391,996,069</u>	<u>390,920,208</u>

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Expenses						
General government	\$ 67,435,006	\$ 61,454,654	\$	\$	\$ 67,435,006	\$ 61,454,654
Judicial	5,555,772	5,378,903			5,555,772	5,378,903
Public safety	152,867,507	141,742,210			152,867,507	141,742,210
Public works	18,095,884	14,956,349			18,095,884	14,956,349
Culture and recreation	18,528,360	17,761,221			18,528,360	17,761,221
Community support	6,755,951	6,852,524			6,755,951	6,852,524
Interest expense and fiscal charges	7,673,230	7,769,871			7,673,230	7,769,871
Wastewater			45,838,961	56,752,338	45,838,961	56,752,338
Water			40,701,038	36,490,347	40,701,038	36,490,347
Municipal golf courses			2,356,599	2,555,597	2,356,599	2,555,597
Total expenses	276,911,710	255,915,732	88,896,598	95,798,282	365,808,308	351,714,014
Change in net position before transfers	(4,161,691)	18,690,877	30,349,452	20,515,317	26,187,761	39,206,194
Transfers	22,772,283	22,911,048	(22,772,283)	(22,911,048)		
Change in net position	18,610,592	41,601,925	7,577,169	(2,395,731)	26,187,761	39,206,194
Net position, beginning of year	1,065,543,559	1,023,941,633	280,025,705	282,421,436	1,345,569,264	1,306,363,069
Net position, end of year	\$ 1,084,154,151	\$ 1,065,543,559	\$ 287,602,874	\$ 280,025,705	\$ 1,371,757,025	\$ 1,345,569,264

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Revenues						
Program revenues						
Charges for services	\$ 10,249,842	13.71 %	\$ 5,601,725	5.34 %	\$ 15,851,567	8.83 %
Operating grants and contributions	3,038,595	12.39 %	(3,256)	(0.11)%	3,035,339	11.02 %
Capital grants and contributions	(19,383,394)	(44.20)%	1,616,818	41.13 %	(17,766,576)	(37.18)%
General revenues						
Property taxes	1,194,354	2.24 %		%	1,194,354	2.24 %
Residential construction taxes	208,294	48.83 %		%	208,294	48.83 %
Room taxes	69,562	12.32 %		%	69,562	12.32 %
Franchise fees, based on gross receipts	(547,915)	(2.57)%		%	(547,915)	(2.57)%
Intergovernmental consolidated taxes	3,073,977	6.16 %		%	3,073,977	6.16 %
Other local government shared revenues	(24,850)	(1.18)%		%	(24,850)	(1.18)%
Unrestricted investment income	(727,240)	(44.77)%	9,747	126.55 %	(717,493)	(43.97)%
Gain on disposal of capital assets	1,423,444	776.18 %	(4,299,179)	(99.49)%	(2,875,735)	(63.84)%
Miscellaneous	(431,259)	(20.00)%	6,596	3.11 %	(424,663)	(17.93)%
Total revenues	(1,856,590)	(0.68)%	2,932,451	2.52 %	1,075,861	0.28 %

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	Change		Change		Change	
Expenses						
General government	\$ 5,980,352	9.73 %	\$	%	5,980,352	9.73 %
Judicial	176,869	3.29 %	%	%	176,869	3.29 %
Public safety	11,125,297	7.85 %	%	%	11,125,297	7.85 %
Public works	3,139,535	20.99 %	%	%	3,139,535	20.99 %
Culture and recreation	767,139	4.32 %	%	%	767,139	4.32 %
Community support	(96,573)	(1.41)%	%	%	(96,573)	(1.41)%
Interest expense and fiscal charges	(96,641)	(1.24)%	%	%	(96,641)	(1.24)%
Wastewater		%	(10,913,377)	(19.23)%	(10,913,377)	(19.23)%
Water		%	4,210,691	11.54 %	4,210,691	11.54 %
Municipal golf courses		%	(198,998)	(7.79)%	(198,998)	(7.79)%
Total expenses	20,995,978	8.20 %	(6,901,684)	(7.20)%	14,094,294	4.01 %
Change in net position before transfers	(22,852,568)	(122.27)%	9,834,135	47.94 %	(13,018,433)	(33.21)%
Transfers	(138,765)	(0.61)%	138,765	(0.61)%		%
Change in net position	(22,991,333)	(55.27)%	9,972,900	(416.28)%	(13,018,433)	(33.21)%
Net position, beginning of year	41,601,926	4.06 %	(2,395,731)	(0.85)%	39,206,195	3.00 %
Net position, end of year	<u>\$ 18,610,592</u>	<u>1.75 %</u>	<u>\$ 7,577,169</u>	<u>2.71 %</u>	<u>\$ 26,187,761</u>	<u>1.95 %</u>

Governmental Activities

Capital grants and contributions are largely dependent upon the timing of construction projects. Construction projects can be delayed or cancelled altogether, thus reducing grant funding. Capital grants and contributions decreased primarily due to this circumstance.

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 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 \$9.5 million) during the year. Recently, each individual significant claim has approximated \$2.5 million.

Business-type Activities

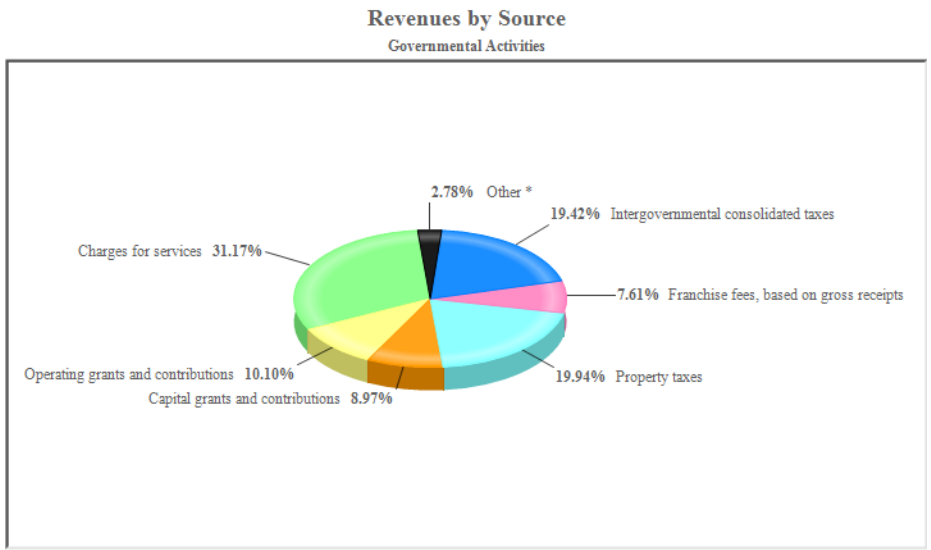
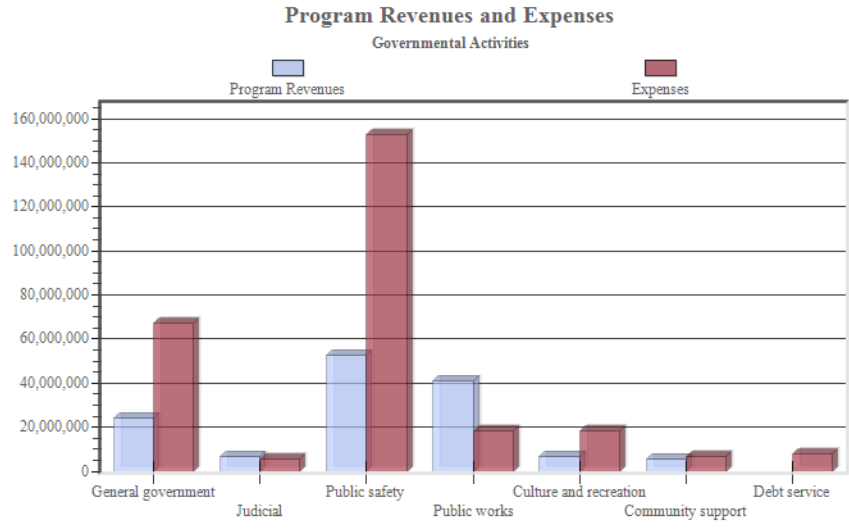
The change in revenues is primarily due to a 3% rate increase in both utility funds and, to a lesser extent, an increase of customers. The decrease in expenses is primarily the result of an \$8.4 million non-cash loss on the sale of land in the wastewater utility fund in the prior year, offset primarily by increase in staffing and increases in maintenance on equipment and the utility system.

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017



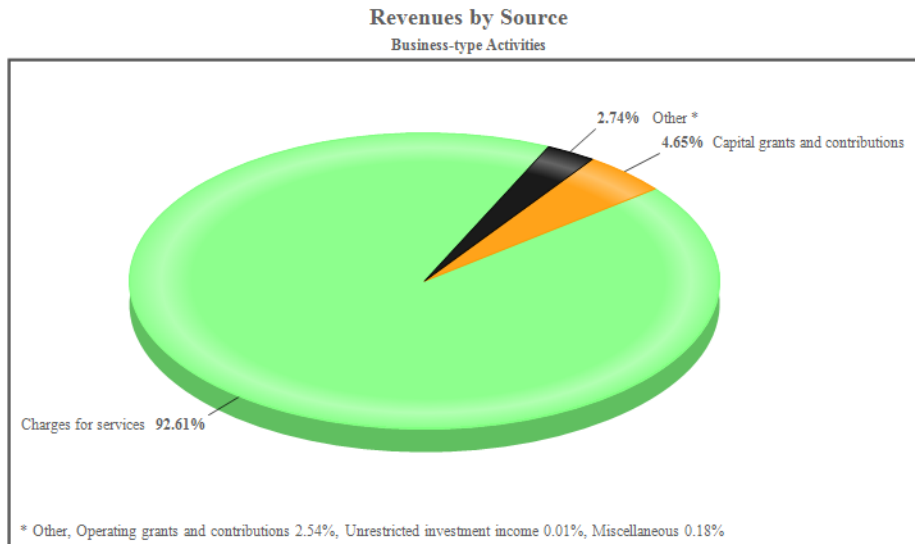
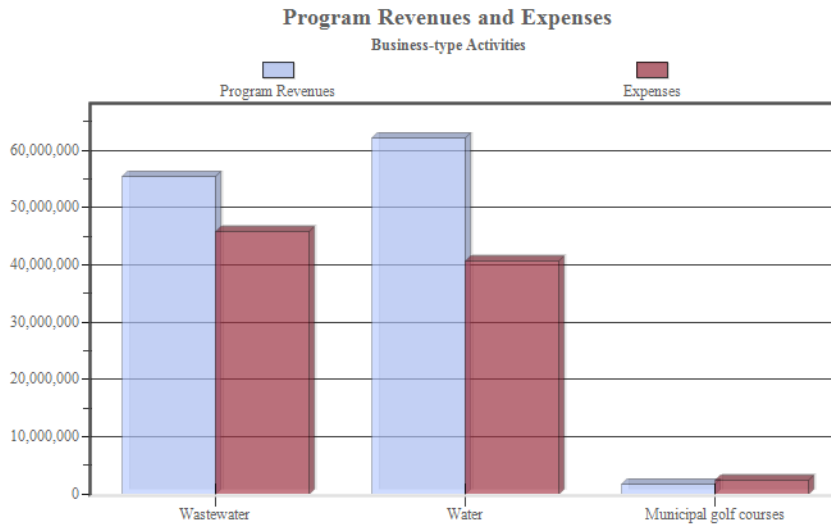
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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

Governmental Funds

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

Total Assets - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 22,990,183	\$ 20,767,101	\$ 2,223,082	10.70 %
Public Safety Tax Special Revenue Fund	15,019,923	11,730,763	3,289,160	28.04 %
Aggregate Other Governmental Funds	108,817,916	96,120,429	12,697,487	13.21 %
Total Liabilities - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 8,558,276	\$ 6,814,300	\$ 1,743,976	25.59 %
Public Safety Tax Special Revenue Fund	412,952	393,162	19,790	5.03 %
Aggregate Other Governmental Funds	7,756,366	8,536,541	(780,175)	(9.14)%
Total Fund Balance - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 14,379,914	\$ 13,896,274	\$ 483,640	3.48 %
Public Safety Tax Special Revenue Fund	14,412,112	11,126,972	3,285,140	29.52 %
Aggregate Other Governmental Funds	98,726,157	87,463,382	11,262,775	12.88 %
Total Revenues - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 116,560,966	\$ 112,178,554	\$ 4,382,412	3.91 %
Public Safety Tax Special Revenue Fund	31,004,451	30,346,998	657,453	2.17 %
Aggregate Other Governmental Funds	72,839,213	85,315,281	(12,476,068)	(14.62)%
Total Expenditures - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 130,064,108	\$ 123,504,882	\$ 6,559,226	5.31 %
Public Safety Tax Special Revenue Fund	26,641,651	23,920,214	2,721,437	11.38 %
Aggregate Other Governmental Funds	73,055,205	90,654,343	(17,599,138)	(19.41)%
Total Other Financing Sources (Uses) - Governmental Funds				
	2017	2016	Change	
General Fund	\$ 13,986,782	\$ 12,626,250	\$ 1,360,532	10.78 %
Public Safety Tax Special Revenue Fund	(1,077,660)	(772,126)	(305,534)	39.57 %
Aggregate Other Governmental Funds	11,478,767	10,224,033	1,254,734	12.27 %

Of the above fund balances, \$145,156 is categorized as nonspendable, \$108.5 million as restricted, \$2.5 million as committed, \$2.1 million as assigned and \$14.3 million is 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, 2017

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 accounts receivable, net and amounts due from other governments, and is somewhat offset by a \$1.7 million increase in liabilities mostly attributable to an increase in amounts due to other governments and accounts payable. 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 in order to restore reserves in the vehicle replacement, debt service and workers compensation funds.

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 and expenditures increased. Liabilities remained relatively unchanged. Expenditures increased due to higher internal service fund charges in order to restore reserves in the vehicle replacement, debt service and workers compensation funds.

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.

Proprietary Funds

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

Total Assets - Proprietary Funds				
	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ 429,431,285	\$ 429,996,341	\$ (565,056)	(0.13)%
Water Utility Enterprise Fund	165,641,882	163,441,597	2,200,285	1.35 %
Aggregate Other Enterprise Funds	5,277,744	5,510,273	(232,529)	(4.22)%
Internal Service Funds	79,111,391	60,339,429	18,771,962	31.11 %
Total Liabilities - Proprietary Funds				
	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ 276,362,564	\$ 281,074,703	\$ (4,712,139)	(1.68)%
Water Utility Enterprise Fund	32,213,487	32,072,692	140,795	0.44 %
Aggregate Other Enterprise Funds	187,518	221,064	(33,546)	(15.17)%
Internal Service Funds	36,304,924	32,511,967	3,792,957	11.67 %
Total Net Position - Proprietary Funds				
	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ 153,672,747	\$ 148,667,927	\$ 5,004,820	3.37 %
Water Utility Enterprise Fund	134,477,960	130,987,142	3,490,818	2.67 %
Aggregate Other Enterprise Funds	5,090,232	5,287,290	(197,058)	(3.73)%
Internal Service Funds	43,007,980	27,757,951	15,250,029	54.94 %

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Total Operating Revenues - Proprietary Funds

	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ 47,943,032	\$ 44,709,311	\$ 3,233,721	7.23 %
Water Utility Enterprise Fund	61,031,315	58,425,234	2,606,081	4.46 %
Aggregate Other Enterprise Funds	1,652,890	1,884,371	(231,481)	(12.28)%
Internal Service Funds	46,776,601	40,742,095	6,034,506	14.81 %

Total Operating Expenses - Proprietary Funds

	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ 30,654,909	\$ 29,065,188	\$ 1,589,721	5.47 %
Water Utility Enterprise Fund	40,307,541	36,007,347	4,300,194	11.94 %
Aggregate Other Enterprise Funds	2,355,174	2,553,694	(198,520)	(7.77)%
Internal Service Funds	31,519,469	29,140,408	2,379,061	8.16 %

Total Nonoperating Revenues (Expenses), Capital Contributions and Transfers - Proprietary Funds

	2017	2016	Change	
Wastewater Utility Enterprise Fund	\$ (12,283,303)	\$ (21,633,074)	\$ 9,349,771	(43.22)%
Water Utility Enterprise Fund	(17,232,956)	(17,708,592)	475,636	(2.69)%
Aggregate Other Enterprise Funds	505,226	113,037	392,189	346.96 %
Internal Service Funds	(7,103)	606,380	(613,483)	(101.17)%

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 depreciation of the assets offset by the new purchases and donations of capital assets. Total liabilities decreased due to scheduled repayments of outstanding bonds. The increase in net position 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 increased due to increased staffing and increase on system maintenance.

Water Utility Fund. Total assets increased as a result of increased revenues due to the 3% annual rate increase that began in 2010. Liabilities increased mainly due to an increase in net pension liability. Rate increases as previously discussed accounted for the increase in net position and revenues.

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

	Original Budget	Final Budget	Actual	Variance
Total Revenues	\$ 114,484,247	\$ 114,518,159	\$ 116,560,966	\$ 2,042,807
Total Expenditures	131,077,169	130,992,071	130,064,108	927,963
Total Fund Balance	11,917,749	12,391,047	14,379,914	1,988,867

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Intergovernmental consolidated taxes, charges for services and miscellaneous revenues exceeded the budget by approximately \$900,000, \$1.1 million and \$700,000, respectively. The \$1.1 million increase in service charges is mostly attributable to specific fire department ambulance-related charges. Fines and forfeitures came in under budget by approximately \$632,000, as a result of an organizational change in which one of the courts in the City's municipal operations was closed.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2017, the City's investment in capital assets for its governmental and business type activities amounts to \$1.74 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 decrease in the City's investment in capital assets for the current fiscal year was 2%.

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

The Ann Road Channel East Project included the design, right-of-way acquisition and construction of approximately one mile of reinforced concrete box storm drain. This Project will collect and direct flood waters from the Las Vegas Wash watershed and discharge these flows into the Upper Las Vegas Wash Channel. This storm drain is an important segment of the flood control system collecting flows concentrated by the Northern Beltway. In addition, this Project consisted of widening Ann Road to three travel lanes in each direction, as well as improving North 5th Street to two lanes of travel in each direction. Expenditures for this Project in FY 2016-17 totaled \$9.4 million.

The Brooks Avenue Project includes the design, right-of-way acquisition and construction of new roadway sections and removing and replacing damaged and failing pavement areas along Brooks Avenue. The Project also includes striping, LED streetlights, utility relocations and other improvements necessary to complete this Project. Expenditures for FY 2016-17 for this Project totaled \$7.2 million.

There were a number of projects during FY 2016-17 totaling \$4.2 million consisting of design, right-of-way acquisition and construction in order to eliminate sawtooth and/or missing roadway sections throughout North Las Vegas. The goal was to provide a minimum two continuous travel lanes in each direction, as well as the temporary construction of asphalt pedestrian walkways where none currently existed or were not continuous.

The Las Vegas Boulevard North Pedestrian Safety Project, totaling \$1.4 million, consisted of the design and construction of landscaping and fencing in existing medians along Las Vegas Boulevard in order to redirect pedestrians to designated crosswalks.

The Las Vegas Wash Project consisted of the design and construction of concrete channel improvements in the north channel portion of the Las Vegas Wash. Expenditures for this Project totaled \$1.4 million.

The Central Freeway Channel Project consists of the design, right-of-way acquisition and construction of approximately 1,500 feet of dual 13' x 10' reinforced concrete box storm drain under Cheyenne Avenue bridge abutment. Expenditures for Fiscal Year 2016-17 totaled \$1.5 million and is expected to be completed in Fiscal Year 2017-18.

Additional information on the City's capital assets can be found in Note 3 beginning on page 54.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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 \$410.7 million.

Additional information on the City's long-term debt can be found in Note 3 beginning on page 56.

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 2018, up by \$2.1 million from the prior fiscal year. 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 \$54.7 million, up by \$2.6 million, while fines and forfeitures are expected to decrease by approximately \$438,000. Additionally, property tax revenue is estimated to increase by approximately 2.5%.

The City has budgeted general fund appropriations to be \$127.2 million in 2018, down \$2.9 million from the prior fiscal year, primarily due to a change in the contractual obligation with the City of Las Vegas for the boarding of North Las Vegas' prisoners. Previously, the City leased space and employed detention staff for the care of its prisoners. Under the new contract, the City no longer leases building space and no longer employs detention staff, but rather, increased the prisoner boarding fee by \$10 per day per prisoner. This is one of the ways 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. As a result, for fiscal year 2017-18, the general fund revenues are expected to exceed expenditures by approximately \$450,000.

The City's adopted operating and capital improvement budgets totals \$410.7 million and \$190.9 million, respectively.

Property tax revenue accounts for approximately 6.1% of general fund revenues. During fiscal year 2005, the State of Nevada enacted legislation that provided for property tax rate caps going forward. The rate level caps are based on the type and use of the property, but generally, if the property is a primary residence, then the cap is the amount of taxes that exceeded the prior year's tax bill plus a maximum of 3%. Non residential property tax increases are capped at a maximum of 8% year-over-year, or less depending on the related formula. Taxable assessed property value change rates exceeded the rate caps for the last three years.

Pursuant to Nevada Revised Statutes, diseases of the lungs and heart are considered occupational diseases for firefighters and police officers. Specifically, the statutes provide, with limited exceptions, 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.

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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.

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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 181,610,126	\$ 92,658,716	\$ 274,268,842
Cash, cash equivalents and investments, restricted	2,805,390	6,683,650	9,489,040
Accounts receivable, net	8,914,957	15,992,384	24,907,341
Grants receivable	8,103,350		8,103,350
Property taxes receivable	859,613		859,613
Special assessments receivable	133,502		133,502
Interest receivable	6,754		6,754
Due from other governments	14,598,115	639,451	15,237,566
Inventories	258,143	2,808,918	3,067,061
Prepaid land lease, net of amortization		20,125,000	20,125,000
Other prepaid items	332,891	888,643	1,221,534
Refundable deposits		23,662	23,662
Property held for resale	6,426,980		6,426,980
Internal balances	5,638,065	(5,638,065)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	180,014,200	16,560,848	196,575,048
Land	191,232,183	3,005,336	194,237,519
Buildings and building improvements	160,298,715	78,933,241	239,231,956
Improvements other than buildings	74,006,468	38,702,952	112,709,420
Infrastructure	662,284,128	319,597,744	981,881,872
Machinery, equipment and software	9,438,762	3,730,366	13,169,128
Total assets	1,506,962,342	594,712,846	2,101,675,188
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	12,013,320		12,013,320
Unamortized amounts related to pensions	49,769,290	4,646,357	54,415,647
Total deferred outflows of resources	61,782,610	4,646,357	66,428,967
LIABILITIES			
Accounts payable and other accrued expenses	7,753,571	1,253,541	9,007,112
Accrued salaries and benefits	20,741,066	263,064	21,004,130
Due to other governments	2,195,872	7,676,276	9,872,148
Customer deposits	72,186	4,182,574	4,254,760
Unearned revenue	4,277,613	44,961	4,322,574
Interest payable	1,274,230	2,208,091	3,482,321
Long-term liabilities, due within one year			
Bonds and notes payable	8,825,000	7,244,120	16,069,120
Compensated absences	2,700,807	289,140	2,989,947
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	141,233,842	262,422,896	403,656,738
Compensated absences	30,478,641	3,262,950	33,741,591
Postemployment benefits other than pensions	17,412,139		17,412,139
Net pension liability	213,328,999	19,915,956	233,244,955
Total liabilities	450,293,966	308,763,569	759,057,535
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,240,000		2,240,000
Unamortized amounts related to pensions	32,056,835	2,992,760	35,049,595
Total deferred inflows of resources	34,296,835	2,992,760	37,289,595

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,139,228,934	190,863,437	1,330,092,371
Restricted for			
Debt service	10,291,505	7,988,645	18,280,150
Street improvements projects	10,638,036		10,638,036
Other capital projects	24,233,941		24,233,941
Police, fire and other public safety programs	33,447,339		33,447,339
Parks, cultural and other recreational programs	3,880,489		3,880,489
Library district operations	591,847		591,847
Courts and other judicial programs	1,597,339		1,597,339
Community assistance and support programs	23,539,808		23,539,808
Claims and judgments	20,185,452		20,185,452
Other	292,153		292,153
Unrestricted	<u>(183,772,692)</u>	<u>88,750,792</u>	<u>(95,021,900)</u>
Total net position	<u>\$ 1,084,154,151</u>	<u>\$ 287,602,874</u>	<u>\$ 1,371,757,025</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 67,435,006	\$ 24,159,220	\$ 33,800	\$	\$ (43,241,986)	\$	\$ (43,241,986)
Judicial	5,555,772	6,731,302			1,175,530		1,175,530
Public safety	152,867,507	32,899,455	16,293,517	3,211,619	(100,462,916)		(100,462,916)
Public works	18,095,884	12,728,016	7,245,424	21,259,694	23,137,250		23,137,250
Culture and recreation	18,528,360	6,422,275	340,442		(11,765,643)		(11,765,643)
Community support	6,755,951	2,066,328	3,641,887		(1,047,736)		(1,047,736)
Debt service							
Interest expense and fiscal charges	<u>7,673,230</u>				<u>(7,673,230)</u>		<u>(7,673,230)</u>
Total governmental activities	<u>276,911,710</u>	<u>85,006,596</u>	<u>27,555,070</u>	<u>24,471,313</u>	<u>(139,878,731)</u>		<u>(139,878,731)</u>
Business-type activities							
Wastewater	45,838,961	47,779,397	3,031,621	4,516,726		9,488,783	9,488,783
Water	40,701,038	61,017,443		1,031,054		21,347,459	21,347,459
Municipal golf courses	<u>2,356,599</u>	<u>1,612,048</u>				<u>(744,551)</u>	<u>(744,551)</u>
Total business-type activities	<u>88,896,598</u>	<u>110,408,888</u>	<u>3,031,621</u>	<u>5,547,780</u>		<u>30,091,691</u>	<u>30,091,691</u>
Total function/program	<u>\$ 365,808,308</u>	<u>\$ 195,415,484</u>	<u>\$ 30,586,691</u>	<u>\$ 30,019,093</u>	<u>(139,878,731)</u>	<u>30,091,691</u>	<u>(109,787,040)</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

	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					54,395,962		54,395,962
Residential construction taxes					634,897		634,897
Room taxes					634,163		634,163
Franchise fees, based on gross receipts					20,759,779		20,759,779
Intergovernmental consolidated taxes					52,977,267		52,977,267
Other local government shared revenues					2,086,117		2,086,117
Unrestricted investment income					897,004	17,449	914,453
Gain on disposal of capital assets					1,606,834	21,963	1,628,797
Miscellaneous					1,725,017	218,349	1,943,366
Total general revenues					<u>135,717,040</u>	<u>257,761</u>	<u>135,974,801</u>
Transfers					<u>22,772,283</u>	<u>(22,772,283)</u>	
CHANGE IN NET POSITION					18,610,592	7,577,169	26,187,761
NET POSITION, BEGINNING OF YEAR					<u>1,065,543,559</u>	<u>280,025,705</u>	<u>1,345,569,264</u>
NET POSITION, END OF YEAR					<u>\$ 1,084,154,151</u>	<u>\$ 287,602,874</u>	<u>\$ 1,371,757,025</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2017

	Special Revenue Fund			Total Governmental Funds
	General Fund	Public Safety Tax	Aggregate Other Governmental Funds	
ASSETS				
Cash, cash equivalents and investments	\$ 7,089,675	\$ 14,495,424	\$ 86,058,810	\$ 107,643,909
Accounts receivable, net	5,962,638	61,230	2,886,775	8,910,643
Grants receivable	15,371		8,087,979	8,103,350
Property taxes receivable	178,714	453,692	227,207	859,613
Interest receivable			6,754	6,754
Special assessments receivable			133,502	133,502
Prepaid items	128,305	9,577	7,274	145,156
Due from other governments	9,615,480		4,982,635	14,598,115
Property held for resale			6,426,980	6,426,980
Total assets	<u>\$ 22,990,183</u>	<u>\$ 15,019,923</u>	<u>\$ 108,817,916</u>	<u>\$ 146,828,022</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 1,045,463	\$ 11,264	\$ 3,574,187	\$ 4,630,914
Accrued salaries and benefits	4,860,117	401,688	311,969	5,573,774
Due to other governments	1,812,468		360,639	2,173,107
Customer deposits	60,426		11,760	72,186
Unearned revenue	779,802		3,497,811	4,277,613
Total liabilities	<u>8,558,276</u>	<u>412,952</u>	<u>7,756,366</u>	<u>16,727,594</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	51,993	194,859	2,335,393	2,582,245
Total liabilities and deferred inflows of resources	<u>8,610,269</u>	<u>607,811</u>	<u>10,091,759</u>	<u>19,309,839</u>
FUND BALANCES				
Nonspendable				
Prepaid items	128,305	9,577	7,274	145,156
Restricted for				
Debt service			10,291,505	10,291,505
Street improvements projects			10,638,036	10,638,036
Other capital projects			24,233,941	24,233,941
Police, fire and other public safety programs	15,371	14,402,535	19,029,433	33,447,339
Parks, cultural and other recreational programs			3,880,489	3,880,489
Library district operations			591,847	591,847
Courts and other judicial programs			1,597,339	1,597,339
Community assistance and support programs			23,539,808	23,539,808
Other			292,153	292,153
Committed to				
Police, fire and other public safety programs			1,501,185	1,501,185
Community assistance and support programs			990,511	990,511
Assigned to				
Parks, cultural and other recreational programs			2,132,636	2,132,636
Unassigned	14,236,238			14,236,238
Total fund balances	<u>14,379,914</u>	<u>14,412,112</u>	<u>98,726,157</u>	<u>127,518,183</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,990,183</u>	<u>\$ 15,019,923</u>	<u>\$ 108,817,916</u>	<u>\$ 146,828,022</u>

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, 2017

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 127,518,183
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	\$ 1,860,479,892	
Less accumulated depreciation	<u>(585,095,028)</u>	1,275,384,864
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	(148,115,000)	
Unamortized premiums and discounts	(1,943,842)	
Unamortized deferred refunding charges	12,013,320	
Compensated absences payable	(32,786,386)	
Net pension liability	(210,901,990)	
Deferred outflows related to pensions	49,203,072	
Deferred inflows related to pensions	<u>(31,692,130)</u>	(364,222,956)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	(1,274,230)	
Claims and judgments payable	<u>(2,240,000)</u>	(3,514,230)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>342,245</u>	342,245
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	43,007,980	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	4,916,654	
Internal service fund balance receivable from business-type activities from current year activity	<u>721,411</u>	48,646,045
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,084,154,151</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, 2017

	Special Revenue Fund			Total Governmental Funds
	General Fund	Public Safety Tax	Aggregate Other Governmental Funds	
REVENUES				
Property taxes	\$ 8,222,893	\$ 30,988,011	\$ 15,230,475	\$ 54,441,379
Residential construction taxes			634,897	634,897
Room taxes			634,163	634,163
Franchise fees	20,759,779			20,759,779
Licenses and permits	18,023,601			18,023,601
Special assessments			1,625,990	1,625,990
Charges for services	5,879,262		4,073,895	9,953,157
Intergovernmental consolidated taxes	52,977,267			52,977,267
Intergovernmental	4,247,937		46,504,172	50,752,109
Fines and forfeitures	4,103,151		665,851	4,769,002
Contributions	3,895		81,100	84,995
Rents and royalties	593,432		103,613	697,045
Investment income	717,401		177,934	895,335
Miscellaneous	1,032,348	16,440	3,107,123	4,155,911
Total revenues	<u>116,560,966</u>	<u>31,004,451</u>	<u>72,839,213</u>	<u>220,404,630</u>
EXPENDITURES				
Current				
General government	23,331,336		435,124	23,766,460
Judicial	4,798,194		535,847	5,334,041
Public safety	89,222,692	26,174,456	21,092,853	136,490,001
Public works	2,505,651		5,301,401	7,807,052
Culture and recreation	8,587,766		4,863,660	13,451,426
Community support	1,570,772		4,237,085	5,807,857
Total current	<u>130,016,411</u>	<u>26,174,456</u>	<u>36,465,970</u>	<u>192,656,837</u>
Capital outlay				
General government			1,107,740	1,107,740
Public safety	35,353	467,195	1,218,202	1,720,750
Public works	4,625		21,447,578	21,452,203
Culture and recreation	7,719		498,336	506,055
Community support			341,633	341,633
Total capital outlay	<u>47,697</u>	<u>467,195</u>	<u>24,613,489</u>	<u>25,128,381</u>
Debt service				
Principal payments			4,774,300	4,774,300
Interest and fiscal charges			7,201,446	7,201,446
Total debt service			<u>11,975,746</u>	<u>11,975,746</u>
Total expenditures	<u>130,064,108</u>	<u>26,641,651</u>	<u>73,055,205</u>	<u>229,760,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,503,142)</u>	<u>4,362,800</u>	<u>(215,992)</u>	<u>(9,356,334)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	1,560,797	32,340	22,469	1,615,606
Transfers in	23,277,283		18,608,477	41,885,760
Transfers out	(10,851,298)	(1,110,000)	(7,152,179)	(19,113,477)
Total other financing sources (uses)	<u>13,986,782</u>	<u>(1,077,660)</u>	<u>11,478,767</u>	<u>24,387,889</u>
CHANGE IN FUND BALANCE	483,640	3,285,140	11,262,775	15,031,555
FUND BALANCE, BEGINNING OF YEAR	<u>13,896,274</u>	<u>11,126,972</u>	<u>87,463,382</u>	<u>112,486,628</u>
FUND BALANCE, END OF YEAR	<u>\$ 14,379,914</u>	<u>\$ 14,412,112</u>	<u>\$ 98,726,157</u>	<u>\$ 127,518,183</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, 2017

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 15,031,555
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	\$ 25,163,174	
Less current year depreciation, net of gain (loss) on disposal of capital assets	<u>(49,933,768)</u>	(24,770,594)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Capital asset contributions	3,284,291	
Change in unavailable revenue	<u>(45,417)</u>	3,238,874
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>4,774,300</u>	4,774,300
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	5,402,030	
Change in net pension liability and related deferred outflows and inflows of resources	1,674,771	
Amortization of debt premiums and discounts	96,844	
Amortization of deferred refunding charges	(635,065)	
Change in accrued interest	66,437	
Change in claims and judgments payable	<u>(2,240,000)</u>	4,365,017
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	15,250,029	
The internal service funds change in net position related to business-type activities	<u>721,411</u>	<u>15,971,440</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 18,610,592</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2017

	Business-type Activities				Governmental Activities
			Aggregate Other		Internal Service Funds
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 44,785,472	\$ 47,631,968	\$ 241,276	\$ 92,658,716	\$ 73,966,217
Accounts receivable, net	6,989,560	8,989,983	12,841	15,992,384	4,314
Prepaid items	835,352	37,961	15,330	888,643	187,735
Due from other governments	639,451			639,451	
Inventories	374,025	2,377,282	57,611	2,808,918	258,143
Restricted assets					
Cash, cash equivalents and investments	4,966,983	1,716,667		6,683,650	2,805,390
Total current assets	58,590,843	60,753,861	327,058	119,671,762	77,221,799
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	11,853,432	4,707,416		16,560,848	121,589
Land	5,500	2,434,299	565,537	3,005,336	
Buildings and building improvements	74,389,325	3,103,801	1,440,115	78,933,241	209,755
Improvements other than buildings	23,109,884	12,671,696	2,921,372	38,702,952	78,780
Infrastructure	238,483,965	81,113,779		319,597,744	
Machinery, equipment and software	2,873,336	857,030		3,730,366	1,479,468
Total capital assets, net of accumulated depreciation and amortization	350,715,442	104,888,021	4,927,024	460,530,487	1,889,592
Other assets					
Prepaid land lease, net of current portion and amortization	20,125,000			20,125,000	
Refundable deposits			23,662	23,662	
Total other assets	20,125,000		23,662	20,148,662	
Total noncurrent assets	370,840,442	104,888,021	4,950,686	480,679,149	1,889,592
Total assets	429,431,285	165,641,882	5,277,744	600,350,911	79,111,391
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized amounts related to pensions	1,697,223	2,949,119	15	4,646,357	566,218
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	378,093	745,926	129,522	1,253,541	882,657
Accrued salaries and benefits	94,086	167,453	1,525	263,064	15,167,292
Due to other governments	132,589	7,537,632	6,055	7,676,276	22,765
Customer deposits	65,540	4,111,645	5,389	4,182,574	
Unearned revenue			44,961	44,961	
Compensated absences	98,129	191,011		289,140	31,995
Interest payable	2,146,008	62,083		2,208,091	
Bonds and notes payable	5,039,120	2,205,000		7,244,120	
Total current liabilities	7,953,565	15,020,750	187,452	23,161,767	16,104,709

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2017

	Business-type Activities				Governmental Activities
			Aggregate Other		Internal Service Funds
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	
Noncurrent liabilities					
Compensated absences	1,107,390	2,155,560		3,262,950	361,067
Postemployment benefits other than pensions					17,412,139
Bonds and notes payable	260,026,700	2,396,196		262,422,896	
Net pension liability	<u>7,274,909</u>	<u>12,640,981</u>	<u>66</u>	<u>19,915,956</u>	<u>2,427,009</u>
Total noncurrent liabilities	<u>268,408,999</u>	<u>17,192,737</u>	<u>66</u>	<u>285,601,802</u>	<u>20,200,215</u>
Total liabilities	<u>276,362,564</u>	<u>32,213,487</u>	<u>187,518</u>	<u>308,763,569</u>	<u>36,304,924</u>
DEFERRED INFLOWS OF RESOURCES					
Unamortized liabilities related to pensions	<u>1,093,197</u>	<u>1,899,554</u>	<u>9</u>	<u>2,992,760</u>	<u>364,705</u>
NET POSITION					
Net investment in capital assets	85,649,622	100,286,791	4,927,024	190,863,437	1,889,592
Restricted for					
Debt service	6,268,378	1,720,267		7,988,645	
Claims and judgments					20,185,452
Unrestricted	<u>61,754,747</u>	<u>32,470,902</u>	<u>163,208</u>	<u>94,388,857</u>	<u>20,932,936</u>
Total net position	<u>\$ 153,672,747</u>	<u>\$ 134,477,960</u>	<u>\$ 5,090,232</u>	293,240,939	<u>\$ 43,007,980</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>(5,638,065)</u>	
Net position of business-type activities				<u>\$ 287,602,874</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, 2017

	Business-type Activities				Governmental
	Wastewater		Aggregate Other		Internal Service
	Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Funds
OPERATING REVENUES					
Utility fees	\$ 42,759,944	\$ 54,324,102	\$	\$ 97,084,046	\$
Construction fees	385,856	642,299		1,028,155	
User fees			1,610,997	1,610,997	
Connection fees	3,468,792	1,016,653		4,485,445	
Other charges for services		2,018,406		2,018,406	46,776,601
Fines and forfeitures	855,880	2,108,779		2,964,659	
Miscellaneous	472,560	921,076	41,893	1,435,529	
Total operating revenues	<u>47,943,032</u>	<u>61,031,315</u>	<u>1,652,890</u>	<u>110,627,237</u>	<u>46,776,601</u>
OPERATING EXPENSES					
Salaries and wages	3,236,160	5,537,328	99,348	8,872,836	5,327,244
Employee benefits	1,021,924	3,559,023	(37,888)	4,543,059	3,011,030
Services and supplies	11,442,427	25,631,727	2,067,358	39,141,512	22,384,404
Depreciation and amortization	14,954,398	5,579,463	226,356	20,760,217	796,791
Total operating expenses	<u>30,654,909</u>	<u>40,307,541</u>	<u>2,355,174</u>	<u>73,317,624</u>	<u>31,519,469</u>
Operating income (loss)	<u>17,288,123</u>	<u>20,723,774</u>	<u>(702,284)</u>	<u>37,309,613</u>	<u>15,257,132</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	17,449			17,449	1,669
Gain (loss) on capital asset disposition	2,708	19,029	226	21,963	(8,772)
Interest and fiscal charges	(14,718,199)	(139,364)		(14,857,563)	
Intergovernmental	3,031,621			3,031,621	
Total nonoperating revenues (expenses)	<u>(11,666,421)</u>	<u>(120,335)</u>	<u>226</u>	<u>(11,786,530)</u>	<u>(7,103)</u>
Income (loss) before capital contributions and transfers	<u>5,621,702</u>	<u>20,603,439</u>	<u>(702,058)</u>	<u>25,523,083</u>	<u>15,250,029</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	<u>4,516,726</u>	<u>1,031,054</u>		<u>5,547,780</u>	
TRANSFERS					
Transfers in			505,000	505,000	
Transfers out	(5,133,608)	(18,143,675)		(23,277,283)	
Total transfers	<u>(5,133,608)</u>	<u>(18,143,675)</u>	<u>505,000</u>	<u>(22,772,283)</u>	
CHANGE IN NET POSITION	5,004,820	3,490,818	(197,058)	8,298,580	15,250,029
NET POSITION, BEGINNING OF YEAR	<u>148,667,927</u>	<u>130,987,142</u>	<u>5,287,290</u>		<u>27,757,951</u>
NET POSITION, END OF YEAR	<u>\$ 153,672,747</u>	<u>\$ 134,477,960</u>	<u>\$ 5,090,232</u>		<u>\$ 43,007,980</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(721,411)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 7,577,169</u>	

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities				Governmental Activities
	Wastewater Utility		Water Utility		Internal Service Funds
	Aggregate Other Enterprise Funds		Total Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 47,323,033	\$ 58,924,050	\$ 1,593,142	\$ 107,840,225	\$ 42,832,873
Cash received from interfund services					4,161,239
Cash received from other sources	277,673	921,076	41,893	1,240,642	
Cash payments for goods and services	(11,631,546)	(24,215,522)	(2,029,934)	(37,877,002)	(25,163,003)
Cash payments for employee services	(4,655,883)	(8,353,271)	(116,622)	(13,125,776)	(1,780,813)
Cash payments for interfund services	(261,714)	(275,173)	(138)	(537,025)	(80,607)
Net cash provided by (used in) operating activities	<u>31,051,563</u>	<u>27,001,160</u>	<u>(511,659)</u>	<u>57,541,064</u>	<u>19,969,689</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			505,000	505,000	
Transfers out	(5,133,608)	(18,143,675)		(23,277,283)	
Grant receipts	3,031,621			3,031,621	
Net cash provided by (used in) noncapital financing activities	<u>(2,101,987)</u>	<u>(18,143,675)</u>	<u>505,000</u>	<u>(19,740,662)</u>	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,283,176)	(2,553,935)	226	(4,836,885)	(1,099,971)
Proceeds received from disposal of capital assets	2,708	19,028		21,736	
Principal payments on debt	(4,215,748)	(2,835,000)		(7,050,748)	
Interest payments on debt	(14,762,795)	(164,364)		(14,927,159)	
Amortization of premiums/discounts		(94,236)		(94,236)	
Capital contributions	3,661,499			3,661,499	
Net cash provided by (used in) capital financing activities	<u>(17,597,512)</u>	<u>(5,628,507)</u>	<u>226</u>	<u>(23,225,793)</u>	<u>(1,099,971)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	17,449			17,449	1,669
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,369,513	3,228,978	(6,433)	14,592,058	18,871,387
CASH AND CASH EQUIVALENTS, BEGINNING 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>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 49,752,455</u>	<u>\$ 49,348,635</u>	<u>\$ 241,276</u>	<u>\$ 99,342,366</u>	<u>\$ 76,771,607</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, 2017

	Business-type Activities				Governmental
			Aggregate Other		Internal Service
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 17,288,123	\$ 20,723,774	\$ (702,284)	\$ 37,309,613	\$ 15,257,132
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	14,954,398	5,579,463	226,357	20,760,218	796,789
Provision for uncollectible receivables	22,027	12,051		34,078	
(Increase) decrease in operating assets					
Accounts receivable	(333,106)	(1,171,444)	148	(1,504,402)	120
Due from other governments	(31,251)			(31,251)	
Due from other funds					216,857
Inventories	46,864	195,868	11,405	254,137	
Prepaid items	280,640	(2,220)	6,063	284,483	176,324
Refundable deposit			(17,877)	(17,877)	
Increase (decrease) in operating liabilities					
Accounts payable	(203,657)	(553,014)	19,955	(736,716)	(2,975,872)
Accrued salaries and benefits	23,281	31,505	(234)	54,552	4,174,526
Due to other funds	(7,288)	(14,082)	(138)	(21,508)	(2,684)
Due to other governments	(319,152)	1,772,172		1,453,020	20,951
Customer deposits		(26,790)	(1,954)	(28,744)	
Unearned revenues			1,828	1,828	
Compensated absences	(70,141)	(198,091)		(268,232)	(35,222)
Postemployment benefits other than pensions	(599,175)	652,002	(54,928)	(2,101)	2,340,234
Other		(34)		(34)	534
Total adjustments	<u>13,763,440</u>	<u>6,277,386</u>	<u>190,625</u>	<u>20,231,451</u>	<u>4,712,557</u>
Net cash provided by (used in) operating activities	<u>\$ 31,051,563</u>	<u>\$ 27,001,160</u>	<u>\$ (511,659)</u>	<u>\$ 57,541,064</u>	<u>\$ 19,969,689</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$ 855,227</u>	<u>\$ 1,031,054</u>	<u>\$</u>	<u>\$ 1,886,281</u>	<u>\$</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 14,274,802
Accounts receivable, net	2,783,080
Interest receivable	232
Special assessments receivable	<u>4,189</u>
Total assets	<u>17,062,303</u>
LIABILITIES	
Due to other governments	1,126,819
Due to developers	705,035
Due to others	<u>15,230,449</u>
Total liabilities	<u>17,062,303</u>
NET POSITION	<u>\$ <u> </u></u>

See notes to basic financial statements.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

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.

The GASB 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 examined 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, 2017

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, 2017

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, 2017

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, 2017

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 acquisition 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, 2017

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 / 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, 2017

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, 2017

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 GAAP requires management to make estimates that affect reported amounts. Significant estimates that may change materially in the next year include net pension liabilities, postemployment benefits other than pensions, and related deferred outflows / inflows or resources. The useful lives of capital assets is also a significant estimate that may require revision in future periods.

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, 2017

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.

Excess of Expenditures over Appropriations

The NRS require that governmental fund budgetary controls be exercised at the function level and that proprietary fund operating and nonoperating expenses not exceed the combined operating and nonoperating expenses budget when the respective fund has a deficit net position.

For the year ended June 30, 2017, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of the NRS:

Valley vista development capital projects fund, general government function	\$	26,950
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For the year ended June 30, 2017, total expenditures exceeded appropriations for the following funds and/or functions, which are exempt from the provisions of NRS 354.626:

Self-insurance reserve internal service fund, services and supplies	\$	835,440
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These over expenditures were funded by available assets in excess of liabilities as represented by fund balance or net position in the respective funds.

Tax Abatements

All tax abatement agreements/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of the City's taxes for the year ended June 30, 2017 aggregated as follows:

Agreement/program description – Nevada Revised Statutes 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft
Amount abated during the year ended June 30, 2017 – \$6,686
Specific tax being abated – Consolidated tax (sales and use tax)

Agreement/program description – NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center
Amount abated during the year ended June 30, 2017 – \$180,874
Specific tax being abated – Consolidated tax (sales and use tax)

Agreement/program description – NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain property taxes for qualified energy systems, NRS 701A.210 Partial abatement of certain property taxes for businesses and facilities using recycled material)
Amount abated during the year ended June 30, 2017 – \$360,269
Specific tax being abated – Consolidated tax (sales and use tax)

Agreement/program description – NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses
Amount abated during the year ended June 30, 2017 – \$44,563
Specific tax being abated – Consolidated tax (sales and use tax)

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

New Accounting Pronouncements (not yet adopted)

In June 2017, the GASB issued Statement No. 87, Leases, effective for periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets, liabilities and inflows or outflows of resources for arrangements previously accounted for as operating leases based on the payment provisions of the contract. Management has not yet completed its assessment of this statement.

In May 2017, the GASB issued Statement No. 86, Certain Debt Extinguishment Issues, effective for periods beginning after June 15, 2017. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. Management has not yet completed its assessment of this statement but does not expect it will have a material effect on the City's financial position or changes therein.

In March 2017, the GASB issued Statement No. 85, Omnibus 2017, effective for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. Management has not yet completed its assessment of this statement.

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, effective for periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has not yet completed its assessment of this statement.

In November 2016, the GASB issued Statement No. 83, Certain Asset Retirement Obligations, effective for periods beginning after June 15, 2018. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations that result from a legally enforceable liability associated with the retirement of a tangible capital asset. Management has not yet completed its assessment of this statement.

In March 2016, the GASB issued Statement No. 81, Irrevocable Split-Interest Agreements, effective for periods beginning after December 15, 2016. The objective of this Statement is to address accounting and financial reporting for resources received pursuant to an irrevocable split-interest agreement. Management has not yet completed its assessment of this statement.

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 not yet completed its assessment of this statement.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

At June 30, 2017, the City's cash, cash equivalents and investments (including restricted and designated amounts) were as follows:

Pooled cash and cash equivalents	\$ 11,436,802
Cash on hand	95,005
Pooled investments	281,806,586
Non-pooled investments	<u>4,694,291</u>
 Total cash, cash equivalents and investments	 <u>\$ 298,032,684</u>

At June 30, 2017, total cash, cash equivalents and investments were presented in the City's financial statements as follows:

	Unrestricted	Restricted	Designated	Total
Governmental activities	\$ 181,610,126	\$ 2,805,390	\$	\$ 184,415,516
Business-type activities	<u>92,658,716</u>	<u>6,683,650</u>	<u></u>	<u>99,342,366</u>
	274,268,842	9,489,040		283,757,882
Fiduciary Funds	<u></u>	<u>14,274,802</u>	<u></u>	<u>14,274,802</u>
 Total cash, cash equivalents and investments	 <u>\$ 274,268,842</u>	 <u>\$ 23,763,842</u>	 <u>\$</u>	 <u>\$ 298,032,684</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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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).

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, 2017, 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	\$ 75,462,702	\$ 5,760,768	\$ 69,701,934
U.S. government-sponsored securities	52,345,942	30,849,207	21,496,735
Money market mutual funds	42,411,294	42,411,294	
Local government investment pool	114,980,940	114,980,940	
Certificates of deposit	1,300,000	1,300,000	
Total investments	<u>\$ 286,500,878</u>	<u>\$ 195,302,209</u>	<u>\$ 91,198,669</u>

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, 2017, 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	\$ 75,462,702	\$	\$ 75,462,702	\$
U.S. government-sponsored securities	52,345,942	52,345,942		
Money market mutual funds	42,411,294	42,411,294		
Local government investment pool	114,980,940			114,980,940
Certificates of deposit	1,300,000			1,300,000
Total investments	<u>\$ 286,500,878</u>	<u>\$ 94,757,236</u>	<u>\$ 75,462,702</u>	<u>\$ 116,280,940</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Custodial Credit Risk

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

At June 30, 2017, the City's cash deposits in financial institutions was \$11,658,289. 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 \$11,408,289 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, 2017, 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, 2017, were as follows:

	<u>Percentage of Portfolio</u>
U.S. Treasury securities	26.34 %
U.S. government-sponsored securities	18.27 %
Money market mutual funds	14.80 %
Local government investment pool	40.14 %

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Capital Assets

For the year ended June 30, 2017, capital asset activity was as follows:

	Balance July 1, 2016	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2017
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 234,669,636	\$ 22,700,236	\$	\$ (77,355,672)	\$ 180,014,200
Land	<u>190,849,389</u>	<u>382,794</u>	<u></u>	<u></u>	<u>191,232,183</u>
Total capital assets not being depreciated or amortized	<u>425,519,025</u>	<u>23,083,030</u>	<u></u>	<u>(77,355,672)</u>	<u>371,246,383</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	216,340,195				216,340,195
Improvements other than buildings	83,465,188	278,930		28,890,630	112,634,749
Infrastructure	1,044,595,067	3,410,558		48,465,042	1,096,470,667
Machinery, equipment and software	<u>73,971,325</u>	<u>2,774,919</u>	<u>(658,357)</u>	<u></u>	<u>76,087,887</u>
Total capital assets being depreciated or amortized	<u>1,418,371,775</u>	<u>6,464,407</u>	<u>(658,357)</u>	<u>77,355,672</u>	<u>1,501,533,498</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(50,764,208)	(5,277,272)			(56,041,480)
Improvements other than buildings	(33,460,664)	(5,167,618)			(38,628,281)
Infrastructure	(396,639,402)	(37,547,137)			(434,186,539)
Machinery, equipment and software	<u>(64,559,643)</u>	<u>(2,738,533)</u>	<u>649,051</u>	<u></u>	<u>(66,649,125)</u>
Total accumulated depreciation and amortization	<u>(545,423,917)</u>	<u>(50,730,560)</u>	<u>649,051</u>	<u></u>	<u>(595,505,425)</u>
Total capital assets being depreciated or amortized, net	<u>872,947,858</u>	<u>(44,266,153)</u>	<u>(9,306)</u>	<u>77,355,672</u>	<u>906,028,073</u>
Total governmental activities	<u>\$ 1,298,466,883</u>	<u>\$ (21,183,123)</u>	<u>\$ (9,306)</u>	<u>\$</u>	<u>\$ 1,277,274,456</u>

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

	Balance July 1, 2016	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2017
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 22,687,717	\$ 3,932,975	\$	\$ (10,059,844)	\$ 16,560,848
Land	<u>3,005,336</u>	<u></u>	<u></u>	<u></u>	<u>3,005,336</u>
Total capital assets not being depreciated or amortized	<u>25,693,053</u>	<u>3,932,975</u>	<u></u>	<u>(10,059,844)</u>	<u>19,566,184</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Increases and transfers *	Decreases and transfers *	Transfers	Balance June 30, 2017
Capital assets being depreciated or amortized					
Buildings and building improvements	\$ 87,055,606	\$	\$	\$ 8,434,282	\$ 95,489,888
Improvements other than buildings	67,053,810				67,053,810
Infrastructure	488,788,330	1,886,281		1,625,562	492,300,173
Machinery, equipment and software	11,505,482	404,168	(114,987)		11,794,664
Total capital assets being depreciated or amortized	654,403,228	2,290,449	(114,987)	10,059,844	666,638,535
Accumulated depreciation and amortization					
Buildings and building improvements	(13,013,972)	(3,542,675)			(16,556,647)
Improvements other than buildings	(26,551,187)	(1,799,671)			(28,350,858)
Infrastructure	(158,415,887)	(14,286,542)			(172,702,429)
Machinery, equipment and software	(7,414,554)	(764,731)	114,987		(8,064,298)
Total accumulated depreciation and amortization	(205,395,600)	(20,393,619)	114,987		(225,674,232)
Total capital assets being depreciated or amortized, net	449,007,628	(18,103,170)		10,059,844	440,964,303
Total business-type activities	\$ 474,700,681	\$ (14,170,195)	\$	\$	\$ 460,530,487

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

For the year ended June 30, 2017, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 36,375,725
Judicial	85,165
Public safety	2,490,898
Public works	7,474,820
Culture and recreation	3,494,611
Community support	11,578
Total depreciation expense, governmental activities	\$ 49,932,797
Business-type activities	
Wastewater	\$ 14,587,798
Water	5,579,463
Municipal golf courses	226,356
Total depreciation expense, business-type activities	\$ 20,393,617

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Wastewater Utility Enterprise Fund	\$ 5,133,608
	Water Utility Enterprise Fund	18,143,675
Aggregate Other Governmental Funds	General Fund	10,346,298
	Public Safety Tax Special Revenue Fund	1,110,000
	Aggregate Other Governmental Funds	7,062,824
Aggregate Other Enterprise Funds	General Fund	505,000
		\$ 42,301,405

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 law requires municipalities making such transfers to eliminate any amounts in excess of actual costs by 2021.

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

Long-term Liabilities

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

Long-term liabilities activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	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	\$ 1,970,000
\$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	1,550,000
\$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		(75,000)	7,555,000	75,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
\$3,145,000 2010 Library District medium-term refunding bonds due in annual installments through April 2020; interest is at 4.38%	\$ 1,710,000		\$ (400,000)	\$ 1,310,000	\$ 420,000
\$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%	11,960,000		(2,195,000)	9,765,000	2,290,000
\$27,070,000 2011 Building Projects refunding bonds due in annual installments beginning June 2016 through June 2036; interest varies between 3% and 5%	<u>26,870,000</u>		<u>(200,000)</u>	<u>26,670,000</u>	<u>1,015,000</u>
Total general obligation bonds	<u>149,480,000</u>		<u>(2,870,000)</u>	<u>146,610,000</u>	<u>7,320,000</u>
Special assessment bonds					
\$3,250,000 2007 SIAD No. 61 (Ann Road) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	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%	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%	<u>2,955,000</u>		<u>(1,450,000)</u>	<u>1,505,000</u>	<u>1,505,000</u>
Total special assessment bonds	<u>3,409,300</u>		<u>(1,904,300)</u>	<u>1,505,000</u>	<u>1,505,000</u>
Unamortized bond premiums	<u>2,299,985</u>		<u>(140,566)</u>	<u>2,159,419</u>	
Unamortized bond discounts	<u>(233,834)</u>		<u>18,257</u>	<u>(215,577)</u>	
Compensated absences	<u>38,616,700</u>	<u>8,182,793</u>	<u>(13,620,045)</u>	<u>33,179,448</u>	
Postemployment benefits other than pensions	<u>15,305,563</u>	<u>2,812,665</u>	<u>(706,089)</u>	<u>17,412,139</u>	
Net pension liability	<u>190,180,735</u>	<u>24,779,745</u>	<u>(1,631,481)</u>	<u>213,328,999</u>	
Total governmental activities	<u>399,058,449</u>	<u>35,775,203</u>	<u>(20,854,224)</u>	<u>413,979,428</u>	<u>8,825,000</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
Business-type activities					
General obligation/pledged revenue bonds					
\$14,365,000 2005A Water/Wastewater general obligation refunding revenue bonds due in annual installments through December 2017; interest is at 5%	\$ 2,880,000		\$ (1,780,000)	\$ 1,100,000	\$ 1,100,000
\$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%	4,505,000		(1,055,000)	3,450,000	1,105,000
\$140,000,000 2006 General obligation Wastewater reclamation system bonds due in annual installments through October 2036; interest varies between 4% and 5%	119,715,000		(3,425,000)	116,290,000	3,580,000
\$145,000,000 2010A Water/Wastewater improvement bonds (Build America Bonds) due in annual installments beginning June 2015 through June 2040; interest varies between 4.13% and 6.572%	<u>144,900,000</u>		<u>(320,000)</u>	<u>144,580,000</u>	<u>1,095,000</u>
Total general obligation/pledged revenue bonds	<u>272,000,000</u>		<u>(6,580,000)</u>	<u>265,420,000</u>	<u>6,880,000</u>
Notes payable					
\$7,000,000 medium-term financing due in quarterly installments through July 2022; interest is at 2% beginning April 2015	<u>2,352,219</u>		<u>(356,927)</u>	<u>1,995,292</u>	<u>356,928</u>
Unamortized bond premiums	<u>2,459,780</u>		<u>(208,056)</u>	<u>2,251,724</u>	
Compensated absences	<u>3,820,322</u>	<u>793,640</u>	<u>(1,061,872)</u>	<u>3,552,090</u>	
Net pension liability	<u>17,627,066</u>	<u>2,296,732</u>	<u>(7,843)</u>	<u>19,915,955</u>	
Total business-type activities	<u>298,259,387</u>	<u>3,090,372</u>	<u>(8,214,698)</u>	<u>293,135,061</u>	<u>7,236,928</u>
Total long-term liabilities	<u>\$ 697,317,836</u>	<u>\$ 38,865,575</u>	<u>\$ (29,068,922)</u>	<u>\$ 707,114,489</u>	<u>\$ 16,061,928</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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

At June 30, 2017, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligation bonds		
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	5,660,000	5,666,174
2023 - 2027	31,540,000	24,144,588
2028 - 2032	39,150,000	15,791,450
2033 - 2037	38,975,000	4,990,500
Total general obligation bonds	146,610,000	76,482,356
Special assessment bonds		
2018	1,505,000	29,159
Total governmental activities	\$ 148,115,000	\$ 76,511,515
Business-type activities		
General obligation/pledged revenue bonds		
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	8,145,000	13,340,210
2023 - 2027	46,570,000	59,582,698
2028 - 2032	58,200,000	45,279,306
2033 - 2037	72,330,000	27,842,313
2038 - 2042	50,835,000	6,775,075
Total general obligation/pledged revenue bonds	265,420,000	209,942,866
Notes payable		
2018	364,120	37,186
2019	371,457	29,849
2020	378,942	22,364
2021	386,578	14,728
2022	394,368	6,938
2023 - 2027	99,827	499
Total notes payable	1,995,292	111,564
Total business-type activities	\$ 267,415,292	\$ 210,054,430

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, \$155,000 of defeased debt remained outstanding.

Debt Covenants and Legal Debt Margin

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

Arbitrage Rebate Requirement

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

Special Assessment Debt

The City has issued various special assessments bonds, the proceeds of which have been used to fund specific infrastructure improvements. These bonds do not constitute debt of the City within the meaning of any constitutional or statutory provision or limitation, are not considered a general obligation of the City, and are considered special obligations payable solely from assessments levied in the special assessment districts. Furthermore, the City is not secondarily liable in the case of payment deficiencies. The City uses a fiduciary (agency) fund to account for special assessment revenue collections and repayment of the related debt. On June 1, 2016, the City refunded its 2006 Special Assessment District 60 (Aliante 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, 2017, that is accounted for in a fiduciary (agency) fund follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2017</u>
2016 Special Assessment District 60 (Aliante Development)	June 1, 2016 - December 1, 2022	2.0% to 2.25%	\$ <u>14,015,000</u>	\$ <u>12,115,000</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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, 2017 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>

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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 \$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.

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. However, during 2017 the carrier denied coverage related to two cases on the basis of not being contemporaneously notified and, as a result, not having the opportunity to defend the claims. Management is considering its response alternatives, if any.

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, 2015, 2016 and 2017, 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, 2015				
Liability insurance	\$ 6,128,576	\$ (142,612)	\$ (1,655,306)	\$ 4,330,658
Worker's compensation	6,415,999	4,684,260	(2,507,625)	8,592,634
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	\$ 7,653,547	\$ (5,946,551)	\$ 25,939,479

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
For the year ended June 30, 2016				
Liability insurance	\$ 4,330,658	\$ (67,247)	\$ (1,646,622)	\$ 2,616,789
Worker's compensation	8,592,634	5,413,927	(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)	
	\$ 25,939,479	\$ 11,386,463	\$ (8,520,717)	\$ 28,805,225
For the year ended June 30, 2017				
Liability insurance	\$ 2,616,789	\$ 2,610,539	\$ (3,057,957)	\$ 2,169,371
Worker's compensation	10,882,873	7,965,176	(3,809,552)	15,038,497
Postemployment benefits other than pensions	15,305,563	2,106,576		17,412,139
Unemployment compensation and employee separation leave benefits		4,314,010	(4,314,010)	
	\$ 28,805,225	\$ 16,996,301	\$ (11,181,519)	\$ 34,620,007

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.

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 for all years of service. Regular members entering PERS on or after July 1, 2015, have a 2.25% 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, and before July 1, 2015, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year. For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

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. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies that 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2016, the required employer/employee matching rate was 14.50% for regular and 20.75% for police/fire members. The EPC rate was 28.00% for regular and 40.50% for police/fire members.

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

PERS collective net pension liability was measured as of June 30, 2016, 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, 2016
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

At June 30, 2016, 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	

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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, 2016:

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

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

The discount rate used to measure the total pension liability was 8.00%. 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 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.

The City's proportionate share of the net pension liability at the actuarial valuation date using the selected discount rate of 8.00%, and the estimated liability if the rate varied by 1% follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 341,891,538	\$ 233,244,955	\$ 142,852,337

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

The City's proportionate share of the collective net pension liability of PERS at the actuarial valuation date was 1.73324%. The City's relative contributions for the related fiscal year was used to determine its proportionate share. 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.

For the period ending on the actuarial valuation date, the City's pension expense was \$27,076,477 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 15,618,685
Changes of assumptions		
Net difference between projected and actual earnings on investments	21,683,022	
Changes in proportion and differences between actual contributions and proportionate share of contributions	4,368,051	19,430,911
Contributions made subsequent to the measurement date	28,364,575	

At the actuarial valuation date, the average expected remaining service life was 6.48 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$28,364,575 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. 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,		
2018	\$	2,667,113
2019		2,667,113
2020		(11,407,673)
2021		(5,517,705)
2022		2,124,325
Thereafter		468,304

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

Net pension liability, beginning of year	\$	207,807,801
Pension expense		27,076,477
Employer contributions		(29,390,713)
Net new deferred inflows and outflows of resources		27,751,390
Net pension liability, end of year	\$	233,244,955

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Accrued salaries and benefits as of June 30, 2017 includes \$3,185,496 payable to PERS for required contributions relating to the last month of that fiscal year.

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, 2017, the City contributed \$854 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 Teamsters Plan altogether.

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>
2015	483	\$ 34,871,927	\$ 4,779,055
2016	478	35,066,517	4,262,691
2017	483	34,541,474	4,325,754

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

For the year ended June 30, 2017, the City contributed \$1,100 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>
2015	167	\$ 17,957,169	\$ 1,816,500
2016	156	17,621,112	2,004,400
2017	175	18,171,799	2,075,350

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.

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, 2017, this subsidy ranged from \$116 to \$636 per retiree, per month.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

For the year ended June 30, 2017, 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.

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 IAFF Plan	Total
Annual required contribution (ARC)	\$ 532,076	\$ 1,691,884	\$ 685,541	\$ 2,909,501
Interest on net OPEB obligation	40,879	210,572	227,613	479,064
Adjustment to ARC	(85,790)	(235,525)	(254,585)	(575,900)
Annual OPEB cost	487,165	1,666,931	658,569	2,812,665
OPEB contributions made	(474,425)	(207,615)	(240,049)	(922,089)
Increase (decrease) in net OPEB obligation	12,740	1,459,316	418,520	1,890,576
Net OPEB obligation, beginning of year	1,306,050	6,727,541	7,271,972	15,305,563
Net OPEB obligation, end of year	\$ 1,318,790	\$ 8,186,857	\$ 7,690,492	\$ 17,196,139

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, 2015, 2016 and 2017 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2015	\$ 491,616	\$ 504,871	102.7 %	\$ 1,300,324
2016	492,429	486,703	98.8 %	1,306,050
2017	487,165	474,425	97.4 %	1,318,790
City of North Las Vegas Health Care Plan				
2015	1,140,255	221,920	19.5 %	5,763,018
2016	1,204,197	239,674	19.9 %	6,727,541
2017	1,666,931	207,615	12.5 %	8,186,857
City of North Las Vegas IAFF Plan				
2015			DIV/0 %	
2016			DIV/0 %	7,271,972
2017	658,569	240,049	36.5 %	7,690,492

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

Funded Status and Funding Progress

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program June 30, 2017	N/A ¹ \$	7,879,288 \$	7,879,288	0.0 %	\$ N/A ²	N/A ²
City of North Las Vegas Health Care Plan June 30, 2017	N/A ¹	19,832,297	19,832,297	0.0 %	30,231,358	65.6 %
City of North Las Vegas IAFF Plan June 30, 2017	N/A ¹	6,030,587	6,030,587	0.0 %	13,497,124	44.7 %

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, 2017

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 IAFF Plan</u>
Actuarial valuation date	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal, closed	Entry age normal, open	
Amortization method	Level dollar	Level percent of pay	
Amortization period	25 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%	
Projected salary increase	N/A ¹	4%	
Inflation rate	2.75%	2.75%	
Number of retirees	163	429	
Healthcare inflation rates			
Initial	8%	8%	
Ultimate	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, 2017, 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, 2017

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
June 30, 2013 ³	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
June 30, 2017 ⁴	N/A ¹	7,879,288	7,879,288	0.0 %	N/A ²	N/A ²
City of North Las Vegas Health Care Plan						
June 30, 2013 ³	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 %
June 30, 2017 ⁴	N/A ¹	19,832,297	19,832,297	0.0 %	30,231,358	65.6 %
City of North Las Vegas Life Insurance Plan						
June 30, 2013 ³	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 %
June 30, 2017	N/A ¹	6,030,587	6,030,587	0.0 %	13,497,124	44.7 %

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, 2016 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 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	230.71866 %	76.31210 %
2015	1.81342 %	207,807,801	82,840,577	250.85267 %	75.12611 %
2016	1.73324 %	233,244,954	84,120,151	277.27596 %	72.22300 %

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, 2017 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 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 %
2017	28,321,402	28,321,402		82,004,732	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, 2017

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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 8,146,679	\$ 8,146,679	\$ 8,222,893	\$ 76,214
Franchise fees	22,790,000	22,790,000	20,759,779	(2,030,221)
Licenses and permits	16,066,567	16,066,567	18,023,601	1,957,034
Charges for services	4,775,398	4,775,510	5,879,262	1,103,752
Intergovernmental consolidated taxes	52,089,973	52,089,973	52,977,267	887,294
Intergovernmental	4,228,020	4,261,820	4,247,937	(13,883)
Fines and forfeitures	4,735,500	4,735,500	4,103,151	(632,349)
Contributions	100	100	3,895	3,795
Rents and royalties	450,000	450,000	593,432	143,432
Investment income	950,000	950,000	717,401	(232,599)
Miscellaneous	<u>252,010</u>	<u>252,010</u>	<u>1,032,348</u>	<u>780,338</u>
Total revenues	<u>114,484,247</u>	<u>114,518,159</u>	<u>116,560,966</u>	<u>2,042,807</u>
EXPENDITURES				
General government				
Legislative				
Salaries and wages	387,013	387,013	394,307	(7,294)
Employee benefits	314,956	314,956	262,675	52,281
Services and supplies	<u>136,735</u>	<u>136,735</u>	<u>66,798</u>	<u>69,937</u>
Total legislative	<u>838,704</u>	<u>838,704</u>	<u>723,780</u>	<u>114,924</u>
Executive				
Salaries and wages	732,398	748,543	685,193	63,350
Employee benefits	433,565	439,854	419,370	20,484
Services and supplies	<u>391,519</u>	<u>392,326</u>	<u>325,517</u>	<u>66,809</u>
Total executive	<u>1,557,482</u>	<u>1,580,723</u>	<u>1,430,080</u>	<u>150,643</u>
City attorney				
Salaries and wages	1,295,901	1,295,901	1,146,039	149,862
Employee benefits	749,152	749,152	656,231	92,921
Services and supplies	<u>340,754</u>	<u>374,666</u>	<u>224,935</u>	<u>149,731</u>
Total city attorney	<u>2,385,807</u>	<u>2,419,719</u>	<u>2,027,205</u>	<u>392,514</u>
City clerk				
Salaries and wages	289,681	289,681	288,110	1,571
Employee benefits	159,544	159,544	156,279	3,265
Services and supplies	<u>739,588</u>	<u>739,588</u>	<u>460,330</u>	<u>279,258</u>
Total city clerk	<u>1,188,813</u>	<u>1,188,813</u>	<u>904,719</u>	<u>284,094</u>
Finance				
Salaries and wages	1,881,893	1,881,893	1,763,696	118,197
Employee benefits	1,103,082	1,103,082	1,016,820	86,262
Services and supplies	<u>507,583</u>	<u>507,583</u>	<u>402,329</u>	<u>105,254</u>
Total finance	<u>3,492,558</u>	<u>3,492,558</u>	<u>3,182,845</u>	<u>309,713</u>
Planning				
Salaries and wages	601,877	601,877	638,924	(37,047)
Employee benefits	300,918	300,918	315,595	(14,677)
Services and supplies	<u>156,457</u>	<u>156,457</u>	<u>96,633</u>	<u>59,824</u>
Total planning	<u>1,059,252</u>	<u>1,059,252</u>	<u>1,051,152</u>	<u>8,100</u>
Other				
Salaries and wages	3,341,246	3,628,610	3,152,371	476,239
Employee benefits	1,722,869	1,653,434	3,506,926	(1,853,492)
Services and supplies	<u>7,675,855</u>	<u>7,538,790</u>	<u>7,352,258</u>	<u>186,532</u>
Total other	<u>12,739,970</u>	<u>12,820,834</u>	<u>14,011,555</u>	<u>(1,190,721)</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total general government	23,262,586	23,400,603	23,331,336	69,267
Judicial				
Municipal court				
Salaries and wages	2,649,853	2,522,853	2,379,875	142,978
Employee benefits	1,451,586	1,451,586	1,273,449	178,137
Services and supplies	599,521	726,521	592,254	134,267
Total municipal court	<u>4,700,960</u>	<u>4,700,960</u>	<u>4,245,578</u>	<u>455,382</u>
Marshals				
Salaries and wages	291,073	269,651	263,396	6,255
Employee benefits	217,009	217,009	143,312	73,697
Services and supplies	25,616	47,038	45,908	1,130
Total marshals	<u>533,698</u>	<u>533,698</u>	<u>452,616</u>	<u>81,082</u>
Other				
Employee benefits			100,000	(100,000)
Total judicial	<u>5,234,658</u>	<u>5,234,658</u>	<u>4,798,194</u>	<u>436,464</u>
Public safety				
Police				
Salaries and wages	17,312,845	16,812,893	16,382,083	430,810
Employee benefits	11,363,672	11,644,785	13,014,658	(1,369,873)
Services and supplies	5,049,683	5,555,305	4,890,394	664,911
Capital outlay		342,070	31,121	310,949
Total police	<u>33,726,200</u>	<u>34,355,053</u>	<u>34,318,256</u>	<u>36,797</u>
Corrections				
Salaries and wages	4,844,107	4,374,467	2,570,480	1,803,987
Employee benefits	3,814,342	3,426,969	4,452,692	(1,025,723)
Services and supplies	9,133,987	9,029,847	9,799,313	(769,466)
Total corrections	<u>17,792,436</u>	<u>16,831,283</u>	<u>16,822,485</u>	<u>8,798</u>
Protective services				
Salaries and wages	1,970,589	2,157,233	2,082,921	74,312
Employee benefits	1,047,653	1,026,198	1,097,440	(71,242)
Services and supplies	1,000,369	1,038,972	912,529	126,443
Total protective services	<u>4,018,611</u>	<u>4,222,403</u>	<u>4,092,890</u>	<u>129,513</u>
Fire				
Salaries and wages	18,386,671	18,321,813	17,670,343	651,470
Employee benefits	11,781,206	11,744,451	12,808,045	(1,063,594)
Services and supplies	3,969,787	3,966,566	3,541,794	424,772
Capital outlay			4,232	(4,232)
Total fire	<u>34,137,664</u>	<u>34,032,830</u>	<u>34,024,414</u>	<u>8,416</u>
Total public safety	<u>89,674,911</u>	<u>89,441,569</u>	<u>89,258,045</u>	<u>183,524</u>
Public works				
Administration				
Salaries and wages	275,359	239,614	196,155	43,459
Employee benefits	150,006	128,182	105,532	22,650
Services and supplies	26,760	27,010	15,502	11,508
Total administration	<u>452,125</u>	<u>394,806</u>	<u>317,189</u>	<u>77,617</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, 2017

	Original Budget	Final Budget	Actual	Variance
Flood control				
Salaries and wages	403,842	403,842	416,517	(12,675)
Employee benefits	198,663	198,663	190,137	8,526
Services and supplies	43,922	43,922	(361,970)	405,892
Total flood control	<u>646,427</u>	<u>646,427</u>	<u>244,684</u>	<u>401,743</u>
Engineering				
Salaries and wages	586,367	486,485	589,963	(103,478)
Employee benefits	324,297	267,931	300,230	(32,299)
Services and supplies	294,598	293,402	172,961	120,441
Capital outlay			4,625	(4,625)
Total engineering	<u>1,205,262</u>	<u>1,047,818</u>	<u>1,067,779</u>	<u>(19,961)</u>
Real property				
Salaries and wages	98,800	122,728	110,086	12,642
Employee benefits	53,658	67,040	57,183	9,857
Services and supplies	32,752	33,948	13,355	20,593
Total real property	<u>185,210</u>	<u>223,716</u>	<u>180,624</u>	<u>43,092</u>
Other				
Salaries and wages		162,885		162,885
Employee benefits		98,679		98,679
Services and supplies			700,000	(700,000)
Total other		<u>261,564</u>	<u>700,000</u>	<u>(438,436)</u>
Total public works	<u>2,489,024</u>	<u>2,574,331</u>	<u>2,510,276</u>	<u>64,055</u>
Culture and recreation				
Administration				
Salaries and wages	198,080	198,080	192,963	5,117
Employee benefits	105,977	105,977	103,853	2,124
Services and supplies	18,947	18,947	14,126	4,821
Total administration	<u>323,004</u>	<u>323,004</u>	<u>310,942</u>	<u>12,062</u>
Participant recreation				
Salaries and wages	794,568	769,390	768,483	907
Employee benefits	279,452	263,585	247,067	16,518
Services and supplies	917,754	887,520	687,797	199,723
Total participant recreation	<u>1,991,774</u>	<u>1,920,495</u>	<u>1,703,347</u>	<u>217,148</u>
Parks and grounds				
Salaries and wages	968,142	966,239	888,898	77,341
Employee benefits	468,457	466,559	815,221	(348,662)
Services and supplies	5,009,842	5,009,842	4,869,358	140,484
Capital outlay			7,719	(7,719)
Total parks and grounds	<u>6,446,441</u>	<u>6,442,640</u>	<u>6,581,196</u>	<u>(138,556)</u>
Total culture and recreation	<u>8,761,219</u>	<u>8,686,139</u>	<u>8,595,485</u>	<u>90,654</u>
Community support				
Housing and neighborhood services				
Salaries and wages	450,373	476,536	424,423	52,113
Employee benefits	233,133	250,180	228,573	21,607
Services and supplies	335,829	335,829	206,435	129,394
Total housing and neighborhood services	<u>1,019,335</u>	<u>1,062,545</u>	<u>859,431</u>	<u>203,114</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Economic development				
Salaries and wages	215,597	189,434	145,105	44,329
Employee benefits	126,885	109,838	84,483	25,355
Services and supplies	231,954	231,954	81,753	150,201
Total economic development	<u>574,436</u>	<u>531,226</u>	<u>311,341</u>	<u>219,885</u>
Developer agreements				
Services and supplies	<u>61,000</u>	<u>61,000</u>		<u>61,000</u>
Other				
Employee benefits			<u>400,000</u>	<u>(400,000)</u>
Total community support	<u>1,654,771</u>	<u>1,654,771</u>	<u>1,570,772</u>	<u>83,999</u>
Total expenditures	<u>131,077,169</u>	<u>130,992,071</u>	<u>130,064,108</u>	<u>927,963</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(16,592,922)</u>	<u>(16,473,912)</u>	<u>(13,503,142)</u>	<u>2,970,770</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(500,000)	(482,300)		482,300
Proceeds from capital asset disposal	25,000	25,000	1,560,797	1,535,797
Transfers in	23,277,283	23,277,283	23,277,283	
Transfers out	(7,397,188)	(7,851,298)	(10,851,298)	(3,000,000)
Total other financing sources (uses)	<u>15,405,095</u>	<u>14,968,685</u>	<u>13,986,782</u>	<u>(981,903)</u>
CHANGE IN FUND BALANCE	(1,187,827)	(1,505,227)	483,640	1,988,867
FUND BALANCE, BEGINNING OF YEAR	<u>13,105,576</u>	<u>13,896,274</u>	<u>13,896,274</u>	
FUND BALANCE, END OF YEAR	<u>\$ 11,917,749</u>	<u>\$ 12,391,047</u>	<u>\$ 14,379,914</u>	<u>\$ 1,988,867</u>

CITY OF NORTH LAS VEGAS

MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 30,702,502	\$ 30,702,502	\$ 30,988,011	\$ 285,509
Miscellaneous			16,440	16,440
Total revenues	<u>30,702,502</u>	<u>30,702,502</u>	<u>31,004,451</u>	<u>301,949</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	13,509,367	13,591,956	13,107,731	484,225
Employee benefits	9,667,416	9,727,647	8,947,387	780,260
Services and supplies	5,558,823	4,131,990	3,411,861	720,129
Capital outlay		1,426,833	467,195	959,638
Total police	<u>28,735,606</u>	<u>28,878,426</u>	<u>25,934,174</u>	<u>2,944,252</u>
Corrections				
Salaries and wages	667,767	585,178	399,686	185,492
Employee benefits	456,684	396,453	287,484	108,969
Services and supplies	34,254	34,254	20,307	13,947
Total corrections	<u>1,158,705</u>	<u>1,015,885</u>	<u>707,477</u>	<u>308,408</u>
Total expenditures	<u>29,894,311</u>	<u>29,894,311</u>	<u>26,641,651</u>	<u>3,252,660</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>808,191</u>	<u>808,191</u>	<u>4,362,800</u>	<u>3,554,609</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			32,340	32,340
Transfers out	<u>(1,110,000)</u>	<u>(1,110,000)</u>	<u>(1,110,000)</u>	
Total other financing sources (uses)	<u>(1,110,000)</u>	<u>(1,110,000)</u>	<u>(1,077,660)</u>	<u>32,340</u>
CHANGE IN FUND BALANCE	(301,809)	(301,809)	3,285,140	3,586,949
FUND BALANCE, BEGINNING OF YEAR	<u>8,389,856</u>	<u>11,126,972</u>	<u>11,126,972</u>	
FUND BALANCE, END OF YEAR	<u>\$ 8,088,047</u>	<u>\$ 10,825,163</u>	<u>\$ 14,412,112</u>	<u>\$ 3,586,949</u>

CITY OF NORTH LAS VEGAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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, 2016, 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 4 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, 2017

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 58,159,027	\$ 10,151,619	\$ 17,748,164	\$ 86,058,810
Accounts receivable, net	1,581,391		1,305,384	2,886,775
Grants receivable	2,981,273		5,106,706	8,087,979
Property taxes receivable	226,660	547		227,207
Interest receivable		6,754		6,754
Special assessments receivable		133,502		133,502
Prepaid items	7,274			7,274
Due from other governments	4,982,635			4,982,635
Property held for resale	6,426,980			6,426,980
Total assets	<u>\$ 74,365,240</u>	<u>\$ 10,292,422</u>	<u>\$ 24,160,254</u>	<u>\$ 108,817,916</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 834,238	\$ 471	\$ 2,739,478	\$ 3,574,187
Accrued salaries and benefits	311,969			311,969
Due to other governments	315,416		45,223	360,639
Customer deposits	11,760			11,760
Unearned revenue	3,453,302		44,509	3,497,811
Total liabilities	<u>4,926,685</u>	<u>471</u>	<u>2,829,210</u>	<u>7,756,366</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	94,947	446	2,240,000	2,335,393
Total liabilities and deferred inflows of resources	<u>5,021,632</u>	<u>917</u>	<u>5,069,210</u>	<u>10,091,759</u>
FUND BALANCES				
Nonspendable				
Prepaid items	7,274			7,274
Restricted for				
Debt service		10,291,505		10,291,505
Street improvements projects	6,768,505		3,869,531	10,638,036
Other capital projects	19,979,399		4,254,542	24,233,941
Police, fire and other public safety programs	10,581,568		8,447,865	19,029,433
Parks, cultural and other recreational programs	1,634,433		2,246,056	3,880,489
Library district operations	591,847			591,847
Courts and other judicial programs	1,597,339			1,597,339
Community assistance and support programs	23,539,808			23,539,808
Other	19,103		273,050	292,153
Committed to				
Police, fire and other public safety programs	1,501,185			1,501,185
Community assistance and support programs	990,511			990,511
Assigned to				
Parks, cultural and other recreational programs	2,132,636			2,132,636
Total fund balances	<u>69,343,608</u>	<u>10,291,505</u>	<u>19,091,044</u>	<u>98,726,157</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,365,240</u>	<u>\$ 10,292,422</u>	<u>\$ 24,160,254</u>	<u>\$ 108,817,916</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, 2017

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 15,229,470	\$ 1,005	\$	\$ 15,230,475
Residential construction taxes	634,897			634,897
Room taxes	634,163			634,163
Special assessments		1,625,990		1,625,990
Charges for services	3,014,344		1,059,551	4,073,895
Intergovernmental	25,298,342		21,205,830	46,504,172
Fines and forfeitures	649,384	16,467		665,851
Contributions	76,100		5,000	81,100
Rents and royalties	103,613			103,613
Investment income	112,701	41,451	23,782	177,934
Miscellaneous	2,762,489		344,634	3,107,123
Total revenues	48,515,503	1,684,913	22,638,797	72,839,213
EXPENDITURES				
Current				
General government	2,236		432,888	435,124
Judicial	535,847			535,847
Public safety	19,829,366		1,263,487	21,092,853
Public works	3,960,754		1,340,647	5,301,401
Culture and recreation	4,485,876		377,784	4,863,660
Community support	4,237,015		70	4,237,085
Total current	33,051,094		3,414,876	36,465,970
Capital outlay				
General government			1,107,740	1,107,740
Public safety	856,931		361,271	1,218,202
Public works	185		21,447,393	21,447,578
Culture and recreation	64,477		433,859	498,336
Community support	319,382		22,251	341,633
Total capital outlay	1,240,975		23,372,514	24,613,489
Debt service				
Principal payments	400,000	4,374,300		4,774,300
Interest and fiscal charges	74,898	7,126,548		7,201,446
Total debt service	474,898	11,500,848		11,975,746
Total expenditures	34,766,967	11,500,848	26,787,390	73,055,205
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,748,536	(9,815,935)	(4,148,593)	(215,992)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	22,469			22,469
Transfers in	3,216,937	12,489,566	2,901,974	18,608,477
Transfers out	(7,065,582)		(86,597)	(7,152,179)
Total other financing sources (uses)	(3,826,176)	12,489,566	2,815,377	11,478,767
CHANGE IN FUND BALANCE	9,922,360	2,673,631	(1,333,216)	11,262,775
FUND BALANCE, BEGINNING OF YEAR	59,421,248	7,617,874	20,424,260	87,463,382
FUND BALANCE, END OF YEAR	\$ 69,343,608	\$ 10,291,505	\$ 19,091,044	\$ 98,726,157

SPECIAL REVENUE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
ASSETS					
Cash, cash equivalents and investments	\$ 3,967,730	\$ 14,744,335	\$ 610,036	\$ 24,137,270	\$ 4,311,758
Accounts receivable, net	55,855	757,372		265,056	42,454
Grants receivable	68,219			23,967	
Property taxes receivable		38,665	39,300	145,586	
Prepaid items			6,417	857	
Due from other governments				717,671	3,378,181
Property held for resale					
Total assets	\$ 4,091,804	\$ 15,540,372	\$ 655,753	\$ 25,290,407	\$ 7,732,393
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 6,635	\$ 12,753	\$ 13,770	\$ 238,237	\$ 5,794
Accrued salaries and benefits	16,847	8,867	26,618	72,518	164,376
Due to other governments	11,583			136,587	
Customer deposits	11,760				
Unearned revenue	277,910	1,545	211	331	
Total liabilities	324,735	23,165	40,599	447,673	170,170
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		14,365	16,890	62,356	
Total liabilities and deferred inflows of resources	324,735	37,530	57,489	510,029	170,170
FUND BALANCES					
Nonspendable					
Prepaid items			6,417	857	
Restricted for					
Street improvements projects				6,768,505	
Other capital projects				17,991,913	
Police, fire and other public safety programs					7,562,223
Parks, cultural and other recreational programs	1,634,433				
Library district operations			591,847		
Courts and other judicial programs					
Community assistance and support programs		15,502,842			
Other				19,103	
Committed to					
Police, fire and other public safety programs					
Community assistance and support programs					
Assigned to					
Parks, cultural and other recreational programs	2,132,636				
Total fund balances	3,767,069	15,502,842	598,264	24,780,378	7,562,223
Total liabilities, deferred inflows of resources and fund balances	\$ 4,091,804	\$ 15,540,372	\$ 655,753	\$ 25,290,407	\$ 7,732,393

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2017

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
ASSETS					
Cash, cash equivalents and investments	\$ 1,987,486	\$ 3,269,817	\$ 1,604,567	\$ 3,526,028	\$ 58,159,027
Accounts receivable, net		354,912		105,742	1,581,391
Grants receivable		577,875		2,311,212	2,981,273
Property taxes receivable		3,109			226,660
Prepaid items					7,274
Due from other governments		886,783			4,982,635
Property held for resale				6,426,980	6,426,980
Total assets	<u>\$ 1,987,486</u>	<u>\$ 5,092,496</u>	<u>\$ 1,604,567</u>	<u>\$ 12,369,962</u>	<u>\$ 74,365,240</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$	\$ 97,976	\$	\$ 459,073	\$ 834,238
Accrued salaries and benefits		10,689	7,228	4,826	311,969
Due to other governments				167,246	315,416
Customer deposits					11,760
Unearned revenue		461,965		2,711,340	3,453,302
Total liabilities		<u>570,630</u>	<u>7,228</u>	<u>3,342,485</u>	<u>4,926,685</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		1,336			94,947
Total liabilities and deferred inflows of resources		<u>571,966</u>	<u>7,228</u>	<u>3,342,485</u>	<u>5,021,632</u>
FUND BALANCES					
Nonspendable					
Prepaid items					7,274
Restricted for					
Street improvements projects					6,768,505
Other capital projects	1,987,486				19,979,399
Police, fire and other public safety programs		3,019,345			10,581,568
Parks, cultural and other recreational programs					1,634,433
Library district operations					591,847
Courts and other judicial programs			1,597,339		1,597,339
Community assistance and support programs				8,036,966	23,539,808
Other					19,103
Committed to					
Police, fire and other public safety programs		1,501,185			1,501,185
Community assistance and support programs				990,511	990,511
Assigned to					
Parks, cultural and other recreational programs					2,132,636
Total fund balances	<u>1,987,486</u>	<u>4,520,530</u>	<u>1,597,339</u>	<u>9,027,477</u>	<u>69,343,608</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,987,486</u>	<u>\$ 5,092,496</u>	<u>\$ 1,604,567</u>	<u>\$ 12,369,962</u>	<u>\$ 74,365,240</u>

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2017

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
REVENUES					
Property taxes	\$	\$ 1,698,013	\$ 2,684,292	\$ 10,634,913	\$
Residential construction taxes					
Room taxes				634,163	
Charges for services	2,546,770				
Intergovernmental	97,498		36,057	5,014,440	13,192,455
Fines and forfeitures	67		63,141		
Contributions	61,650				
Rents and royalties	19,208	84,405			
Investment income		69,633		12,200	18,603
Miscellaneous	5,852	650,000	44,965	51,754	1,439
Total revenues	2,731,045	2,502,051	2,828,455	16,347,470	13,212,497
EXPENDITURES					
Current					
General government				880	
Judicial					
Public safety	48,788			3,935,297	10,728,864
Public works				3,900,483	
Culture and recreation	1,612,827	28,000	2,069,488	773,801	
Community support		694,102		5,878	
Total current	1,661,615	722,102	2,069,488	8,616,339	10,728,864
Capital outlay					
Public safety				146,044	169,108
Public works				185	
Culture and recreation	64,477				
Community support		278,492			
Total capital outlay	64,477	278,492		146,229	169,108
Debt service					
Principal payments			400,000		
Interest and fiscal charges			74,898		
Total debt service			474,898		
Total expenditures	1,726,092	1,000,594	2,544,386	8,762,568	10,897,972
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,004,953	1,501,457	284,069	7,584,902	2,314,525
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal				12,000	10,469
Transfers in			1,791,023		
Transfers out			(1,945,000)	(4,242,308)	
Total other financing sources (uses)			(153,977)	(4,230,308)	10,469
CHANGE IN FUND BALANCE	1,004,953	1,501,457	130,092	3,354,594	2,324,994
FUND BALANCE, BEGINNING OF YEAR	2,762,116	14,001,385	468,172	21,425,784	5,237,229
FUND BALANCE, END OF YEAR	\$ 3,767,069	\$ 15,502,842	\$ 598,264	\$ 24,780,378	\$ 7,562,223

(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, 2017

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
REVENUES					
Property taxes	\$	\$ 212,252	\$	\$	\$ 15,229,470
Residential construction taxes	634,897				634,897
Room taxes					634,163
Charges for services		83,423	384,151		3,014,344
Intergovernmental		3,086,612		3,871,280	25,298,342
Fines and forfeitures		586,176			649,384
Contributions		14,450			76,100
Rents and royalties					103,613
Investment income	8,461	3,804			112,701
Miscellaneous		823,469	336,039	848,971	2,762,489
Total revenues	643,358	4,810,186	720,190	4,720,251	48,515,503
EXPENDITURES					
Current					
General government			889	467	2,236
Judicial			535,847		535,847
Public safety		5,114,867		1,550	19,829,366
Public works				60,271	3,960,754
Culture and recreation	1,760				4,485,876
Community support				3,537,035	4,237,015
Total current	1,760	5,114,867	536,736	3,599,323	33,051,094
Capital outlay					
Public safety		282,384		259,395	856,931
Public works					185
Culture and recreation					64,477
Community support				40,890	319,382
Total capital outlay	1,760	282,384	536,736	300,285	1,240,975
Debt service					
Principal payments					400,000
Interest and fiscal charges					74,898
Total debt service	1,760	5,397,251	536,736	3,899,608	34,766,967
Total expenditures	1,760	5,397,251	536,736	3,899,608	34,766,967
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	641,598	(587,065)	183,454	820,643	13,748,536
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal					22,469
Transfers in		1,354,517		71,397	3,216,937
Transfers out	(324,000)	(71,397)	(300,000)	(182,877)	(7,065,582)
Total other financing sources (uses)	(324,000)	1,283,120	(300,000)	(111,480)	(3,826,176)
CHANGE IN FUND BALANCE	317,598	696,055	(116,546)	709,163	9,922,360
FUND BALANCE, BEGINNING OF YEAR	1,669,888	3,824,475	1,713,885	8,318,314	59,421,248
FUND BALANCE, END OF YEAR	\$ 1,987,486	\$ 4,520,530	\$ 1,597,339	\$ 9,027,477	\$ 69,343,608

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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ 2,443,500	\$ 2,443,500	\$ 2,546,770	\$ 103,270
Intergovernmental	22,000	206,909	97,498	(109,411)
Fines and forfeitures			67	67
Contributions	40,000	40,000	61,650	21,650
Rents and royalties			19,208	19,208
Miscellaneous			5,852	5,852
Total revenues	2,505,500	2,690,409	2,731,045	40,636
EXPENDITURES				
Public safety				
Police				
Salaries and wages		60,000	34,972	25,028
Employee benefits			5,653	(5,653)
Services and supplies			5,852	(5,852)
Total police		60,000	46,477	13,523
Corrections				
Salaries and wages			748	(748)
Employee benefits			123	(123)
Total corrections			871	(871)
Fire				
Salaries and wages			1,236	(1,236)
Employee benefits			204	(204)
Total fire			1,440	(1,440)
Total public safety		60,000	48,788	11,212
Culture and recreation				
Administration				
Services and supplies		4,000	3,500	500
Capital outlay		150,000	64,477	85,523
Total administration		154,000	67,977	86,023
Participant recreation				
Salaries and wages	1,509,851	1,449,851	870,782	579,069
Employee benefits	320,555	320,555	211,660	108,895
Services and supplies	955,976	966,885	374,844	592,041
Total participant recreation	2,786,382	2,737,291	1,457,286	1,280,005
Parks and grounds				
Employee benefits			66	(66)
Services and supplies	228,003	248,003	151,975	96,028
Total parks and grounds	228,003	248,003	152,041	95,962
Other				
Services and supplies	39,900	39,900		39,900
Total culture and recreation	3,054,285	3,179,194	1,677,304	1,501,890
Total expenditures	3,054,285	3,239,194	1,726,092	1,513,102
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(548,785)	(548,785)	1,004,953	1,553,738

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	378,678	378,678		(378,678)
Transfers out	<u>(378,678)</u>	<u>(378,678)</u>		<u>378,678</u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CHANGE IN FUND BALANCE	(548,785)	(548,785)	1,004,953	1,553,738
FUND BALANCE, BEGINNING OF YEAR	<u>2,076,313</u>	<u>2,762,116</u>	<u>2,762,116</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,527,528</u>	<u>\$ 2,213,331</u>	<u>\$ 3,767,069</u>	<u>\$ 1,553,738</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,421,960	\$ 1,421,960	\$ 1,698,013	\$ 276,053
Rents and royalties			84,405	84,405
Investment income	31,600	31,600	69,633	38,033
Miscellaneous			650,000	650,000
Total revenues	<u>1,453,560</u>	<u>1,453,560</u>	<u>2,502,051</u>	<u>1,048,491</u>
EXPENDITURES				
Culture and recreation				
Administration				
Services and supplies		28,000	28,000	
Community support				
Housing and neighborhood services				
Services and supplies	40,000	40,000	48,472	(8,472)
Economic development				
Salaries and wages	359,045	314,260	289,979	24,281
Employee benefits	219,702	190,235	175,153	15,082
Services and supplies	1,358,645	1,330,735	180,498	1,150,237
Capital outlay	200,000	460,000	278,492	181,508
Total economic development	<u>2,137,392</u>	<u>2,295,230</u>	<u>924,122</u>	<u>1,371,108</u>
Other				
Salaries and wages		46,578		46,578
Employee benefits		30,166		30,166
Total other		<u>76,744</u>		<u>76,744</u>
Total community support	<u>2,177,392</u>	<u>2,411,974</u>	<u>972,594</u>	<u>1,439,380</u>
Total expenditures	<u>2,177,392</u>	<u>2,439,974</u>	<u>1,000,594</u>	<u>1,439,380</u>
CHANGE IN FUND BALANCE	(723,832)	(986,414)	1,501,457	2,487,871
FUND BALANCE, BEGINNING OF YEAR	<u>11,896,152</u>	<u>14,001,385</u>	<u>14,001,385</u>	
FUND BALANCE, END OF YEAR	<u>\$ 11,172,320</u>	<u>\$ 13,014,971</u>	<u>\$ 15,502,842</u>	<u>\$ 2,487,871</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,656,379	\$ 2,656,379	\$ 2,684,292	\$ 27,913
Intergovernmental		35,219	36,057	838
Fines and forfeitures	65,000	65,000	63,141	(1,859)
Miscellaneous	<u>55,000</u>	<u>55,000</u>	<u>44,965</u>	<u>(10,035)</u>
Total revenues	<u>2,776,379</u>	<u>2,811,598</u>	<u>2,828,455</u>	<u>16,857</u>
EXPENDITURES				
Culture and recreation				
Library district operations				
Salaries and wages	1,109,399	1,109,399	1,015,514	93,885
Employee benefits	585,154	585,154	537,476	47,678
Services and supplies	<u>569,432</u>	<u>604,651</u>	<u>516,498</u>	<u>88,153</u>
Total culture and recreation	<u>2,263,985</u>	<u>2,299,204</u>	<u>2,069,488</u>	<u>229,716</u>
Debt service				
Principal payments				
	400,000	400,000	400,000	
Interest and fiscal charges				
	<u>74,898</u>	<u>74,898</u>	<u>74,898</u>	
Total debt service	<u>474,898</u>	<u>474,898</u>	<u>474,898</u>	
Total expenditures	<u>2,738,883</u>	<u>2,774,102</u>	<u>2,544,386</u>	<u>229,716</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>37,496</u>	<u>37,496</u>	<u>284,069</u>	<u>246,573</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
	1,791,023	1,791,023	1,791,023	
Transfers out				
	<u>(1,945,000)</u>	<u>(1,945,000)</u>	<u>(1,945,000)</u>	
Total other financing sources (uses)	<u>(153,977)</u>	<u>(153,977)</u>	<u>(153,977)</u>	
CHANGE IN FUND BALANCE	(116,481)	(116,481)	130,092	246,573
FUND BALANCE, BEGINNING OF YEAR	<u>304,012</u>	<u>468,172</u>	<u>468,172</u>	
FUND BALANCE, END OF YEAR	<u>\$ 187,531</u>	<u>\$ 351,691</u>	<u>\$ 598,264</u>	<u>\$ 246,573</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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 10,383,682	\$ 10,383,682	\$ 10,634,913	\$ 251,231
Room taxes	560,000	560,000	634,163	74,163
Intergovernmental	5,008,755	5,008,755	5,014,440	5,685
Investment income	1,950	1,950	12,200	10,250
Miscellaneous	<u>100,840</u>	<u>125,322</u>	<u>51,754</u>	<u>(73,568)</u>
Total revenues	<u>16,055,227</u>	<u>16,079,709</u>	<u>16,347,470</u>	<u>267,761</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages		1,000	8	992
Employee benefits			3	(3)
Total finance		<u>1,000</u>	<u>11</u>	<u>989</u>
Other				
Salaries and wages		2,000	784	1,216
Employee benefits			85	(85)
Total other		<u>2,000</u>	<u>869</u>	<u>1,131</u>
Total general government		<u>3,000</u>	<u>880</u>	<u>2,120</u>
Public safety				
Protective services				
Salaries and wages	1,317,624	1,317,624	1,373,135	(55,511)
Employee benefits	680,933	680,933	670,450	10,483
Services and supplies	2,814,573	2,814,573	1,891,712	922,861
Capital outlay			146,044	(146,044)
Total public safety	<u>4,813,130</u>	<u>4,813,130</u>	<u>4,081,341</u>	<u>731,789</u>
Public works				
Streets				
Salaries and wages	1,448,634	1,396,278	1,279,223	117,055
Employee benefits	770,447	738,713	655,312	83,401
Services and supplies	2,702,482	2,728,264	1,959,578	768,686
Total streets	<u>4,921,563</u>	<u>4,863,255</u>	<u>3,894,113</u>	<u>969,142</u>
Engineering				
Salaries and wages			3,545	(3,545)
Employee benefits			2,575	(2,575)
Services and supplies			192	(192)
Capital outlay			185	(185)
Total engineering			<u>6,497</u>	<u>(6,497)</u>
Real property				
Salaries and wages			33	(33)
Employee benefits			23	(23)
Services and supplies			2	(2)
Total real property			<u>58</u>	<u>(58)</u>
Other				
Salaries and wages		50,356		50,356
Employee benefits		31,734		31,734
Total other		<u>82,090</u>		<u>82,090</u>
Total public works	<u>4,921,563</u>	<u>4,945,345</u>	<u>3,900,668</u>	<u>1,044,677</u>

(Continued)

CITY OF NORTH LAS VEGAS

SPECIAL PURPOSE REVENUE SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Culture and recreation				
Parks and grounds				
Services and supplies	888,606	888,606	773,801	114,805
Other				
Services and supplies	563	563		563
Total culture and recreation	889,169	889,169	773,801	115,368
Community support				
Housing and neighborhood services				
Salaries and wages			3,373	(3,373)
Employee benefits			2,336	(2,336)
Services and supplies			169	(169)
Total housing and neighborhood services			5,878	(5,878)
Other				
Services and supplies	100,000	100,000		100,000
Total community support	100,000	100,000	5,878	94,122
Total expenditures	10,723,862	10,750,644	8,762,568	1,988,076
EXCESS OF REVENUES OVER EXPENDITURES	5,331,365	5,329,065	7,584,902	2,255,837
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal		2,300	12,000	9,700
Transfers out	(3,698,808)	(4,242,308)	(4,242,308)	
Total other financing sources (uses)	(3,698,808)	(4,240,008)	(4,230,308)	9,700
CHANGE IN FUND BALANCE	1,632,557	1,089,057	3,354,594	2,265,537
FUND BALANCE, BEGINNING OF YEAR	19,031,176	21,425,784	21,425,784	
FUND BALANCE, END OF YEAR	\$ 20,663,733	\$ 22,514,841	\$ 24,780,378	\$ 2,265,537

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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 12,891,750	\$ 12,891,750	\$ 13,192,455	\$ 300,705
Investment income	13,400	13,400	18,603	5,203
Miscellaneous			1,439	1,439
Total revenues	12,905,150	12,905,150	13,212,497	307,347
EXPENDITURES				
Public safety				
Police				
Salaries and wages	6,310,051	6,310,051	5,506,027	804,024
Employee benefits	4,962,477	4,962,477	4,021,009	941,468
Services and supplies	1,588,331	1,278,964	1,181,453	97,511
Capital outlay		309,367	169,108	140,259
Total police	12,860,859	12,860,859	10,877,597	1,983,262
Corrections				
Salaries and wages			17,385	(17,385)
Employee benefits			2,990	(2,990)
Total corrections			20,375	(20,375)
Total expenditures	12,860,859	12,860,859	10,897,972	1,962,887
EXCESS OF REVENUES OVER EXPENDITURES	44,291	44,291	2,314,525	2,270,234
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal			10,469	10,469
CHANGE IN FUND BALANCE	44,291	44,291	2,324,994	2,280,703
FUND BALANCE, BEGINNING OF YEAR	4,354,020	5,237,229	5,237,229	
FUND BALANCE, END OF YEAR	\$ 4,398,311	\$ 5,281,520	\$ 7,562,223	\$ 2,280,703

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Residential construction taxes	\$ 215,000	\$ 215,000	\$ 634,897	\$ 419,897
Investment income	<u>20</u>	<u>20</u>	<u>8,461</u>	<u>8,441</u>
Total revenues	<u>215,020</u>	<u>215,020</u>	<u>643,358</u>	<u>428,338</u>
EXPENDITURES				
Culture and recreation				
Administration				
Services and supplies	<u>60,200</u>	<u>60,200</u>	<u>1,760</u>	<u>58,440</u>
Parks planning and development				
Services and supplies	<u>53,000</u>	<u>53,000</u>	<u></u>	<u>53,000</u>
Total expenditures	<u>113,200</u>	<u>113,200</u>	<u>1,760</u>	<u>111,440</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>101,820</u>	<u>101,820</u>	<u>641,598</u>	<u>539,778</u>
OTHER FINANCING USES				
Transfers out	<u>(324,000)</u>	<u>(324,000)</u>	<u>(324,000)</u>	<u></u>
CHANGE IN FUND BALANCE	(222,180)	(222,180)	317,598	539,778
FUND BALANCE, BEGINNING OF YEAR	<u>1,347,994</u>	<u>1,669,888</u>	<u>1,669,888</u>	<u></u>
FUND BALANCE, END OF YEAR	<u>\$ 1,125,814</u>	<u>\$ 1,447,708</u>	<u>\$ 1,987,486</u>	<u>\$ 539,778</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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 214,457	\$ 214,457	\$ 212,252	\$ (2,205)
Charges for services	30,000	30,000	83,423	53,423
Intergovernmental	1,714,855	3,456,624	3,086,612	(370,012)
Fines and forfeitures		410,000	586,176	176,176
Contributions	10,000	10,000	14,450	4,450
Investment income			3,804	3,804
Miscellaneous	<u>400,000</u>	<u>576,397</u>	<u>823,469</u>	<u>247,072</u>
Total revenues	<u>2,369,312</u>	<u>4,697,478</u>	<u>4,810,186</u>	<u>112,708</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	1,294,132	1,519,563	1,266,025	253,538
Employee benefits	886,490	922,593	800,722	121,871
Services and supplies	594,016	1,304,774	1,027,928	276,846
Capital outlay	98,535	362,506	240,384	122,122
Total police	<u>2,873,173</u>	<u>4,109,436</u>	<u>3,335,059</u>	<u>774,377</u>
Corrections				
Salaries and wages	4,300	4,300	15,165	(10,865)
Employee benefits	708	708	2,479	(1,771)
Services and supplies	100,000	100,000		100,000
Total corrections	<u>105,008</u>	<u>105,008</u>	<u>17,644</u>	<u>87,364</u>
Protective services				
Salaries and wages	480,495	451,495	470,295	(18,800)
Employee benefits	260,399	250,199	229,919	20,280
Services and supplies	170,927	224,625	231,486	(6,861)
Capital outlay		42,003	42,000	3
Total protective services	<u>911,821</u>	<u>968,322</u>	<u>973,700</u>	<u>(5,378)</u>
Fire				
Salaries and wages		649,096	565,276	83,820
Employee benefits		547,346	462,321	85,025
Services and supplies		48,377	43,251	5,126
Total fire		<u>1,244,819</u>	<u>1,070,848</u>	<u>173,971</u>
Total expenditures	<u>3,890,002</u>	<u>6,427,585</u>	<u>5,397,251</u>	<u>1,030,334</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,520,690)</u>	<u>(1,730,107)</u>	<u>(587,065)</u>	<u>1,143,042</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,455,407	1,354,517	1,354,517	
Transfers out		(71,397)	(71,397)	
Total other financing sources (uses)	<u>1,455,407</u>	<u>1,283,120</u>	<u>1,283,120</u>	
CHANGE IN FUND BALANCE	(65,283)	(446,987)	696,055	1,143,042
FUND BALANCE, BEGINNING OF YEAR	<u>2,713,226</u>	<u>3,824,475</u>	<u>3,824,475</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,647,943</u>	<u>\$ 3,377,488</u>	<u>\$ 4,520,530</u>	<u>\$ 1,143,042</u>

CITY OF NORTH LAS VEGAS

MUNICIPAL COURT SUPPORT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 360,000	\$ 360,000	\$ 384,151	\$ 24,151
Miscellaneous	<u>340,000</u>	<u>340,000</u>	<u>336,039</u>	<u>(3,961)</u>
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>720,190</u>	<u>20,190</u>
EXPENDITURES				
General government				
Other				
Services and supplies	<u>369,410</u>	<u>369,410</u>	<u>889</u>	<u>368,521</u>
Judicial				
Municipal court				
Salaries and wages	302,995	302,995	266,629	36,366
Employee benefits	166,026	166,026	134,045	31,981
Services and supplies	<u>331,843</u>	<u>331,843</u>	<u>135,173</u>	<u>196,670</u>
Total municipal court	<u>800,864</u>	<u>800,864</u>	<u>535,847</u>	<u>265,017</u>
Total expenditures	<u>1,170,274</u>	<u>1,170,274</u>	<u>536,736</u>	<u>633,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(470,274)</u>	<u>(470,274)</u>	<u>183,454</u>	<u>653,728</u>
OTHER FINANCING USES				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	
CHANGE IN FUND BALANCE	(770,274)	(770,274)	(116,546)	653,728
FUND BALANCE, BEGINNING OF YEAR	<u>1,312,192</u>	<u>1,713,885</u>	<u>1,713,885</u>	
FUND BALANCE, END OF YEAR	<u>\$ 541,918</u>	<u>\$ 943,611</u>	<u>\$ 1,597,339</u>	<u>\$ 653,728</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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 9,081,489	\$ 9,895,929	\$ 3,871,280	\$ (6,024,649)
Miscellaneous	<u>730,000</u>	<u>730,000</u>	<u>848,971</u>	<u>118,971</u>
Total revenues	<u>9,811,489</u>	<u>10,625,929</u>	<u>4,720,251</u>	<u>(5,905,678)</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages		5,000	259	4,741
Employee benefits			196	(196)
Services and supplies			<u>12</u>	<u>(12)</u>
Total general government		<u>5,000</u>	<u>467</u>	<u>4,533</u>
Public safety				
Protective services				
Services and supplies		10,000	1,550	8,450
Capital outlay		<u>350,000</u>	<u>259,395</u>	<u>90,605</u>
Total public safety		<u>360,000</u>	<u>260,945</u>	<u>99,055</u>
Public works				
Engineering				
Salaries and wages		85,000	34,305	50,695
Employee benefits			23,026	(23,026)
Services and supplies			<u>1,711</u>	<u>(1,711)</u>
Total engineering		<u>85,000</u>	<u>59,042</u>	<u>25,958</u>
Real property				
Salaries and wages			758	(758)
Employee benefits			433	(433)
Services and supplies			<u>38</u>	<u>(38)</u>
Total real property			<u>1,229</u>	<u>(1,229)</u>
Total public works		<u>85,000</u>	<u>60,271</u>	<u>24,729</u>
Community support				
Housing and neighborhood services				
Salaries and wages	510,864	545,529	454,027	91,502
Employee benefits	277,118	296,624	242,786	53,838
Services and supplies	8,794,001	9,104,270	2,831,222	6,273,048
Capital outlay	<u>717,900</u>	<u>717,900</u>	<u>40,890</u>	<u>677,010</u>
Total housing and neighborhood services	<u>10,299,883</u>	<u>10,664,323</u>	<u>3,568,925</u>	<u>7,095,398</u>
Economic development				
Services and supplies			<u>9,000</u>	<u>(9,000)</u>
Total community support	<u>10,299,883</u>	<u>10,664,323</u>	<u>3,577,925</u>	<u>7,086,398</u>
Total expenditures	<u>10,299,883</u>	<u>11,114,323</u>	<u>3,899,608</u>	<u>7,214,715</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(488,394)</u>	<u>(488,394)</u>	<u>820,643</u>	<u>1,309,037</u>
OTHER FINANCING USES				
Transfers in				
Transfers out	<u>(776,700)</u>	<u>(671,700)</u>	<u>(182,877)</u>	<u>488,823</u>
Total other financing uses	<u>(776,700)</u>	<u>(600,303)</u>	<u>(111,480)</u>	<u>488,823</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	(1,265,094)	(1,088,697)	709,163	1,797,860
FUND BALANCE, BEGINNING OF YEAR	<u>8,986,364</u>	<u>8,318,314</u>	<u>8,318,314</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 7,721,270</u>	<u>\$ 7,229,617</u>	<u>\$ 9,027,477</u>	<u>\$ 1,797,860</u>

DEBT SERVICE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$	\$	\$ 1,005	\$ 1,005
Special assessments	2,020,090	2,020,090	1,625,990	(394,100)
Fines and forfeitures			16,467	16,467
Investment income			41,451	41,451
Total revenues	<u>2,020,090</u>	<u>2,020,090</u>	<u>1,684,913</u>	<u>(335,177)</u>
EXPENDITURES				
Debt service				
Principal payments	4,374,300	4,374,300	4,374,300	
Interest and fiscal charges	7,129,046	7,129,346	7,126,548	2,798
Total expenditures	<u>11,503,346</u>	<u>11,503,646</u>	<u>11,500,848</u>	<u>2,798</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,483,256)</u>	<u>(9,483,556)</u>	<u>(9,815,935)</u>	<u>(332,379)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>9,489,566</u>	<u>9,489,566</u>	<u>12,489,566</u>	<u>3,000,000</u>
CHANGE IN FUND BALANCE	6,310	6,010	2,673,631	2,667,621
FUND BALANCE, BEGINNING OF YEAR	<u>4,453,120</u>	<u>7,617,874</u>	<u>7,617,874</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,459,430</u>	<u>\$ 7,623,884</u>	<u>\$ 10,291,505</u>	<u>\$ 2,667,621</u>

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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.

Valley Vista Development

Accounts for capital infrastructure expenditures associated with special improvement district No. 64.

Northern Beltway Commercial Area

Accounts for capital infrastructure expenditures associated with special improvement district No. 65.

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2017

	General Government Improvements	Municipal Buildings Facilities	Civic Center Facilities	Parks and Recreation Projects
ASSETS				
Cash, cash equivalents and investments	\$ 224,994	\$ 3,241,617	\$ 944,288	\$ 1,950,761
Accounts receivable, net				(47,265)
Grants receivable	271,176			488,342
Total assets	\$ 496,170	\$ 3,241,617	\$ 944,288	\$ 2,391,838
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 17,866	\$ 89,882	\$	\$ 94,783
Due to other governments				45,223
Unearned revenue				5,776
Total liabilities	17,866	89,882		145,782
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues				
Total liabilities and deferred inflows of resources	17,866	89,882		145,782
FUND BALANCES				
Restricted for				
Street improvements projects				
Other capital projects	478,304	2,753,285	944,288	
Police, fire and other public safety programs		398,450		
Parks, cultural and other recreational programs				2,246,056
Other				
Total fund balances	478,304	3,151,735	944,288	2,246,056
Total liabilities, deferred inflows of resources and fund balances	\$ 496,170	\$ 3,241,617	\$ 944,288	\$ 2,391,838

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2017

	Public Safety Projects	Capital Projects Street Improvements	Valley Vista Development	Northern Beltway Commercial Area	Total Capital Projects
ASSETS					
Cash, cash equivalents and investments	\$ 8,073,768	\$ 3,039,686	\$ 273,050	\$	\$ 17,748,164
Accounts receivable, net	87,735	1,186,249		78,665	1,305,384
Grants receivable	<u>1,563,316</u>	<u>2,783,872</u>			<u>5,106,706</u>
Total assets	<u>\$ 9,724,819</u>	<u>\$ 7,009,807</u>	<u>\$ 273,050</u>	<u>\$ 78,665</u>	<u>\$ 24,160,254</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 1,675,404	\$ 861,543		\$	\$ 2,739,478
Due to other governments					45,223
Unearned revenue		<u>38,733</u>			<u>44,509</u>
Total liabilities	<u>1,675,404</u>	<u>900,276</u>			<u>2,829,210</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		<u>2,240,000</u>			<u>2,240,000</u>
Total liabilities and deferred inflows of resources	<u>1,675,404</u>	<u>3,140,276</u>			<u>5,069,210</u>
FUND BALANCES					
Restricted for					
Street improvements projects		3,869,531			3,869,531
Other capital projects				78,665	4,254,542
Police, fire and other public safety programs	8,049,415				8,447,865
Parks, cultural and other recreational programs					2,246,056
Other			<u>273,050</u>		<u>273,050</u>
Total fund balances	<u>8,049,415</u>	<u>3,869,531</u>	<u>273,050</u>	<u>78,665</u>	<u>19,091,044</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,724,819</u>	<u>\$ 7,009,807</u>	<u>\$ 273,050</u>	<u>\$ 78,665</u>	<u>\$ 24,160,254</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, 2017

	<u>General Government Improvements</u>	<u>Municipal Buildings Facilities</u>	<u>Civic Center Facilities</u>	<u>Parks and Recreation Projects</u>
REVENUES				
Charges for services	\$	\$	\$	\$
Intergovernmental		86,486		321,346
Contributions		5,000		
Investment income		18,469	5,313	
Miscellaneous	271,176			
Total revenues	<u>271,176</u>	<u>109,955</u>	<u>5,313</u>	<u>321,346</u>
EXPENDITURES				
Current				
General government	(1)	209,291	192,094	1,743
Public safety	20,000	244,650		
Public works		53,277		15,907
Culture and recreation		10,887		366,897
Community support		69		
Total current	<u>19,999</u>	<u>518,174</u>	<u>192,094</u>	<u>384,547</u>
Capital outlay				
General government	435,566	531,384	98,460	2,231
Public safety		37		37,652
Public works	13,726	121,547		100,568
Culture and recreation		55,743		378,116
Community support		2,244		10,271
Total capital outlay	<u>449,292</u>	<u>710,955</u>	<u>98,460</u>	<u>528,838</u>
Total expenditures	<u>469,291</u>	<u>1,229,129</u>	<u>290,554</u>	<u>913,385</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(198,115)</u>	<u>(1,119,174)</u>	<u>(285,241)</u>	<u>(592,039)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	543,500	86,597		764,000
Transfers out		(86,597)		
Total other financing sources (uses)	<u>543,500</u>	<u>(86,597)</u>	<u></u>	<u>764,000</u>
CHANGE IN FUND BALANCE	345,385	(1,119,174)	(285,241)	171,961
FUND BALANCE, BEGINNING OF YEAR	<u>132,919</u>	<u>4,270,909</u>	<u>1,229,529</u>	<u>2,074,095</u>
FUND BALANCE, END OF YEAR	<u>\$ 478,304</u>	<u>\$ 3,151,735</u>	<u>\$ 944,288</u>	<u>\$ 2,246,056</u>

(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, 2017

	<u>Public Safety Projects</u>	<u>Capital Projects Street Improvements</u>	<u>Valley Vista Development</u>	<u>Northern Beltway Commercial Area</u>	<u>Total Capital Projects</u>
REVENUES					
Charges for services	\$ 759,551	\$	\$ 300,000	\$	\$ 1,059,551
Intergovernmental	12,530,612	8,267,386			21,205,830
Contributions					5,000
Investment income					23,782
Miscellaneous	(15,099)	9,892		78,665	344,634
Total revenues	<u>13,275,064</u>	<u>8,277,278</u>	<u>300,000</u>	<u>78,665</u>	<u>22,638,797</u>
EXPENDITURES					
Current					
General government	356	2,455	26,950		432,888
Public safety	762,953	235,884			1,263,487
Public works	11,739	1,259,724			1,340,647
Culture and recreation					377,784
Community support	1				70
Total current	<u>775,049</u>	<u>1,498,063</u>	<u>26,950</u>		<u>3,414,876</u>
Capital outlay					
General government	12,122	27,977			1,107,740
Public safety	298,271	25,311			361,271
Public works	13,090,146	8,121,406			21,447,393
Culture and recreation					433,859
Community support	1,130	8,606			22,251
Total capital outlay	<u>13,401,669</u>	<u>8,183,300</u>			<u>23,372,514</u>
Total expenditures	<u>14,176,718</u>	<u>9,681,363</u>	<u>26,950</u>		<u>26,787,390</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(901,654)</u>	<u>(1,404,085)</u>	<u>273,050</u>	<u>78,665</u>	<u>(4,148,593)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	291,000	1,216,877			2,901,974
Transfers out					(86,597)
Total other financing sources (uses)	<u>291,000</u>	<u>1,216,877</u>			<u>2,815,377</u>
CHANGE IN FUND BALANCE	(610,654)	(187,208)	273,050	78,665	(1,333,216)
FUND BALANCE, BEGINNING OF YEAR	<u>8,660,069</u>	<u>4,056,739</u>			<u>20,424,260</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,049,415</u>	<u>\$ 3,869,531</u>	<u>\$ 273,050</u>	<u>\$ 78,665</u>	<u>\$ 19,091,044</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Special assessments	\$ 34,600,000	\$ 34,600,000	\$	\$ (34,600,000)
Miscellaneous			271,176	271,176
Total revenues	<u>34,600,000</u>	<u>34,600,000</u>	<u>271,176</u>	<u>(34,328,824)</u>
EXPENDITURES				
General government				
Finance				
Salaries and wages	6,055,000	6,055,000		6,055,000
Employee benefits	2,595,000	2,595,000	(10)	2,595,010
Services and supplies	25,950,000	25,850,000	9	25,849,991
Capital outlay			435,566	(435,566)
Total general government	<u>34,600,000</u>	<u>34,500,000</u>	<u>435,565</u>	<u>34,064,435</u>
Public safety				
Police				
Services and supplies		50,000	20,000	30,000
Public works				
Engineering				
Services and supplies		50,000		50,000
Capital outlay			13,726	(13,726)
Total public works		<u>50,000</u>	<u>13,726</u>	<u>36,274</u>
Total expenditures	<u>34,600,000</u>	<u>34,600,000</u>	<u>469,291</u>	<u>34,130,709</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES			(198,115)	(198,115)
OTHER FINANCING SOURCES (USES)				
Transfers in		543,500	543,500	
CHANGE IN FUND BALANCE		543,500	345,385	(198,115)
FUND BALANCE, BEGINNING OF YEAR	<u>143,380</u>	<u>132,919</u>	<u>132,919</u>	
FUND BALANCE, END OF YEAR	<u>\$ 143,380</u>	<u>\$ 676,419</u>	<u>\$ 478,304</u>	<u>\$ (198,115)</u>

CITY OF NORTH LAS VEGAS

MUNICIPAL BUILDINGS FACILITIES CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$	\$ 86,486	\$ 86,486	\$
Contributions		5,000	5,000	
Investment income			18,469	18,469
Total revenues		91,486	109,955	18,469
EXPENDITURES				
General government				
Finance				
Salaries and wages		1,000	319	681
Employee benefits			230	(230)
Services and supplies	325,000	5,000	107,865	(102,865)
Capital outlay			106,330	(106,330)
Total finance	325,000	6,000	214,744	(208,744)
Other				
Salaries and wages			791	(791)
Employee benefits			86	(86)
Services and supplies	1,642,705	1,642,705	100,000	1,542,705
Capital outlay			425,054	(425,054)
Total other	1,642,705	1,642,705	525,931	1,116,774
Total general government	1,967,705	1,648,705	740,675	908,030
Public safety				
Police				
Salaries and wages	16,125	16,125		16,125
Employee benefits	7,125	7,125		7,125
Services and supplies	6,750	6,750	244,650	(237,900)
Capital outlay	70,000	286,795	37	286,758
Total public safety	100,000	316,795	244,687	72,108
Public works				
Flood control				
Capital outlay			1,285	(1,285)
Streets				
Services and supplies		230,000		230,000
Capital outlay			94,981	(94,981)
Total streets		230,000	94,981	135,019
Engineering				
Salaries and wages		34,000	24,002	9,998
Employee benefits			13,683	(13,683)
Services and supplies			1,788	(1,788)
Capital outlay			25,226	(25,226)
Total engineering		34,000	64,699	(30,699)
Real property				
Employee benefits			(3)	3
Services and supplies			2	(2)
Capital outlay			55	(55)
Total real property			54	(54)

(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, 2017

	Original Budget	Final Budget	Actual	Variance
Other				
Salaries and wages			11,654	(11,654)
Employee benefits			2,097	(2,097)
Services and supplies		30,000	54	29,946
Total other		30,000	13,805	16,195
Total public works		294,000	174,824	119,176
Culture and recreation				
Administration				
Services and supplies		165,000	1	164,999
Capital outlay			20,100	(20,100)
Total administration		165,000	20,101	144,899
Library district operations				
Services and supplies		91,486	10,886	80,600
Capital outlay			35,643	(35,643)
Total library district operations		91,486	46,529	44,957
Total culture and recreation		256,486	66,630	189,856
Community support				
Housing and neighborhood services				
Employee benefits			1	(1)
Services and supplies		10,000	68	9,932
Capital outlay			2,244	(2,244)
Total community support		10,000	2,313	7,687
Total expenditures	2,067,705	2,525,986	1,229,129	1,296,857
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,067,705)	(2,434,500)	(1,119,174)	1,315,326
OTHER FINANCING SOURCES (USES)				
Transfers in	86,597	86,597	86,597	
Transfers out	(86,597)	(86,597)	(86,597)	
Total other financing sources (uses)				
CHANGE IN FUND BALANCE	(2,067,705)	(2,434,500)	(1,119,174)	1,315,326
FUND BALANCE, BEGINNING OF YEAR	2,325,208	4,270,909	4,270,909	
FUND BALANCE, END OF YEAR	\$ 257,503	\$ 1,836,409	\$ 3,151,735	\$ 1,315,326

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ _____	\$ _____	\$ 5,313	\$ 5,313
EXPENDITURES				
General government				
Other				
Salaries and wages			647	(647)
Employee benefits			71	(71)
Services and supplies	831,225	831,225	189,985	641,240
Capital outlay			99,851	(99,851)
Total expenditures	<u>831,225</u>	<u>831,225</u>	<u>290,554</u>	<u>540,671</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(831,225)</u>	<u>(831,225)</u>	<u>(285,241)</u>	<u>545,984</u>
CHANGE IN FUND BALANCE	(831,225)	(831,225)	(285,241)	545,984
FUND BALANCE, BEGINNING OF YEAR	<u>992,671</u>	<u>1,229,529</u>	<u>1,229,529</u>	
FUND BALANCE, END OF YEAR	<u>\$ 161,446</u>	<u>\$ 398,304</u>	<u>\$ 944,288</u>	<u>\$ 545,984</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 740,000	\$ 740,000	\$ 321,346	\$ (418,654)
EXPENDITURES				
General government				
City attorney				
Capital outlay			125	(125)
Finance				
Employee benefits			1,681	(1,681)
Services and supplies		10,000	62	9,938
Capital outlay			2,106	(2,106)
Total finance		<u>10,000</u>	<u>3,849</u>	<u>6,151</u>
Total general government		<u>10,000</u>	<u>3,974</u>	<u>6,026</u>
Public safety				
Protective services				
Capital outlay			37,652	(37,652)
Other				
Services and supplies		75,000		75,000
Total public safety		<u>75,000</u>	<u>37,652</u>	<u>37,348</u>
Public works				
Streets				
Services and supplies			15,905	(15,905)
Capital outlay			5,850	(5,850)
Total streets			<u>21,755</u>	<u>(21,755)</u>
Engineering				
Employee benefits			(2,631)	2,631
Services and supplies		200,000	2,632	197,368
Capital outlay			90,538	(90,538)
Total engineering		<u>200,000</u>	<u>90,539</u>	<u>109,461</u>
Real property				
Employee benefits			(137)	137
Services and supplies			138	(138)
Capital outlay			4,180	(4,180)
Total real property			<u>4,181</u>	<u>(4,181)</u>
Total public works		<u>200,000</u>	<u>116,475</u>	<u>83,525</u>
Culture and recreation				
Administration				
Salaries and wages	104,388	104,388		104,388
Employee benefits	46,387	46,387		46,387
Services and supplies	89,225	(210,775)	122	(210,897)
Capital outlay	1,630,000	1,675,146	359,581	1,315,565
Total administration	<u>1,870,000</u>	<u>1,615,146</u>	<u>359,703</u>	<u>1,255,443</u>
Participant recreation				
Services and supplies			283,635	(283,635)
Capital outlay		284,700		284,700
Total participant recreation		<u>284,700</u>	<u>283,635</u>	<u>1,065</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Parks planning and development				
Services and supplies			76,700	(76,700)
Capital outlay		103,597	14,035	89,562
Total parks planning and development		<u>103,597</u>	<u>90,735</u>	<u>12,862</u>
Parks and grounds				
Services and supplies			6,440	(6,440)
Capital outlay			4,500	(4,500)
Total parks and grounds			<u>10,940</u>	<u>(10,940)</u>
Total culture and recreation	<u>1,870,000</u>	<u>2,003,443</u>	<u>745,013</u>	<u>1,258,430</u>
Community support				
Housing and neighborhood services				
Employee benefits			(340)	340
Services and supplies		15,000	340	14,660
Capital outlay			10,271	(10,271)
Total community support		<u>15,000</u>	<u>10,271</u>	<u>4,729</u>
Total expenditures	<u>1,870,000</u>	<u>2,303,443</u>	<u>913,385</u>	<u>1,390,058</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,130,000)</u>	<u>(1,563,443)</u>	<u>(592,039)</u>	<u>971,404</u>
OTHER FINANCING SOURCES				
Transfers in	<u>764,000</u>	<u>764,000</u>	<u>764,000</u>	
CHANGE IN FUND BALANCE	(366,000)	(799,443)	171,961	971,404
FUND BALANCE, BEGINNING OF YEAR	<u>1,409,324</u>	<u>2,074,095</u>	<u>2,074,095</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,043,324</u>	<u>\$ 1,274,652</u>	<u>\$ 2,246,056</u>	<u>\$ 971,404</u>

CITY OF NORTH LAS VEGAS

PUBLIC SAFETY PROJECTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$	\$	\$ 759,551	\$ 759,551
Intergovernmental	39,152,214	39,152,214	12,530,612	(26,621,602)
Miscellaneous			(15,099)	(15,099)
Total revenues	39,152,214	39,152,214	13,275,064	(25,877,150)
EXPENDITURES				
General government				
City attorney				
Capital outlay			277	(277)
Finance				
Salaries and wages			208	(208)
Employee benefits			84	(84)
Services and supplies		50,000	64	49,936
Capital outlay			11,845	(11,845)
Total finance	50,000	50,000	12,201	37,799
Total general government	50,000	50,000	12,478	37,522
Public safety				
Protective services				
Services and supplies			1	(1)
Fire				
Salaries and wages	9,950	9,950		9,950
Employee benefits	4,350	4,350		4,350
Services and supplies	464,700	623,721	762,952	(139,231)
Capital outlay	548,000	580,000	298,271	281,729
Total public safety	1,027,000	1,218,021	1,061,224	156,797
Public works				
Flood control				
Salaries and wages	1,974,363	1,974,363		1,974,363
Employee benefits	855,160	855,160	(85)	855,245
Services and supplies	3,015,783	2,960,783	87	2,960,696
Capital outlay	33,306,908	33,306,908	9,515,700	23,791,208
Total flood control	39,152,214	39,097,214	9,515,702	29,581,512
Streets				
Services and supplies			11,737	(11,737)
Capital outlay			3,162,600	(3,162,600)
Total streets	3,174,337	3,174,337	3,174,337	(3,174,337)
Engineering				
Employee benefits			(11,246)	11,246
Services and supplies			11,247	(11,247)
Capital outlay			391,204	(391,204)
Total engineering	391,205	391,205	391,205	(391,205)
Real property				
Employee benefits			(595)	595
Services and supplies			594	(594)
Capital outlay			20,642	(20,642)
Total real property	20,641	20,641	20,641	(20,641)
Total public works	39,152,214	39,097,214	13,101,885	25,995,329

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community support				
Housing and neighborhood services				
Employee benefits			1	(1)
Services and supplies		5,000		5,000
Capital outlay			1,130	(1,130)
			<u>1,131</u>	<u>(1,130)</u>
Total community support		<u>5,000</u>	<u>1,131</u>	<u>3,869</u>
Total expenditures	<u>40,179,214</u>	<u>40,370,235</u>	<u>14,176,718</u>	<u>26,193,517</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,027,000)</u>	<u>(1,218,021)</u>	<u>(901,654)</u>	<u>316,367</u>
OTHER FINANCING SOURCES				
Transfers in	<u>291,000</u>	<u>291,000</u>	<u>291,000</u>	
CHANGE IN FUND BALANCE	(736,000)	(927,021)	(610,654)	316,367
FUND BALANCE, BEGINNING OF YEAR	<u>7,859,915</u>	<u>8,660,069</u>	<u>8,660,069</u>	
FUND BALANCE, END OF YEAR	<u>\$ 7,123,915</u>	<u>\$ 7,733,048</u>	<u>\$ 8,049,415</u>	<u>\$ 316,367</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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 45,873,291	\$ 45,873,291	\$ 8,267,386	\$ (37,605,905)
Contributions	181,611	181,611		(181,611)
Miscellaneous			9,892	9,892
Total revenues	46,054,902	46,054,902	8,277,278	(37,777,624)
EXPENDITURES				
General government				
City attorney				
Salaries and wages			78	(78)
Employee benefits			56	(56)
Services and supplies			4	(4)
Capital outlay			3,745	(3,745)
Total city attorney			3,883	(3,883)
Finance				
Salaries and wages		50,000	1,342	48,658
Employee benefits		30,000	928	29,072
Services and supplies		10,000	47	9,953
Capital outlay			24,232	(24,232)
Total finance		90,000	26,549	63,451
Total general government		90,000	30,432	59,568
Public safety				
Protective services				
Salaries and wages		10,000	334	9,666
Employee benefits		5,000	114	4,886
Services and supplies		100,000	235,436	(135,436)
Capital outlay		250,000	25,311	224,689
Total public safety		365,000	261,195	103,805
Public works				
Flood control				
Services and supplies			(2)	2
Capital outlay			125,147	(125,147)
Total flood control			125,145	(125,145)
Streets				
Salaries and wages	3,082,360	3,012,360		3,012,360
Employee benefits	1,341,261	1,296,261		1,296,261
Services and supplies	4,279,959	4,168,959	1,155,943	3,013,016
Capital outlay	38,850,193	38,730,193	7,114,268	31,615,925
Total streets	47,553,773	47,207,773	8,270,211	38,937,562
Engineering				
Salaries and wages			61,646	(61,646)
Employee benefits			39,125	(39,125)
Services and supplies			3,013	(3,013)
Capital outlay			819,433	(819,433)
Total engineering			923,217	(923,217)
Real property				
Employee benefits			(1)	1
Capital outlay			62,558	(62,558)
Total real property			62,557	(62,557)

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total public works	<u>47,553,773</u>	<u>47,207,773</u>	<u>9,381,130</u>	<u>37,826,643</u>
Community support				
Housing and neighborhood services				
Salaries and wages		10,000		10,000
Employee benefits		10,000	(3)	10,003
Services and supplies		1,000	3	997
Capital outlay			<u>8,606</u>	<u>(8,606)</u>
Total community support		<u>21,000</u>	<u>8,606</u>	<u>12,394</u>
Total expenditures	<u>47,553,773</u>	<u>47,683,773</u>	<u>9,681,363</u>	<u>38,002,410</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,498,871)</u>	<u>(1,628,871)</u>	<u>(1,404,085)</u>	<u>224,786</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,384,000</u>	<u>1,384,000</u>	<u>1,216,877</u>	<u>(167,123)</u>
CHANGE IN FUND BALANCE	(114,871)	(244,871)	(187,208)	57,663
FUND BALANCE, BEGINNING OF YEAR	<u>3,015,645</u>	<u>4,056,739</u>	<u>4,056,739</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,900,774</u>	<u>\$ 3,811,868</u>	<u>\$ 3,869,531</u>	<u>\$ 57,663</u>

CITY OF NORTH LAS VEGAS

VALLEY VISTA DEVELOPMENT CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ _____	\$ _____	\$ 300,000	\$ 300,000
EXPENDITURES				
General government				
Other				
Services and supplies	_____	_____	26,950	(26,950)
CHANGE IN FUND BALANCE			273,050	273,050
FUND BALANCE, BEGINNING OF YEAR	_____	_____	_____	_____
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ 273,050	\$ 273,050

CITY OF NORTH LAS VEGAS

NORTHERN BELTWAY COMMERCIAL AREA CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous	\$ _____	\$ _____	\$ 78,665	\$ 78,665
CHANGE IN FUND BALANCE			78,665	78,665
FUND BALANCE, BEGINNING OF YEAR	_____	_____	_____	_____
FUND BALANCE, END OF YEAR	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>78,665</u>	\$ <u>78,665</u>

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 41,800,000	\$ 41,800,000	\$ 42,759,944	\$ 959,944
Construction fees	220,000	220,000	385,856	165,856
Connection fees	2,020,000	2,020,000	3,468,792	1,448,792
Fines and forfeitures	800,000	800,000	855,880	55,880
Miscellaneous	377,000	377,000	472,560	95,560
Total operating revenues	<u>45,217,000</u>	<u>45,217,000</u>	<u>47,943,032</u>	<u>2,726,032</u>
OPERATING EXPENSES				
Salaries and wages	4,266,230	4,115,940	3,236,160	879,780
Employee benefits	2,073,553	2,031,053	1,021,924	1,009,129
Services and supplies	14,054,587	15,499,883	11,442,427	4,057,456
Depreciation and amortization	13,355,500	13,355,500	14,954,398	(1,598,898)
Total operating expenses	<u>33,749,870</u>	<u>35,002,376</u>	<u>30,654,909</u>	<u>4,347,467</u>
Operating income	<u>11,467,130</u>	<u>10,214,624</u>	<u>17,288,123</u>	<u>7,073,499</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	10,300	10,300	17,449	7,149
Gain (loss) on capital asset disposition			2,708	2,708
Interest and fiscal charges	(14,914,165)	(14,914,165)	(14,718,199)	195,966
Intergovernmental	6,434,877	6,434,877	3,031,621	(3,403,256)
Total nonoperating revenues (expenses)	<u>(8,468,988)</u>	<u>(8,468,988)</u>	<u>(11,666,421)</u>	<u>(3,197,433)</u>
Income before capital contributions and transfers	<u>2,998,142</u>	<u>1,745,636</u>	<u>5,621,702</u>	<u>3,876,066</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			4,516,726	4,516,726
TRANSFERS				
Transfers out	<u>(5,133,608)</u>	<u>(5,133,608)</u>	<u>(5,133,608)</u>	
CHANGE IN NET POSITION	<u>\$ (2,135,466)</u>	<u>\$ (3,387,972)</u>	5,004,820	<u>\$ 8,392,792</u>
NET POSITION, BEGINNING OF YEAR			<u>148,667,927</u>	
NET POSITION, END OF YEAR			<u>\$ 153,672,747</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 52,500,000	\$ 52,500,000	\$ 54,324,102	\$ 1,824,102
Construction fees	180,000	180,000	642,299	462,299
Connection fees	500,000	500,000	1,016,653	516,653
Other charges for services	1,769,000	1,769,000	2,018,406	249,406
Fines and forfeitures	2,140,000	2,140,000	2,108,779	(31,221)
Miscellaneous	705,000	705,000	921,076	216,076
Total operating revenues	<u>57,794,000</u>	<u>57,794,000</u>	<u>61,031,315</u>	<u>3,237,315</u>
OPERATING EXPENSES				
Salaries and wages	6,657,904	6,687,562	5,537,328	1,150,234
Employee benefits	3,311,644	3,325,339	3,559,023	(233,684)
Services and supplies	29,395,641	29,918,381	25,631,727	4,286,654
Depreciation and amortization	5,410,000	5,410,000	5,579,463	(169,463)
Total operating expenses	<u>44,775,189</u>	<u>45,341,282</u>	<u>40,307,541</u>	<u>5,033,741</u>
Operating income	<u>13,018,811</u>	<u>12,452,718</u>	<u>20,723,774</u>	<u>8,271,056</u>
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on capital asset disposition			19,029	19,029
Interest and fiscal charges	(258,600)	(258,600)	(139,364)	119,236
Total nonoperating revenues (expenses)	<u>(258,600)</u>	<u>(258,600)</u>	<u>(120,335)</u>	<u>138,265</u>
Income before capital contributions and transfers	<u>12,760,211</u>	<u>12,194,118</u>	<u>20,603,439</u>	<u>8,409,321</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			1,031,054	1,031,054
TRANSFERS				
Transfers in	321,700	321,700		(321,700)
Transfers out	(18,143,675)	(18,143,675)	(18,143,675)	
Total transfers	<u>(17,821,975)</u>	<u>(17,821,975)</u>	<u>(18,143,675)</u>	<u>(321,700)</u>
CHANGE IN NET POSITION	<u>\$ (5,061,764)</u>	<u>\$ (5,627,857)</u>	3,490,818	<u>\$ 9,118,675</u>
NET POSITION, BEGINNING OF YEAR			130,987,142	
NET POSITION, END OF YEAR			<u>\$ 134,477,960</u>	

NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
User fees	\$ 2,362,978	\$ 2,362,978	\$ 1,610,997	\$ (751,981)
Miscellaneous	<u>40,000</u>	<u>40,000</u>	<u>41,893</u>	<u>1,893</u>
Total operating revenues	<u>2,402,978</u>	<u>2,402,978</u>	<u>1,652,890</u>	<u>(750,088)</u>
OPERATING EXPENSES				
Salaries and wages	113,020	113,020	99,348	13,672
Employee benefits	19,387	19,387	(37,888)	57,275
Services and supplies	2,310,558	2,310,558	2,067,358	243,200
Depreciation and amortization	<u>226,400</u>	<u>226,400</u>	<u>226,356</u>	<u>44</u>
Total operating expenses	<u>2,669,365</u>	<u>2,669,365</u>	<u>2,355,174</u>	<u>314,191</u>
Operating loss	<u>(266,387)</u>	<u>(266,387)</u>	<u>(702,284)</u>	<u>(435,897)</u>
NONOPERATING REVENUES				
Gain (loss) on capital asset disposition	<u> </u>	<u> </u>	<u>226</u>	<u>226</u>
TRANSFERS				
Transfers in	<u>55,000</u>	<u>505,000</u>	<u>505,000</u>	<u> </u>
CHANGE IN NET POSITION	<u>\$ (211,387)</u>	<u>\$ 238,613</u>	<u>(197,058)</u>	<u>\$ (435,671)</u>
NET POSITION, BEGINNING OF YEAR			<u>5,287,290</u>	
NET POSITION, END OF YEAR			<u>\$ 5,090,232</u>	

INTERNAL SERVICE FUNDS

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
ASSETS			
Current assets			
Cash, cash equivalents and investments	\$ 17,338,799	\$ 56,627,418	\$ 73,966,217
Accounts receivable, net		4,314	4,314
Prepaid items		187,735	187,735
Inventories	258,143		258,143
Restricted assets			
Cash, cash equivalents and investments		<u>2,805,390</u>	<u>2,805,390</u>
Total current assets	<u>17,596,942</u>	<u>59,624,857</u>	<u>77,221,799</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	121,589		121,589
Buildings and building improvements	209,755		209,755
Improvements other than buildings	78,780		78,780
Machinery, equipment and software	<u>1,479,468</u>		<u>1,479,468</u>
Total noncurrent assets	<u>1,889,592</u>		<u>1,889,592</u>
Total assets	<u>19,486,534</u>	<u>59,624,857</u>	<u>79,111,391</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized amounts related to pensions	<u>383,133</u>	<u>183,085</u>	<u>566,218</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	198,522	684,135	882,657
Accrued salaries and benefits	22,938	15,144,354	15,167,292
Due to other governments	285	22,480	22,765
Compensated absences	<u>25,740</u>	<u>6,255</u>	<u>31,995</u>
Total current liabilities	<u>247,485</u>	<u>15,857,224</u>	<u>16,104,709</u>
Noncurrent liabilities			
Compensated absences	290,478	70,589	361,067
Postemployment benefits other than pensions		17,412,139	17,412,139
Net pension liability	<u>1,642,245</u>	<u>784,764</u>	<u>2,427,009</u>
Total noncurrent liabilities	<u>1,932,723</u>	<u>18,267,492</u>	<u>20,200,215</u>
Total liabilities	<u>2,180,208</u>	<u>34,124,716</u>	<u>36,304,924</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized liabilities related to pensions	<u>246,779</u>	<u>117,926</u>	<u>364,705</u>
NET POSITION			
Net investment in capital assets	1,889,592		1,889,592
Restricted			
Claims and judgments		20,185,452	20,185,452
Unrestricted	<u>15,553,088</u>	<u>5,379,848</u>	<u>20,932,936</u>
Total net position	<u>\$ 17,442,680</u>	<u>\$ 25,565,300</u>	<u>\$ 43,007,980</u>

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2017

	<u>Motor Equipment</u>	<u>Self-insurance Reserve</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES			
Other charges for services	\$ 11,148,550	\$ 35,628,051	\$ 46,776,601
OPERATING EXPENSES			
Salaries and wages	763,567	4,563,677	5,327,244
Employee benefits	558,577	2,452,453	3,011,030
Services and supplies	2,717,560	19,666,844	22,384,404
Depreciation and amortization	796,791		796,791
Total operating expenses	<u>4,836,495</u>	<u>26,682,974</u>	<u>31,519,469</u>
Operating income	<u>6,312,055</u>	<u>8,945,077</u>	<u>15,257,132</u>
NONOPERATING REVENUES			
Investment income		1,669	1,669
Gain (loss) on capital asset disposition	<u>(8,772)</u>	<u></u>	<u>(8,772)</u>
Total nonoperating revenues	<u>(8,772)</u>	<u>1,669</u>	<u>(7,103)</u>
CHANGE IN NET POSITION	6,303,283	8,946,746	15,250,029
NET POSITION, BEGINNING OF YEAR	<u>11,139,397</u>	<u>16,618,554</u>	<u>27,757,951</u>
NET POSITION, END OF YEAR	<u>\$ 17,442,680</u>	<u>\$ 25,565,300</u>	<u>\$ 43,007,980</u>

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 7,205,221	\$ 35,627,652	\$ 42,832,873
Cash received from interfund services	3,944,382	216,857	4,161,239
Cash payments for goods and services	(2,918,737)	(22,244,266)	(25,163,003)
Cash payments for employee services	(1,099,208)	(681,605)	(1,780,813)
Cash payments for interfund services	(79,796)	(811)	(80,607)
Net cash provided by operating activities	7,051,862	12,917,827	19,969,689
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,099,971)		(1,099,971)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		1,669	1,669
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,951,891	12,919,496	18,871,387
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,386,908	46,513,312	57,900,220
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,338,799	\$ 59,432,808	\$ 76,771,607
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 6,312,055	\$ 8,945,077	\$ 15,257,132
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	796,789		796,789
(Increase) decrease in operating assets			
Accounts receivable	519	(399)	120
Due from other funds		216,857	216,857
Prepaid items		176,324	176,324
Increase (decrease) in operating liabilities			
Accounts payable	(201,315)	(2,774,557)	(2,975,872)
Accrued salaries and benefits	4,814	4,169,712	4,174,526
Due to other funds	(1,873)	(811)	(2,684)
Due to other governments	140	20,811	20,951
Compensated absences	(30,362)	(4,860)	(35,222)
Postemployment benefits other than pensions	170,561	2,169,673	2,340,234
Other	534		534
Total adjustments	739,807	3,972,750	4,712,557
Net cash provided by operating activities	\$ 7,051,862	\$ 12,917,827	\$ 19,969,689

CITY OF NORTH LAS VEGAS

MOTOR EQUIPMENT INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Other charges for services	\$ 6,747,615	\$ 6,747,615	\$ 11,148,550	\$ 4,400,935
OPERATING EXPENSES				
Salaries and wages	844,753	844,753	763,567	81,186
Employee benefits	385,113	385,113	558,577	(173,464)
Services and supplies	3,131,269	3,131,269	2,717,560	413,709
Depreciation and amortization	500,000	500,000	796,791	(296,791)
Total operating expenses	4,861,135	4,861,135	4,836,495	24,640
Operating income	1,886,480	1,886,480	6,312,055	4,425,575
NONOPERATING REVENUES				
Gain (loss) on capital asset disposition	_____	_____	(8,772)	(8,772)
CHANGE IN NET POSITION	\$ 1,886,480	\$ 1,886,480	6,303,283	\$ 4,416,803
NET POSITION, BEGINNING OF YEAR			11,139,397	
NET POSITION, END OF YEAR			\$ 17,442,680	

CITY OF NORTH LAS VEGAS

SELF-INSURANCE RESERVE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Other charges for services	\$ 27,144,053	\$ 27,144,053	\$ 35,628,051	\$ 8,483,998
OPERATING EXPENSES				
Salaries and wages	4,459,258	4,459,258	4,563,677	(104,419)
Employee benefits	2,726,339	2,726,339	2,452,453	273,886
Services and supplies	18,661,937	18,661,937	19,666,844	(1,004,907)
Total operating expenses	25,847,534	25,847,534	26,682,974	(835,440)
Operating income	1,296,519	1,296,519	8,945,077	7,648,558
NONOPERATING REVENUES				
Investment income			1,669	1,669
CHANGE IN NET POSITION	\$ 1,296,519	\$ 1,296,519	8,946,746	\$ 7,650,227
NET POSITION, BEGINNING OF YEAR			16,618,554	
NET POSITION, END OF YEAR			\$ 25,565,300	

FIDUCIARY FUNDS

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

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

Bail Deposits

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

Non-forfeiture Holding

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

Other Deposits

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

Business Cleanup Deposits

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

Special Trust Reward

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

Employee Insurance Deposits

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

Workers' Compensation Retention

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

Contractor Retention Accounts

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

New Construction Privilege Tax

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

Convention Authority Tax

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

Garbage Company Collection

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

Inmate Deposits

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

SIAD No. 54 (Civic Center Drive Development)

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

SIAD No. 60 (Aliante Development)

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

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2017

	<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	\$ 142,180	\$ 539,495	\$ 5,778,982	\$ 17,799	\$ 15,000	\$ (126,447)	\$ 258	\$ 700,035
Accounts receivable, net								
Interest receivable								
Special assessments receivable								
Total assets	<u>\$ 142,180</u>	<u>\$ 539,495</u>	<u>\$ 5,778,982</u>	<u>\$ 17,799</u>	<u>\$ 15,000</u>	<u>\$ (126,447)</u>	<u>\$ 258</u>	<u>\$ 700,035</u>
LIABILITIES								
Due to other governments								
Due to developers			5,000					700,035
Due to others	<u>142,180</u>	<u>539,495</u>	<u>5,773,982</u>	<u>17,799</u>	<u>15,000</u>	<u>(126,447)</u>	<u>258</u>	
Total liabilities	<u>\$ 142,180</u>	<u>\$ 539,495</u>	<u>\$ 5,778,982</u>	<u>\$ 17,799</u>	<u>\$ 15,000</u>	<u>\$ (126,447)</u>	<u>\$ 258</u>	<u>\$ 700,035</u>

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) JUNE 30, 2017

	<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	\$ 870,000	\$ 239,676	\$ 1,781,943	\$ 5,070	\$ 476,910	\$ 3,833,901	\$ 14,274,802
Accounts receivable, net		17,143	2,765,937				2,783,080
Interest receivable						232	232
Special assessments receivable						4,189	4,189
Total assets	<u>\$ 870,000</u>	<u>\$ 256,819</u>	<u>\$ 4,547,880</u>	<u>\$ 5,070</u>	<u>\$ 476,910</u>	<u>\$ 3,838,322</u>	<u>\$ 17,062,303</u>
LIABILITIES							
Due to other governments	\$ 870,000	\$ 256,819					\$ 1,126,819
Due to developers							705,035
Due to others			4,547,880	5,070	476,910	3,838,322	15,230,449
Total liabilities	<u>\$ 870,000</u>	<u>\$ 256,819</u>	<u>\$ 4,547,880</u>	<u>\$ 5,070</u>	<u>\$ 476,910</u>	<u>\$ 3,838,322</u>	<u>\$ 17,062,303</u>

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
BAIL DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>155,699</u>	\$ <u>324,966</u>	\$ <u>338,485</u>	\$ <u>142,180</u>
LIABILITIES				
Due to others	\$ <u>155,699</u>	\$ <u>506,231</u>	\$ <u>519,750</u>	\$ <u>142,180</u>
NON-FORFEITURE HOLDING				
ASSETS				
Cash, cash equivalents and investments	\$ <u>695,289</u>	\$ <u>254,400</u>	\$ <u>410,194</u>	\$ <u>539,495</u>
LIABILITIES				
Due to others	\$ <u>695,289</u>	\$ <u>312,041</u>	\$ <u>467,835</u>	\$ <u>539,495</u>
OTHER DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 3,376,590	\$ 4,683,281	\$ 2,280,889	\$ 5,778,982
Accounts receivable, net	<u>5,337</u>	<u>5,337</u>	<u>5,337</u>	<u>5,337</u>
Total assets	\$ <u>3,381,927</u>	\$ <u>4,683,281</u>	\$ <u>2,286,226</u>	\$ <u>5,778,982</u>
LIABILITIES				
Due to developers	\$ 15,557	\$	\$	\$ 5,000
Due to others	<u>3,366,370</u>	<u>6,762,296</u>	<u>4,365,241</u>	<u>5,773,982</u>
Total liabilities	\$ <u>3,381,927</u>	\$ <u>6,762,296</u>	\$ <u>4,365,241</u>	\$ <u>5,778,982</u>
BUSINESS CLEANUP DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 16,599	\$ 2,700	\$ 1,500	\$ 17,799
Accounts receivable, net	<u>4,450</u>	<u>4,450</u>	<u>4,450</u>	<u>4,450</u>
Total assets	\$ <u>16,599</u>	\$ <u>7,150</u>	\$ <u>5,950</u>	\$ <u>17,799</u>
LIABILITIES				
Due to others	\$ <u>16,599</u>	\$ <u>2,900</u>	\$ <u>1,700</u>	\$ <u>17,799</u>
SPECIAL TRUST REWARD				
ASSETS				
Cash, cash equivalents and investments	\$ <u>15,000</u>	<u> </u>	<u> </u>	\$ <u>15,000</u>
LIABILITIES				
Due to others	\$ <u>15,000</u>	<u> </u>	<u> </u>	\$ <u>15,000</u>
EMPLOYEE INSURANCE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>9,613</u>	\$ <u>32,367,808</u>	\$ <u>32,503,868</u>	\$ <u>(126,447)</u>
LIABILITIES				
Due to others	\$ <u>9,613</u>	\$ <u>33,139,710</u>	\$ <u>33,275,770</u>	\$ <u>(126,447)</u>
WORKERS' COMPENSATION RETENTION				
ASSETS				
Cash, cash equivalents and investments	\$ <u>258</u>	<u> </u>	<u> </u>	\$ <u>258</u>
LIABILITIES				
Due to others	\$ <u>258</u>	<u> </u>	<u> </u>	\$ <u>258</u>

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
CONTRACTOR RETENTION ACCOUNTS				
ASSETS				
Cash, cash equivalents and investments	\$ 2,852,631	\$ 772,298	\$ 2,924,894	\$ 700,035
LIABILITIES				
Due to developers	\$ 2,852,568	\$ 3,118,990	\$ 5,271,586	\$ 700,035
Due to others	63			
Total liabilities	\$ 2,852,631	\$ 3,118,990	\$ 5,271,586	\$ 700,035
NEW CONSTRUCTION PRIVILEGE TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 68,306	\$ 5,061,400	\$ 4,259,706	\$ 870,000
LIABILITIES				
Due to other governments	\$ 68,306	\$ 11,061,108	\$ 10,259,414	\$ 870,000
CONVENTION AUTHORITY TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 195,686	\$ 3,327,030	\$ 3,283,040	\$ 239,676
Accounts receivable, net	10,506	90,294	83,657	17,143
Total assets	\$ 206,192	\$ 3,417,324	\$ 3,366,697	\$ 256,819
LIABILITIES				
Due to other governments	\$ 206,942	\$ 8,238,590	\$ 8,187,963	\$ 256,819
Due to others	(750)			
Total liabilities	\$ 206,192	\$ 8,238,590	\$ 8,187,963	\$ 256,819
GARBAGE COMPANY COLLECTION				
ASSETS				
Cash, cash equivalents and investments	\$ 1,706,716	\$ 20,637,668	\$ 20,562,440	\$ 1,781,943
Accounts receivable, net	2,720,361	22,378,259	22,332,684	2,765,937
Total assets	\$ 4,427,077	\$ 43,015,927	\$ 42,895,124	\$ 4,547,880
LIABILITIES				
Due to others	\$ 4,427,077	\$ 43,005,480	\$ 42,884,677	\$ 4,547,880
INMATE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 5,070			\$ 5,070
LIABILITIES				
Due to others	\$ 5,070			\$ 5,070
SIAD NO. 54 (CIVIC CENTER DRIVE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 474,626	\$ 4,625	\$ 2,341	\$ 476,910
LIABILITIES				
Due to others	\$ 474,626	\$ 4,625	\$ 2,341	\$ 476,910

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
SIAD NO. 60 (ALIANTE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 3,478,274	\$ 6,068,017	\$ 5,712,391	\$ 3,833,901
Interest receivable	625		393	232
Special assessments receivable	4,499		309	4,189
Total assets	\$ 3,483,398	\$ 6,068,017	\$ 5,713,093	\$ 3,838,322
LIABILITIES				
Due to others	\$ 3,483,398	\$ 16,045,305	\$ 15,690,381	\$ 3,838,322
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ 13,050,357	\$ 73,504,193	\$ 72,279,748	\$ 14,274,802
Accounts receivable, net	2,736,204	22,473,003	22,426,128	2,783,080
Interest receivable	625		393	232
Special assessments receivable	4,499		309	4,189
Total assets	\$ 15,791,685	\$ 95,977,196	\$ 94,706,578	\$ 17,062,303
LIABILITIES				
Due to other governments	\$ 275,248	\$ 19,299,698	\$ 18,447,377	\$ 1,126,819
Due to developers	2,868,125	3,118,990	5,271,586	705,035
Due to others	12,648,312	99,778,588	97,207,695	15,230,449
Total liabilities	\$ 15,791,685	\$ 122,197,276	\$ 120,926,658	\$ 17,062,303

**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, 2017, 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 11, 2017.

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 2017 - 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2017 - 002 and 2017 - 003 to be significant deficiencies.

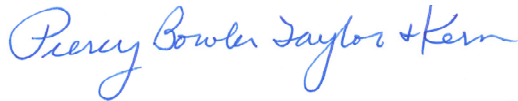
Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which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

the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 11, 2017.

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

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

Las Vegas, Nevada
December 11, 2017

STATISTICAL SECTION

CITY OF NORTH LAS VEGAS

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

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, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013 ¹	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 1,139,228,934
Restricted	175,099,469	822,415	25,463,718	74,650,721	70,286,644	73,249,575	79,291,604	91,020,657	128,697,909	128,697,909
Unrestricted	134,661,363	126,254,419	65,197,112	49,244,494	(5,838,643)	(14,533,877)	9,551,124	(202,744,932)	(181,662,381)	(183,812,405)
Total governmental activities	<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>	<u>1,084,114,438</u>
Business-type activities										
Net investment in capital assets	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	190,863,437
Restricted	159,367,463	10,945,118	13,317,115	47,537,496	7,132,932	4,514,658	75,134	7,113,754	7,988,645	7,988,645
Unrestricted	81,888,662	84,546,345	66,022,121	57,830,202	71,322,255	73,718,676	87,031,572	69,094,752	75,156,670	88,855,505
Total business-type activities	<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>	<u>287,707,587</u>
Primary government										
Net investment in capital assets	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	1,330,092,371
Restricted	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	136,686,554
Unrestricted	216,550,025	210,800,764	131,219,233	107,074,696	65,483,612	59,184,799	96,582,696	(133,650,180)	(106,505,711)	(94,956,900)
Total primary government	<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>	<u>\$ 1,371,822,025</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, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Expenses										
Governmental activities										
General government	\$ 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	\$ 66,022,814
Judicial	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	5,527,464
Public safety	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	154,379,406
Public works	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	17,712,527
Culture and recreation	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	18,769,594
Community support	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	6,751,246
Interest on long-term debt	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>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>	<u>269,163,051</u>
Business-type activities										
Wastewater	27,885,130	29,181,700	31,443,978	36,986,026	26,615,574	38,806,095	46,654,631	45,235,686	45,235,686	45,771,923
Water	38,491,805	34,652,481	33,198,374	32,402,016	33,863,783	33,417,139	37,368,080	36,065,019	36,065,019	40,663,677
Municipal golf courses	1,865,239	1,806,068	1,198,958	1,116,228	2,422,211	2,321,525	3,253,407	2,407,902	2,407,902	2,336,285
Total business-type activities	<u>68,242,174</u>	<u>65,640,270</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>83,708,607</u>	<u>88,791,885</u>
Total primary government expenses	<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>\$ 339,624,339</u>	<u>\$ 357,954,936</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 44,728,926
Judicial	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	6,665,375
Public safety	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	33,465,452
Public works	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	12,152,350
Culture and recreation	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	6,632,907
Community support				261,485	530,174	547,459	623,259	1,147,504	1,527,769	2,016,652
Operating grants and contributions	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	27,544,641
Capital grants and contributions	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	24,471,313
Total governmental activities	<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>	<u>157,677,616</u>
Business-type activities										
Charges for services										
Wastewater	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	47,779,391
Water	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	61,017,443
Municipal golf courses	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	1,612,048
Operating grants and contributions				6,127,457	3,116,042	3,023,196	6,376,618	6,376,618	3,034,877	3,031,621
Capital grants and contributions	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	5,547,780
Total business-type activities	<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>	<u>118,988,283</u>
Total primary government program revenues	<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>	<u>\$ 276,665,899</u>
Net (expenses) program revenues										
Governmental activities	\$ (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)	\$ (111,485,435)
Business-type activities	32,687,740	36,521,015	35,884,950	24,898,991	40,857,436	27,648,725	18,263,936	22,558,327	28,064,395	30,196,398
Primary government	<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>\$ (84,723,401)</u>	<u>\$ (81,289,037)</u>

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 54,395,962
Residential construction taxes	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837	426,603	634,897
Room taxes	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389	564,601	634,163
Franchise fees, based on gross receipts	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	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	52,977,267
Other local government shared revenues	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	2,086,117
Unrestricted investment income	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	897,004
Gain on disposal of capital assets					316,407	204,150	2,102,479	2,932,638	183,390	1,606,834
Miscellaneous	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	1,725,017
Transfers	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	22,722,283
Total governmental activities	<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>	<u>137,679,544</u>
Business-type activities										
Other local government shared revenues	538,471									
Unrestricted investment income	7,060,164	5,671,124	1,455,994	356,115	72,721	136,985	13,586	15,803	7,702	17,449
Gain on disposal of capital assets					23,860		12,668	21,612	6,517	21,963
Miscellaneous	2,417,173	3,554,227	2,329,165	3,055,358	36,782	6,362,108	356,096	216,234	211,753	218,349
Transfers	(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)	(22,722,283)
Total business-type activities	<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>	<u>(22,464,522)</u>
Total primary government general revenues and other changes in net position	<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>	<u>\$ 115,215,022</u>
Change in net position										
Governmental activities	\$ 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	\$ 26,194,109
Business-type activities	10,737,228	14,831,451	(1,695,349)	(3,008,411)	9,031,944	2,713,828	(5,400,475)	263,379	5,379,319	7,731,876
Primary government	<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>\$ 46,981,244</u>	<u>\$ 33,925,985</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, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ²	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
General fund										
Reserved	\$ 758,891	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	45,336,045	39,361,193	22,953,382							
Nonspendable				384,375	287,203	231,430	238,432	2,743,971	127,919	128,305
Restricted for				101,642	26,257	170,576				
Committed for					274,200	596,200	207,179	166,202	27,369	15,371
Unassigned				7,238,181	11,302,907	8,340,738	7,633,089	9,585,163	13,740,986	14,236,238 ¹³
Total general fund	<u>\$ 46,094,936</u>	<u>\$ 39,361,193</u>	<u>\$ 22,953,382</u>	<u>\$ 7,724,198</u> ¹	<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>	<u>\$ 14,379,914</u>
Other governmental funds										
Reserved	\$ 1,256,971	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved										
Special revenue funds	57,249,895	54,590,729	48,388,767							
Debt service funds	7,316,194	4,684,177	3,278,094							
Capital projects funds	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	16,851
Restricted for				84,687,535	74,624,464	70,116,032	70,396,589	79,486,892	95,047,192	108,497,086
Committed for				1,377,827	1,327,188	1,250,166	292,564	378,342	797,444	2,491,696
Assigned to				1,430,753	1,859,516	2,354,991	4,362,189	2,122,074	2,732,597	2,132,636
Total other governmental funds	<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>	<u>\$ 113,138,269</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, 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	June 30, 2017
REVENUES										
Property taxes	\$ 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	\$ 54,441,379
Residential construction taxes	1,519,802	467,995	499,417	362,850	382,353	332,595	314,546	313,837	426,603	634,897
Room taxes	345,952	300,678	330,333	331,768	358,753	383,888	422,474	486,389	564,601	634,163
Franchise fees					16,142,005	15,769,356	20,788,938	21,322,332	21,307,694	20,759,779
Licenses and permits	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	18,023,601
Special assessments					2,202,745	2,202,185	2,170,942	2,170,946	2,167,784	1,625,990
Charges for services	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	9,953,157
Intergovernmental consolidated taxes					37,565,290	39,434,352	43,976,942	47,685,565	49,903,290	52,977,267
Intergovernmental	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	50,741,680
Fines and forfeitures	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	4,769,002
Contributions					219,350	106,332	571,956	236,069	22,330	84,995
Rents and royalties					513,578	557,856	582,762	840,310	665,094	697,045
Investment income					806,229	195,524	642,581	1,018,891	1,579,791	895,335
Miscellaneous	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	4,155,911
Total revenues	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	220,394,201
EXPENDITURES										
General government	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	24,874,200
Judicial	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	5,334,041
Public safety	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	138,210,751
Public works	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	29,259,255
Culture and recreation	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	13,957,481
Community support	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	6,139,061
	<u>362,516,634</u>	<u>378,259,269</u>	<u>359,212,252</u>	<u>304,454,911</u>	<u>237,432,019</u>	<u>263,753,219</u>	<u>198,073,223</u>	<u>246,459,556</u>	<u>226,147,437</u>	<u>217,774,789</u>
Debt service										
Principal payments	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	4,774,300
Interest and fiscal charges	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	7,201,446
Payment to current bond refunding agent				20,000,000						
Debt issuance costs	284,504			143,438	200,286					
Total debt service	<u>21,204,293</u>	<u>20,975,884</u>	<u>20,643,396</u>	<u>33,977,323</u>	<u>8,554,389</u>	<u>9,175,269</u>	<u>8,025,503</u>	<u>13,399,969</u>	<u>11,932,002</u>	<u>11,975,746</u>
Total expenditures	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	229,750,535
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(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)	(9,356,334)

(Continued)

CITY OF NORTH LAS VEGAS

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

	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	June 30, 2017
OTHER FINANCING SOURCES (USES)										
Contingencies		(49,395)						(400,000)	(500,000)	
Debt issuance proceeds	12,680,000		3,145,000	17,090,000	27,070,000					
Debt issuance premiums	160,380									
Payment to advance refunding bond agent			(3,071,110)	(16,922,300)	(26,573,920)					
Debt issuance discounts	(15,750)		(52,183)		(257,999)					
Proceeds from capital asset disposal									267,109	1,615,606
Transfers in	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	41,885,760
Transfers out	(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)	(19,113,477)
Other					342,533	181,316	2,098,449	2,913,171		
Total other financing sources (uses)	<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>	<u>24,387,889</u>
CHANGE IN FUND BALANCE	<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>	<u>\$ 15,031,555</u>
Capital expenditures included in expenditures above	<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>	<u>\$ 25,128,372</u>
Debt service as a percentage of noncapital expenditures	<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>	<u>5.85 %</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
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	14,212,552,046	35.00 %
2017	4,128,434,584	1,220,169,994	542,617,991	561,641,675	(899,914,984)	5,552,949,260	1.1587	15,865,569,314	35.00 %

1. Source - Clark County Assessor's Office.

2. Pursuant to State statute, all property is assessed at 35% of its estimated value.

CITY OF NORTH LAS VEGAS

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

For the Year Ended June 30,	City of North Las Vegas, Direct Rates				Overlapping Rates				
	City Operations	Debt Service	Public Safety (Override)	Total Direct Tax Rate	State of Nevada	Clark County	Clark County School District	Emergency 911	Las Vegas Artesian Basin
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	
2017	0.1937		0.9650	1.1587	0.1700	0.6541	1.3034	0.0050	

For the Year Ended June 30,	Overlapping Rates		Total Direct and Overlapping Rates
	Las Vegas - Clark County Library District	City of North Las Vegas Library District	
2008	0.0123	0.0632	2.2088
2009	0.0086	0.0632	2.2051
2010	0.0100	0.0632	2.2068
2011	0.0070	0.0632	2.2042
2012		0.0632	2.1957
2013		0.0632	2.1957
2014		0.0632	2.1957
2015		0.0632	2.1957
2016		0.0632	2.1957
2017		0.0632	2.1957

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	2017			2008		
	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴
Aliante Gaming LLC	\$ 77,577,372	1	1.40 %	\$ 221,649,634		2.70 %
Golden Triangle Industrial Park	52,727,901	2	0.95 %	150,651,146		1.84 %
Picerne Real Estate Group	37,967,792	3	0.68 %	108,479,406		1.32 %
Cannery Casino Resorts	37,270,735	4	0.67 %	106,487,814	9	1.30 %
Alliance Residential Company	36,103,263	5	0.65 %	103,152,180		1.26 %
Station Casinos Incorporated	35,480,496	6	0.64 %	101,372,846	2	1.24 %
Prologis	27,251,559	7	0.49 %	77,861,597		0.95 %
Colonial Realty Limited Partnership	25,448,669	8	0.46 %	72,710,483		0.89 %
Wal-Mart Stores Incorporated	24,312,552	9	0.44 %	69,464,434		0.85 %
Colfin AL-NV	23,585,612	10	0.42 %	67,387,463		0.82 %
Olympia Group LLC				221,903,591	1	2.70 %
Centex Homes				83,567,558	5	1.02 %
Pardee Homes Nevada Incorporated				87,548,903	3	1.07 %
D.R. Horton Incorporated				87,516,074	4	1.07 %
Operating Engineers Pension Trust				63,160,214	6	0.77 %
Las Vegas Paving Corporation				62,545,423	7	0.76 %
Apex Nevada Solar Limited Liability Company				56,397,549		0.69 %
Standard Pacific Homes				43,171,943	8	0.53 %
Black Hills Corporation				37,061,277	10	0.45 %
						%
	<u>\$ 377,725,951</u>		<u>6.80 %</u>	<u>\$ 1,822,089,535</u>		<u>22.23 %</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>
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 %	139,134 ³	45,747,983	99.6161 %
2017	46,973,449	46,646,209	99.3034 %		46,646,209	99.3034 %

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			
	2008	\$ 197,417,260	\$ 12,680,000	\$	\$ 180,910,232			
2009	187,383,860	11,640,000		177,328,724		376,352,584	0.55 %	1,768
2010	177,395,231	14,273,700	46,359	316,012,871		507,728,161	0.73 %	2,340
2011	154,122,140	12,532,900	34,967	309,309,017		475,999,024	0.68 %	2,171
2012	166,230,508	10,715,300	16,651	302,598,163		479,560,622	0.64 %	2,146
2013	162,075,779	8,729,700		295,594,309	7,000,000	473,399,788	0.62 %	2,093
2014	158,610,098	7,009,700		288,498,100	6,000,000	460,117,898	0.56 %	1,996
2015	154,414,389	5,249,000		281,129,891	5,000,000	445,793,280	0.54 %	1,934
2016	151,520,682	3,409,300		274,593,185	2,352,219	431,875,386	%	1,835
2017	148,553,842	1,505,000		267,671,724	1,995,292	419,725,858	%	1,744

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.

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
2008	\$ 197,417,260	\$ 180,910,232	\$ 378,327,492	1.61 %	\$ 1,836	\$ 5,095,859	\$ 373,231,633
2009	187,383,860	177,328,724	364,712,584	1.54 %	1,713	4,892,967	359,819,617
2010	177,395,231	316,012,871	493,408,102	2.82 %	2,274	1,960,788	491,447,314
2011	154,122,140	309,309,017	463,431,157	3.91 %	2,113	432,004	462,999,153
2012	166,230,508	302,598,163	468,828,671	4.24 %	2,098	25,062	468,803,609
2013	162,075,779	295,594,309	457,670,088	4.64 %	2,023	243,501	457,426,587
2014	158,610,098	288,498,100	447,108,198	4.47 %	1,940	389,316	446,718,882
2015	154,414,389	281,129,891	435,544,280	3.66 %	1,890	1,176,607	434,367,673
2016	151,520,682	274,593,185	426,113,867	3.00 %	1,810	4,146,706	421,967,161
2017	148,553,842	267,671,724	416,225,566	2.62 %	1,729	7,143,393	409,082,173

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.

CITY OF NORTH LAS VEGAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2} JUNE 30, 2017 IN THOUSANDS (UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
City of North Las Vegas	\$ 148,115 ⁴	100.00 %	\$ <u>148,115</u>
Overlapping governments	⁴		
Clark County	8,915	8.13 %	725
Clark County School District	1,798,485	8.13 %	146,217
Las Vegas - Clark County Library District	14,185	10.79 %	1,531
State of Nevada	<u>1,084,167</u>	5.73 %	<u>62,123</u>
Total overlapping governments	<u>2,905,752</u>		<u>210,596</u>
Total direct and overlapping debt	<u><u>3,053,867</u></u>		<u><u>\$ 358,711</u></u>

1. Source - Zions Bank Public Finance.
2. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
3. Excludes debt issued by the City's blended component units.
4. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and, therefore responsible for repaying the debt, of each overlapping government. Debt amounts for overlapping entities in the various governments were provided by Zions Bank Public Finance. The percentage applicable was calculated by taking the City's assessed valuation divided by each respective governments' assessed valuation.

CITY OF NORTH LAS VEGAS

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS¹ (UNAUDITED)

	June 30, 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	June 30, 2017
Total taxable assessed property value	² \$ <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>	<u>5,552,949,260</u>
Legal debt Margin										
Legal debt limit (20% of taxable assessed property value)	\$ 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	\$ 1,110,589,852
Debt applicable to debt limit Net general bonded debt	³ <u>373,231,633</u>	<u>359,819,617</u>	<u>491,447,314</u>	<u>462,999,153</u>	<u>468,803,609</u>	<u>457,426,587</u>	<u>446,718,882</u>	<u>434,367,673</u>	<u>421,967,161</u>	<u>409,082,173</u>
Legal debt margin	<u>\$ 1,267,707,567</u>	<u>\$ 1,297,864,183</u>	<u>\$ 733,719,886</u>	<u>\$ 365,993,447</u>	<u>\$ 305,662,391</u>	<u>\$ 233,321,813</u>	<u>\$ 253,689,506</u>	<u>\$ 397,972,441</u>	<u>\$ 572,911,482</u>	<u>\$ 701,507,679</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>22.75 %</u>	<u>21.71 %</u>	<u>40.11 %</u>	<u>55.85 %</u>	<u>60.53 %</u>	<u>66.22 %</u>	<u>63.78 %</u>	<u>52.19 %</u>	<u>42.41 %</u>	<u>36.83 %</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>
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	81,821,005,000	2,088,149	39,184	7.10 %
2016	235,395	²	2,118,353	²	6.90 %
2017	240,708	²	2,166,181	²	5.10 %

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	2017			2008		
	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	3.47 %	30000 to 39999 employees	1	3.8 %
Clark County	8000 to 8499 employees	2	.82 %	10000 to 19999 employees	2	1.63 %
Wynn Las Vegas	8000 to 8499 employees	3	.82 %	8500 to 8999 employees	4	.95 %
Bellagio LLC	7500 to 7999 employees	4	.77 %	9000 to 9999 employees	3	1 %
MGM Grand Hotel/Casin	7500 to 7999 employees	5	.77 %	8500 to 8999 employees	5	.95 %
Aria Resort & Casino LLC	7500 to 7999 employees	6	.72 %			%
Mandalay Bay Resort & Casino	7000 to 7499 employees	7	.72 %	7000 to 7499 employees	6	.79 %
Venetian Casino Resorts LLC	6000 to 6499 employees	8	.62 %			%
University of Nevada Las Vegas	5500 to 5999 employees	9	.57 %	5500 to 5999 employees	7	.62 %
Caesars Palace	5000 to 5499 employees	10	.52 %	5500 to 5999 employees	8	.62 %
Las Vegas Metropolitan Police Dept				5000 to 5499 employees	9	.57 %
Mirage Casino Hotel				5500 to 5999 employees	10	.57 %

1. Source - www.nevadaworkforce.com, Nevada's Largest Employers (Clark County), 4th Qtr 2016, 4th Qtr 2007.
2. Source - www.nevadaworkforce.com, Data Analysis, Labor Force and Unemployment Tool, Clark County, Jun 2017.
3. Source - www.nevadaworkforce.com, Data Analysis, Labor Force and Unemployment Tool, Clark County, Jun 2008.
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, 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	June 30, 2017
Governmental activities										
General government	259	272	277	258	193	163	127	129	122	113
Judicial	87	91	98	99	98	85	72	72	63	51
Public safety	1,133	1,232	1,269	1,264	1,226	1,141	915	912	688	721
Public works	167	167	168	143	100	80	51	55	50	51
Culture and recreation	220	234	251	235	166	152	129	136	130	137
Community support	40	42	44	40	33	29	25	24	19	17
Total governmental activities	<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>	<u>1,090</u>
Business-type activities										
Wastewater	44	46	48	63	52	55	55	54	53	50
Water	91	96	97	84	96	95	93	92	81	82
Municipal golf courses	13	14	9	8	7	8	7	7	7	7
Total business-type activities	<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>	<u>139</u>
Total full-time equivalent employees	<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>	<u><u>1,229</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, 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	June 30, 2017
Police										
Calls for service										
Officer initiated	194,527	190,668	211,130	207,019	113,946	106,247	95,699	72,582	64,286	65,163
Community generated	136,089	96,897	108,908	92,588	106,385	98,452	98,596	114,894	122,794	118,688
Neighborhood watch meetings	113	72	102	37	47	31	39	68	43	56
Detention										
Bookings	17,726	19,842	20,662	20,662	10,058	9,037	9,003	8,857	8,147	7,106
Average daily population	885	906	928	523	237	220	147	132	161	120
Daily meals service	1,045,686	900,000	1,171,704	532,888	276,122	276,122				
Fire										
Number of calls	25,986	26,351	27,016	27,828	28,540	30,187	28,909	30,272	32,419	35,228
EMS responses	17,895	15,588	18,983	24,309	24,766	24,831	23,692	22,952	24,486	25,351
Non-fire Incidents	5,750	6,040	3,673	1,170	509	2,448	2,301	2,211	2,194	1,437
Fire Incidents	2,142	1,839	4,346	2,330	1,954	2,191	2,274	1,284	1,344	2,436
Structure fires	667	543	673	643	516	717	642	684	696	829
Library facilities										
Circulation	465,304	613,658	793,000	725,905	710,415	649,445	604,614	502,249	478,159	442,302
Holdings	153,436	212,074	225,404	234,725	243,629	251,543	202,163	200,166	201,185	205,900
Library traffic	446,336	557,694	754,000	536,085	490,128	442,688	408,672	388,937	367,794	371,062
Culture and recreation										
Golf Courses										
Number of rounds of golf	86,670	74,474	68,000	63,565	64,297	61,102	66,647	65,407	55,389	50,176
Cost of operation per round (Municipal Course)	\$ 12	\$ 12	\$ 8	\$ 11	\$ 11	\$ 12	\$ 11	\$ 11	\$ 15	\$ 21
Cost of operation per round (Craig Ranch Course)	\$ 26	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of operation per round (Aliante Course)	\$	\$ 54	\$ 75	\$ 54	\$ 47	\$ 49	\$ 61	\$ 50	\$ 59	\$ 51
Parks/Recreation										
Program participation visits	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	1,929,602
Annual cost per acre to maintain	\$ 19,971	\$ 22,776	\$ 18,000	\$ 9,906	\$ 7,300	\$ 7,001	\$ 6,174	\$	\$	\$
Number of stage rentals	11	13	10	21	17	12	10	17	19	23
Public works										
Building safety-permits issued	9,616	6,693	6,044	6,480	6,285	5,586	5,812	7,925		
Survey										
Technical reviews completed (maps, documents)	279	118	60	31	25	24	77	79	116	168
GPS features collected	66,371	75,327	55,000	5,851	9,543	1,253	10,916	4,368	5,447	
Engineering services-active capital projects	57	64	72	65	47	50	56	49	61	90
Construction services-number of inspections	12,072	5,020	8,090	4,142	2,423	2,423				
Development and Flood Control-permits issued	1,100	699	500	309	322	275	415	460	557	562
Real property services										
Maps reviewed and processed	49	181	23	19	13	15	24	26	56	62
Planning Commission items reviewed	47	94	150	149	111	138	203	227	202	185
Addresses assigned	806	758	500	356	151	303	378	420	531	652

(Continued)

CITY OF NORTH LAS VEGAS

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

	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	June 30, 2017
Water										
Valves exercised	1,933	3,104	1,970	2,588	1,773	1,486	1,140	1,749	1,031	541
Water repairs	226	250	233	276	250	218	187	172	235	507
Service requests	90,717	82,644	76,462	69,700	76,731	70,423	71,097	72,564	63,375	59,137
Number of bills	994,641	970,590	974,406	980,797	1,079,258	1,006,250	1,017,587	1,011,433	1,043,859	1,055,630
Number of meters read	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	1,057,305

CITY OF NORTH LAS VEGAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹
LAST TEN FISCAL YEARS²
(UNAUDITED)

	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	June 30, 2017
Function/program										
Police stations	2	2	3	2	2	2	2	2	2	2
Fire stations	7	7	8	8	8	8	8	8	8	8
Library facilities	2	3	3	3	3	3	3	3	3	3
Culture and recreation										
Community centers	2	2	2	2	3	3	3	3	3	3
Parks	31	31	34	34	34	34	35	35	35	35
Park acreage	493	493	474	474	474	474	627	633	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	18	18	18	18
Public works										
Lane miles of paved street	1,971	2,150	2,150	2,167	2,171	2,489	2,489	2,489	2,489	2,489
Lane miles of unpaved street		630	700	698	698	698	698	698	698	698
Traffic signal intersections	120	138	141	143	152	155	155	155	155	164
Street lights	31,050	31,050	31,050	31,050	31,050	31,050	31,050	31,050	31,050	31,050 ¹
Water										
Miles of water main	1,096	1,110	1,127	1,130	1,117	1,119	1,060	1,064	1,100	1,100
Residential service connections	75,375	73,048	73,642	74,191	76,367	76,988	78,228	79,572	80,378	81,265
Commercial service connections	5,350	5,256	5,258	5,305	5,403	5,439	5,517	5,638	5,760	4,497
Average daily consumption in million gallons	49	47	46	46	45	44	45	45	47	48
Peak demand day in million gallons	74	76	75	74	66	69	69	69	68	70
Wastewater										
Miles of sewer wastewater main	625	625	625	625	625	638	651	667	670	667
Miles of storm wastewater main	175	180	183	193	263	266	153	157	178	181
1. Prior years revised										

BUSINESS LICENSE FEES

CITY OF NORTH LAS VEGAS

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017	\$	3,719,818
Business license revenue for the year ended June 30, 2016 (base year)	\$	3,294,955
Adjustment to base year		
Percentage change in Consumer Price Index		<u>1.63 %</u>
Total adjustment to base year		<u>53,708</u>
Adjusted business license revenue base for the year ended June 30, 2017		<u>3,348,663</u>
Amount over allowable maximum	\$	<u><u>371,155</u></u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2017	\$	2,050,801
Business license revenue for the year ended June 30, 2016 (base year)	\$	1,938,568
Adjustment to base year		
Percentage change in local government population		2.26 %
Percentage change in Consumer Price Index		<u>1.63 %</u>
Total adjustment to base year		<u>3.89 %</u>
Adjusted business license revenue base for the year ended June 30, 2017		<u>75,410</u>
Amount under allowable maximum	\$	<u><u>36,823</u></u>

SINGLE AUDIT INFORMATION

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

Members of the City Council
City of 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, 2017. 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>
2017 - 004	Reporting	14 218 and 14 225	CDBG - Entitlement Grants Cluster (Community Development Block Grants/Entitlement Grants and Community Development Block Grants/Special Purpose Grants/Insular Areas)

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 the major federal program identified in the table above for the year ended June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the the City's other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters. The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017 - 005 and 2017 - 006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance. The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

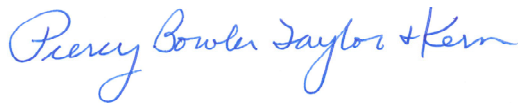
A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 2017 - 004, 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 deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017 - 005 to be a significant deficiency.

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 11, 2017, 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.

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

Las Vegas, Nevada
December 11, 2017

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2017

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		\$ 157,844	\$ 170,642
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218 *			193,161
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225 *			43,647
Subtotal CDBG - Entitlement Grants Cluster			<u> </u>	<u>236,808</u>
Passed through Clark County, Nevada-Department of Finance Home Investment Partnerships Program	14.239*	M-14-DC-32-0001 M-15-DC-32-0001 HUD HOME PI Fed Grant		57,097 733 799,964
Neighborhood Stabilization Program	14.264	B-08-UN-32-0001		174,604
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 B-13-UC-32-0001 B-14-UC-32-0001 B-15-UC-32-0001 B-16-UC-32-0001	469,347 566,055	8,291 293,224 297,757 795,768 947,979
Subtotal CDBG - Entitlement Grants Cluster			<u>1,035,402</u>	<u>2,343,019</u>
Total U.S. Department of Housing and Urban Development			<u>1,193,246</u>	<u>3,782,867</u>
U.S. Department of Homeland Security				
Assistance to Firefighters Grant	97.044			11,428
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083*			1,041,294
Passed through Clark County Fire Department				
National Urban Search and Rescue (US&R) Response System	97.025	EMW-2014-CA-K00152 EMW-2015-CA-00021		8,688 6,878
Passed through Clark County Office of Emergency Management and Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4202-DR		3,787
Passed through State of Nevada-Department of Public Safety				
Emergency Management Performance Grants	97.042	EMW-2014-EP-00003 EMF-2016-EP-00007 EMF-2017-EP-00001		19,200 55,431 91,370
Homeland Security Grant Program	97.067	2016 UASI		53,026
Total U.S. Department of Homeland Security			<u> </u>	<u>1,291,102</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	17-HMEP-03-01 17-HMEP-03-06 17-HMEP-03-07		3,818 12,877 6,245

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

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
		17-HMEP-03-08		6,814
Highway Planning and Construction Cluster				
Passed through State of Nevada-Department of Public Safety				
Highway Planning and Construction	20.205	TS-2016-NLVPD-00059 TS-2017-NLVPD-00059		88,955 45,996
Subtotal Highway Planning and Construction Cluster				134,951
Highway Safety Cluster				
Passed through State of Nevada-Department of Public Safety				
State and Community Highway Safety	20.600	JF-2016-NLVPD-00026 JF-2017-NLVPD-00027		66,968 89,322
National Priority Safety Programs	20.616	JF-2016-NLVPD-00026		18,615
Subtotal Highway Safety Cluster				174,905
Highway Planning and Construction Cluster				
Passed through State of Nevada-Division of State Parks				
Recreational Trails Program	20.219	2015-12		102,764
Subtotal Highway Planning and Construction Cluster				102,764
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		4,636 98,648 421,858 4,781 47,920 259,345 12,949
Subtotal Highway Planning and Construction Cluster				850,137
Total U.S. Department of Transportation				1,292,511
U.S. Department of Justice				
State Criminal Alien Assistance Program	16.606			17,644
Public Safety Partnership and Community Policing Grants	16.710			55,376
Edward Byrne Memorial Justice Assistance Grant Program	16.738			54,956
				36,866
				68,777
				46,071
Nevada Joint Terrorist Task Force (JTTF) - 14	N/A			10,960
Child Exploitation Task Force (CETF)	N/A			20,167
Criminal Apprehension Team	N/A			5,872
Tactical Diversion Task Force - 15	N/A			14,847
Passed through State of Nevada, Department of Health and				
Human Services				
Crime Victim Assistance	16.575	2015-VA-GX-0024 2016-VA-GX-0024		6,449 88,966
Passed through State of Nevada, Office of the Attorney General				
Violence Against Women Formula Grants	16.588	2016-STOP-40		33,800

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2017

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
Passed through Las Vegas Metropolitan Police Department Missing Children's Assistance	16.543	2014-MC-FX-K045		23,178
Total U.S. Department of Justice				483,929
Executive Office of the President				
High Intensity Drug Trafficking Areas Program	95.001			101,454 2,624 15,520
Total Executive Office of the President				119,598
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 L16AC00100		8,834 150,754 55,175 3,819
Total U.S. Department of the Interior				218,582
U.S. Department of Agriculture				
Passed through National Recreation and Park Association Child and Adult Care Food Program	10.558	N/A		11,590
Child Nutrition Cluster Passed through State of Nevada, Department of Education Special Milk Program for Children	10.556	N/A		16,232
Total U.S. Department of Agriculture				27,822
U.S. Department of Health and Human Services				
Passed through Southern Nevada Health District Partnerships to Improve Community Health	93.331	SNHD-6-PICH-INT-15-028		104,029
Total U.S. Department of Health and Human Services				104,029
Total federal expenditures			\$ 1,193,246	\$ 7,320,440

* A major program

CITY OF NORTH LAS VEGAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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.

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

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 (Community Development Block Grants/Entitlement Grants and Community Development Block Grants/Special Purpose Grants/Insular Areas)
CFDA number	14.239
Name of federal program or cluster	Home Investment Partnerships Program
CFDA number	97.083
Name of federal program or cluster	Staffing for Adequate Fire and Emergency Response (SAFER)
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, 2017

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*

2017 - 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.
Condition and context	We noted insufficient staffing to monitor compliance with policies and procedures, prepare timely, and accurate account reconciliations, record recurring month-end adjustments, and prepare reliable interim financial information. In addition, there is little cross-training of accounting and finance department personnel nor is it very practical given the limited number of qualified people.
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. As a result, numerous adjustments (most of which required significant time) were necessary.
Cause	Failure to retain personnel who possess an appropriate level of knowledge and skills to effectively develop, implement and monitor compliance with policies and procedures designed to provide 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.
Recommendation	We recommend that, in addition to the new accounting manager, one additional highly skilled person be hired as a financial analyst who would review every purchase order to (1) determine if account coding is proper, (2) work closely with the budget division when budget augmentations / reclassifications are necessary, and (3) assist with monthly account reconciliations.
Management's response	Management informed us that lack of staffing and employment turnover in the finance department over the last five years has been, and continues to be, a major struggle. This is also the case with the accountants and financial analysts in other departments within the City. A new finance director has been hired, a position which has been vacant for over two years. This addition of a highly qualified person should help greatly. Also, there has been approval to have the exiting accounting manager train the new accounting manager for four days if one can be hired in a reasonable amount of time. The expectation is that this position will not remain vacant. As noted in the recommendation, the finance department is preparing to solicit the addition of a purchasing – reconciliation analyst.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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)

2017 - 002

Criteria or specific requirement	Assets should be placed in service when substantially complete.
Condition and context	Following the completion of a project, a notice of completion is prepared. The date of the notice tends to correspond to when the matter is presented to the City Council. The notice also has the date the project was substantially completed, which frequently precedes the date presented to the City Council by six months or more. For purposes of calculating depreciation, management incorrectly used the date presented to the City Council.
Effect	Depreciation expense was understated and resulted in an adjusting entry totaling approximately \$2.2 million.
Cause	Failure to use the substantially completed in-service date rather than the date presented to the City Council.
Recommendation	We recommend the actual in-service date be used when calculating depreciation expense.
Management's response	Management informed us that the 'placed in service date' of an asset definition has been corrected. This will not be an issue going forward.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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)

2017 - 003

Criteria or specific requirement	Monthly, quarterly, and annual closing schedules should be used, including preparation of a standard journal list and account reconciliation. Each individual step should be signed off by assigned preparers and reviewers indicating it has been completed.
Condition and context	Monthly, quarterly, and annual closing schedules are not used as designed or do not adequately address items that are key components to financial reporting, including lists of standard journal entries and reconciliations.
Effect	Procedures necessary for accurate and timely financial statement reporting are not performed timely such that significant issues are identified and resolved prior to year end.
Cause	The City is understaffed and has not retained enough employees with the requisite skills and knowledge to ensure accurate and timely preparation of financial information.
Recommendation	We recommend that comprehensive closing schedules be developed and utilized monthly, quarterly, and annually, as applicable. This should include extending the monthly bank reconciliation process to determine that offsetting pooled-cash balances in fact net to zero. In addition, as part of the normal budgeting and financial reporting process, the City should meet with the City Attorney to determine if a provision for contingent losses should be reported.
Management's response	Management informed us that lack of staffing and employment turnover in the finance department over the last five years has been, and continues to be, a major struggle. This is also the case with the accountants and financial analysts in other departments within the City. A new finance director has been hired, a position which has been vacant for over two years. This addition of a highly qualified person should help greatly. Also, there has been approval to have the exiting accounting manager train the new accounting manager for four days if one can be hired in a reasonable amount of time. The expectation is that this position will not remain vacant. As noted in the recommendation, the finance department is preparing to solicit the addition of a purchasing – reconciliation analyst.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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

2017 - 004	
Federal program	CDBG - Entitlement Grants Cluster (Community Development Block Grants/Entitlement Grants (CFDA #14.218) and Community Development Block Grants/Special Purpose Grants/Insular Areas (CFDA #14.225))
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	During the reconciliation of the SEFA to the general ledger, it was noted that \$420,742 of fiscal year 2016 federal grant revenues were improperly recorded in the current year. In addition, \$909,481 of fiscal year 2016 federal grant expenditures were improperly excluded in 2016 and are reported in the current year SEFA. Furthermore, an additional \$10,429 of fiscal year 2017 federal grant expenditures were improperly excluded from the current year SEFA.
A statistically valid sample was used	No
Questioned costs	Not applicable.
Effect	The fiscal year 2016 SEFA was understated \$909,481 and the fiscal year 2017 SEFA is overstated for improperly reported expenditures totaling \$899,052.
Cause	Failure to 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.
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. We recommend that management review the general ledger detail subsequent to year end and reimbursement requests received from subrecipients subsequent to year end to ensure that grant expenditures are recorded to the proper period for SEFA reporting purposes.
Management's response	Management informed us that new procedures for correcting this issue were put into place mid-year. The clean-up from a terminated employee uncovered payable liabilities which were not processed in the prior year which caused this finding. In addition, the position of the terminated employee was vacant for six months causing an overburden to the remaining accountant. The newly hired accountant is qualified and motivated. Both accountants have an understanding of the procedures and the needed accounting which should correct this issue going forward.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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

2017 - 005	
Federal program	CDBG - Entitlement Grants Cluster (Community Development Block Grants/Entitlement Grants (CFDA #14.218) and Community Development Block Grants/Special Purpose Grants/Insular Areas (CFDA #14.225))
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.
Condition and context	Per examination of the Purchasing Guidelines in effect during the period under audit, it was noted that 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. The guidelines also do not address performing an analysis of lease and purchase alternatives. In addition, it was noted that the guidelines do not specifically state that recipients should avoid purchasing unnecessary items.
A statistically valid sample was used	No
Questioned costs	Not applicable.
Effect	The City could enter into transactions that may create a conflict of interest or that are not economical and may purchase unnecessary items.
Cause	The City's policies and procedures do not adequately address the procurement guidelines outlined for recipients of federal funds.
Repeat finding	Yes
Recommendation	Management should implement policies and procedures to address the conduct of those involved in making procurement decisions and the steps to be followed to ensure purchases are properly evaluated/analyzed to ensure the highest quality purchases at the most economical price. This should also include a statement that City employees should avoid unnecessary spending.
Management's response	Management informed us that the City does have a Code of Conduct policy separate from the procurement policy and the lead page on the City procurement page includes a link to SAM.gov with a note to check. The proper standards are being followed as have been in past years without incident. Lack of staffing has not allowed the additional time to re-write the current purchasing policy. The addition of a finance director should give the department the resources to complete this project prior to fiscal year end 2018.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2017

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

2017 - 006	
Federal program	Home Investment Partnerships Program (CFDA #14.239)
Criteria or specific requirement	Per the City's contract with Clark County (the County), the City will report upon receipt all program income earned from HOME funded projects within its respective jurisdiction and will forward all program income within 30 days to the County.
Condition and context	Per examination of 21 program income receipts received by the City, it was noted that 14 of the receipts were not submitted to the County within 30 days.
A statistically valid sample was used	No
Questioned costs	Not applicable.
Effect	The City is not in compliance with their grant agreements with the County.
Cause	Program income received by the City may not be readily identifiable to a HOME project, may be missing proper supporting documentation or may be for incorrect payoff amounts. As a result, the grant accountant must research the receipt to determine the proper application of such. This research may take over 30 days, which results in delays in remittance of the amounts to the County.
Repeat finding	No
Recommendation	The City should communicate to the County the difficulties encountered in identifying program income received to the related HOME project and request extensions, which should be in writing, to allow for sufficient time to research and determine the proper application of each receipt.
Management's response	Management informed us that the filling of the accounting position in the grants department should help alleviate this problem. It is the opinion of finance management, this department would benefit from an additional accountant, but it is unlikely the creation of this position will be allowed.

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

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.
Current status	Uncorrected. See finding # 2017-001.
Reasons for this finding's recurrence	A corrective action plan was implemented at the end of the fiscal year 2016 audit (almost six months into fiscal year 2017) however, there were some expenditures prior to that time that were discovered mid-year fiscal 2017 which were not entered into the PnG system by a terminated employee. As a result, this finding has extended in fiscal year 2017.
Planned corrective action	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. In addition, a second qualified accountant was hired in September 2017 and even though the staffing is still sparse, the procedure is in place and being followed.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR 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.
Current status	Corrected

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

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.

Current status

Uncorrected. See finding # 2017-005.

Reasons for this finding's recurrence

Understaffing and time constraints have not allowed for a formal revision of the purchasing policy. However, the problem has been addressed by adding a link in the procurement system which takes the person creating the requisition directly to SAM.gov to confirm the vendor has not been suspended or debarred.

Planned corrective action

The purchasing policy will be updated to include the requirements of 2 CFR, Part 215 Subpart C.

(Continued)

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

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.
Current status	Uncorrected. See finding # 2017-004.
Reasons for this finding's recurrence	A corrective action plan was implemented at the end of the fiscal year 2016 audit (almost six months into fiscal year 2017) however, there were some expenditures prior to that time that were discovered mid-year fiscal 2017 which were not entered into the PnG system by a terminated employee. As a result, this finding has extended in fiscal year 2017.
Planned corrective action	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. In addition, a second qualified accountant was hired in September 2017 and even though the staffing is still sparse, the procedure is in place and being followed.