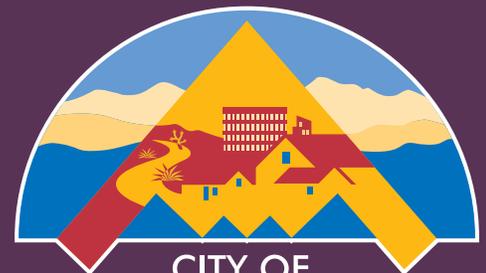




CRAIG RANCH
REGIONAL PARK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013
North Las Vegas, Nevada



**CITY OF
NORTH LAS VEGAS**

Your Community of Choice

**CITY OF
NORTH LAS VEGAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2013**

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

CITY OF NORTH LAS VEGAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Mayor
John Lee

Council Members
Anita G. Wood
Pamela A. Goynes-Brown
Wade W. Wagner
Isaac E. Barron



Interim City Manager
Jeffrey L. Buchanan

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

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

December 6, 2013

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, 2013, 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, 2013, 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 unqualified (clean) opinion that the City's basic financial statements for the fiscal year ended June 30, 2013, are presented fairly in all material respects in conformity with GAAP. The independent auditors' report on the basic financial statements is presented as the first component of the Financial Section of this report.

The independent audit of the basic financial statements of the City was part of a broader, federally-mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the City's compliance with certain provisions of laws, regulations, contracts, grant agreements and internal controls over both financial reporting and compliance.

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

Profile of the City of North Las Vegas

The City of North Las Vegas is located in Clark County, Nevada. With a population of approximately 223,491, the City ranks as the fourth largest city in the State of Nevada. The City was incorporated in 1946 and currently occupies 100.7 square miles and is approximately 43% built-out, with a majority of land remaining undeveloped. The City is empowered by State Statutes to extend its corporate limits by annexation, which it has done from time to time. The City boasts a cosmopolitan cultural diversity, living up to its motto of being "Your Community of Choice."

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

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

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

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

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

Local Economy

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

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

While it is positive that the Las Vegas Metro area unemployment rate has fallen to 10.1% in June 2013 compared to 11.8% in June 2012, it still reflects that a high level of the citizenry continues to struggle to find gainful employment. When compared to last year's results, however, it is heartening to note that employment appears to be on the rise. In fact, job gains exceeded job losses in excess of 19,000 last fiscal year, making it two consecutive years for growth at that level. This increase in employment activity in fiscal year 2013 represents the largest such increase since 2007.

The housing market, decimated during the Great Recession, is showing strong signs of returning to normalcy. As measured by the S&P Case-Shiller Home Price Index, home prices in the Las Vegas Metro area have experienced consistent, improving trends since November 2011, having recorded 17 consecutive months of increases on the index—a feat accomplished by only three other markets in the country during that period: Phoenix, Los Angeles, and San Francisco. Nationally, home prices are strengthening as well, with nearly no declines seen in any of the 20 markets measured on the index during the prime selling season of April to July. With these improvements in the real estate market, it follows that one would expect assessed valuation to improve, and indeed, it has. For the first time since the recession began, the City's estimated assessed valuation, published in the spring of each year by the Nevada Department of Taxation, has experienced a year-over-year increase, improving by 2.0% from \$3.99 billion in fiscal year 2012-2013 to \$4.07 billion in fiscal year 2013-2014.

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, be maintained in the General Fund. For several reasons, the most prominent being declining revenues, the City Council temporarily modified the aforementioned fund balance policy by enacting Resolution No. 2471 which required that the City produce a budget which would result in a General Fund ending fund balance of no less than 8% of General Fund expenditures. The change in General Fund balance during fiscal year 2013 was an increase in ending fund balance from 7.93% in fiscal year 2012 to 8.35% at the end of fiscal year 2013. The long term goal of the City Council is to return to the 18% fund balance minimum by building fund balance over time.

The City's rating from Standard & Poor's changed from A to BBB+ with a negative outlook. Moody's investors Service downgraded the City's indebtedness from Baa2 to Ba1, and Fitch Ratings downgraded the City from BBB to BB+ with a negative outlook. These actions by the rating agencies are primarily due to the continued economic weakness and persistent financial challenges facing the City.

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

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

Looking to the future, the City has taken action to balance the fiscal year 2014 budget. The most notable action taken was the suspension of certain collectively bargained compensation under NRS 288. The City continues to work with its employee bargaining groups in an effort to attain more savings through further employee concessions.

The Capital Improvement Plan (CIP) is a multi-year planning document that is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. The City Council adopted a FY 2014-18 CIP in excess of \$244.4 million, though it continually evaluates the financial condition of the City in order to ensure that the timing and scope of all projects are fiscally prudent.

Major initiatives

The North 5th Street Super-Arterial, a major, four-phase street project continues to progress. Portions of the project already completed include the widening and improving of the roadway from Owens Avenue to Carey Avenue. Currently under construction is an overpass crossing Interstate 15, with improvements North from Interstate 15 to Cheyenne Avenue to be completed in the near future. The total costs for all four phases are projected to be approximately \$89 million, and will significantly improve traffic flow in downtown North Las Vegas. This is the largest street improvement project the City has ever undertaken.

Construction of the Craig Ranch Regional Park (the Park) was near completion at June 30, 2013. The Park is approximately 170 acres in size and it features a 65,000-square-foot skate park, which is considered one of the largest skate parks in the United States. During 2011, the first phase of the Park's construction was completed which included the demolition of several existing structures, building a new maintenance facility, underground utilities, improving landscape, an addition of new parking lot space, lighting, picnic shelters, restrooms, trails, a children's adventure play area, and a five-acre dog park. The second phase included the construction of baseball fields, volleyball courts, basketball courts, four public plazas, a community garden, an additional parking lot, additional restrooms, an additional children's adventure play area, and the construction of the aforementioned skate park. On October 25, 2013, the Park opened to the public and the City expects approximately 750,000 people to use the Park annually.

The Las Vegas Wash Main Branch - Channel and Trail Improvement Project, a two-phase project (Phase I - Vegas Boulevard to Lake Mead Boulevard and Phase II - Civic Center Drive to Las Vegas Boulevard) was partially completed as of June 30, 2013. Phase II was substantially completed on May 29, 2013 and consists of approximately 1.42 miles of multipurpose pedestrian trail with lighting and landscaping including a trailhead at Cheyenne Avenue, pedestrian bridges over Las Vegas Boulevard and Cheyenne Avenue, and a pedestrian traffic signal on Civic Center Drive. Phase I was near completion at June 30, 2013, and consists of the removal and replacement of the bridge at Lake Mead Boulevard and Pecos Road. In addition, Phase I included approximately 1.15 miles of drainage channel improvements and a multipurpose pedestrian trail with lighting and landscaping.

As a result of the resurgence in the regional housing market, there has been a renewed interest in the development of the Park Highlands master planned community located on the northern edge of the City. Originally approved under a development agreement in 2006, the 2,675 acre master planned community is under new ownership and revisions to the development design are being negotiated with the City. In anticipation of this renewed development activity, the City recently entered into an agreement to upsize certain sewer mains serving the future Park Highlands master planned area. As currently proposed, this master planned community would include more than 13,000 housing units, mixed use commercial areas, parks, trails, schools and public facilities to provide for an estimated population at build out of approximately 43,000 people.

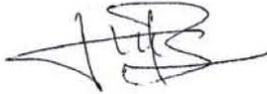
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2012. This was the 32nd 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,

Handwritten signature of Jeffrey L. Buchanan in black ink.

Jeffrey L. Buchanan, Interim City Manager

Handwritten signature of Darren Adair in black ink.

Darren Adair, Acting Finance Director



Government Finance Officers Association

**Certificate of
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Presented to

**City of North Las Vegas
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

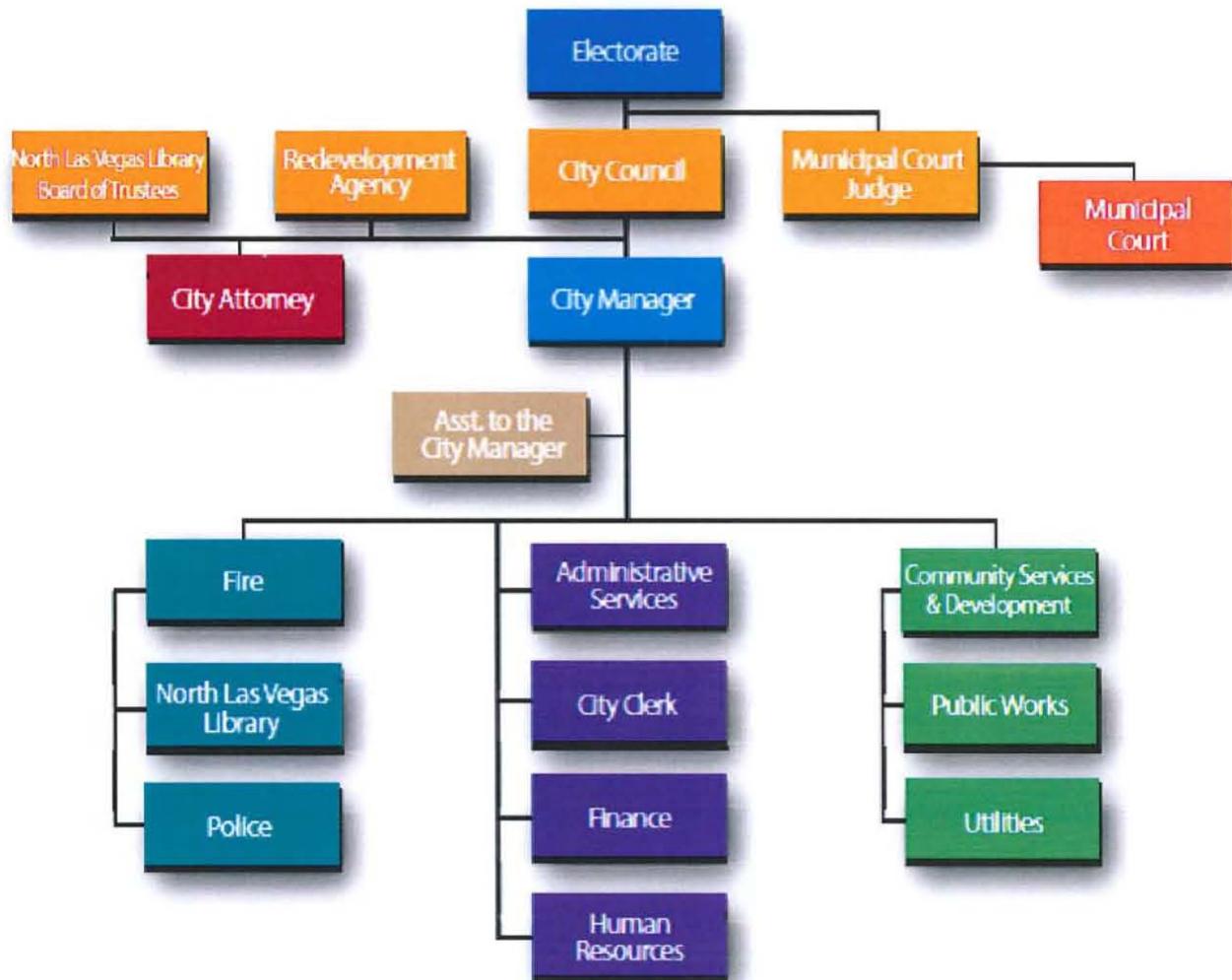
June 30, 2012

Executive Director/CEO

CITY OF NORTH LAS VEGAS

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2013



CITY OF NORTH LAS VEGAS

CITY OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2013

Elected Officials

Mayor	Shari L. Buck
Mayor Pro Tempore	Pamela A. Goynes-Brown
Council Member	Robert L. Eliason
Council Member	Anita G. Wood
Council Member	Wade W. Wagner
Municipal Judge	Catherine Ramsey
Municipal Judge	Sean Hoeffgen

Appointed Officials

City Manager	Timothy R. Hacker
City Attorney	Jeffrey F. Barr
Assistant to the City Manager	Timothy Colbert
Administrative Services Director	Alfonso Noyola
Chief of Police	Joseph Chronister
City Clerk	Karen L. Storms
Community Services and Development Director	Frank Fiori
Court Administrator	Cindy Marshall
Finance Director	Al Zochowski
Fire Chief	Jeffrey L. Buchanan
Human Resources Director	Austin Scaccia
Library Director	Kathy Pennell
Public Works Director	Qiong Liu
Utilities Director	Reed T. Scheppmann

FINANCIAL SECTION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Las Vegas (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 11-25 and 73-80 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 12, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 12, 2013

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. 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 on pages 1-5 of this report.

Financial Highlights

The City's total net position at June 30, 2013, is \$1.47 billion. Of this \$1.47 billion, \$1.17 billion is related to governmental activities, while \$307.27 million is related to its business-type activities.

The City's total assets increased by \$55.95 million, primarily due to its investment in capital assets. The City's total liabilities decreased by \$6.67 million, primarily due to principal repayments.

The City's capital assets, net of related debt, totaled \$1.34 billion; governmental activities contributed \$1.11 billion and business type activities contributed \$229.03 million.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$85.72 million, a decrease of \$4.21 million in comparison with the amount reported for the prior fiscal year. Of this amount, \$2.89 million is non spendable, \$70.29 million is restricted, \$1.85 million is committed and \$2.35 million is assigned. The remaining \$8.34 million is unassigned and therefore, available for spending at the government's discretion.

The general fund's ending fund balance is \$9.34 million at June 30, 2013, which represents 8.3% of total general fund expenditures. The City had a reserve policy of maintaining a fund balance of at least 18% and in the past, reserves consistently exceeded 19% of expenditures. However, the City's tax revenue has fallen sharply as a result of the recession and the City's tax base deterioration has been among the worst in the nation. The City's general fund property tax revenue has declined by 70% from a high of \$25.1 million in 2009 to \$7.6 million in 2013. Similarly, intergovernmental consolidated tax revenue declined by 27% from a high of \$54 million in 2006 to \$39.4 million in 2013. As a result of these declining revenues, the City Council temporarily lowered the reserve policy to 8% with the intent that ending fund balance be restored to the 18% level as soon as fiscal conditions allow.

The general fund's primary revenue sources are: intergovernmental consolidated taxes, which totaled \$39.43 million, franchise fees, which totaled \$15.77 million and licenses and permits, which totaled \$10.72 million. The City's licenses and permits includes building and engineering permits, which totaled \$3.16 million. Property taxes consist of ad valorem taxes on real and personal property and totaled \$7.54 million. The combination of the above four primary revenue sources represents nearly 85% of the general fund's total revenues for the year ended June 30, 2013. In addition to the aforementioned revenue sources for the general fund was the PILT transfer from the water and wastewater funds in the total amount of \$31.5 million.

The City's long-term liabilities decreased by a net \$5.46 million. Although the overall decrease, the City entered into an interlocal agreement in settlement of an ongoing dispute with Clark County regarding the discharge of effluent from the City's wastewater treatment facility into the Sloan Channel, which is owned by the County. Under the agreement, the City was required to pay Clark County \$8 million upon execution of the agreement and an additional \$7 million in quarterly installments beginning July 2013 through July 2022. The City's liability for compensated absences decreased by \$0.69 million to \$39.54 million. Additionally, the City's postemployment benefits other than pensions increased by \$1.37 million to \$10.21 million. And finally, debt principal repayments totaling \$12.69 million were made throughout the fiscal year.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

For the year ended June 30, 2013, the City's total revenues amounted to \$381.48 million. The primary revenue sources for the City were charges for services, which amounted to \$144.97 million, grants and contributions amounting to \$120.39 million, property taxes totaling \$48.83 million, intergovernmental consolidated taxes, which totaled \$39.43 million, and franchise fees amounting to \$15.77 million.

For the year ended June 30, 2013, the City's total expenditures/expenses amounted to \$317.67 million. The primary expenditure functions for the City were public safety at \$147.72 million, general government at \$51.86 million, wastewater activities at \$38.81 million, water activities at \$33.42 million and culture and recreation activities at \$13.30 million.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 27-30 of this report.

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Fund Financial Statements

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

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

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

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the public safety tax fund, and two capital project funds: parks and recreation projects and public safety projects, which are all considered to be major funds. Data from the remaining 14 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 and individual fund schedules, which can be found following the notes to the basic financial statements in this report.

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

The governmental fund financial statements can be found on pages 31-36 of this report.

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

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

The proprietary fund financial statements can be found on pages 37-41 of this report.

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

The fiduciary fund financial statement can be found on pages 42 and 121-125 of this report.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-72 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. A schedule of funding progress for the City's postemployment benefit plans is presented as required supplementary information and information concerning the City's business license fees is also presented. The required and other supplementary information can be found on pages 73-125 and the schedule of business licence fees can be found on page 149 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$1.47 billion at the close of the most recent fiscal year.

The largest portion of the City's net position (90.9%) reflects its investment in capital assets (*e.g.*, land, infrastructure, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (5.1%) represents resources that are subject to external restrictions on how they may be used, while 4.0% of the City's net position are unrestricted.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)
Assets						
Current, restricted and other	\$ 134,723,732	\$ 133,937,472	\$ 110,220,892	\$ 106,869,966	\$ 244,944,624	\$ 240,807,438
Capital	<u>1,267,097,325</u>	<u>1,206,507,236</u>	<u>517,006,723</u>	<u>525,781,902</u>	<u>1,784,104,048</u>	<u>1,732,289,138</u>
Total assets	<u>1,401,821,057</u>	<u>1,340,444,708</u>	<u>627,227,615</u>	<u>632,651,868</u>	<u>2,029,048,672</u>	<u>1,973,096,576</u>
Deferred outflows of resources	<u>14,553,581</u>	<u>15,188,647</u>	<u>59,853</u>	<u>111,156</u>	<u>14,613,434</u>	<u>15,299,803</u>
Liabilities						
Current	33,725,229	28,576,430	14,060,444	22,290,266	47,785,673	50,866,696
Long-term	<u>217,191,268</u>	<u>222,694,670</u>	<u>305,960,174</u>	<u>305,919,736</u>	<u>523,151,442</u>	<u>528,614,406</u>
Total liabilities	<u>250,916,497</u>	<u>251,271,100</u>	<u>320,020,618</u>	<u>328,210,002</u>	<u>570,937,115</u>	<u>579,481,102</u>
Net position						
Net investment in capital assets	1,109,705,374	1,035,550,177	229,033,516	226,097,835	1,338,738,890	1,261,648,012
Restricted	70,286,644	74,650,721	4,514,658	7,132,932	74,801,302	81,783,653
Unrestricted	<u>(14,533,877)</u>	<u>(5,838,643)</u>	<u>73,718,676</u>	<u>71,322,255</u>	<u>59,184,799</u>	<u>65,483,612</u>
Total net position	<u>\$ 1,165,458,141</u>	<u>\$ 1,104,362,255</u>	<u>\$ 307,266,850</u>	<u>\$ 304,553,022</u>	<u>\$ 1,472,724,991</u>	<u>\$ 1,408,915,277</u>

The primary restrictions on the City's net position relate to capital projects (\$31.90 million), public safety programs (\$22.43 million), and community assistance and support programs (\$12.78 million). The City's unrestricted net position totals \$59.18 million. For further details relating to the City's net position and restrictions thereon, please see the Statement of Net Position on pages 27-28 of this document.

The following Summary Statement of Changes in Net Position reflects the City's increase in net position of \$63.81 million. The increase in net position is primarily a result of the operation of the governmental-type activities, which increased net position by \$61.10 million. Business-type activities increased the City's net position by \$2.71 million.

Governmental-type revenues increased by \$17.39 million, caused primarily by a \$26.01 million increase in capital grant revenue related to construction of the new Craig Ranch Regional Park project. Additionally, intergovernmental and charges for services revenues were up \$1.87 million and \$1.10 million, respectively. Conversely, property tax and operating grant revenue fell by \$6.31 and \$3.74 million, respectively.

Governmental-type expenses decreased by \$13.65 million, most of which was related to public safety (\$12.98 million) due in large part to the shared services agreement for detention with the City of Las Vegas, which was effective near the beginning of fiscal year 2012-2013.

Business-type revenues increased by \$4.80 million dollars, with the most significant changes coming from increases to miscellaneous revenue, which increased by \$6.33 million dollars due primarily to the non-recurring usage of funding related to the Clean Water Coalition being utilized for the Sloan Channel agreement with Clark County, and charges for services, which increased by \$3.05 million. Conversely, operating and capital grants and contributions fell by \$4.61 million.

Business-type expenses increased by \$11.64 million, mostly in the wastewater function (\$12.19 million) due to operational costs of the new wastewater reclamation facility being fully chargeable to operations. During the prior year the facility was going through extensive testing, and as such, some costs which might normally have been charged to operating or non-operating expense were capitalized.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
		Restated		Restated		Restated
Revenues						
Program revenues						
Charges for services	\$ 51,745,682	\$ 50,648,813	\$ 93,220,117	\$ 90,171,134	\$ 144,965,799	\$ 140,819,947
Operating grants and contributions	19,871,431	23,609,657	3,116,042	6,127,457	22,987,473	29,737,114
Capital grants and contributions	91,544,553	65,538,503	5,857,325	7,460,413	97,401,878	72,998,916
General revenues						
Property taxes	48,831,490	55,137,022			48,831,490	55,137,022
Residential construction taxes	332,595	382,353			332,595	382,353
Room taxes	383,888	358,753			383,888	358,753
Franchise fees, based on gross receipts	15,769,356	16,142,005			15,769,356	16,142,005
Intergovernmental consolidated taxes	39,434,352	37,565,290			39,434,352	37,565,290
Other local government shared revenues	2,224,996	2,124,392			2,224,996	2,124,392
Unrestricted investment income	679,281	1,378,592	136,985	72,721	816,266	1,451,313
Gain on disposal of capital assets	204,150	316,407		23,860	204,150	340,267
Miscellaneous	1,767,227	2,199,961	6,362,108	36,782	8,129,335	2,236,743
Total revenues	272,789,001	255,401,748	108,692,577	103,892,367	381,481,578	359,294,115
Expenses						
General government	51,855,800	49,229,276			51,855,800	49,229,276
Judicial	9,496,348	10,521,037			9,496,348	10,521,037
Public safety	147,724,400	160,705,260			147,724,400	160,705,260
Public works	11,197,298	10,164,862			11,197,298	10,164,862
Culture and recreation	13,295,753	15,245,421			13,295,753	15,245,421
Community support	5,168,774	7,807,086			5,168,774	7,807,086
Interest expense and fiscal charges	4,388,732	3,106,240			4,388,732	3,106,240
Wastewater			38,806,095	26,615,574	38,806,095	26,615,574
Water			33,417,139	33,863,783	33,417,139	33,863,783
Municipal golf courses			2,321,525	2,422,211	2,321,525	2,422,211
Total expenses	243,127,105	256,779,182	74,544,759	62,901,568	317,671,864	319,680,750
Change in net position before transfers	29,661,896	(1,377,434)	34,147,818	40,990,799	63,809,714	39,613,365
Transfers	31,433,990	31,958,855	(31,433,990)	(31,958,855)		
Change in net position	61,095,886	30,581,421	2,713,828	9,031,944	63,809,714	39,613,365
Net position, beginning of year	1,104,362,255	1,073,780,834	304,553,022	295,521,078	1,408,915,277	1,369,301,912
Net position, end of year	<u>\$ 1,165,458,141</u>	<u>\$ 1,104,362,255</u>	<u>\$ 307,266,850</u>	<u>\$ 304,553,022</u>	<u>\$ 1,472,724,991</u>	<u>\$ 1,408,915,277</u>

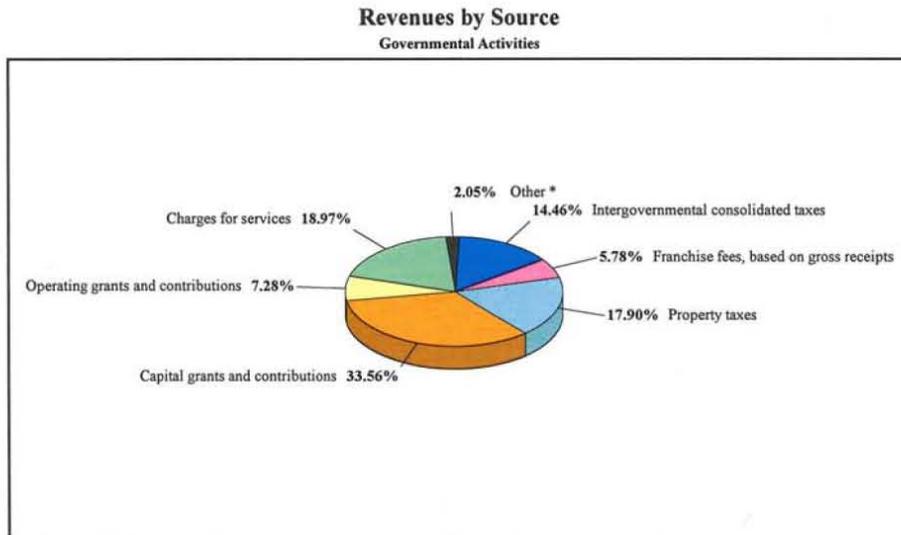
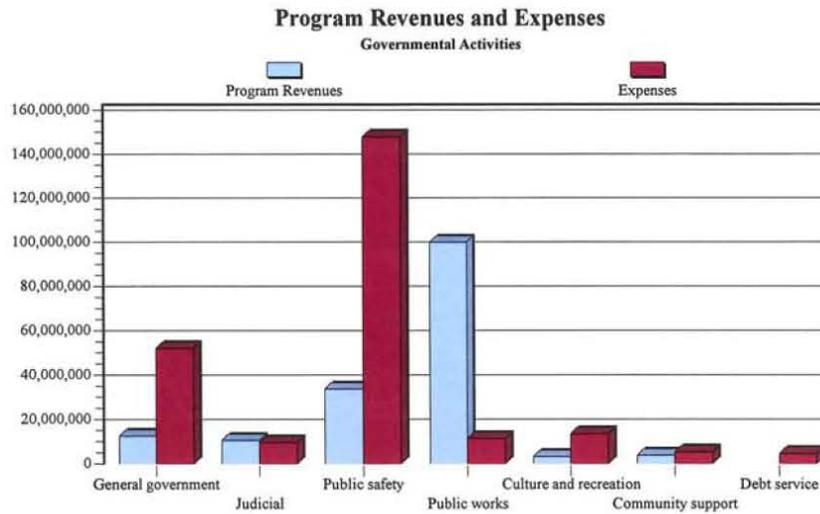
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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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



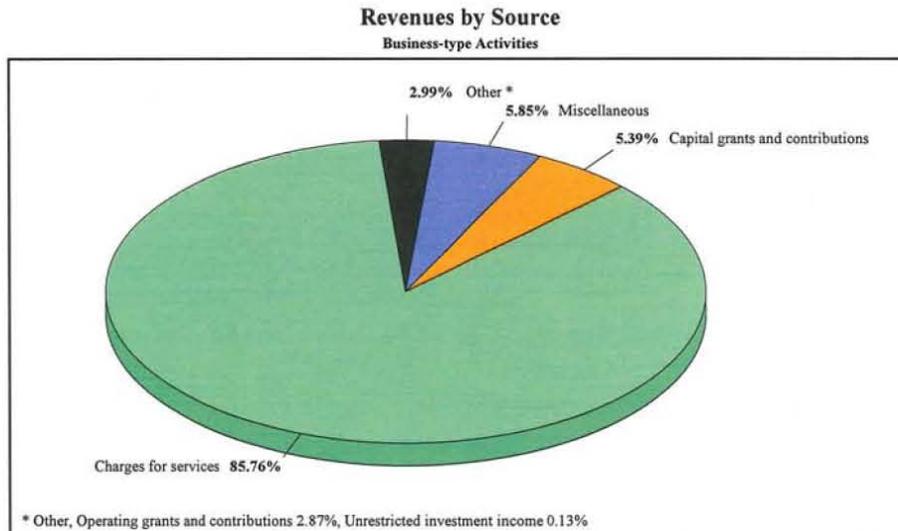
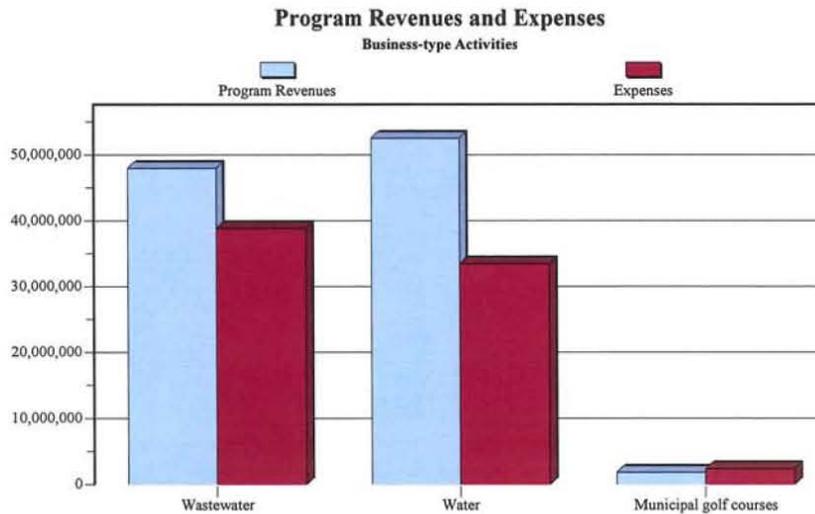
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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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



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, 2013

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$85.72 million, a decrease of \$1.5 million in comparison with the amount reported for the prior fiscal year. Of the ending fund balance, \$2.89 million is nonspendable as this amount represents land held for resale, inventories and prepaid items, which are not in a spendable form; \$70.29 million is restricted as amounts in this classification are restricted for specific purposes by external creditors, such as bondholders, grantors, laws and/or regulations of other governments; \$1.85 million is committed for specific purposes pursuant to City Council direction; \$2.35 million is assigned with the intent that these funds will be used for a specific purpose, but these funds are not restricted nor committed; and \$8.34 million is unassigned fund balance, which is available for spending at the City Council's discretion.

The City reports both major and nonmajor 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 in its fund type category, governmental or enterprise.

An individual fund reports at least 5% of the aggregated total for both governmental funds and enterprise funds of one of the items for which it met the 10% criterion.

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

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund's ending fund balance was \$9.34 million. Of this amount, \$0.23 million was nonspendable due to prepaid items, and \$0.17 was restricted for the unspent matching component of a number of grant related programs. Additionally, while not a matching component, some grant funded programs require funding beyond that which the grant itself or the matching component provide. The City, therefore, has committed an additional \$0.60 million of fund balance in order to ensure proper funding for such programs. Finally, as noted above, \$8.34 million is unassigned. As a measure of the general fund's liquidity, it may also be useful to compare fund balance to total fund expenditures. As such, fund balance represents 8.3% of total general fund expenditures.

The fund balance of the City's general fund increased by \$0.10 million during the fiscal year. Overall revenues, excluding transfers in, decreased by 0.6% (\$0.57 million) and transfers in decreased by 9.2%, (\$3.21 million) compared to the prior year.

Revenues directly related to population and assessed valuation, such as property taxes, decreased by \$0.95 million, or 11.2% during the current fiscal year. Property values have begun to increase, however, and it is expected that dropping property tax revenues are likely to be mitigated in the near future. The City's population growth continues, albeit more moderately than in the recent past, prior to the most recent recession.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Franchise fee revenues fell by \$0.37 million, or 2.3% in fiscal year 2012-2013, remaining relatively stable. License and permit revenues consists primarily of business license and building and engineering permits. Business licenses showed a modest increase of \$0.27 million or 3.8%, while development related permitting (building and engineering) experienced a strong increase of \$0.32 million, or 11.1%. This strong increase in development permitting is primarily attributable to the warming trend currently being experienced in the construction industry.

Charges for services revenues fell substantially during fiscal year 2012-2013, dropping by 22.2%, which amounted to a \$0.90 million decrease. This decrease was primarily the result of falling municipal court fees (decrease of \$0.32 million, or 20.4%), fire department transport fees (decrease of \$0.47 million, or 68.9%), and prisoner boarding fees (decrease of \$0.16 million, or 41.4%). Fire department transport fees decreased significantly during fiscal year 2012-2013 due to a change in the Fire Department's staffing level, resulting in an increase in private ambulance transport, while prisoner boarding fees continue the fall which began early in fiscal year 2010-2011, when the federal government began housing its prisoners, formerly housed at the City of North Las Vegas' detention center, at a new prison facility in Pahrump, Nevada.

The City's consolidated tax distribution (CTX) is the largest single revenue source in the general fund. In fiscal 2012-2013, it accounted for 45.3% of general fund revenue, when excluding transfers, and 33.2% when including transfers. CTX rose solidly over the prior year, increasing by \$1.87 million, or 5.0%. The consolidated tax distribution is collected by the State of Nevada and allocated to local governments based on statutory formulas, with sales and use taxes being the largest component (generally falling between 80% and 90% of the total). The increase in the consolidated tax distribution appears primarily attributable to the increase in consumer spending, as our local economy continues to recover.

Intergovernmental revenues, excluding consolidated tax, consist of grants and room and gaming tax received from the Las Vegas Convention and Visitors Authority. Overall this revenue source fell by \$0.19 million, or 7.4%, due primarily to a decrease in federal grant funding of \$0.28 million, as many federal grant programs have experienced general decreases in recent years. Room and gaming tax increases of \$0.10 million partially offset the loss in grant funding.

Fines and forfeitures, which consist almost exclusively of municipal court fines (over 98% in fiscal 2012-2013) saw a modest increase of \$0.15 million, or 2.4%, as this court activity remained relatively stable.

Overall expenditures for the general fund, including transfers out, decreased by \$2.42 million, or 2.0%, as cost cutting measures have stabilized to a large degree with the City having reached expenditure and staffing levels which are the reflection of significant austerity measures over the past several years. Of note is that salaries and related benefits accounted for approximately 76.4% of the general fund's expenditures in the fiscal year 2012-2013.

The public safety tax fund had a total ending fund balance of \$2.17 million at the end of fiscal 2012-2013. Of that balance, \$8,471 was nonspendable as it pertained to prepaid items. The remaining \$2.16 million of ending fund balance was restricted for the expenditure of additional public safety support with respect to police and detention activities pursuant to voter approved tax overrides. Tax revenues for this fund decreased by approximately 9.6% and expenditures decreased by 11.2%. Primarily contributing to this expense reduction was the interlocal agreement with the City of Las Vegas resulting in a combined detention operation between the two cities. Also contributing was attrition, to the extent positions which were voluntarily vacated were not immediately filled.

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

The parks and recreation project fund is utilized to fund and track capital improvements related to the City's park facilities. This fund became a major fund in fiscal year 2012-2013 as a result of substantial increase in construction activity at Craig Ranch Regional Park as that project was brought nearly to completion by the end of the fiscal year. The parks and recreation project fund balance at the end of the fiscal year 2012-2013 was \$1.60 million, all of which was restricted for park related construction projects. Revenue for the fund totaled \$40.97 million, excluding transfers in, which represented an increase of \$28.90 million from the prior year. This increase consisted almost entirely of grants from the Bureau of Land Management to fund the aforementioned construction of Craig Ranch Regional Park. Expenditures in the fund nearly mirrored revenue, at \$41.05 million, as would be expected in a fund where grants are the primary revenue source.

The public safety projects fund is utilized to fund projects which enhance public safety. Such projects include, not only traditional public safety projects related to police and fire protection, but also include projects related to traffic safety and flood control. The public safety project fund also became a major fund in fiscal year 2012-2013 as a result of substantial flood control projects coming online. The public safety projects fund had an ending fund balance at the end of fiscal year 2012-2013 of \$8.04 million, all of which was restricted for public safety capital projects. Revenue for the fund totaled \$29.63 million, excluding transfers in, which represented an increase of \$27.51 million from the prior year. This increase consisted almost entirely of grants from the Clark County Regional Flood Control District to fund the aforementioned flood control projects. Expenditures in the fund nearly mirrored revenue, at \$29.24 million, as would be expected in a fund where grants are the primary revenue source. These expenditures were almost entirely dedicated to the construction of flood control systems within the City.

Proprietary Funds

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

Operating revenues of the City's water and wastewater business type activities increased by \$9.50 million, or 10.8% (\$97.68 million in 2013 compared to \$88.18 million in 2012). Likewise, operating expenses, excluding transfers out, increased by \$4.19 million, or 8.1%. Transfers out to the City's general fund for payment in lieu of taxes (PILT) was reduced from \$32.0 million in fiscal year 2011-2012 to \$31.5 million in fiscal year 2012-2013. Further information regarding these changes in revenues and expenses for the water and wastewater operations are as follows:

The water enterprise fund had an overall increase in net position of \$2.52 million due to various increases and decreases in this year's operations as noted in the following paragraphs.

Water utility fees increased 5.6%, or \$2.54 million during this fiscal year. This increase is due to a 3% rate increase and an increase in new accounts. This year the City saw an increase in new development which increased connection fee revenues by 182.45%, or \$0.96 million.

Operating expenses of the water enterprise fund decreased nearly 1% to \$32.39 million compared to the prior fiscal year. Expenses for salaries, related benefits and services and supplies decreased by 0.6%. Purchases of water during the fiscal year from the City's purveyor, Southern Nevada Water Authority, decreased by 7.7% and expenses for depreciation decreased by 1.6%. The decrease in water purchase costs is attributable to management's decision to increase the amount of required water pumped from City-owned wells from 2%-4% in fiscal year 2011-2012 to approximately 10% in fiscal year 2012-2013, thus reducing the amount of water purchased from Southern Nevada Water Authority.

Additionally, capital contributions decreased by \$2.43 million and transfers out decreased by \$4.70 million during fiscal year 2012-2013 compared to the prior year. The City's capital contributions consist primarily of infrastructure that's paid for and constructed by developers.

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CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

The wastewater enterprise fund had an overall decrease in net position of \$1.61 million due to various increases and decreases in this year's operations as noted in the following paragraphs.

Wastewater utility fees increased by \$1.16 million, or 3.3% for the fiscal year. This increase is due to a 3% rate increase during the year and an increase in new service accounts during the year. Since the City's wastewater fee structure is substantially based on actual water consumptions, the increase in demand for water services ultimately results in increased wastewater to treat.

Non-operating revenues primarily consist of intergovernmental revenues, which increased by \$0.38 million as a result of the additional sales and use taxes collected. Investment interest earnings increased from \$72,721 to \$136,985.

Operating expenses of the wastewater enterprise fund increased by \$4.45 million, or 23.5% to \$23.37 million. Salaries and related benefits expenses increased by 42.8%. This increase is due to the wastewater reclamation facility (WRF) being fully operational and additional staff added to operate the facility. Services and supplies increased by \$3.18 million, or 75% and these increases are mainly due to the operation of the WRF.

Non-operating expenses consist of interest and bond issuance costs, which increased by \$7.65 million, or 102%. This increase is due to the completion of the WRF and interest expense that was being capitalized in prior years is now being expensed.

General Fund Budget

During the fiscal year, there was a \$0.69 million decrease in appropriations between the original and final amended budget, \$0.46 million was due to a procedural accounting change for the replacement of motor vehicles. The original revenue budget was increased \$0.06 million as some departments received additional reimbursement for services provided. Transfers in were also reduced by \$0.45 million as a result of the procedural change on the purchases of replacement vehicles.

Revenues for the general fund came in under budget by \$4.11 million, compared to the final amended budget. This was mostly due to an increase in the budget from the prior year, as it was anticipated that the judicial function fees and fines collections would increase; however, collection activities for fiscal year 2012-2013 for the judicial function remained relatively stable and the increase in revenue did not materialize, thus accounting for a \$2.10 million shortfall. Also, overall fire department fees came in under budget by approximately \$0.53 million, mostly attributable to the reduction in staffing levels, resulting in an increase in private ambulance transport. And lastly, investment interest earnings came in under budget by nearly \$0.60 million.

Expenditures for the general fund came in under budget by \$3.46 million, compared to the final amended budget. This was mostly due to savings in the general government function of salaries and wages and supplies and services amounting to \$1.20 million. Additionally, there were overtime savings totaling \$1.04 for the public safety function and lastly, the culture and recreation function achieved overall savings amounting to \$0.51 million. Further details relating to the general fund budget can be found on pages 75-78 of this report.

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$1.78 billion (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, infrastructure, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 2.99%.

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

\$9.42 million in infrastructure capital assets constructed by developers and contributed to the City.

\$41.05 million expended from the capital projects parks and recreation fund primarily related to the construction of the Craig Ranch Regional Park and for other capital improvements to various parks and recreation buildings and facilities within the City limits.

\$15.62 million expended from the capital projects street improvements fund primarily related to the ongoing construction of the North 5th Street Corridor Project, which will provide for a high-volume north-south super arterial roadway.

\$30.48 million expended from the capital projects public safety fund primarily related to the construction improvements of flood control facilities, including pipes, culverts, channels, energy dissipators, channel structures, channel access, storm drain inlets and laterals and other appurtenances as required.

\$1.97 million expended from the capital projects municipal building facilities fund primarily related to the upgrade of the City's Oracle E-Business Suite financial software, including upgrade of the City's hardware mainly located in City Hall.

Additional information on the City's capital assets can be found in Note 3 on pages 56-57 of this report.

Long-term Debt

At the end of the current fiscal year, the total outstanding bonded debt of the City was \$467.56 million. Of this amount, \$458.83 million comprises debt backed by the full faith and credit of the government and \$8.73 million is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment.

The City's total bonded debt outstanding decreased by \$5.69 million, or 1.29% during the current fiscal year. Although the City entered into a new debt obligation totaling \$7 million, bond repayments for the fiscal year totaled \$12.69 million.

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

The City's rating from Standard & Poor's changed from "A" to "BBB+" with a negative outlook. Moody's investors Service downgraded the City's indebtedness from "Baa2," to "Ba1" and Fitch Ratings downgraded the City from "BBB" to "BB+" with a negative outlook. These actions by the rating agencies are primarily due to the City's continued fiscal challenges driven by a steep drop in general fund revenues, coupled with costly long-term labor contracts. The City and region's economy were among the hardest hit by the collapse of the housing market, resulting in a combined assessed valuation decline of 52% over the last four years. 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 \$690.75 million, which is significantly in excess of the City's actual outstanding net general obligation debt of \$449.02 million.

Additional information on the City's long term debt can be found in Note 3 on pages 58-64 of this report.

Next Year's Budget

As expenditures continue to outpace revenues, the City has been implementing a number of cost saving actions in order to continue its prudent fiscal management and avoid the need to raise taxes or service charges over the next few years. Such actions over the past five years have included: the elimination of vacant positions, implementation of a hiring freeze, budget reduction programs, layoffs and voluntary separation packages. In addition, a number of capital improvement projects have been delayed, cancelled, or face a reduction in project scope.

Near the end of the fiscal year, after negotiations failed to yield concessions from bargaining units for the coming fiscal year, the City Council took action to close the \$18.82 million budget gap to ensure that a balanced budget was presented for fiscal year 2013-2014. The most notable action taken was the suspension of all collectively bargained compensation provisions under NRS 288.

In looking to the future, the City has reduced the FY 2013-14 general fund budgeted revenues by \$2.33 million for a total of \$120.61 million from the FY 2012-13 budget. Likewise, the City has reduced the FY 2013-14 budgeted appropriations by \$2.14 million for a total of \$120.21 million. The City continues to try to work with its employee bargaining groups in an effort to attain more savings through further employee concessions.

The City's adopted operating budget for FY 2013-14 is currently at \$349.02 million and the adopted capital improvement plan for FY 2013-14 is \$83.87 million; however, a number of capital projects continue to be deferred until such time as the economy improves.

Property tax revenues account for approximately 6.1% of general fund revenues. During fiscal year 2005, the State of Nevada enacted legislation that provided for a partial abatement of property taxes going forward. The level of abatement is based on the type and use of the property, but generally, if the property is a primary residence, then the abatement is the amount of taxes that exceeded the prior year's tax bill plus 3%.

Workers' Compensation Issue

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

(Continued)

CITY OF NORTH LAS VEGAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

Post-Employment Benefits Other Than Pensions

The City was required on July 1, 2007, to implement GASB (Governmental Accounting Standards Board) Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions*. The purpose of GASB Statement No. 45 is to require the accrual of liabilities and expenses of other post employment benefits, such as healthcare, generally over the working career of plan members, rather than on a pay-as-you-go basis, which was the City's past practice. As such, the City had an actuarial study performed and as of June 30, 2013, the City's net OPEB obligation was \$10.21 million.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of North Las Vegas, 2250 Las Vegas Boulevard North, Suite 710, North Las Vegas, Nevada, 89030-5875.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF NORTH LAS VEGAS

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 90,787,190	\$ 50,413,893	\$ 141,201,083
Cash, cash equivalents and investments, designated for specific purposes	2,112,799		2,112,799
Cash, cash equivalents and investments, restricted	1,910,874	7,838,128	9,749,002
Accounts receivable, net	5,897,627	14,570,319	20,467,946
Grants receivable	15,058,026		15,058,026
Property taxes receivable	1,388,589		1,388,589
Special assessments receivable	100,551		100,551
Interest receivable	20,875		20,875
Due from other governments	11,000,103	99,780	11,099,883
Inventories	239,076	3,107,064	3,346,140
Prepaid land lease, net of amortization		22,625,000	22,625,000
Other prepaid items	448,042	155,717	603,759
Refundable deposits		14,563,677	14,563,677
Property held for resale	2,607,294		2,607,294
Internal balances	3,152,686	(3,152,686)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	236,293,969	16,987,054	253,281,023
Land	190,388,973	15,577,693	205,966,666
Buildings and building improvements	178,304,383	81,070,550	259,374,933
Improvements other than buildings	54,466,327	46,253,301	100,719,628
Infrastructure	599,269,158	352,365,939	951,635,097
Machinery, equipment and software	8,374,515	4,752,186	13,126,701
Total assets	1,401,821,057	627,227,615	2,029,048,672
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	14,553,581	59,853	14,613,434
LIABILITIES			
Accounts payable and other accrued expenses	21,155,765	1,983,374	23,139,139
Accrued salaries and benefits	6,757,537	695,334	7,452,871
Due to other governments	1,373,731	4,926,989	6,300,720
Customer deposits	52,242	3,943,526	3,995,768
Unearned revenue	2,180,577	33,127	2,213,704
Interest payable	2,205,377	2,478,094	4,683,471
Long-term liabilities, due within one year			
Bonds and notes payable	4,990,000	7,837,000	12,827,000
Compensated absences	5,803,700	540,052	6,343,752
Long-term liabilities, due in more than one year			
Bonds and notes payable, net of unamortized premiums and discounts	165,815,480	294,757,309	460,572,789
Compensated absences	30,367,733	2,825,813	33,193,546
Postemployment benefits other than pensions	10,214,355		10,214,355
Total liabilities	250,916,497	320,020,618	570,937,115

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,109,705,374	229,033,516	1,338,738,890
Restricted for			
Debt service	3,249,642		3,249,642
Buildings and facilities projects	7,791,022		7,791,022
Street improvements projects	6,198,032		6,198,032
Other capital projects	13,394,365	4,514,658	17,909,023
Police, fire and other public safety programs and projects	22,431,745		22,431,745
Parks, cultural and other recreational programs	1,600,083		1,600,083
Library district operations	736,876		736,876
Courts and other judicial programs	2,081,987		2,081,987
Community assistance and support programs	12,783,789		12,783,789
Other	19,103		19,103
Unrestricted	<u>(14,533,877)</u>	<u>73,718,676</u>	<u>59,184,799</u>
Total net position	<u>\$ 1,165,458,141</u>	<u>\$ 307,266,850</u>	<u>\$ 1,472,724,991</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

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	\$ 51,855,800	\$ 12,001,422	\$ 501,529	\$	\$ (39,352,849)	\$	\$ (39,352,849)
Judicial	9,496,348	10,446,582			950,234		950,234
Public safety	147,724,400	21,124,279	12,331,475	197,088	(114,071,558)		(114,071,558)
Public works	11,197,298	4,751,577	3,746,332	91,347,465	88,648,076		88,648,076
Culture and recreation	13,295,753	2,874,363	217,843		(10,203,547)		(10,203,547)
Community support	5,168,774	547,459	3,074,252		(1,547,063)		(1,547,063)
Debt service							
Interest expense and fiscal charges	4,388,732				(4,388,732)		(4,388,732)
Total governmental activities	<u>243,127,105</u>	<u>51,745,682</u>	<u>19,871,431</u>	<u>91,544,553</u>	<u>(79,965,439)</u>		<u>(79,965,439)</u>
Business-type activities							
Wastewater	38,806,095	40,239,867	3,116,042	4,576,551		9,126,365	9,126,365
Water	33,417,139	51,188,315		1,280,774		19,051,950	19,051,950
Municipal golf courses	2,321,525	1,791,935				(529,590)	(529,590)
Total business-type activities	<u>74,544,759</u>	<u>93,220,117</u>	<u>3,116,042</u>	<u>5,857,325</u>		<u>27,648,725</u>	<u>27,648,725</u>
Total function/program	<u>\$ 317,671,864</u>	<u>\$ 144,965,799</u>	<u>\$ 22,987,473</u>	<u>\$ 97,401,878</u>	<u>\$ (79,965,439)</u>	<u>27,648,725</u>	<u>(52,316,714)</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	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
GENERAL REVENUES						
Property taxes				48,831,490		48,831,490
Residential construction taxes				332,595		332,595
Room taxes				383,888		383,888
Franchise fees, based on gross receipts				15,769,356		15,769,356
Intergovernmental consolidated taxes				39,434,352		39,434,352
Other local government shared revenues				2,224,996		2,224,996
Unrestricted investment income				679,281	136,985	816,266
Gain on disposal of capital assets				204,150		204,150
Miscellaneous				1,767,227	6,362,108	8,129,335
Total general revenues				109,627,335	6,499,093	116,126,428
Transfers				31,433,990	(31,433,990)	
CHANGE IN NET POSITION				61,095,886	2,713,828	63,809,714
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				1,111,591,619	311,070,074	1,422,661,693
Adjustment				(7,229,364)	(6,517,052)	(3,109,666)
NET POSITION BEGINNING OF YEAR, AS ADJUSTED				1,104,362,255	304,553,022	1,408,915,277
NET POSITION, END OF YEAR				\$ 1,165,458,141	\$ 307,266,850	\$ 1,472,724,991

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NORTH LAS VEGAS

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2013

	Special Revenue Fund		Capital Projects Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Tax	Parks and Recreation Projects	Public Safety Projects		
ASSETS						
Cash, cash equivalents and investments	\$ 2,270,200	\$ 3,787,017	\$ 183,797	\$ 7,562,810	\$ 59,757,581	\$ 73,561,405
Accounts receivable, net	4,355,167	7,410	25,973	30,227	1,216,125	5,634,902
Grants receivable	34,525		5,807,485	5,812,638	3,403,378	15,058,026
Property taxes receivable	426,335	620,306			341,948	1,388,589
Interest receivable					20,875	20,875
Special assessments receivable					100,551	100,551
Prepaid items	231,430	8,471			36,145	276,046
Due from other governments	7,735,564				3,264,539	11,000,103
Inventories					3,326	3,326
Property held for resale					2,607,294	2,607,294
Total assets	\$ 15,053,221	\$ 4,423,204	\$ 6,017,255	\$ 13,405,675	\$ 70,751,762	\$ 109,651,117
LIABILITIES						
Accounts payable and other accrued liabilities	\$ 743,162	\$ 22,846	\$ 4,402,738	\$ 5,351,499	\$ 2,487,869	\$ 13,008,114
Accrued salaries and benefits	4,284,868	1,143,993	14,435	14,110	1,004,904	6,462,310
Due to other funds	253,292	70,892			56,322	380,506
Due to other governments	275,915	681,300			290,796	1,248,011
Customer deposits	43,202				7,593	50,795
Unearned revenue	16,813				2,163,764	2,180,577
Total liabilities	5,617,252	1,919,031	4,417,173	5,365,609	6,011,248	23,330,313
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	97,025	335,643			173,067	605,735
Total liabilities and deferred inflows of resources	5,714,277	2,254,674	4,417,173	5,365,609	6,184,315	23,936,048

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

**GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2013**

	Special Revenue Fund		Capital Projects Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Tax	Parks and Recreation Projects	Public Safety Projects		
FUND BALANCES						
Nonspendable						
Inventories					3,326	3,326
Prepaid items	231,430	8,471			36,145	276,046
Land held for resale					2,607,294	2,607,294
Restricted for						
Debt service					3,249,644	3,249,644
Buildings and facilities projects					7,791,018	7,791,018
Street improvements projects					6,198,015	6,198,015
Other capital projects					13,394,361	13,394,361
Police, fire and other public safety programs and projects	170,576	2,160,059		8,040,066	12,061,028	22,431,729
Parks, cultural and other recreational programs			1,600,082			1,600,082
Library district operations					736,877	736,877
Courts and other judicial programs					2,081,986	2,081,986
Community assistance and support programs					12,783,793	12,783,793
Other					19,103	19,103
Committed to						
Debt service					5,226	5,226
Buildings and facilities projects					684,399	684,399
Other capital projects					9	9
Police, fire and other public safety programs and projects	596,200					596,200
Parks, cultural and other recreational programs					308,799	308,799
Community assistance and support programs					251,433	251,433
Assigned to						
Other capital projects					940,274	940,274
Police, fire and other public safety programs and projects					393,672	393,672
Parks, cultural and other recreational programs					1,001,742	1,001,742
Other					19,303	19,303
Unassigned	<u>8,340,738</u>					<u>8,340,738</u>
Total fund balances	<u>9,338,944</u>	<u>2,168,530</u>	<u>1,600,082</u>	<u>8,040,066</u>	<u>64,567,447</u>	<u>85,715,069</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,053,221</u>	<u>\$ 4,423,204</u>	<u>\$ 6,017,255</u>	<u>\$ 13,405,675</u>	<u>\$ 70,751,762</u>	<u>\$ 109,651,117</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, 2013

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 85,715,069
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	\$ 1,675,576,511	
Less accumulated depreciation	<u>(409,619,238)</u>	1,265,957,273
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	(168,171,700)	
Unamortized premiums and discounts	(2,633,780)	
Unamortized deferred refunding charges	14,553,581	
Compensated absences payable	<u>(35,678,250)</u>	(191,930,149)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(2,205,377)</u>	(2,205,377)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>605,735</u>	605,735
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	4,193,342	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	2,707,112	
Internal service fund balance receivable from business-type activities from current year activity	<u>415,136</u>	7,315,590
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,165,458,141</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, 2013

	Special Revenue Fund		Capital Projects Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Public Safety Tax	Parks and Recreation Projects	Public Safety Projects		
REVENUES						
Property taxes	\$ 7,537,599	\$ 28,331,500			\$ 13,291,718	\$ 49,160,817
Residential construction taxes					332,595	332,595
Room taxes					383,888	383,888
Franchise fees	15,769,356					15,769,356
Licenses and permits	10,722,526					10,722,526
Special assessments					2,202,185	2,202,185
Charges for services	3,146,630				2,222,593	5,369,223
Intergovernmental consolidated taxes	39,434,352					39,434,352
Intergovernmental	2,342,535		40,968,699	29,586,129	33,733,441	106,630,804
Fines and forfeitures	6,799,910				735,641	7,535,551
Contributions	821			42,646	62,865	106,332
Rents and royalties	480,523				77,333	557,856
Investment income	139,959				55,565	195,524
Miscellaneous	577,145	7,157			1,176,315	1,760,617
Total revenues	<u>86,951,356</u>	<u>28,338,657</u>	<u>40,968,699</u>	<u>29,628,775</u>	<u>54,274,139</u>	<u>240,161,626</u>
EXPENDITURES						
Current						
General government	18,686,234				420,382	19,106,616
Judicial	7,799,232				702,433	8,501,665
Public safety	75,134,666	29,727,983		1,237,185	16,632,427	122,732,261
Public works	2,480,513				6,081,270	8,561,783
Culture and recreation	6,275,643		1,493,340		4,813,077	12,582,060
Community support	1,513,325				3,372,727	4,886,052
Total current	<u>111,889,613</u>	<u>29,727,983</u>	<u>1,493,340</u>	<u>1,237,185</u>	<u>32,022,316</u>	<u>176,370,437</u>
Capital outlay						
General government	3,849				1,843,632	1,847,481
Public safety				29,240,054	1,595,121	30,835,175
Public works					13,064,578	13,064,578
Culture and recreation			39,559,209			39,559,209
Community support					2,076,339	2,076,339
Total capital outlay	<u>3,849</u>		<u>39,559,209</u>	<u>29,240,054</u>	<u>18,579,670</u>	<u>87,382,782</u>
Debt service						
Principal payments					5,928,600	5,928,600
Interest and fiscal charges					3,246,669	3,246,669
Total debt service					<u>9,175,269</u>	<u>9,175,269</u>
Total expenditures	<u>111,893,462</u>	<u>29,727,983</u>	<u>41,052,549</u>	<u>30,477,239</u>	<u>59,777,255</u>	<u>272,928,488</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(24,942,106)</u>	<u>(1,389,326)</u>	<u>(83,850)</u>	<u>(848,464)</u>	<u>(5,503,116)</u>	<u>(32,766,862)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal	115,151	23,556			42,609	181,316
Transfers in	31,822,119	590,402	424,000	1,660,000	11,926,515	46,423,036
Transfers out	(6,896,562)	(1,323,941)			(9,828,576)	(18,049,079)
Total other financing sources (uses)	<u>25,040,708</u>	<u>(709,983)</u>	<u>424,000</u>	<u>1,660,000</u>	<u>2,140,548</u>	<u>28,555,273</u>

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Funds		Aggregate Other Governmental Funds	Total Governmental Funds
		Public Safety Tax	Parks and Recreation Projects	Public Safety Projects		
CHANGE IN FUND BALANCE	<u>98,602</u>	<u>(2,099,309)</u>	<u>340,150</u>	<u>811,536</u>	<u>(3,362,568)</u>	<u>(4,211,589)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	9,180,610	4,087,849	1,259,932	7,228,530	65,459,780	87,216,701
Adjustment	<u>59,732</u>	<u>179,990</u>			<u>2,470,235</u>	<u>2,709,957</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>9,240,342</u>	<u>4,267,839</u>	<u>1,259,932</u>	<u>7,228,530</u>	<u>67,930,015</u>	<u>89,926,658</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,338,944</u>	<u>\$ 2,168,530</u>	<u>\$ 1,600,082</u>	<u>\$ 8,040,066</u>	<u>\$ 64,567,447</u>	<u>\$ 85,715,069</u>

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, 2013

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ (4,211,589)
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	\$ 93,375,899	
Less current year depreciation	(39,512,734)	
Gain (loss) on disposal of capital assets	<u>(17,537)</u>	53,845,628
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Capital asset contributions	6,946,615	
Change in unavailable revenue	<u>(329,327)</u>	6,617,288
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued		
Debt principal repayments	<u>5,945,251</u>	5,945,251
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	818,318	
Amortization of debt premiums and discounts	195,078	
Amortization of deferred refunding charges	(635,065)	
Change in accrued interest	<u>(718,727)</u>	(340,396)
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	(1,175,432)	
The internal service funds change in net position related to business-type activities	<u>415,136</u>	<u>(760,296)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 61,095,886</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2013

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Wastewater Utility	Water Utility			
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 13,647,338	\$ 35,834,306	\$ 932,249	\$ 50,413,893	\$ 17,225,785
Cash, cash equivalents and investments, designated for specific purposes					2,112,799
Accounts receivable, net	7,348,169	7,217,954	4,196	14,570,319	262,725
Prepaid items	95,728	59,196	793	155,717	171,996
Prepaid land lease, current portion, net of amortization	500,000			500,000	
Due from other funds					414,977
Due from other governments	99,780			99,780	
Inventories	299,313	2,729,995	77,756	3,107,064	235,750
Restricted assets					
Cash, cash equivalents and investments	4,969,951	2,868,177		7,838,128	1,910,874
Total current assets	26,960,279	48,709,628	1,014,994	76,684,901	22,334,906
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	14,511,672	2,407,399	67,983	16,987,054	80,030
Land	12,514,647	2,434,299	628,747	15,577,693	
Buildings and building improvements	75,744,101	3,691,972	1,634,477	81,070,550	282,215
Improvements other than buildings	25,793,191	16,824,886	3,635,224	46,253,301	96,834
Infrastructure	260,428,761	91,937,178		352,365,939	
Machinery, equipment and software	3,970,046	770,454	11,686	4,752,186	680,973
Total capital assets, net of accumulated depreciation and amortization	392,962,418	118,066,188	5,978,117	517,006,723	1,140,052
Other assets					
Prepaid land lease, net of current portion and amortization	22,125,000			22,125,000	
Refundable deposits	14,561,247		2,430	14,563,677	
Total other assets	36,686,247		2,430	36,688,677	
Total noncurrent assets	429,648,665	118,066,188	5,980,547	553,695,400	1,140,052
Total assets	456,608,944	166,775,816	6,995,541	630,380,301	23,474,958
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized deferred refunding charges		59,853		59,853	
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	540,308	1,301,100	141,966	1,983,374	8,147,651
Accrued salaries and benefits	261,221	424,020	10,093	695,334	295,227
Due to other funds	11,327	18,746	365	30,438	4,033
Due to other governments	1,154,369	3,772,620		4,926,989	125,720
Customer deposits	65,540	3,877,301	685	3,943,526	1,447
Unearned revenue	1,730		31,397	33,127	
Compensated absences	167,971	371,523	558	540,052	79,131
Interest payable	2,295,801	182,293		2,478,094	
Bonds and notes payable	4,168,050	3,668,950		7,837,000	
Total current liabilities	8,666,317	13,616,553	185,064	22,467,934	8,653,209

(Continued)

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2013

	Business-type Activities				Governmental
			Aggregate Other	Total Enterprise	Internal Service
	Wastewater Utility	Water Utility	Enterprise Funds		
Noncurrent liabilities					
Compensated absences	878,907	1,943,988	2,918	2,825,813	414,052
Postemployment benefits other than pensions					10,214,355
Bonds and notes payable	277,396,000	14,158,000		291,554,000	
Unamortized bond premiums	<u>2,690,427</u>	<u>512,882</u>		<u>3,203,309</u>	
Total noncurrent liabilities	<u>280,965,334</u>	<u>16,614,870</u>	<u>2,918</u>	<u>297,583,122</u>	<u>10,628,407</u>
Total liabilities	<u>289,631,651</u>	<u>30,231,423</u>	<u>187,982</u>	<u>320,051,056</u>	<u>19,281,616</u>
NET POSITION					
Net investment in capital assets	123,269,189	99,786,209	5,978,118	229,033,516	1,140,052
Restricted for					
Capital projects	4,514,658			4,514,658	
Unrestricted	<u>39,193,446</u>	<u>36,818,037</u>	<u>829,441</u>	<u>76,840,924</u>	<u>3,053,290</u>
Total net position	<u>\$ 166,977,293</u>	<u>\$ 136,604,246</u>	<u>\$ 6,807,559</u>	310,389,098	<u>\$ 4,193,342</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>(3,122,248)</u>	
Net position of business-type activities				<u>\$ 307,266,850</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, 2013

	Business-type Activities				Governmental
			Aggregate Other	Total Enterprise	Internal Service
	Wastewater	Water Utility	Enterprise		
	Utility	Funds	Funds	Funds	Funds
OPERATING REVENUES					
Utility fees	\$ 36,178,261	\$ 47,108,554	\$	\$ 83,286,815	\$
Construction fees	252,362	240,769		493,131	
User fees			1,791,915	1,791,915	
Connection fees	1,271,790	722,234		1,994,024	
Other charges for services		1,758,806		1,758,806	25,385,937
Fines and forfeitures	586,592	1,463,213		2,049,805	
Miscellaneous	7,303,991	796,783	106,955	8,207,729	
Total operating revenues	<u>45,592,996</u>	<u>52,090,359</u>	<u>1,898,870</u>	<u>99,582,225</u>	<u>25,385,937</u>
OPERATING EXPENSES					
Salaries and wages	3,949,179	6,496,510	159,938	10,605,627	7,562,480
Employee benefits	1,594,991	2,695,633	38,509	4,329,133	2,982,821
Services and supplies	6,915,119	17,698,171	1,890,378	26,503,668	18,604,222
Depreciation and amortization	10,911,593	5,502,340	229,623	16,643,556	499,577
Total operating expenses	<u>23,370,882</u>	<u>32,392,654</u>	<u>2,318,448</u>	<u>58,081,984</u>	<u>29,649,100</u>
Operating income (loss)	<u>22,222,114</u>	<u>19,697,705</u>	<u>(419,578)</u>	<u>41,500,241</u>	<u>(4,263,163)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	136,985			136,985	4,864
Gain on capital asset disposition					22,834
Interest and fiscal charges	(15,289,855)	(757,784)		(16,047,639)	
Intergovernmental	6,504,708			6,504,708	
Total nonoperating revenues (expenses)	<u>(8,648,162)</u>	<u>(757,784)</u>		<u>(9,405,946)</u>	<u>27,698</u>
Income (loss) before capital contributions and transfers	<u>13,573,952</u>	<u>18,939,921</u>	<u>(419,578)</u>	<u>32,094,295</u>	<u>(4,235,465)</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	1,187,885	1,280,774		2,468,659	
TRANSFERS					
Transfers in			66,010	66,010	3,650,435
Transfers out	(13,797,000)	(17,703,000)		(31,500,000)	(590,402)
Total transfers	<u>(13,797,000)</u>	<u>(17,703,000)</u>	<u>66,010</u>	<u>(31,433,990)</u>	<u>3,060,033</u>
CHANGE IN NET POSITION	<u>964,837</u>	<u>2,517,695</u>	<u>(353,568)</u>	<u>3,128,964</u>	<u>(1,175,432)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	173,249,699	133,394,020	7,133,467		4,899,134
Adjustment	(7,237,243)	692,531	27,660		469,640
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>166,012,456</u>	<u>134,086,551</u>	<u>7,161,127</u>		<u>5,368,774</u>
NET POSITION, END OF YEAR	<u>\$ 166,977,293</u>	<u>\$ 136,604,246</u>	<u>\$ 6,807,559</u>		<u>\$ 4,193,342</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(415,136)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 2,713,828</u>	

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise	Total Enterprise Funds	Internal Service Funds
	Wastewater Utility	Water Utility	Funds		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 37,342,831	\$ 49,673,297	\$ 1,895,978	\$ 88,912,106	
Cash received from interfund services		1,758,806		1,758,806	\$ 26,675,426
Cash received from other sources	7,207,000	547,540	106,955	7,861,495	
Cash payments for goods and services	(28,928,998)	(18,436,670)	(1,972,450)	(49,338,118)	(16,050,414)
Cash payments for employee services	(5,407,664)	(9,086,349)	(194,806)	(14,688,819)	(9,124,323)
Cash payments for interfund services		3,825	60	3,885	
Net cash provided by (used in) operating activities	<u>10,213,169</u>	<u>24,460,449</u>	<u>(164,263)</u>	<u>34,509,355</u>	<u>1,500,689</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			66,010	66,010	3,650,435
Transfers out	(13,797,000)	(17,703,000)		(31,500,000)	(590,402)
Net cash provided by (used in) noncapital financing activities	<u>(13,797,000)</u>	<u>(17,703,000)</u>	<u>66,010</u>	<u>(31,433,990)</u>	<u>3,060,033</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,638,612)	(261,109)		(4,899,721)	(308,074)
Proceeds received from disposal of capital assets					33,485
Proceeds from debt issuance	7,000,000			7,000,000	
Principal payments on debt	(3,037,250)	(3,707,750)		(6,745,000)	
Interest payments on debt	(15,445,857)	(871,067)		(16,316,924)	
Capital grants and subsidies received	6,504,708			6,504,708	
Net cash provided by (used in) capital financing activities	<u>(9,617,011)</u>	<u>(4,839,926)</u>		<u>(14,456,937)</u>	<u>(274,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	136,985			136,985	4,864
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(13,063,857)	1,917,523	(98,253)	(11,244,587)	4,290,997
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>31,681,146</u>	<u>36,784,960</u>	<u>1,030,502</u>	<u>69,496,608</u>	<u>16,958,461</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 18,617,289</u>	<u>\$ 38,702,483</u>	<u>\$ 932,249</u>	<u>\$ 58,252,021</u>	<u>\$ 21,249,458</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, 2013

	Business-type Activities				Governmental Activities
			Aggregate Other		
	Wastewater Utility	Water Utility	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 22,222,114	\$ 19,697,705	\$ (419,578)	\$ 41,500,241	\$ (4,263,163)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	10,411,593	5,502,340	229,624	16,143,557	499,577
Provision for uncollectible receivables	(6,590)	58,738	(5,397)	46,751	2,830
(Increase) decrease in operating assets					
Accounts receivable	(810,957)	(4,341)	95,271	(720,027)	(167,351)
Due from other governments	(99,780)			(99,780)	
Due from other funds					1,451,696
Inventories	(128,627)	(42,948)	(52,199)	(223,774)	(52,145)
Prepaid items	522,406	20,712	66	543,184	73,006
Refundable deposit	(14,561,247)		(2,430)	(14,563,677)	
Increase (decrease) in operating liabilities					
Accounts payable	(325,228)	(738,499)	(27,510)	(1,091,237)	2,559,668
Accrued salaries and benefits	72,858	125,832	2,958	201,648	(34,261)
Due to other funds	2,789	3,825	60	6,674	736
Due to other governments	(7,149,810)	(249,243)		(7,399,053)	(26,721)
Customer deposits		106,366	(2,857)	103,509	1,578
Unearned revenues			17,046	17,046	
Compensated absences	63,648	(20,038)	683	44,293	88,572
Postemployment benefits other than pensions					1,366,667
Total adjustments	<u>(12,008,945)</u>	<u>4,762,744</u>	<u>255,315</u>	<u>(6,990,886)</u>	<u>5,763,852</u>
Net cash provided by (used in) operating activities	<u>\$ 10,213,169</u>	<u>\$ 24,460,449</u>	<u>\$ (164,263)</u>	<u>\$ 34,509,355</u>	<u>\$ 1,500,689</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$ 1,187,884</u>	<u>\$ 1,280,773</u>	<u>\$ _____</u>	<u>\$ 2,468,657</u>	<u>\$ _____</u>
Amortization of unamortized bond premiums and discounts	<u>\$ 128,655</u>	<u>\$ 78,897</u>	<u>\$ _____</u>	<u>\$ 207,552</u>	<u>\$ _____</u>

See notes to basic financial statements.

CITY OF NORTH LAS VEGAS

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 13,733,863
Accounts receivable, net	2,752,305
Interest receivable	16,474
Special assessments receivable	<u>110,557</u>
Total assets	<u>16,613,199</u>
LIABILITIES	
Due to other governments	211,061
Due to developers	3,637,324
Due to others	<u>12,764,814</u>
Total liabilities	<u>16,613,199</u>
NET POSITION	<u>\$</u>

See notes to basic financial statements.

**NOTES TO BASIC
FINANCIAL STATEMENTS**

CITY OF NORTH LAS VEGAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Basic Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the City's nonfiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

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

Parks and Recreation Projects Capital Projects Fund - Accounts for capital improvement expenditures associated with the City's parks and recreation buildings and facilities.

Public Safety Projects Capital Projects Fund - 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.

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

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

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

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

Proprietary Fund Financial Statements

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

The City reports the following major proprietary funds:

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

Assets and Liabilities

Cash, Cash Equivalents and Investments

The City's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

The proprietary funds participate in the City's internal investment management pool. This pool has the general characteristics of a demand deposit account in that the proprietary funds may effectively withdraw amounts from the pool at any time without prior notice or penalty. Accordingly, amounts invested in this pool by proprietary funds are considered to be cash equivalents. Monies that are not required for immediate obligations are invested.

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Capital Assets

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

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

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

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

Long-term Liabilities

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

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

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt) qualifies for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Revenues that are unavailable to satisfy current obligations and property taxes received prior to the levy year qualify for reporting in this category.

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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

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

Prioritization and Use of Available Resources

When both restricted resources and other resources (*i.e.*, committed, assigned and unassigned) can be used for the same purposes, it is the City's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the City's policy to use committed resources first, assigned second, and unassigned last.

Use of Estimates

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

Note 2. Stewardship and Accountability

Budgets and Budgetary Accounting

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

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

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

Prior Period Adjustment

Fund balance or net position as of July 1, 2012, has been retroactively adjusted as follows:

	General Fund	Public Safety Tax Special Revenue Fund	Aggregate Other Governmental Funds	Wastewater Utility Enterprise Fund	Water Utility Enterprise Fund
Fund balance or net position, as previously reported	\$ 9,180,610	\$ 4,087,849	\$ 65,459,780	\$ 173,249,699	\$ 133,394,020
Adjustments					
Cumulative effect of adopting GASB Statement No. 65				(2,576,196)	(226,745)
Property held for resale that was expensed in a prior year			2,385,730		
Merge an agency fund into an internal service fund					
Record previously recognized unearned revenue					
Record previously unrecorded delinquent property taxes receivable	221,518	695,075	342,691		
Record previously unrecorded unavalable revenue	(161,786)	(515,085)	(258,186)		
Correct prior year depreciation expense				(4,661,047)	919,276
Total adjustments	59,732	179,990	2,470,235	(7,237,243)	692,531
Fund balance or net position, as adjusted	\$ 9,240,342	\$ 4,267,839	\$ 67,930,015	\$ 166,012,456	\$ 134,086,551

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Aggregate Other Enterprise Funds	Internal Service Funds	Governmental Activities	Business-type Activities
Fund balance or net position, as previously reported	\$ 7,133,467	\$ 4,899,134	\$ 1,111,591,619	\$ 311,070,074
Adjustments				
Cumulative effect of adopting GASB Statement No. 65			(1,542,584)	(2,802,941)
Property held for resale that was expensed in a prior year			2,385,730	
Merge an agency fund into an internal service fund		313,320	313,320	
Record previously recognized unearned revenue			(1,787,422)	
Record previously unrecorded delinquent property taxes receivable			1,259,284	
Record previously unrecorded unavailable revenue				
Correct prior year depreciation expense	27,660	156,320	(7,857,692)	(3,714,111)
Total adjustments	27,660	469,640	(7,229,364)	(6,517,052)
Fund balance or net position, as adjusted	\$ 7,161,127	\$ 5,368,774	\$ 1,104,362,255	\$ 304,553,022

New Accounting Pronouncements

In March 2012, the GASB issued Statement No. 66, *Technical Corrections-2012*, effective for periods beginning after December 15, 2012. The objective of this statement is to improve accounting and financial reporting by state and local governmental entities by resolving conflicting guidance that resulted from the issuance of two pronouncements (Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*). Management has completed its assessment of this statement and determined that it will not have a material effect on the City's net position, results of operations or cash flows.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, effective for periods beginning after June 15, 2013. The objective of this statement is to improve financial reporting by state and local governmental pension plans. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's net position, results of operations or cash flows.

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CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management has not yet completed its assessment of this statement.

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

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

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

At June 30, 2013, the City's cash, cash equivalents and investments (including restricted and designated amounts) were as follows:

Pooled cash on deposit and investments	\$ 166,755,140
Cash on hand	<u>41,607</u>
Total cash, cash equivalents and investments	<u>\$ 166,796,747</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013, total cash, cash equivalents and investments were presented in the City's financial statements as follows:

	Unrestricted	Restricted	Designated	Total
Governmental activities	\$ 90,787,190	\$ 1,910,874	\$ 2,112,799	\$ 94,810,863
Business-type activities	50,413,893	7,838,128		58,252,021
Fiduciary Funds		13,733,863		13,733,863
 Total cash, cash equivalents and investments	 \$ 141,201,083	\$ 23,482,865	\$ 2,112,799	\$ 166,796,747

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

Interest Rate Risk

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

At June 30, 2013, 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	\$ 74,193,909	\$ 11,719,848	\$ 62,474,061
U.S. government-sponsored securities	45,231,205	14,047,355	
Money market mutual funds	14,930,941	14,930,941	
Local government investment pool	30,049,673	30,049,673	
Total investments	\$ 164,405,728	\$ 70,747,817	\$ 62,474,061

Credit Risk

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013, 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	\$ 74,193,909	\$	\$ 74,193,909	\$
U.S. government-sponsored securities	45,231,205	45,231,205		
Money market mutual funds	14,930,941	14,930,941		
Local government investment pool	<u>30,049,673</u>			<u>30,049,673</u>
Total investments	<u>\$ 164,405,728</u>	<u>\$ 60,162,146</u>	<u>\$ 74,193,909</u>	<u>\$ 30,049,673</u>

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, 2013, the City's cash deposits in financial institutions was \$2,358,343. 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 \$2,108,343 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, 2013, 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, 2013, were as follows:

	Percentage of Portfolio
U.S. Treasury securities	45.13 %
U.S. government-sponsored securities	27.51 %
Money market mutual funds	9.08 %
Local government investment pool	18.28 %

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Capital Assets

For the year ended June 30, 2013, capital asset activity was as follows:

	Balance July 1, 2012 (Restated)	Increases and transfers *	Decreases and transfers *	Balance June 30, 2013
Governmental activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 164,562,444	\$ 82,479,986	\$ (10,748,461)	\$ 236,293,969
Land	<u>183,012,628</u>	<u>7,404,032</u>	<u>(27,687)</u>	<u>190,388,973</u>
Total capital assets not being depreciated or amortized	<u>347,575,072</u>	<u>89,884,018</u>	<u>(10,776,148)</u>	<u>426,682,942</u>
Capital assets being depreciated or amortized				
Buildings and building improvements	207,777,546	7,090,543		214,868,089
Improvements other than buildings	79,044,731	40,080		79,084,811
Infrastructure	883,529,449	13,000,866		896,530,315
Machinery, equipment and software	<u>66,989,674</u>	<u>1,391,229</u>	<u>(563,118)</u>	<u>67,817,785</u>
Total capital assets being depreciated or amortized	<u>1,237,341,400</u>	<u>21,522,718</u>	<u>(563,118)</u>	<u>1,258,301,000</u>
Accumulated depreciation and amortization				
Buildings and building improvements	(31,217,223)	(5,346,483)		(36,563,706)
Improvements other than buildings	(21,907,732)	(2,710,752)		(24,618,484)
Infrastructure	(268,328,075)	(28,933,082)		(297,261,157)
Machinery, equipment and software	<u>(56,956,206)</u>	<u>(3,022,356)</u>	<u>535,292</u>	<u>(59,443,270)</u>
Total accumulated depreciation and amortization	<u>(378,409,236)</u>	<u>(40,012,673)</u>	<u>535,292</u>	<u>(417,886,617)</u>
Total capital assets being depreciated or amortized, net	<u>858,932,164</u>	<u>(18,489,955)</u>	<u>(27,826)</u>	<u>840,414,383</u>
Total governmental activities	<u>\$ 1,206,507,236</u>	<u>\$ 71,394,063</u>	<u>\$ (10,803,974)</u>	<u>\$ 1,267,097,325</u>
* Includes transfers from and to proprietary funds, if any.				
Business-type activities				
Capital assets not being depreciated or amortized				
Construction in progress	\$ 12,391,251	\$ 4,595,803	\$	\$ 16,987,054
Land	<u>15,577,693</u>			<u>15,577,693</u>
Total capital assets not being depreciated or amortized	<u>27,968,944</u>	<u>4,595,803</u>		<u>32,564,747</u>
Capital assets being depreciated or amortized				
Buildings and building improvements	8,536,226	78,519,380		87,055,606
Improvements other than buildings	40,266,848	26,790,648		67,057,496
Infrastructure	575,822,738	207,589,887	(314,323,320)	469,089,305
Machinery, equipment and software	<u>5,816,616</u>	<u>4,601,446</u>	<u>(405,464)</u>	<u>10,012,598</u>
Total capital assets being depreciated or amortized	<u>630,442,428</u>	<u>317,501,361</u>	<u>(314,728,784)</u>	<u>633,215,005</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012 (Restated)	Increases and transfers *	Decreases and transfers *	Balance June 30, 2013
Accumulated depreciation and amortization				
Buildings and building improvements	\$ (2,577,511)	\$ (3,407,545)	\$	\$ (5,985,056)
Improvements other than buildings	(18,549,246)	(2,254,949)		(20,804,195)
Infrastructure	(107,049,471)	(17,330,044)	7,656,149	(116,723,366)
Machinery, equipment and software	(4,453,242)	(963,338)	156,168	(5,260,412)
	(132,629,470)	(23,955,876)	7,812,317	(148,773,029)
Total accumulated depreciation and amortization				
	497,812,958	293,545,485	(306,916,467)	484,441,976
Total capital assets being depreciated or amortized, net				
	\$ 525,781,902	\$ 298,141,288	\$ (306,916,467)	\$ 517,006,723

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

For the year ended June 30, 2013, charges, by function, for depreciation expense were as follows:

Governmental activities		
General government		\$ 30,519,317
Judicial		38,164
Public safety		2,959,561
Public works		4,492,318
Culture and recreation		1,471,487
Community support		34,887
Internal service fund depreciation expense is charged to specific functions based on asset usage		499,577
Total depreciation expense, governmental activities		\$ 40,015,311
Business-type activities		
Wastewater		\$ 10,411,593
Water		5,502,340
Municipal golf courses		229,623
Total depreciation expense, business-type activities		\$ 16,143,556

Due To and From Other Funds

During the course of operations, numerous reimbursable transactions occur between individual funds for goods provided or services rendered. At June 30, 2013, the resulting payables and receivables (reported as due to and from other funds) resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$	\$ 253,292
Public Safety Tax Special Revenue Fund		70,892
Aggregate Other Governmental Funds		56,321
Wastewater Utility Enterprise Fund		11,327
Water Utility Enterprise Fund		18,746
Aggregate Other Enterprise Funds		365
Internal Service Funds	414,977	4,034
	\$ 414,977	\$ 414,977

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, interfund transfers were as follows:

Transfer In Fund	Transfer Out Fund	Amount
General Fund	Aggregate Other Governmental Funds	\$ 322,119
	Wastewater Utility Enterprise Fund	13,797,000
	Water Utility Enterprise Fund	17,703,000
	Internal Service Funds	590,402
Public Safety Tax Special Revenue Fund		
Parks and Recreation Projects Capital Projects Fund	Aggregate Other Governmental Funds	424,000
Public Safety Projects Capital Projects Fund	Aggregate Other Governmental Funds	1,660,000
Aggregate Other Governmental Funds	General Fund	4,634,095
	Public Safety Tax Special Revenue Fund	590,402
	Aggregate Other Governmental Funds	6,702,018
Aggregate Other Enterprise Funds	General Fund	66,010
Internal Service Funds	General Fund	2,196,457
	Public Safety Tax Special Revenue Fund	733,539
	Aggregate Other Governmental Funds	720,439
		\$ 50,139,481

During fiscal year 2013, the City transferred approximately \$31.5 million from the wastewater and water utility enterprise funds to the general fund as payment in lieu of taxes, franchise fees and general overhead charges. During the 76th legislative session in 2011, Nevada Assembly Bill 471, amending NRS 354.613, was passed. This new law requires municipalities making such transfers to eliminate any amounts in excess of actual costs by 2021.

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

Long-term Liabilities

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

Long-term liabilities activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
Governmental activities					
General obligation bonds					
\$4,915,000 2002 Street Improvement refunding bonds due in annual installments through May 2014; interest varies between 3.7% and 4.5%	\$ 935,000		\$ (570,000)	\$ 365,000	\$ 365,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
\$32,500,000 2003 Judicial/Public Safety Facilities bonds due in annual installments through March 2023; interest varies between 3% and 5%	\$ 8,410,000		\$ (1,555,000)	\$ 6,855,000	
\$105,000,000 2006 Civic Center Facilities bonds due in annual installments through May 2036; interest varies between 4.25% and 5%	98,390,000		(1,255,000)	97,135,000	1,315,000
\$7,630,000 2007A Judicial/Public Safety Facilities refunding bonds due in annual installments beginning May 2017 through May 2023; interest is at 4.15%	7,630,000			7,630,000	
\$1,530,000 2007B Street Improvement refunding bonds due in annual installments through June 2015; interest varies between 3.76% and 4.02%	715,000		(228,000)	487,000	240,000
\$3,145,000 2010 Library District medium-term refunding bonds due in annual installments through April 2020; interest is at 4.38%	3,145,000		(335,000)	2,810,000	350,000
\$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%	17,090,000			17,090,000	1,000,000
\$27,070,000 2011 Building Projects refunding bonds due in annual installments beginning June 2016 through June 2036; interest varies between 3% and 5%	<u>27,070,000</u>			<u>27,070,000</u>	
Total general obligation bonds	<u>163,385,000</u>		<u>(3,943,000)</u>	<u>159,442,000</u>	<u>3,270,000</u>
Special assessment bonds					
\$1,289,100 2003 SIAD No. 59 (Craig Road Phase II) improvement bonds due in semi-annual installments through December 2013; interest is at 4%	38,300		(20,700)	17,600	17,600
\$3,250,000 2007 SIAD No. 61 (Ann Road) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	1,774,500		(598,500)	1,176,000	281,200
\$1,250,000 2007 SIAD No. 62 (Clayton Street) improvement bonds due in semi-annual installments through March 2017; interest is at 3.829%	682,500		(126,400)	556,100	131,200

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Due Within One Year
\$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%	\$ 8,220,000	\$ _____	\$ (1,240,000)	\$ 6,980,000	\$ 1,290,000
Total special assessment bonds	<u>10,715,300</u>	<u>_____</u>	<u>(1,985,600)</u>	<u>8,729,700</u>	<u>1,720,000</u>
Capital leases					
\$59,943 2010 Capital lease due in monthly installments through April 2013	<u>16,651</u>	<u>_____</u>	<u>(16,651)</u>	<u>_____</u>	<u>_____</u>
Total capital leases	<u>16,651</u>	<u>_____</u>	<u>(16,651)</u>	<u>_____</u>	<u>_____</u>
Unamortized bond premiums	3,142,374		(216,964)	2,925,410	
Unamortized bond discounts	(313,517)		21,886	(291,631)	
Unamortized deferred refunding charges	(15,188,647)		635,066	(14,553,581)	
Compensated absences	36,901,175	16,186,168	(16,915,910)	36,171,433	5,803,700
Postemployment benefits other than pensions	<u>8,847,688</u>	<u>2,252,706</u>	<u>(886,042)</u>	<u>10,214,352</u>	<u>_____</u>
Total governmental activities	<u>207,506,024</u>	<u>18,438,874</u>	<u>(23,307,215)</u>	<u>202,637,683</u>	<u>10,793,700</u>
Business-type activities					
General obligation/pledged revenue bonds					
\$704,000 2003A Water/Wastewater general obligation refunding revenue bonds due in installments through October 2012; interest is at 4.15%	198,000		(198,000)		
\$8,685,000 2003B Water general obligation refunding revenue bonds due in annual installments through November 2015; interest varies between 3% and 5%	1,970,000		(525,000)	1,445,000	545,000
\$14,365,000 2005A Water/Wastewater general obligation refunding revenue bonds due in annual installments through December 2017; interest is at 5%	9,195,000		(1,465,000)	7,730,000	1,540,000
\$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%	8,325,000		(900,000)	7,425,000	935,000

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
\$140,000,000 2006 General obligation Wastewater reclamation system bonds due in annual installments through October 2036; interest varies between 4% and 5%	\$ 132,030,000		\$ (2,885,000)	\$ 129,145,000	\$ 3,010,000
\$5,713,000 2007 Water/Wastewater general obligation refunding revenue bonds due in annual installments through September 2014; interest is at 3.885%	2,418,000		(772,000)	1,646,000	807,000
\$145,000,000 2010A Water/Wastewater improvement bonds (Build America Bonds) due in annual installments beginning June 2015 through June 2040; interest varies between 4.13% and 6.572%	<u>145,000,000</u>			<u>145,000,000</u>	
Total general obligation/pledged revenue bonds	<u>299,136,000</u>		<u>(6,745,000)</u>	<u>292,391,000</u>	<u>6,837,000</u>
Notes payable					
\$7,000,000 medium-term financing due in quarterly installments through July 2022; interest is at 2% beginning April 2015		<u>7,000,000</u>		<u>7,000,000</u>	<u>1,000,000</u>
Total notes payable		<u>7,000,000</u>		<u>7,000,000</u>	<u>1,000,000</u>
Unamortized bond premiums	3,462,518		(259,208)	3,203,310	
Unamortized bond discounts	(355)		355		
Compensated absences	<u>3,321,572</u>	<u>1,577,149</u>	<u>(1,532,856)</u>	<u>3,365,865</u>	<u>540,052</u>
Total business-type activities	<u>305,919,735</u>	<u>8,577,149</u>	<u>(8,536,709)</u>	<u>305,960,175</u>	<u>8,377,052</u>
Total long-term liabilities	<u>\$ 513,425,759</u>	<u>\$ 27,016,023</u>	<u>\$ (31,843,924)</u>	<u>\$ 508,597,858</u>	<u>\$ 19,170,752</u>

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013, annual debt service requirements to maturity were as follows:

For the Year Ended June 30,	Principal	Interest
Governmental activities		
General obligation bonds		
2014	\$ 3,270,000	\$ 2,714,260
2015	3,997,000	7,387,785
2016	2,695,000	7,207,302
2017	2,870,000	7,094,464
2018	7,320,000	6,974,095
2019 - 2023	35,530,000	29,987,360
2024 - 2028	32,730,000	22,634,925
2029 - 2033	41,100,000	13,844,225
2034 - 2038	<u>29,930,000</u>	<u>3,041,750</u>
Total general obligation bonds	<u>159,442,000</u>	<u>100,886,166</u>
Special assessment bonds		
2014	1,720,000	312,475
2015	1,760,700	243,655
2016	1,839,700	172,571
2017	1,904,300	99,460
2018	<u>1,505,000</u>	<u>29,159</u>
Total special assessment bonds	<u>8,729,700</u>	<u>857,320</u>
Total governmental activities	<u>\$ 168,171,700</u>	<u>\$ 101,743,486</u>
Business-type activities		
General obligation/pledged revenue bonds		
2014	\$ 6,837,000	\$ 16,029,675
2015	7,109,000	15,720,277
2016	6,445,000	15,396,875
2017	6,580,000	15,090,837
2018	6,880,000	14,784,896
2019 - 2023	39,110,000	68,580,574
2024 - 2028	48,705,000	56,970,951
2029 - 2033	60,810,000	42,056,435
2034 - 2038	75,320,000	24,115,812
2039 - 2043	<u>34,595,000</u>	<u>3,434,199</u>
Total general obligation/pledged revenue bonds	<u>292,391,000</u>	<u>272,180,531</u>
Notes payable		
2014	1,000,000	
2015	1,000,000	
2016	654,875	95,125
2017	668,072	81,928
2018	681,533	68,467
2019 - 2023	<u>2,995,520</u>	<u>134,379</u>
Total notes payable	<u>7,000,000</u>	<u>379,899</u>
Total business-type activities	<u>\$ 299,391,000</u>	<u>\$ 272,560,430</u>

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

New Debt Obligations

On November 7, 2012, the City Council approved an interlocal agreement in settlement of an ongoing dispute with Clark County regarding the discharge of effluent from the City's wastewater treatment facility into the Sloan Channel, which is owned by the County. This obligation is interest-free through April 1, 2015, and accrues interest thereafter at 2%. Under this agreement, the City is required to pay Clark County the total sum of \$15,000,000 as follows:

\$8,000,000 immediately payable upon execution of the agreement.

\$7,000,000 to be paid in quarterly installments beginning July 1, 2013 through July 1, 2022.

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, 2013, \$2,885,000 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. Rebateable 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.

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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.

Outstanding special assessment debt obligations accounted for in a fiduciary (agency) fund at June 30, 2013, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2013</u>
1994 Special Assessment District 54 (Civic Center Drive Development)	May 1, 1994 - February 1, 2014	7.75%	\$ 2,961,790	\$ 155,000
2006 Special Assessment District 60 (Aliante Development)	May 31, 2006 - December 1, 2022	3.875% - 5.1%	<u>42,180,000</u>	<u>22,840,000</u>
			<u>\$ 45,141,790</u>	<u>\$ 22,995,000</u>

Segment Information

The City has issued long-term debt (in some cases revenue supported) to finance the improvement, acquisition or construction of wastewater and water utility system capital assets. This debt has historically been paid from the revenues of the City's wastewater and water utility funds. The financial position, results of operations and cash flows of these enterprise funds are presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

Note 4. Other Information

Construction and Other Commitments

The City has active construction projects as of June 30, 2013. 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.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

At June 30, 2013 the City's construction and other significant commitments were as follows:

	<u>Remaining Commitment</u>
Parks and Recreation Projects	\$ 10,971,665
Public Safety Projects	10,000,714
Civic Center Facilities	6,613,144
Capital Projects Street Improvements	3,831,570
General Government Improvements	<u>1,137,079</u>
	<u>\$ 32,554,172</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.

Over the last few years, the United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had, and is likely to continue to have, far-reaching effects on the economic activity in the country. The near- and long-term impact of these factors on the Southern Nevada economy and the City's operating activities cannot be predicted at this time but may be substantial.

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

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

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Self-insurance Internal Service Fund

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

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

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

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

For the fiscal years ended June 30, 2011, 2012 and 2013, 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, 2011				
Liability insurance	\$ 1,808,787	\$ 858,621	\$ (857,301)	\$ 1,810,107
Worker's compensation	2,122,492	2,834,630	(1,288,489)	3,668,633
Postemployment benefits other than pensions	5,726,029	1,468,288		7,194,317
Unemployment compensation and employee separation leave benefits		11,445,286	(11,445,286)	
	\$ 9,657,308	\$ 16,606,825	\$ (13,591,076)	\$ 12,673,057
For the year ended June 30, 2012				
Liability insurance	\$ 1,810,107	\$ (1,324,768)	\$ (92,909)	\$ 392,430
Worker's compensation	3,668,633	2,355,888	(1,833,270)	4,191,251
Postemployment benefits other than pensions	7,194,317	1,653,372		8,847,689
Unemployment compensation and employee separation leave benefits		4,703,804	(4,703,804)	
	\$ 12,673,057	\$ 7,388,296	\$ (6,629,983)	\$ 13,431,370
For the year ended June 30, 2013				
Liability insurance	\$ 392,430	\$ 1,656,494	\$ (1,651,810)	\$ 397,114
Worker's compensation	4,191,251	4,385,473	(2,120,178)	6,456,546
Postemployment benefits other than pensions	8,847,689	1,366,666		10,214,355
Unemployment compensation and employee separation leave benefits		6,706,739	(6,706,739)	
	\$ 13,431,370	\$ 14,115,372	\$ (10,478,727)	\$ 17,068,015

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Defined Benefit Pension Plan

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

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

Retirement benefits, as required by NRS, are determined by the number of years of accredited service at the time of retirement and are equal to 2.67% of the participant's highest average compensation in any 36 consecutive months for each year of credited service up to a maximum of 90% if hired before July 1, 1985, and a maximum of 75% if hired on or after that date. Police or fire employees who retire at age 65 with five years of service, at age 55 with 10 years of service, at age 50 with 20 years of service or at any age with 30 years of service and all other employees who retire at age 65, with at least five years of credited service, at age 60 with at least 10 years of credited service, or at any age with 30 years of credited service are entitled to a retirement benefit, payable monthly for life. Vested employees who have the necessary years of credited service, but have not reached the required age, may retire at any age with a benefit reduction for each year the member is under the appropriate retirement age.

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

Contribution rates and amounts contributed, including \$2,216,912 payable to PERS at June 30, 2013, were as follows:

<u>For the Year Ended June 30,</u>	<u>Contribution Rate</u>		<u>Required Contribution and Amount Contributed</u>
	<u>Police and Fire Employees</u>	<u>Other Employees</u>	
2011	37.00 %	21.50 %	\$ 34,963,916
2012	39.75 %	23.75 %	32,964,731
2013	39.75 %	23.75 %	29,426,319

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).

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, the City contributed \$792 per month for each active employee represented by the International Brotherhood of Teamsters.

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

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>
2011	607	\$ 60,524,877	\$ 7,314,590
2012	527	42,581,481	5,640,873
2013	504	42,073,999	4,916,546

International Associations of Fire Fighters

Effective August 1, 2012, the City participates in the North Las Vegas Fire Fighters Union Health and Welfare Trust, a cost-sharing defined benefit plan that covers the City's International Associations of Fire Fighters employees (the Fire Fighters Plan).

The Fire Fighters Plan is available to active employees represented by the International Associations of Fire Fighters. The Fire Fighters Plan provides medical, prescription, dental and vision coverage for participants. Financial statements for the Fire Fighters 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.

The Fire Fighters Plan is financed by employer contributions pursuant to collective bargaining agreements and interest earned on the investment of reserve funds. For the year ended June 30, 2013, the City contributed \$1,000 per month for each active employee represented by the International Associations of Fire Fighters.

No contributing employer has liability, directly or indirectly, to provide the benefits established under the Fire Fighters Plan beyond the obligation to make contributions as stipulated in the respective collective bargaining agreement.

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

<u>For the Year Ended June 30,</u>	<u>Number of Eligible Employees</u>	<u>Annual Covered Payroll</u>	<u>Required Contribution and Amount Contributed</u>
2013	158	\$ 16,546,453	\$ 1,774,000

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 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. Although active employees represented by the International Associations of Fire Fighters are covered by the Fire Fighters Plan, upon retirement they are eligible to receive benefits under the Healthcare Plan.

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.

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, 2013, this subsidy ranged from \$118 to \$650 per retiree, per month. For FY 2014, those amounts will decrease to \$114 and \$627, respectively.

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

For the year ended June 30, 2013, the average cost borne by the City for employees and retirees enrolled in the Healthcare Plan was \$1,210 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. For the year ended June 30, 2013, the City required no contribution from active employees covered under the Healthcare Plan.

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 Healthcare Plan	City of North Las Vegas Life Insurance Plan	Total
Annual required contribution (ARC)	\$ 679,416	\$ 1,453,998	\$ 147,397	\$ 2,280,811
Interest on net OPEB obligation	50,094	278,157	25,657	353,908
Adjustment to ARC	<u>(80,165)</u>	<u>(276,355)</u>	<u>(25,491)</u>	<u>(382,011)</u>
Annual OPEB cost	649,345	1,455,800	147,563	2,252,708
OPEB contributions made	<u>(641,639)</u>	<u>(185,456)</u>	<u>(58,947)</u>	<u>(886,042)</u>
Increase (decrease) in net OPEB obligation	7,706	1,270,344	88,616	1,366,666
Net OPEB obligation, beginning of year	<u>1,252,341</u>	<u>6,953,923</u>	<u>641,425</u>	<u>8,847,689</u>
Net OPEB obligation, end of year	<u>\$ 1,260,047</u>	<u>\$ 8,224,267</u>	<u>\$ 730,041</u>	<u>\$ 10,214,355</u>

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the years ended June 30, 2011, 2012 and 2013 were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2011	\$ 590,109	\$ 596,334	101.1 %	\$ 1,285,485
2012	594,009	627,154	105.6 %	1,252,341
2013	649,345	641,639	98.8 %	1,260,047
City of North Las Vegas Healthcare Plan				
2011	1,720,572	246,369	14.3 %	5,392,926
2012	1,825,914	264,917	14.5 %	6,953,923
2013	1,455,800	185,456	12.7 %	8,224,267
City of North Las Vegas Life Insurance Plan				
2011	180,303	59,729	33.1 %	515,905
2012	188,727	63,207	33.5 %	641,425
2013	147,563	58,947	39.9 %	730,041

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013	N/A ¹	\$ 11,038,451	\$ 11,038,451	0.0 %	N/A ²	N/A ²
City of North Las Vegas Healthcare Plan June 30, 2013	N/A ¹	13,937,406	13,937,406	0.0 %	82,838,760	16.8 %
City of North Las Vegas Life Insurance Plan June 30, 2013	N/A ¹	2,240,684	2,240,684	0.0 %	82,838,760	2.7 %

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.

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

	Public Employee Benefit Program	City of North Las Vegas Healthcare Plan	City of North Las Vegas Life Insurance Plan
Actuarial valuation date	June 30, 2013	June 30, 2013	June 30, 2013
Actuarial cost method	Entry age normal, closed	Entry age normal, open	Entry age normal, open
Amortization method	Level dollar	Level percent of pay	Level percent of pay
Amortization period	25 years	30 years	30 years

(Continued)

CITY OF NORTH LAS VEGAS

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Public Employee Benefit Program</u>	<u>City of North Las Vegas Healthcare Plan</u>	<u>City of North Las Vegas Life Insurance Plan</u>
Asset valuation method	No assets in trust	No assets in trust	No assets in trust
Actuarial assumptions			
Investment rate of return	4%	4%	4%
Inflation rate	3%	3%	3%
Projected salary increase	4%	4%	4%
Number of retirees	181	617	1342
Healthcare inflation rates			
Initial	8.5%	8%	8%
Ultimate	5%	5%	5%

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

The City utilizes the self-insurance reserve internal service fund to allocate OPEB costs. Each fund recognizes its portion of the annual OPEB costs based on each fund's actual salary costs. No governmental funds have been used to liquidate the net OPEB obligation thus far. As of June 30, 2013, the self-insurance reserve internal service fund had \$16,121,300 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, 2013

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						
July 1, 2009	N/A ¹	\$ 21,045,976	\$ 27,820,834	0.0 %	\$ N/A ²	N/A ²
June 30, 2011 ³	N/A ¹	10,530,961	10,530,961	0.0 %	N/A ²	N/A ²
June 30, 2013	N/A ¹	11,038,451	11,038,451	0.0 %	N/A ²	N/A ²
City of North Las Vegas Healthcare Plan						
July 1, 2009	N/A ¹	9,946,490	9,946,490	0.0 %	158,854,498	6.3 %
June 30, 2011 ³	N/A ¹	17,976,859	17,976,859	0.0 %	142,669,047	12.6 %
June 30, 2013	N/A ¹	13,937,406	13,937,406	0.0 %	82,838,760	16.8 %
City of North Las Vegas Life Insurance Plan						
July 1, 2009	N/A ¹	2,203,647	2,203,647	0.0 %	158,854,498	1.4 %
June 30, 2011 ³	N/A ¹	2,431,608	2,431,608	0.0 %	142,669,047	1.7 %
June 30, 2013	N/A ¹	2,240,684	2,240,684	0.0 %	82,838,760	2.7 %

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.

CITY OF NORTH LAS VEGAS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 7,484,822	\$ 7,484,822	\$ 7,537,599	\$ 52,777
Franchise fees	16,192,800	16,192,800	15,769,356	(423,444)
Licenses and permits	10,141,240	10,141,240	10,722,526	581,286
Charges for services	4,426,803	4,427,008	3,146,630	(1,280,378)
Intergovernmental consolidated taxes	40,204,210	40,204,210	39,434,352	(769,858)
Intergovernmental	2,600,000	2,600,000	2,342,535	(257,465)
Fines and forfeitures	8,114,500	8,114,500	6,799,910	(1,314,590)
Contributions	200	200	821	621
Rents and royalties	450,000	450,000	480,523	30,523
Investment income	725,000	725,000	139,959	(585,041)
Miscellaneous	665,010	723,779	577,145	(146,634)
Total revenues	91,004,585	91,063,559	86,951,356	(4,112,203)
EXPENDITURES				
General government				
Legislative				
Salaries and wages	372,099	365,642	362,562	3,080
Employee benefits	216,140	214,205	285,314	(71,109)
Services and supplies	150,442	150,273	97,307	52,966
Total legislative	738,681	730,120	745,183	(15,063)
Executive				
Salaries and wages	725,835	707,885	583,664	124,221
Employee benefits	299,014	291,990	299,594	(7,604)
Services and supplies	325,074	324,625	271,953	52,672
Total executive	1,349,923	1,324,500	1,155,211	169,289
City attorney				
Salaries and wages	1,343,696	1,359,228	1,337,100	22,128
Employee benefits	578,850	583,331	675,110	(91,779)
Services and supplies	222,207	195,617	132,929	62,688
Total city attorney	2,144,753	2,138,176	2,145,139	(6,963)
City clerk				
Salaries and wages	394,899	394,899	365,160	29,739
Employee benefits	157,994	157,994	162,893	(4,899)
Services and supplies	370,035	370,035	302,414	67,621
Total city clerk	922,928	922,928	830,467	92,461
Finance				
Salaries and wages	1,658,539	1,658,539	1,580,548	77,991
Employee benefits	698,234	698,234	762,866	(64,632)
Services and supplies	1,085,026	1,085,026	375,368	709,658
Capital outlay	92,100	-	-	92,100
Total finance	3,533,899	3,441,799	2,718,782	723,017
Planning				
Salaries and wages	863,426	863,426	839,030	24,396
Employee benefits	334,364	334,364	346,708	(12,344)
Services and supplies	144,127	144,127	102,407	41,720
Total planning	1,341,917	1,341,917	1,288,145	53,772

(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, 2013

	Original Budget	Final Budget	Actual	Variance
Other				
Salaries and wages	4,744,469	4,590,277	4,326,886	263,391
Employee benefits	1,878,486	1,823,852	1,871,674	(47,822)
Services and supplies	3,523,993	3,571,628	3,604,747	(33,119)
Capital outlay			3,849	(3,849)
Total other	<u>10,146,948</u>	<u>9,985,757</u>	<u>9,807,156</u>	<u>178,601</u>
Total general government	<u>20,179,049</u>	<u>19,885,197</u>	<u>18,690,083</u>	<u>1,195,114</u>
Judicial				
Municipal court				
Salaries and wages	3,326,300	3,664,919	3,507,606	157,313
Employee benefits	1,393,369	1,548,162	1,560,952	(12,790)
Services and supplies	528,885	537,350	459,214	78,136
Total municipal court	<u>5,248,554</u>	<u>5,750,431</u>	<u>5,527,772</u>	<u>222,659</u>
Marshals				
Salaries and wages	1,674,553	1,332,474	1,205,768	126,706
Employee benefits	1,053,732	846,114	909,613	(63,499)
Services and supplies	226,927	210,772	156,079	54,693
Total marshals	<u>2,955,212</u>	<u>2,389,360</u>	<u>2,271,460</u>	<u>117,900</u>
Total judicial	<u>8,203,766</u>	<u>8,139,791</u>	<u>7,799,232</u>	<u>340,559</u>
Public safety				
Police				
Salaries and wages	17,006,324	17,006,324	16,296,598	709,726
Employee benefits	8,842,149	8,842,149	10,426,268	(1,584,119)
Services and supplies	3,533,338	3,533,338	2,668,092	865,246
Capital outlay	162,300			
Total police	<u>29,544,111</u>	<u>29,381,811</u>	<u>29,390,958</u>	<u>(9,147)</u>
Corrections				
Salaries and wages	2,334,040	4,130,950	4,085,667	45,283
Employee benefits	1,181,147	2,393,830	3,038,462	(644,632)
Services and supplies	6,618,222	3,696,439	3,869,805	(173,366)
Total corrections	<u>10,133,409</u>	<u>10,221,219</u>	<u>10,993,934</u>	<u>(772,715)</u>
Protective services				
Salaries and wages	2,223,566	2,208,700	2,042,559	166,141
Employee benefits	910,072	869,531	826,208	43,323
Services and supplies	2,717,047	2,677,733	2,061,356	616,377
Total protective services	<u>5,850,685</u>	<u>5,755,964</u>	<u>4,930,123</u>	<u>825,841</u>
Fire				
Salaries and wages	17,465,274	17,455,774	16,397,997	1,057,777
Employee benefits	10,157,534	10,156,334	10,601,656	(445,322)
Services and supplies	3,197,662	3,208,362	2,819,998	388,364
Capital outlay	82,400			
Total fire	<u>30,902,870</u>	<u>30,820,470</u>	<u>29,819,651</u>	<u>1,000,819</u>
Total public safety	<u>76,431,075</u>	<u>76,179,464</u>	<u>75,134,666</u>	<u>1,044,798</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, 2013

	Original Budget	Final Budget	Actual	Variance
Public works				
Administration				
Salaries and wages	284,144	284,144	294,979	(10,835)
Employee benefits	112,411	112,411	140,184	(27,773)
Services and supplies	25,918	25,918	20,496	5,422
Capital outlay	116,000			
Total administration	<u>538,473</u>	<u>422,473</u>	<u>455,659</u>	<u>(33,186)</u>
Flood control				
Salaries and wages	340,963	340,963	364,077	(23,114)
Employee benefits	130,131	130,131	142,773	(12,642)
Services and supplies	31,555	31,555	15,785	15,770
Total flood control	<u>502,649</u>	<u>502,649</u>	<u>522,635</u>	<u>(19,986)</u>
Engineering				
Salaries and wages	181,630	181,630	173,030	8,600
Employee benefits	53,944	53,944	57,526	(3,582)
Services and supplies	91,995	91,995	73,414	18,581
Total engineering	<u>327,569</u>	<u>327,569</u>	<u>303,970</u>	<u>23,599</u>
Real property				
Salaries and wages	299,008	299,008	274,434	24,574
Employee benefits	122,099	122,099	114,197	7,902
Services and supplies	35,467	35,467	13,190	22,277
Total real property	<u>456,574</u>	<u>456,574</u>	<u>401,821</u>	<u>54,753</u>
Construction				
Salaries and wages	290,085	394,823	271,661	123,162
Employee benefits	89,789	139,201	97,994	41,207
Services and supplies	104,278	106,896	63,932	42,964
Total construction	<u>484,152</u>	<u>640,920</u>	<u>433,587</u>	<u>207,333</u>
Survey				
Salaries and wages	333,694	228,956	202,770	26,186
Employee benefits	116,850	67,438	74,332	(6,894)
Services and supplies	104,801	102,183	85,739	16,444
Total survey	<u>555,345</u>	<u>398,577</u>	<u>362,841</u>	<u>35,736</u>
Total public works	<u>2,864,762</u>	<u>2,748,762</u>	<u>2,480,513</u>	<u>268,249</u>
Culture and recreation				
Administration				
Salaries and wages	231,310	210,550	185,137	25,413
Employee benefits	88,097	84,357	84,478	(121)
Services and supplies	20,076	19,716	16,833	2,883
Total administration	<u>339,483</u>	<u>314,623</u>	<u>286,448</u>	<u>28,175</u>
Participant recreation				
Salaries and wages	1,146,174	1,043,682	964,682	79,000
Employee benefits	365,955	327,057	278,843	48,214
Services and supplies	671,645	705,487	641,552	63,935
Total participant recreation	<u>2,183,774</u>	<u>2,076,226</u>	<u>1,885,077</u>	<u>191,149</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, 2013

	Original Budget	Final Budget	Actual	Variance
Parks and grounds				
Salaries and wages	1,181,327	981,327	884,856	96,471
Employee benefits	386,870	386,870	375,300	11,570
Services and supplies	2,766,289	2,978,289	2,843,962	134,327
Capital outlay	50,800	48,000		48,000
Total parks and grounds	4,385,286	4,394,486	4,104,118	290,368
Total culture and recreation	6,908,543	6,785,335	6,275,643	509,692
Community support				
Housing and neighborhood services				
Salaries and wages	558,098	678,785	696,054	(17,269)
Employee benefits	227,704	273,388	276,223	(2,835)
Services and supplies	390,851	393,851	302,491	91,360
Total housing and neighborhood services	1,176,653	1,346,024	1,274,768	71,256
Economic development				
Salaries and wages	105,611	105,611	104,598	1,013
Employee benefits	44,889	44,889	50,808	(5,919)
Services and supplies	45,026	45,026	23,151	21,875
Total economic development	195,526	195,526	178,557	16,969
Developer agreements				
Services and supplies	75,000	75,000	60,000	15,000
Total community support	1,447,179	1,616,550	1,513,325	103,225
Debt service				
Principal payments	6,400			
Total expenditures	116,040,774	115,355,099	111,893,462	3,461,637
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(25,036,189)	(24,291,540)	(24,942,106)	(650,566)
OTHER FINANCING SOURCES (USES)				
Contingencies	(500,000)	(500,000)		500,000
Proceeds from capital asset disposal	25,000	25,000	115,151	90,151
Transfers in	32,303,600	31,849,640	31,822,119	(27,521)
Transfers out	(6,747,782)	(6,496,562)	(6,896,562)	(400,000)
Total other financing sources (uses)	25,080,818	24,878,078	25,040,708	162,630
CHANGE IN FUND BALANCE	44,629	586,538	98,602	(487,936)
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			9,180,610	
Adjustment			59,732	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	9,829,404	9,180,610	9,240,342	59,732
FUND BALANCE, END OF YEAR	\$ 9,874,033	\$ 9,767,148	\$ 9,338,944	\$ (428,204)

CITY OF NORTH LAS VEGAS

MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 28,207,264	\$ 28,207,264	\$ 28,331,500	\$ 124,236
Miscellaneous	<u>4,970</u>	<u>4,970</u>	<u>7,157</u>	<u>2,187</u>
Total revenues	<u>28,212,234</u>	<u>28,212,234</u>	<u>28,338,657</u>	<u>126,423</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	13,699,081	13,699,081	13,083,380	615,701
Employee benefits	7,454,660	7,454,660	8,467,828	(1,013,168)
Services and supplies	3,410,490	3,434,090	2,624,272	809,818
Capital outlay	<u>293,000</u>	<u>293,000</u>	<u>293,000</u>	<u>0</u>
Total police	<u>24,857,231</u>	<u>24,587,831</u>	<u>24,175,480</u>	<u>412,351</u>
Corrections				
Salaries and wages	3,422,476	1,021,846	1,050,522	(28,676)
Employee benefits	2,022,991	566,916	702,461	(135,545)
Services and supplies	<u>150,344</u>	<u>3,877,444</u>	<u>3,626,464</u>	<u>250,980</u>
Total corrections	<u>5,595,811</u>	<u>5,466,206</u>	<u>5,379,447</u>	<u>86,759</u>
Protective services				
Salaries and wages	137,330	137,330	114,145	23,185
Employee benefits	57,973	57,973	49,573	8,400
Services and supplies	<u>14,490</u>	<u>14,490</u>	<u>9,338</u>	<u>5,152</u>
Total protective services	<u>209,793</u>	<u>209,793</u>	<u>173,056</u>	<u>36,737</u>
Safe streets 2000				
Services and supplies	<u>123,600</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total expenditures	<u>30,786,435</u>	<u>30,363,830</u>	<u>29,727,983</u>	<u>635,847</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,574,201)</u>	<u>(2,151,596)</u>	<u>(1,389,326)</u>	<u>762,270</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			23,556	23,556
Transfers in	883,402	590,402	590,402	
Transfers out	<u>(1,194,336)</u>	<u>(1,323,941)</u>	<u>(1,323,941)</u>	
Total other financing sources (uses)	<u>(310,934)</u>	<u>(733,539)</u>	<u>(709,983)</u>	<u>23,556</u>
CHANGE IN FUND BALANCE	<u>(2,885,135)</u>	<u>(2,885,135)</u>	<u>(2,099,309)</u>	<u>785,826</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			4,087,849	
Adjustment			<u>179,990</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED			<u>4,267,839</u>	<u>179,990</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 1,202,714</u>	<u>\$ 2,168,530</u>	<u>\$ 965,816</u>

CITY OF NORTH LAS VEGAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, 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. 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.

**OTHER SUPPLEMENTARY
INFORMATION**

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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.

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.

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 43,341,500	\$ 43,341,500	\$ 40,968,699	\$ (2,372,801)
EXPENDITURES				
Culture and recreation				
Administration				
Salaries and wages	1,631,000	1,631,000	17,120	1,613,880
Employee benefits	721,900	721,900	9,595	712,305
Services and supplies	1,898,900	1,898,900	912,611	986,289
Capital outlay	39,419,000	39,419,000	37,553,579	1,865,421
Total administration	<u>43,670,800</u>	<u>43,670,800</u>	<u>38,492,905</u>	<u>5,177,895</u>
Parks planning and development				
Capital outlay			2,005,630	(2,005,630)
Total parks planning and development			<u>2,005,630</u>	<u>(2,005,630)</u>
Other				
Salaries and wages	55,900	55,900	348,723	(292,823)
Employee benefits	24,800	24,800	196,637	(171,837)
Services and supplies	14,000	14,000	8,654	5,346
Total other	<u>94,700</u>	<u>94,700</u>	<u>554,014</u>	<u>(459,314)</u>
Total culture and recreation	<u>43,765,500</u>	<u>43,765,500</u>	<u>41,052,549</u>	<u>2,712,951</u>
Total expenditures	<u>43,765,500</u>	<u>43,765,500</u>	<u>41,052,549</u>	<u>2,712,951</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(424,000)</u>	<u>(424,000)</u>	<u>(83,850)</u>	<u>340,150</u>
OTHER FINANCING SOURCES				
Transfers in	<u>424,000</u>	<u>424,000</u>	<u>424,000</u>	
CHANGE IN FUND BALANCE			340,150	340,150
FUND BALANCE, BEGINNING OF YEAR	<u>1,217,422</u>	<u>1,259,932</u>	<u>1,259,932</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,217,422</u>	<u>\$ 1,259,932</u>	<u>\$ 1,600,082</u>	<u>\$ 340,150</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 46,028,400	\$ 46,028,400	\$ 29,586,129	\$ (16,442,271)
Contributions			42,646	42,646
Total revenues	<u>46,028,400</u>	<u>46,028,400</u>	<u>29,628,775</u>	<u>(16,399,625)</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages			466,061	(466,061)
Employee benefits			239,301	(239,301)
Services and supplies			394,670	(394,670)
Capital outlay			16,150	(16,150)
Total police			<u>1,116,182</u>	<u>(1,116,182)</u>
Protective services				
Salaries and wages			58,463	(58,463)
Employee benefits			34,330	(34,330)
Services and supplies			17,218	(17,218)
Capital outlay			122,739	(122,739)
Total protective services			<u>232,750</u>	<u>(232,750)</u>
Fire				
Salaries and wages	9,100	9,100		9,100
Employee benefits	4,100	4,100		4,100
Services and supplies	687,800	87,800	27,142	60,658
Capital outlay	959,000	937,000	775,754	161,246
Total fire	<u>1,660,000</u>	<u>1,038,000</u>	<u>802,896</u>	<u>235,104</u>
Other				
Salaries and wages	1,536,500	1,536,500		1,536,500
Employee benefits	662,500	662,500		662,500
Services and supplies	1,137,100	1,137,100		1,137,100
Capital outlay	42,692,300	42,692,300	28,325,411	14,366,889
Total other	<u>46,028,400</u>	<u>46,028,400</u>	<u>28,325,411</u>	<u>17,702,989</u>
Total public safety	<u>47,688,400</u>	<u>47,066,400</u>	<u>30,477,239</u>	<u>16,589,161</u>
Total expenditures	<u>47,688,400</u>	<u>47,066,400</u>	<u>30,477,239</u>	<u>16,589,161</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,660,000)</u>	<u>(1,038,000)</u>	<u>(848,464)</u>	<u>189,536</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,660,000</u>	
CHANGE IN FUND BALANCE		622,000	811,536	189,536
FUND BALANCE, BEGINNING OF YEAR	<u>22,013,740</u>	<u>7,228,530</u>	<u>7,228,530</u>	
FUND BALANCE, END OF YEAR	<u>\$ 22,013,740</u>	<u>\$ 7,850,530</u>	<u>\$ 8,040,066</u>	<u>\$ 189,536</u>

**NON-MAJOR
GOVERNMENTAL FUNDS**

CITY OF NORTH LAS VEGAS

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2013

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 37,148,298	\$ 3,128,840	\$ 19,480,443	\$ 59,757,581
Accounts receivable, net	986,627		229,498	1,216,125
Grants receivable	1,929,350		1,474,028	3,403,378
Property taxes receivable	321,620	20,328		341,948
Interest receivable		20,875		20,875
Special assessments receivable		100,551		100,551
Prepaid items	6,145	30,000		36,145
Due from other governments	3,264,539			3,264,539
Inventories	3,326			3,326
Property held for resale	<u>2,607,294</u>			<u>2,607,294</u>
Total assets	<u>\$ 46,267,199</u>	<u>\$ 3,300,594</u>	<u>\$ 21,183,969</u>	<u>\$ 70,751,762</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 1,267,155	\$ 3,790	\$ 1,216,924	\$ 2,487,869
Accrued salaries and benefits	966,796		38,108	1,004,904
Due to other funds	56,322			56,322
Due to other governments	250,716		40,080	290,796
Customer deposits	7,593			7,593
Unearned revenue	<u>2,123,365</u>		<u>40,399</u>	<u>2,163,764</u>
Total liabilities	<u>4,671,947</u>	<u>3,790</u>	<u>1,335,511</u>	<u>6,011,248</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>161,133</u>	<u>11,934</u>		<u>173,067</u>
Total liabilities and deferred inflows of resources	<u>4,833,080</u>	<u>15,724</u>	<u>1,335,511</u>	<u>6,184,315</u>

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2013

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Aggregate Other Governmental Funds</u>
FUND BALANCES				
Nonspendable				
Inventories	3,326			3,326
Prepaid items	6,145	30,000		36,145
Land held for resale	2,607,294			2,607,294
Restricted for				
Debt service		3,249,644		3,249,644
Buildings and facilities projects			7,791,018	7,791,018
Street improvements projects	2,520,573		3,677,442	6,198,015
Other capital projects	9,402,244		3,992,117	13,394,361
Police, fire and other public safety programs and projects	8,357,555		3,703,473	12,061,028
Library district operations	736,877			736,877
Courts and other judicial programs	2,081,986			2,081,986
Community assistance and support programs	12,783,793			12,783,793
Other	19,103			19,103
Committed to				
Debt service		5,226		5,226
Buildings and facilities projects			684,399	684,399
Other capital projects			9	9
Parks, cultural and other recreational programs	308,799			308,799
Community assistance and support programs	251,433			251,433
Assigned to				
Other capital projects	940,274			940,274
Police, fire and other public safety programs and projects	393,672			393,672
Parks, cultural and other recreational programs	1,001,742			1,001,742
Other	19,303			19,303
Total fund balances	<u>41,434,119</u>	<u>3,284,870</u>	<u>19,848,458</u>	<u>64,567,447</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,267,199</u>	<u>\$ 3,300,594</u>	<u>\$ 21,183,969</u>	<u>\$ 70,751,762</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, 2013

	Special Revenue	Debt Service	Capital Projects	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 12,321,442	\$ 970,276	\$	\$ 13,291,718
Residential construction taxes	332,595			332,595
Room taxes	383,888			383,888
Special assessments		2,202,185		2,202,185
Charges for services	2,222,593			2,222,593
Intergovernmental	19,690,331		14,043,110	33,733,441
Fines and forfeitures	732,601	3,040		735,641
Contributions	62,865			62,865
Rents and royalties	77,333			77,333
Investment income	26,754	2,359	26,452	55,565
Miscellaneous	1,176,315			1,176,315
Total revenues	<u>37,026,717</u>	<u>3,177,860</u>	<u>14,069,562</u>	<u>54,274,139</u>
EXPENDITURES				
Current				
General government	357,165		63,217	420,382
Judicial	702,433			702,433
Public safety	15,837,114		795,313	16,632,427
Public works	3,496,771		2,584,499	6,081,270
Culture and recreation	4,813,077			4,813,077
Community support	3,372,727			3,372,727
Total current	<u>28,579,287</u>		<u>3,443,029</u>	<u>32,022,316</u>
Capital outlay				
General government			1,843,632	1,843,632
Public safety	419,868		1,175,253	1,595,121
Public works	26,962		13,037,616	13,064,578
Community support	2,076,339			2,076,339
Total capital outlay	<u>2,523,169</u>		<u>16,056,501</u>	<u>18,579,670</u>
Debt service				
Principal payments	335,000	5,593,600		5,928,600
Interest and fiscal charges	137,751	3,108,918		3,246,669
Total debt service	<u>472,751</u>	<u>8,702,518</u>		<u>9,175,269</u>
Total expenditures	<u>31,575,207</u>	<u>8,702,518</u>	<u>19,499,530</u>	<u>59,777,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,451,510</u>	<u>(5,524,658)</u>	<u>(5,429,968)</u>	<u>(5,503,116)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	42,609			42,609
Transfers in	1,219,532	5,449,850	5,257,133	11,926,515
Transfers out	(6,628,576)		(3,200,000)	(9,828,576)
Total other financing sources (uses)	<u>(5,366,435)</u>	<u>5,449,850</u>	<u>2,057,133</u>	<u>2,140,548</u>
CHANGE IN FUND BALANCE	<u>85,075</u>	<u>(74,808)</u>	<u>(3,372,835)</u>	<u>(3,362,568)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	38,885,481	3,353,006	23,221,293	65,459,780
Adjustment	2,463,563	6,672		2,470,235
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>41,349,044</u>	<u>3,359,678</u>	<u>23,221,293</u>	<u>67,930,015</u>
FUND BALANCE, END OF YEAR	<u>\$ 41,434,119</u>	<u>\$ 3,284,870</u>	<u>\$ 19,848,458</u>	<u>\$ 64,567,447</u>

SPECIAL REVENUE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
ASSETS					
Cash, cash equivalents and investments	\$ 1,226,551	\$ 10,309,840	\$ 908,757	\$ 10,447,789	\$ 3,797,030
Accounts receivable, net	44,420	158,780		110,800	10,124
Grants receivable	87,956			187,370	
Property taxes receivable		82,695	54,332	180,294	
Prepaid items			6,145		
Due from other governments				929,348	2,335,191
Inventories					
Property held for resale					
Total assets	<u>\$ 1,358,927</u>	<u>\$ 10,551,315</u>	<u>\$ 969,234</u>	<u>\$ 11,855,601</u>	<u>\$ 6,142,345</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 13,287	\$ 1,381	\$ 82,745	\$ 570,270	\$ 970
Accrued salaries and benefits	21,355	20,410	90,382	191,108	462,025
Due to other funds	1,654	898	3,922	8,368	31,858
Due to other governments	765		19,560	92,840	
Customer deposits	1,593	6,000			
Unearned revenue	9,732	29,760		2,519	
Total liabilities	<u>48,386</u>	<u>58,449</u>	<u>196,609</u>	<u>865,105</u>	<u>494,853</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		31,047	29,603	98,141	
Total liabilities and deferred inflows of resources	<u>48,386</u>	<u>89,496</u>	<u>226,212</u>	<u>963,246</u>	<u>494,853</u>
FUND BALANCES					
Nonspendable					
Inventories					
Prepaid items					
Land held for resale					
Restricted for					
Street improvements projects					
Other capital projects					
Police, fire and other public safety programs and projects					
Library district operations					
Courts and other judicial programs					
Community assistance and support programs					
Other					
Committed to					
Parks, cultural and other recreational programs					
Community assistance and support programs					
Assigned to					
Other capital projects					
Police, fire and other public safety programs and projects					
Parks, cultural and other recreational programs					
Other					
Total fund balances	<u>1,310,541</u>	<u>10,461,819</u>	<u>743,022</u>	<u>10,892,355</u>	<u>5,647,492</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,358,927</u>	<u>\$ 10,551,315</u>	<u>\$ 969,234</u>	<u>\$ 11,855,601</u>	<u>\$ 6,142,345</u>

(Continued)

CITY OF NORTH LAS VEGAS

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2013

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
ASSETS					
Cash, cash equivalents and investments	\$ 2,009,142	\$ 2,633,113	\$ 2,113,636	\$ 3,702,440	\$ 37,148,298
Accounts receivable, net		647,014		15,489	986,627
Grants receivable		418,319		1,235,705	1,929,350
Property taxes receivable		4,299			321,620
Prepaid items					6,145
Due from other governments					3,264,539
Inventories		3,326			3,326
Property held for resale				2,607,294	2,607,294
	<u>\$ 2,009,142</u>	<u>\$ 3,706,071</u>	<u>\$ 2,113,636</u>	<u>\$ 7,560,928</u>	<u>\$ 46,267,199</u>
Total assets					
LIABILITIES					
Accounts payable and other accrued liabilities	\$	\$ 252,705	\$ 10,907	\$ 334,890	\$ 1,267,155
Accrued salaries and benefits		123,616	19,846	38,054	966,796
Due to other funds		7,022	897	1,703	56,322
Due to other governments		136,151		1,400	250,716
Customer deposits					7,593
Unearned revenue		77,174		2,004,180	2,123,365
		<u>596,668</u>	<u>31,650</u>	<u>2,380,227</u>	<u>4,671,947</u>
Total liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues		2,342			161,133
		<u>599,010</u>	<u>31,650</u>	<u>2,380,227</u>	<u>4,833,080</u>
Total liabilities and deferred inflows of resources					
FUND BALANCES					
Nonspendable					
Inventories		3,326			3,326
Prepaid items					6,145
Land held for resale				2,607,294	2,607,294
Restricted for					
Street improvements projects					2,520,573
Other capital projects	2,009,142				9,402,244
Police, fire and other public safety programs and projects		2,710,063			8,357,555
Library district operations					736,877
Courts and other judicial programs			2,081,986		2,081,986
Community assistance and support programs				2,321,974	12,783,793
Other					19,103
Committed to					
Parks, cultural and other recreational programs					308,799
Community assistance and support programs				251,433	251,433
Assigned to					
Other capital projects					940,274
Police, fire and other public safety programs and projects		393,672			393,672
Parks, cultural and other recreational programs					1,001,742
Other					19,303
	<u>2,009,142</u>	<u>3,107,061</u>	<u>2,081,986</u>	<u>5,180,701</u>	<u>41,434,119</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,009,142</u>	<u>\$ 3,706,071</u>	<u>\$ 2,113,636</u>	<u>\$ 7,560,928</u>	<u>\$ 46,267,199</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, 2013

	Parks and Recreation Support	Redevelopment Agency	Library District	Special Purpose Revenue	More Cops Sales Tax
REVENUES					
Property taxes	\$	\$ 1,276,443	\$ 2,451,422	\$ 8,399,381	\$
Residential construction taxes				383,888	
Room taxes					
Charges for services	1,808,821				
Intergovernmental	172,215		4,600	4,130,322	9,048,291
Fines and forfeitures	225	613	72,055		
Contributions	41,028				
Rents and royalties		77,333			
Investment income	429	18,044		125	5,304
Miscellaneous	9,930		57,624	28,355	
Total revenues	<u>2,032,648</u>	<u>1,372,433</u>	<u>2,585,701</u>	<u>12,942,071</u>	<u>9,053,595</u>
EXPENDITURES					
Current					
General government				357,165	
Judicial					
Public safety				2,984,165	8,904,720
Public works				3,496,771	
Culture and recreation	1,625,532		2,552,141	635,404	
Community support		751,847		28,189	
Total current	<u>1,625,532</u>	<u>751,847</u>	<u>2,552,141</u>	<u>7,501,694</u>	<u>8,904,720</u>
Capital outlay					
Public safety				26,962	
Public works					
Community support		2,070,856			
Total capital outlay		<u>2,070,856</u>		<u>26,962</u>	
Debt service					
Principal payments			335,000		
Interest and fiscal charges			137,751		
Total debt service			<u>472,751</u>		
Total expenditures	<u>1,625,532</u>	<u>2,822,703</u>	<u>3,024,892</u>	<u>7,528,656</u>	<u>8,904,720</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>407,116</u>	<u>(1,450,270)</u>	<u>(439,191)</u>	<u>5,413,415</u>	<u>148,875</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal				17,186	2,347
Transfers in			49,640		590,402
Transfers out		(300,000)	(562,264)	(4,251,795)	(260,000)
Total other financing sources (uses)		<u>(300,000)</u>	<u>(512,624)</u>	<u>(4,234,609)</u>	<u>332,749</u>
CHANGE IN FUND BALANCE	<u>407,116</u>	<u>(1,750,270)</u>	<u>(951,815)</u>	<u>1,178,806</u>	<u>481,624</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
Adjustment	903,425	12,203,891	1,678,931	9,662,026	5,165,868
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>903,425</u>	<u>12,212,089</u>	<u>1,694,837</u>	<u>9,713,549</u>	<u>5,165,868</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,310,541</u>	<u>\$ 10,461,819</u>	<u>\$ 743,022</u>	<u>\$ 10,892,355</u>	<u>\$ 5,647,492</u>

(Continued)

CITY OF NORTH LAS VEGAS
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2013

	Park Construction Tax	Public Safety Support	Municipal Court Support	Community Development	Total Special Revenue
REVENUES					
Property taxes	\$	\$ 194,196	\$	\$	\$ 12,321,442
Residential construction taxes	332,595				332,595
Room taxes					383,888
Charges for services		31,464	382,308		2,222,593
Intergovernmental		3,260,651		3,074,252	19,690,331
Fines and forfeitures		659,708			732,601
Contributions		21,837			62,865
Rents and royalties					77,333
Investment income	2,888	(36)			26,754
Miscellaneous		216,138	616,341	247,927	1,176,315
Total revenues	<u>335,483</u>	<u>4,383,958</u>	<u>998,649</u>	<u>3,322,179</u>	<u>37,026,717</u>
EXPENDITURES					
Current					
General government					357,165
Judicial			702,433		702,433
Public safety		3,948,229			15,837,114
Public works					3,496,771
Culture and recreation					4,813,077
Community support				2,592,691	3,372,727
Total current		<u>3,948,229</u>	<u>702,433</u>	<u>2,592,691</u>	<u>28,579,287</u>
Capital outlay					
Public safety		419,868			419,868
Public works					26,962
Community support				5,483	2,076,339
Total capital outlay		<u>419,868</u>		<u>5,483</u>	<u>2,523,169</u>
Debt service					
Principal payments					335,000
Interest and fiscal charges					137,751
Total debt service					<u>472,751</u>
Total expenditures		<u>4,368,097</u>	<u>702,433</u>	<u>2,598,174</u>	<u>31,575,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>335,483</u>	<u>15,861</u>	<u>296,216</u>	<u>724,005</u>	<u>5,451,510</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from capital asset disposal		9,500		13,576	42,609
Transfers in		579,490			1,219,532
Transfers out	(424,000)	(22,119)	(300,000)	(508,398)	(6,628,576)
Total other financing sources (uses)	<u>(424,000)</u>	<u>566,871</u>	<u>(300,000)</u>	<u>(494,822)</u>	<u>(5,366,435)</u>
CHANGE IN FUND BALANCE	<u>(88,517)</u>	<u>582,732</u>	<u>(3,784)</u>	<u>229,183</u>	<u>85,075</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	2,097,659	2,522,123	2,085,770	2,565,788	38,885,481
Adjustment		2,206		2,385,730	2,463,563
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>2,097,659</u>	<u>2,524,329</u>	<u>2,085,770</u>	<u>4,951,518</u>	<u>41,349,044</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,009,142</u>	<u>\$ 3,107,061</u>	<u>\$ 2,081,986</u>	<u>\$ 5,180,701</u>	<u>\$ 41,434,119</u>

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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$ 1,661,300	\$ 1,661,300	\$ 1,808,821	\$ 147,521
Intergovernmental	41,250	70,050	172,215	102,165
Fines and forfeitures			225	225
Contributions	116,200	116,200	41,028	(75,172)
Investment income	1,525	1,525	429	(1,096)
Miscellaneous			9,930	9,930
Total revenues	<u>1,820,275</u>	<u>1,849,075</u>	<u>2,032,648</u>	<u>183,573</u>
EXPENDITURES				
Culture and recreation				
Administration				
Salaries and wages			3,692	(3,692)
Employee benefits			1,141	(1,141)
Services and supplies			41,316	(41,316)
Total administration			<u>46,149</u>	<u>(46,149)</u>
Participant recreation				
Salaries and wages	1,184,064	1,246,114	976,195	269,919
Employee benefits	222,943	230,783	171,835	58,948
Services and supplies	515,900	622,210	384,726	237,484
Total participant recreation	<u>1,922,907</u>	<u>2,099,107</u>	<u>1,532,756</u>	<u>566,351</u>
Parks and grounds				
Salaries and wages			9,674	(9,674)
Employee benefits			847	(847)
Total parks and grounds			<u>10,521</u>	<u>(10,521)</u>
Other				
Salaries and wages			28,454	(28,454)
Employee benefits			7,413	(7,413)
Services and supplies			239	(239)
Total other			<u>36,106</u>	<u>(36,106)</u>
Total culture and recreation	<u>1,922,907</u>	<u>2,099,107</u>	<u>1,625,532</u>	<u>473,575</u>
Total expenditures	<u>1,922,907</u>	<u>2,099,107</u>	<u>1,625,532</u>	<u>473,575</u>
OTHER FINANCING SOURCES				
Transfers in		122,540		(122,540)
CHANGE IN FUND BALANCE	(102,632)	(127,492)	407,116	534,608
FUND BALANCE, BEGINNING OF YEAR	<u>497,995</u>	<u>903,425</u>	<u>903,425</u>	
FUND BALANCE, END OF YEAR	<u>\$ 395,363</u>	<u>\$ 775,933</u>	<u>\$ 1,310,541</u>	<u>\$ 534,608</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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 1,185,950	\$ 1,185,950	\$ 1,276,443	\$ 90,493
Intergovernmental	120,000	120,000		(120,000)
Fines and forfeitures			613	613
Rents and royalties	63,015	63,015	77,333	14,318
Investment income			18,044	18,044
Total revenues	1,368,965	1,368,965	1,372,433	3,468
EXPENDITURES				
Community support				
Economic development				
Salaries and wages	431,809	431,809	380,530	51,279
Employee benefits	171,743	171,743	160,376	11,367
Services and supplies	4,678,733	2,678,733	179,543	2,499,190
Capital outlay	240,000	2,240,000	2,070,856	169,144
Total economic development	5,522,285	5,522,285	2,791,305	2,730,980
Other				
Salaries and wages	17,822	17,822	21,281	(3,459)
Employee benefits	6,612	6,612	9,563	(2,951)
Services and supplies	469	469	554	(85)
Total other	24,903	24,903	31,398	(6,495)
Total community support	5,547,188	5,547,188	2,822,703	2,724,485
Total expenditures	5,547,188	5,547,188	2,822,703	2,724,485
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,178,223)	(4,178,223)	(1,450,270)	2,727,953
OTHER FINANCING USES				
Transfers out	(300,000)	(300,000)	(300,000)	
CHANGE IN FUND BALANCE	(4,478,223)	(4,478,223)	(1,750,270)	2,727,953
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			12,203,891	
Adjustment			8,198	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	11,389,919	12,203,891	12,212,089	8,198
FUND BALANCE, END OF YEAR	\$ 6,911,696	\$ 7,725,668	\$ 10,461,819	\$ 2,736,151

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,433,805	\$ 2,433,805	\$ 2,451,422	\$ 17,617
Intergovernmental			4,600	4,600
Fines and forfeitures	64,050	64,050	72,055	8,005
Contributions	20,000	20,000		(20,000)
Miscellaneous	<u>40,440</u>	<u>40,440</u>	<u>57,624</u>	<u>17,184</u>
Total revenues	<u>2,558,295</u>	<u>2,558,295</u>	<u>2,585,701</u>	<u>27,406</u>
EXPENDITURES				
Culture and recreation				
Library district operations				
Salaries and wages	1,280,766	1,457,516	1,418,593	38,923
Employee benefits	500,546	599,118	593,503	5,615
Services and supplies	<u>638,960</u>	<u>673,562</u>	<u>490,405</u>	<u>183,157</u>
Total library district operations	<u>2,420,272</u>	<u>2,730,196</u>	<u>2,502,501</u>	<u>227,695</u>
Other				
Services and supplies			<u>49,640</u>	<u>(49,640)</u>
Total culture and recreation	<u>2,420,272</u>	<u>2,730,196</u>	<u>2,552,141</u>	<u>178,055</u>
Debt service				
Principal payments	335,000	335,000	335,000	
Interest and fiscal charges	<u>137,760</u>	<u>137,760</u>	<u>137,751</u>	<u>9</u>
Total debt service	<u>472,760</u>	<u>472,760</u>	<u>472,751</u>	<u>9</u>
Total expenditures	<u>2,893,032</u>	<u>3,202,956</u>	<u>3,024,892</u>	<u>178,064</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(334,737)</u>	<u>(644,661)</u>	<u>(439,191)</u>	<u>205,470</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	<u>(562,264)</u>	<u>(562,264)</u>	49,640	49,640
Total other financing sources (uses)	<u>(562,264)</u>	<u>(562,264)</u>	<u>(512,624)</u>	<u>49,640</u>
CHANGE IN FUND BALANCE	<u>(897,001)</u>	<u>(1,206,925)</u>	<u>(951,815)</u>	<u>255,110</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			1,678,931	
Adjustment			<u>15,906</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED			<u>1,694,837</u>	<u>15,906</u>
FUND BALANCE, END OF YEAR	<u>\$ 462,522</u>	<u>\$ 472,006</u>	<u>\$ 743,022</u>	<u>\$ 271,016</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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 8,560,143	\$ 8,560,143	\$ 8,399,381	\$ (160,762)
Room taxes			383,888	383,888
Intergovernmental	4,581,250	4,690,035	4,130,322	(559,713)
Investment income			125	125
Miscellaneous	<u>300,840</u>	<u>300,840</u>	<u>28,355</u>	<u>(272,485)</u>
Total revenues	<u>13,442,233</u>	<u>13,551,018</u>	<u>12,942,071</u>	<u>(608,947)</u>
EXPENDITURES				
General government				
City attorney				
Salaries and wages			78	(78)
Employee benefits			55	(55)
Services and supplies			<u>2</u>	<u>(2)</u>
Total city attorney			<u>135</u>	<u>(135)</u>
Other				
Salaries and wages	56,500	61,783	16,218	45,565
Employee benefits	3,500	4,896	6,537	(1,641)
Services and supplies	<u>238,000</u>	<u>340,106</u>	<u>334,275</u>	<u>5,831</u>
Total other	<u>298,000</u>	<u>406,785</u>	<u>357,030</u>	<u>49,755</u>
Total general government	<u>298,000</u>	<u>406,785</u>	<u>357,165</u>	<u>49,620</u>
Public safety				
Protective services				
Salaries and wages	1,269,022	1,269,022	1,297,301	(28,279)
Employee benefits	496,930	496,930	545,137	(48,207)
Services and supplies	<u>1,685,195</u>	<u>1,685,195</u>	<u>1,141,727</u>	<u>543,468</u>
Total public safety	<u>3,451,147</u>	<u>3,451,147</u>	<u>2,984,165</u>	<u>466,982</u>
Public works				
Administration				
Salaries and wages			9,629	(9,629)
Employee benefits			5,736	(5,736)
Services and supplies			<u>255</u>	<u>(255)</u>
Total administration			<u>15,620</u>	<u>(15,620)</u>
Streets				
Salaries and wages	1,854,187	1,854,187	1,489,563	364,624
Employee benefits	765,163	765,163	618,473	146,690
Services and supplies	2,036,996	2,036,996	1,336,248	700,748
Capital outlay	<u>288,400</u>	<u>288,400</u>	<u>26,962</u>	<u>(26,962)</u>
Total streets	<u>4,944,746</u>	<u>4,656,346</u>	<u>3,471,246</u>	<u>1,185,100</u>
Engineering				
Salaries and wages			2,150	(2,150)
Employee benefits			1,290	(1,290)
Services and supplies			<u>57</u>	<u>(57)</u>
Total engineering			<u>3,497</u>	<u>(3,497)</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, 2013

	Original Budget	Final Budget	Actual	Variance
Survey				
Salaries and wages			23,106	(23,106)
Employee benefits			9,660	(9,660)
Services and supplies			604	(604)
Total survey			33,370	(33,370)
Total public works	4,944,746	4,656,346	3,523,733	1,132,613
Culture and recreation				
Administration				
Services and supplies			34,465	(34,465)
Parks and grounds				
Services and supplies	689,216	689,216	600,939	88,277
Total culture and recreation	689,216	689,216	635,404	53,812
Community support				
Housing and neighborhood services				
Salaries and wages			26	(26)
Employee benefits			7	(7)
Services and supplies			1	(1)
Total housing and neighborhood services			34	(34)
Other				
Services and supplies	300,000	300,000	28,155	271,845
Total community support	300,000	300,000	28,189	271,811
Total expenditures	9,683,109	9,503,494	7,528,656	1,974,838
EXCESS OF REVENUES OVER EXPENDITURES	3,759,124	4,047,524	5,413,415	1,365,891
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			17,186	17,186
Transfers in	48,400			
Transfers out	(3,816,870)	(4,251,795)	(4,251,795)	
Total other financing sources (uses)	(3,768,470)	(4,251,795)	(4,234,609)	17,186
CHANGE IN FUND BALANCE	(9,346)	(204,271)	1,178,806	1,383,077
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			9,662,026	
Adjustment			51,523	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	6,817,536	9,662,026	9,713,549	51,523
FUND BALANCE, END OF YEAR	\$ 6,808,190	\$ 9,457,755	\$ 10,892,355	\$ 1,434,600

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 8,433,530	\$ 8,433,530	\$ 9,048,291	\$ 614,761
Investment income	17,220	17,220	5,304	(11,916)
Total revenues	<u>8,450,750</u>	<u>8,450,750</u>	<u>9,053,595</u>	<u>602,845</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	5,139,742	5,139,742	5,103,708	36,034
Employee benefits	3,250,586	3,250,586	3,361,608	(111,022)
Services and supplies	520,335	520,335	439,404	80,931
Capital outlay	260,000			
Total expenditures	<u>9,170,663</u>	<u>8,910,663</u>	<u>8,904,720</u>	<u>5,943</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(719,913)</u>	<u>(459,913)</u>	<u>148,875</u>	<u>608,788</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			2,347	2,347
Transfers in	590,402	590,402	590,402	
Transfers out		(260,000)	(260,000)	
Total other financing sources (uses)	<u>590,402</u>	<u>330,402</u>	<u>332,749</u>	<u>2,347</u>
CHANGE IN FUND BALANCE	(129,511)	(129,511)	481,624	611,135
FUND BALANCE, BEGINNING OF YEAR	<u>4,664,539</u>	<u>5,165,868</u>	<u>5,165,868</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,535,028</u>	<u>\$ 5,036,357</u>	<u>\$ 5,647,492</u>	<u>\$ 611,135</u>

CITY OF NORTH LAS VEGAS

PARK CONSTRUCTION TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Residential construction taxes	\$ 200,000	\$ 200,000	\$ 332,595	\$ 132,595
Investment income	<u>9,810</u>	<u>9,810</u>	<u>2,888</u>	<u>(6,922)</u>
Total revenues	<u>209,810</u>	<u>209,810</u>	<u>335,483</u>	<u>125,673</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>209,810</u>	<u>209,810</u>	<u>335,483</u>	<u>125,673</u>
OTHER FINANCING USES				
Transfers out	<u>(424,000)</u>	<u>(424,000)</u>	<u>(424,000)</u>	<u></u>
CHANGE IN FUND BALANCE	(214,190)	(214,190)	(88,517)	125,673
FUND BALANCE, BEGINNING OF YEAR	<u>1,927,369</u>	<u>2,097,659</u>	<u>2,097,659</u>	<u></u>
FUND BALANCE, END OF YEAR	<u>\$ 1,713,179</u>	<u>\$ 1,883,469</u>	<u>\$ 2,009,142</u>	<u>\$ 125,673</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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 193,700	\$ 193,700	\$ 194,196	\$ 496
Charges for services			31,464	31,464
Intergovernmental	3,890,981	7,203,027	3,260,651	(3,942,376)
Fines and forfeitures		319,350	659,708	340,358
Contributions	45,797	18,587	21,837	3,250
Investment income			(36)	(36)
Miscellaneous	<u>207,000</u>	<u>101,164</u>	<u>216,138</u>	<u>114,974</u>
Total revenues	<u>4,337,478</u>	<u>7,835,828</u>	<u>4,383,958</u>	<u>(3,451,870)</u>
EXPENDITURES				
Public safety				
Police				
Salaries and wages	2,278,984	4,097,504	1,595,178	2,502,326
Employee benefits	1,053,493	2,208,086	822,500	1,385,586
Services and supplies	888,908	1,678,826	1,395,756	283,070
Capital outlay	186,480	434,567	419,868	14,699
Total police	<u>4,407,865</u>	<u>8,418,983</u>	<u>4,233,302</u>	<u>4,185,681</u>
Corrections				
Salaries and wages	15,000			
Employee benefits	900			
Services and supplies		79,864	6,130	73,734
Total corrections	<u>15,900</u>	<u>79,864</u>	<u>6,130</u>	<u>73,734</u>
Protective services				
Salaries and wages			41,416	(41,416)
Employee benefits			17,712	(17,712)
Services and supplies	100,000	100,000	69,537	30,463
Total protective services	<u>100,000</u>	<u>100,000</u>	<u>128,665</u>	<u>(28,665)</u>
Total expenditures	<u>4,523,765</u>	<u>8,598,847</u>	<u>4,368,097</u>	<u>4,230,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(186,287)</u>	<u>(763,019)</u>	<u>15,861</u>	<u>778,880</u>
OTHER FINANCING SOURCES				
Proceeds from capital asset disposal		9,500	9,500	
Transfers in	426,000	579,490	579,490	
Transfers out			(22,119)	(22,119)
Total other financing sources	<u>426,000</u>	<u>588,990</u>	<u>566,871</u>	<u>(22,119)</u>
CHANGE IN FUND BALANCE	<u>239,713</u>	<u>(174,029)</u>	<u>582,732</u>	<u>756,761</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			2,522,123	
Adjustment			2,206	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>9,662,026</u>	<u>2,522,123</u>	<u>2,524,329</u>	<u>2,206</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,877,367</u>	<u>\$ 2,348,094</u>	<u>\$ 3,107,061</u>	<u>\$ 758,967</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 350,000	\$ 350,000	\$ 382,308	\$ 32,308
Miscellaneous	<u>675,000</u>	<u>675,000</u>	<u>616,341</u>	<u>(58,659)</u>
Total revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>998,649</u>	<u>(26,351)</u>
EXPENDITURES				
Judicial				
Municipal court				
Salaries and wages	201,728	369,891	301,399	68,492
Employee benefits	84,732	162,042	136,996	25,046
Services and supplies	<u>951,663</u>	<u>955,868</u>	<u>264,038</u>	<u>691,830</u>
Total expenditures	<u>1,238,123</u>	<u>1,487,801</u>	<u>702,433</u>	<u>785,368</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(213,123)</u>	<u>(462,801)</u>	<u>296,216</u>	<u>759,017</u>
OTHER FINANCING USES				
Transfers out	<u>(320,209)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u> </u>
CHANGE IN FUND BALANCE	(533,332)	(762,801)	(3,784)	759,017
FUND BALANCE, BEGINNING OF YEAR	<u>1,587,673</u>	<u>2,085,770</u>	<u>2,085,770</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,054,341</u>	<u>\$ 1,322,969</u>	<u>\$ 2,081,986</u>	<u>\$ 759,017</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 16,173,880	\$ 16,173,880	\$ 3,074,252	\$ (13,099,628)
Miscellaneous	<u>266,000</u>	<u>266,000</u>	<u>247,927</u>	<u>(18,073)</u>
Total revenues	<u>16,439,880</u>	<u>16,439,880</u>	<u>3,322,179</u>	<u>(13,117,701)</u>
EXPENDITURES				
Community support				
Housing and neighborhood services				
Salaries and wages	707,898	772,049	640,834	131,215
Employee benefits	299,753	327,858	266,362	61,496
Services and supplies	8,215,199	8,216,803	1,682,127	6,534,676
Capital outlay	<u>712,600</u>	<u>712,600</u>	<u>712,600</u>	<u>712,600</u>
Total housing and neighborhood services	<u>9,935,450</u>	<u>10,029,310</u>	<u>2,589,323</u>	<u>7,439,987</u>
Other				
Employee benefits			3,368	(3,368)
Capital outlay			<u>5,483</u>	<u>(5,483)</u>
Total other			<u>8,851</u>	<u>(8,851)</u>
Total expenditures	<u>9,935,450</u>	<u>10,029,310</u>	<u>2,598,174</u>	<u>7,431,136</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,504,430</u>	<u>6,410,570</u>	<u>724,005</u>	<u>(5,686,565)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal			13,576	13,576
Transfers out	<u>(2,078,868)</u>	<u>(2,251,048)</u>	<u>(508,398)</u>	<u>1,742,650</u>
Total other financing sources (uses)	<u>(2,078,868)</u>	<u>(2,251,048)</u>	<u>(494,822)</u>	<u>1,756,226</u>
CHANGE IN FUND BALANCE	<u>4,425,562</u>	<u>4,159,522</u>	<u>229,183</u>	<u>(3,930,339)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			2,565,788	
Adjustment			<u>2,385,730</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>1,813,070</u>	<u>4,951,519</u>	<u>4,951,518</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,238,632</u>	<u>\$ 9,111,041</u>	<u>\$ 5,180,701</u>	<u>\$ (3,930,340)</u>

DEBT SERVICE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 870,001	\$ 870,001	\$ 970,276	\$ 100,275
Special assessments	2,119,790	2,390,490	2,202,185	(188,305)
Fines and forfeitures		550	3,040	2,490
Investment income	9,495	9,495	2,359	(7,136)
Total revenues	<u>2,999,286</u>	<u>3,270,536</u>	<u>3,177,860</u>	<u>(92,676)</u>
EXPENDITURES				
Debt service				
Principal payments	5,323,600	5,593,600	5,593,600	
Interest and fiscal charges	3,124,750	3,126,500	3,108,918	17,582
Total expenditures	<u>8,448,350</u>	<u>8,720,100</u>	<u>8,702,518</u>	<u>17,582</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,449,064)</u>	<u>(5,449,564)</u>	<u>(5,524,658)</u>	<u>(75,094)</u>
OTHER FINANCING SOURCES				
Transfers in	5,449,850	5,449,850	5,449,850	
CHANGE IN FUND BALANCE	<u>786</u>	<u>286</u>	<u>(74,808)</u>	<u>(75,094)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			3,353,006	
Adjustment			6,672	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>4,043,952</u>	<u>3,353,006</u>	<u>3,359,678</u>	<u>6,672</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,044,738</u>	<u>\$ 3,353,292</u>	<u>\$ 3,284,870</u>	<u>\$ (68,422)</u>

CAPITAL PROJECTS FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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.

Capital Projects Street Improvements

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

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.

CITY OF NORTH LAS VEGAS

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2013

	<u>General Government Improvements</u>	<u>Capital Projects Street Improvements</u>	<u>Municipal Buildings Facilities</u>	<u>Civic Center Facilities</u>	<u>Total Capital Projects</u>
ASSETS					
Cash, cash equivalents and investments	\$ 184,447	\$ 3,108,990	\$ 7,575,842	\$ 8,611,164	\$ 19,480,443
Accounts receivable, net		229,498			229,498
Grants receivable		<u>1,474,028</u>			<u>1,474,028</u>
Total assets	<u>\$ 184,447</u>	<u>\$ 4,812,516</u>	<u>\$ 7,575,842</u>	<u>\$ 8,611,164</u>	<u>\$ 21,183,969</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$	\$ 1,019,155	\$ 64,308	\$ 133,461	\$ 1,216,924
Accrued salaries and benefits		35,440	382	2,286	38,108
Due to other governments		40,080			40,080
Unearned revenue		<u>40,399</u>			<u>40,399</u>
Total liabilities		<u>1,135,074</u>	<u>64,690</u>	<u>135,747</u>	<u>1,335,511</u>
Total liabilities and deferred inflows of resources		<u>1,135,074</u>	<u>64,690</u>	<u>135,747</u>	<u>1,335,511</u>
FUND BALANCES					
Nonspendable					
Restricted for					
Buildings and facilities projects				7,791,018	7,791,018
Street improvements projects		3,677,442			3,677,442
Other capital projects	49,438		3,942,679		3,992,117
Police, fire and other public safety programs and projects	135,000		3,568,473		3,703,473
Committed to					
Buildings and facilities projects				684,399	684,399
Other capital projects	<u>9</u>				<u>9</u>
Total fund balances	<u>184,447</u>	<u>3,677,442</u>	<u>7,511,152</u>	<u>8,475,417</u>	<u>19,848,458</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 184,447</u>	<u>\$ 4,812,516</u>	<u>\$ 7,575,842</u>	<u>\$ 8,611,164</u>	<u>\$ 21,183,969</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, 2013

	General Government Improvements	Capital Projects Street Improvements	Municipal Buildings Facilities	Civic Center Facilities	Total Capital Projects
REVENUES					
Intergovernmental	\$	\$ 14,043,110	\$	\$	\$ 14,043,110
Investment income			15,046	11,406	26,452
Total revenues		<u>14,043,110</u>	<u>15,046</u>	<u>11,406</u>	<u>14,069,562</u>
EXPENDITURES					
Current					
General government				63,217	63,217
Public safety			795,313		795,313
Public works		2,584,499			2,584,499
Total current		<u>2,584,499</u>	<u>795,313</u>	<u>63,217</u>	<u>3,443,029</u>
Capital outlay					
General government	121,500			1,722,132	1,843,632
Public safety			1,175,253		1,175,253
Public works		13,037,616			13,037,616
Total capital outlay	<u>121,500</u>	<u>13,037,616</u>	<u>1,175,253</u>	<u>1,722,132</u>	<u>16,056,501</u>
Total expenditures	<u>121,500</u>	<u>15,622,115</u>	<u>1,970,566</u>	<u>1,785,349</u>	<u>19,499,530</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(121,500)</u>	<u>(1,579,005)</u>	<u>(1,955,520)</u>	<u>(1,773,943)</u>	<u>(5,429,968)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		1,901,258	3,200,000	155,875	5,257,133
Transfers out			(3,200,000)		(3,200,000)
Total other financing sources (uses)		<u>1,901,258</u>	<u></u>	<u>155,875</u>	<u>2,057,133</u>
CHANGE IN FUND BALANCE	(121,500)	322,253	(1,955,520)	(1,618,068)	(3,372,835)
FUND BALANCE, BEGINNING OF YEAR	<u>305,947</u>	<u>3,355,189</u>	<u>9,466,672</u>	<u>10,093,485</u>	<u>23,221,293</u>
FUND BALANCE, END OF YEAR	<u>\$ 184,447</u>	<u>\$ 3,677,442</u>	<u>\$ 7,511,152</u>	<u>\$ 8,475,417</u>	<u>\$ 19,848,458</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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General government				
Other				
Capital outlay	\$ _____	\$ 121,500	\$ 121,500	\$ _____
CHANGE IN FUND BALANCE		(121,500)	(121,500)	
FUND BALANCE, BEGINNING OF YEAR	<u>184,447</u>	<u>305,947</u>	<u>305,947</u>	
FUND BALANCE, END OF YEAR	<u>\$ 184,447</u>	<u>\$ 184,447</u>	<u>\$ 184,447</u>	<u>\$ _____</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 27,408,800	\$ 27,408,800	\$ 14,043,110	\$ (13,365,690)
Miscellaneous	500,000	500,000		(500,000)
Total revenues	<u>27,908,800</u>	<u>27,908,800</u>	<u>14,043,110</u>	<u>(13,865,690)</u>
EXPENDITURES				
Public works				
Administration				
Salaries and wages			18,766	(18,766)
Employee benefits			11,090	(11,090)
Services and supplies			488	(488)
Total administration			<u>30,344</u>	<u>(30,344)</u>
Flood control				
Salaries and wages			1,341	(1,341)
Employee benefits			857	(857)
Services and supplies			36	(36)
Capital outlay			1,612,862	(1,612,862)
Total flood control			<u>1,615,096</u>	<u>(1,615,096)</u>
Streets				
Salaries and wages	1,237,700	1,237,700		1,237,700
Employee benefits	538,500	538,500		538,500
Services and supplies	1,547,700	2,547,700	1,437,417	1,110,283
Capital outlay	28,022,900	27,022,900	11,290,993	15,731,907
Total streets	<u>31,346,800</u>	<u>31,346,800</u>	<u>12,728,410</u>	<u>18,618,390</u>
Engineering				
Salaries and wages			251,108	(251,108)
Employee benefits			151,345	(151,345)
Services and supplies			6,503	(6,503)
Total engineering			<u>408,956</u>	<u>(408,956)</u>
Real property				
Salaries and wages			109,654	(109,654)
Employee benefits			65,257	(65,257)
Services and supplies			2,869	(2,869)
Total real property			<u>177,780</u>	<u>(177,780)</u>
Construction				
Salaries and wages			168,425	(168,425)
Employee benefits			90,790	(90,790)
Services and supplies			4,125	(4,125)
Total construction			<u>263,340</u>	<u>(263,340)</u>
Survey				
Salaries and wages			102,287	(102,287)
Employee benefits			58,764	(58,764)
Services and supplies			2,681	(2,681)
Total survey			<u>163,732</u>	<u>(163,732)</u>

(Continued)

CITY OF NORTH LAS VEGAS

CAPITAL PROJECTS STREET IMPROVEMENTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other				
Salaries and wages			68,991	(68,991)
Employee benefits			30,594	(30,594)
Services and supplies			1,111	(1,111)
Capital outlay			<u>133,761</u>	<u>(133,761)</u>
Total other			<u>234,457</u>	<u>(234,457)</u>
Total public works	<u>31,346,800</u>	<u>31,346,800</u>	<u>15,622,115</u>	<u>15,724,685</u>
Total expenditures	<u>31,346,800</u>	<u>31,346,800</u>	<u>15,622,115</u>	<u>15,724,685</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,438,000)</u>	<u>(3,438,000)</u>	<u>(1,579,005)</u>	<u>1,858,995</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,751,712</u>	<u>2,751,712</u>	<u>1,901,258</u>	<u>(850,454)</u>
CHANGE IN FUND BALANCE	(686,288)	(686,288)	322,253	1,008,541
FUND BALANCE, BEGINNING OF YEAR	<u>9,916,570</u>	<u>3,355,189</u>	<u>3,355,189</u>	
FUND BALANCE, END OF YEAR	<u>\$ 9,230,282</u>	<u>\$ 2,668,901</u>	<u>\$ 3,677,442</u>	<u>\$ 1,008,541</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, 2013

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Investment income	\$ 64,480	\$ 64,480	\$ 15,046	\$ (49,434)
EXPENDITURES				
Public safety				
Police				
Salaries and wages			311	(311)
Employee benefits			20	(20)
Total police			331	(331)
Other				
Salaries and wages	18,800	162,189	84,053	78,136
Employee benefits	8,200	103,793	5,872	97,921
Services and supplies	2,513,500	1,233,562	705,057	528,505
Capital outlay		1,040,956	1,175,253	(134,297)
Total other	2,540,500	2,540,500	1,970,235	570,265
Total expenditures	2,540,500	2,540,500	1,970,566	569,934
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,476,020)	(2,476,020)	(1,955,520)	520,500
OTHER FINANCING SOURCES (USES)				
Transfers in		3,200,000	3,200,000	
Transfers out		(3,200,000)	(3,200,000)	
Total other financing sources (uses)		-	-	
CHANGE IN FUND BALANCE	(2,476,020)	(2,476,020)	(1,955,520)	520,500
FUND BALANCE, BEGINNING OF YEAR	8,412,603	9,466,672	9,466,672	
FUND BALANCE, END OF YEAR	\$ 5,936,583	\$ 6,990,652	\$ 7,511,152	\$ 520,500

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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ _____	\$ _____	\$ 11,406	\$ 11,406
EXPENDITURES				
General government				
Finance				
Salaries and wages			1,789	(1,789)
Employee benefits			1,171	(1,171)
Services and supplies			24,227	(24,227)
Total finance			<u>27,187</u>	<u>(27,187)</u>
Other				
Salaries and wages			22,727	(22,727)
Employee benefits			12,296	(12,296)
Services and supplies		24,180	1,007	23,173
Capital outlay		4,325,820	1,722,132	2,603,688
Total other		<u>4,350,000</u>	<u>1,758,162</u>	<u>2,591,838</u>
Total general government		<u>4,350,000</u>	<u>1,785,349</u>	<u>2,564,651</u>
Total expenditures		<u>4,350,000</u>	<u>1,785,349</u>	<u>2,564,651</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES		<u>(4,350,000)</u>	<u>(1,773,943)</u>	<u>2,576,057</u>
OTHER FINANCING SOURCES				
Transfers in	<u>536,750</u>	<u>155,875</u>	<u>155,875</u>	
CHANGE IN FUND BALANCE	536,750	(4,194,125)	(1,618,068)	2,576,057
FUND BALANCE, BEGINNING OF YEAR	<u>4,600,964</u>	<u>10,093,485</u>	<u>10,093,485</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,137,714</u>	<u>\$ 5,899,360</u>	<u>\$ 8,475,417</u>	<u>\$ 2,576,057</u>

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 35,766,280	\$ 35,766,280	\$ 36,178,261	\$ 411,981
Construction fees		5,000	252,362	247,362
Connection fees	865,000	860,000	1,271,790	411,790
Other charges for services	200,000	200,000		(200,000)
Fines and forfeitures	533,000	533,000	586,592	53,592
Miscellaneous	270,400	7,105,800	7,303,991	198,191
Total operating revenues	<u>37,634,680</u>	<u>44,470,080</u>	<u>45,592,996</u>	<u>1,122,916</u>
OPERATING EXPENSES				
Salaries and wages	4,243,530	4,565,824	3,949,179	616,645
Employee benefits	1,627,220	1,765,245	1,594,991	170,254
Services and supplies	16,027,668	15,614,924	6,915,119	8,699,805
Depreciation and amortization	4,575,000	4,575,000	10,911,593	(6,336,593)
Total operating expenses	<u>26,473,418</u>	<u>26,520,993</u>	<u>23,370,882</u>	<u>3,150,111</u>
Operating income	<u>11,161,262</u>	<u>17,949,087</u>	<u>22,222,114</u>	<u>4,273,027</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income			136,985	136,985
Interest and fiscal charges	(15,445,870)	(15,445,870)	(15,289,855)	156,015
Intergovernmental	5,657,750	5,657,750	6,504,708	846,958
Total nonoperating revenues (expenses)	<u>(9,788,120)</u>	<u>(9,788,120)</u>	<u>(8,648,162)</u>	<u>1,139,958</u>
Income before capital contributions and transfers	<u>1,373,142</u>	<u>8,160,967</u>	<u>13,573,952</u>	<u>5,412,985</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			1,187,885	1,187,885
TRANSFERS				
Transfers out	(13,875,909)	(13,797,000)	(13,797,000)	
CHANGE IN NET POSITION	<u>\$ (12,502,767)</u>	<u>\$ (5,636,033)</u>	<u>964,837</u>	<u>\$ 6,600,870</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			173,249,699	
Adjustment			(7,237,243)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>166,012,456</u>	
NET POSITION, END OF YEAR			<u>\$ 166,977,293</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Utility fees	\$ 45,377,660	\$ 45,377,660	\$ 47,108,554	\$ 1,730,894
Construction fees		35,000	240,769	205,769
Connection fees	40,000	5,000	722,234	717,234
Other charges for services	1,698,060	1,698,060	1,758,806	60,746
Fines and forfeitures	1,300,000	1,300,000	1,463,213	163,213
Miscellaneous	<u>630,900</u>	<u>655,900</u>	<u>796,783</u>	<u>140,883</u>
Total operating revenues	<u>49,046,620</u>	<u>49,071,620</u>	<u>52,090,359</u>	<u>3,018,739</u>
OPERATING EXPENSES				
Salaries and wages	6,907,015	7,354,719	6,496,510	858,209
Employee benefits	2,668,591	2,858,065	2,695,633	162,432
Services and supplies	24,238,046	24,009,237	17,698,171	6,311,066
Depreciation and amortization	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,502,340</u>	<u>(102,340)</u>
Total operating expenses	<u>39,213,652</u>	<u>39,622,021</u>	<u>32,392,654</u>	<u>7,229,367</u>
Operating income	<u>9,832,968</u>	<u>9,449,599</u>	<u>19,697,705</u>	<u>10,248,106</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and fiscal charges	<u>(871,090)</u>	<u>(871,090)</u>	<u>(757,784)</u>	<u>113,306</u>
Income before capital contributions and transfers	<u>8,961,878</u>	<u>8,578,509</u>	<u>18,939,921</u>	<u>10,361,412</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			<u>1,280,774</u>	<u>1,280,774</u>
TRANSFERS				
Transfers in	769,656	769,656		(769,656)
Transfers out	<u>(17,827,907)</u>	<u>(17,703,000)</u>	<u>(17,703,000)</u>	
CHANGE IN NET POSITION	<u>\$ (8,096,373)</u>	<u>\$ (8,354,835)</u>	<u>2,517,695</u>	<u>\$ 10,872,530</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			133,394,020	
Adjustment			<u>692,531</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>134,086,551</u>	
NET POSITION, END OF YEAR			<u>\$ 136,604,246</u>	

NON-MAJOR ENTERPRISE FUNDS

CITY OF NORTH LAS VEGAS

NON-MAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
User fees	\$ 1,469,180	\$ 2,133,990	\$ 1,791,915	\$ (342,075)
Miscellaneous			106,955	106,955
Total operating revenues	<u>1,469,180</u>	<u>2,133,990</u>	<u>1,898,870</u>	<u>(235,120)</u>
OPERATING EXPENSES				
Salaries and wages	255,832	1,004,882	159,938	844,944
Employee benefits	75,304	218,704	38,509	180,195
Services and supplies	1,739,181	1,506,577	1,890,378	(383,801)
Depreciation and amortization	229,800	229,800	229,623	177
Total operating expenses	<u>2,300,117</u>	<u>2,959,963</u>	<u>2,318,448</u>	<u>641,515</u>
Operating loss	<u>(830,937)</u>	<u>(825,973)</u>	<u>(419,578)</u>	<u>406,395</u>
Loss before transfers	<u>(830,937)</u>	<u>(825,973)</u>	<u>(419,578)</u>	<u>406,395</u>
TRANSFERS				
Transfers in	<u>66,010</u>	<u>66,010</u>	<u>66,010</u>	
CHANGE IN NET POSITION	<u>\$ (764,927)</u>	<u>\$ (759,963)</u>	<u>(353,568)</u>	<u>\$ 406,395</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			7,133,467	
Adjustment			<u>27,660</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>7,161,127</u>	
NET POSITION, END OF YEAR			<u>\$ 6,807,559</u>	

INTERNAL SERVICE FUNDS

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
ASSETS			
Current assets			
Cash, cash equivalents and investments	\$ 1,104,485	\$ 16,121,300	\$ 17,225,785
Cash, cash equivalents and investments, designated for specific purposes	2,112,799		2,112,799
Accounts receivable, net		262,725	262,725
Prepaid items		171,996	171,996
Due from other funds		414,977	414,977
Inventories	235,750		235,750
Restricted assets			
Cash, cash equivalents and investments		1,910,874	1,910,874
Total current assets	3,453,034	18,881,872	22,334,906
Noncurrent assets			
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	80,030		80,030
Buildings and building improvements	282,215		282,215
Improvements other than buildings	96,834		96,834
Machinery, equipment and software	680,973		680,973
Total noncurrent assets	1,140,052		1,140,052
Total assets	4,593,086	18,881,872	23,474,958
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	336,644	7,811,007	8,147,651
Accrued salaries and benefits	56,487	238,740	295,227
Due to other funds	2,550	1,483	4,033
Due to other governments	266	125,454	125,720
Customer deposits		1,447	1,447
Compensated absences	43,931	35,200	79,131
Total current liabilities	439,878	8,213,331	8,653,209
Noncurrent liabilities			
Compensated absences	229,870	184,182	414,052
Postemployment benefits other than pensions		10,214,355	10,214,355
Total noncurrent liabilities	229,870	10,398,537	10,628,407
Total liabilities	669,748	18,611,868	19,281,616
NET POSITION			
Net investment in capital assets	1,140,052		1,140,052
Unrestricted	2,783,286	270,004	3,053,290
Total net position	\$ 3,923,338	\$ 270,004	\$ 4,193,342

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2013

	Motor Equipment	Self-insurance Reserve	Total Internal Service Funds
OPERATING REVENUES			
Other charges for services	\$ 4,193,576	\$ 21,192,361	\$ 25,385,937
OPERATING EXPENSES			
Salaries and wages	830,093	6,732,387	7,562,480
Employee benefits	311,179	2,671,642	2,982,821
Services and supplies	2,984,176	15,620,046	18,604,222
Depreciation and amortization	499,577		499,577
Total operating expenses	4,625,025	25,024,075	29,649,100
Operating loss	(431,449)	(3,831,714)	(4,263,163)
NONOPERATING REVENUES			
Investment income		4,864	4,864
Gain on capital asset disposition	22,834		22,834
Total nonoperating revenues	22,834	4,864	27,698
Loss before transfers	(408,615)	(3,826,850)	(4,235,465)
TRANSFERS			
Transfers in	694,925	2,955,510	3,650,435
Transfers out	(590,402)		(590,402)
Total transfers	104,523	2,955,510	3,060,033
CHANGE IN NET POSITION	(304,092)	(871,340)	(1,175,432)
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	4,071,110	828,024	4,899,134
Adjustment	156,320	313,320	469,640
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	4,227,430	1,141,344	5,368,774
NET POSITION, END OF YEAR	\$ 3,923,338	\$ 270,004	\$ 4,193,342

CITY OF NORTH LAS VEGAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

	<u>Motor Equipment</u>	<u>Self-insurance Reserve</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services	\$ 4,193,890	\$ 22,481,536	\$ 26,675,426
Cash payments for goods and services	(2,941,637)	(13,108,777)	(16,050,414)
Cash payments for employee services	(1,119,378)	(8,004,945)	(9,124,323)
Net cash provided by operating activities	<u>132,875</u>	<u>1,367,814</u>	<u>1,500,689</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	694,925	2,955,510	3,650,435
Transfers out	(590,402)		(590,402)
Net cash provided by noncapital financing activities	<u>104,523</u>	<u>2,955,510</u>	<u>3,060,033</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(308,074)		(308,074)
Proceeds received from disposal of capital assets	33,485		33,485
Net cash used in capital financing activities	<u>(274,589)</u>		<u>(274,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received		4,864	4,864
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(37,191)	4,328,188	4,290,997
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,254,475</u>	<u>13,703,986</u>	<u>16,958,461</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,217,284</u>	<u>\$ 18,032,174</u>	<u>\$ 21,249,458</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating loss	\$ (431,449)	\$ (3,831,714)	\$ (4,263,163)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	499,577		499,577
Provision for uncollectible receivables		2,830	2,830
(Increase) decrease in operating assets			
Accounts receivable		(167,351)	(167,351)
Due from other funds		1,451,696	1,451,696
Inventories	(52,145)		(52,145)
Prepaid items	2,000	71,006	73,006
Increase (decrease) in operating liabilities			
Accounts payable	92,778	2,466,890	2,559,668
Accrued salaries and benefits	17,101	(51,362)	(34,261)
Due to other funds	314	422	736
Due to other governments	(94)	(26,627)	(26,721)
Customer deposits		1,578	1,578
Compensated absences	4,793	83,779	88,572
Postemployment benefits other than pensions		1,366,667	1,366,667
Total adjustments	<u>564,324</u>	<u>5,199,528</u>	<u>5,763,852</u>
Net cash provided by operating activities	<u>\$ 132,875</u>	<u>\$ 1,367,814</u>	<u>\$ 1,500,689</u>

CITY OF NORTH LAS VEGAS

MOTOR EQUIPMENT ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 4,952,899	\$ 5,035,747	\$ 4,193,576	\$ (842,171)
OPERATING EXPENSES				
Salaries and wages	769,178	769,178	830,093	(60,915)
Employee benefits	303,329	303,329	311,179	(7,850)
Services and supplies	2,470,996	2,959,198	2,984,176	(24,978)
Depreciation and amortization	<u>1,125,500</u>	<u>1,125,500</u>	<u>499,577</u>	<u>625,923</u>
Total operating expenses	<u>4,669,003</u>	<u>5,157,205</u>	<u>4,625,025</u>	<u>532,180</u>
Operating loss	<u>283,896</u>	<u>(121,458)</u>	<u>(431,449)</u>	<u>(309,991)</u>
NONOPERATING REVENUES				
Gain on capital asset disposition	<u> </u>	<u>5,353</u>	<u>22,834</u>	<u>17,481</u>
Income (loss) before transfers	<u>283,896</u>	<u>(116,105)</u>	<u>(408,615)</u>	<u>(292,510)</u>
TRANSFERS				
Transfers in	<u> </u>	<u>694,925</u>	<u>694,925</u>	<u> </u>
Transfers out	<u>(1,435,402)</u>	<u>(590,402)</u>	<u>(590,402)</u>	<u> </u>
Total transfers	<u>(1,435,402)</u>	<u>104,523</u>	<u>104,523</u>	<u> </u>
CHANGE IN NET POSITION	<u>\$ (1,151,506)</u>	<u>\$ (11,582)</u>	<u>(304,092)</u>	<u>\$ (292,510)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			4,071,110	
Adjustment			<u>156,320</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>4,227,430</u>	
NET POSITION, END OF YEAR			<u>\$ 3,923,338</u>	

CITY OF NORTH LAS VEGAS

SELF-INSURANCE RESERVE ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Other charges for services	\$ 13,270,415	\$ 13,270,415	\$ 21,192,361	\$ 7,921,946
OPERATING EXPENSES				
Salaries and wages	4,857,499	4,843,876	6,732,387	(1,888,511)
Employee benefits	4,094,158	3,987,658	2,671,642	1,316,016
Services and supplies	6,426,187	6,578,887	15,620,046	(9,041,159)
Total operating expenses	<u>15,377,844</u>	<u>15,410,421</u>	<u>25,024,075</u>	<u>(9,613,654)</u>
Operating loss	<u>(2,107,429)</u>	<u>(2,140,006)</u>	<u>(3,831,714)</u>	<u>(1,691,708)</u>
NONOPERATING REVENUES				
Investment income			4,864	4,864
Loss before transfers	<u>(2,107,429)</u>	<u>(2,140,006)</u>	<u>(3,826,850)</u>	<u>(1,686,844)</u>
TRANSFERS				
Transfers in	<u>2,673,765</u>	<u>2,555,510</u>	<u>2,955,510</u>	<u>400,000</u>
CHANGE IN NET POSITION	<u>\$ 566,336</u>	<u>\$ 415,504</u>	<u>(871,340)</u>	<u>\$ (1,286,844)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			828,024	
Adjustment			<u>313,320</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>1,141,344</u>	
NET POSITION, END OF YEAR			<u>\$ 270,004</u>	

FIDUCIARY FUNDS

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

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

Bail Deposits

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

Non-forfeiture Holding

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

Other Deposits

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

Business Cleanup Deposits

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

Special Trust Reward

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

Employee Insurance Deposits

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

Workers' Compensation Retention

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

Contractor Retention Accounts

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

New Construction Privilege Tax

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

Convention Authority Tax

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

Garbage Company Collection

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

Inmate Deposits

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

SIAD No. 54 (Civic Center Drive Development)

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

SIAD No. 60 (Aliante Development)

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

CITY OF NORTH LAS VEGAS

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013**

	<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>Contractor Retention Accounts</u>
ASSETS							
Cash, cash equivalents and investments	\$ 209,513	\$ 427,407	\$ 2,532,813	\$ 11,749	\$ 15,000	\$ 284,677	\$ 3,615,120
Accounts receivable, net							
Interest receivable							
Special assessments receivable							
Total assets	<u>\$ 209,513</u>	<u>\$ 427,407</u>	<u>\$ 2,532,813</u>	<u>\$ 11,749</u>	<u>\$ 15,000</u>	<u>\$ 284,677</u>	<u>\$ 3,615,120</u>
LIABILITIES							
Due to other governments	\$	\$	\$	\$	\$	\$	\$
Due to developers							3,615,058
Due to others	<u>209,513</u>	<u>427,407</u>	<u>2,532,813</u>	<u>11,749</u>	<u>15,000</u>	<u>284,677</u>	<u>62</u>
Total liabilities	<u>\$ 209,513</u>	<u>\$ 427,407</u>	<u>\$ 2,532,813</u>	<u>\$ 11,749</u>	<u>\$ 15,000</u>	<u>\$ 284,677</u>	<u>\$ 3,615,120</u>

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)

JUNE 30, 2013

	New Construction Privilege Tax	Convention Authority Tax	Garbage Company Collection	Inmate Deposits	SIAD No. 54 (Civic Center Drive Development)	SIAD No. 60 (Aliante Development)	Total Agency Funds
ASSETS							
Cash, cash equivalents and investments	\$ 53,950	\$ 133,516	\$ 1,519,146	\$ 5,015	\$ 584,957	\$ 4,341,000	\$ 13,733,863
Accounts receivable, net		23,595	2,728,710				2,752,305
Interest receivable					5,317	11,157	16,474
Special assessments receivable					39,668	70,889	110,557
Total assets	<u>\$ 53,950</u>	<u>\$ 157,111</u>	<u>\$ 4,247,856</u>	<u>\$ 5,015</u>	<u>\$ 629,942</u>	<u>\$ 4,423,046</u>	<u>\$ 16,613,199</u>
LIABILITIES							
Due to other governments	\$ 53,950	\$ 157,111					\$ 211,061
Due to developers					752	21,514	3,637,324
Due to others			4,247,856	5,015	629,190	4,401,532	12,764,814
Total liabilities	<u>\$ 53,950</u>	<u>\$ 157,111</u>	<u>\$ 4,247,856</u>	<u>\$ 5,015</u>	<u>\$ 629,942</u>	<u>\$ 4,423,046</u>	<u>\$ 16,613,199</u>

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
BAIL DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>208,383</u>	\$ <u>429,057</u>	\$ <u>427,927</u>	\$ <u>209,513</u>
LIABILITIES				
Due to others	\$ <u>208,383</u>	\$ <u>429,057</u>	\$ <u>427,927</u>	\$ <u>209,513</u>
NON-FORFEITURE HOLDING				
ASSETS				
Cash, cash equivalents and investments	\$ <u>506,831</u>	\$ <u>206,176</u>	\$ <u>285,600</u>	\$ <u>427,407</u>
LIABILITIES				
Due to others	\$ <u>506,831</u>	\$ <u>298,256</u>	\$ <u>377,680</u>	\$ <u>427,407</u>
OTHER DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>2,457,374</u>	\$ <u>735,614</u>	\$ <u>660,175</u>	\$ <u>2,532,813</u>
LIABILITIES				
Due to developers	\$ 308,399		\$ 308,399	
Due to others	<u>2,148,975</u>	<u>735,613</u>	<u>351,775</u>	<u>2,532,813</u>
Total liabilities	\$ <u>2,457,374</u>	\$ <u>735,613</u>	\$ <u>660,174</u>	\$ <u>2,532,813</u>
BUSINESS CLEANUP DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ 10,699	\$ 3,300	\$ 2,250	\$ 11,749
Accounts receivable, net			50	
Total assets	\$ <u>10,699</u>	\$ <u>3,300</u>	\$ <u>2,300</u>	\$ <u>11,749</u>
LIABILITIES				
Due to others	\$ <u>10,699</u>	\$ <u>3,300</u>	\$ <u>2,300</u>	\$ <u>11,749</u>
SPECIAL TRUST REWARD				
ASSETS				
Cash, cash equivalents and investments	\$ <u>15,000</u>			\$ <u>15,000</u>
LIABILITIES				
Due to others	\$ <u>15,000</u>			\$ <u>15,000</u>
EMPLOYEE INSURANCE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>192,112</u>	\$ <u>11,505,211</u>	\$ <u>11,412,646</u>	\$ <u>284,677</u>
LIABILITIES				
Due to others	\$ <u>192,112</u>	\$ <u>11,505,211</u>	\$ <u>11,412,646</u>	\$ <u>284,677</u>
WORKERS' COMPENSATION RETENTION				
ASSETS				
Cash, cash equivalents and investments	\$ <u>1,739,466</u>		\$ <u>1,739,466</u>	
LIABILITIES				
Due to others	\$ <u>1,739,466</u>		\$ <u>1,739,466</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, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
CONTRACTOR RETENTION ACCOUNTS				
ASSETS				
Cash, cash equivalents and investments	\$ 2,624,370	\$ 3,205,243	\$ 2,214,493	\$ 3,615,120
LIABILITIES				
Due to developers	\$ 2,624,308	\$ 3,205,243	\$ 2,214,493	\$ 3,615,058
Due to others	62			62
Total liabilities	\$ 2,624,370	\$ 3,205,243	\$ 2,214,493	\$ 3,615,120
NEW CONSTRUCTION PRIVILEGE TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 51,200	\$ 736,168	\$ 733,418	\$ 53,950
LIABILITIES				
Due to other governments	\$ 51,200	\$ 736,168	\$ 733,418	\$ 53,950
CONVENTION AUTHORITY TAX				
ASSETS				
Cash, cash equivalents and investments	\$ 111,328	\$ 1,894,255	\$ 1,872,067	\$ 133,516
Accounts receivable, net	26,243	101,772	104,420	23,595
Total assets	\$ 137,571	\$ 1,996,027	\$ 1,976,487	\$ 157,111
LIABILITIES				
Due to other governments	\$ 137,571	\$ 1,996,027	\$ 1,976,487	\$ 157,111
GARBAGE COMPANY COLLECTION				
ASSETS				
Cash, cash equivalents and investments	\$ 1,669,758	\$ 19,425,255	\$ 19,575,866	\$ 1,519,146
Accounts receivable, net	2,931,144	21,262,530	21,464,965	2,728,710
Total assets	\$ 4,600,902	\$ 40,687,785	\$ 41,040,831	\$ 4,247,856
LIABILITIES				
Due to others	\$ 4,600,902	\$ 40,687,785	\$ 41,040,831	\$ 4,247,856
INMATE DEPOSITS				
ASSETS				
Cash, cash equivalents and investments	\$	\$ 14,870	\$ 9,855	\$ 5,015
LIABILITIES				
Due to others	\$	\$ 14,870	\$ 9,855	\$ 5,015

(Continued)

CITY OF NORTH LAS VEGAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
SIAD NO. 54 (CIVIC CENTER DRIVE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 640,637	\$ 115,730	\$ 171,410	\$ 584,957
Interest receivable	3,183	39,668	17,988	5,317
Special assessments receivable	17,988	5,317	3,183	39,668
Total assets	\$ 661,808	\$ 160,715	\$ 192,581	\$ 629,942
LIABILITIES				
Due to developers	\$ 328	\$ 159,928	\$ 159,504	\$ 752
Due to others	661,480	790	33,080	629,190
Total liabilities	\$ 661,808	\$ 160,718	\$ 192,584	\$ 629,942
SIAD NO. 60 (ALIANTE DEVELOPMENT)				
ASSETS				
Cash, cash equivalents and investments	\$ 4,093,715	\$ 4,384,686	\$ 4,137,401	\$ 4,341,000
Interest receivable	12,105		948	11,157
Special assessments receivable	71,983		1,094	70,889
Total assets	\$ 4,177,803	\$ 4,384,686	\$ 4,139,443	\$ 4,423,046
LIABILITIES				
Due to developers	\$ 23,556	\$ 2,601,451	\$ 2,603,493	\$ 21,514
Due to others	4,154,247	1,782,810	1,535,525	4,401,532
Total liabilities	\$ 4,177,803	\$ 4,384,261	\$ 4,139,018	\$ 4,423,046
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ 14,320,873	\$ 42,655,565	\$ 43,242,574	\$ 13,733,863
Accounts receivable, net	2,957,387	21,364,302	21,569,435	2,752,305
Interest receivable	15,288	39,668	18,936	16,474
Special assessments receivable	89,971	5,317	4,277	110,557
Total assets	\$ 17,383,519	\$ 64,064,852	\$ 64,835,222	\$ 16,613,199
LIABILITIES				
Due to other governments	\$ 188,771	\$ 2,732,195	\$ 2,709,905	\$ 211,061
Due to developers	2,956,591	5,966,622	5,285,889	3,637,324
Due to others	14,238,157	55,457,692	56,931,085	12,764,814
Total liabilities	\$ 17,383,519	\$ 64,156,509	\$ 64,926,879	\$ 16,613,199

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Las Vegas (the City) as of and for the year ended June 30, 2013, 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 12, 2013.

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

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

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 2013 - 001, to be a material weakness.

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 Response to Findings. The City's response to the findings identified in our audit is described in the

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

We noted certain matters that we reported to management of the City in a separate letter dated December 12, 2013.

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.

Percy Bowler Taylor & Kern

Las Vegas, Nevada
December 12, 2013

STATISTICAL SECTION

CITY OF NORTH LAS VEGAS

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2013

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.

- City 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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012 ¹	June 30, 2013
Governmental activities									
Net investment in capital assets	\$ 512,031,593	\$ 426,076,443	\$ 686,823,759	\$ 647,951,709	\$ 931,368,784	\$ 1,015,611,134	\$ 1,008,326,661	\$ 1,035,550,177	\$ 1,109,705,374
Restricted	52,742,169	219,962,997	170,062,533	175,099,469	822,415	25,463,718	25,463,718	74,650,721	70,286,644
Unrestricted	54,827,804	90,089,008	(17,102,203)	134,661,363	126,254,419	65,197,112	49,244,494	(5,838,643)	(14,533,877)
Total governmental activities	<u>619,601,566</u>	<u>736,128,448</u>	<u>839,784,089</u>	<u>957,712,541</u>	<u>1,058,445,618</u>	<u>1,080,808,246</u>	<u>1,083,034,873</u>	<u>1,104,362,255</u>	<u>1,165,458,141</u>
Business-type activities									
Net investment in capital assets	122,505,881	148,354,185	143,131,044	38,022,471	198,618,584	213,075,462	181,912,347	226,097,835	229,033,516
Restricted	5,542,657	6,299,601	135,082,528	159,367,463	10,945,118	13,317,115	47,537,496	7,132,932	4,514,658
Unrestricted	85,777,494	93,561,682	(9,672,204)	81,888,662	84,546,345	66,022,121	57,830,202	71,322,255	73,718,676
Total business-type activities	<u>213,826,032</u>	<u>248,215,468</u>	<u>268,541,368</u>	<u>279,278,596</u>	<u>294,110,047</u>	<u>292,414,698</u>	<u>287,280,045</u>	<u>304,553,022</u>	<u>307,266,850</u>
Primary government									
Net investment in capital assets	634,537,474	574,430,628	829,954,803	685,974,180	1,129,987,368	1,228,686,596	1,190,239,008	1,261,648,012	1,338,738,890
Restricted	58,284,826	226,262,598	305,145,061	334,466,932	11,767,533	13,317,115	73,001,214	81,783,653	74,801,302
Unrestricted	140,605,298	183,650,690	(26,774,407)	216,550,025	210,800,764	131,219,233	107,074,696	65,483,612	59,184,799
Total primary government	<u>\$ 833,427,598</u>	<u>\$ 984,343,916</u>	<u>\$ 1,108,325,457</u>	<u>\$ 1,236,991,137</u>	<u>\$ 1,352,555,665</u>	<u>\$ 1,373,222,944</u>	<u>\$ 1,370,314,918</u>	<u>\$ 1,408,915,277</u>	<u>\$ 1,472,724,991</u>

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Expenses									
Governmental activities									
General government	\$ 35,327,956	\$ 35,392,023	\$ 44,525,088	\$ 77,831,201	\$ 79,790,759	\$ 81,909,186	\$ 81,162,689	\$ 49,229,276	\$ 51,855,800
Judicial	6,354,035	7,867,369	11,798,220	13,226,034	14,153,887	10,780,531	10,125,028	10,521,037	9,496,348
Public safety	105,135,075	116,315,250	141,118,701	149,836,872	160,483,422	172,629,424	149,867,948	160,705,260	147,724,400
Public works	27,326,160	29,476,778	36,982,106	30,407,379	26,999,830	16,794,794	13,694,463	10,164,862	11,197,298
Culture and recreation	13,155,432	14,661,434	18,112,226	17,040,617	19,585,869	18,044,295	14,177,795	15,245,421	13,295,753
Community support	5,187,904	4,719,421	5,230,808	5,527,004	7,897,550	15,363,130	8,239,825	7,807,086	5,168,774
Interest on long-term debt	2,487,971	3,374,753	10,021,271	9,751,729	9,417,258	8,846,315	8,775,931	3,106,240	4,388,732
Total governmental activities	194,974,533	211,807,028	267,788,420	303,620,836	318,328,575	324,367,675	286,043,679	256,779,182	243,127,105
Business-type activities									
Wastewater	15,369,965	16,674,919	24,549,809	27,885,130	29,181,700	31,443,978	36,986,026	26,615,574	38,806,095
Water	28,626,134	32,392,345	36,406,905	38,491,805	34,652,481	33,198,374	32,402,016	33,863,783	33,417,139
Municipal golf courses	882,148	1,661,367	1,696,700	1,865,239	1,806,068	1,198,958	1,116,228	2,422,211	2,321,525
Total business-type activities	44,878,247	50,728,631	62,653,414	68,242,174	65,640,249	65,841,310	70,504,270	62,901,568	74,544,759
Total primary government expenses	\$ 239,852,780	\$ 262,535,659	\$ 330,441,834	\$ 371,863,010	\$ 383,968,824	\$ 390,208,985	\$ 356,547,949	\$ 319,680,750	\$ 317,671,864
Program revenues									
Governmental activities									
Charges for services									
General government	\$ 6,708,886	\$ 7,538,821	\$ 7,624,085	\$ 7,808,363	\$ 8,557,114	\$ 10,911,870	\$ 8,635,975	\$ 11,467,970	\$ 12,001,422
Judicial	9,246,994	9,435,382	11,631,052	2,208,306	2,515,779	3,098,548	12,222,293	10,412,316	10,446,582
Public safety	23,466,784	27,777,824	23,849,055	30,131,176	28,995,220	29,888,956	10,631,966	20,574,051	21,124,279
Public works	5,611,844	5,282,467	5,622,943	2,548,356	1,297,430	1,883,015	2,702,747	4,876,338	4,751,577
Culture and recreation	1,959,245	2,184,512	2,382,876	2,568,030	2,354,508	1,866,740	1,945,886	2,787,964	2,874,363
Community support							261,485	530,174	547,459
Operating grants and contributions	17,465,498	4,993,866	4,877,620	5,423,876	6,591,191	11,811,707	9,654,245	23,609,657	19,871,431
Capital grants and contributions	121,133,280	74,204,852	79,897,469	98,079,100	127,600,370	79,156,147	56,049,152	65,538,503	91,544,553
Total governmental activities	185,592,531	131,417,724	135,885,100	148,767,207	177,911,612	138,616,983	102,103,749	139,796,973	163,161,666
Business-type activities									
Charges for services									
Wastewater	35,074,181	44,914,104	39,620,242	39,129,724	36,035,962	34,444,912	37,163,386	39,614,919	40,239,867
Water	61,522,301	55,682,008	52,539,912	51,576,234	45,697,439	47,074,546	48,561,691	48,563,211	51,188,315
Municipal golf courses	1,001,098	2,239,586	2,019,026	1,719,315	1,425,561	335,745	257,839	1,993,004	1,791,935
Operating grants and contributions		477,392	50,511					6,127,457	3,116,042
Capital grants and contributions	8,491,527	14,305,840	12,601,983	8,504,641	19,002,302	19,871,057	9,420,345	7,460,413	5,857,325
Total business-type activities	106,089,107	117,618,930	106,831,674	100,929,914	102,161,264	101,726,260	95,403,261	103,759,004	102,193,484
Total primary government program revenues	\$ 291,681,638	\$ 249,036,654	\$ 242,716,774	\$ 249,697,121	\$ 280,072,876	\$ 240,343,243	\$ 197,507,010	\$ 243,555,977	\$ 265,355,150
Net (expenses) program revenues									
Governmental activities									
General government	\$ (9,382,002)	\$ (80,389,304)	\$ (131,903,320)	\$ (154,853,629)	\$ (140,416,963)	\$ (185,750,692)	\$ (183,939,930)	\$ (116,982,209)	\$ (79,965,439)
Business-type activities									
Wastewater	61,210,860	66,890,299	44,178,260	32,687,740	36,521,015	35,884,950	24,898,991	40,857,436	27,648,725
Primary government	\$ 51,828,858	\$ (13,499,005)	\$ (87,725,060)	\$ (122,165,889)	\$ (103,895,948)	\$ (149,865,742)	\$ (159,040,939)	\$ (76,124,773)	\$ (52,316,714)

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
General revenues and other changes in net position									
Governmental activities									
Property taxes	\$ 47,336,337	\$ 56,697,663	\$ 71,404,630	\$ 82,250,980	\$ 87,102,142	\$ 77,024,811	\$ 57,540,748	\$ 55,137,022	\$ 48,831,490
Residential construction taxes	3,088,277	4,629,375	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595
Room taxes	279,089	337,299	357,956	345,952	300,678	330,333	331,768	358,753	383,888
Franchise fees, based on gross receipts	11,761,981	13,778,783	15,773,376	18,989,378	17,083,699	16,717,339	16,224,681	16,142,005	15,769,356
Intergovernmental consolidated taxes	47,361,646	53,720,737	52,955,745	50,199,861	39,642,953	34,179,293	36,538,629	37,565,290	39,434,352
Other local government shared revenues	7,701,591	13,827,809	17,359,378	17,403,712	14,485,904	9,906,795	13,937,837	2,124,392	2,224,996
Unrestricted investment income	4,435,080	6,881,978	22,604,399	28,054,514	18,224,615	7,727,611	2,610,156	1,378,592	679,281
Gain on disposal of capital assets								316,407	204,150
Miscellaneous	15,507,025	16,193,249	21,618,036	42,097,298	28,479,414	23,144,183	28,064,262	2,199,961	1,767,227
Transfers	24,638,772	31,246,139	31,682,943	31,966,320	30,914,915	41,365,458	31,318,875	31,958,855	31,433,990
Total governmental activities	<u>162,109,798</u>	<u>197,313,032</u>	<u>235,558,960</u>	<u>272,827,817</u>	<u>236,702,315</u>	<u>210,895,240</u>	<u>186,929,806</u>	<u>147,563,630</u>	<u>141,061,325</u>
Business-type activities									
Other local government shared revenues	137,748	174,764	3,189,017	538,471					
Unrestricted investment income	108,404	51,471	90	7,060,164	5,671,124	1,455,994	356,115	72,721	136,985
Gain on disposal of capital assets								23,860	
Miscellaneous	592	5,157	4,641,476	2,417,173	3,554,227	2,329,165	3,055,358	36,782	6,362,108
Transfers	(24,638,772)	(31,246,139)	(31,682,943)	(31,966,320)	(30,914,915)	(41,365,458)	(31,318,875)	(31,958,855)	(31,433,990)
Total business-type activities	<u>(24,392,028)</u>	<u>(31,014,747)</u>	<u>(23,852,360)</u>	<u>(21,950,512)</u>	<u>(21,689,564)</u>	<u>(37,580,299)</u>	<u>(27,907,402)</u>	<u>(31,825,492)</u>	<u>(24,934,897)</u>
Total primary government general revenues and other changes in net position	<u>\$ 137,717,770</u>	<u>\$ 166,298,285</u>	<u>\$ 211,706,600</u>	<u>\$ 250,877,305</u>	<u>\$ 215,012,751</u>	<u>\$ 173,314,941</u>	<u>\$ 159,022,404</u>	<u>\$ 115,738,138</u>	<u>\$ 116,126,428</u>
Change in net position									
Governmental activities	\$ 152,727,796	\$ 116,923,728	\$ 103,655,640	\$ 117,974,188	\$ 96,285,352	\$ 25,144,548	\$ 2,989,876	\$ 30,581,421	\$ 61,095,886
Business-type activities	36,818,832	35,875,552	20,325,900	10,737,228	14,831,451	(1,695,349)	(3,008,411)	9,031,944	2,713,828
Primary government	<u>\$ 189,546,628</u>	<u>\$ 152,799,280</u>	<u>\$ 123,981,540</u>	<u>\$ 128,711,416</u>	<u>\$ 111,116,803</u>	<u>\$ 23,449,199</u>	<u>\$ (18,535)</u>	<u>\$ 39,613,365</u>	<u>\$ 63,809,714</u>

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, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
General fund										
Reserved	\$ 428,000	\$ 1,139,400	\$ 3,245,348	\$ 542,793	\$ 758,891	\$	\$	\$	\$	\$
Unreserved	23,581,047	25,542,347	28,983,463	36,567,167	45,336,045	39,361,193	22,953,382			
Nonspendable								384,375	287,203	231,430
Restricted for								101,642	26,257	170,576
Committed for									274,200	596,200
Unassigned								7,238,181	11,302,907	8,340,738
Total general fund	<u>\$ 24,009,047</u>	<u>\$ 26,681,747</u>	<u>\$ 32,228,811</u>	<u>\$ 37,109,960</u>	<u>\$ 46,094,936</u>	<u>\$ 39,361,193</u>	<u>\$ 22,953,382</u>	<u>\$ 7,724,198</u>	<u>\$ 11,890,567</u>	<u>\$ 9,338,944</u>
Other governmental funds										
Reserved	\$ 1,362,019	\$ 2,195,919	\$ 1,810,042	\$ 904,655	\$ 1,256,971	\$	\$	\$	\$	\$
Unreserved										
Special revenue funds	32,804,301	46,753,408	55,601,940	54,625,345	57,249,895	54,590,729	48,388,767			
Debt service funds	4,906,563	4,851,562	6,264,884	6,926,512	7,316,194	4,684,177	3,278,094			
Capital projects funds	48,824,470	34,025,885	211,893,685	208,120,685	189,433,342	155,724,644	111,345,725			
Nonspendable								87,162	224,923	2,655,236
Restricted for								84,687,535	74,624,464	70,116,032
Committed for								1,377,827	1,327,188	1,250,166
Assigned to								1,430,753	1,859,516	2,354,991
Total other governmental funds	<u>\$ 87,897,353</u>	<u>\$ 87,826,774</u>	<u>\$ 275,570,551</u>	<u>\$ 270,577,197</u>	<u>\$ 255,256,402</u>	<u>\$ 214,999,550</u>	<u>\$ 163,012,586</u>	<u>\$ 87,583,277</u>	<u>\$ 78,036,091</u>	<u>\$ 76,376,425</u>

1. 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, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
REVENUES										
Property taxes	\$ 38,215,234	\$ 47,316,337	\$ 56,697,663	\$ 71,404,630	\$ 82,250,980	\$ 87,102,142	\$ 77,024,811	\$ 57,540,748	\$ 55,137,022	\$ 49,160,817
Residential construction taxes	3,061,922	3,088,277	4,629,375	1,802,497	1,519,802	467,995	499,417	362,850	382,353	332,595
Room taxes	404,924	279,088	337,299	345,952	300,678	330,333	330,333	331,768	358,753	383,888
Franchise fees									16,142,005	15,769,356
Licenses and permits	28,303,779	31,329,077	35,431,853	33,416,360	32,347,464	28,734,711	26,062,330	26,271,308	10,132,978	10,722,526
Special assessments	18,755,648	19,859,653	22,249,296	20,397,993	21,033,088	22,240,756	23,296,938	14,280,489	2,202,745	2,202,185
Charges for services									6,023,699	5,369,223
Intergovernmental consolidated taxes									37,565,290	39,434,352
Intergovernmental	97,661,191	167,438,712	105,703,977	113,541,467	140,003,233	142,978,208	116,132,627	102,027,017	67,318,671	106,630,804
Fines and forfeitures	5,550,193	5,761,207	6,243,247	6,816,569	9,358,465	10,173,893	9,905,464	10,197,087	7,195,757	7,535,551
Contributions									219,350	106,332
Rents and royalties									513,578	557,856
Investment income									806,229	195,524
Miscellaneous	12,751,031	16,722,742	16,559,701	34,322,266	43,852,373	29,035,648	15,050,513	9,507,120	2,871,657	1,760,617
Total revenues	204,703,922	291,815,093	247,852,411	282,059,738	330,711,357	321,034,031	268,302,433	220,518,387	207,070,087	240,161,626
EXPENDITURES										
General government	21,237,889	23,878,017	25,960,959	37,255,958	55,369,189	44,557,977	67,149,968	64,597,945	24,346,198	20,954,097
Judicial	19,550,292	19,237,253	8,176,793	10,422,419	13,002,378	13,857,493	10,589,039	10,415,468	8,995,929	8,501,665
Public safety	112,668,800	111,957,340	123,202,142	145,738,363	151,348,964	166,332,695	165,279,861	151,511,917	136,959,835	153,567,436
Public works	32,890,074	78,974,918	51,614,517	67,046,155	103,964,900	105,808,278	55,421,439	31,517,296	36,683,544	21,626,361
Culture and recreation	12,034,530	70,332,727	21,298,887	26,652,050	29,009,898	36,289,596	45,258,925	38,247,284	23,051,356	52,141,269
Community support	5,111,392	5,837,951	6,931,645	7,425,578	9,821,305	11,413,230	15,513,020	8,165,001	7,395,157	6,962,391
	203,492,977	310,218,206	237,184,943	294,540,523	362,516,634	378,259,269	359,212,252	304,454,911	237,432,019	263,753,219
Debt service										
Principal payments	3,994,151	4,538,583	5,245,135	10,613,800	11,145,300	11,374,500	11,547,700	6,307,800	5,277,600	5,928,600
Interest and fiscal charges	2,600,627	2,656,634	2,496,086	9,184,281	9,774,489	9,601,384	9,095,696	7,526,085	3,076,503	3,246,669
Payment to current bond refunding agent								20,000,000		
Debt issuance costs				154,338	284,504			143,438	200,286	
Total debt service	6,594,778	7,195,217	7,741,221	19,952,419	21,204,293	20,975,884	20,643,396	33,977,323	8,554,389	9,175,269
Total expenditures	210,087,755	317,413,423	244,926,164	314,492,942	383,720,927	399,235,153	379,855,648	338,432,234	245,986,408	272,928,488
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,383,833)	(25,598,330)	2,926,247	(32,433,204)	(53,009,570)	(78,201,122)	(111,553,215)	(117,913,847)	(38,916,321)	(32,766,862)

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
OTHER FINANCING SOURCES (USES)										
Contingencies	(4,500)		(10,000)			(49,395)				
Debt issuance proceeds	13,926,459		160,000,000	4,500,000	12,680,000		3,145,000	17,090,000	27,070,000	
Debt issuance premiums			4,143,946	9,160,000	160,380					
Payment to advance refunding bond agent	(7,530,257)			(9,116,037)			(3,071,110)	(16,922,300)	(26,573,920)	
Debt issuance discounts			(1,494,180)	(15,000)	(15,750)		(52,183)		(257,999)	
Transfers in	11,323,112	56,791,980	68,284,156	73,826,205	75,287,726	79,675,504	88,126,189	52,280,115	43,764,721	46,423,036
Transfers out	(13,371,099)	(28,591,529)	(41,038,018)	(46,059,162)	(41,438,606)	(48,415,589)	(42,207,531)	(25,192,464)	(10,809,831)	(18,049,079)
Other	1,284,723		875,540	25,000					342,533	181,316
Total other financing sources (uses)	<u>5,628,438</u>	<u>28,200,451</u>	<u>190,761,444</u>	<u>32,321,006</u>	<u>46,673,750</u>	<u>31,210,520</u>	<u>45,940,365</u>	<u>27,255,351</u>	<u>33,535,504</u>	<u>28,555,273</u>
CHANGE IN FUND BALANCE	<u>\$ 244,605</u>	<u>\$ 2,602,121</u>	<u>\$ 193,687,691</u>	<u>\$ (112,198)</u>	<u>\$ (6,335,820)</u>	<u>\$ (46,990,602)</u>	<u>\$ (65,612,850)</u>	<u>\$ (90,658,496)</u>	<u>\$ (5,380,817)</u>	<u>\$ (4,211,589)</u>
Capital expenditures included in expenditures above	<u>\$ 55,645,708</u>	<u>\$ 147,702,622</u>	<u>\$ 59,888,265</u>	<u>\$ 78,408,888</u>	<u>\$ 121,827,730</u>	<u>\$ 118,033,178</u>	<u>\$ 112,947,115</u>	<u>\$ 94,972,764</u>	<u>\$ 51,457,061</u>	<u>\$ 87,382,782</u>
Debt service as a percentage of noncapital expenditures	<u>4.30 %</u>	<u>4.20 %</u>	<u>4.20 %</u>	<u>8.40 %</u>	<u>8.00 %</u>	<u>7.50 %</u>	<u>7.70 %</u>	<u>5.70 %</u>	<u>4.20 %</u>	<u>5.20 %</u>

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
2004	\$ 1,517,072,000	\$ 443,366,000	\$ 256,324,000	\$ 776,565,000	\$ (576,375,000)	\$ 2,416,952,000	1.1987	\$ 6,905,577,000	35.00 %
2005	1,795,261,000	498,190,000	312,674,000	1,336,537,000	(978,617,000)	2,964,045,000	1.1987	8,467,870,000	35.00 %
2006	2,831,615,000	640,304,000	365,053,000	2,035,717,000	(1,407,739,000)	4,464,950,000	1.1837	12,757,000,000	35.00 %
2007	4,451,125,000	831,875,000	442,427,000	2,609,030,000	(1,565,997,000)	6,768,460,000	1.1637	19,338,454,000	35.00 %
2008	5,479,828,000	1,041,647,000	580,796,000	3,401,267,000	(2,298,842,000)	8,204,696,000	1.1587	23,441,991,000	35.00 %
2009	5,572,985,000	1,281,806,000	669,317,000	3,239,635,000	(2,475,324,000)	8,288,419,000	1.1587	23,681,197,000	35.00 %
2010	3,709,241,000	1,360,037,000	691,913,000	2,509,269,000	(2,144,624,000)	6,125,836,000	1.1587	17,502,381,000	35.00 %
2011	2,646,355,000	1,022,464,000	525,474,000	1,059,048,000	(1,108,378,000)	4,144,963,000	1.1587	11,842,751,000	35.00 %
2012	2,674,770,000	995,708,000	423,800,000	647,713,000	(869,661,000)	3,872,330,000	1.1587	11,063,797,000	35.00 %
2013	2,416,735,000	941,804,000	382,696,000	492,391,000	(779,884,000)	3,453,742,000	1.1587	9,867,835,000	35.00 %

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
2004	0.1975	0.0770	0.9242	1.1987	0.1700	0.6502	1.3034	0.0050	0.0018
2005	0.1975	0.0622	0.9390	1.1987	0.1700	0.6652	1.3034	0.0050	0.0016
2006	0.2014	0.0622	0.9201	1.1837	0.1700	0.6575	1.3034	0.0050	0.0013
2007	0.1937	0.0300	0.9400	1.1637	0.1700	0.6566	1.3034	0.0050	0.0009
2008	0.1901	0.0250	0.9436	1.1587	0.1700	0.6541	1.3034	0.0050	0.0008
2009	0.1901	0.0250	0.9436	1.1587	0.1700	0.6541	1.3034	0.0050	0.0008
2010	0.1937	0.0100	0.9550	1.1587	0.1700	0.6541	1.3034	0.0050	0.0011
2011	0.1937	0.0370	0.9280	1.1587	0.1700	0.6541	1.3034	0.0050	0.0015
2012	0.1937	0.0250	0.9400	1.1587	0.1700	0.6541	1.3034	0.0050	
2013	0.1937	0.0250	0.9400	1.1587	0.1700	0.6541	1.3034	0.0050	

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	
2004	0.0228	0.0632	3.4151
2005	0.0215	0.0632	3.4286
2006	0.0123	0.0632	3.3964
2007	0.0123	0.0632	3.3751
2008	0.0123	0.0632	3.3675
2009	0.0086	0.0632	3.3638
2010	0.0100	0.0632	3.3655
2011	0.0070	0.0632	3.3629
2012		0.0632	3.3544
2013		0.0632	3.3544

1. Source - Clark County Treasurer's Office
2. The State of Nevada Constitution has a maximum rate limit of \$5 per \$100 assessed value and Nevada Revised Statutes further lower the limit to a total combined tax rate of 3.64.

CITY OF NORTH LAS VEGAS

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

Taxpayer	2013			2004		
	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴
Golden Triangle Industrial Park	\$ 43,362,302	1	1.26 %	\$		%
Southwest Generation	41,126,819	2	1.19 %			%
Picrme Real Estate Group	34,408,740	3	1.00 %			%
Station Casinos Incorporated	32,252,576	4	0.93 %			%
Aliante Gaming Limited Liability Co.	25,977,938	5	0.75 %			%
Wal-Mart Stores Incorporated	23,917,036	6	0.69 %			%
Cannery Casino Resorts	22,838,426	7	0.66 %	13,552,792	9	0.56 %
Apex Nevada Solar Limited Liability Company	22,763,102	8	0.66 %			%
Colonial Realty Limited Partnership	21,382,111	9	0.62 %			%
Las Vegas Paving Corporation	21,252,042	10	0.62 %			%
Station Casinos Incorporated				79,275,516	1	3.28 %
Greenspan Companies				47,311,711	2	1.96 %
Operating Engineers Pension Trust				32,663,697	3	1.35 %
Enron Corporation				29,379,145	4	1.22 %
Meldrum Family Trust				15,832,198	5	0.66 %
Mendenhall Family Trust				15,831,812	6	0.66 %
T H G Villas I & II Limited Liability Companies				15,528,214	7	0.64 %
Pardee Construction				13,579,501	8	0.56 %
Prologis Trust				12,472,851	10	0.52 %
	<u>\$ 289,281,092</u>		<u>8.38 %</u>	<u>\$ 275,427,437</u>		<u>11.41 %</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>
2004	\$ 33,068,607	\$ 32,337,491	97.7891 %	\$ 730,975	\$ 33,068,466	99.9996 %
2005	41,613,896	41,352,020	99.3707 %	261,715	41,613,735	99.9996 %
2006	50,957,310	50,570,826	99.2416 %	286,303	50,857,129	99.8034 %
2007	65,307,155	64,545,683	98.8340 %	761,287	65,306,970	99.9997 %
2008	75,518,219	74,309,000	98.3988 %	1,204,478	75,513,478	99.9937 %
2009	80,728,503	78,928,443	97.7702 %	1,782,248	80,710,691	99.9779 %
2010	71,204,380	68,995,648	96.8980 %	2,164,910	71,160,558	99.9385 %
2011	51,409,059	49,881,300	97.0282 %	1,430,459	51,311,759	99.8107 %
2012	47,624,187	46,781,680	98.2309 %	600,963	47,382,643	99.4928 %
2013	42,824,473	42,336,988	98.8617 %	182,336 ²	42,519,324	99.2874 %

1. Source - Clark County Comptroller's Office.

2. Collections July 1 through September 30 of the subsequent year.

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	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			
2005	\$ 56,920,000	\$ 2,956,100	\$	\$ 45,529,000	\$	\$ 105,405,100	0.16 %	\$ 604
2006	212,150,000	2,612,000		42,510,000		257,272,000	0.37 %	1,381
2007	198,940,000	6,753,200		179,634,000		385,327,200	0.53 %	1,954
2008	189,600,000	17,512,900		176,439,000		383,551,900	0.52 %	1,862
2009	180,330,000	15,993,400		173,090,000		369,413,400	0.54 %	1,735
2010	170,395,641	14,273,700	46,359	312,033,000		496,748,700	0.71 %	2,290
2011	147,435,033	12,532,900	34,967	305,588,000		465,590,900	0.66 %	2,123
2012	160,223,349	10,715,300	16,651	299,136,000		470,091,300	% ⁵	2,103
2013	156,632,000	8,729,700		292,391,000	7,000,000	464,752,700	% ⁵	⁵

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

CITY OF NORTH LAS VEGAS

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

<u>For the Year Ended June 30,</u>	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
2005	\$ 56,920,000	\$ 45,529,000	\$ 102,449,000	1.21 %	\$ 587	\$ 3,479,930	\$ 98,969,070
2006	212,150,000	42,510,000	254,660,000	2.00 %	1,367	4,276,162	250,383,838
2007	198,940,000	179,634,000	378,574,000	1.96 %	1,919	5,095,859	373,478,141
2008	189,600,000	176,439,000	366,039,000	1.56 %	1,777	4,892,967	361,146,033
2009	180,330,000	173,090,000	353,420,000	1.49 %	1,660	1,960,788	351,459,212
2010	170,395,641	312,033,000	482,428,641	2.76 %	2,224	432,004	481,996,637
2011	147,435,033	305,588,000	453,023,033	3.83 %	2,066	25,062	452,997,971
2012	160,223,349	299,136,000	459,359,349	4.15 %	2,055	243,501	459,115,848
2013	156,632,000	292,391,000	449,023,000	4.55 %	6		449,023,000

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

CITY OF NORTH LAS VEGAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2} JUNE 30, 2013 IN THOUSANDS (UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
City of North Las Vegas	\$ 165,361,700 ⁴	100.00 %	\$ 165,361,700
Overlapping governments			
Clark County	53,225,000	7.36 %	3,917,360
Clark County School District	2,518,405,000	7.36 %	185,354,608
Las Vegas - Clark County Library District	36,895,000	8.88 %	3,276,276
State of Nevada	1,369,620,000	4.85 %	66,426,570
Total overlapping governments	<u>3,978,145,000</u>		<u>258,974,814</u>
Total direct and overlapping debt	<u><u>4,143,506,700</u></u>		<u><u>\$ 424,336,514</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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Total taxable assessed property value ²	<u>\$ 2,964,045,000</u>	<u>\$ 4,464,950,000</u>	<u>\$ 6,768,460,000</u>	<u>\$ 8,204,696,000</u>	<u>\$ 8,288,419,000</u>	<u>\$ 6,125,836,000</u>	<u>\$ 4,144,963,000</u>	<u>\$ 3,872,330,000</u>	<u>\$ 3,453,742,000</u>
Legal debt Margin									
Legal debt limit (20% of taxable assessed property value)	\$ 592,809,000	\$ 892,990,000	\$ 1,353,692,000	\$ 1,640,939,200	\$ 1,657,683,800	\$ 1,225,167,200	\$ 828,992,600	\$ 774,466,000	\$ 690,748,400
Debt applicable to debt limit									
Net general bonded debt ³	<u>98,969,070</u>	<u>250,383,838</u>	<u>373,478,141</u>	<u>361,146,033</u>	<u>351,459,212</u>	<u>481,996,637</u>	<u>452,997,971</u>	<u>459,115,848</u>	<u>449,023,000</u>
Legal debt margin	<u>\$ 493,839,930</u>	<u>\$ 642,606,162</u>	<u>\$ 980,213,859</u>	<u>\$ 1,279,793,167</u>	<u>\$ 1,306,224,588</u>	<u>\$ 743,170,563</u>	<u>\$ 375,994,629</u>	<u>\$ 315,350,152</u>	<u>\$ 241,725,400</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>16.69 %</u>	<u>28.04 %</u>	<u>27.59 %</u>	<u>22.01 %</u>	<u>21.20 %</u>	<u>39.34 %</u>	<u>54.64 %</u>	<u>59.28 %</u>	<u>65.01 %</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>
2004	163,377	\$ 56,465,871,000	\$ 1,662,773	\$ 33,959	4.50 %
2005	174,456	64,181,422,000	1,729,552	37,109	4.70 %
2006	186,350	68,874,056,000	1,803,774	38,183	4.30 %
2007	197,233	73,040,160,000	1,867,817	39,105	4.70 %
2008	206,044	74,279,798,000	1,912,349	38,842	7.00 %
2009	212,863	68,791,192,000	1,939,407	35,470	11.90 %
2010	216,961	69,800,237,000	1,951,269	35,772	14.20 %
2011	219,275	70,289,097,000	1,969,975	35,680	13.50 %
2012	223,491	²	2,000,759	²	11.20 %
2013	²	²	²	²	9.70 %

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

CITY OF NORTH LAS VEGAS

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

Clark County Employer	2013			2004		
	Employees	Rank	Percentage of Total Clark County Employment	Employees	Rank	Percentage of Total Clark County Employment
Clark County School District	30,000-39,999	1	3.91 %	28000-28999	1	3.59 %
Clark County, Nevada	8000-8499	2	.92 %	9000-9499	2	1.17 %
Wynn Las Vegas	8000-8499	3	.92 %			%
Bellagio, LLC	7500-7999	4	.87 %			%
MGM Grand Hotel and Casino	7500-7999	5	.87 %			%
Aria Resort and Casino, LLC	7000-7499	6	.81 %			%
Mandalay Bay Resort and Casino	6500-6999	7	.75 %	6500-6599	3	.79 %
Caesars Palace	6000-6499	8	.70 %	5000-5499	8	.60 %
University of Nevada, Las Vegas	5000-5499	9	.47 %	5000-5499	6	.66 %
Las Vegas Metropolitan Police Department	4500-4999	10	.53 %	4500-4999	7	.60 %
Mirage Hotel and Casino				5500-5999	4	.72 %
State of Nevada				5000-5499	5	.66 %
Rio Suite Hotel and Casino				4000-4500	9	.54 %
Luxor				3500-3999	10	.47 %

1. Source - Nevada Workforce Informer, Data Analysis (<http://www.nevadaworkforce.com/?PAGEID=67&SUBID=167> and <http://www.nevadaworkforce.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>).

CITY OF NORTH LAS VEGAS

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

Function/program	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Governmental activities										
General government	182	186	204	259	272	277	258	193	163	127
Judicial	49	59	82	87	91	98	99	98	85	72
Public safety	816	887	972	1,133	1,232	1,269	1,264	1,226	1,141	915
Public works	122	124	156	167	167	168	143	100	80	51
Culture and recreation	183	184	205	220	234	251	235	166	152	129
Community support	13	15	29	40	42	44	40	33	29	25
Total governmental activities	<u>1,365</u>	<u>1,455</u>	<u>1,648</u>	<u>1,906</u>	<u>2,038</u>	<u>2,107</u>	<u>2,039</u>	<u>1,816</u>	<u>1,650</u>	<u>1,319</u>
Business-type activities										
Wastewater	28	28	36	44	46	48	63	52	55	55
Water	68	68	73	91	96	97	84	96	95	93
Municipal golf courses	10	14	14	13	14	9	8	7	8	7
Total business-type activities	<u>106</u>	<u>110</u>	<u>123</u>	<u>148</u>	<u>156</u>	<u>154</u>	<u>155</u>	<u>155</u>	<u>158</u>	<u>155</u>
Total full-time equivalent employees	<u><u>1,471</u></u>	<u><u>1,565</u></u>	<u><u>1,771</u></u>	<u><u>2,054</u></u>	<u><u>2,194</u></u>	<u><u>2,261</u></u>	<u><u>2,194</u></u>	<u><u>1,971</u></u>	<u><u>1,808</u></u>	<u><u>1,474</u></u>

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, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Police									
Calls for service									
Officer initiated	180,000	184,000	166,364	194,527	190,668	211,130	207,019	113,946	106,247
Community generated	117,000	135,000	139,132	136,089	96,897	108,908	92,588	106,385	98,452
Neighborhood watch meetings	2	25	80	113	72	102	37	47	31
Detention									
Bookings	8,250	14,300	14,500	17,726	19,842	20,662	20,662	10,058	9,037
Average daily population	817	802	807	885	906	928	523	237	220
Daily meals service	639,200	945,000	850,000	1,045,686	900,000	1,171,704	532,888	276,122	
Fire									
Number of calls	20,499	23,270	24,500	25,986	26,351	27,016	27,828	28,540	30,187
EMS responses	10,269	12,104	12,400	17,895	15,588	18,983	24,309	24,766	24,831
Non-fire incidents	9,365	10,228	11,150	5,750	6,040	3,673	1,170	509	2,448
Fire incidents	865	938	950	2,142	1,839	4,346	2,330	1,954	2,191
Structure fires	99	108	89	667	543	673	643	516	717
Library facilities									
Circulation	220,000	226,771	416,494	465,304	613,658	793,000	725,905	710,415	649,445
Holdings	114,860	139,596	152,139	153,436	212,074	225,404	234,725	243,629	251,543
Library traffic	215,000	243,800	417,431	446,336	557,694	754,000	536,085	490,128	442,688
Culture and recreation									
Golf Courses									
Number of rounds of golf	47,301	104,891	94,738	86,670	74,474	68,000	63,565	64,297	61,102
Cost of operation per round (Municipal Course)	\$ 9	\$ 8	\$ 12	\$ 12	\$ 12	\$ 8	\$ 11	\$ 11	\$ 12
Cost of operation per round (Craig Ranch Course)	\$	\$ 21	\$ 21	\$ 26	\$	\$	\$	\$	\$
Cost of operation per round (Alliant Course)	\$	\$	\$	\$	\$ 54	\$ 75	\$ 54	\$ 47	\$ 49
Parks/Recreation									
Program participation visits	930,803	1,517,745	1,618,451	194,443	1,271,769	1,300,000	1,435,852	1,154,162	1,197,216
Annual cost per acre to maintain	7,235	19,626	20,513	19,971	22,776	18,000	9,906	7,300	7,001
Number of stage rentals	16	15	18	11	13	10	21	17	12
Public works									
Building safety-permits issued	13,380	17,009	11,470	9,616	6,693	6,044	6,480	6,285	5,586
Survey									
Technical reviews completed (maps, documents)	300	303	279	279	118	60	31	25	24
GPS features collected	80,000	109,189	66,370	66,371	75,327	55,000	5,851	9,543	1,253
Engineering services-active capital projects	58	55	64	57	64	72	65	47	50
Construction services-number of inspections	26,000	20,339	14,179	12,072	5,020	8,090	4,142	2,423	
Development and Flood Control-permits issued	1,200	824	1,055	1,100	699	500	309	322	275
Real property services									
Maps reviewed and processed	111	117	59	49	181	23	19	13	15
Planning Commission items reviewed	700	606	491	47	94	150	149	111	138
Addresses assigned	11,100	5,607	3,014	806	758	500	356	151	303

(Continued)

CITY OF NORTH LAS VEGAS

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Water									
Valves exercised	2,202	1,283	2,760	1,933	3,104	1,970	2,588	1,773	1,486
Water repairs	143	215	290	226	250	233	276	250	218
Service requests	1,505	2,054	2,344	90,717	82,644	76,462	69,700	76,731	70,423
Number of bills	804,780	910,679	974,142	994,641	970,590	974,406	980,797	1,079,258	1,006,250
Number of meters read	786,042	886,203	956,892	993,013	1,001,336	1,007,205	1,017,682	1,025,417	1,030,452

1. Source - Various City of North Las Vegas departments.

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

CITY OF NORTH LAS VEGAS

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

	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013
Function/program										
Police stations	1	2	2	2	2	2	3	2	2	2
Fire stations	6	6	6	7	7	7	8	8	8	8
Library facilities	2	2	3	2	2	3	3	3	3	3
Culture and recreation										
Community centers	2	2	2	2	2	2	2	3	3	3
Parks	26	27	31	31	31	31	34	34	34	34
Park acreage	379	390	482	493	493	493	474	474	474	474
Golf courses	1	2	2	2	2	2	2	2	2	2
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	12	12	12	12	12	12	12	12	12	12
Public works										
Lane miles of paved street	1,699	1,748	2,150	1,925	1,971	2,150	2,150	2,167	2,171	2,489
Lane miles of unpaved street						630	700	698	698	698
Traffic signal intersections	78	82	85	105	120	138	141	143	152	155
Street lights	27,840	29,500	29,600	32,000	35,000	35,000	35,000	35,000	35,104	35,000
Water										
Miles of water main	896	1,000	1,048	1,072	1,096	1,110	1,127	1,130	1,117	1,119
Residential service connections	57,136	60,006	73,962	76,473	75,375	73,048	73,642	74,191	76,367	76,988
Commercial service connections	3,526	3,239	4,665	5,001	5,350	5,256	5,258	5,305	5,403	5,439
Average daily consumption in million gallons	44	45	44	50	49	47	46	46	45	44
Peak demand day in million gallons	74	78	68	75	74	76	75	74	66	69
Wastewater										
Miles of sewer wastewater main	527	581	595	609	625	641	657	659	660	752
Miles of storm wastewater main	127	129	129	147	175	180	183	193	263	266

1. Source - Various City of North Las Vegas departments.

BUSINESS LICENSE FEES

CITY OF NORTH LAS VEGAS

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013		\$	2,332,545
Business license revenue for the year ended June 30, 2012 (base year)	\$	2,419,389	
Adjustment to base year			
Percentage change in Consumer Price Index		<u>3.93</u>	%
Total adjustment to base year		<u>95,082</u>	
Adjusted business license revenue base for the year ended June 30, 2013			<u>2,514,471</u>
Amount under allowable maximum		\$	<u>(181,926)</u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2013		\$	1,434,553
Business license revenue for the year ended June 30, 2012 (base year)	\$	1,434,883	
Adjustment to base year			
Percentage change in local government population		(0.83)%	
Percentage change in Consumer Price Index		<u>3.93</u>	%
Total adjustment to base year		<u>44,481</u>	
Adjusted business license revenue base for the year ended June 30, 2013			<u>1,479,364</u>
Amount under allowable maximum		\$	<u>(44,811)</u>

SINGLE AUDIT INFORMATION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

We have audited the compliance of the City of North Las Vegas (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2013. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

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

Opinion on Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the City's major federal program for the year ended June 30, 2013.

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 12, 2013, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
December 12, 2013

CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
U.S. Department of the Interior			
Passed through State of Nevada, Bureau of Land Management Southern Nevada Public Land Management	15.235*	L05AC13499 L05AC13821 L06AC13904 L07AC12952 L07AC14012 L08AC13824 L08AC14594 L09AC15510 L10AC20273 L11AC20228 L12AC20493	\$ 3,572,162 2,572,883 1,481,407 4,389,280 1,119,268 4,589,925 3,138,309 899,727 19,140,109 64,078 <u>1,551</u>
Total U.S. Department of the Interior			<u>40,968,699</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	HN NV44SPG502	1,300
Passed through Clark County, Nevada, Department of Finance Neighborhood Stabilization Program	14.264	B-08-DN-32-0001 B-08-UN-32-0001 B-11-UN-32-0001	329,044 650,804 472,899
Community Development Block Grants/Entitlement Grants	14.218	B-03-UC-32-0001 B-05-UC-32-0001 B-07-UC-32-0001 B-08-UC-32-0001 B-10-UC-32-0001 B-11-UC-32-0001 B-12-UC-32-0001	1,434 10,402 101 87,768 238,094 444,808 756,468
Home Investment Partnerships Program	14.239	M-08-DC-32-0224 M-09-DC-32-0224 M-11-DC-32-0001 M-12-DC-32-0001	5,876 60,396 41,941 <u>30,271</u>
Total U.S. Department of Housing and Urban Development			<u>3,131,606</u>
U.S. Department of Homeland Security			
Passed through U.S. Secret Service South West Identity Theft Task Force/Joint Operation	N/A	N/A	1,425
Passed through Homeland Security Investigations Joint Operation 11-12 Joint Operation 12-13	N/A N/A	N/A N/A	13,946 8,048
Passed through State of Nevada, Department of Public Safety Emergency Management Performance Grants	97.042	9704212 97004213	61,220 64,402
Passed through Clark County, Nevada, Fire Department Urban Search and Rescue Readiness Cooperation Agreement	97.025	EMW-2011-CA-00066 EMW-2012-CA-K00029	13,128 5,455

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CITY OF NORTH LAS VEGAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal or Pass-through Grantor Number</u>	<u>Expenditures</u>
Passed through Clark County, Nevada, Office of Emergency Management and Homeland Security Homeland Security Grant Program	97.067	EMW-2011-SS-0096 97067U09	1,675 12,548
Passed through State of Nevada, Department of Public Safety Homeland Security Grant Program	97.067	97067HL8 97067.09 970637U10 97067.11-U11	32,838 9,365 83,333 91,814
Total U.S. Department of Homeland Security			<u>399,197</u>
U.S. Department of Transportation			
Passed through State of Nevada, Department of Public Safety State Traffic Safety Information System Improvement Grants	20.610	22-408TR-5.5	14,620
State and Community Highway Safety	20.600	23-JF-1-1.18 22-PS-2 23-PS-2 23-CP-2.4	7,598 25,373 19,754 4,507
Highway Planning and Construction	20.205	23-JF-1.18	33,478
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	22-JF-1.19 23-JF-1.18	7,827 20,104
Occupant Protection Incentive Grants	20.602	23-JF-1.18	4,990
Safety Belt Performance Grants	20.609	22-JF-1.19	18,006
Passed through State of Nevada, Department of Transportation Highway Planning and Construction	20.205	PR311-10-063 P348-10-063 PR395-11-063 P437-12-063 P040-12-063 P042-12-063	57,893 12,063 1,014,614 13,845 33,396 56,035
Total U.S. Department of Transportation			<u>1,344,103</u>
U.S. Department of Justice			
State Criminal Alien Assistance Program	16.606	2012-AP-BX-0533	6,130
Bulletproof Vest Partnership Program	16.607	2010 BVP 2011 BVP 2012 BVP	7,047 11,583 2,081
Public Safety Partnership and Community Policing Grants	16.710	2010-CK-WX-0219 2010-UL-WX-0031	95,558 1,498,272
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1136 2011-DJ-BX-3416 2012-DJ-BX-1077	141,026 60,629 108,042

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CITY OF NORTH LAS VEGAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
Passed through Federal Bureau of Investigation			
Joint Terrorist Task Force (JTTF) -11	N/A	N/A	4,501
Joint Terrorist Task Force (JTTF) -12	N/A	N/A	1,888
Las Vegas Safe Streets Gang Task Force (LVSSGTF) - 11	N/A	N/A	5,965
Las Vegas Safe Streets Gang Task Force (LVSSGTF) - 12	N/A	N/A	10,505
Passed through Bureau of Alcohol Tobacco Firearms and Explosives			
ATF State Local Overtime Program -11	N/A	N/A	555
ATF State Local Overtime Program -12	N/A	N/A	18,222
Operation Pure Luck	N/A	PA-NV-0236	20,763
Passed through Drug Enforcement Administration			
Tactical Diversion Task Force - 11	N/A	N/A	3,972
Tactical Diversion Task Force - 12	N/A	N/A	13,395
Passed through State of Nevada, Department of Public Safety			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories (ARRA)	16.803	2009-SUB9-0043/09-ARRA-31	183,580
Passed through City of Las Vegas			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government (ARRA)	16.804	2009-SB-B9-1637-NLVPD	333,168
Passed through State of Nevada, Department of Health and Human Services			
Crime Victim Assistance	16.575	2011-VAGX-0030	91,526
Enforcing Underage Drinking Laws Program	16.727	2010-AH-FX-0061	26,892
Violence Against Women Formula Grants	16.588	2011-STOP-10 2011-STOP-39	29,249 4,280
Passed through U.S. Marshal Services			
U.S. Marshal Services FY 2012	N/A	N/A	5,816
U.S. Marshal Services FY 2013	N/A	N/A	2,133
Passed through Las Vegas Metropolitan Police Department			
Missing Children's Assistance	16.543	2011-MC-CX-K002	<u>11,407</u>
Total U.S. Department of Justice			<u>2,698,185</u>
Executive Office of the President, Office of National Drug Control Policy			
High Intensity Drug Trafficking Area (HIDTA)			
	N/A	G11NV001	11,919
		G11NV001A	50,960
		G12NV001	22,173
		G12NV001A	22,488
		G13NV001A	<u>14,479</u>
Total Executive Office of the President, Office of National Drug Control Policy			<u>122,019</u>
U.S. Department of Agriculture			
Passed through State of Nevada, Department of Education:			
Special Milk Program for Children	10.556	N/A	<u>17,481</u>

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CITY OF NORTH LAS VEGAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal or Pass-through Grantor Number</u>	<u>Expenditures</u>
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant Program (EECBG) (ARRA)	81.128	DE-SC0003259 EE032710035	346,245 <u>10,783</u>
Total U.S. Department of Energy			<u>357,028</u>
U.S. Department of Health and Human Services			
Passed through Southern Nevada Health District Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work	93.520	C-7655	<u>11,340</u>
Total federal expenditures			<u>\$ 49,049,658</u>

* A major program

CITY OF NORTH LAS VEGAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

Note 1. Reporting Entity

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

Note 2. Basis of Presentation

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

The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Subrecipients

During the year ended June 30, 2013, the following awards (including amendments) were given to subrecipients:

	<u>Award Amount</u>
U.S. Department of Housing and Urban Development	
Community Development Block Grants/Entitlement Grants (CFDA # 14.218)	\$ 521,574
Home Investment Partnerships Program (CFDA # 14.239)	108,105
Neighborhood Stabilization Program (CFDA # 14.264)	710,990
U.S. Department of Energy	
Energy Efficiency and Conservation Block Grant Program (EECBG) (ARRA) (CFDA # 81.128)	<u>158,000</u>
	<u>\$ 1,498,669</u>

CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements	No

Federal Awards

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

Identification of major programs

CFDA number	15.235
Name of federal program or cluster	U.S. Department of the Interior, Southern Nevada Public Land Management

Dollar threshold used to distinguish between Type A and Type B programs	\$1,471,490
Auditee qualified as low-risk auditee	Yes

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CITY OF NORTH LAS VEGAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

2013 - 001

Criteria

There should be a sufficient level of qualified accounting staff to 1) allow for proper segregation of duties, 2) ensure appropriate accounting recognition of transactions and journal entries, and 3) ensure that errors are detected and corrected timely during financial close procedures prior to commencement of audit procedures.

Condition

Due to staff reductions and the time period for financial close, there is a lack of adequate accounting staff available to review transactions and ensure that journal entries are appropriately recorded, reviewed and reconciled to supporting documentation prior to commencement of audit procedures.

Effect

Numerous adjustments were proposed by the auditor (some of which required significant analysis and time), which should be made prior to audit procedures.

Cause

There is not adequate staff to perform financial close and analyze all accounts and transactions prior to commencement of the audit.

Recommendation

While we recognize the difficulties inherent in the allocation of limited resources, particularly in today's economic environment, we recommend that consideration be given to allocating resources for additional qualified accounting staff.

Management's response

Management informed us that it will continue to evaluate the adequacy of staffing levels and segregation of duties in order to prioritize and focus limited resources on the areas and functions of greatest need and that automated reporting tools in the accounting system are currently being developed, which are expected to facilitate more timely review of information and exception based reporting while requiring less preparation time, allowing for more time to be focused on oversight and systemic improvements.

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CITY OF NORTH LAS VEGAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

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

None reported

CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

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*

None reported

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CITY OF NORTH LAS VEGAS

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

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

None reported