

FINANCIAL SECTION



2016

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016



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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 Henderson, 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 Henderson, Nevada (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

statutorily required pension contribution information budgetary comparison information on pages 11-22 and 72-75 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 October 28, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada  
October 28, 2016

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2016

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As management of the City of Henderson, Nevada (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. Please read this in conjunction with the transmittal letter at the beginning of this report and the City's financial statements following this section.

### Financial Highlights

The assets of the City exceeded its liabilities at June 30, 2016 by \$2,391,662,640 (net position). However due to Governmental Accounting Standards Board Statement (GASB) 68, *Accounting and Financial Reporting for Pensions*, the City has negative unrestricted net assets of \$199,668,677. GASB 68 requires the City to record its proportionate share of the collective net pension liability of the Nevada Public Employees Retirement System and related deferred inflows and outflows. However, per Nevada Revised Statutes, respective participating public employers are not liable for any obligation of the Public Employees Retirement System.

During fiscal year 2016, the City's total net position increased by \$145,868,924. See the sections on Governmental Activities and Business-type Activities below for explanations of the increase.

As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$208,193,199, a decrease of \$5,869,748 in comparison with the prior year. See the governmental fund analysis below for explanations of the decrease. Approximately 11.3% of ending fund balances, or \$23,617,842, is available for spending at the City's discretion (*i.e.*, unassigned fund balance).

As of June 30, 2016, unassigned fund balance in the general fund was 10.3% of fiscal year 2016 expenditures in the general fund.

### Financial Statement Overview

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

### 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the net of these items 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 government'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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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 general government, judicial, public safety, public works, culture and recreation, and community support. The business-type activities of the City include Water and Sewer operations, the Development Services Center, Cultural Arts and Tourism, and a Municipal Golf Course.

### 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.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 short term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-two individual governmental funds as of June 30, 2016. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Grants Special Revenue Fund, both of which are considered to be major funds. Data from the other 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 statements elsewhere in the report.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison for the City's General Fund and the Grants Special Revenue Fund has been provided as a component of the basic financial statements to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

### Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds (*i.e.*, enterprise funds and internal service 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 and Sewer activities, both of which are considered major funds. Data from the three non-major enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in the report.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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Internal service funds are used by the City to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its engineering services, its City vehicles, its self-insurance activities, to account for loan activities to other funds for special assessment districts and to account for general citywide services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All 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 statements elsewhere in this report.

### Fiduciary Funds

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 programs.

### Notes to the Financial Statements

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

### Other Information

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the notes to the financial statements. Internal service funds are presented after the governmental fund statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2016, the City is reporting net position of \$2,391,662,640.

The largest portion of the City's net position (97.6%) reflects its investment in capital assets (*e.g.*, land, buildings, machinery and equipment, *etc.*), less any related outstanding debt used to acquire those assets. 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.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

### Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current, restricted and other	\$ 357,855,359	\$ 366,625,809	\$ 185,661,315	\$ 168,437,443	\$ 543,516,674	\$ 535,063,252
Capital	<u>1,595,545,665</u>	<u>1,490,120,317</u>	<u>970,820,799</u>	<u>962,866,899</u>	<u>2,566,366,464</u>	<u>2,452,987,216</u>
Total assets	<u>1,953,401,024</u>	<u>1,856,746,126</u>	<u>1,156,482,114</u>	<u>1,131,304,342</u>	<u>3,109,883,138</u>	<u>2,988,050,468</u>
Deferred outflows of resources	<u>58,080,080</u>	<u>51,956,060</u>	<u>14,013,488</u>	<u>13,494,800</u>	<u>72,093,568</u>	<u>65,450,860</u>
Liabilities						
Current	28,332,318	28,229,888	22,689,921	20,783,612	51,022,239	49,013,500
Other	<u>510,788,224</u>	<u>485,351,989</u>	<u>182,097,986</u>	<u>189,652,181</u>	<u>692,886,210</u>	<u>675,004,170</u>
Total liabilities	<u>539,120,542</u>	<u>513,581,877</u>	<u>204,787,907</u>	<u>210,435,793</u>	<u>743,908,449</u>	<u>724,017,670</u>
Deferred inflows of resources	<u>40,280,210</u>	<u>72,445,243</u>	<u>6,125,407</u>	<u>11,244,699</u>	<u>46,405,617</u>	<u>83,689,942</u>
Net position						
Net investment in capital assets	1,476,900,561	1,365,423,723	856,794,239	835,080,514	2,333,694,800	2,200,504,237
Restricted	154,848,468	173,216,725	2,498,955	6,941,323	157,347,423	180,158,048
Unrestricted	<u>(199,668,677)</u>	<u>(215,965,382)</u>	<u>100,289,094</u>	<u>81,096,813</u>	<u>(99,379,583)</u>	<u>(134,868,569)</u>
Total net position	<u>\$ 1,432,080,352</u>	<u>\$ 1,322,675,066</u>	<u>\$ 959,582,288</u>	<u>\$ 923,118,650</u>	<u>\$ 2,391,662,640</u>	<u>\$ 2,245,793,716</u>

A portion of the City's net position (6.6%) is subject to external restrictions on how it may be used. The remaining balance is a negative \$99,379,583 due to the adoption of GASB 68, *Accounting and Financial Reporting For Pensions*. This created a long term liability of \$358.7 million as this is considered the City's proportionate share of the collective net pension liability of the Nevada Public Employees Retirement System. However, per Nevada Revised Statutes, respective participating public employers are not liable for any obligation of the Public Employees Retirement System.

The decrease of \$4.4 million in restricted net position for business type activities is due to a reduction of debt service restrictions.

The City's total net position increased by \$145,868,924 during the current fiscal year, comprised of an increase in governmental net position of \$109,405,286 and an increase in business-type activities of \$36,463,638. See explanations for the increases in the sections for Governmental Activities and Business-type Activities, immediately following the table below.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 51,038,372	\$ 48,358,909	\$ 137,767,462	\$ 130,541,977	\$ 188,805,834	\$ 178,900,886
Operating grants and contributions	9,395,210	9,081,006			9,395,210	9,081,006
Capital grants and contributions	116,030,640	61,258,310	30,019,342	15,058,529	146,049,982	76,316,839
General revenues						
Property taxes	72,832,645	67,332,544			72,832,645	67,332,544
Room taxes	1,107,813	1,009,546	2,215,626	2,017,902	3,323,439	3,027,448
Intergovernmental revenues - consolidated tax	97,764,145	94,093,208			97,764,145	94,093,208
Motor vehicle fuel tax	5,413,491	4,858,442			5,413,491	4,858,442
Sales tax	14,092,778	12,291,217	4,936,427	4,702,171	19,029,205	16,993,388
Franchise fees, based on gross receipts	32,656,108	32,677,892			32,656,108	32,677,892
Unrestricted investment income	3,598,318	2,942,486	2,695,143	1,973,790	6,293,461	4,916,276
Gain on disposal of capital assets	341,836	205,287			341,836	205,287
Miscellaneous	<u>1,437,835</u>	<u>1,183,010</u>	<u>644,867</u>	<u>486,825</u>	<u>2,082,702</u>	<u>1,669,835</u>
<b>Total revenues</b>	<u>405,709,191</u>	<u>335,291,857</u>	<u>178,278,867</u>	<u>154,781,194</u>	<u>583,988,058</u>	<u>490,073,051</u>
<b>Expenses</b>						
General government	49,590,212	51,514,550			49,590,212	51,514,550
Judicial	12,589,050	12,639,795			12,589,050	12,639,795
Public safety	146,672,330	136,718,517			146,672,330	136,718,517
Public works	31,107,461	29,181,216			31,107,461	29,181,216
Culture and recreation	47,766,606	45,399,004			47,766,606	45,399,004
Community support	5,482,324	4,601,580			5,482,324	4,601,580
Interest expense	5,355,076	6,564,502			5,355,076	6,564,502
Water			72,092,583	74,573,926	72,092,583	74,573,926
Sewer			46,729,422	46,919,969	46,729,422	46,919,969
Development services			14,698,130	16,068,352	14,698,130	16,068,352
Cultural arts and tourism			3,501,102	3,982,586	3,501,102	3,982,586
Municipal golf course			<u>2,534,838</u>	<u>2,688,068</u>	<u>2,534,838</u>	<u>2,688,068</u>
<b>Total expenses</b>	<u>298,563,059</u>	<u>286,619,164</u>	<u>139,556,075</u>	<u>144,232,901</u>	<u>438,119,134</u>	<u>430,852,065</u>
Change in net position before transfers	107,146,132	48,672,693	38,722,792	10,548,293	145,868,924	59,220,986
Transfers	<u>2,259,154</u>	<u>1,985,265</u>	<u>(2,259,154)</u>	<u>(1,985,265)</u>		
Change in net position	109,405,286	50,657,958	36,463,638	8,563,028	145,868,924	59,220,986
Net position, beginning of year	<u>1,322,675,066</u>	<u>1,272,017,108</u>	<u>923,118,650</u>	<u>914,555,622</u>	<u>2,245,793,716</u>	<u>2,186,572,730</u>
<b>Net position, end of year</b>	<u>\$ 1,432,080,352</u>	<u>\$ 1,322,675,066</u>	<u>\$ 959,582,288</u>	<u>\$ 923,118,650</u>	<u>\$ 2,391,662,640</u>	<u>\$ 2,245,793,716</u>

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

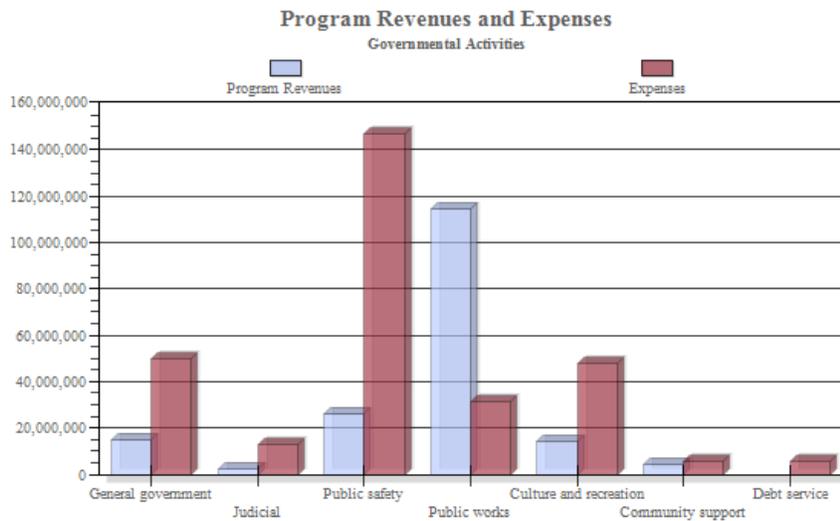
### Governmental Activities

Governmental activities increased the City's net position by \$109,405,286. Significant changes are as follows:

Capital grants and contributions increased by \$54.8 million due to developer contributions resulting from a rebound in the economy and construction, with a major project for South Edge east-side flood control of \$47.2 million.

Community Support expenses increased by \$0.9 million, due in large part to support the recruitment of Barclay's Services, LLC to Nevada. See additional discussion on Grant Fund below.

Sales tax increased \$1.8 million due to the upturn in the local economy.



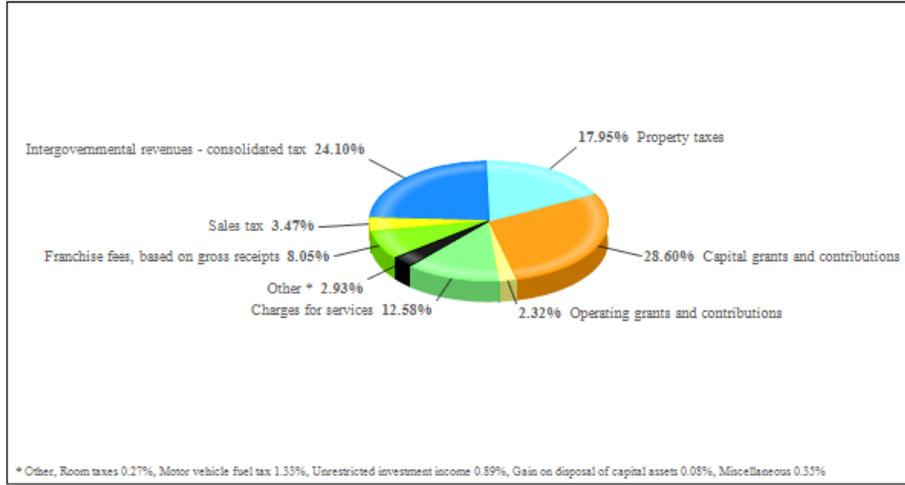
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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

**Revenues by Source**  
Governmental Activities

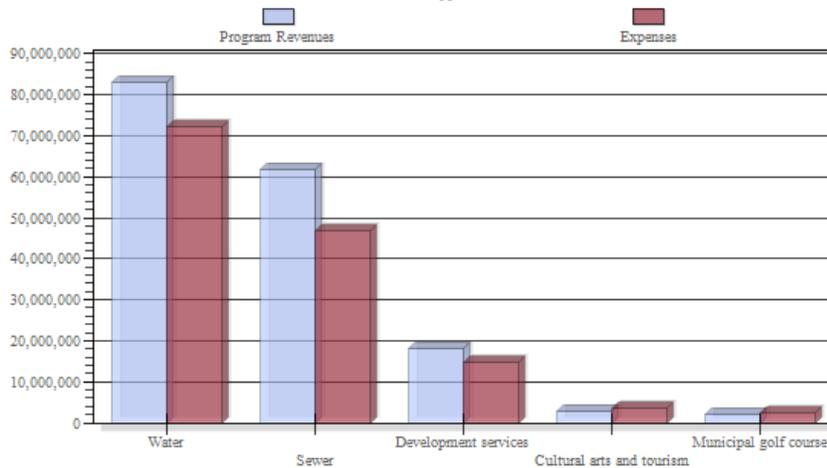


### Business-type Activities

Business-type activities increased the City's net position by \$36,463,638. Significant changes are as follows:

Capital grants and contributions increased by \$15 million due to an increase in developer utility contributed assets resulting from a rebound in the economy and construction.

**Program Revenues and Expenses**  
Business-type Activities

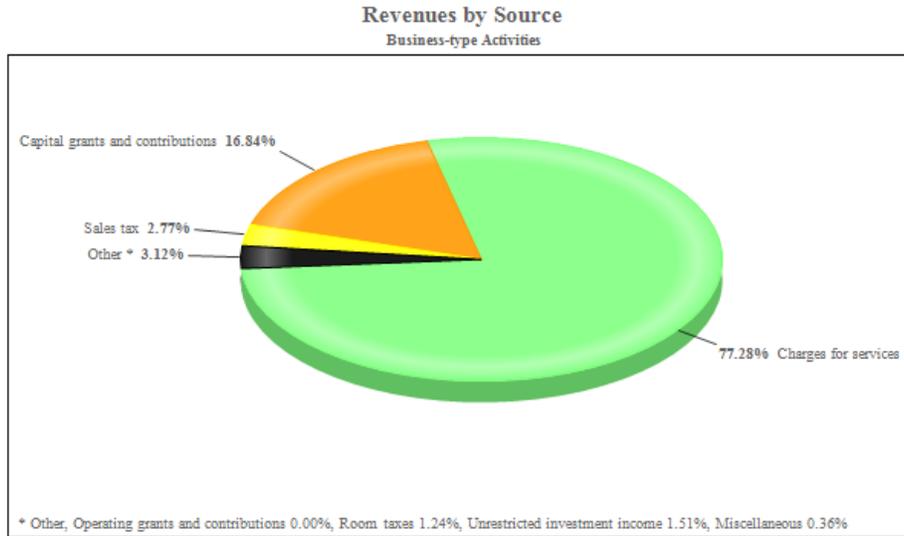


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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016



### 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$208,193,199, a decrease of \$5,869,748, in comparison with the prior year. Approximately 11.3% of this balance (\$23,617,842) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either not in spendable form (\$79), not available for new spending because it has already been restricted by State law or outside entities (\$140,437,027), or assigned for specific uses by the City (\$44,138,251).

### General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$23,617,842, while total fund balance was \$24,891,984. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of and for the fiscal year ended June 30, 2016, unassigned fund balance represents 10.3% of total general fund expenditures, while total fund balance represents 10.9% of that same amount.

The fund balance of the general fund increased by \$2,151,228 during the current fiscal year. Significant changes are as follows:

Intergovernmental revenues increased by \$3.9 million due to an increase in Consolidated Tax revenue (a composite tax based on a statutory formula, which is comprised of certain sales, cigarette, motor vehicle privilege and liquor taxes) due to a general economy improvement in Southern Nevada.

Property taxes increased by \$1.8 million due to higher assessed property values.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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Other general fund revenues increased by \$3.3 million, but no one category increased significantly over the previous fiscal year.

There was an increase in public works expenditures by \$1.6 million due in large part (\$1.2 million) to an engineering assessment charge for newly assessed road and traffic projects.

Other general fund expenditures increased in total by \$11.5 million, but no one category increased significantly over the previous fiscal year.

Transfers to other funds were \$9.6 million.

### Grants Special Revenue Fund

As of June 30, 2016, the grants special revenue fund has a total fund balance of \$661,568, which is restricted by granting agencies. There was a decrease in intergovernmental revenues of \$13.3 million. This decrease was due to reduced spending on Nevada Department of Transportation (NDOT) projects by \$7.2 million, Southern Nevada Public Land Management Act (SNPLMA) projects by \$6 million and Sustainable Communities Grant from the Department of Housing and Urban Development (HUD) granting agency by \$0.8 million.

In fiscal year 2016, there was a decrease in public works capital outlay of \$6.1 million, due primarily to the completion of eight large street improvement projects, which were funded by grants and cooperative agreements from NDOT. These projects include two projects for Water Street enhancement (\$1.3 million and \$0.4 million), St. Rose intersection improvements (\$1 million), Boulder Highway Trail (\$2.2 million), and a traffic signal at Boulder Highway and Magic Way (\$1.1 million) among others which closed out in fiscal year 2016.

In fiscal year 2016, there was a decrease in culture and recreation capital outlay of \$5.7 million. This decrease was due to nine SNPLMA park and trail projects closing out in fiscal year 2016, including McCullough Vista Park (\$3.5 million) and Whitney Mesa Trailhead (\$1 million) among others, with few new projects ramping up.

In fiscal year 2016, there was an increase in current community support expenditures of \$1.3 million. This increase was due primarily to Economic Development expenditures totaling \$1 million under a State Catalyst Fund Grant, funded by the State of Nevada's Governor's Office of Economic Development to support the recruitment of Barclay's Services, LLC to Nevada. In addition, funds from the HUD HOME program were utilized to fund a large Habitat for Humanity project which resulted in a \$0.4 million increase in expenditures.

### Proprietary Funds

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

Unrestricted net position of the water fund at the end of fiscal year 2016 amounted to \$83,994,532 and the total increase in net position was \$12,380,735. Unrestricted net position of the sewer fund at the end of the fiscal year 2016 was \$60,183,511 and the total increase in net position was \$21,667,449. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by approximately \$6.1 million, or 2.6% over the original budget. This increase is not significant.

Actual expenditures were 96.1% of appropriations, or \$9.3 million lower than the final budget. All functions are well within appropriation authority. The savings can be attributed to several factors, of which were vacancy savings, reduced operating expenditures, savings resulting from the Henderson Innovation Plan (HIP), and incomplete projects that will be re-appropriated to the next fiscal year. The main areas of savings are summarized below:

Actual General Government expenditures were \$4.1 million below the final budget. The majority of the positive variance from budget is due to reduced operating expenditures, approximately \$1.2 million of which related to ongoing projects that will be re-appropriated in fiscal year 2017.

There were other functional reductions of \$5.2 million in the aggregate, but none significant in any one category.

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2016, the City's investment in capital assets for its governmental and business-type activities is \$2,566,366,464 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and a municipal golf course. During fiscal year 2016, the City's investment in capital assets increased by \$113.4 million (approximately \$105.4 million increase for governmental activities and approximately \$8 million increase for business-type activities).

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

Machinery and equipment increased by \$2.5 million in governmental activities. This is primarily due to \$5.5 million in new vehicles and \$1.1 million in completed construction in progress (radio consoles and other projects), less annual depreciation of \$4.5 million.

Infrastructure increased by \$96.8 million in governmental activities primarily due to increased privately donated infrastructure of \$80.5 million (including a \$47.2 South Edge flood control project), \$22.7 million in completed construction in progress (various projects including \$11.3 million in improvements at Galleria Drive and Pabco Road), \$9.7 million in County-funded improvements (including \$8 million for Pittman Wash improvements), and \$2.7 million in special assessment funded street and flood control infrastructure, less depreciation of \$18.8 million.

Buildings increased by \$23.8 million in business-type activities, which is mainly due to \$45 million in assets that were reclassified to buildings from other asset types and various other additions, which was offset by \$21.5 million in annual depreciation.

Construction in progress for business-type activities decreased by \$3.2 million, mainly due to a completed projects of \$2.2 million for a utility system which monitors and controls water, reclaimed water and wastewater systems and \$1.1 million for the Sunset Lift Station project.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

	Capital Assets, Net of Accumulated Depreciation and Amortization					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Construction in progress	\$ 36,982,865	\$ 37,344,627	\$ 19,514,852	\$ 22,678,268	\$ 56,497,717	\$ 60,022,895
Land	188,762,187	192,015,021	35,912,213	35,912,213	224,674,400	227,927,234
Building and building improvements	243,405,420	246,225,249	138,995,488	115,227,833	382,400,908	361,453,082
Improvements other than buildings	316,038,757	303,484,178	754,622,293	765,454,391	1,070,661,050	1,068,938,569
Infrastructure	785,854,556	689,066,495			785,854,556	689,066,495
Machinery and equipment	24,501,880	21,984,747	21,775,953	23,594,194	46,277,833	45,578,941
	<u>\$ 1,595,545,665</u>	<u>\$ 1,490,120,317</u>	<u>\$ 970,820,799</u>	<u>\$ 962,866,899</u>	<u>\$ 2,566,366,464</u>	<u>\$ 2,452,987,216</u>

Additional information on the City's capital assets can be found in note 5 to the financial statements.

#### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$232,572,026. Of this amount, \$103,186,448 is considered general obligation debt and \$9,365,000 is tax allocation debt. The remainder of the City's bonded debt represents bonds to be paid from the City's Water and Sewer activities.

	Summary of Bonds Outstanding					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 103,186,448	\$ 107,398,145	\$	\$	\$ 103,186,448	\$ 107,398,145
Tax allocation bonds	9,365,000	10,965,000			9,365,000	10,965,000
Water and sewer bonds			120,020,578	132,406,583	120,020,578	132,406,583
	<u>\$ 112,551,448</u>	<u>\$ 118,363,145</u>	<u>\$ 120,020,578</u>	<u>\$ 132,406,583</u>	<u>\$ 232,572,026</u>	<u>\$ 250,769,728</u>

Standard & Poor's Ratings Service and Moody's Investor's Service general obligation bond ratings are AA+ and Aa2, respectively.

As of June 30, 2016, the City's net general obligation bonded debt subject to the legal debt margin of \$223,207,026 was below the legal limit of \$1,643,639,072.

Additional information on the City's long-term debt can be found in note 6 to the financial statements.

Other factors considered in preparing the City's budget for the 2016/2017 fiscal year:

The City will maintain the property tax rate of \$.7108 per \$100 in assessed valuation, one of the lowest in the state of Nevada.

Plan to close Fiscal Year 2017 with no transfers in from reserves for the fourth straight year.

Provide efficient public services while maintaining one of the lowest employee to citizen ratios in the Las Vegas Valley.

(Continued)

# **CITY OF HENDERSON, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

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

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During the current fiscal year, fund balance in the general fund increased to \$24,891,984. The City has appropriated approximately \$1.2 million of this amount for spending in the 2016/2017 fiscal year budget. It is intended that this use of available fund balance will pay for one time services and capital expenditures.

### 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, 240 Water Street, Henderson, Nevada 89015.

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# BASIC FINANCIAL STATEMENTS



# 2016

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016

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# CITY OF HENDERSON, NEVADA

## STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 242,148,163	\$ 205,330,461	\$ 447,478,624
Cash, cash equivalents and investments, restricted	7,939,194	4,501,859	12,441,053
Accounts receivable, net	11,032,814	15,403,398	26,436,212
Taxes receivable	1,350,888		1,350,888
Special assessments receivable	1,459,744		1,459,744
Notes receivable, net	12,717,539	205,527	12,923,066
Interest receivable	420,942	272,461	693,403
Due from other governments	27,982,557	1,110,329	29,092,886
Prepaid items	11,550	1,334	12,884
Land held for resale	9,803,864		9,803,864
Other assets	606,054	1,217,996	1,824,050
Internal balances	42,382,050	(42,382,050)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	36,982,865	19,514,852	56,497,717
Land	188,762,187	35,912,213	224,674,400
Building and building improvements	243,405,420	138,995,488	382,400,908
Improvements other than buildings	316,038,757	754,622,293	1,070,661,050
Infrastructure	785,854,556		785,854,556
Machinery and equipment	<u>24,501,880</u>	<u>21,775,953</u>	<u>46,277,833</u>
Total assets	<u>1,953,401,024</u>	<u>1,156,482,114</u>	<u>3,109,883,138</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	6,586,344	5,994,018	12,580,362
Deferred amounts related to pensions	<u>51,493,736</u>	<u>8,019,470</u>	<u>59,513,206</u>
Total deferred outflows of resources	<u>58,080,080</u>	<u>14,013,488</u>	<u>72,093,568</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	13,910,381	8,866,209	22,776,590
Accrued wages	4,613,717	843,930	5,457,647
Contracts and retentions payable	188,477	310,573	499,050
Due to other governments	2,122,860	3,855,918	5,978,778
Tax increment payable to developers	1,368,690		1,368,690
Unearned revenue	170,363	6,660,366	6,830,729
Interest payable	688,077		688,077
Deposits	5,269,753	150,021	5,419,774
Other current liabilities, payable from restricted assets		2,002,904	2,002,904
Noncurrent liabilities, due within one year	22,299,992	986,154	23,286,146
Noncurrent liabilities, partially payable from restricted assets, due within one year		11,142,765	11,142,765
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	<u>488,488,232</u>	<u>169,969,067</u>	<u>658,457,299</u>
Total liabilities	<u>539,120,542</u>	<u>204,787,907</u>	<u>743,908,449</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	<u>40,280,210</u>	<u>6,125,407</u>	<u>46,405,617</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2016

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	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net investment in capital assets	1,476,900,561	856,794,239	2,333,694,800
Restricted for			
Stabilization and other general programs	20,082,923		20,082,923
Courts and other judicial programs	658,836		658,836
Fire, police and other public safety programs	3,596,370		3,596,370
Streets and other public works projects	69,255,802		69,255,802
Parks, cultural and recreational programs	10,849,971		10,849,971
Community assistance and support programs	18,278		18,278
Debt service	6,707,787	2,498,955	9,206,742
Redevelopment programs	28,579,062		28,579,062
Claims	15,099,439		15,099,439
Unrestricted	<u>(199,668,677)</u>	<u>100,289,094</u>	<u>(99,379,583)</u>
Total net position	<u>\$ 1,432,080,352</u>	<u>\$ 959,582,288</u>	<u>\$ 2,391,662,640</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES

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

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
			Capital Grants and Contributions	Total			
Governmental activities							
General government	\$ 49,590,212	\$ 13,757,049	\$ 279,481	\$ 817,801	\$ (34,735,881)	\$	\$ (34,735,881)
Judicial	12,589,050	2,275,467	150,244		(10,163,339)		(10,163,339)
Public safety	146,672,330	25,340,791	880,497	12,537	(120,438,505)		(120,438,505)
Public works	31,107,461	1,137,484	103,133	113,159,203	83,292,359		83,292,359
Culture and recreation	47,766,606	8,527,581	3,896,675	2,041,099	(33,301,251)		(33,301,251)
Community support	5,482,324		4,085,180		(1,397,144)		(1,397,144)
Debt service							
Interest expense	5,355,076				(5,355,076)		(5,355,076)
Total governmental activities	298,563,059	51,038,372	9,395,210	116,030,640	(122,098,837)		(122,098,837)
Business-type activities							
Water	72,092,583	69,553,882		13,428,438		10,889,737	10,889,737
Sewer	46,729,422	45,196,126		16,590,904		15,057,608	15,057,608
Development services	14,698,130	18,096,736				3,398,606	3,398,606
Cultural arts and tourism	3,501,102	2,739,976				(761,126)	(761,126)
Municipal golf course	2,534,838	2,180,742				(354,096)	(354,096)
Total business-type activities	139,556,075	137,767,462		30,019,342		28,230,729	28,230,729
Total function/program	\$ 438,119,134	\$ 188,805,834	\$ 9,395,210	\$ 146,049,982	\$ (122,098,837)	\$ 28,230,729	\$ (93,868,108)

(Continued)

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>GENERAL REVENUES</b>							
Property taxes					72,832,645		72,832,645
Room taxes					1,107,813		3,323,439
Intergovernmental revenues - consolidated tax					97,764,145	2,215,626	97,764,145
Motor vehicle fuel tax					5,413,491		5,413,491
Sales tax					14,092,778	4,936,427	19,029,205
Franchise fees, based on gross receipts					32,656,108		32,656,108
Unrestricted investment income					3,598,318	2,695,143	6,293,461
Gain on disposal of capital assets					341,836		341,836
Miscellaneous					1,437,835	644,867	2,082,702
					<u>229,244,969</u>	<u>10,492,063</u>	<u>239,737,032</u>
Total general revenues					<u>2,259,154</u>	<u>(2,259,154)</u>	
Transfers					109,405,286	36,463,638	145,868,924
<b>CHANGE IN NET POSITION</b>					<u>1,322,675,066</u>	<u>923,118,650</u>	<u>2,245,793,716</u>
<b>NET POSITION, BEGINNING OF YEAR</b>					<u>\$ 1,432,080,352</u>	<u>\$ 959,582,288</u>	<u>\$ 2,391,662,640</u>
<b>NET POSITION, END OF YEAR</b>							

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2016

	Special Revenue Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 13,047,309	\$	\$ 168,397,455	\$ 181,444,764
Restricted cash and cash equivalents	944,610		6,162,798	7,107,408
Accounts receivable, net	10,629,802	89,959	144,584	10,864,345
Interest receivable	31,963		189,934	221,897
Taxes receivable	953,336		397,552	1,350,888
Special assessments receivable			1,459,744	1,459,744
Notes receivable, net	3,179,843	10,024,913	9,594,973	22,799,729
Prepaid items	79			79
Due from other funds	1,598,379	2,187		1,600,566
Due from other governments	20,168,296	2,210,381	5,312,272	27,690,949
Advances to other funds			621,261	621,261
Deposits		544,000		544,000
Land held for resale			9,803,864	9,803,864
<b>Total assets</b>	<b>\$ 50,553,617</b>	<b>\$ 12,871,440</b>	<b>\$ 202,084,437</b>	<b>\$ 265,509,494</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 7,603,243	\$ 1,569,278	\$ 2,883,378	\$ 12,055,899
Accrued wages	4,063,081	39,424	277,377	4,379,882
Tax increment payable to developers			1,368,690	1,368,690
Due to other governments	1,822,641		300,219	2,122,860
Due to other funds	2,187	576,257	1,022,122	1,600,566
Advances from other funds			2,128,864	2,128,864
Unearned revenue	170,363			170,363
Deposits	5,235,799		1,000	5,236,799
Compensated absences	52,331			52,331
<b>Total liabilities</b>	<b>18,949,645</b>	<b>2,184,959</b>	<b>7,981,650</b>	<b>29,116,254</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	953,336		397,552	1,350,888
Unavailable revenue, special assessments			1,459,744	1,459,744
Unavailable revenue, notes receivable	3,179,843	10,024,913	9,594,973	22,799,729
Unavailable revenue, other receivables	2,578,809		10,871	2,589,680
<b>Total deferred inflows of resources</b>	<b>6,711,988</b>	<b>10,024,913</b>	<b>11,463,140</b>	<b>28,200,041</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>25,661,633</b>	<b>12,209,872</b>	<b>19,444,790</b>	<b>57,316,295</b>
<b>FUND BALANCES</b>				
Nonspendable	79			79
Restricted		661,568	139,775,459	140,437,027
Assigned	1,274,063		42,864,188	44,138,251
Unassigned	23,617,842			23,617,842
<b>Total fund balances</b>	<b>24,891,984</b>	<b>661,568</b>	<b>182,639,647</b>	<b>208,193,199</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 50,553,617</b>	<b>\$ 12,871,440</b>	<b>\$ 202,084,437</b>	<b>\$ 265,509,494</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2016

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 208,193,199
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	\$ 2,570,541,992	
Less accumulated depreciation	<u>(991,247,799)</u>	1,579,294,193
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Interest receivable	<u>120,031</u>	120,031
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	49,336,307	
Deferred charges on refunding	<u>6,586,344</u>	55,922,651
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Debt obligations payable, net of unamortized premiums and discounts	(125,231,448)	
Construction contracts payable	(188,477)	
Other postemployment benefits	(18,462,566)	
Compensated absences payable	(38,312,562)	
Net pension liability	<u>(297,401,889)</u>	(479,596,942)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(688,077)</u>	(688,077)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	18,117,851	
Deferred inflows related to pensions	<u>(38,693,650)</u>	(20,575,799)
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	47,029,046	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	40,366,402	
Internal service fund balance receivable from business-type activities from current year activity	<u>2,015,648</u>	<u>89,411,096</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u><u>\$ 1,432,080,352</u></u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
<b>REVENUES</b>				
Property taxes	\$ 58,704,114	\$	\$ 14,094,869	\$ 72,798,983
Franchise fees	32,656,108			32,656,108
Licenses and permits	9,536,717			9,536,717
Intergovernmental	101,701,703	7,592,882	21,226,199	130,520,784
Charges for services	30,835,680		324,165	31,159,845
Fines and forfeitures	4,836,051		1,023,192	5,859,243
Impact fees	817,801		1,298,666	2,116,467
Special assessments			150,382	150,382
Investment income	397,467		2,684,775	3,082,242
Developer contributions			9,664,234	9,664,234
Rental fees			531,613	531,613
Miscellaneous	594,283	320,677	777,090	1,692,050
<b>Total revenues</b>	<u>240,079,924</u>	<u>7,913,559</u>	<u>51,775,185</u>	<u>299,768,668</u>
<b>EXPENDITURES</b>				
Current				
General government	40,739,650	24,071	7,430,439	48,194,160
Judicial	11,813,062	120,892	739,128	12,673,082
Public safety	130,677,127	692,751	15,301,487	146,671,365
Public works	8,388,692	354,819	3,755,142	12,498,653
Culture and recreation	34,921,058	1,204,592	1,899,021	38,024,671
Community support	1,534,411	4,227,966		5,762,377
<b>Total current</b>	<u>228,074,000</u>	<u>6,625,091</u>	<u>29,125,217</u>	<u>263,824,308</u>
Capital outlay				
General government	194,665		728,560	923,225
Judicial	47,051		334,576	381,627
Public safety		124,252	1,195,079	1,319,331
Public works		1,335,832	28,335,056	29,670,888
Culture and recreation	56,757	465,089	896,498	1,418,344
Community support		65,000		65,000
<b>Total capital outlay</b>	<u>298,473</u>	<u>1,990,173</u>	<u>31,489,769</u>	<u>33,778,415</u>
Debt service				
Principal payments			6,011,000	6,011,000
Payment to current bond refunding agent			10,288,415	10,288,415
Interest charges			5,190,128	5,190,128
<b>Total debt service</b>			<u>21,489,543</u>	<u>21,489,543</u>
<b>Total expenditures</b>	<u>228,372,473</u>	<u>8,615,264</u>	<u>82,104,529</u>	<u>319,092,266</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>11,707,451</u>	<u>(701,705)</u>	<u>(30,329,344)</u>	<u>(19,323,598)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales			2,696,014	2,696,014
Issuance of refunding bonds			9,365,000	9,365,000
Premium on refunding bonds issued			475,559	475,559
Transfers in			12,597,062	12,597,062
Transfers out	(9,556,223)		(2,123,562)	(11,679,785)
<b>Total other financing sources (uses)</b>	<u>(9,556,223)</u>		<u>23,010,073</u>	<u>13,453,850</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF HENDERSON, NEVADA**

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

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	<u>General Fund</u>	<u>Special Revenue Funds Grants</u>	<u>Aggregate Other Governmental Funds</u>	<u>Total Governmental Funds</u>
CHANGE IN FUND BALANCE	2,151,228	(701,705)	(7,319,271)	(5,869,748)
FUND BALANCE, BEGINNING OF YEAR	<u>22,740,756</u>	<u>1,363,273</u>	<u>189,958,918</u>	<u>214,062,947</u>
FUND BALANCE, END OF YEAR	<u>\$ 24,891,984</u>	<u>\$ 661,568</u>	<u>\$ 182,639,647</u>	<u>\$ 208,193,199</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ (5,869,748)
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	\$ 35,145,602	
Less current year depreciation	(32,899,711)	
Proceeds from land sales	(2,696,014)	
Net loss on disposition of capital assets	<u>(3,181,885)</u>	(3,632,008)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Change in unavailable property tax and miscellaneous revenues from current year activity	323,758	
Change in unavailable revenue related to notes receivable from current year activity	(72,943)	
Change in unavailable revenue from cumulative prior years' activity	(237,244)	
Capital asset contributions	102,172,417	
Change in accrued interest receivable on notes receivable	<u>(81,319)</u>	102,104,669
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:		
Issuance of refunding bonds	(9,365,000)	
Premium on refunding bonds issued	(475,559)	
Payment to refunded bonds escrow agent	10,288,415	
Debt principal repayments	<u>6,011,000</u>	6,458,856
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 other postemployment benefits	(818,285)	
Change in compensated absences payable	(268,360)	
Amortization of debt premiums, discounts and refunding charges	(295,157)	
Change in accrued interest	86,318	
Change in net pension liability	<u>9,077,574</u>	7,782,090
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	545,779	
The internal service funds change in net position related to business-type activities	<u>2,015,648</u>	<u>2,561,427</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 109,405,286</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 58,553,424	\$ 58,553,424	\$ 58,704,114	\$ 150,690
Franchise fees	33,150,000	33,150,000	32,656,108	(493,892)
Licenses and permits	9,004,500	9,201,000	9,536,717	335,717
Intergovernmental	102,458,179	101,852,384	101,701,703	(150,681)
Charges for services	25,971,507	29,039,133	30,835,680	1,796,547
Fines and forfeitures	3,772,000	4,120,889	4,836,051	715,162
Impact fees			817,801	817,801
Investment income	100,000	100,000	397,467	297,467
Miscellaneous	1,376,316	1,699,462	594,283	(1,105,179)
<b>Total revenues</b>	<b>234,385,926</b>	<b>237,716,292</b>	<b>240,079,924</b>	<b>2,363,632</b>
<b>EXPENDITURES</b>				
Current				
General government	43,218,690	44,554,001	40,739,650	3,814,351
Judicial	12,411,161	12,389,730	11,813,062	576,668
Public safety	127,692,820	132,587,599	130,677,127	1,910,472
Public works	8,622,753	9,039,169	8,388,692	650,477
Culture and recreation	37,516,964	36,622,676	34,921,058	1,701,618
Community support	1,840,377	1,890,353	1,534,411	355,942
<b>Total current</b>	<b>231,302,765</b>	<b>237,083,528</b>	<b>228,074,000</b>	<b>9,009,528</b>
Capital outlay				
General government	269,000	505,531	194,665	310,866
Judicial		47,064	47,051	13
Culture and recreation		52,216	56,757	(4,541)
<b>Total capital outlay</b>	<b>269,000</b>	<b>604,811</b>	<b>298,473</b>	<b>306,338</b>
<b>Total expenditures</b>	<b>231,571,765</b>	<b>237,688,339</b>	<b>228,372,473</b>	<b>9,315,866</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,814,161</b>	<b>27,953</b>	<b>11,707,451</b>	<b>11,679,498</b>
<b>OTHER FINANCING USES</b>				
Transfers out	(2,050,000)	(2,227,969)	(9,556,223)	(7,328,254)
<b>CHANGE IN FUND BALANCE</b>	764,161	(2,200,016)	2,151,228	4,351,244
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>18,884,720</b>	<b>22,740,756</b>	<b>22,740,756</b>	<b>_____</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 19,648,881</b>	<b>\$ 20,540,740</b>	<b>\$ 24,891,984</b>	<b>\$ 4,351,244</b>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## GRANTS SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 6,000,000	\$ 16,000,000	\$ 7,592,882	\$ (8,407,118)
Miscellaneous	<u>325,000</u>	<u>898,142</u>	<u>320,677</u>	<u>(577,465)</u>
Total revenues	<u>6,325,000</u>	<u>16,898,142</u>	<u>7,913,559</u>	<u>(8,984,583)</u>
EXPENDITURES				
Current				
General government	628,904	653,904	24,071	629,833
Judicial		152,200	120,892	31,308
Public safety	1,000,000	1,644,000	692,751	951,249
Public works		617,000	354,819	262,181
Culture and recreation		1,533,688	1,204,592	329,096
Community support	<u>2,777,182</u>	<u>4,468,436</u>	<u>4,227,966</u>	<u>240,470</u>
Total current	<u>4,406,086</u>	<u>9,069,228</u>	<u>6,625,091</u>	<u>2,444,137</u>
Capital outlay				
Public safety		700,000	124,252	575,748
Public works		3,000,000	1,335,832	1,664,168
Culture and recreation	50,000	600,000	465,089	134,911
Community support		<u>65,000</u>	<u>65,000</u>	
Total capital outlay	<u>50,000</u>	<u>4,365,000</u>	<u>1,990,173</u>	<u>2,374,827</u>
Total expenditures	<u>4,456,086</u>	<u>13,434,228</u>	<u>8,615,264</u>	<u>4,818,964</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,868,914</u>	<u>3,463,914</u>	<u>(701,705)</u>	<u>(4,165,619)</u>
CHANGE IN FUND BALANCE	1,868,914	3,463,914	(701,705)	(4,165,619)
FUND BALANCE, BEGINNING OF YEAR	<u>2,319,959</u>	<u>1,363,273</u>	<u>1,363,273</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,188,873</u>	<u>\$ 4,827,187</u>	<u>\$ 661,568</u>	<u>\$ (4,165,619)</u>

The accompanying notes are an integral part of these financial statements.

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# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

	Business-type Activities				Governmental
	Aggregate Other			Internal Service	
	Water	Sewer	Enterprise Funds		Total Enterprise Funds
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and investments	\$ 106,829,729	\$ 78,829,596	\$ 19,671,136	\$ 205,330,461	\$ 60,703,399
Restricted cash and cash equivalents	3,451,526	1,050,333		4,501,859	831,786
Accounts receivable, net	10,528,698	4,751,592	123,108	15,403,398	168,469
Interest receivable	141,813	104,846	25,802	272,461	79,014
Notes receivable, net	205,527			205,527	
Inventories	253,523	964,473		1,217,996	62,054
Prepaid items			1,334	1,334	11,471
Due from other governments		848,872	261,457	1,110,329	291,608
Total current assets	<u>121,410,816</u>	<u>86,549,712</u>	<u>20,082,837</u>	<u>228,043,365</u>	<u>62,147,801</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	11,500,832	8,014,020		19,514,852	99,720
Land	3,182,645	18,926,639	13,802,929	35,912,213	
Buildings and building improvements	38,618,375	130,524,298	9,496,136	178,638,809	744,560
Improvements other than buildings	687,892,250	603,069,164	26,441,088	1,317,402,502	1,163,704
Machinery and equipment	13,834,908	27,720,024	5,442,009	46,996,941	53,926,699
Accumulated depreciation and amortization	<u>(361,462,925)</u>	<u>(240,813,463)</u>	<u>(25,368,130)</u>	<u>(627,644,518)</u>	<u>(39,683,211)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>393,566,085</u>	<u>547,440,682</u>	<u>29,814,032</u>	<u>970,820,799</u>	<u>16,251,472</u>
Other assets					
Advances to other funds					1,507,603
Total noncurrent assets	<u>393,566,085</u>	<u>547,440,682</u>	<u>29,814,032</u>	<u>970,820,799</u>	<u>17,759,075</u>
Total assets	<u>514,976,901</u>	<u>633,990,394</u>	<u>49,896,869</u>	<u>1,198,864,164</u>	<u>79,906,876</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	3,238,161	2,834,351	1,946,958	8,019,470	2,157,429
Deferred charges on refunding	217,176	5,776,842		5,994,018	
Total deferred outflows of resources	<u>3,455,337</u>	<u>8,611,193</u>	<u>1,946,958</u>	<u>14,013,488</u>	<u>2,157,429</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and other accrued liabilities	5,760,972	2,913,449	191,788	8,866,209	1,854,482
Accrued wages	346,376	294,304	203,250	843,930	233,835
Due to other governments	3,850,998	521	4,399	3,855,918	
Construction contracts and retentions	211,406	99,167		310,573	
Unearned revenue			6,660,366	6,660,366	
Customer deposits payable from restricted assets	1,510,272			1,510,272	
Deposits			150,021	150,021	32,954
Compensated absences	241,387	244,574	177,319	663,280	204,609
Claims and judgments					13,609,407
Interest payable from restricted assets	128,255	364,377		492,632	
Debt obligations partially payable from restricted assets	<u>4,405,428</u>	<u>7,060,211</u>		<u>11,465,639</u>	
Total current liabilities	<u>16,455,094</u>	<u>10,976,603</u>	<u>7,387,143</u>	<u>34,818,840</u>	<u>15,935,287</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

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

	Business-type Activities				Governmental Activities
	Aggregate			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Enterprise Funds		
Noncurrent liabilities					
Debt obligations payable	9,596,808	100,572,501		110,169,309	
Compensated absences	2,394,484	2,426,092	1,758,952	6,579,528	2,335,204
Other post employment benefits	1,533,150	1,261,592	1,315,571	4,110,313	2,205,507
Net pension liability	19,518,681	17,080,587	11,692,110	48,291,378	12,972,701
Provisional credits and refunding agreements	<u>809,522</u>	<u>9,017</u>		<u>818,539</u>	
Total noncurrent liabilities	<u>33,852,645</u>	<u>121,349,789</u>	<u>14,766,633</u>	<u>169,969,067</u>	<u>17,513,412</u>
Total liabilities	<u>50,307,739</u>	<u>132,326,392</u>	<u>22,153,776</u>	<u>204,787,907</u>	<u>33,448,699</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	<u>2,535,943</u>	<u>2,206,546</u>	<u>1,382,918</u>	<u>6,125,407</u>	<u>1,586,560</u>
NET POSITION					
Net investment in capital assets	379,781,025	447,199,182	29,814,032	856,794,239	16,251,472
Restricted					
Debt service	1,812,999	685,956		2,498,955	
Claims					15,099,439
Unrestricted	<u>83,994,532</u>	<u>60,183,511</u>	<u>(1,506,899)</u>	<u>142,671,144</u>	<u>15,678,135</u>
Total net position	<u>\$ 465,588,556</u>	<u>\$ 508,068,649</u>	<u>\$ 28,307,133</u>	1,001,964,338	<u>\$ 47,029,046</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>(42,382,050)</u>	
Net position of business-type activities				<u>\$ 959,582,288</u>	

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities				Governmental
	Aggregate			Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Enterprise Funds		
<b>OPERATING REVENUES</b>					
Utilities fees	\$ 66,999,928	\$ 44,365,030	\$	\$ 111,364,958	\$
Connection fees	1,208,891	90,341		1,299,232	
Late charges	1,343,263	672,655		2,015,918	
Charges for services			14,973,244	14,973,244	47,353,262
Licenses and permits			6,300,170	6,300,170	
Intergovernmental		357,479	292	357,771	
Rental fees			357,882	357,882	
Miscellaneous	183,061	72,725	93,388	349,174	
<b>Total operating revenues</b>	<b>69,735,143</b>	<b>45,558,230</b>	<b>21,724,976</b>	<b>137,018,349</b>	<b>47,353,262</b>
<b>OPERATING EXPENSES</b>					
Salaries and wages	11,153,869	9,738,846	7,346,760	28,239,475	7,509,909
Employee benefits	4,339,524	3,818,052	2,742,275	10,899,851	2,887,059
Water purchases	23,562,520			23,562,520	
Services and supplies	18,663,389	16,325,425	9,770,815	44,759,629	21,073,425
Claims and judgments					16,522,654
Legal fees					19,334
Depreciation and amortization	13,127,468	12,066,706	432,741	25,626,915	3,033,976
<b>Total operating expenses</b>	<b>70,846,770</b>	<b>41,949,029</b>	<b>20,292,591</b>	<b>133,088,390</b>	<b>51,046,357</b>
<b>Operating income (loss)</b>	<b>(1,111,627)</b>	<b>3,609,201</b>	<b>1,432,385</b>	<b>3,929,959</b>	<b>(3,693,095)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	1,411,928	1,028,198	255,017	2,695,143	835,682
Gain (loss) on capital asset disposition	(916,708)	(198,727)		(1,115,435)	341,836
Interest expense	(233,669)	(4,166,584)		(4,400,253)	(12,001)
Room tax revenue			2,215,626	2,215,626	
Sales tax revenue		4,936,427		4,936,427	
Other intergovernmental revenue	2,280	3,300	1,386,158	1,391,738	
Miscellaneous	669	573		1,242	273,645
<b>Total nonoperating revenues (expenses)</b>	<b>264,500</b>	<b>1,603,187</b>	<b>3,856,801</b>	<b>5,724,488</b>	<b>1,439,162</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(847,127)</b>	<b>5,212,388</b>	<b>5,289,186</b>	<b>9,654,447</b>	<b>(2,253,933)</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Capital contributions	14,105,718	17,050,061	1,000	31,156,779	1,385,049
<b>TRANSFERS</b>					
Transfers in			286,754	286,754	1,437,663
Transfers out	(877,856)	(595,000)	(1,145,838)	(2,618,694)	(23,000)
<b>Total transfers</b>	<b>(877,856)</b>	<b>(595,000)</b>	<b>(859,084)</b>	<b>(2,331,940)</b>	<b>1,414,663</b>
<b>CHANGE IN NET POSITION</b>	<b>12,380,735</b>	<b>21,667,449</b>	<b>4,431,102</b>	<b>38,479,286</b>	<b>545,779</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>453,207,821</b>	<b>486,401,200</b>	<b>23,876,031</b>		<b>46,483,267</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 465,588,556</b>	<b>\$ 508,068,649</b>	<b>\$ 28,307,133</b>		<b>\$ 47,029,046</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(2,015,648)	
<b>CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES</b>				<b>\$ 36,463,638</b>	

The accompanying notes are an integral part of these financial statements.

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# CITY OF HENDERSON, NEVADA

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

	Business-type Activities				Governmental Activities
			Aggregate Other		
	Water	Sewer	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 69,566,944	\$ 45,544,089	\$ 21,424,991	\$ 136,536,024	\$ 3,097,926
Cash received from other sources	2,949	4,940,300	3,602,784	8,546,033	280,933
Cash payments for goods and services	(46,697,689)	(19,049,589)	(12,930,134)	(78,677,412)	(39,760,840)
Cash payments for employee services	(10,940,702)	(9,666,496)	(7,330,029)	(27,937,227)	(7,627,188)
Cash payments for interfund services					44,283,571
Net cash provided by operating activities	<u>11,931,502</u>	<u>21,768,304</u>	<u>4,767,612</u>	<u>38,467,418</u>	<u>274,402</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in			286,754	286,754	1,437,663
Transfers out	(877,856)	(595,000)	(1,145,838)	(2,618,694)	(23,000)
Repayments of advances from other funds					140,645
Interest payments on debt					(12,001)
Net cash provided by (used in) noncapital financing activities	<u>(877,856)</u>	<u>(595,000)</u>	<u>(859,084)</u>	<u>(2,331,940)</u>	<u>1,543,307</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(8,835,017)	(6,658,680)	(308,970)	(15,802,667)	(4,603,125)
Proceeds received from disposal of capital assets					349,331
Principal payments on debt	(4,381,577)	(7,370,175)		(11,751,752)	
Interest payments on debt	(719,608)	(4,585,230)		(5,304,838)	
Increase in provisional credits	230,405	3,155		233,560	
Capital contributions	5,007,429	7,766,748		12,774,177	
Net cash used in capital financing activities	<u>(8,698,368)</u>	<u>(10,844,182)</u>	<u>(308,970)</u>	<u>(19,851,520)</u>	<u>(4,253,794)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	<u>1,469,019</u>	<u>1,053,948</u>	<u>258,977</u>	<u>2,781,944</u>	<u>874,962</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,824,297	11,383,070	3,858,535	19,065,902	(1,561,123)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>106,456,958</u>	<u>68,496,859</u>	<u>15,812,601</u>	<u>190,766,418</u>	<u>63,096,308</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>					
Cash and cash equivalents, unrestricted	106,829,729	78,829,596	19,671,136	205,330,461	60,703,399
Cash and cash equivalents, restricted	3,451,526	1,050,333		4,501,859	831,786
	<u>\$ 110,281,255</u>	<u>\$ 79,879,929</u>	<u>\$ 19,671,136</u>	<u>\$ 209,832,320</u>	<u>\$ 61,535,185</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities				Governmental Activities
			Aggregate Other		
	Water	Sewer	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (1,111,627)	\$ 3,609,201	\$ 1,432,385	\$ 3,929,959	\$ (3,693,095)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	13,127,468	12,066,706	432,741	25,626,915	3,033,976
Other	2,949	4,940,300	3,602,784	8,546,033	273,645
(Increase) decrease in operating assets					
Accounts receivable	(168,199)	24,187	30,715	(113,297)	(93,910)
Due from other governments		(38,328)	(22,726)	(61,054)	
Prepaid items			(1,334)	(1,334)	(11,471)
Due from other funds					23,321
Inventories	122,256	(206,990)		(84,734)	103
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	171,093	1,865,992	(98,320)	1,938,765	(471,657)
Compensated absences	139,205	12,922	9,424	161,551	(166,884)
Claims and judgments					623,275
Other post employment benefits	26,221	26,221	17,357	69,799	1,190,931
Net pension liability	(596,614)	(525,107)	(389,906)	(1,511,627)	(420,151)
Deposits	218,750	(6,800)	62,466	274,416	(13,681)
Unearned revenue			(307,974)	(307,974)	
Total adjustments	<u>13,043,129</u>	<u>18,159,103</u>	<u>3,335,227</u>	<u>34,537,459</u>	<u>3,967,497</u>
Net cash provided by operating activities	<u>\$ 11,931,502</u>	<u>\$ 21,768,304</u>	<u>\$ 4,767,612</u>	<u>\$ 38,467,418</u>	<u>\$ 274,402</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contribution of capital assets	<u>\$ 9,098,289</u>	<u>\$ 9,283,313</u>	<u>\$</u>	<u>\$ 18,381,602</u>	<u>\$ 1,385,049</u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

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	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 46,524,688
Special assessments receivable	<u>422,057</u>
Total assets	<u>46,946,745</u>
LIABILITIES	
Due to developers	9,345,690
Due to employees	164,916
Due to others	37,436,016
Due to other governments	<u>123</u>
Total liabilities	<u>46,946,745</u>
NET POSITION	<u><u>\$</u></u>

The accompanying notes are an integral part of these financial statements.

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

The City of Henderson, Nevada (the City) is a municipal corporation governed by an elected mayor and four council members (Council). The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As required by GAAP, the accompanying financial statements present the City and the City of Henderson Redevelopment Agency (the Agency). Although the Agency is a legally separate entity, the Agency's governing body is the same as the governing body of the City, and management of the City has operational responsibility of the Agency, therefore it is presented as a blended component unit. Stand-alone financial statements for the Agency can be obtained from the Henderson Redevelopment Agency, 240 Water Street, Henderson, Nevada 89015. No component units or other reportable organizations other than the Agency have been identified.

#### Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its blended component unit. Eliminations have been made to minimize the double counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. For example, the effect of interfund services provided and used between functions (*e.g.*, the sale of water from a utility to the general government) is not eliminated in the statement of activities. To do so would misstate both the expenses of the purchasing function and the program revenues of the selling function.

Services provided by the general fund to other funds are reported as expenditures or expenses, as appropriate, in the funds receiving the services and as reductions of expenditures in the general fund. 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 fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are specifically associated with a function or business-type activity. 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 business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category, governmental, proprietary and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, and operating expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings and nonoperating expenses result from nonexchange transactions or ancillary activities.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting, as are the proprietary fund financial statements. Agency funds have no measurement focus.

Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, sales taxes, consolidated tax revenue (a composite tax, based on a statutory formula, which is comprised of certain sales, cigarette, motor vehicle privilege and liquor taxes, and is collected and distributed by the State of Nevada as a taxing authority), gaming taxes, gasoline taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, and fines and forfeits are not susceptible to accrual because generally they are not measurable until received.

Property tax revenue is recognized in the fiscal year in which the taxes become due to the extent they are collected during the fiscal year or soon enough thereafter that they can be used to finance current period expenditures (no later than 60 days after year end).

The City reports unearned revenue in the fund financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues are recorded when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The grants special revenue fund accounts for the revenues and other activities related to grant awards received by the City.

The City reports the following major enterprise funds:

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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The water fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service; and, billing and collection.

The sewer fund accounts for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service; and, billing and collection.

Additionally, the City reports the following fund types:

Internal service funds account for operations such as engineering; vehicle acquisition and maintenance; insurance; lending; and general technology that provide services or resources to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Agency funds are used to account for assets that the City holds for others in an agency capacity for developer contributions for traffic signals and street frontage paving costs; for an employee benefits plan; for forfeited assets pending court adjudication; and for funds held to pay special assessment debt for which the City is not liable.

### Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

#### Cash, Cash Equivalents and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements.

Cash and cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments with original maturities of three months or less, from the date of acquisition, which are readily convertible to cash. Since all cash in proprietary funds is pooled with the rest of the City's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

Nevada Revised Statutes (NRS) authorize the City to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit and money market mutual funds. All investments are stated at fair value.

#### Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (*i.e.*, the current portion of interfund loans) or advances to/from other funds (*i.e.*, the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Property Taxes

The Clark County Assessor assesses all real property by December 31 of each year. The Clark County Treasurer bills and collects the City's share of property taxes. The Clark County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is lienied on July 1. Taxes on real property 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 the first Mondays in October, January, and March. In the event of nonpayment, the Clark County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 15% per year from the date the taxes were due, if four or more installments were delinquent, until paid.

If delinquent taxes are not paid within the two-year redemption period, the Clark County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the Clark County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

### Restricted Assets

Bond covenants of the City's water and sewer enterprise funds require portions of the debt proceeds, as well as other resources, to be set aside for various purposes. These amounts are reported as restricted cash, cash equivalents and investments.

This City is also holding developer fees assessed as zoning conditions for school, park and fire station sites.

In addition, the Agency maintains funds, which under applicable State statutes are to be used for specified purposes. These amounts are reported as restricted cash, cash equivalents and investments.

### Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets, including intangibles, with an initial cost of \$10,000 or more and an estimated useful life of more than one year. Capital assets are valued at the cost of purchase or internal development (including capitalized interest for business-type activities incurred during the construction phase on debt financed projects). Donated assets are recorded at their estimated fair value on the date donated.

General infrastructure assets acquired prior to July 1, 2001, consist of the road network assets, storm drain network assets and bridges that were acquired or that received substantial improvements subsequent to July 1, 1980. The road network and storm drain network assets are reported at estimated historical cost using deflated replacement cost and the bridges are reported at initial installation cost.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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The major subsystems within the road and storm drain networks are as follows:

Road Network		Storm Drain Network
Asphalt	Sidewalks	Storm drain drop inlets
Curbs and gutters	Street Lights	Other storm drain infrastructure
Traffic signals		

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

	Years
Buildings and building improvements	25-75
Improvements other than buildings	10-100
Infrastructure	30-100
Machinery and equipment	5-40

### Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused personal time off, vacation and sick pay benefits, which are collectively referred to as compensated absences. Compensated absences are accrued when incurred in the government-wide and proprietary fund statements.

In governmental funds, the current portion of compensated absences actually paid or accrued as a result of employees who have terminated is recorded as a payroll expenditure.

### Provisional Credits and Refunding Agreements

The City has entered into refunding agreements whereby developers construct water and sewage transmission lines from their property to existing City lines at the expense of the developers. The developers are to be reimbursed by the City from the collection of connection fees or user charges. These agreements are principally for the term of ten years with all liability canceled either by reimbursement to the developers from subsequent connection fee assessments in the related areas or upon expiration of the term of the agreements.

### Long-term Debt

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs are recognized as an expense in the period incurred.

For governmental fund types, bond discounts and issuance costs are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts and payments to advance refunding agents are recorded as other financing uses. Issuance costs, even if withheld from the proceeds received and payments to current refunding agents, are reported as debt service expenditures.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Postemployment Benefits Other Than Pensions (OPEB)

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the annual OPEB cost reported in the accompanying financial statements is equal to the City's annual required contribution (ARC), 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 ARC to the net OPEB obligation at the beginning of the year, and deducting any contributions to the plan during the year.

### Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

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

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports two items in this category. A deferred charge on refunding reported in the government wide and the proprietary funds statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows related to pensions for the changes in proportion and differences between actual pension contributions and the City's proportionate share of pension contributions. This amount is deferred and amortized over the the average expected remaining service life of all employees that are provided with pension benefits. Deferred amounts related to pensions also include pension contributions made by the City subsequent to the pension plan's actuarial measurement date, which are deferred for one year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under a modified accrual basis of accounting, the governmental funds report unavailable revenues from the following sources: property taxes, special assessments, notes receivable and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under full accrual accounting, the government-wide statement of net position also reports deferred inflows related to pensions for 1) the differences between expected and actual pension plan experience and changes of pension plan actuarial assumptions, which are deferred and amortized over the the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on pension plan investments, which are deferred and amortized over five years.

### Equity Classifications

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) by law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

Governmental fund equity is characterized as fund balance and is classified as follows:

Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This classification includes inventories, prepaid items, assets held for sale and long-term receivables.

Restricted - Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed - Includes amounts that can only be used for a specific purpose because of an ordinance passed by the City Council, which is the City's highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

Assigned - Includes amounts that are constrained by the City's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The City Council has established formal Financial Management Policies that delegate authority to assign fund balances to the City's Chief Financial Officer. Constraints imposed on the use of assigned amounts can be removed without formal action by the City Council.

Unassigned - This is the residual classification of fund balance in the general fund, which has not been reported in any other classification. The general fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative unassigned fund balance as a result of overspending for specific purposes for which amount has been restricted, committed or assigned.

When both restricted resources and other resources (*i.e.*, committed, assigned, and unassigned) can be used for the same purposes, the City financial management policy considers restricted resources to be spent first as expenditures are incurred. For expenditures of unrestricted fund balance for which any classification may appropriately be used, the City considers fund balance spent in the following order 1) committed, 2) assigned and 3) unassigned.

In accordance with NRS 354.6115, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the non-major financial stabilization special revenue fund. This fund is to maintain a balance of 8.3% of general fund revenue. If the fund balance falls short of this 8.3%, City Council can approve funding from other revenue sources. Monies from this fund can be made available for city-wide costs incurred to mitigate the effects of a natural disaster or terrorist attack as declared by City Council. In addition, balances in this fund can be made available to the general fund to compensate for shortfalls of actual revenues of 2.0% or greater, as compared to the final budget filed with the Nevada Department of Taxation. None of these circumstances are expected to occur routinely. Fund balance in the financial stabilization special revenue fund is \$20,058,478 at June 30, 2016.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Use of Estimates

The preparation of these financial statements includes estimates and assumptions made by management that affect the reported amounts. Actual results could differ from those estimates.

## **Note 2. Stewardship and Accountability**

### Budgetary Information

Annual budgets are legally adopted for all funds except agency funds and use a basis of accounting consistent with GAAP.

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation and the Citizens via 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 no sooner than the third Monday in May and no later than the last day in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (in the general fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes.

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. State statutes require budgetary control to be exercised at the function level. The most significant change (\$58,391,063) occurred in the capital projects funds.

### Excess of Expenditures over Appropriations

For the year ended June 30, 2016, total expenditures exceeded appropriations for the following fund and function, which is a potential violation of NRS 354.626:

Municipal Facilities Acquisition and Construction Capital Projects Fund (public safety function)	\$	550,101
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The over-expenditure in the Municipal Facilities Acquisition and Construction fund was due to budgeted expenditures being recorded in the public works function for the Inspirada Fire Station; however, it was later determined this was a public safety function.

Although the excess of expenditures over appropriated amounts in the general obligation debt service fund may appear to be a violation of NRS 354.626, they are specifically excluded from the requirements of this NRS.

The excess expenditures over appropriated amounts noted above were funded by available assets in excess of liabilities as represented by fund balance.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

### Note 3. Cash, Cash Equivalents and Investments

The following is a reconciliation of the City's cash, cash equivalents and investment balances (including restricted amounts) as of June 30, 2016:

Cash on hand	\$ 54,916
Cash on deposit	194,732,177
Cash equivalents	66,918,469
Investments	<u>244,738,803</u>
 Total cash, cash equivalents and investments	 <u>\$ 506,444,365</u>

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

	Unrestricted	Restricted	Total
Governmental activities	\$ 242,148,163	\$ 7,939,194	\$ 250,087,357
Business-type activities	205,330,461	4,501,859	209,832,320
Fiduciary Funds	<u>46,524,688</u>	<u>                    </u>	<u>46,524,688</u>
 Total cash, cash equivalents and investments	 <u>\$ 494,003,312</u>	 <u>\$ 12,441,053</u>	 <u>\$ 506,444,365</u>

The NRS govern the City's deposit policies. City monies must be deposited in insured banks and savings and loan associations. The City is authorized to use demand accounts, time accounts and certificates of deposit.

The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible state investments.

As of June 30, 2016, the recorded amount of the City's deposits was \$194,732,177 and the bank balance was \$196,513,967. Of the bank statement balance, \$1,000,000 was covered by federal depository insurance and the remainder was subject to collateralization.

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as an internal investment pool, is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the City's Chief Financial Officer is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month. The City investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Chief Financial Officer are regulated by NRS 355.170.

The following table identifies the investment types and minimum credit ratings authorized for the City by NRS 355.170 and 355.171:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating	
				Standard & Poor's	Moody's
Banker's acceptances	180 days	20%	None	N/A	N/A
Commercial paper	270 days	20%	None	A-1	P-1
Money market mutual funds	None	None	None	AAA	Aaa
Negotiable certificates of deposit	None	None	None	N/A	N/A

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating	
				Standard & Poor's	Moody's
Collateralized nonnegotiable certificates of deposit	None	None	None	N/A	N/A
Negotiable notes and medium-term obligations of local governments within the State of Nevada	None	None	None	N/A	N/A
Obligations of state and local governments outside of the State of Nevada	None	None	None	N/A	N/A
Repurchase agreements	90 days	None	None	N/A	N/A
U.S. Treasury obligations	10 years	None	None	N/A	N/A
U.S. Agency securities					
Federal National Mortgage	10 years	None	None	N/A	N/A
Federal Agricultural Mortgage Corporation	10 years	None	None	N/A	N/A
Federal Farm Credit Bank	10 years	None	None	N/A	N/A
Federal Home Loan Bank	10 years	None	None	N/A	N/A
Federal Home Loan Mortgage Corporation	10 years	None	None	N/A	N/A
Government National Mortgage Association	10 years	None	None	N/A	N/A
Local government investment pool	None	None	None	N/A	N/A
Notes, bonds and other obligations issued by U.S. Corporations	5 years	20%	25%	A	N/A
Collateralized mortgage obligations	None	None	None	AAA	N/A
Asset-backed securities	None	None	None	AAA	N/A

At June 30, 2016, the City had the following cash equivalents and investments:

	Cost	Fair Value	Weighted Average Maturity (Years)
<b>Pooled cash equivalents and investments</b>			
State of Nevada, Local Government Investment Pool	\$ 128,611	\$ 128,611	N/A
Money Market Funds	152,113	152,113	N/A
U.S. Agency securities*			
Federal Farm Credit Bank	33,574,794	33,646,844	2.13
Federal Home Loan Bank	35,699,785	35,679,248	2.24
Federal Home Loan Mortgage Corporation	75,180,820	75,374,686	2.50
Federal National Mortgage	54,177,164	54,435,895	3.38
US Treasury notes	31,947,146	33,210,831	5.90
US Treasury notes - inflationary	1,844,010	1,954,855	5.04
Corporate bonds	10,331,604	10,436,444	3.00
<b>Total pooled cash equivalents and investments</b>	<b>243,036,047</b>	<b>245,019,527</b>	<b>3.09</b>
<b>Non-pooled cash equivalents and investments</b>			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	65,897,372	65,897,372	N/A
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	652,251	652,251	N/A
Utility bonds - State of Nevada, Local Government Investment Pool	88,122	88,122	N/A
<b>Total non-pooled cash equivalents and investments</b>	<b>66,637,745</b>	<b>66,637,745</b>	<b>N/A</b>
<b>Total cash equivalents and investments</b>	<b>\$ 309,673,792</b>	<b>\$ 311,657,272</b>	<b>2.42</b>

\* Certain U. S. Agency securities have call provisions, which, if exercised, would shorten the maturity of these investments.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

The City's investments are reported at fair value based on quoted market prices, which are considered level 1 inputs in generally accepted accounting principles (GAAP). The GAAP fair value hierarchy is based on the inputs used to measure the fair value of an asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City manages its exposure to declines in fair values (*e.g.*, interest rate risk) by limiting the weighted-average maturity of its investment portfolio to five years or less in accordance with its investment policy.

The State of Nevada, Local Government Investment Pool is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance. The fair value of the City's position in the pool is the same as the value of pool shares.

At June 30, 2016, in accordance with the NRS as previously defined, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

The following is a summary of the credit quality distribution and concentration of credit risk by financial instrument type as a percentage of total cash equivalents and investments:

	Standard & Poor's	Moody's	Percentage of Portfolio
Pooled cash equivalents and investments			
Money Market Funds	AAA	Aaa	0.05 %
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	10.78 %
Federal Home Loan Bank	AA+	Aaa	11.45 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	24.19 %
Federal National Mortgage	AA+	Aaa	17.47 %
U.S. Treasury notes	*	*	10.66 %
US Treasury notes - inflationary	*	*	0.63 %
State of Nevada, Local Government Investment Pool	N/A	N/A	0.04 %
Corporate bonds			
Intel	A+	A1	1.61 %
Intercontinental Exchange	A	A2	0.34 %
Microsoft	AAA	Aaa	0.33 %
General Electric	A+	A2	0.37 %
Anheuser Busch	A-	A3	0.33 %
NBC Universal Media	A-	A3	0.36 %
Total pooled cash equivalents and investments			78.61 %
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	AAA	Aaa	21.14 %
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	AAA	Aaa	0.21 %
Utility bonds - State of Nevada, Local Government Investment Pool	N/A	N/A	0.04 %
Total non-pooled cash equivalents and investments			21.39 %
Total cash equivalents and investments			100.00 %

\* The requirement to disclose credit ratings does not apply to debt securities of the United States government, or obligations of United States government agencies that are explicitly guaranteed by the United States government.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the City's investment pool and specific investments had no securities exposed to custodial credit risk.

### Note 4. Interfund Balances and Activity

At June 30, 2016, the composition of interfund balances was as follows:

#### Due To and From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 576,257
	Aggregate Other Governmental Funds	1,022,122
Grants Special Revenue Fund	General Fund	2,187
		\$ 1,600,566

The amount due to the general fund is a temporary loan to cover deficit cash in the grants special revenue fund and the sales and use tax special revenue fund.

#### Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	\$ 621,261
Internal Service Funds	Aggregate Other Governmental Funds	1,507,603
		\$ 2,128,864

The amounts owed to the internal service funds represent loans to the special assessment districts to be repaid from special assessments. The \$621,261 is comprised of a note receivable from the Redevelopment Agency special revenue fund to the Land Sales capital projects fund for land purchases in prior years.

#### Internal Balances

Effect of prior years' internal service activity on business-type activities	\$ (40,366,402)
Effect of current year internal service activity on business-type activities	(2,015,648)
	\$ (42,382,050)

#### Interfund Transfers

Interfund transfers are authorized transfers from a fund where revenues are received to the fund where they are to be expended per statute or budgetary requirements. Transfers can be used to fund programs or capital expenditures, make debt service principal and interest payments, or to establish reserves per the City's Financial Management Policies. Transfers can also be used to close out funds and transfer balances per changes in reporting requirements.

Transfer In Fund	Transfer Out Fund	Amount
Aggregate Other Governmental Funds	General Fund	\$ 9,161,500
	Aggregate Other Governmental Funds	1,836,808
	Water Enterprise Fund	877,856
	Sewer Enterprise Fund	595,000

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

Transfer In Fund	Transfer Out Fund	Amount
	Aggregate Other Enterprise Funds	\$ 102,898
	Internal Service Funds	23,000
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	286,754
Internal Service Funds	General Fund	394,723
	Aggregate Other Enterprise Funds	1,042,940
		\$ 14,321,479

### Note 5. Capital Assets

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

	Balance July 1, 2015	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2016
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 37,344,627	\$ 25,066,591	\$ (502,464)	\$ (24,925,889)	\$ 36,982,865
Land	192,015,021	439,200	(3,692,034)		188,762,187
Total capital assets not being depreciated or amortized	229,359,648	25,505,791	(4,194,498)	(24,925,889)	225,745,052
Capital assets being depreciated or amortized					
Buildings and building improvements	339,786,792	916,577		396,238	341,099,607
Improvements other than buildings	360,637,424	19,996,166		980,701	381,614,291
Infrastructure	1,468,233,399	93,186,830		22,433,946	1,583,854,175
Machinery and equipment	90,875,035	6,108,866	(3,887,579)	1,067,228	94,163,550
Total capital assets being depreciated or amortized	2,259,532,650	120,208,439	(3,887,579)	24,878,113	2,400,731,623
Accumulated depreciation and amortization					
Buildings and building improvements	(93,561,543)	(4,132,644)			(97,694,187)
Improvements other than buildings	(57,153,246)	(8,422,288)			(65,575,534)
Infrastructure	(779,166,904)	(18,832,715)			(797,999,619)
Machinery and equipment	(68,890,288)	(4,546,040)	3,726,882	47,776	(69,661,670)
Total accumulated depreciation and amortization	(998,771,981)	(35,933,687)	3,726,882	47,776	(1,030,931,010)
Total capital assets being depreciated or amortized, net	1,260,760,669	84,274,752	(160,697)	24,925,889	1,369,800,613
Total governmental activities	\$ 1,490,120,317	\$ 109,780,543	\$ (4,355,195)	\$	\$ 1,595,545,665

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

	Balance July 1, 2015	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2016
<b>Business-type activities</b>					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 22,678,268	\$ 17,187,585	\$ (199,038)	\$ (20,151,963)	\$ 19,514,852
Land	<u>35,912,213</u>				<u>35,912,213</u>
Total capital assets not being depreciated or amortized	<u>58,590,481</u>	<u>17,187,585</u>	<u>(199,038)</u>	<u>(20,151,963)</u>	<u>55,427,065</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	133,302,650	370,992		44,965,167	178,638,809
Improvements other than buildings	1,332,809,879	16,636,789	(2,256,430)	(29,787,736)	1,317,402,502
Machinery and equipment	<u>41,744,836</u>	<u>500,884</u>	<u>(271,087)</u>	<u>5,022,308</u>	<u>46,996,941</u>
Total capital assets being depreciated or amortized	<u>1,507,857,365</u>	<u>17,508,665</u>	<u>(2,527,517)</u>	<u>20,199,739</u>	<u>1,543,038,252</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(18,074,817)	(2,664,240)		(18,904,264)	(39,643,321)
Improvements other than buildings	(567,355,488)	(20,198,513)	1,340,033	23,433,759	(562,780,209)
Machinery and equipment	<u>(18,150,642)</u>	<u>(2,764,162)</u>	<u>271,087</u>	<u>(4,577,271)</u>	<u>(25,220,988)</u>
Total accumulated depreciation and amortization	<u>(603,580,947)</u>	<u>(25,626,915)</u>	<u>1,611,120</u>	<u>(47,776)</u>	<u>(627,644,518)</u>
Total capital assets being depreciated or amortized, net	<u>904,276,418</u>	<u>(8,118,250)</u>	<u>(916,397)</u>	<u>20,151,963</u>	<u>915,393,734</u>
Total business-type activities	<u>\$ 962,866,899</u>	<u>\$ 9,069,335</u>	<u>\$ (1,115,435)</u>	<u>\$</u>	<u>\$ 970,820,799</u>

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

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

<b>Governmental activities</b>	
General government	\$ 1,854,864
Judicial	324,016
Public safety	2,041,949
Public works	18,901,634
Culture and recreation	9,777,248
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>3,033,976</u>
Total depreciation expense, governmental activities	<u>\$ 35,933,687</u>
<b>Business-type activities</b>	
Water	\$ 13,127,468
Sewer	12,066,706
Development services	14,132
Cultural arts and tourism	119,611
Municipal golf course	<u>298,998</u>
Total depreciation expense, business-type activities	<u>\$ 25,626,915</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

### Note 6. Long-term Liabilities

#### Changes in Long-term Liabilities

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

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Governmental activities					
General obligation bonds					
\$2,065,000 Series 2006 Medium-term Bonds (Energy Retrofit Project) due annually through September 2016; interest fixed at 3.79%	\$ 478,000		\$ (234,000)	\$ 244,000	\$ 244,000
\$18,245,000 Series 2011A General Obligation Refunding Bonds; principal due annually through June 2020; interest varies between 2.0% and 3.15%	18,245,000		(3,485,000)	14,760,000	3,550,000
\$2,710,000 Series 2011B General Obligation Refunding Bonds; principal due annually through June 2020; interest fixed at 3.0%	2,710,000		(510,000)	2,200,000	525,000
\$13,605,000 Series 2011C General Obligation Refunding Bonds; principal due annually beginning June 2021 through June 2025; interest varies between 3.125% and 4.0%	13,605,000			13,605,000	
\$39,995,000 Series 2013B General Obligation Refunding Bonds; principal due annually beginning June 2020 through June 2035; interest varies between 3.25% and 5.0%	39,955,000			39,955,000	
\$24,305,000 Series 2014 General Obligation Refunding Bonds; principal due annually beginning June 2026 through June 2035; interest varies between 3.5% to 5.0%	<u>24,305,000</u>			<u>24,305,000</u>	
Total general obligation bonds	<u>99,298,000</u>		<u>(4,229,000)</u>	<u>95,069,000</u>	<u>4,319,000</u>
Tax allocation bonds					
\$12,045,000 Series 2002A Henderson Redevelopment Tax Allocation Bonds (refunded by Series 2015 Tax Increment Refunding Bonds in November 2015)	7,955,000		(7,955,000)		

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
\$4,295,000 Series 2002B Henderson Redevelopment Tax Allocation Bonds (refunded by Series 2015 Tax Increment Refunding Bonds in November 2015)	\$ 3,010,000	\$	\$ (3,010,000)	\$	\$
\$9,365,000 Series 2015 Henderson Redevelopment Tax Increment Refunding Bonds due annually through October 2039; interest varies between 2.0% and 5.0%		9,365,000		9,365,000	225,000
Total tax allocation bonds	10,965,000	9,365,000	(10,965,000)	9,365,000	225,000
Other long-term obligations					
\$17,960,000 2009 Installment Purchase Agreement due annually through 2024; interest fixed at 4.97%	13,616,000		(1,027,000)	12,589,000	1,132,000
Intangible asset obligation		192,920	(101,920)	91,000	45,500
Total other long-term obligations	13,616,000	192,920	(1,128,920)	12,680,000	1,177,500
Unamortized bond premiums	8,100,145	475,559	(458,256)	8,117,448	
Claims and judgments	12,986,132	16,522,654	(15,899,379)	13,609,407	13,609,407
Compensated absences	40,819,591	3,122,810	(3,037,695)	40,904,706	2,969,085
Other post employment benefits	18,658,857	3,042,200	(1,032,985)	20,668,072	
Net pension liability	280,908,264	71,634,284	(42,167,957)	310,374,591	
Total governmental activities	485,351,989	104,355,427	(78,919,192)	510,788,224	22,299,992
Business-type activities					
Revenue bonds					
\$9,504,950 Series 1995A Sewer Bonds due in semi-annual installments through July 2015; interest fixed at 3.825%	336,964		(336,964)		
\$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	2,683,865		(294,577)	2,389,288	305,428
\$22,618,000 Series 2005 Water Bonds due in annual installments through September 2015; interest fixed at 5.0%	2,402,000		(2,402,000)		
\$33,927,000 Series 2005 Sewer Bonds due in annual installments through September 2015; interest fixed at 5.0%	3,603,000		(3,603,000)		

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
\$29,815,000 Series 2007 Water and Sewer Refunding Bonds due in annual installments through September 2017; interest varies between 4.0% and 5.0%	\$ 5,280,000	\$	\$ (1,685,000)	\$ 3,595,000	\$ 1,760,000
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; interest fixed at 0.0%	1,310,049		(87,337)	1,222,712	87,337
\$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2034; interest varies between 4.0% and 5.0%	72,550,000		(3,020,000)	69,530,000	3,140,000
\$19,710,000 Series 2013A Sewer Refunding Bonds due in periodic installments through June 2030; interest varies between 3.0% and 5.0%	16,685,000			16,685,000	
\$7,374,000 Series 2015 Water Bonds due in annual installments beginning June 2017 through June 2019; interest fixed at 5.0%	7,374,000			7,374,000	2,340,000
\$11,061,000 Series 2015 Sewer Bonds due in annual installments beginning June 2017 through June 2019; interest fixed at 5.0%	<u>11,061,000</u>			<u>11,061,000</u>	<u>3,510,000</u>
Total revenue bonds	<u>123,285,878</u>		<u>(11,428,878)</u>	<u>111,857,000</u>	<u>11,142,765</u>
Other					
Provisional credits and refunding agreements	584,979	889,578	(656,018)	818,539	
Intergovernmental payable to the City of Las Vegas	<u>1,937,244</u>		<u>(322,874)</u>	<u>1,614,370</u>	<u>322,874</u>
Total other	<u>2,522,223</u>	<u>889,578</u>	<u>(978,892)</u>	<u>2,432,909</u>	<u>322,874</u>
Unamortized bond premiums	9,120,705		(957,127)	8,163,578	
Compensated absences	7,081,257	422,942	(261,391)	7,242,808	663,280
Other post employment benefits	4,040,514	69,799		4,110,313	
Net pension liability	<u>43,601,604</u>	<u>11,234,938</u>	<u>(6,545,164)</u>	<u>48,291,378</u>	
Total business-type activities	<u>189,652,181</u>	<u>12,617,257</u>	<u>(20,171,452)</u>	<u>182,097,986</u>	<u>12,128,919</u>
Total long-term debt obligations	<u>\$ 675,004,170</u>	<u>\$ 116,972,684</u>	<u>\$ (99,090,644)</u>	<u>\$ 692,886,210</u>	<u>\$ 34,428,911</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

Compensated absences, other post employment benefits and termination benefits payable typically have been liquidated by the general, internal service, and enterprise funds. Claims payable typically have been liquidated by the internal service funds.

#### Unamortized deferred refunding charges

For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred inflow or outflow of resources, and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

For the year ended June 30, 2016, activity related to the City's unamortized deferred refunding charges were as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2015	\$ 7,261,342	\$ 6,557,442	\$ 13,818,784
Additions	78,415		78,415
Reductions	(753,413)	(563,424)	(1,316,837)
Balance June 30, 2016	\$ 6,586,344	\$ 5,994,018	\$ 12,580,362

#### Future Debt Service Requirements

At June 30, 2016, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations, were as follows:

For the Year Ending June 30,	Revenue bonds		General obligation bonds	
	Principal	Interest	Principal	Interest
2017	\$ 11,142,765	\$ 4,947,841	\$ 4,319,000	\$ 3,909,529
2018	11,644,014	4,437,604	4,175,000	3,803,955
2019	10,290,678	3,914,403	4,295,000	3,691,426
2020	4,027,772	3,408,559	6,200,000	3,568,179
2021	4,215,312	3,216,019	4,380,000	3,358,569
2022 - 2026	23,062,114	12,902,412	23,445,000	14,146,669
2027 - 2031	28,024,345	7,143,281	24,490,000	8,941,800
2032 - 2036	19,450,000	1,576,000	23,765,000	2,967,550
2037 - 2041				
	\$ 111,857,000	\$ 41,546,119	\$ 95,069,000	\$ 44,387,677

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

<u>For the Year Ending June 30,</u>	Tax allocation bonds		Other long-term debt obligations	
	Principal	Interest	Principal	Interest
2017	\$ 225,000	\$ 393,300	\$ 1,177,500	\$ 625,673
2018	230,000	387,600	1,287,500	569,412
2019	240,000	379,350	1,361,000	507,686
2020	250,000	368,300	1,486,000	440,044
2021	265,000	355,425	1,620,000	366,190
2022 - 2026	1,525,000	1,560,875	5,748,000	586,808
2027 - 2031	1,955,000	1,131,100		
2032 - 2036	2,395,000	694,300		
2037 - 2041	2,280,000	187,000		
	\$ 9,365,000	\$ 5,457,250	\$ 12,680,000	\$ 3,095,813

#### Special Assessment Bonds

The City has issued special assessment bonds with an aggregate outstanding principal balance of \$130,110,000 at June 30, 2016. The City is only acting as an agent for these bonds and is not liable for the debt. Principal and interest are payable from the special assessments levied.

#### Current Refundings

On November 18, 2015, the Agency issued \$9,365,000 Series 2015 Tax Increment Refunding Bonds (Downtown Redevelopment Area). The proceeds of the Series 2015 Bonds were used to current refund the Agency's Series 2002A and 2002B Bonds in the aggregate principal amount of \$10,210,000, as well as to fund a debt service reserve for the Series 2015 Bonds and pay the costs of issuing the Bonds. The Agency's Series 2015 Bonds bear interest at rates from 2.00% to 5.00%, which is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2016 and continuing through maturity in fiscal year 2040. The current refunding resulted in a net present value savings of \$761,257.

#### **Note 7. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

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

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

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

(Continued)

## CITY OF HENDERSON, NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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The authority for establishing and amending the obligation to make contributions, and member contribution rates rests with NRS. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan. The City elected the EPC plan prior to July 1, 1983.

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

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

For the fiscal year ended June 30, 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members. Effective July 1, 2015, the required contribution rates for regular members increased to 14.50% and 28.00% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members remained the same at 20.75% and 40.50% for employer/employee matching and EPC, respectively.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available at [www.nvpers.org](http://www.nvpers.org), under publications.

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

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

Actuarial valuation date	June 30, 2015
Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Discount rate	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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

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

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

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

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

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

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

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

The policies of PERS that determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2015:

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2016

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

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 546,535,114	\$ 358,665,969	\$ 202,439,656

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

The City's proportionate share (amount) of the collective net pension liability was \$358,665,969, which represents 3.12987% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2015, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015.

For the year ended June 30, 2016, the City's pension expense was \$41,466,227 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2016, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 26,977,890
Changes of assumptions		
Net difference between projected and actual earnings on investments		19,427,727
Changes in proportion and differences between actual contributions and proportionate share of contributions	7,037,624	
Contributions made subsequent to the measurement date	52,475,582	

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$52,475,582 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ending June 30,</u>	
2017	\$ (12,232,619)
2018	(12,232,619)
2019	(12,232,619)
2020	2,298,322
2021	(3,782,535)
Thereafter	(1,185,923)

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

Net pension liability, beginning of year	\$ 324,509,868
Pension expense	41,466,227
Employer contributions	(48,713,121)
Change in net deferred inflows and outflows of resources	<u>41,402,995</u>
Net pension liability, end of year	<u>\$ 358,665,969</u>

At June 30, 2016, \$5,678,339 is payable to PERS, equal to the June 2016 required contribution, was included in accounts payable.

### Note 8. Other Post Employment Benefits (OPEB)

#### Plan Description

Eligible retirees who are not eligible for Medicare can purchase health care coverage through two plans offered by the City: a self-funded PPO and a fully-insured medical plan (Health Plan of Nevada). The City also offers its retirees dental, vision and life insurance benefits as mandated by Nevada Revised Statutes.

Medicare eligible retirees may join Extend Health for their medical, dental and vision coverage. Medicare eligible retirees will retain their post-65 term life insurance policy valued at \$25,000, and the premium is paid by the City.

Effective January 1, 2014, eligible retirees participating in the City Self Funded Health Plan will receive a graduated benefit of lower monthly premiums based on years of full time service, with a maximum monthly benefit of \$500. This benefit will be reduced by 50% for Medicare eligible retirees, who can no longer participate in the City's plan.

In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEBP). Retirees who receive coverage through the PEBP receive a direct subsidy from the City. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing Public Employee Benefits Plan, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701, or by calling (800) 326-5496.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

### Funding Policy

The City has an eight member Insurance Committee that reviews and determines the funding requirements and plan options as noted above. A closed group of current retirees is eligible for premium subsidy from the City for PEBP insurance. The City is required to pay PEBP a monthly subsidy on behalf of these retirees, ranging up to \$1,149 based on the number of years of service with the City at retirement. These retirees met the retirement eligibility requirements for the Nevada Public Employees' Retirement System (NVPERS) and retired prior to December 1, 2008. No future retirees are eligible for this benefit. As of June 30, 2016, the City had 261 retirees receiving benefits and 1,207 active employees. Contributions are required for both retiree and dependent coverage and range from \$451 to \$1,521 per month, depending on the plan and the number of participants in the plan. The City's current funding policy for its OPEB liability is pay as you go.

### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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 Henderson Plans	Total
Annual required contribution (ARC)	\$ 429,000	\$ 2,848,000	\$ 3,277,000
Interest on net OPEB obligation	145,000	763,000	908,000
Adjustment to ARC	(242,000)	(831,000)	(1,073,000)
Annual OPEB cost	332,000	2,780,000	3,112,000
OPEB contributions made	(398,331)	(634,655)	(1,032,986)
Increase (decrease) in net OPEB obligation	(66,331)	2,145,345	2,079,014
Net OPEB obligation, beginning of year	3,620,108	19,079,263	22,699,371
Net OPEB obligation, end of year	\$ 3,553,777	\$ 21,224,608	\$ 24,778,385

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plans and the net OPEB obligations fiscal years ended June 30, 2014, 2015 and 2016, were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2014	\$ 382,000	\$ 470,643	123.2 %	\$ 3,578,802
2015	448,192	406,886	90.8 %	3,620,108
2016	332,000	398,331	120.0 %	3,553,777
City of Henderson Plans				
2014	2,294,000	568,789	24.8 %	16,409,872
2015	2,163,808	1,219,628	56.4 %	19,079,263
2016	2,780,000	634,655	22.8 %	21,224,608

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

### Funded Status and Funding Progress

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

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
Public Employee Benefit Program July 1, 2015	N/A <sup>1</sup> \$	6,526,000 \$	6,526,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
City of Henderson Plans July 1, 2015	N/A <sup>1</sup>	27,931,000	27,931,000	0.0 %	152,148,766	18.4 %

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.

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% discount rate, a projected annual salary increase of 2.0%, a 3.0% inflation rate and a health care cost trend rate assumption ranging from 8.0% which is reduced annually by 0.5% to 1.0% for the City Plan and PEBP, respectively, until an ultimate health care cost trend rate of 4.5% is reached. The unfunded actuarial accrued liability for the City Plan is being amortized on an open basis over the maximum acceptable period of 30 years. The unfunded actuarial accrued liability for the PEBP Plan is being amortized on a closed basis over 21 years for PEBP retirees.

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.

### **Note 9. Risk Management**

State and local governments are subject to many types of claims such as worker's compensation, contractual actions, personal injuries and property damage. GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues (Amended by GASB Statement 19, Dated September 1993)*, requires that a liability for claims be reported if information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

In addition, there are also situations in which incidents occur before the date of the financial statements, but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's past experience adjusted for current trends. The claims are included in the appropriate liability accounts.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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

The City maintains three self-insurance internal service funds for the following types of risk exposures:

**Liability Insurance** - The City has obtained \$15,000,000 in excess Public Entity Excess Liability insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$972 million blanket property insurance policy on all buildings, building contents and Boiler and Machinery with a \$100,000 deductible; \$10.7 million Contractors' Equipment coverage on a scheduled basis for heavy equipment with a \$50,000 deductible; a \$250,000 Commercial Crime policy with a \$2,500 deductible that covers employee dishonesty, forgery and alteration; and a \$12.5 million Emergency Response Unit Physical Damage policy with a \$10,000 deductible.

The City maintains its self insurance fund to cover all claims that fall outside of the City's commercial insurance policies, including those claims within the excess liability policy's \$1,000,000 SIR. The City's Risk Management division works with the City Attorney's office; an outside claims adjustment firm; the excess insurance company and its administrator; and, applicable departments in handling claims filed against the City. In addition, the City obtains an actuarial analysis on a biannual basis. No current claims are expected to be settled in a manner which would adversely affect the fund's financial condition.

**Group Health Insurance** - The City is self-insured for employee health benefits, providing medical dental and vision care. Effective January 1, 2016, the City increased its specific stop loss policy from \$500,000 to \$525,000 per participant. A third party administrator is used to pay claims.

**Worker's Compensation** - The City is self-insured for workers' compensation claims. A third party administrator is utilized for claim adjusting and payment. The City has a \$4,000,000 SIR for all public safety employees and a \$1,000,000 SIR for all other employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from July 1, 2015 through July 1, 2016.

For the fiscal years ended June 30, 2015 and 2016, changes in claims liability amounts were as follows:

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
For the year ended June 30, 2015				
Liability insurance	\$ 1,918,083	\$ 65,059	\$ (692,378)	\$ 1,290,764
Workmen's compensation insurance	11,690,239	(321,729)	(1,735,142)	9,633,368
Health Insurance	<u>1,570,000</u>	<u>14,596,284</u>	<u>(14,104,284)</u>	<u>2,062,000</u>
	<u>\$ 15,178,322</u>	<u>\$ 14,339,614</u>	<u>\$ (16,531,804)</u>	<u>\$ 12,986,132</u>
For the year ended June 30, 2016				
Liability insurance	\$ 1,290,764	\$ 788,664	\$ (538,020)	\$ 1,541,408
Workmen's compensation insurance	9,633,368	2,096,779	(1,270,148)	10,459,999
Health Insurance	<u>2,062,000</u>	<u>13,637,211</u>	<u>(14,091,211)</u>	<u>1,608,000</u>
	<u>\$ 12,986,132</u>	<u>\$ 16,522,654</u>	<u>\$ (15,899,379)</u>	<u>\$ 13,609,407</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### Note 10. Other Information

#### Construction in Progress

As of June 30, 2016, construction in progress of \$56,497,717 was reflected in the government-wide financial statements. Management estimates it will require an additional outlay of approximately \$48,454,809 to complete these projects.

#### Litigation

There are pending lawsuits involving the City and/or its employees, in which the City is represented by the City Attorney. Based on the current status of these matters and present uncertainty regarding the final outcome thereof, the City Attorney has concluded that the probable minimum losses, if any, cannot currently be estimated. Accordingly, no provision for loss has been recorded in the accompanying financial statements.

#### Lake Las Vegas

The City and the developers of Lake Las Vegas have established a fund for the accumulation of \$30,000,000 to be used for storm water treatment and/or conveyance in the event that the Federal Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection determine that more stringent storm water treatment standards are required solely as a result of the creation of Lake Las Vegas. This fund will be maintained for a period of thirty years commencing in 1989, after which the City will be allowed to utilize the fund proceeds, if any, for any appropriate municipal purpose. Developer contributions with accumulated interest were expected to constitute \$4,500,000 of the total; however, the actual amount of developer contributions is uncertain at this time.

#### City of Henderson Redevelopment Agency (the Agency)

The Agency has entered into several Owner Participation Agreements (OPAs) with various developers whereby the developers are to construct public improvements on behalf of the Agency in connection with its redevelopment efforts. These OPAs could potentially obligate the Agency to reimburse the developers approximately \$351 million, plus accrued interest, for the costs incurred by the developers in connection with the construction of the public improvements. However, the financial commitment to each developer is contingent upon there being sufficient tax increment available to fund the payments, as well as the developer actually incurring costs related to the public improvements. As of June 30, 2016, the contingent obligation is approximately \$85.8 million.

In addition, any obligations to developers under the OPAs are payable solely and exclusively from a predetermined percentage of the tax increment received by the Agency on specific parcels of land, and is not to be payable from any other source. Accordingly, to the extent that tax increment has not been collected and the developer has not incurred reimbursable costs, no liability has been recorded in the accompanying financial statements.

#### Operating Leases

The City has entered into various noncancelable managed service agreements (effectively leases) for copier equipment and related services. For the year ended June 30, 2016, total costs under such agreements were \$1,252,021.

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**CITY OF HENDERSON, NEVADA**  
**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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At June 30, 2016, the future minimum operating lease payments were as follows:

<u>For the Year Ending June 30,</u>	
2017	\$ 844,655
2018	844,655
2019	840,021
2020	770,056
2021	584,988
	<u>\$ 3,884,375</u>

Encumbrances

At June 30, 2016, outstanding encumbrances were as follows:

General Fund	\$ 1,274,063
Grants Special Revenue Fund	3,043,730
Aggregate Other Governmental Funds	10,432,553
	<u>\$ 14,750,346</u>

The general fund encumbrances are classified as assigned fund balance and grant fund encumbrances primarily represent contracts for which grant awards are collected as periodic reimbursements of actual expenditures.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

### Note 11. Components of Fund Balances

At June 30, 2016, the components of governmental fund balances were as follows:

	General Fund	Grants Special Revenue Fund	Aggregate Other Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid items	\$ 79	\$	\$	\$ 79
Restricted				
Stabilization and other general programs		24,366	20,058,478	20,082,844
Courts and other judicial programs			658,836	658,836
Fire, police and other public safety programs		328,239	3,268,131	3,596,370
Streets and other public works projects		102,520	69,153,282	69,255,802
Parks, cultural and recreational programs		188,165	10,661,806	10,849,971
Community assistance and support programs		18,278		18,278
Debt service			7,395,864	7,395,864
Redevelopment programs			28,579,062	28,579,062
Assigned				
Stabilization and other general programs	778,163			778,163
Courts and other judicial programs	3,732			3,732
Fire, police and other public safety programs	49,253			49,253
Streets and other public works projects	197,615		42,864,188	43,061,803
Parks, cultural and recreational programs	237,262			237,262
Community assistance and support programs	8,038			8,038
Unassigned	23,617,842			23,617,842
	\$ 24,891,984	\$ 661,568	\$ 182,639,647	\$ 208,193,199

Governmental fund balance restricted for debt service differs from government-wide net position restricted for debt service due to interest payable in governmental activities.

### Note 12. Recently Issued Accounting Pronouncements

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for periods beginning after June 15, 2016. This Statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has not yet completed its assessment of this statement.

(Continued)

## CITY OF HENDERSON, NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. Management does not expect the adoption of this statement to have a significant impact on the City's financial statements.

In June 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, effective for periods beginning after June 15, 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement addresses the need for financial statements prepared by state and local governments in conformity with generally accepted accounting principles to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This statement addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This statement addresses the usefulness of information about OPEB included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's financial position or changes therein.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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### **Note 13. Subsequent Event**

On August 30, 2016, the City issued \$12,700,000 in General Obligation (Limited Tax) Medium-Term Various Purpose and Refunding Bonds, Series 2016 (the Series 2016 Bonds). A portion of the bond proceeds was used to advance refund \$8,854,000 aggregate principal and interest amount of the 2009 Installment Purchase Agreement for payments due from February 1, 2020 through 2024. The remaining proceeds will be used to finance the purchase, upgrade, and replacement of the City's police communication equipment and other City equipment, and to pay the related costs of issuing the Series 2016 Bonds. The interest rate on the Series 2016 Bonds is 2.00% and 4.00% in 2017 and 2018, respectively, and 5.00% thereafter through maturity on August 1, 2026.

REQUIRED SUPPLEMENTARY  
INFORMATION



2016

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016

# CITY OF HENDERSON, NEVADA

## REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2016

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
<b>Public Employee Benefit Program</b>						
July 1, 2011	\$ N/A <sup>1</sup>	\$ 7,931,000	\$ 7,931,000	0.0 %	\$ N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2013	N/A <sup>1</sup>	7,303,000	7,303,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2015	N/A <sup>1</sup>	6,526,000	6,526,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
<b>City of Henderson Plans</b>						
July 1, 2011	\$ N/A <sup>1</sup>	\$ 34,427,000	\$ 34,427,000	0.0 %	\$ 143,530,451	24.0 %
July 1, 2013	N/A <sup>1</sup>	20,652,000	20,652,000	0.0 %	142,409,404	14.5 %
July 1, 2015	N/A <sup>1</sup>	27,931,000	27,931,000	0.0 %	152,148,766	18.4 %

1. No assets have been placed in trust.

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

**CITY OF HENDERSON, NEVADA**

**REQUIRED SUPPLEMENTARY INFORMATION  
 MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
 PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	3.11371 %	\$ 324,509,868	\$ 157,722,577	205.75 %	76.31 %
2015	3.12987 %	358,665,969	164,063,401	218.61 %	75.13 %

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

**CITY OF HENDERSON, NEVADA**

**REQUIRED SUPPLEMENTARY INFORMATION  
 MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
 PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2016 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 48,713,121	\$ 48,713,121	\$	\$ 164,063,401	29.69 %
2016	52,475,582	52,475,582		169,749,003	30.91 %

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

**CITY OF HENDERSON, NEVADA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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**Note 1. Other Post Employment Benefits**

For the year ended June 30, 2016, no significant events occurred that would have affected the information presented in the accompanying schedule of funding progress.

Additional information related to postemployment benefits other than pensions can be found in Note 8 to the basic financial statements.

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

For the year ended June 30, 2016, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2015.

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

Additional pension plan information can be found in Note 7 to the basic financial statements.

# GOVERNMENTAL FUNDS

## Non-major Special Revenue Funds

**Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for a specified purpose other than debt service or capital projects.**

**City of Henderson Redevelopment Agency** - to account for the financial activity of the Agency which derives its revenue from tax increment financing and bond proceeds that will be utilized to rehabilitate and develop the defined redevelopment area.

**Gas Tax Special Revenue** - to account for optional excise tax on motor vehicle fuel and other revenues restricted for repairing or restoring existing unpaved and paved roads; streets; and alleys.

**Forfeited Assets Special Revenue** - to account for the resources and revenues of a fund that is restricted by State law to certain law enforcement activities.

**Municipal Court Administrative Fee Special Revenue** - to account for court assessments which are to be used to improve operations of the court.

**Financial Stabilization Special Revenue** - to account for 0.25% of Supplemental City/County Relief Tax Loss Ad Valorem revenues, which are restricted for stabilization and deposited directly into this fund. Balances in this fund may be made available for city-wide costs incurred to mitigate the effects of a natural disaster or terrorist attack as declared by City Council. In addition this fund can be made available to the General Fund to compensate for shortfalls in actual revenues of 2% or greater as compared to the final budget. None of these circumstances are expected to occur routinely.

**Sales & Use Tax Special Revenue** - to account for the proceeds from the tax authorized by a State Assembly Bill for the Board of County Commissioners of Clark County to employ and equip additional police officers.

**Commissary Special Revenue** - to account for commissions received in connection with the sale of goods to prisoners as authorized by Nevada Revised Statute 211.360.

**Eldorado Valley Regional Public Safety Training Facility Special Revenue** - to account for rental fees from partnering and non-partnering agencies for a public safety training facility.

## Non-major Debt Service Funds

**Special Assessment Districts Debt Service Fund** - to account for the accumulation of resources and payment of special assessment debt principal and interest from special assessment levies when the government is obligated in some manner for payment.

**General Obligation Debt Service Fund** - to account for the accumulation of resources and payment of general obligation bond principal and interest

from governmental resources.

## Non-major Capital Projects Funds

**Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure or capital outlays including the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.**

**Municipal Facilities Acquisition and Construction** - to account for the costs associated with the acquisition, construction, and improvement of public building facilities.

**Special Recreation** - to account for costs of recreational equipment and other recreational purposes. Funds for these purposes are provided by revenues received from the Las Vegas Convention and Visitors Authority.

**Park Development** - to account for fees that are collected upon application for building permits. The revenues produced by these fees are to be used for the acquisition, development, improvement and expansion of public parks, playground and recreational facilities within the City.

**Flood Control** - to account for flood control projects that receive their primary funding from the Clark County Flood Control District.

**RTC/County Funded** - to account for costs of improving streets within the City that are funded by the Regional Transportation Commission and Clark County Grants.

**Special Ad Valorem Transportation** - to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital projects designed to alleviate critical transportation needs within Clark County.

**Capital Replacement** - to account for charges for services, developer contributions, and transfers from other funds to be used for various capital replacement projects throughout the City.

**Lake Las Vegas** - to account for resources to be used solely to fund costs of storm water treatment and/or conveyance in the event that Federal and/or State agencies determine that more stringent treatment standards are required as a result of the creation of Lake Las Vegas.

**Special Assessment Districts** - to account for the cost of public improvements such as street lighting, streets, curbs, gutters, water and sewer benefiting certain property owners. Funding is provided by the issuance of special assessment district bonds.

**Land Sales** - to account for the purchase and sale of City-owned real property. The City has traditionally used proceeds from these sales for miscellaneous capital projects.



# 2016

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016

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# CITY OF HENDERSON, NEVADA

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

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 51,472,995	\$ 7,358,202	\$ 109,566,258	\$ 168,397,455
Restricted cash and cash equivalents	1,410,018		4,752,780	6,162,798
Accounts receivable, net	88,703		55,881	144,584
Interest receivable	68,950	15,097	105,887	189,934
Taxes receivable	99,272	298,280		397,552
Special assessments receivable		1,459,744		1,459,744
Notes receivable, net	57,277		9,537,696	9,594,973
Due from other governments	4,677,373	22,844	612,055	5,312,272
Advances to other funds			621,261	621,261
Land held for resale	<u>9,803,864</u>			<u>9,803,864</u>
<b>Total assets</b>	<u>\$ 67,678,452</u>	<u>\$ 9,154,167</u>	<u>\$ 125,251,818</u>	<u>\$ 202,084,437</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 1,350,119	\$ 260	\$ 1,532,999	\$ 2,883,378
Accrued wages	268,170		9,207	277,377
Tax increment payable to developers	1,368,690			1,368,690
Due to other governments		19	300,200	300,219
Due to other funds	1,022,122			1,022,122
Advances from other funds	621,261		1,507,603	2,128,864
Deposits			<u>1,000</u>	<u>1,000</u>
<b>Total liabilities</b>	<u>4,630,362</u>	<u>279</u>	<u>3,351,009</u>	<u>7,981,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	99,272	298,280		397,552
Unavailable revenue, special assessments		1,459,744		1,459,744
Unavailable revenue, notes receivable	57,277		9,537,696	9,594,973
Unavailable revenue, other receivables			<u>10,871</u>	<u>10,871</u>
<b>Total deferred inflows of resources</b>	<u>156,549</u>	<u>1,758,024</u>	<u>9,548,567</u>	<u>11,463,140</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>4,786,911</u>	<u>1,758,303</u>	<u>12,899,576</u>	<u>19,444,790</u>
<b>FUND BALANCES</b>				
Restricted	62,891,541	7,395,864	69,488,054	139,775,459
Assigned			<u>42,864,188</u>	<u>42,864,188</u>
<b>Total fund balances</b>	<u>62,891,541</u>	<u>7,395,864</u>	<u>112,352,242</u>	<u>182,639,647</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 67,678,452</u>	<u>\$ 9,154,167</u>	<u>\$ 125,251,818</u>	<u>\$ 202,084,437</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 9,108,887	\$ 3,761,620	\$ 1,224,362	\$ 14,094,869
Intergovernmental	18,174,816		3,051,383	21,226,199
Charges for services	144,955		179,210	324,165
Fines and forfeitures	1,023,192			1,023,192
Impact fees			1,298,666	1,298,666
Special assessments		150,382		150,382
Investment income	686,327	244,714	1,753,734	2,684,775
Developer contributions			9,664,234	9,664,234
Rental fees	12,278		519,335	531,613
Miscellaneous	48,961	129,365	598,764	777,090
<b>Total revenues</b>	<b>29,199,416</b>	<b>4,286,081</b>	<b>18,289,688</b>	<b>51,775,185</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	6,690,148	5,498	734,793	7,430,439
Judicial	739,128			739,128
Public safety	14,687,329		614,158	15,301,487
Public works	908,331	5,308	2,841,503	3,755,142
Culture and recreation			1,899,021	1,899,021
<b>Total current</b>	<b>23,024,936</b>	<b>10,806</b>	<b>6,089,475</b>	<b>29,125,217</b>
<b>Capital outlay</b>				
General government			728,560	728,560
Judicial	334,576			334,576
Public safety	158,967		1,036,112	1,195,079
Public works	252,287		28,082,769	28,335,056
Culture and recreation			896,498	896,498
<b>Total capital outlay</b>	<b>745,830</b>		<b>30,743,939</b>	<b>31,489,769</b>
<b>Debt service</b>				
Principal payments	755,000	5,256,000		6,011,000
Payment to current bond refunding agent	10,288,415			10,288,415
Interest charges	453,930	4,680,306	55,892	5,190,128
<b>Total debt service</b>	<b>11,497,345</b>	<b>9,936,306</b>	<b>55,892</b>	<b>21,489,543</b>
<b>Total expenditures</b>	<b>35,268,111</b>	<b>9,947,112</b>	<b>36,889,306</b>	<b>82,104,529</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(6,068,695)</b>	<b>(5,661,031)</b>	<b>(18,599,618)</b>	<b>(30,329,344)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales			2,696,014	2,696,014
Issuance of refunding bonds	9,365,000			9,365,000
Premium on refunding bonds issued	475,559			475,559
Transfers in	450,000	4,939,024	7,208,038	12,597,062
Transfers out	(64,949)	(196,538)	(1,862,075)	(2,123,562)
<b>Total other financing sources (uses)</b>	<b>10,225,610</b>	<b>4,742,486</b>	<b>8,041,977</b>	<b>23,010,073</b>
<b>CHANGE IN FUND BALANCE</b>	<b>4,156,915</b>	<b>(918,545)</b>	<b>(10,557,641)</b>	<b>(7,319,271)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>58,734,626</b>	<b>8,314,409</b>	<b>122,909,883</b>	<b>189,958,918</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 62,891,541</b>	<b>\$ 7,395,864</b>	<b>\$ 112,352,242</b>	<b>\$ 182,639,647</b>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 20,244,229	\$ 9,609,546	\$ 458,656	\$ 636,729	\$ 20,030,975
Restricted cash and cash equivalents	1,410,018				
Accounts receivable, net				61,403	
Interest receivable	28,086	12,171	690		27,436
Taxes receivable	99,272				
Notes receivable, net	57,277				
Due from other governments	28,575	710,395			67
Land held for resale	9,803,864				
<b>Total assets</b>	<b>\$ 31,671,321</b>	<b>\$ 10,332,112</b>	<b>\$ 459,346</b>	<b>\$ 698,132</b>	<b>\$ 20,058,478</b>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 929,240	\$ 5,078	\$ 138,247	\$ 34,451	\$
Accrued wages	16,519			4,845	
Tax increment payable to developers	1,368,690				
Due to other funds					
Advances from other funds	621,261				
<b>Total liabilities</b>	<b>2,935,710</b>	<b>5,078</b>	<b>138,247</b>	<b>39,296</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes	99,272				
Unavailable revenue, notes receivable	57,277				
<b>Total deferred inflows of resources</b>	<b>156,549</b>				
<b>Total liabilities and deferred inflows of resources</b>	<b>3,092,259</b>	<b>5,078</b>	<b>138,247</b>	<b>39,296</b>	
<b>FUND BALANCES</b>					
Restricted	28,579,062	10,327,034	321,099	658,836	20,058,478
<b>Total fund balances</b>	<b>28,579,062</b>	<b>10,327,034</b>	<b>321,099</b>	<b>658,836</b>	<b>20,058,478</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,671,321</b>	<b>\$ 10,332,112</b>	<b>\$ 459,346</b>	<b>\$ 698,132</b>	<b>\$ 20,058,478</b>

(Continued)

# CITY OF HENDERSON, NEVADA

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

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Total Special Revenue Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$	\$ 371,711	\$ 121,149	\$ 51,472,995
Restricted cash and cash equivalents				1,410,018
Accounts receivable, net	24,000		3,300	88,703
Interest receivable		426	141	68,950
Taxes receivable				99,272
Notes receivable, net				57,277
Due from other governments	3,938,336			4,677,373
Land held for resale				9,803,864
	<u>3,962,336</u>	<u>372,137</u>	<u>124,590</u>	<u>67,678,452</u>
Total assets	<u>\$ 3,962,336</u>	<u>\$ 372,137</u>	<u>\$ 124,590</u>	<u>\$ 67,678,452</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 99,470	\$ 142,229	\$ 1,404	\$ 1,350,119
Accrued wages	246,651	155		268,170
Tax increment payable to developers				1,368,690
Due to other funds	1,022,122			1,022,122
Advances from other funds				621,261
	<u>1,368,243</u>	<u>142,384</u>	<u>1,404</u>	<u>4,630,362</u>
Total liabilities	<u>1,368,243</u>	<u>142,384</u>	<u>1,404</u>	<u>4,630,362</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes				99,272
Unavailable revenue, notes receivable				57,277
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>156,549</u>
Total deferred inflows of resources	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>156,549</u>
Total liabilities and deferred inflows of resources	<u>1,368,243</u>	<u>142,384</u>	<u>1,404</u>	<u>4,786,911</u>
<b>FUND BALANCES</b>				
Restricted	<u>2,594,093</u>	<u>229,753</u>	<u>123,186</u>	<u>62,891,541</u>
Total fund balances	<u>2,594,093</u>	<u>229,753</u>	<u>123,186</u>	<u>62,891,541</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,962,336</u>	<u>\$ 372,137</u>	<u>\$ 124,590</u>	<u>\$ 67,678,452</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	\$ 9,097,750				\$ 11,137
Intergovernmental		4,032,038			
Charges for services					
Fines and forfeitures			283,630	739,562	
Investment income	276,954	117,393	7,523		276,779
Rental fees	1,178				
Miscellaneous	27,093		6,677		
Total revenues	9,402,975	4,149,431	297,830	739,562	287,916
EXPENDITURES					
Current					
General government	6,690,148				
Judicial				739,128	
Public safety			396,174		
Public works		908,331			
Total current	6,690,148	908,331	396,174	739,128	
Capital outlay					
Judicial				334,576	
Public safety			158,967		
Public works		252,287			
Total capital outlay		252,287	158,967	334,576	
Debt service					
Principal payments	755,000				
Payment to current bond refunding agent	10,288,415				
Interest charges	453,930				
Total debt service	11,497,345				
Total expenditures	18,187,493	1,160,618	555,141	1,073,704	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,784,518)	2,988,813	(257,311)	(334,142)	287,916
OTHER FINANCING SOURCES (USES)					
Issuance of refunding bonds	9,365,000				
Premium on refunding bonds issued	475,559				
Transfers in					400,000
Transfers out		(64,949)			
Total other financing sources (uses)	9,840,559	(64,949)			400,000
CHANGE IN FUND BALANCE	1,056,041	2,923,864	(257,311)	(334,142)	687,916
FUND BALANCE, BEGINNING OF YEAR	27,523,021	7,403,170	578,410	992,978	19,370,562
FUND BALANCE, END OF YEAR	\$ 28,579,062	\$ 10,327,034	\$ 321,099	\$ 658,836	\$ 20,058,478

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Total Special Revenue Funds
<b>REVENUES</b>				
Property taxes	\$	\$	\$	\$ 9,108,887
Intergovernmental	14,092,778		50,000	18,174,816
Charges for services	40,441	92,514	12,000	144,955
Fines and forfeitures				1,023,192
Investment income	2,685	3,826	1,167	686,327
Rental fees			11,100	12,278
Miscellaneous	13,699		1,492	48,961
Total revenues	<u>14,149,603</u>	<u>96,340</u>	<u>75,759</u>	<u>29,199,416</u>
<b>EXPENDITURES</b>				
Current				
General government				6,690,148
Judicial				739,128
Public safety	14,182,681	65,310	43,164	14,687,329
Public works				908,331
Total current	<u>14,182,681</u>	<u>65,310</u>	<u>43,164</u>	<u>23,024,936</u>
Capital outlay				
Judicial				334,576
Public safety				158,967
Public works				252,287
Total capital outlay				<u>745,830</u>
Debt service				
Principal payments				755,000
Payment to current bond refunding agent				10,288,415
Interest charges				453,930
Total debt service				<u>11,497,345</u>
Total expenditures	<u>14,182,681</u>	<u>65,310</u>	<u>43,164</u>	<u>35,268,111</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,078)</u>	<u>31,030</u>	<u>32,595</u>	<u>(6,068,695)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of refunding bonds				9,365,000
Premium on refunding bonds issued				475,559
Transfers in			50,000	450,000
Transfers out				(64,949)
Total other financing sources (uses)			<u>50,000</u>	<u>10,225,610</u>
CHANGE IN FUND BALANCE	(33,078)	31,030	82,595	4,156,915
FUND BALANCE, BEGINNING OF YEAR	<u>2,627,171</u>	<u>198,723</u>	<u>40,591</u>	<u>58,734,626</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,594,093</u>	<u>\$ 229,753</u>	<u>\$ 123,186</u>	<u>\$ 62,891,541</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

	Special Assessment Districts	General Obligation	Total Debt Service Funds
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 1,198,732	\$ 6,159,470	\$ 7,358,202
Interest receivable	1,529	13,568	15,097
Taxes receivable		298,280	298,280
Special assessments receivable	1,459,744		1,459,744
Due from other governments		22,844	22,844
	<u>2,660,005</u>	<u>6,494,162</u>	<u>9,154,167</u>
Total assets			
	<u>\$ 2,660,005</u>	<u>\$ 6,494,162</u>	<u>\$ 9,154,167</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 260	\$	\$ 260
Due to other governments	19		19
	<u>279</u>	<u></u>	<u>279</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, property taxes		298,280	298,280
Unavailable revenue, special assessments	1,459,744		1,459,744
	<u>1,459,744</u>	<u>298,280</u>	<u>1,758,024</u>
Total deferred inflows of resources			
	<u>1,460,023</u>	<u>298,280</u>	<u>1,758,303</u>
<b>FUND BALANCES</b>			
Restricted	1,199,982	6,195,882	7,395,864
	<u>1,199,982</u>	<u>6,195,882</u>	<u>7,395,864</u>
Total fund balances			
	<u>\$ 2,660,005</u>	<u>\$ 6,494,162</u>	<u>\$ 9,154,167</u>
Total liabilities, deferred inflows of resources and fund balances			

# CITY OF HENDERSON, NEVADA

## NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	<u>Special Assessment Districts</u>	<u>General Obligation</u>	<u>Total Debt Service Funds</u>
REVENUES			
Property taxes	\$	\$ 3,761,620	\$ 3,761,620
Special assessments	150,382		150,382
Investment income	132,817	111,897	244,714
Miscellaneous	129,365		129,365
Total revenues	<u>412,564</u>	<u>3,873,517</u>	<u>4,286,081</u>
EXPENDITURES			
Current			
General government		5,498	5,498
Public works	5,308		5,308
Total current	<u>5,308</u>	<u>5,498</u>	<u>10,806</u>
Debt service			
Principal payments		5,256,000	5,256,000
Interest charges		4,680,306	4,680,306
Total debt service		<u>9,936,306</u>	<u>9,936,306</u>
Total expenditures	<u>5,308</u>	<u>9,941,804</u>	<u>9,947,112</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>407,256</u>	<u>(6,068,287)</u>	<u>(5,661,031)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		4,939,024	4,939,024
Transfers out	(196,538)		(196,538)
Total other financing sources (uses)	<u>(196,538)</u>	<u>4,939,024</u>	<u>4,742,486</u>
CHANGE IN FUND BALANCE	210,718	(1,129,263)	(918,545)
FUND BALANCE, BEGINNING OF YEAR	<u>989,264</u>	<u>7,325,145</u>	<u>8,314,409</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,199,982</u>	<u>\$ 6,195,882</u>	<u>\$ 7,395,864</u>

# CITY OF HENDERSON, NEVADA

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

	<u>Municipal Facilities Acquisition and Construction</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 9,998,047	\$ 5,525,764	\$ 4,740,240	\$ 497,042
Restricted cash and cash equivalents	4,516,237		185,269	
Accounts receivable, net				
Interest receivable	17,876	7,600	6,377	684
Notes receivable, net	596,883			
Due from other governments		281,667		
Advances to other funds				
<b>Total assets</b>	<b><u>\$ 15,129,043</u></b>	<b><u>\$ 5,815,031</u></b>	<b><u>\$ 4,931,886</u></b>	<b><u>\$ 497,726</u></b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 21,436	\$ 83,316	\$ 1,595	\$
Accrued wages	1,332			
Due to other governments		200		300,000
Advances from other funds				
Deposits				
<b>Total liabilities</b>	<b><u>22,768</u></b>	<b><u>83,516</u></b>	<b><u>1,595</u></b>	<b><u>300,000</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, notes receivable	596,883			
Unavailable revenue, other receivables				
<b>Total deferred inflows of resources</b>	<b><u>596,883</u></b>			
<b>Total liabilities and deferred inflows of resources</b>	<b><u>619,651</u></b>	<b><u>83,516</u></b>	<b><u>1,595</u></b>	<b><u>300,000</u></b>
<b>FUND BALANCES</b>				
Restricted		5,731,515	4,930,291	197,726
Assigned	14,509,392			
<b>Total fund balances</b>	<b><u>14,509,392</u></b>	<b><u>5,731,515</u></b>	<b><u>4,930,291</u></b>	<b><u>197,726</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 15,129,043</u></b>	<b><u>\$ 5,815,031</u></b>	<b><u>\$ 4,931,886</u></b>	<b><u>\$ 497,726</u></b>

(Continued)

**CITY OF HENDERSON, NEVADA**

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

	<u>RTC/County Funded</u>	<u>Special Ad Valorem Transportation</u>	<u>Capital Replacement</u>	<u>Lake Las Vegas</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 465,758	\$ 53,855	\$ 23,703,656	\$ 5,827,728
Restricted cash and cash equivalents				
Accounts receivable, net			53,315	
Interest receivable		144	27,691	8,017
Notes receivable, net				
Due from other governments	94,388	236,000		
Advances to other funds				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 560,146</u>	<u>\$ 289,999</u>	<u>\$ 23,784,662</u>	<u>\$ 5,835,745</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 24,793		\$ 1,254,740	
Accrued wages				
Due to other governments				
Advances from other funds				
Deposits				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>24,793</u>		<u>1,254,740</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables			10,871	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total deferred inflows of resources			<u>10,871</u>	
Total liabilities and deferred inflows of resources	<u>24,793</u>		<u>1,265,611</u>	
<b>FUND BALANCES</b>				
Restricted	535,353	289,999		
Assigned			22,519,051	5,835,745
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>535,353</u>	<u>289,999</u>	<u>22,519,051</u>	<u>5,835,745</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 560,146</u>	<u>\$ 289,999</u>	<u>\$ 23,784,662</u>	<u>\$ 5,835,745</u>

(Continued)

# CITY OF HENDERSON, NEVADA

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

	<u>Special Assessment Districts</u>	<u>Land Sales</u>	<u>Total Capital Project Funds</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ 31,832,993	\$ 26,921,175	\$ 109,566,258
Restricted cash and cash equivalents		51,274	4,752,780
Accounts receivable, net		2,566	55,881
Interest receivable	749	36,749	105,887
Notes receivable, net		8,940,813	9,537,696
Due from other governments			612,055
Advances to other funds		621,261	621,261
	<u>31,833,742</u>	<u>36,573,838</u>	<u>125,251,818</u>
<b>Total assets</b>	<b>\$ 31,833,742</b>	<b>\$ 36,573,838</b>	<b>\$ 125,251,818</b>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 77,849	\$ 69,270	\$ 1,532,999
Accrued wages		7,875	9,207
Due to other governments			300,200
Advances from other funds	1,507,603		1,507,603
Deposits		1,000	1,000
	<u>1,585,452</u>	<u>78,145</u>	<u>3,351,009</u>
<b>Total liabilities</b>	<b>1,585,452</b>	<b>78,145</b>	<b>3,351,009</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, notes receivable		8,940,813	9,537,696
Unavailable revenue, other receivables			10,871
		<u>8,940,813</u>	<u>9,548,567</u>
<b>Total deferred inflows of resources</b>		<b>8,940,813</b>	<b>9,548,567</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,585,452</b>	<b>9,018,958</b>	<b>12,899,576</b>
<b>FUND BALANCES</b>			
Restricted	30,248,290	27,554,880	69,488,054
Assigned			42,864,188
	<u>30,248,290</u>	<u>27,554,880</u>	<u>112,352,242</u>
<b>Total fund balances</b>	<b>30,248,290</b>	<b>27,554,880</b>	<b>112,352,242</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,833,742</b>	<b>\$ 36,573,838</b>	<b>\$ 125,251,818</b>

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# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
<b>REVENUES</b>				
Property taxes	\$	\$	\$	\$
Intergovernmental	49,800	2,758,525		
Charges for services		96,604		
Impact fees			1,298,666	
Investment income	184,521	72,236	63,245	6,925
Developer contributions	2,155,209			
Rental fees		1,330		
Miscellaneous		17,773		
<b>Total revenues</b>	<u>2,389,530</u>	<u>2,946,468</u>	<u>1,361,911</u>	<u>6,925</u>
<b>EXPENDITURES</b>				
Current				
General government	7,095			
Public safety	460,602			
Public works	80,745			
Culture and recreation		1,846,522	38,967	
<b>Total current</b>	<u>548,442</u>	<u>1,846,522</u>	<u>38,967</u>	
Capital outlay				
General government	355,794			
Public safety	797,341			
Public works	313,635			
Culture and recreation		157,767	541,769	
<b>Total capital outlay</b>	<u>1,466,770</u>	<u>157,767</u>	<u>541,769</u>	
Debt service				
Interest charges				
<b>Total debt service</b>				
<b>Total expenditures</b>	<u>2,015,212</u>	<u>2,004,289</u>	<u>580,736</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>374,318</u>	<u>942,179</u>	<u>781,175</u>	<u>6,925</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales				
Transfers in	2,000,000			
Transfers out		(274,794)		
<b>Total other financing sources (uses)</b>	<u>2,000,000</u>	<u>(274,794)</u>		
<b>CHANGE IN FUND BALANCE</b>	2,374,318	667,385	781,175	6,925
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>12,135,074</u>	<u>5,064,130</u>	<u>4,149,116</u>	<u>190,801</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 14,509,392</u>	<u>\$ 5,731,515</u>	<u>\$ 4,930,291</u>	<u>\$ 197,726</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas
<b>REVENUES</b>				
Property taxes	\$	\$ 1,224,362	\$	\$
Intergovernmental	233,066			
Charges for services			82,606	
Impact fees				
Investment income		850	270,965	81,186
Developer contributions			7,509,025	
Rental fees				
Miscellaneous			474,896	
<b>Total revenues</b>	<u>233,066</u>	<u>1,225,212</u>	<u>8,337,492</u>	<u>81,186</u>
<b>EXPENDITURES</b>				
Current				
General government			469,545	
Public safety			105,815	
Public works	138,878		2,182,101	
Culture and recreation			13,532	
<b>Total current</b>	<u>138,878</u>		<u>2,770,993</u>	
Capital outlay				
General government			372,766	
Public safety			42,983	
Public works	94,388		3,284,305	
Culture and recreation			196,962	
<b>Total capital outlay</b>	<u>94,388</u>		<u>3,897,016</u>	
Debt service				
Interest charges				
<b>Total debt service</b>				
<b>Total expenditures</b>	<u>233,266</u>		<u>6,668,009</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(200)</u>	<u>1,225,212</u>	<u>1,669,483</u>	<u>81,186</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales				
Transfers in			5,011,500	
Transfers out		(1,300,000)		
<b>Total other financing sources (uses)</b>		<u>(1,300,000)</u>	<u>5,011,500</u>	
<b>CHANGE IN FUND BALANCE</b>	(200)	(74,788)	6,680,983	81,186
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>535,553</u>	<u>364,787</u>	<u>15,838,068</u>	<u>5,754,559</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 535,353</u>	<u>\$ 289,999</u>	<u>\$ 22,519,051</u>	<u>\$ 5,835,745</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

	Special Assessment Districts	Land Sales	Total Capital Project Funds
<b>REVENUES</b>			
Property taxes	\$	\$	\$ 1,224,362
Intergovernmental		9,992	3,051,383
Charges for services			179,210
Impact fees			1,298,666
Investment income	55,400	1,018,406	1,753,734
Developer contributions			9,664,234
Rental fees		518,005	519,335
Miscellaneous		106,095	598,764
Total revenues	<u>55,400</u>	<u>1,652,498</u>	<u>18,289,688</u>
<b>EXPENDITURES</b>			
Current			
General government		258,153	734,793
Public safety		47,741	614,158
Public works	24,378	415,401	2,841,503
Culture and recreation			1,899,021
Total current	<u>24,378</u>	<u>721,295</u>	<u>6,089,475</u>
Capital outlay			
General government			728,560
Public safety		195,788	1,036,112
Public works	24,231,813	158,628	28,082,769
Culture and recreation			896,498
Total capital outlay	<u>24,231,813</u>	<u>354,416</u>	<u>30,743,939</u>
Debt service			
Interest charges	55,892		55,892
Total debt service	<u>55,892</u>		<u>55,892</u>
Total expenditures	<u>24,312,083</u>	<u>1,075,711</u>	<u>36,889,306</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,256,683)</u>	<u>576,787</u>	<u>(18,599,618)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from land sales		2,696,014	2,696,014
Transfers in	196,538		7,208,038
Transfers out		(287,281)	(1,862,075)
Total other financing sources (uses)	<u>196,538</u>	<u>2,408,733</u>	<u>8,041,977</u>
CHANGE IN FUND BALANCE	(24,060,145)	2,985,520	(10,557,641)
FUND BALANCE, BEGINNING OF YEAR	<u>54,308,435</u>	<u>24,569,360</u>	<u>122,909,883</u>
FUND BALANCE, END OF YEAR	<u>\$ 30,248,290</u>	<u>\$ 27,554,880</u>	<u>\$ 112,352,242</u>

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# CITY OF HENDERSON, NEVADA

## GENERAL FUND

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

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 58,553,424	\$ 58,704,114	\$ 150,690
Franchise fees	33,150,000	32,656,108	(493,892)
Licenses and permits	9,201,000	9,536,717	335,717
Intergovernmental	101,852,384	101,701,703	(150,681)
Charges for services	29,039,133	30,835,680	1,796,547
Fines and forfeitures	4,120,889	4,836,051	715,162
Impact fees		817,801	817,801
Investment income	100,000	397,467	297,467
Miscellaneous	1,699,462	594,283	(1,105,179)
Total revenues	237,716,292	240,079,924	2,363,632
<b>EXPENDITURES</b>			
General government			
Mayor and council			
Salaries and wages	331,451	320,036	11,415
Employee benefits	212,289	203,222	9,067
Services and supplies	172,909	141,979	30,930
Total mayor and council	716,649	665,237	51,412
City manager			
Salaries and wages	871,522	831,046	40,476
Employee benefits	345,101	301,863	43,238
Services and supplies	50,280	32,447	17,833
Total city manager	1,266,903	1,165,356	101,547
Finance			
Salaries and wages	3,600,264	3,445,567	154,697
Employee benefits	1,619,004	1,464,982	154,022
Services and supplies	461,493	282,018	179,475
Total finance	5,680,761	5,192,567	488,194
Information technology			
Salaries and wages	5,181,118	5,009,123	171,995
Employee benefits	2,162,827	2,058,898	103,929
Services and supplies	912,609	679,017	233,592
Capital outlay	189,000	40,000	149,000
Total information technology	8,445,554	7,787,038	658,516
City clerk			
Salaries and wages	1,223,896	1,209,098	14,798
Employee benefits	549,162	538,455	10,707
Services and supplies	224,614	232,012	(7,398)
Capital outlay	12,000	6,283	5,717
Total city clerk	2,009,672	1,985,848	23,824
Human resources			
Salaries and wages	1,559,409	1,492,290	67,119
Employee benefits	670,692	665,844	4,848
Services and supplies	875,590	514,263	361,327
Capital outlay	28,500	21,831	6,669
Total human resources	3,134,191	2,694,228	439,963
City attorney			
Salaries and wages	1,636,857	1,611,075	25,782
Employee benefits	609,942	601,418	8,524
Services and supplies	1,031,789	526,615	505,174
Total city attorney	3,278,588	2,739,108	539,480

(Continued)

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

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

	Final Budget	Actual	Variance
Community development			
Salaries and wages	2,468,655	2,391,669	76,986
Employee benefits	1,089,715	1,036,680	53,035
Services and supplies	758,476	497,494	260,982
Total community development	4,316,846	3,925,843	391,003
Building maintenance			
Salaries and wages	2,449,177	2,441,523	7,654
Employee benefits	1,250,352	1,188,249	62,103
Services and supplies	4,815,864	4,677,373	138,491
Capital outlay	276,031	126,551	149,480
Total building maintenance	8,791,424	8,433,696	357,728
Public affairs			
Salaries and wages	1,190,170	1,143,639	46,531
Employee benefits	499,114	460,625	38,489
Services and supplies	510,037	502,861	7,176
Total public affairs	2,199,321	2,107,125	92,196
Internal audit			
Salaries and wages	242,771	242,401	370
Employee benefits	101,845	101,344	501
Services and supplies	12,310	5,671	6,639
Total internal audit	356,926	349,416	7,510
Council support			
Salaries and wages	177,419	170,740	6,679
Employee benefits	95,858	74,806	21,052
Services and supplies	438,560	163,540	275,020
Total council support	711,837	409,086	302,751
Miscellaneous			
Salaries and wages	2,898,765	2,568,658	330,107
Employee benefits	490,000	472,098	17,902
Services and supplies	762,095	439,011	323,084
Total miscellaneous	4,150,860	3,479,767	671,093
Total general government	45,059,532	40,934,315	4,125,217
Judicial			
Municipal court			
Salaries and wages	4,172,454	4,032,114	140,340
Employee benefits	2,164,461	2,048,035	116,426
Services and supplies	704,482	646,117	58,365
Total municipal court	7,041,397	6,726,266	315,131
City attorney- criminal			
Salaries and wages	2,276,487	2,234,969	41,518
Employee benefits	1,059,902	1,036,085	23,817
Services and supplies	269,500	244,652	24,848
Total city attorney- criminal	3,605,889	3,515,706	90,183
City attorney- court programs			
Salaries and wages	1,025,797	945,258	80,539
Employee benefits	424,881	414,100	10,781
Services and supplies	291,766	211,732	80,034
Capital outlay	47,064	47,051	13
Total city attorney- court programs	1,789,508	1,618,141	171,367

(Continued)

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total judicial	12,436,794	11,860,113	576,681
Public safety			
Fire			
Salaries and wages	28,893,036	28,624,247	268,789
Employee benefits	13,188,814	12,982,174	206,640
Services and supplies	3,410,499	3,400,106	10,393
Total fire	<u>45,492,349</u>	<u>45,006,527</u>	<u>485,822</u>
Police			
Salaries and wages	48,621,955	48,249,412	372,543
Employee benefits	25,525,535	24,624,765	900,770
Services and supplies	11,201,939	11,153,074	48,865
Total police	<u>85,349,429</u>	<u>84,027,251</u>	<u>1,322,178</u>
Building inspection			
Salaries and wages	1,037,900	1,021,743	16,157
Employee benefits	492,953	479,494	13,459
Services and supplies	214,968	142,112	72,856
Total building inspection	<u>1,745,821</u>	<u>1,643,349</u>	<u>102,472</u>
Total public safety	<u>132,587,599</u>	<u>130,677,127</u>	<u>1,910,472</u>
Public works			
Streets			
Salaries and wages	685,733	637,084	48,649
Employee benefits	323,322	299,317	24,005
Services and supplies	797,523	963,671	(166,148)
Total streets	<u>1,806,578</u>	<u>1,900,072</u>	<u>(93,494)</u>
Street lighting			
Salaries and wages	822,962	727,965	94,997
Employee benefits	365,096	328,812	36,284
Services and supplies	2,239,296	2,061,948	177,348
Total street lighting	<u>3,427,354</u>	<u>3,118,725</u>	<u>308,629</u>
Public works general services			
Salaries and wages	2,068,321	1,922,377	145,944
Employee benefits	943,419	846,999	96,420
Services and supplies	793,497	600,519	192,978
Total public works general services	<u>3,805,237</u>	<u>3,369,895</u>	<u>435,342</u>
Total public works	<u>9,039,169</u>	<u>8,388,692</u>	<u>650,477</u>
Culture and recreation			
Parks			
Salaries and wages	7,022,865	6,871,356	151,509
Employee benefits	3,480,445	3,330,224	150,221
Services and supplies	6,607,482	6,013,654	593,828
Capital outlay	31,997	36,539	(4,542)
Total parks	<u>17,142,789</u>	<u>16,251,773</u>	<u>891,016</u>
Recreation			
Salaries and wages	11,240,214	10,794,264	445,950
Employee benefits	3,388,088	3,287,269	100,819
Services and supplies	4,883,582	4,624,291	259,291
Capital outlay	20,219	20,218	1
Total recreation	<u>19,532,103</u>	<u>18,726,042</u>	<u>806,061</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total culture and recreation	36,674,892	34,977,815	1,697,077
Community support			
Economic development			
Salaries and wages	461,083	424,952	36,131
Employee benefits	207,378	178,222	29,156
Services and supplies	282,775	277,449	5,326
Total economic development	<u>951,236</u>	<u>880,623</u>	<u>70,613</u>
Neighborhood services			
Salaries and wages	327,511	313,342	14,169
Employee benefits	135,940	128,035	7,905
Services and supplies	475,666	212,411	263,255
Total neighborhood services	<u>939,117</u>	<u>653,788</u>	<u>285,329</u>
Total community support	<u>1,890,353</u>	<u>1,534,411</u>	<u>355,942</u>
Total expenditures	<u>237,688,339</u>	<u>228,372,473</u>	<u>9,315,866</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>27,953</u>	<u>11,707,451</u>	<u>11,679,498</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(2,227,969)</u>	<u>(9,556,223)</u>	<u>(7,328,254)</u>
CHANGE IN FUND BALANCE	(2,200,016)	2,151,228	4,351,244
FUND BALANCE, BEGINNING OF YEAR	<u>22,740,756</u>	<u>22,740,756</u>	<u>                    </u>
FUND BALANCE, END OF YEAR	<u>\$ 20,540,740</u>	<u>\$ 24,891,984</u>	<u>\$ 4,351,244</u>

# CITY OF HENDERSON, NEVADA

## GRANTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 16,000,000	\$ 7,592,882	\$ (8,407,118)
Miscellaneous	898,142	320,677	(577,465)
<b>Total revenues</b>	<b>16,898,142</b>	<b>7,913,559</b>	<b>(8,984,583)</b>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	402,501		402,501
Employee benefits	226,403		226,403
Services and supplies	25,000	24,071	929
<b>Total general government</b>	<b>653,904</b>	<b>24,071</b>	<b>629,833</b>
Judicial			
Salaries and wages	2,000	3,854	(1,854)
Employee benefits	200	135	65
Services and supplies	150,000	116,903	33,097
<b>Total judicial</b>	<b>152,200</b>	<b>120,892</b>	<b>31,308</b>
Public safety			
Salaries and wages	530,000	372,189	157,811
Employee benefits	64,000	24,890	39,110
Services and supplies	1,050,000	295,672	754,328
Capital outlay	700,000	124,252	575,748
<b>Total public safety</b>	<b>2,344,000</b>	<b>817,003</b>	<b>1,526,997</b>
Public works			
Salaries and wages	12,000		12,000
Employee benefits	5,000	1	4,999
Services and supplies	600,000	354,818	245,182
Capital outlay	3,000,000	1,335,832	1,664,168
<b>Total public works</b>	<b>3,617,000</b>	<b>1,690,651</b>	<b>1,926,349</b>
Culture and recreation			
Salaries and wages	267,000	218,892	48,108
Employee benefits	74,053	43,103	30,950
Services and supplies	1,192,635	942,597	250,038
Capital outlay	600,000	465,089	134,911
<b>Total culture and recreation</b>	<b>2,133,688</b>	<b>1,669,681</b>	<b>464,007</b>
Community support			
Salaries and wages	615,713	431,201	184,512
Employee benefits	311,469	212,019	99,450
Services and supplies	3,541,254	3,584,746	(43,492)
Capital outlay	65,000	65,000	
<b>Total community support</b>	<b>4,533,436</b>	<b>4,292,966</b>	<b>240,470</b>
<b>Total expenditures</b>	<b>13,434,228</b>	<b>8,615,264</b>	<b>4,818,964</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,463,914</b>	<b>(701,705)</b>	<b>(4,165,619)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>3,463,914</b>	<b>(701,705)</b>	<b>(4,165,619)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,363,273</b>	<b>1,363,273</b>	
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 4,827,187</b>	<b>\$ 661,568</b>	<b>\$ (4,165,619)</b>

# CITY OF HENDERSON, NEVADA

## REDEVELOPMENT AGENCY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 8,525,243	\$ 9,097,750	\$ 572,507
Investment income	135,105	276,954	141,849
Rental fees		1,178	1,178
Miscellaneous	28,080	27,093	(987)
Total revenues	8,688,428	9,402,975	714,547
<b>EXPENDITURES</b>			
General government			
Salaries and wages	661,956	641,012	20,944
Employee benefits	267,197	256,097	11,100
Services and supplies	6,487,261	5,793,039	694,222
Total general government	7,416,414	6,690,148	726,266
Debt service			
Principal payments	755,000	755,000	
Payment to current bond refunding agent	10,210,000	10,288,415	(78,415)
Interest charges	453,929	453,930	(1)
Total debt service	11,418,929	11,497,345	(78,416)
Total expenditures	18,835,343	18,187,493	647,850
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(10,146,915)	(8,784,518)	1,362,397
<b>OTHER FINANCING SOURCES</b>			
Issuance of refunding bonds	9,365,000	9,365,000	
Premium on refunding bonds issued	475,559	475,559	
Total other financing sources	9,840,559	9,840,559	
CHANGE IN FUND BALANCE	(306,356)	1,056,041	1,362,397
FUND BALANCE, BEGINNING OF YEAR	27,523,021	27,523,021	
FUND BALANCE, END OF YEAR	\$ 27,216,665	\$ 28,579,062	\$ 1,362,397

# CITY OF HENDERSON, NEVADA

## GAS TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 3,148,599	\$ 4,032,038	\$ 883,439
Investment income	67,000	117,393	50,393
Total revenues	3,215,599	4,149,431	933,832
EXPENDITURES			
Public works			
Salaries and wages	516,704	537,772	(21,068)
Employee benefits	254,696	230,222	24,474
Services and supplies	445,036	140,337	304,699
Capital outlay	2,045,494	252,287	1,793,207
Total public works	3,261,930	1,160,618	2,101,312
Total expenditures	3,261,930	1,160,618	2,101,312
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(46,331)	2,988,813	3,035,144
OTHER FINANCING USES			
Transfers out	(67,000)	(64,949)	2,051
CHANGE IN FUND BALANCE	(113,331)	2,923,864	3,037,195
FUND BALANCE, BEGINNING OF YEAR	7,403,170	7,403,170	
FUND BALANCE, END OF YEAR	\$ 7,289,839	\$ 10,327,034	\$ 3,037,195

# CITY OF HENDERSON, NEVADA

## FORFEITED ASSETS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 266,900	\$ 283,630	\$ 16,730
Investment income	2,550	7,523	4,973
Miscellaneous	6,000	6,677	677
Total revenues	<u>275,450</u>	<u>297,830</u>	<u>22,380</u>
EXPENDITURES			
Public safety			
Services and supplies	634,069	396,174	237,895
Capital outlay	152,070	158,967	(6,897)
Total public safety	<u>786,139</u>	<u>555,141</u>	<u>230,998</u>
Total expenditures	<u>786,139</u>	<u>555,141</u>	<u>230,998</u>
CHANGE IN FUND BALANCE	(510,689)	(257,311)	253,378
FUND BALANCE, BEGINNING OF YEAR	<u>578,410</u>	<u>578,410</u>	
FUND BALANCE, END OF YEAR	<u>\$ 67,721</u>	<u>\$ 321,099</u>	<u>\$ 253,378</u>

# CITY OF HENDERSON, NEVADA

## MUNICIPAL COURT ADMINISTRATIVE FEE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 647,872	\$ 739,562	\$ 91,690
EXPENDITURES			
Judicial			
Salaries and wages	166,767	146,636	20,131
Employee benefits	60,693	61,592	(899)
Services and supplies	608,991	530,900	78,091
Capital outlay	351,255	334,576	16,679
Total judicial	1,187,706	1,073,704	114,002
Total expenditures	1,187,706	1,073,704	114,002
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(539,834)	(334,142)	205,692
CHANGE IN FUND BALANCE	(539,834)	(334,142)	205,692
FUND BALANCE, BEGINNING OF YEAR	992,978	992,978	
FUND BALANCE, END OF YEAR	\$ 453,144	\$ 658,836	\$ 205,692

# CITY OF HENDERSON, NEVADA

## FINANCIAL STABILIZATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 11,114	\$ 11,137	\$ 23
Investment income	<u>180,000</u>	<u>276,779</u>	<u>96,779</u>
Total revenues	<u>191,114</u>	<u>287,916</u>	<u>96,802</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>191,114</u>	<u>287,916</u>	<u>96,802</u>
OTHER FINANCING SOURCES			
Transfers in	<u>400,000</u>	<u>400,000</u>	
CHANGE IN FUND BALANCE	591,114	687,916	96,802
FUND BALANCE, BEGINNING OF YEAR	<u>19,370,562</u>	<u>19,370,562</u>	
FUND BALANCE, END OF YEAR	<u>\$ 19,961,676</u>	<u>\$ 20,058,478</u>	<u>\$ 96,802</u>

# CITY OF HENDERSON, NEVADA

## SALES AND USE TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 14,000,000	\$ 14,092,778	\$ 92,778
Charges for services		40,441	40,441
Investment income	2,500	2,685	185
Miscellaneous		13,699	13,699
Total revenues	14,002,500	14,149,603	147,103
EXPENDITURES			
Public safety			
Salaries and wages	8,507,537	8,292,312	215,225
Employee benefits	4,550,421	4,437,090	113,331
Services and supplies	1,584,716	1,453,279	131,437
Total public safety	14,642,674	14,182,681	459,993
Total expenditures	14,642,674	14,182,681	459,993
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(640,174)	(33,078)	607,096
CHANGE IN FUND BALANCE	(640,174)	(33,078)	607,096
FUND BALANCE, BEGINNING OF YEAR	2,627,171	2,627,171	
FUND BALANCE, END OF YEAR	\$ 1,986,997	\$ 2,594,093	\$ 607,096

# CITY OF HENDERSON, NEVADA

## COMMISSARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 70,000	\$ 92,514	\$ 22,514
Investment income	<u>1,500</u>	<u>3,826</u>	<u>2,326</u>
Total revenues	<u>71,500</u>	<u>96,340</u>	<u>24,840</u>
EXPENDITURES			
Public safety			
Salaries and wages	15,000	6,972	8,028
Employee benefits	5,000	2,587	2,413
Services and supplies	<u>75,000</u>	<u>55,751</u>	<u>19,249</u>
Total expenditures	<u>95,000</u>	<u>65,310</u>	<u>29,690</u>
CHANGE IN FUND BALANCE	(23,500)	31,030	54,530
FUND BALANCE, BEGINNING OF YEAR	<u>198,723</u>	<u>198,723</u>	
FUND BALANCE, END OF YEAR	<u>\$ 175,223</u>	<u>\$ 229,753</u>	<u>\$ 54,530</u>

## CITY OF HENDERSON, NEVADA

### ELDORADO VALLEY TRAINING FACILITY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 50,000	\$ 50,000	\$
Charges for services		12,000	12,000
Investment income		1,167	1,167
Rental fees		11,100	11,100
Miscellaneous	20,000	1,492	(18,508)
	70,000	75,759	5,759
Total revenues			
EXPENDITURES			
Public safety			
Salaries and wages	8,000	6,579	1,421
Employee benefits	500	168	332
Services and supplies	101,503	36,417	65,086
Total public safety	110,003	43,164	66,839
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,003)	32,595	72,598
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	
CHANGE IN FUND BALANCE	9,997	82,595	72,598
FUND BALANCE, BEGINNING OF YEAR	40,591	40,591	
FUND BALANCE, END OF YEAR	\$ 50,588	\$ 123,186	\$ 72,598

# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 81,365	\$ 150,382	\$ 69,017
Investment income	123,508	132,817	9,309
Miscellaneous	50,000	129,365	79,365
Total revenues	<u>254,873</u>	<u>412,564</u>	<u>157,691</u>
EXPENDITURES			
Public works			
Services and supplies	<u>31,007</u>	<u>5,308</u>	<u>25,699</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>223,866</u>	<u>407,256</u>	<u>183,390</u>
OTHER FINANCING USES			
Transfers out	<u>                    </u>	<u>(196,538)</u>	<u>(196,538)</u>
CHANGE IN FUND BALANCE	223,866	210,718	(13,148)
FUND BALANCE, BEGINNING OF YEAR	<u>989,264</u>	<u>989,264</u>	<u>                    </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,213,130</u>	<u>\$ 1,199,982</u>	<u>\$ (13,148)</u>

# CITY OF HENDERSON, NEVADA

## GENERAL OBLIGATION DEBT SERVICE FUND

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

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 3,761,669	\$ 3,761,620	\$ (49)
Investment income	<u>31,500</u>	<u>111,897</u>	<u>80,397</u>
Total revenues	<u>3,793,169</u>	<u>3,873,517</u>	<u>80,348</u>
EXPENDITURES			
General government			
Services and supplies		5,498	(5,498)
Total general government		<u>5,498</u>	<u>(5,498)</u>
Debt service			
Principal payments	5,256,000	5,256,000	
Interest charges	4,680,306	4,680,306	
Administrative and other costs	<u>34,150</u>		<u>34,150</u>
Total debt service	<u>9,970,456</u>	<u>9,936,306</u>	<u>34,150</u>
Total expenditures	<u>9,970,456</u>	<u>9,941,804</u>	<u>28,652</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,177,287)</u>	<u>(6,068,287)</u>	<u>109,000</u>
OTHER FINANCING SOURCES			
Transfers in	<u>4,818,219</u>	<u>4,939,024</u>	<u>120,805</u>
Total other financing sources	<u>4,818,219</u>	<u>4,939,024</u>	<u>120,805</u>
CHANGE IN FUND BALANCE	(1,359,068)	(1,129,263)	229,805
FUND BALANCE, BEGINNING OF YEAR	<u>7,325,145</u>	<u>7,325,145</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,966,077</u>	<u>\$ 6,195,882</u>	<u>\$ 229,805</u>

## CITY OF HENDERSON, NEVADA

### MUNICIPAL FACILITIES ACQUISITION AND CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 49,800	\$ 49,800	\$
Investment income	100,000	184,521	84,521
Developer contributions	2,155,209	2,155,209	
Total revenues	<u>2,305,009</u>	<u>2,389,530</u>	<u>84,521</u>
<b>EXPENDITURES</b>			
General government			
Services and supplies	65,839	7,095	58,744
Capital outlay	699,505	355,794	343,711
Total general government	<u>765,344</u>	<u>362,889</u>	<u>402,455</u>
Public safety			
Services and supplies		460,602	(460,602)
Capital outlay	707,842	797,341	(89,499)
Total public safety	<u>707,842</u>	<u>1,257,943</u>	<u>(550,101)</u>
Public works			
Salaries and wages	70,615	21,830	48,785
Employee benefits	8,425	754	7,671
Services and supplies	2,149,707	58,161	2,091,546
Capital outlay	2,060,862	313,635	1,747,227
Total public works	<u>4,289,609</u>	<u>394,380</u>	<u>3,895,229</u>
Total expenditures	<u>5,762,795</u>	<u>2,015,212</u>	<u>3,747,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,457,786)</u>	<u>374,318</u>	<u>3,832,104</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		2,000,000	2,000,000
Transfers out	(400,000)		400,000
Total other financing sources (uses)	<u>(400,000)</u>	<u>2,000,000</u>	<u>2,400,000</u>
CHANGE IN FUND BALANCE	(3,857,786)	2,374,318	6,232,104
FUND BALANCE, BEGINNING OF YEAR	<u>12,135,074</u>	<u>12,135,074</u>	
FUND BALANCE, END OF YEAR	<u>\$ 8,277,288</u>	<u>\$ 14,509,392</u>	<u>\$ 6,232,104</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL RECREATION CAPITAL PROJECTS FUND

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

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 2,700,000	\$ 2,758,525	\$ 58,525
Charges for services	100,000	96,604	(3,396)
Investment income	37,500	72,236	34,736
Rental fees		1,330	1,330
Miscellaneous	10,250	17,773	7,523
Total revenues	2,847,750	2,946,468	98,718
<b>EXPENDITURES</b>			
Culture and recreation			
Salaries and wages	11,563	11,934	(371)
Employee benefits	1,637	1,585	52
Services and supplies	2,624,909	1,833,003	791,906
Capital outlay	806,315	157,767	648,548
Total expenditures	3,444,424	2,004,289	1,440,135
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(596,674)	942,179	1,538,853
<b>OTHER FINANCING USES</b>			
Transfers out	(274,794)	(274,794)	
CHANGE IN FUND BALANCE	(871,468)	667,385	1,538,853
FUND BALANCE, BEGINNING OF YEAR	5,064,130	5,064,130	
FUND BALANCE, END OF YEAR	\$ 4,192,662	\$ 5,731,515	\$ 1,538,853

# CITY OF HENDERSON, NEVADA

## PARK DEVELOPMENT CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Impact fees	\$ 959,000	\$ 1,298,666	\$ 339,666
Investment income	80,400	63,245	(17,155)
Total revenues	1,039,400	1,361,911	322,511
EXPENDITURES			
Culture and recreation			
Salaries and wages	60,695	58	60,637
Employee benefits	100	41	59
Services and supplies	238,360	38,868	199,492
Capital outlay	1,780,586	541,769	1,238,817
Total culture and recreation	2,079,741	580,736	1,499,005
Total expenditures	2,079,741	580,736	1,499,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,040,341)	781,175	1,821,516
CHANGE IN FUND BALANCE	(1,040,341)	781,175	1,821,516
FUND BALANCE, BEGINNING OF YEAR	4,149,116	4,149,116	
FUND BALANCE, END OF YEAR	\$ 3,108,775	\$ 4,930,291	\$ 1,821,516

**CITY OF HENDERSON, NEVADA**

**FLOOD CONTROL CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>2,000</u>	\$ <u>6,925</u>	\$ <u>4,925</u>
CHANGE IN FUND BALANCE	2,000	6,925	4,925
FUND BALANCE, BEGINNING OF YEAR	<u>190,801</u>	<u>190,801</u>	
FUND BALANCE, END OF YEAR	<u>\$ 192,801</u>	<u>\$ 197,726</u>	<u>\$ 4,925</u>

# CITY OF HENDERSON, NEVADA

## RTC/COUNTY FUNDED CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ <u>94,388</u>	\$ <u>233,066</u>	\$ <u>138,678</u>
EXPENDITURES			
Public works			
Services and supplies	138,878	138,878	
Capital outlay	<u>98,449</u>	<u>94,388</u>	<u>4,061</u>
Total public works	<u>237,327</u>	<u>233,266</u>	<u>4,061</u>
Total expenditures	<u>237,327</u>	<u>233,266</u>	<u>4,061</u>
CHANGE IN FUND BALANCE	(142,939)	(200)	142,739
FUND BALANCE, BEGINNING OF YEAR	<u>535,553</u>	<u>535,553</u>	
FUND BALANCE, END OF YEAR	<u>\$ 392,614</u>	<u>\$ 535,353</u>	<u>\$ 142,739</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,224,362	\$ (75,638)
Investment income		850	850
Total revenues	1,300,000	1,225,212	(74,788)
EXCESS OF REVENUES OVER EXPENDITURES	1,300,000	1,225,212	(74,788)
OTHER FINANCING USES			
Transfers out	(1,300,000)	(1,300,000)	
CHANGE IN FUND BALANCE		(74,788)	(74,788)
FUND BALANCE, BEGINNING OF YEAR	364,787	364,787	
FUND BALANCE, END OF YEAR	\$ 364,787	\$ 289,999	\$ (74,788)

# CITY OF HENDERSON, NEVADA

## CAPITAL REPLACEMENT CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 16,200	\$ 82,606	\$ 66,406
Investment income	91,000	270,965	179,965
Developer contributions	8,577,841	7,509,025	(1,068,816)
Miscellaneous	474,896	474,896	474,896
<b>Total revenues</b>	<b>8,685,041</b>	<b>8,337,492</b>	<b>(347,549)</b>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	17,527	12,553	4,974
Employee benefits	1,500	435	1,065
Services and supplies	778,191	456,557	321,634
Capital outlay	347,054	372,766	(25,712)
<b>Total general government</b>	<b>1,144,272</b>	<b>842,311</b>	<b>301,961</b>
Public safety			
Services and supplies	141,565	105,815	35,750
Capital outlay	263,932	42,983	220,949
<b>Total public safety</b>	<b>405,497</b>	<b>148,798</b>	<b>256,699</b>
Public works			
Salaries and wages	61	246	(185)
Employee benefits	100	100	(100)
Services and supplies	3,871,408	2,181,755	1,689,653
Capital outlay	12,631,744	3,284,305	9,347,439
<b>Total public works</b>	<b>16,503,213</b>	<b>5,466,406</b>	<b>11,036,807</b>
Culture and recreation			
Services and supplies	18,093	13,532	4,561
Capital outlay	2,671,722	196,962	2,474,760
<b>Total culture and recreation</b>	<b>2,689,815</b>	<b>210,494</b>	<b>2,479,321</b>
<b>Total expenditures</b>	<b>20,742,797</b>	<b>6,668,009</b>	<b>14,074,788</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(12,057,756)</b>	<b>1,669,483</b>	<b>13,727,239</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,000,000	5,011,500	4,011,500
<b>CHANGE IN FUND BALANCE</b>	<b>(11,057,756)</b>	<b>6,680,983</b>	<b>17,738,739</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>15,838,068</b>	<b>15,838,068</b>	<b>_____</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 4,780,312</b>	<b>\$ 22,519,051</b>	<b>\$ 17,738,739</b>

**CITY OF HENDERSON, NEVADA**

**LAKE LAS VEGAS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>58,000</u>	\$ <u>81,186</u>	\$ <u>23,186</u>
CHANGE IN FUND BALANCE	58,000	81,186	23,186
FUND BALANCE, BEGINNING OF YEAR	<u>5,754,559</u>	<u>5,754,559</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,812,559</u>	<u>\$ 5,835,745</u>	<u>\$ 23,186</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Investment income	\$ 24,000	\$ 55,400	\$ 31,400
EXPENDITURES			
Public works			
Salaries and wages	464	24	440
Employee benefits	1,348	13	1,335
Services and supplies	10,351,741	24,341	10,327,400
Capital outlay	25,800,043	24,231,813	1,568,230
Total public works	36,153,596	24,256,191	11,897,405
Debt service			
Interest charges	97,908	55,892	42,016
Total expenditures	36,251,504	24,312,083	11,939,421
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(36,227,504)	(24,256,683)	11,970,821
OTHER FINANCING SOURCES			
Transfers in	196,538	196,538	196,538
CHANGE IN FUND BALANCE	(36,227,504)	(24,060,145)	12,167,359
FUND BALANCE, BEGINNING OF YEAR	54,308,435	54,308,435	
FUND BALANCE, END OF YEAR	\$ 18,080,931	\$ 30,248,290	\$ 12,167,359

# CITY OF HENDERSON, NEVADA

## LAND SALES CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$	\$ 9,992	\$ 9,992
Investment income	825,000	1,018,406	193,406
Rental fees		518,005	518,005
Miscellaneous	<u>460,000</u>	<u>106,095</u>	<u>(353,905)</u>
Total revenues	<u>1,285,000</u>	<u>1,652,498</u>	<u>367,498</u>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	186,015	184,493	1,522
Employee benefits	69,418	68,260	1,158
Services and supplies	<u>15,475</u>	<u>5,400</u>	<u>10,075</u>
Total general government	<u>270,908</u>	<u>258,153</u>	<u>12,755</u>
Public safety			
Salaries and wages	48,000	38,468	9,532
Employee benefits	10,625	9,273	1,352
Services and supplies	126,000		126,000
Capital outlay	<u>229,837</u>	<u>195,788</u>	<u>34,049</u>
Total public safety	<u>414,462</u>	<u>243,529</u>	<u>170,933</u>
Public works			
Salaries and wages	98,266	91,015	7,251
Employee benefits	39,437	36,629	2,808
Services and supplies	1,218,532	287,757	930,775
Capital outlay	<u>979,240</u>	<u>158,628</u>	<u>820,612</u>
Total public works	<u>2,335,475</u>	<u>574,029</u>	<u>1,761,446</u>
Total expenditures	<u>3,020,845</u>	<u>1,075,711</u>	<u>1,945,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,735,845)</u>	<u>576,787</u>	<u>2,312,632</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from land sales	2,600,000	2,696,014	96,014
Transfers out	<u>(287,281)</u>	<u>(287,281)</u>	
Total other financing sources (uses)	<u>2,312,719</u>	<u>2,408,733</u>	<u>96,014</u>
CHANGE IN FUND BALANCE	576,874	2,985,520	2,408,646
FUND BALANCE, BEGINNING OF YEAR	<u>24,569,360</u>	<u>24,569,360</u>	
FUND BALANCE, END OF YEAR	<u>\$ 25,146,234</u>	<u>\$ 27,554,880</u>	<u>\$ 2,408,646</u>

# PROPRIETARY FUNDS

## Internal Service Funds

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

**Engineering** - to account for the financing of engineering services provided by City engineers to other departments or to other governmental units such as Federal (Environmental Protection Agency and Housing and Urban Development) or State. Charges are made on a cost-reimbursement basis.

**City Shop** - to account for the costs of acquisition, maintenance (including fuel) and replacement of all City vehicles. Charges are billed to the user departments on a cost-reimbursement basis including depreciation.

**Revolving Fund** - to account for the resources and revenues of a fund that is restricted to the provision of loans to special assessment districts.

**Self Insurance** - to account for monies collected from various City departments and funds that are to be expended for payment of claims, to certain limits, for casualty and accident losses.

**Worker's Compensation Self Insurance** - to account for and accumulate funds collected from various City departments and funds to be expended for payments of employees' work related injury claims, to certain limits, including disability payments.

**Health Insurance Self Insurance** - to account for and accumulate funds collected from various City departments

and funds to be expended for payments of employees' health claims, to certain limits, and related insurance premiums including life and travel insurance for employees.

**Citywide Services** - to account for the costs of common services such as telephone, copy and print services, and certain information technology services provided by one department to other departments and funds on a cost reimbursement basis.

## Enterprise Funds

### Non-major Enterprise Funds

**Cultural Arts & Tourism Enterprise Fund** - to account for costs of operating the Henderson Convention Center, the Henderson Events Plaza, and the Pavilion at Liberty Pointe. Resources for the operation of these activities are derived from a room tax imposed by the City, a percentage of the total Gaming License Revenue received by the City designated for the support of the convention center and the promotion of tourism, and user fees.

**Municipal Golf Course Enterprise Fund** - to account for the operations related to the City's municipal golf course known as the Wildhorse Golf Course.

**Development Services Fund** - to account for activities and transactions related to the building permit processing function. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, permit processing, issuance, monitoring, building inspection, plan checking, certain development reviews and related administrative expenses.



# 2016

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016

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# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2016

	Engineering	City Shop	Revolving	Worker's		Citywide	Total Internal
				Self Insurance	Health Insurance		
<b>ASSETS</b>							
Current assets							
Cash, cash equivalents and investments	\$ 4,555,451	\$ 10,451,045	\$ 2,978,401	\$ 6,204,921	\$ 19,478,029	\$ 6,375,335	\$ 60,703,399
Restricted cash and cash equivalents					831,786		831,786
Accounts receivable, net	9,504	4,058		2,636	141,815	10,456	168,469
Interest receivable	5,796	14,108	4,065	8,366	23,826	7,564	79,014
Inventories		62,054					62,054
Prepaid items		10,376					11,471
Due from other governments	291,608						291,608
Total current assets	<u>4,862,359</u>	<u>10,541,641</u>	<u>2,982,466</u>	<u>6,215,923</u>	<u>19,643,670</u>	<u>7,225,141</u>	<u>62,147,801</u>
Noncurrent assets							
Capital assets, net of accumulated depreciation and amortization							
Construction in progress		99,720					99,720
Buildings and building improvements		744,560					744,560
Improvements other than buildings		1,163,704					1,163,704
Machinery and equipment	14,385	53,912,314					53,926,699
Accumulated depreciation and amortization	(14,385)	(39,668,826)					(39,683,211)
Total capital assets, net of accumulated depreciation and amortization		<u>16,251,472</u>					<u>16,251,472</u>
Other assets							
Advances to other funds					1,507,603		1,507,603
Total noncurrent assets		<u>16,251,472</u>			<u>1,507,603</u>		<u>17,759,075</u>
Total assets	<u>4,862,359</u>	<u>26,793,113</u>	<u>4,490,069</u>	<u>6,215,923</u>	<u>19,643,670</u>	<u>7,225,141</u>	<u>79,906,876</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amounts related to pensions	<u>1,167,842</u>	<u>381,607</u>		<u>149,558</u>	<u>236,705</u>	<u>28,360</u>	<u>2,157,429</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2016

	Engineering	City Shop	Revolving	Self Insurance	Worker's		Health Insurance	Citywide Services	Total Internal Service Funds
					Self Insurance	Compensation			
<b>LIABILITIES</b>									
Current liabilities									
Accounts payable and other accrued liabilities	58,974	565,361		29,043	74,531	69,166	1,057,407	1,854,482	
Accrued wages	123,961	39,142		14,448	27,925	2,768	25,591	233,835	
Deposits							32,954	32,954	
Compensated absences	120,718	32,234		20,848	13,702	6,583	10,524	204,609	
Claims and judgments				1,541,408	10,459,999	1,608,000		13,609,407	
Total current liabilities	<u>303,653</u>	<u>636,737</u>		<u>1,605,747</u>	<u>10,576,157</u>	<u>1,686,517</u>	<u>1,126,476</u>	<u>15,935,287</u>	
Noncurrent liabilities									
Compensated absences	1,377,760	367,891		237,935	156,378	75,131	120,109	2,335,204	
Other post employment benefits	669,733	185,888		63,175	65,063	1,169,037	52,611	2,205,507	
Net pension liability	7,034,219	2,294,763		900,698	1,413,832	170,794	1,158,395	12,972,701	
Total noncurrent liabilities	<u>9,081,712</u>	<u>2,848,542</u>		<u>1,201,808</u>	<u>1,635,273</u>	<u>1,414,962</u>	<u>1,331,115</u>	<u>17,513,412</u>	
Total liabilities	<u>9,385,365</u>	<u>3,485,279</u>		<u>2,807,555</u>	<u>12,211,430</u>	<u>3,101,479</u>	<u>2,457,591</u>	<u>33,448,699</u>	
DEFERRED INFLOWS OF RESOURCES									
Deferred amounts related to pensions	897,700	281,109		114,549	143,196	21,709	128,297	1,586,560	
NET POSITION									
Net investment in capital assets		16,251,472						16,251,472	
Restricted									
Claims	(4,252,864)	7,156,860	4,490,069	3,443,377	7,525,749	4,130,313	8,284,070	15,099,439	
Unrestricted								15,678,135	
Total net position	<u>(4,252,864)</u>	<u>23,408,332</u>	<u>4,490,069</u>	<u>3,443,377</u>	<u>7,525,749</u>	<u>4,130,313</u>	<u>8,284,070</u>	<u>47,029,046</u>	

# CITY OF HENDERSON, NEVADA

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

	Engineering	City Shop	Revolving	Self Insurance	Worker's		Citywide	Total Internal
					Compensation	Health Insurance		
<b>OPERATING REVENUES</b>								
Charges for services	\$ 7,859,378	\$ 6,559,863	\$ 55,892	\$ 2,557,549	\$ 2,862,619	\$ 16,551,517	\$ 10,906,444	\$ 47,353,262
<b>OPERATING EXPENSES</b>								
Salaries and wages	3,888,716	1,309,152		526,230	912,792	96,435	776,584	7,509,909
Employee benefits	1,504,625	529,138		174,960	360,019	36,095	282,222	2,887,059
Services and supplies	1,876,283	3,685,972		1,259,076	1,335,051	2,469,436	10,447,607	21,073,425
Claims and judgments				788,664	2,096,779	13,637,211		16,522,654
Legal fees				425	18,909			19,334
Depreciation and amortization		3,033,976						3,033,976
Total operating expenses	<u>7,269,624</u>	<u>8,558,238</u>		<u>2,749,355</u>	<u>4,723,550</u>	<u>16,239,177</u>	<u>11,506,413</u>	<u>51,046,357</u>
Operating income (loss)	<u>589,754</u>	<u>(1,998,375)</u>	<u>55,892</u>	<u>(191,806)</u>	<u>(1,860,931)</u>	<u>312,340</u>	<u>(599,969)</u>	<u>(3,693,095)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment income	59,284	160,132	40,588	86,046	251,422	95,035	143,175	835,682
Gain (loss) on capital asset disposition		341,836						341,836
Interest expense					(12,001)			(12,001)
Miscellaneous	235,522	13,242		22,630	74		2,177	273,645
Total nonoperating revenues (expenses)	<u>294,806</u>	<u>515,210</u>	<u>40,588</u>	<u>108,676</u>	<u>239,495</u>	<u>95,035</u>	<u>145,352</u>	<u>1,439,162</u>
Income (loss) before capital contributions and transfers	<u>884,560</u>	<u>(1,483,165)</u>	<u>96,480</u>	<u>(83,130)</u>	<u>(1,621,436)</u>	<u>407,375</u>	<u>(454,617)</u>	<u>(2,253,933)</u>
<b>CAPITAL CONTRIBUTIONS</b>								
Capital contributions		1,385,049						1,385,049
<b>TRANSFERS</b>								
Transfers in							1,437,663	1,437,663
Transfers out			(23,000)					(23,000)
Total transfers			<u>(23,000)</u>				<u>1,437,663</u>	<u>1,414,663</u>
CHANGE IN NET POSITION	884,560	(98,116)	73,480	(83,130)	(1,621,436)	407,375	983,046	545,779
NET POSITION, BEGINNING OF YEAR	(5,137,424)	23,506,448	4,416,589	3,526,507	9,147,185	3,722,938	7,301,024	46,483,267
NET POSITION, END OF YEAR	<u>(4,252,864)</u>	<u>23,408,332</u>	<u>4,490,069</u>	<u>3,443,377</u>	<u>7,525,749</u>	<u>4,130,313</u>	<u>8,284,070</u>	<u>47,029,046</u>

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# CITY OF HENDERSON, NEVADA

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

	Engineering	City Shop	Revolving	Self Insurance	Worker's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ 589,754	\$ (1,998,375)	\$ 55,892	\$ (191,806)	\$ (1,860,931)	\$ 312,340	\$ (599,969)	\$ (3,693,095)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation		3,033,976						3,033,976
Other	235,522	13,242		22,630	74		2,177	273,645
(Increase) decrease in operating assets								
Accounts receivable	4,914	7,288		(2,636)	(122,337)	18,861	(1,095)	(93,910)
Prepaid items		(10,376)						(11,471)
Due from other funds	23,321							23,321
Inventories		103						103
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	16,742	103,567		22,868	23,263	(789,743)	151,646	(471,657)
Compensated absences	(204,506)	(7,446)		32,182	8,944	1,710	2,232	(166,884)
Claims and judgments				250,644	826,631	(454,000)		623,275
Other post employment benefits	15,880	1,385		3,139	7,848	1,156,585	6,094	1,190,931
Net pension liability	(218,883)	(74,211)		(28,122)	(52,888)	(5,335)	(40,712)	(420,151)
Deposits						(71,922)	(13,681)	(13,681)
Total adjustments	<u>(127,010)</u>	<u>3,067,528</u>		<u>300,705</u>	<u>691,535</u>	<u>(71,922)</u>	<u>106,661</u>	<u>3,967,497</u>
Net cash provided by (used in) operating activities	<u>\$ 462,744</u>	<u>\$ 1,069,153</u>	<u>\$ 55,892</u>	<u>\$ 108,899</u>	<u>\$ (1,169,396)</u>	<u>\$ 240,418</u>	<u>\$ (493,308)</u>	<u>\$ 274,402</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	<u>\$</u>	<u>\$ 1,385,049</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,385,049</u>

# CITY OF HENDERSON, NEVADA

## ENGINEERING INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 7,703,516	\$ 7,859,378	\$ 155,862
OPERATING EXPENSES			
Salaries and wages	4,342,044	3,888,716	453,328
Employee benefits	2,100,644	1,504,625	596,019
Services and supplies	1,992,887	1,876,283	116,604
Total operating expenses	8,435,575	7,269,624	1,165,951
Operating income (loss)	(732,059)	589,754	1,321,813
NONOPERATING REVENUES			
Investment income	50,000	59,284	9,284
Miscellaneous		235,522	235,522
Total nonoperating revenues	50,000	294,806	244,806
CHANGE IN NET POSITION	\$ (682,059)	884,560	\$ 1,566,619
NET POSITION, BEGINNING OF YEAR		(5,137,424)	
NET POSITION, END OF YEAR		\$ (4,252,864)	

# CITY OF HENDERSON, NEVADA

## CITY SHOP INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 5,213,391	\$ 6,559,863	\$ 1,346,472
OPERATING EXPENSES			
Salaries and wages	1,650,267	1,309,152	341,115
Employee benefits	739,944	529,138	210,806
Services and supplies	4,821,004	3,685,972	1,135,032
Depreciation and amortization	2,972,907	3,033,976	(61,069)
Total operating expenses	10,184,122	8,558,238	1,625,884
Operating loss	(4,970,731)	(1,998,375)	2,972,356
NONOPERATING REVENUES			
Investment income	132,000	160,132	28,132
Gain (loss) on capital asset disposition	288,000	341,836	53,836
Miscellaneous		13,242	13,242
Total nonoperating revenues	420,000	515,210	95,210
Loss before capital contributions	(4,550,731)	(1,483,165)	3,067,566
CAPITAL CONTRIBUTIONS			
Capital contributions	286,000	1,385,049	1,099,049
CHANGE IN NET POSITION	\$ (4,264,731)	(98,116)	\$ 4,166,615
NET POSITION, BEGINNING OF YEAR		23,506,448	
NET POSITION, END OF YEAR		\$ 23,408,332	

# CITY OF HENDERSON, NEVADA

## REVOLVING INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>56,000</u>	\$ <u>55,892</u>	\$ <u>(108)</u>
Operating income	<u>56,000</u>	<u>55,892</u>	<u>(108)</u>
NONOPERATING REVENUES			
Investment income	<u>23,000</u>	<u>40,588</u>	<u>17,588</u>
Income before transfers	<u>79,000</u>	<u>96,480</u>	<u>17,480</u>
TRANSFERS			
Transfers out	<u>(23,000)</u>	<u>(23,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>56,000</u></u>	73,480	\$ <u><u>17,480</u></u>
NET POSITION, BEGINNING OF YEAR		<u>4,416,589</u>	
NET POSITION, END OF YEAR		\$ <u><u>4,490,069</u></u>	

# CITY OF HENDERSON, NEVADA

## SELF INSURANCE INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 2,557,549	\$ 2,557,549	\$ _____
OPERATING EXPENSES			
Salaries and wages	497,954	526,230	(28,276)
Employee benefits	203,633	174,960	28,673
Services and supplies	1,344,957	1,259,076	85,881
Claims and judgments	1,425,000	788,664	636,336
Legal fees	100,000	425	99,575
Total operating expenses	3,571,544	2,749,355	822,189
Operating loss	(1,013,995)	(191,806)	822,189
NONOPERATING REVENUES			
Investment income	65,000	86,046	21,046
Miscellaneous	19,500	22,630	3,130
Total nonoperating revenues	84,500	108,676	24,176
CHANGE IN NET POSITION	\$ (929,495)	(83,130)	\$ 846,365
NET POSITION, BEGINNING OF YEAR		3,526,507	
NET POSITION, END OF YEAR		\$ 3,443,377	

## CITY OF HENDERSON, NEVADA

### WORKER'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 3,072,530	\$ 2,862,619	\$ (209,911)
OPERATING EXPENSES			
Salaries and wages	946,928	912,792	34,136
Employee benefits	426,254	360,019	66,235
Services and supplies	1,556,019	1,335,051	220,968
Claims and judgments	5,444,093	2,096,779	3,347,314
Legal fees	25,000	18,909	6,091
Total operating expenses	8,398,294	4,723,550	3,674,744
Operating loss	(5,325,764)	(1,860,931)	3,464,833
NONOPERATING REVENUES (EXPENSES)			
Investment income	210,000	251,422	41,422
Interest expense		(12,001)	(12,001)
Miscellaneous		74	74
Total nonoperating revenues (expenses)	210,000	239,495	29,495
CHANGE IN NET POSITION	\$ (5,115,764)	(1,621,436)	\$ 3,494,328
NET POSITION, BEGINNING OF YEAR		9,147,185	
NET POSITION, END OF YEAR		\$ 7,525,749	

# CITY OF HENDERSON, NEVADA

## HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 16,268,781	\$ 16,551,517	\$ 282,736
OPERATING EXPENSES			
Salaries and wages	95,398	96,435	(1,037)
Employee benefits	41,477	36,095	5,382
Services and supplies	2,173,505	2,469,436	(295,931)
Claims and judgments	17,011,101	13,637,211	3,373,890
Total operating expenses	19,321,481	16,239,177	3,082,304
Operating income (loss)	(3,052,700)	312,340	3,365,040
NONOPERATING REVENUES			
Investment income	75,000	95,035	20,035
CHANGE IN NET POSITION	\$ (2,977,700)	407,375	\$ 3,385,075
NET POSITION, BEGINNING OF YEAR		3,722,938	
NET POSITION, END OF YEAR		\$ 4,130,313	

# CITY OF HENDERSON, NEVADA

## CITYWIDE SERVICES INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>10,810,981</u>	\$ <u>10,906,444</u>	\$ <u>95,463</u>
OPERATING EXPENSES			
Salaries and wages	802,297	776,584	25,713
Employee benefits	331,259	282,222	49,037
Services and supplies	<u>16,777,701</u>	<u>10,447,607</u>	<u>6,330,094</u>
Total operating expenses	<u>17,911,257</u>	<u>11,506,413</u>	<u>6,404,844</u>
Operating loss	<u>(7,100,276)</u>	<u>(599,969)</u>	<u>6,500,307</u>
NONOPERATING REVENUES			
Investment income	67,000	143,175	76,175
Miscellaneous		<u>2,177</u>	<u>2,177</u>
Total nonoperating revenues	<u>67,000</u>	<u>145,352</u>	<u>78,352</u>
Loss before transfers	<u>(7,033,276)</u>	<u>(454,617)</u>	<u>6,578,659</u>
TRANSFERS			
Transfers in	<u>1,186,442</u>	<u>1,437,663</u>	<u>251,221</u>
Total transfers	<u>1,186,442</u>	<u>1,437,663</u>	<u>251,221</u>
CHANGE IN NET POSITION	\$ <u>(5,846,834)</u>	983,046	\$ <u>6,829,880</u>
NET POSITION, BEGINNING OF YEAR		<u>7,301,024</u>	
NET POSITION, END OF YEAR		\$ <u>8,284,070</u>	

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# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2016

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 5,560,761	\$ 205,764	\$ 13,904,611	\$ 19,671,136
Accounts receivable, net	832	122,276		123,108
Interest receivable	6,892	189	18,721	25,802
Prepaid items			1,334	1,334
Due from other governments	261,457			261,457
Total current assets	<u>5,829,942</u>	<u>328,229</u>	<u>13,924,666</u>	<u>20,082,837</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Land		13,802,929		13,802,929
Buildings and building improvements	3,835,536	5,660,600		9,496,136
Improvements other than buildings	1,398,259	23,836,713	1,206,116	26,441,088
Machinery and equipment	230,587	2,309,448	2,901,974	5,442,009
Accumulated depreciation and amortization	(3,305,848)	(18,521,888)	(3,540,394)	(25,368,130)
Total capital assets, net of accumulated depreciation and amortization	<u>2,158,534</u>	<u>27,087,802</u>	<u>567,696</u>	<u>29,814,032</u>
Total noncurrent assets	<u>2,158,534</u>	<u>27,087,802</u>	<u>567,696</u>	<u>29,814,032</u>
Total assets	<u>7,988,476</u>	<u>27,416,031</u>	<u>14,492,362</u>	<u>49,896,869</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	<u>440,421</u>		<u>1,506,537</u>	<u>1,946,958</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and other accrued liabilities	78,042	5,971	107,775	191,788
Accrued wages	36,026		167,224	203,250
Due to other governments	4,399			4,399
Unearned revenue	21,662		6,638,704	6,660,366
Deposits	9,370		140,651	150,021
Compensated absences	42,124		135,195	177,319
Total current liabilities	<u>191,623</u>	<u>5,971</u>	<u>7,189,549</u>	<u>7,387,143</u>
Noncurrent liabilities				
Compensated absences	417,857		1,341,095	1,758,952
Other post employment benefits	279,293		1,036,278	1,315,571
Net pension liability	2,665,852		9,026,258	11,692,110
Total noncurrent liabilities	<u>3,363,002</u>		<u>11,403,631</u>	<u>14,766,633</u>
Total liabilities	<u>3,554,625</u>	<u>5,971</u>	<u>18,593,180</u>	<u>22,153,776</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	<u>381,143</u>		<u>1,001,775</u>	<u>1,382,918</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,158,534	27,087,802	567,696	29,814,032
Unrestricted	<u>2,334,595</u>	<u>322,258</u>	<u>(4,163,752)</u>	<u>(1,506,899)</u>
Total net position	<u>\$ 4,493,129</u>	<u>\$ 27,410,060</u>	<u>\$ (3,596,056)</u>	<u>\$ 28,307,133</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 446,185	\$ 2,180,742	\$ 12,346,317	\$ 14,973,244
Licenses and permits	549,751		5,750,419	6,300,170
Intergovernmental			292	292
Rental fees	357,882			357,882
Miscellaneous	90,187		3,201	93,388
Total operating revenues	<u>1,444,005</u>	<u>2,180,742</u>	<u>18,100,229</u>	<u>21,724,976</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	1,539,752		5,807,008	7,346,760
Employee benefits	532,912		2,209,363	2,742,275
Services and supplies	1,251,736	2,235,751	6,283,328	9,770,815
Depreciation and amortization	119,611	298,998	14,132	432,741
Total operating expenses	<u>3,444,011</u>	<u>2,534,749</u>	<u>14,313,831</u>	<u>20,292,591</u>
Operating income (loss)	<u>(2,000,006)</u>	<u>(354,007)</u>	<u>3,786,398</u>	<u>1,432,385</u>
<b>NONOPERATING REVENUES</b>				
Investment income	68,135	2,711	184,171	255,017
Room tax revenue	2,215,626			2,215,626
Other intergovernmental revenue	1,386,158			1,386,158
Total nonoperating revenues	<u>3,669,919</u>	<u>2,711</u>	<u>184,171</u>	<u>3,856,801</u>
Income (loss) before capital contributions and transfers	<u>1,669,913</u>	<u>(351,296)</u>	<u>3,970,569</u>	<u>5,289,186</u>
<b>CAPITAL CONTRIBUTIONS</b>				
Capital contributions	<u>1,000</u>			<u>1,000</u>
<b>TRANSFERS</b>				
Transfers in		286,754		286,754
Transfers out	(527)		(1,145,311)	(1,145,838)
Total transfers	<u>(527)</u>	<u>286,754</u>	<u>(1,145,311)</u>	<u>(859,084)</u>
CHANGE IN NET POSITION	1,670,386	(64,542)	2,825,258	4,431,102
NET POSITION, BEGINNING OF YEAR	<u>2,822,743</u>	<u>27,474,602</u>	<u>(6,421,314)</u>	<u>23,876,031</u>
NET POSITION, END OF YEAR	<u>\$ 4,493,129</u>	<u>\$ 27,410,060</u>	<u>\$ (3,596,056)</u>	<u>\$ 28,307,133</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,442,609	\$ 2,211,789	\$ 17,770,593	\$ 21,424,991
Cash received from other sources	3,602,784			3,602,784
Cash payments for goods and services	(1,902,533)	(2,239,504)	(8,788,097)	(12,930,134)
Cash payments for employee services	(1,597,463)		(5,732,566)	(7,330,029)
Net cash provided by (used in) operating activities	<u>1,545,397</u>	<u>(27,715)</u>	<u>3,249,930</u>	<u>4,767,612</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in		286,754		286,754
Transfers out	(527)		(1,145,311)	(1,145,838)
Net cash provided by (used in) noncapital financing activities	<u>(527)</u>	<u>286,754</u>	<u>(1,145,311)</u>	<u>(859,084)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets		(308,970)		(308,970)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	68,495	3,107	187,375	258,977
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,613,365	(46,824)	2,291,994	3,858,535
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,947,396</u>	<u>252,588</u>	<u>11,612,617</u>	<u>15,812,601</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 5,560,761</u>	<u>\$ 205,764</u>	<u>\$ 13,904,611</u>	<u>\$ 19,671,136</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,000,006)	\$ (354,007)	\$ 3,786,398	\$ 1,432,385
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	119,611	298,998	14,132	432,741
Other	3,602,784			3,602,784
(Increase) decrease in operating assets				
Accounts receivable	(332)	31,047		30,715
Due from other governments	(22,726)			(22,726)
Prepaid items			(1,334)	(1,334)
Increase (decrease) in operating liabilities				
Accounts payable and other accrued liabilities	(70,109)	(3,753)	(24,458)	(98,320)
Compensated absences	(40,292)		49,716	9,424
Other post employment benefits	7,109		10,248	17,357
Net pension liability	(73,174)		(316,732)	(389,906)
Deposits	870		61,596	62,466
Unearned revenue	21,662		(329,636)	(307,974)
Total adjustments	<u>3,545,403</u>	<u>326,292</u>	<u>(536,468)</u>	<u>3,335,227</u>
Net cash provided by (used in) operating activities	<u>\$ 1,545,397</u>	<u>\$ (27,715)</u>	<u>\$ 3,249,930</u>	<u>\$ 4,767,612</u>

# CITY OF HENDERSON, NEVADA

## WATER ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Utilities fees	\$ 68,050,000	\$ 66,999,928	\$ (1,050,072)
Connection fees	1,000,000	1,208,891	208,891
Late charges	1,250,000	1,343,263	93,263
Miscellaneous	115,000	183,061	68,061
Total operating revenues	70,415,000	69,735,143	(679,857)
<b>OPERATING EXPENSES</b>			
Salaries and wages	11,933,080	11,153,869	779,211
Employee benefits	5,498,571	4,339,524	1,159,047
Water purchases	24,673,000	23,562,520	1,110,480
Services and supplies	22,165,262	18,663,389	3,501,873
Depreciation and amortization	13,244,859	13,127,468	117,391
Total operating expenses	77,514,772	70,846,770	6,668,002
Operating loss	(7,099,772)	(1,111,627)	5,988,145
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,225,000	1,411,928	186,928
Gain (loss) on capital asset disposition		(916,708)	(916,708)
Interest expense	(683,499)	(233,669)	449,830
Other intergovernmental revenue		2,280	2,280
Miscellaneous		669	669
Total nonoperating revenues (expenses)	541,501	264,500	(277,001)
Loss before capital contributions and transfers	(6,558,271)	(847,127)	5,711,144
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions	4,000,000	14,105,718	10,105,718
<b>TRANSFERS</b>			
Transfers out	(1,225,000)	(877,856)	347,144
CHANGE IN NET POSITION	\$ (3,783,271)	12,380,735	\$ 16,164,006
NET POSITION, BEGINNING OF YEAR		453,207,821	
NET POSITION, END OF YEAR		\$ 465,588,556	

# CITY OF HENDERSON, NEVADA

## SEWER ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Utilities fees	\$ 44,650,000	\$ 44,365,030	\$ (284,970)
Connection fees	100,000	90,341	(9,659)
Late charges	600,000	672,655	72,655
Intergovernmental	300,000	357,479	57,479
Miscellaneous	150,000	72,725	(77,275)
Total operating revenues	<u>45,800,000</u>	<u>45,558,230</u>	<u>(241,770)</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	10,424,744	9,738,846	685,898
Employee benefits	4,816,050	3,818,052	997,998
Services and supplies	18,018,703	16,325,425	1,693,278
Depreciation and amortization	12,379,428	12,066,706	312,722
Total operating expenses	<u>45,638,925</u>	<u>41,949,029</u>	<u>3,689,896</u>
Operating income	<u>161,075</u>	<u>3,609,201</u>	<u>3,448,126</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	925,000	1,028,198	103,198
Gain (loss) on capital asset disposition		(198,727)	(198,727)
Interest expense	(4,507,084)	(4,166,584)	340,500
Sales tax revenue	4,800,000	4,936,427	136,427
Other intergovernmental revenue		3,300	3,300
Miscellaneous		573	573
Total nonoperating revenues (expenses)	<u>1,217,916</u>	<u>1,603,187</u>	<u>385,271</u>
Income before capital contributions and transfers	<u>1,378,991</u>	<u>5,212,388</u>	<u>3,833,397</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions	<u>6,000,000</u>	<u>17,050,061</u>	<u>11,050,061</u>
<b>TRANSFERS</b>			
Transfers out	<u>(925,000)</u>	<u>(595,000)</u>	<u>330,000</u>
CHANGE IN NET POSITION	<u>\$ 6,453,991</u>	21,667,449	<u>\$ 15,213,458</u>
NET POSITION, BEGINNING OF YEAR		<u>486,401,200</u>	
NET POSITION, END OF YEAR		<u>\$ 508,068,649</u>	

# CITY OF HENDERSON, NEVADA

## CULTURAL ARTS AND TOURISM ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 325,777	\$ 446,185	\$ 120,408
Licenses and permits	630,000	549,751	(80,249)
Rental fees	354,000	357,882	3,882
Miscellaneous	84,000	90,187	6,187
Total operating revenues	1,393,777	1,444,005	50,228
<b>OPERATING EXPENSES</b>			
Salaries and wages	1,853,895	1,539,752	314,143
Employee benefits	770,902	532,912	237,990
Services and supplies	1,789,027	1,251,736	537,291
Depreciation and amortization	122,000	119,611	2,389
Total operating expenses	4,535,824	3,444,011	1,091,813
Operating loss	(3,142,047)	(2,000,006)	1,142,041
<b>NONOPERATING REVENUES</b>			
Investment income	20,000	68,135	48,135
Room tax revenue	1,930,000	2,215,626	285,626
Other intergovernmental revenue	1,541,000	1,386,158	(154,842)
Total nonoperating revenues	3,491,000	3,669,919	178,919
Income before capital contributions and transfers	348,953	1,669,913	1,320,960
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions		1,000	1,000
<b>TRANSFERS</b>			
Transfers out	(527)	(527)	
CHANGE IN NET POSITION	\$ 348,426	1,670,386	\$ 1,321,960
NET POSITION, BEGINNING OF YEAR		2,822,743	
NET POSITION, END OF YEAR		\$ 4,493,129	

**CITY OF HENDERSON, NEVADA**

**MUNICIPAL GOLF COURSE ENTERPRISE FUND**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>2,543,134</u>	\$ <u>2,180,742</u>	\$ <u>(362,392)</u>
OPERATING EXPENSES			
Services and supplies	2,642,856	2,235,751	407,105
Depreciation and amortization	<u>325,924</u>	<u>298,998</u>	<u>26,926</u>
Total operating expenses	<u>2,968,780</u>	<u>2,534,749</u>	<u>434,031</u>
Operating loss	<u>(425,646)</u>	<u>(354,007)</u>	<u>71,639</u>
NONOPERATING REVENUES			
Investment income	<u>1,000</u>	<u>2,711</u>	<u>1,711</u>
Loss before transfers	<u>(424,646)</u>	<u>(351,296)</u>	<u>73,350</u>
TRANSFERS			
Transfers in	<u>286,754</u>	<u>286,754</u>	
CHANGE IN NET POSITION	\$ <u><u>(137,892)</u></u>	(64,542)	\$ <u><u>73,350</u></u>
NET POSITION, BEGINNING OF YEAR		<u>27,474,602</u>	
NET POSITION, END OF YEAR		\$ <u><u>27,410,060</u></u>	

# CITY OF HENDERSON, NEVADA

## DEVELOPMENT SERVICES ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 12,165,340	\$ 12,346,317	\$ 180,977
Licenses and permits	4,852,781	5,750,419	897,638
Intergovernmental		292	292
Miscellaneous	3,169	3,201	32
Total operating revenues	17,021,290	18,100,229	1,078,939
<b>OPERATING EXPENSES</b>			
Salaries and wages	6,027,448	5,807,008	220,440
Employee benefits	2,645,735	2,209,363	436,372
Services and supplies	6,853,676	6,283,328	570,348
Depreciation and amortization	14,300	14,132	168
Total operating expenses	15,541,159	14,313,831	1,227,328
Operating income	1,480,131	3,786,398	2,306,267
<b>NONOPERATING REVENUES</b>			
Investment income	120,000	184,171	64,171
Income before transfers	1,600,131	3,970,569	2,370,438
<b>TRANSFERS</b>			
Transfers out	(1,010,844)	(1,145,311)	(134,467)
CHANGE IN NET POSITION	\$ 589,287	2,825,258	\$ 2,235,971
NET POSITION, BEGINNING OF YEAR		(6,421,314)	
NET POSITION, END OF YEAR		\$ (3,596,056)	

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# FIDUCIARY FUNDS

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

**Section 125 Agency Fund** - to account for City employee contributions to an employee benefits plan enacted under Section 125 of the Internal Revenue Code. The plan is administered by an independent plan administrator.

**Traffic Signal Agency Fund** - to account for contributions by developers for the construction of traffic signals at intersections throughout the City of Henderson. These contributions are held by the City in an agency capacity to be used toward the construction of designated traffic signals or to be refunded to developers.

**Forfeited Assets Fund** - to account for monies impounded under applicable racketeering and/or controlled substance laws pending court adjudication.

**Paving Frontage Agency Fund** - to account for assessments accumulated for use as the land-owner portion of street frontage paving costs in defined areas.

**Special Assessment Districts Agency Fund** - to account for the repayment of special assessment district debt for which no assets or revenues of the City have been pledged.



# 2016

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2016

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# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2016

	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Special Assessment Districts</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 164,916	\$ 9,266,989	\$ 292,074	\$ 78,701	\$ 36,722,008	\$ 46,524,688
Special assessments receivable					422,057	422,057
Total assets	<u>\$ 164,916</u>	<u>\$ 9,266,989</u>	<u>\$ 292,074</u>	<u>\$ 78,701</u>	<u>\$ 37,144,065</u>	<u>\$ 46,946,745</u>
<b>LIABILITIES</b>						
Due to developers		\$ 9,266,989		\$ 78,701		\$ 9,345,690
Due to employees	164,916					164,916
Due to others			292,074		37,143,942	37,436,016
Due to other governments					123	123
Total liabilities	<u>\$ 164,916</u>	<u>\$ 9,266,989</u>	<u>\$ 292,074</u>	<u>\$ 78,701</u>	<u>\$ 37,144,065</u>	<u>\$ 46,946,745</u>

# CITY OF HENDERSON, NEVADA

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

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b>SECTION 125 PLAN</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 173,053	\$ 763,267	\$ 771,404	\$ 164,916
<b>LIABILITIES</b>				
Due to employees	\$ 173,053	\$ 763,267	\$ 771,404	\$ 164,916
<b>TRAFFIC SIGNAL</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 15,366,302	\$ 1,478,676	\$ 7,577,989	\$ 9,266,989
<b>LIABILITIES</b>				
Due to developers	\$ 15,366,302	\$ 1,478,676	\$ 7,577,989	\$ 9,266,989
<b>FORFEITED ASSETS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 309,932	\$ 353,975	\$ 371,833	\$ 292,074
<b>LIABILITIES</b>				
Due to others	\$ 309,932	\$ 353,975	\$ 371,833	\$ 292,074
<b>PAVING FRONTAGE</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 78,047	\$ 654	\$	\$ 78,701
<b>LIABILITIES</b>				
Due to developers	\$ 78,047	\$ 654	\$	\$ 78,701
<b>SPECIAL ASSESSMENT DISTRICTS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 36,988,932	\$ 39,823,602	\$ 40,090,526	\$ 36,722,008
Special assessments receivable	431,978	8,232	18,153	422,057
Total assets	\$ 37,420,910	\$ 39,831,834	\$ 40,108,679	\$ 37,144,065
<b>LIABILITIES</b>				
Due to others	\$ 37,420,799	\$ 39,831,145	\$ 40,108,002	\$ 37,143,942
Due to other governments	111	689	677	123
Total liabilities	\$ 37,420,910	\$ 39,831,834	\$ 40,108,679	\$ 37,144,065
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 52,916,266	\$ 42,420,174	\$ 48,811,752	\$ 46,524,688
Special assessments receivable	431,978	8,232	18,153	422,057
Total assets	\$ 53,348,244	\$ 42,428,406	\$ 48,829,905	\$ 46,946,745
<b>LIABILITIES</b>				
Due to developers	\$ 15,444,349	\$ 1,479,330	\$ 7,577,989	\$ 9,345,690
Due to employees	173,053	763,267	771,404	164,916
Due to others	37,730,731	40,185,120	40,479,835	37,436,016
Due to other governments	111	689	677	123
Total liabilities	\$ 53,348,244	\$ 42,428,406	\$ 48,829,905	\$ 46,946,745

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