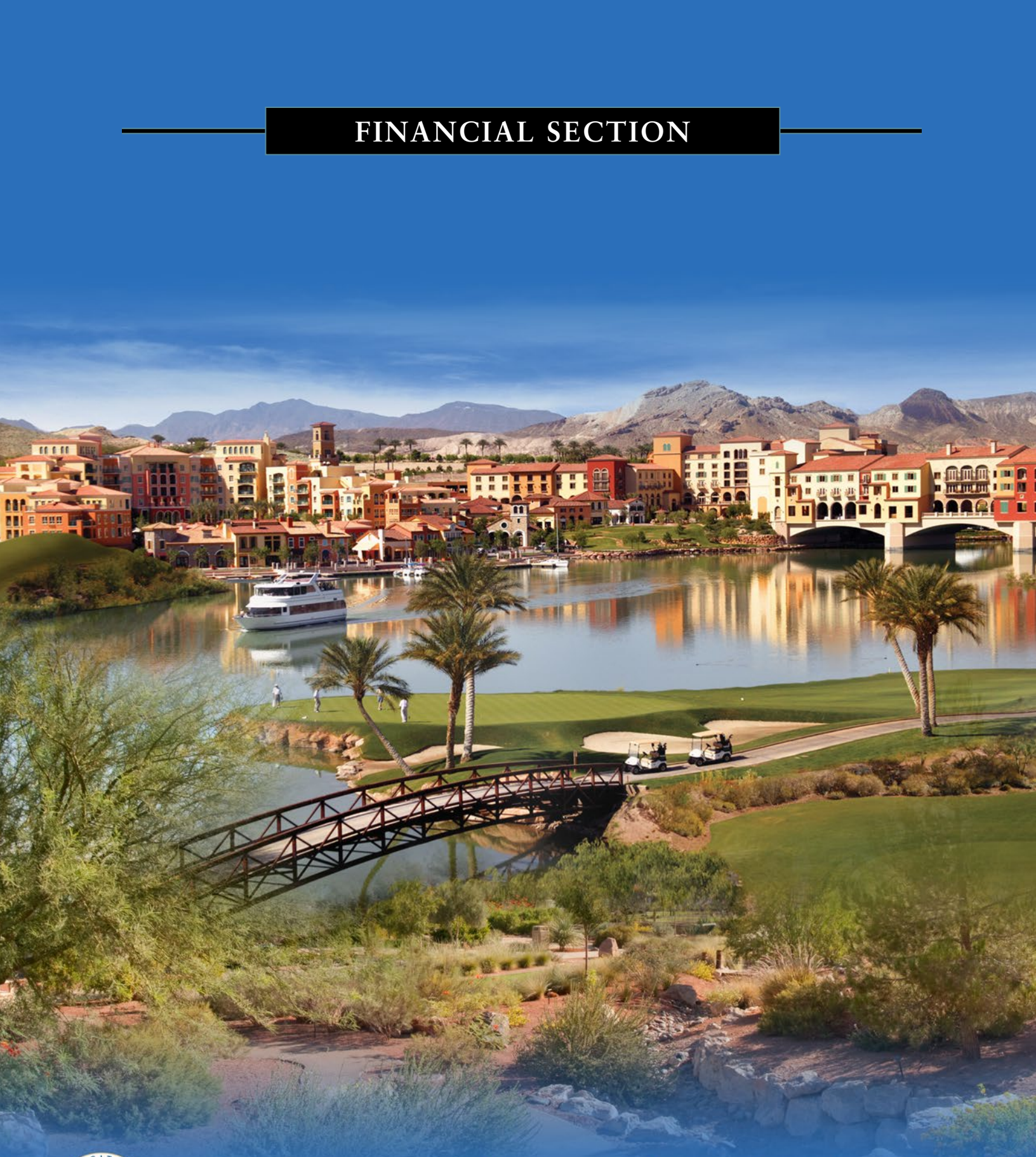
FINANCIAL SECTION



2017 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2017

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PBTK
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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, 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, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 11-22 and 77-83 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 November 1, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 1, 2017

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, 2017. 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, 2017 by $2,465,830,383 (net position). However due to Governmental Accounting Standards Board Statement (GASB) 68, *Accounting and Financial Reporting for Pensions*, (GASB 68) the City has negative unrestricted net position in Governmental Activities of $204,334,379. 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 2017, the City's total net position increased by $74,167,743. See the sections on Governmental Activities and Business-type Activities below for explanations of the increase.

As of June 30, 2017, the City's governmental funds reported combined ending fund balances of $210,103,480, an increase of $1,910,281 in comparison with the prior year. See the governmental fund analysis below for explanations of the increase. Approximately 12.0% of ending fund balances, or $25,212,708, is available for spending at the City's discretion (*i.e.*, unassigned fund balance).

As of June 30, 2017, unassigned fund balance in the general fund was 10.7% of fiscal year 2017 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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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, 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-three individual governmental funds as of June 30, 2017. 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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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, 2017, the City is reporting net position of $2,465,830,383.

The largest portion of the City's net position (97.9%) 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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Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current, restricted and other	$ 357,127,672	$ 357,855,359	$ 190,856,419	$ 185,661,315	$ 547,984,091	$ 543,516,674
Capital	1,654,124,383	1,595,545,665	980,687,796	970,820,799	2,634,812,179	2,566,366,464
Total assets	2,011,252,055	1,953,401,024	1,171,544,215	1,156,482,114	3,182,796,270	3,109,883,138
Deferred outflows of resources	94,499,070	58,080,080	19,360,985	14,013,488	113,860,055	72,093,568
Liabilities						
Current	29,909,460	28,332,318	25,176,248	22,689,921	55,085,708	51,022,239
Other	563,538,605	510,788,224	177,893,632	182,097,986	741,432,237	692,886,210
Total liabilities	593,448,065	539,120,542	203,069,880	204,787,907	796,517,945	743,908,449
Deferred inflows of resources	29,868,034	40,280,210	4,439,963	6,125,407	34,307,997	46,405,617
Net position						
Net investment in capital assets	1,535,572,974	1,476,900,561	878,228,166	856,794,239	2,413,801,140	2,333,694,800
Restricted	151,196,431	154,848,468	2,646,316	2,498,955	153,842,747	157,347,423
Unrestricted	(204,334,379)	(199,668,677)	102,520,875	100,289,094	(101,813,504)	(99,379,583)
Total net position	$ 1,482,435,026	$ 1,432,080,352	$ 983,395,357	$ 959,582,288	$ 2,465,830,383	$ 2,391,662,640

A portion of the City's net position (6.2%) is subject to external restrictions on how it may be used. The remaining balance is a negative $101,813,504 due to the adoption of GASB 68. As of June 30, 2017, pursuant to GASB 68, the City's long-term liabilities include a net pension liability of $413.3 million as this is considered the City's proportionate share of the collective net pension liability of the Nevada Public Employees Retirement System (PERS). However, per Nevada Revised Statutes, respective participating public employers are not liable for any obligation of PERS.

The City's total net position increased by $74,167,743 during the current fiscal year, comprised of an increase in governmental activities net position of $50,354,674 and an increase in business-type activities net position of $23,813,069. See explanations for the increases in the sections for Governmental Activities and Business-type Activities, immediately following the table below.

(Continued)

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	$ 48,659,527	$ 51,038,372	$ 141,382,177	$ 137,767,462	$ 190,041,704	$ 188,805,834
Operating grants and contributions	8,053,316	9,395,210			8,053,316	9,395,210
Capital grants and contributions	72,920,117	116,030,640	21,326,556	30,019,342	94,246,673	146,049,982
General revenues						
Property taxes	75,820,135	72,832,645			75,820,135	72,832,645
Room taxes	1,167,119	1,107,813	2,334,237	2,215,626	3,501,356	3,323,439
Intergovernmental revenues - consolidated tax	103,694,983	97,764,145			103,694,983	97,764,145
Motor vehicle fuel tax	5,674,990	5,413,491			5,674,990	5,413,491
Sales tax	17,214,498	14,092,778	5,203,111	4,936,427	22,417,609	19,029,205
Franchise fees, based on gross receipts	32,323,065	32,656,108			32,323,065	32,656,108
Unrestricted investment income	658,995	3,598,318	26,858	2,695,143	685,853	6,293,461
Gain on disposal of capital assets	6,257,270	341,836			6,257,270	341,836
Miscellaneous	1,490,441	1,437,835	999,487	644,867	2,489,928	2,082,702
Total revenues	373,934,456	405,709,191	171,272,426	178,278,867	545,206,882	583,988,058
Expenses						
General government	51,688,687	49,590,212			51,688,687	49,590,212
Judicial	13,279,509	12,589,050			13,279,509	12,589,050
Public safety	160,554,674	146,672,330			160,554,674	146,672,330
Public works	37,598,053	31,107,461			37,598,053	31,107,461
Culture and recreation	50,815,981	47,766,606			50,815,981	47,766,606
Community support	4,221,454	5,482,324			4,221,454	5,482,324
Interest expense	5,327,171	5,355,076			5,327,171	5,355,076
Water			74,568,655	72,092,583	74,568,655	72,092,583
Sewer			49,222,898	46,729,422	49,222,898	46,729,422
Development services			17,502,345	14,698,130	17,502,345	14,698,130
Cultural arts and tourism			3,680,583	3,501,102	3,680,583	3,501,102
Municipal golf course			2,579,129	2,534,838	2,579,129	2,534,838
Total expenses	323,485,529	298,563,059	147,553,610	139,556,075	471,039,139	438,119,134
Change in net position before transfers	50,448,927	107,146,132	23,718,816	38,722,792	74,167,743	145,868,924
Transfers	(94,253)	2,259,154	94,253	(2,259,154)		
Change in net position	50,354,674	109,405,286	23,813,069	36,463,638	74,167,743	145,868,924
Net position, beginning of year	1,432,080,352	1,322,675,066	959,582,288	923,118,650	2,391,662,640	2,245,793,716
Net position, end of year	$ 1,482,435,026	$ 1,432,080,352	$ 983,395,357	$ 959,582,288	$ 2,465,830,383	$ 2,391,662,640

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Governmental Activities

Governmental activities increased the City's net position by $50,354,674. Revenues came in at $374.0 million supported by solid levels of consolidated taxes ($104.7 million), property taxes ($75.8 million) and sales taxes ($17.2 million). Total expenses finished the year at $323.4 million, in line with expectations and budget. Significant year-over-year changes are as follows:

Capital grants and contributions decreased by $43.1 million due primarily to a decrease in developer contributions. In the prior year, a major project for South Edge east side flood control of $47.2 million was contributed.

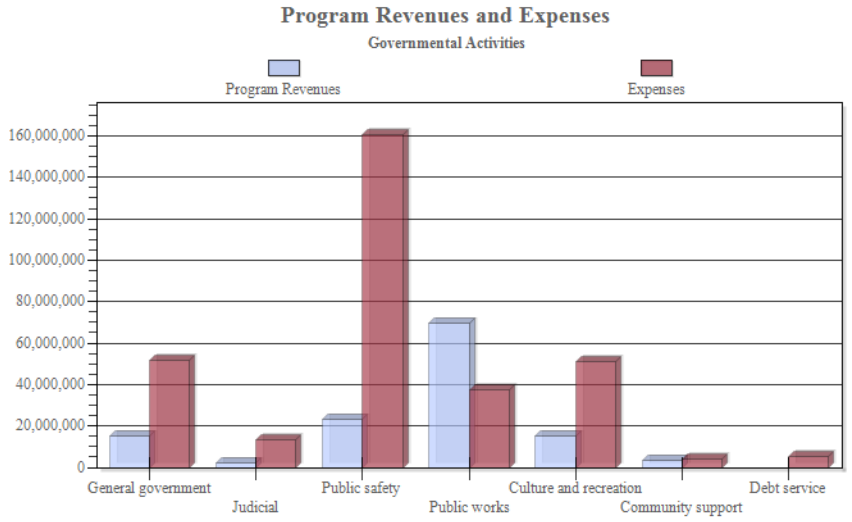
Intergovernmental revenue consolidated tax increased by $5.9 million, due to from an upturn in the local economy.

Unrestricted investment income decreased $2.9 million due primarily to a decrease in the market value of investments. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 31) requires that the City's investments be reported at market value.

Gain on capital disposal of capital assets increased by $5.9 million, due to the sale of appreciated land. The majority of the gain ($4.7 million) relates to the sale of 32.3 acres to Fontanesi LLC, for the development of a new commercial baking and cold storage facility.

Public Safety expense increased by $13.9 million, primary due to salaries, wages and benefits of approximately $13.5 million. Pension related expense increased $7.3 million as a result of GASB 68 and salaries, wages and other employee benefits increased $6.2 million due to an increase in FTE's and salary and wage rates, which also drove an increase in employee benefit costs.

Public works expense increased by $6.5 million due to increases in street and traffic maintenance projects of $1.9 million funded by the Gas Tax Special Revenue Fund, services in the Special Assessments District Fund of $1.1 million, various maintenance projects of $0.9 million funded by the Capital Replacement Capital Project Fund, city hall space planning of $0.5 million funded by the Land Sales Capital Project Fund and additional depreciation expense of $1.9 million.



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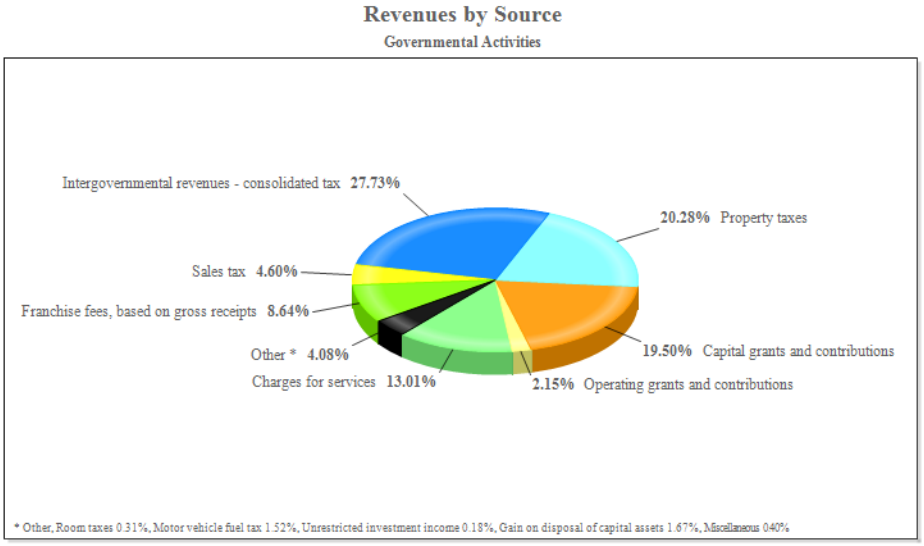

Business-type Activities

Business-type activities increased the City's net position by $23,813,069. The majority of total revenues were from charges for services: $141.4 million of the $171.2 million. Total expenses were in line with expectations and budget; the largest proportional increase was in development services supporting an increase in overall development activity due to the strong economy. Significant year-over-year changes are as follows:

Capital grants and contributions decreased by $8.7 million due to a decrease in utility assets contributed by developers. During fiscal year 2016, a large base of water and sewer mains were contributed from several completed developments, including Capella, Anthem Provence County Club and South Edge.

Unrestricted investment income decreased $2.7 million due primarily to a decrease in the market value of investments. GASB 31 requires that the City's investments be reported at market value.

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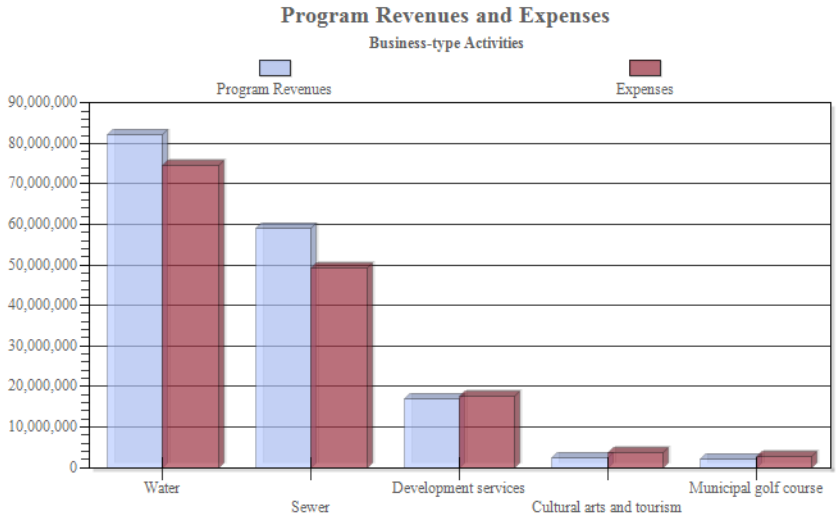

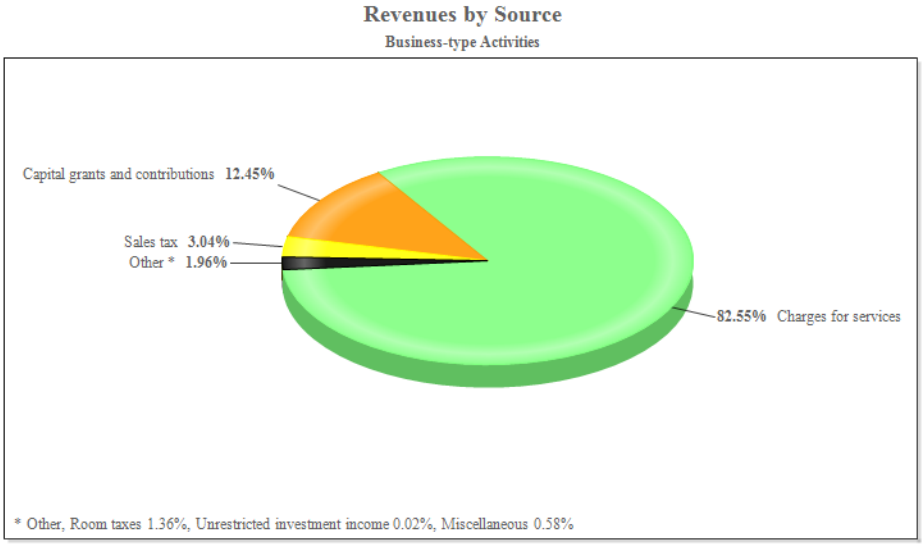

Governmental Funds

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.

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As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $210,103,480, an increase of $1,910,281, in comparison with the prior year. Approximately 12.0% of this balance ($25,212,708) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either not available for new spending because it has already been restricted by State law or outside entities ($141,553,152), or assigned for specific uses by the City ($43,337,620).

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 $25,212,708, while total fund balance was $26,402,659. 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, 2017, unassigned fund balance represents 10.7% of total general fund expenditures, while total fund balance represents 11.2% of that same amount.

The fund balance of the general fund increased by $1,510,675 during the current fiscal year. Significant year-over-year changes are as follows:

Intergovernmental revenues increased by $6.1 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 $1.6 million due to higher assessed property values.

Other general fund revenues decreased in total by $0.2 million, but no one category changed significantly over the previous fiscal year.

There was an increase in public safety current expenditures of $5.0 million due to an increase in FTE's and a corresponding increase in salaries, wages and benefits rates.

Other general fund expenditures increased in total by $2.1 million, but no one category changed significantly over the previous fiscal year.

Transfers to other funds were $10.7 million.

Grants Special Revenue Fund

As of June 30, 2017, the grants special revenue fund has a total fund balance of $443,860, which is restricted by granting agencies. In fiscal year 2017, there was a decrease in community support current expenditures of $1.1 million, due primarily to the State Catalyst Fund Grant having no reimburseable expenditures in the current year, a decrease of $1.0 million, from fiscal year 2016.

In fiscal year 2017, there was an increase in public works capital outlay of $0.8 million. The increase was due to projects funded by cooperative agreements with the Nevada Department of Transportation, including the purchase of street sweepers and electric vehicles with charging stations for $0.7 million.

Other grant special revenue fund expenditures increased $0.2 million but no one category changed significantly over the previous fiscal year.

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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 2017 amounted to $76,494,879 and the total increase in net position was $9,377,901. Unrestricted net position of the sewer fund at the end of the fiscal year 2017 was $71,734,719 and the total increase in net position was $16,568,511. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by approximately $2.0 million, or 0.8% over the original budget. This increase is not considered significant.

Actual expenditures were 95.8% of appropriations, or $10.4 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 $5.0 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 2018.

There were other functional reductions of $5.4 million in the aggregate, but none significant in any one category.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2017, the City's investment in capital assets for its governmental and business type activities is $2,634,812,179 (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 2017, the City's investment in capital assets increased by $68.4 million (approximately $58.5 million increase for governmental activities and approximately $9.9 million increase for business-type activities).

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

Infrastructure increased by $43.5 million in governmental activities primarily due to privately donated infrastructure of $31.2 million (several larger completed developments include Tuscany, Weston Hills and Union Village developments), $27.6 million in completed construction in progress (including $21.7 million in improvements along Stephanie Street from Galleria Drive to Russell Road), $3.6 million in County funded improvements (consisting of road improvements/reconstruction along Sunset Road, College Drive and Paseo Verde Parkway), and $1.8 million in special assessment funded street and flood control infrastructure, less depreciation of $20.7 million.

Construction in progress for governmental activities increased by $21.2 million (net of transfers), as a result of work of $7.3 million on Racetrack Road Improvements, $4.7 million on an energy savings outdoor lighting project, $4.4 million on a fire station at Inspirada and $3.9 million on traffic cameras.

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Construction in progress for business-type activities increased $16.2 million, mainly due to three ongoing reservoir and street related water projects which contributed $8.6 million towards construction in progress costs during the year. Further, there were a total of 41 projects underway at some point during the year, with more commencing than closing.

	Capital Assets, Net of Accumulated Depreciation and Amortization					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Construction in progress	$ 58,213,022	$ 36,982,865	$ 35,680,830	$ 19,514,852	$ 93,893,852	$ 56,497,717
Land	188,701,224	188,762,187	35,912,213	35,912,213	224,613,437	224,674,400
Building and building improvements	239,932,767	243,405,420	135,563,295	138,995,488	375,496,062	382,400,908
Improvements other than buildings	312,561,719	316,038,757	752,704,199	754,622,293	1,065,265,918	1,070,661,050
Infrastructure	829,346,458	785,854,556			829,346,458	785,854,556
Machinery and equipment	25,369,193	24,501,880	20,827,259	21,775,953	46,196,452	46,277,833
	$ 1,654,124,383	$ 1,595,545,665	$ 980,687,796	$ 970,820,799	$ 2,634,812,179	$ 2,566,366,464

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 $230,417,803. Of this amount, $112,886,076 is considered general obligation debt and $9,584,185 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	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ 112,886,076	$ 102,722,448	$	$	$ 112,886,076	$ 102,722,448
Tax allocation bonds	9,584,185	9,829,000			9,584,185	9,829,000
Water and sewer bonds			107,947,542	120,020,578	107,947,542	120,020,578
	$ 122,470,261	$ 112,551,448	$ 107,947,542	$ 120,020,578	$ 230,417,803	$ 232,572,026

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

As of June 30, 2017, the City's net general obligation bonded debt subject to the legal debt margin of $220,833,618 was below the legal limit of $1,796,879,097.

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 2017/2018 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.

(Continued)

Plan to close Fiscal Year 2018 with no transfers in from reserves for the fifth straight year.

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

During the current fiscal year, fund balance in the general fund increased to $26,402,659. The City has appropriated approximately $1.2 million of this amount for spending in the 2017/2018 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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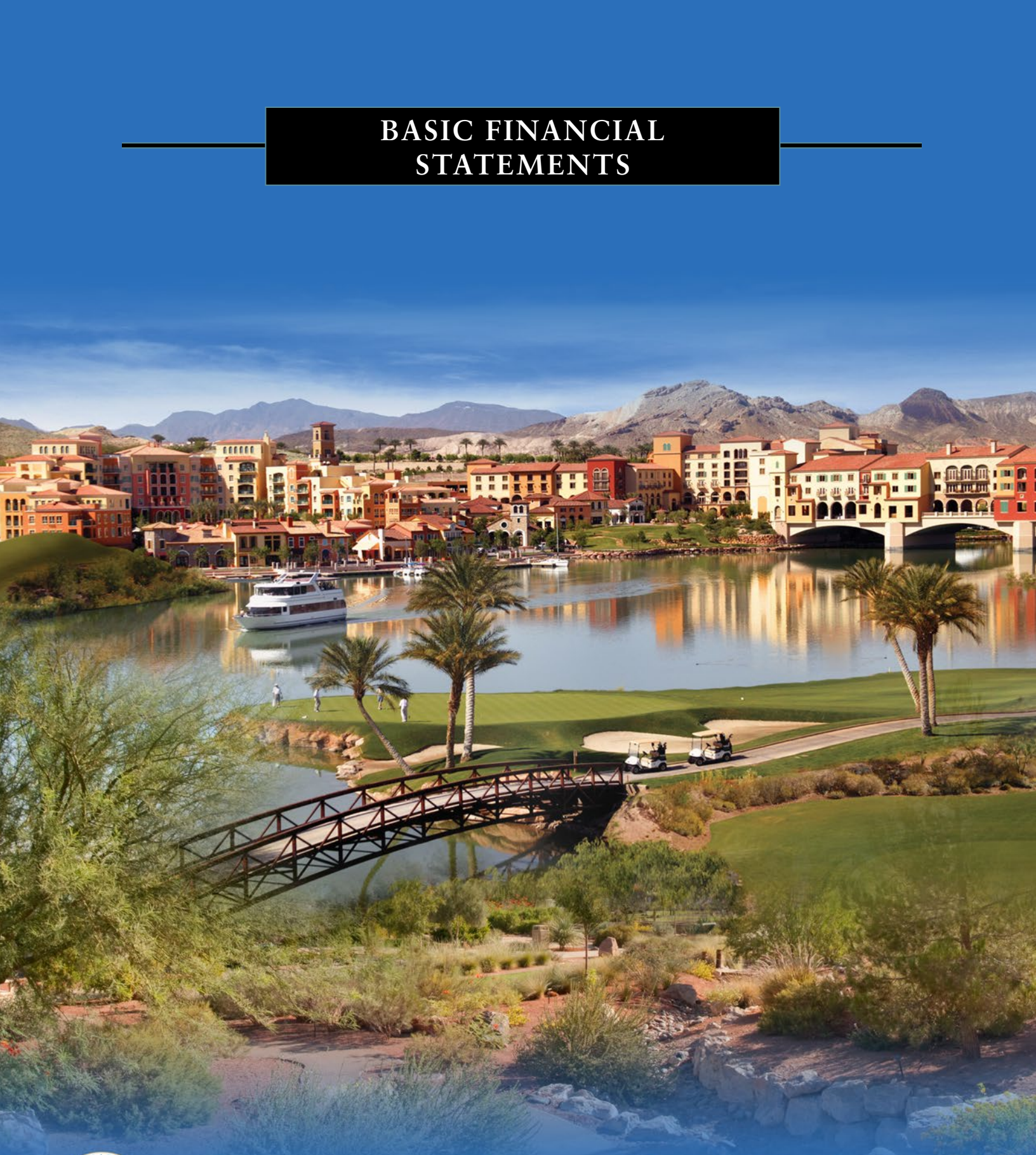
BASIC FINANCIAL STATEMENTS



2017 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2017

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CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	$ 239,297,569	$ 212,498,881	$ 451,796,450
Cash, cash equivalents and investments, restricted	9,886,983	4,569,734	14,456,717
Accounts receivable, net	9,500,978	16,374,446	25,875,424
Taxes receivable	1,394,660		1,394,660
Special assessments receivable	1,369,600		1,369,600
Notes receivable, net	9,789,717	208,130	9,997,847
Interest receivable	541,443	412,301	953,744
Due from other governments	29,648,357	1,085,770	30,734,127
Prepaid items	197,289		197,289
Land held for resale	9,274,239		9,274,239
Other assets	600,468	1,333,526	1,933,994
Internal balances	45,626,369	(45,626,369)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	58,213,022	35,680,830	93,893,852
Land	188,701,224	35,912,213	224,613,437
Building and building improvements	239,932,767	135,563,295	375,496,062
Improvements other than buildings	312,561,719	752,704,199	1,065,265,918
Infrastructure	829,346,458		829,346,458
Machinery and equipment	25,369,193	20,827,259	46,196,452
Total assets	2,011,252,055	1,171,544,215	3,182,796,270
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	6,567,352	5,487,912	12,055,264
Deferred amounts related to pensions	87,931,718	13,873,073	101,804,791
Total deferred outflows of resources	94,499,070	19,360,985	113,860,055
LIABILITIES			
Accounts payable and other accrued liabilities	13,195,480	11,786,890	24,982,370
Accrued wages	5,199,040	992,661	6,191,701
Contracts and retentions payable	808,450	961,153	1,769,603
Due to other governments	3,099,491	4,208,142	7,307,633
Tax increment payable to developers	1,324,592		1,324,592
Unearned revenue	292,886	5,180,549	5,473,435
Interest payable	727,349		727,349
Deposits	5,262,172	123,435	5,385,607
Other current liabilities, payable from restricted assets		1,923,418	1,923,418
Noncurrent liabilities, due within one year	26,313,720	1,009,758	27,323,478
Noncurrent liabilities, partially payable from restricted assets, due within one year		11,644,014	11,644,014
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	537,224,885	165,239,860	702,464,745
Total liabilities	593,448,065	203,069,880	796,517,945
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	29,868,034	4,439,963	34,307,997

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,535,572,974	878,228,166	2,413,801,140
Restricted for			
Stabilization and other general programs	20,609,635		20,609,635
Courts and other judicial programs	646,953		646,953
Fire, police and other public safety programs	5,556,611		5,556,611
Streets and other public works projects	65,654,485		65,654,485
Parks, cultural and recreational programs	11,147,855	39,746	11,187,601
Community assistance and support programs	154,785		154,785
Debt service	6,575,060	2,602,261	9,177,321
Redevelopment programs	30,480,419		30,480,419
Claims	10,370,628		10,370,628
Utility projects and system development		4,309	4,309
Unrestricted	(204,334,379)	102,520,875	(101,813,504)
Total net position	$ 1,482,435,026	$ 983,395,357	$ 2,465,830,383

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

CITY OF HENDERSON, NEVADA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTION/PROGRAM							
Governmental activities							
General government	$ 51,688,687	$ 14,436,435	$ 69,612	$ 922,916	$ (36,259,724)	$	$ (36,259,724)
Judicial	13,279,509	2,237,216	154,453		(10,887,840)		(10,887,840)
Public safety	160,554,674	22,031,787	860,726	307,986	(137,354,175)		(137,354,175)
Public works	37,598,053	1,342,280	147,349	68,404,012	32,295,588		32,295,588
Culture and recreation	50,815,981	8,611,809	3,563,202	3,285,203	(35,355,767)		(35,355,767)
Community support	4,221,454		3,257,974		(963,480)		(963,480)
Debt service							
Interest expense	5,327,171				(5,327,171)		(5,327,171)
Total governmental activities	323,485,529	48,659,527	8,053,316	72,920,117	(193,852,569)		(193,852,569)
Business-type activities							
Water	74,568,655	73,838,739		8,385,304		7,655,388	7,655,388
Sewer	49,222,898	45,975,977		12,941,252		9,694,331	9,694,331
Development services	17,502,345	16,980,476				(521,869)	(521,869)
Cultural arts and tourism	3,680,583	2,457,625				(1,222,958)	(1,222,958)
Municipal golf course	2,579,129	2,129,360				(449,769)	(449,769)
Total business-type activities	147,553,610	141,382,177		21,326,556		15,155,123	15,155,123
Total function/program	$ 471,039,139	$ 190,041,704	$ 8,053,316	$ 94,246,673	$ (193,852,569)	15,155,123	(178,697,446)

(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, 2017

		Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES							
Property taxes					75,820,135		75,820,135
Room taxes					1,167,119	2,334,237	3,501,356
Intergovernmental revenues - consolidated tax					103,694,983		103,694,983
Motor vehicle fuel tax					5,674,990		5,674,990
Sales tax					17,214,498	5,203,111	22,417,609
Franchise fees, based on gross receipts					32,323,065		32,323,065
Unrestricted investment income					658,995	26,858	685,853
Gain on disposal of capital assets					6,257,270		6,257,270
Miscellaneous					1,490,441	999,487	2,489,928
Total general revenues					244,301,496	8,563,693	252,865,189
Transfers					(94,253)	94,253	
CHANGE IN NET POSITION					50,354,674	23,813,069	74,167,743
NET POSITION, BEGINNING OF YEAR					1,432,080,352	959,582,288	2,391,662,640
NET POSITION, END OF YEAR					$ 1,482,435,026	$ 983,395,357	$ 2,465,830,383

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

	General Fund	Special Revenue Funds: Grants	Aggregate Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments	$ 14,977,084	$	$ 166,648,618	$ 181,625,702
Restricted cash and cash equivalents	1,001,852		7,849,132	8,850,984
Accounts receivable, net	9,007,572	612	144,212	9,152,396
Interest receivable	51,458		297,148	348,606
Taxes receivable	958,898		435,762	1,394,660
Special assessments receivable			1,369,600	1,369,600
Notes receivable, net	2,768,225	9,832,562	7,055,464	19,656,251
Due from other funds	1,707,791			1,707,791
Due from other governments	20,578,526	2,412,118	6,476,594	29,467,238
Advances to other funds			621,261	621,261
Deposits		544,000		544,000
Land held for resale			9,274,239	9,274,239
Total assets	$ 51,051,406	$ 12,789,292	$ 200,172,030	$ 264,012,728
LIABILITIES				
Accounts payable and other accrued liabilities	$ 8,312,976	$ 1,104,108	$ 2,723,789	$ 12,140,873
Accrued wages	4,573,560	39,395	337,797	4,950,752
Tax increment payable to developers			1,324,592	1,324,592
Due to other governments	1,777,207		1,322,284	3,099,491
Due to other funds		1,369,367	338,424	1,707,791
Advances from other funds			1,995,390	1,995,390
Unearned revenue	292,886			292,886
Deposits	5,235,937		1,000	5,236,937
Compensated absences	152,119		1,176	153,295
Total liabilities	20,344,685	2,512,870	8,044,452	30,902,007
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	958,898		435,762	1,394,660
Unavailable revenue, special assessments			1,369,600	1,369,600
Unavailable revenue, notes receivable	2,768,225	9,832,562	7,055,464	19,656,251
Unavailable revenue, other receivables	576,939		9,791	586,730
Total deferred inflows of resources	4,304,062	9,832,562	8,870,617	23,007,241
Total liabilities and deferred inflows of resources	24,648,747	12,345,432	16,915,069	53,909,248
FUND BALANCES				
Restricted		443,860	141,109,292	141,553,152
Assigned	1,189,951		42,147,669	43,337,620
Unassigned	25,212,708			25,212,708
Total fund balances	26,402,659	443,860	183,256,961	210,103,480
Total liabilities, deferred inflows of resources and fund balances	$ 51,051,406	$ 12,789,292	$ 200,172,030	$ 264,012,728

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, 2017

FUND BALANCES, GOVERNMENTAL FUNDS		$ 210,103,480
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	$ 2,661,756,925	
Less accumulated depreciation	(1,025,413,521)	
		1,636,343,404
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Interest receivable	90,862	
		90,862
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	84,205,064	
Deferred charges on refunding	6,567,352	
		90,772,416
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	(125,118,761)	
Construction contracts payable	(808,450)	
Other postemployment benefits	(19,433,879)	
Compensated absences payable	(39,062,857)	
Net pension liability	(342,479,347)	
		(526,903,294)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	(727,349)	
		(727,349)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	13,140,707	
Deferred inflows related to pensions	(28,733,305)	
		(15,592,598)
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	42,721,736	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	42,382,050	
Internal service fund balance receivable from business-type activities from current year activity	3,244,319	
		88,348,105
NET POSITION, GOVERNMENTAL ACTIVITIES		$ 1,482,435,026

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, 2017

	General Fund	Special Revenue Funds: Grants	Aggregate Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 60,270,195	$	$ 15,506,168	$ 75,776,363
Franchise fees	32,323,065			32,323,065
Licenses and permits	10,194,059			10,194,059
Intergovernmental	107,847,459	7,935,606	24,367,611	140,150,676
Charges for services	29,865,473		333,429	30,198,902
Fines and forfeitures	4,923,361		1,311,396	6,234,757
Impact fees	868,941		1,258,308	2,127,249
Special assessments			90,145	90,145
Investment income (loss)	237,295		805,350	1,042,645
Developer contributions			2,282,571	2,282,571
Rental fees			523,060	523,060
Miscellaneous	1,098,498	358,734	449,573	1,906,805
Total revenues	247,628,346	8,294,340	46,927,611	302,850,297
EXPENDITURES				
Current				
General government	41,719,551	49,834	9,101,547	50,870,932
Judicial	12,133,742	135,420	743,450	13,012,612
Public safety	135,715,215	919,048	16,746,789	153,381,052
Public works	8,676,117	130,406	6,027,357	14,833,880
Culture and recreation	35,490,026	1,475,951	1,925,395	38,891,372
Community support	1,441,914	3,129,467	273,942	4,845,323
Total current	235,176,565	5,840,126	34,818,480	275,835,171
Capital outlay				
General government	91,509		1,880,123	1,971,632
Judicial	1,388			1,388
Public safety	58,048	307,886	4,951,948	5,317,882
Public works		2,157,348	17,575,857	19,733,205
Culture and recreation	135,632	206,688	1,603,050	1,945,370
Total capital outlay	286,577	2,671,922	26,010,978	28,969,477
Debt service				
Principal payments			5,676,000	5,676,000
Payment to current bond refunding agent			9,786,906	9,786,906
Interest charges			5,093,808	5,093,808
Total debt service			20,556,714	20,556,714
Total expenditures	235,463,142	8,512,048	81,386,172	325,361,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,165,204	(217,708)	(34,458,561)	(22,511,065)
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			9,242,809	9,242,809
Issuance of refunding bonds			8,345,000	8,345,000
Debt issuance proceeds			4,355,000	4,355,000
Premium on refunding bonds issued			2,426,713	2,426,713
Transfers in			16,876,307	16,876,307
Transfers out	(10,654,529)		(6,169,954)	(16,824,483)
Total other financing sources (uses)	(10,654,529)		35,075,875	24,421,346

(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, 2017

		Special Revenue Funds		
	General Fund	Grants	Aggregate Other Governmental Funds	Total Governmental Funds
CHANGE IN FUND BALANCE	1,510,675	(217,708)	617,314	1,910,281
FUND BALANCE, BEGINNING OF YEAR	24,891,984	661,568	182,639,647	208,193,199
FUND BALANCE, END OF YEAR	$ 26,402,659	$ 443,860	$ 183,256,961	$ 210,103,480

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, 2017

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		$ 1,910,281
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	$ 28,003,971	
Less current year depreciation	(35,515,765)	
Proceeds from land sales	(9,242,809)	
Net gain on disposition of capital assets	5,722,371	
		(11,032,232)
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	(2,002,949)	
Change in unavailable revenue related to notes receivable from current year activity	(50,836)	
Change in unavailable revenue from cumulative prior years' activity	(407,155)	
Capital asset contributions	64,990,766	
Change in accrued interest receivable on notes receivable	(29,169)	
		62,500,657
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	(8,345,000)	
Debt issuance proceeds	(4,355,000)	
Premium on refunding bonds issued	(2,426,713)	
Payment to refunded bonds escrow agent	9,786,906	
Debt principal repayments	5,676,000	
		336,193
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	(971,313)	
Change in compensated absences payable	(750,295)	
Amortization of debt premiums, discounts and refunding charges	(287,998)	
Change in accrued interest	(39,272)	
Change in net pension liability	(248,356)	
		(2,297,234)
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	(4,307,310)	
The internal service funds change in net position related to business-type activities	3,244,319	
		(1,062,991)
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		$ 50,354,674

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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	$ 60,014,122	$ 60,014,122	$ 60,270,195	$ 256,073
Franchise fees	34,250,000	31,500,000	32,323,065	823,065
Licenses and permits	9,340,200	9,934,200	10,194,059	259,859
Intergovernmental	106,246,638	106,907,840	107,847,459	939,619
Charges for services	28,500,661	29,000,537	29,865,473	864,936
Fines and forfeitures	4,292,409	4,740,132	4,923,361	183,229
Impact fees			868,941	868,941
Investment income (loss)	175,000	290,000	237,295	(52,705)
Miscellaneous	1,458,457	2,058,745	1,098,498	(960,247)
Total revenues	244,277,487	244,445,576	247,628,346	3,182,770
EXPENDITURES				
Current				
General government	45,449,665	46,521,380	41,719,551	4,801,829
Judicial	12,977,745	12,750,496	12,133,742	616,754
Public safety	136,129,203	137,891,160	135,715,215	2,175,945
Public works	9,567,390	9,486,196	8,676,117	810,079
Culture and recreation	37,859,106	37,063,990	35,490,026	1,573,964
Community support	1,686,384	1,676,680	1,441,914	234,766
Total current	243,669,493	245,389,902	235,176,565	10,213,337
Capital outlay				
General government	200,000	289,163	91,509	197,654
Judicial			1,388	(1,388)
Public safety		58,695	58,048	647
Culture and recreation		127,923	135,632	(7,709)
Total capital outlay	200,000	475,781	286,577	189,204
Total expenditures	243,869,493	245,865,683	235,463,142	10,402,541
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	407,994	(1,420,107)	12,165,204	13,585,311
OTHER FINANCING USES				
Transfers out	(1,050,000)	(1,533,029)	(10,654,529)	(9,121,500)
CHANGE IN FUND BALANCE	(642,006)	(2,953,136)	1,510,675	4,463,811
FUND BALANCE, BEGINNING OF YEAR	22,370,702	24,891,984	24,891,984	
FUND BALANCE, END OF YEAR	$ 21,728,696	$ 21,938,848	$ 26,402,659	$ 4,463,811

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, 2017

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	$ 6,499,544	$ 23,829,684	$ 7,935,606	$ (15,894,078)
Miscellaneous	300,000	493,408	358,734	(134,674)
Total revenues	6,799,544	24,323,092	8,294,340	(16,028,752)
EXPENDITURES				
Current				
General government	313,242	237,116	49,834	187,282
Judicial		226,649	135,420	91,229
Public safety	1,170,000	1,376,736	919,048	457,688
Public works	2,000,000	2,573,291	130,406	2,442,885
Culture and recreation	600,000	1,867,831	1,475,951	391,880
Community support	2,417,665	8,439,171	3,129,467	5,309,704
Total current	6,500,907	14,720,794	5,840,126	8,880,668
Capital outlay				
Public safety		1,111,534	307,886	803,648
Public works		8,243,396	2,157,348	6,086,048
Culture and recreation		606,690	206,688	400,002
Total capital outlay		9,961,620	2,671,922	7,289,698
Total expenditures	6,500,907	24,682,414	8,512,048	16,170,366
CHANGE IN FUND BALANCE	298,637	(359,322)	(217,708)	141,614
FUND BALANCE, BEGINNING OF YEAR	1,343,530	661,568	661,568	
FUND BALANCE, END OF YEAR	$ 1,642,167	$ 302,246	$ 443,860	$ 141,614

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, 2017

	Business-type Activities				Governmental Activities
	Water	Sewer	Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	$ 103,399,083	$ 88,966,951	$ 20,132,847	$ 212,498,881	$ 57,671,867
Restricted cash and cash equivalents	3,479,183	1,050,805	39,746	4,569,734	1,035,999
Accounts receivable, net	11,417,512	4,790,729	166,205	16,374,446	348,582
Interest receivable	196,066	176,840	39,395	412,301	101,975
Notes receivable, net	208,130			208,130	
Inventories	301,108	1,032,418		1,333,526	56,468
Prepaid items					197,289
Due from other funds					1,374,129
Due from other governments		966,111	119,659	1,085,770	181,119
Total current assets	119,001,082	96,983,854	20,497,852	236,482,788	60,967,428
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	26,092,425	9,588,405		35,680,830	2,329,881
Land	3,182,645	18,926,639	13,802,929	35,912,213	
Buildings and building improvements	38,618,375	130,507,491	9,496,136	178,622,002	1,012,330
Improvements other than buildings	694,362,668	611,847,540	26,526,434	1,332,736,642	1,163,704
Machinery and equipment	14,335,822	27,806,059	3,246,081	45,387,962	54,007,628
Accumulated depreciation and amortization	(370,800,720)	(253,240,270)	(23,610,863)	(647,651,853)	(40,732,564)
Total capital assets, net of accumulated depreciation and amortization	405,791,215	545,435,864	29,460,717	980,687,796	17,780,979
Total noncurrent assets	405,791,215	545,435,864	29,460,717	980,687,796	17,780,979
Total assets	524,792,297	642,419,718	49,958,569	1,217,170,584	78,748,407
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	5,549,072	4,837,072	3,486,929	13,873,073	3,726,654
Deferred charges on refunding	130,020	5,357,892		5,487,912	
Total deferred outflows of resources	5,679,092	10,194,964	3,486,929	19,360,985	3,726,654
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	9,587,705	1,978,664	220,521	11,786,890	1,054,607
Accrued wages	398,653	322,226	271,782	992,661	248,288
Due to other governments	4,202,034	351	5,757	4,208,142	
Construction contracts and retentions	918,082	43,071		961,153	
Unearned revenue			5,180,549	5,180,549	
Customer deposits payable from restricted assets	1,497,603			1,497,603	
Deposits			123,435	123,435	25,235
Compensated absences	239,505	247,164	200,215	686,884	225,306
Claims and judgments					17,104,969
Interest payable from restricted assets	86,530	339,285		425,815	
Debt obligations partially payable from restricted assets	4,607,677	7,359,211		11,966,888	
Total current liabilities	21,537,789	10,289,972	6,002,259	37,830,020	18,658,405

(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, 2017

	Business-type Activities				Governmental Activities
	Water	Sewer	Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Noncurrent liabilities					
Debt obligations payable	4,737,030	92,535,120		97,272,150	
Compensated absences	2,474,754	2,553,895	2,068,790	7,097,439	2,405,917
Other post employment benefits	1,564,961	1,291,428	1,339,046	4,195,435	2,558,177
Net pension liability	22,498,420	19,662,939	13,677,784	55,839,143	14,996,097
Provisional credits and refunding agreements	821,422	14,271		835,693	
Total noncurrent liabilities	32,096,587	116,057,653	17,085,620	165,239,860	19,960,191
Total liabilities	53,634,376	126,347,625	23,087,879	203,069,880	38,618,596
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	1,870,556	1,629,897	939,510	4,439,963	1,134,729
NET POSITION					
Net investment in capital assets	396,576,528	452,190,921	29,460,717	878,228,166	17,780,979
Restricted					
Debt service	1,890,741	711,520		2,602,261	
Capital projects			39,746	39,746	
Claims					10,370,628
Utility projects and system development	4,309			4,309	
Unrestricted	76,494,879	71,734,719	(82,354)	148,147,244	14,570,129
Total net position	$ 474,966,457	$ 524,637,160	$ 29,418,109	1,029,021,726	$ 42,721,736
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				(45,626,369)	
Net position of business-type activities				$ 983,395,357	

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, 2017

	Business-type Activities				Governmental Activities
	Water	Sewer	Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Utilities fees	$ 71,184,217	$ 45,233,752	$	$ 116,417,969	$
Connection fees	1,315,050	108,227		1,423,277	
Late charges	1,335,572	606,173		1,941,745	
Charges for services			15,387,145	15,387,145	49,713,091
Licenses and permits			4,875,656	4,875,656	
Intergovernmental		755,286		755,286	
Rental fees			300,030	300,030	
Miscellaneous	84,496	56,145	102,843	243,484	
Total operating revenues	73,919,335	46,759,583	20,665,674	141,344,592	49,713,091
OPERATING EXPENSES					
Salaries and wages	11,806,234	10,012,730	8,287,584	30,106,548	8,052,584
Employee benefits	5,208,423	4,516,582	3,355,422	13,080,427	3,376,188
Water purchases	24,918,378			24,918,378	
Services and supplies	19,967,411	17,536,208	10,506,167	48,009,786	21,219,363
Claims and judgments					21,334,772
Legal fees					20,678
Depreciation and amortization	12,162,479	12,458,596	455,483	25,076,558	3,425,523
Total operating expenses	74,062,925	44,524,116	22,604,656	141,191,697	57,429,108
Operating income (loss)	(143,590)	2,235,467	(1,938,982)	152,895	(7,716,017)
NONOPERATING REVENUES (EXPENSES)					
Investment income	25,504	5,301	(3,947)	26,858	(39,752)
Gain on capital asset disposition					286,002
Interest expense	(87,973)	(3,948,741)		(4,036,714)	(31,010)
Room tax revenue			2,334,237	2,334,237	
Sales tax revenue		5,203,111		5,203,111	
Other intergovernmental revenue		1,530	1,004,630	1,006,160	
Miscellaneous	1,631	24,323	850	26,804	365,136
Total nonoperating revenues (expenses)	(60,838)	1,285,524	3,335,770	4,560,456	580,376
Income (loss) before capital contributions and transfers	(204,428)	3,520,991	1,396,788	4,713,351	(7,135,641)
CAPITAL CONTRIBUTIONS					
Capital contributions	10,343,530	13,698,930	3,813	24,046,273	1,177,919
TRANSFERS					
Transfers in			217,000	217,000	3,087,623
Transfers out	(761,201)	(651,410)	(506,625)	(1,919,236)	(1,437,211)
Total transfers	(761,201)	(651,410)	(289,625)	(1,702,236)	1,650,412
CHANGE IN NET POSITION	9,377,901	16,568,511	1,110,976	27,057,388	(4,307,310)
NET POSITION, BEGINNING OF YEAR	465,588,556	508,068,649	28,307,133		47,029,046
NET POSITION, END OF YEAR	$ 474,966,457	$ 524,637,160	$ 29,418,109		$ 42,721,736
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(3,244,319)	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				$ 23,813,069	

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, 2017

	Business-type Activities				Governmental Activities
	Water	Sewer	Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	$ 73,027,918	$ 46,603,207	$ 19,284,558	$ 138,915,683	$ 2,798,114
Cash received from other sources	5,940	5,228,964	3,343,530	8,578,434	332,978
Cash payments for goods and services	(45,941,445)	(23,022,872)	(13,830,980)	(82,795,297)	(43,237,987)
Cash payments for employee services	(11,675,569)	(9,854,415)	(7,886,318)	(29,416,302)	(7,946,721)
Cash payments for interfund services					47,027,243
Net cash provided by operating activities	15,416,844	18,954,884	910,790	35,282,518	(1,026,373)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			217,000	217,000	3,087,623
Transfers out	(761,201)	(651,410)	(506,625)	(1,919,236)	(1,437,211)
Repayments of advances from other funds					133,474
Interest payments on debt					(31,010)
Net cash provided by (used in) noncapital financing activities	(761,201)	(651,410)	(289,625)	(1,702,236)	1,752,876
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(17,355,599)	(3,940,698)	(102,168)	(21,398,465)	(3,781,455)
Proceeds received from disposal of capital assets					290,346
Principal payments on debt	(4,405,428)	(7,060,211)		(11,465,639)	
Interest payments on debt	(575,323)	(4,372,127)		(4,947,450)	
Increase in provisional credits	11,900	5,254		17,154	
Capital contributions	4,294,567	7,268,828		11,563,395	
Net cash used in capital financing activities	(18,029,883)	(8,098,954)	(102,168)	(26,231,005)	(3,491,109)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	(28,749)	(66,693)	(17,540)	(112,982)	(62,713)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,402,989)	10,137,827	501,457	7,236,295	(2,827,319)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	110,281,255	79,879,929	19,671,136	209,832,320	61,535,185
CASH AND CASH EQUIVALENTS, END OF YEAR					
Cash and cash equivalents, unrestricted	103,399,083	88,966,951	20,132,847	212,498,881	57,671,867
Cash and cash equivalents, restricted	3,479,183	1,050,805	39,746	4,569,734	1,035,999
	$ 106,878,266	$ 90,017,756	$ 20,172,593	$ 217,068,615	$ 58,707,866

(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, 2017

	Business-type Activities				Governmental Activities
	Water	Sewer	Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (143,590)	$ 2,235,467	$ (1,938,982)	$ 152,895	$ (7,716,017)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	12,162,479	12,458,596	455,483	25,076,558	3,425,523
Other	5,940	5,228,964	3,343,530	8,578,434	365,136
(Increase) decrease in operating assets					
Accounts receivable	(891,417)	(39,137)	(43,097)	(973,651)	(180,113)
Due from other governments		(117,239)	141,798	24,559	
Prepaid items			1,334	1,334	(185,818)
Due from other funds					110,489
Inventories	(47,585)	(67,945)		(115,530)	5,586
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	4,162,393	(944,248)	10,907	3,229,052	(785,422)
Accrued salaries and benefits	67,651	37,214	87,719	192,584	
Compensated absences	78,388	130,393	332,734	541,515	91,410
Claims and judgments					3,495,562
Other post employment benefits	31,811	29,836	23,475	85,122	352,670
Net pension liability	3,443	2,983	2,292	8,718	2,340
Deposits	(12,669)		(26,586)	(39,255)	(7,719)
Unearned revenue			(1,479,817)	(1,479,817)	
Total adjustments	15,560,434	16,719,417	2,849,772	35,129,623	6,689,644
Net cash provided by operating activities	$ 15,416,844	$ 18,954,884	$ 910,790	$ 35,282,518	$ (1,026,373)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	$ 6,044,654	$ 6,430,102	$	$ 12,474,756	$ 1,177,919

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

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Agency Funds
ASSETS	
Cash, cash equivalents and investments	$ 40,120,256
Special assessments receivable	344,472
Total assets	40,464,728
LIABILITIES	
Due to developers	8,635,676
Due to employees	172,430
Due to others	31,656,622
Total liabilities	40,464,728
NET POSITION	$

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

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 City 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 non-major 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)

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, such 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.

(Continued)

The City reports the following major enterprise funds:

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)

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 liened 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.

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

In addition, the City maintains remaining bond proceeds related to the Series 2016 bond issuance, which are to be utilized to develop and acquire police communications systems. These amounts are reported as restricted cash, cash equivalents and investments.

Lastly, 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 the acquisition 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)

Interest incurred during the construction of capital assets in the City's enterprise funds is included as part of the capitalized value of the asset constructed. The amount of interest capitalized for the year ended June 30, 2017 was $419,754.

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.

(Continued)

In 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.

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 to 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.

Agent Multiple-Employer Defined Benefit Pension Plan

The City uses the same basis used in the Judicial Retirement System of Nevada's (JRS) Annual Financial Report for reporting its proportionate share of the JRS net pension liability, deferred outflow and inflows of resources related to pension, and pension expense, including information related to JRS fiduciary net position. Benefits payments (including refunds of employee contributions) are recognized by JRS when due and payable in accordance with the benefit terms. JRS investments are reported as 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 of resources 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 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 valuation measurement date, which are deferred for one year.

(Continued)

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 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:

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.

(Continued)

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 designed 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 $20,573,496 at June 30, 2017.

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 ($49,064,431) occurred in the capital projects funds.

(Continued)

Excess of Expenditures over Appropriations

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

Tax Abatements

At June 30, 2017, the City determined that individual tax abatement agreements, entered into by the City, for which the gross, accrual basis reduction of the City's taxes exceeded $350,000 were as follows:

Agreement description – Redevelopment Area Owner Participation Agreement with Lynn Investments, LLC
- Amount abated during the year ended June 30, 2017 – $2,716,814
- Purpose – Redevelopment of an area to reduce blight and create jobs
- Specific tax being abated – Real and personal property taxes
- Authority for agreement – NRS 279 – Redevelopment of communities
- Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required "gap" or shortfall in project finances and RDA Board approval
- Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes being remitted to Lynn Investments, LLC
- Recipient commitments – Construct approved capital improvements

Agreement description – Redevelopment Area Owner Participation Agreement with Landwell, LP
- Amount abated during the year ended June 30, 2017 – $547,232
- Purpose – Redevelopment of an area to reduce blight and create jobs
- Specific tax being abated – Real property taxes
- Authority for agreement – NRS 279 – Redevelopment of communities
- Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required "gap" or shortfall in project finances and RDA Board approval
- Abatement mechanism – Receipt of incremental tax revenue by RDA with 75% of incremental taxes being remitted to Landwell, LP after 18% Clark County School District (CCSD) set-aside and 10% RDA administration fee
- Recipient commitments – Construct approved capital improvements

Agreement description – Redevelopment Area Owner Participation Agreement with Hanson Aggregates Inc
- Amount abated during the year ended June 30, 2017 – $372,754
- Purpose – Redevelopment of an area to reduce blight and create jobs
- Specific tax being abated – Real property taxes
- Authority for agreement – NRS 279 – Redevelopment of communities
- Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required "gap" or shortfall in project finances and RDA Board approval
- Abatement mechanism – Receipt of incremental tax revenue by RDA with 25% of incremental taxes being remitted to Hanson after a 5% administration fee
- Recipient commitments – Construct approved capital improvements

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

Agreement/program description – Redevelopment Area Owner Participation Agreements
- Amount abated during the year ended June 30, 2017 – $130,446
- Purpose – Redevelopment of an area to reduce blight and create jobs
- Specific tax being abated – Real property taxes
- Authority for agreement/program – NRS 279 – Redevelopment of communities
- Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required "gap" or shortfall in project finances and RDA Board approval
- Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes being remitted to owner participants after 18% Clark County School District (CCSD) set-aside and 15% RDA administration fee
- Recipient commitments – Construct approved capital improvements

(Continued)

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

Agreement/program description – Nevada Revised Statues 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft
Amount abated during the year ended June 30, 2017 – $13,098
Specific tax being abated – Personal property taxes and/or sales and use taxes

Agreement/program description – NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center
Amount abated during the year ended June 30, 2017 – $354,345
Specific tax being abated – Property taxes and/or sales and use taxes

Agreement/program description – NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain property taxes for qualified energy systems, NRS 701A.210 Partial abatement of certain property taxes for businesses and facilities using recycled material)
Amount abated during the year ended June 30, 2017 – $705,793
Specific tax being abated – Property taxes and/or sales and use taxes

Agreement/program description – NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses
Amount abated during the year ended June 30, 2017 – $87,302
Specific tax being abated – Sales and use taxes

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, 2017:

Cash on hand	$ 46,261
Cash on deposit	147,560,782
Cash equivalents	53,544,413
Investments	305,221,967
Total cash, cash equivalents and investments	$ 506,373,423

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

	Unrestricted	Restricted	Total
Governmental activities	$ 239,297,569	$ 9,886,983	$ 249,184,552
Business-type activities	212,498,881	4,569,734	217,068,615
Fiduciary Funds	40,120,256		40,120,256
Total cash, cash equivalents and investments	$ 491,916,706	$ 14,456,717	$ 506,373,423

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.

(Continued)

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, 2017, the recorded amount of the City's deposits was $147,560,782 and the bank balance was $151,397,679. 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
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		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

(Continued)

At June 30, 2017, the City had the following cash equivalents and investments:

	Cost	Fair Value	Weighted Average Maturity (Years)
Pooled cash equivalents and investments			
State of Nevada, Local Government Investment Pool	$ 129,554	$ 129,554	N/A
Money Market Funds	547,017	547,017	N/A
U.S. Agency securities			
Federal Farm Credit Bank	54,150,894	53,889,090	1.84
Federal Home Loan Bank	47,115,197	46,962,582	1.27
Federal Home Loan Mortgage Corporation	91,587,378	91,222,637	1.67
Federal National Mortgage	50,692,948	50,456,228	1.89
US Treasury notes	35,783,852	35,590,459	6.13
US Treasury notes - inflationary	1,844,010	1,945,611	4.04
Corporate bonds	15,303,551	15,156,061	2.21
Marketable Certificate of Deposit	10,000,000	9,999,300	.09
Total pooled cash equivalents and investments	307,154,401	305,898,539	2.18
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	52,155,494	52,155,494	N/A
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	623,579	623,579	N/A
Utility bonds - State of Nevada, Local Government Investment Pool	88,768	88,768	N/A
Total non-pooled cash equivalents and investments	52,867,841	52,867,841	N/A
Total cash equivalents and investments	$ 360,022,242	$ 358,766,380	1.86

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), except for U.S. Agency securities which are based on level 2 inputs. 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, 2017, 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.

(Continued)

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	0.15 %
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	15.02 %
Federal Home Loan Bank	AA+	Aaa	13.09 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	25.43 %
Federal National Mortgage	AA+	Aaa	14.07 %
U.S. Treasury notes	*	*	9.92 %
US Treasury notes - inflationary	*	*	0.54 %
State of Nevada, Local Government Investment Pool	N/A	N/A	0.04 %
Corporate bonds			
Intel	A+	A1	1.67 %
Apple	AA+	Aa1	0.28 %
General Electric	A+	A2	0.31 %
Intercontinental Exchange	A	A2	0.28 %
John Deere	A	A2	0.28 %
Microsoft	AAA	Aaa	0.28 %
Oracle	AA-	A1	0.28 %
PNC Bank	A	A2	0.28 %
Simon Property Group	A	A2	0.28 %
Wells Fargo & Company	A	A2	0.28 %
Wells Fargo Bank Marketable CD	AA-	Aa1	2.79 %
Total pooled cash equivalents and investments			85.27 %
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	AAA	Aaa	14.54 %
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	AAA	Aaa	0.17 %
Utility bonds - State of Nevada, Local Government Investment Pool	N/A	N/A	0.02 %
Total non-pooled cash equivalents and investments			14.73 %
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.

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.

(Continued)

Note 4. Interfund Balances and Activity

At June 30, 2017, 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	$ 1,369,367
	Aggregate Other Governmental Funds	338,424
		$ 1,707,791

The amount due to the general fund is a temporary loan to cover deficit cash balances in the Grants special revenue fund ($1,369,367), the Sales and Use Tax special revenue fund ($294,942) and the Crime Prevention special revenue fund ($43,482).

Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Aggregate Other Governmental Funds	Aggregate Other Governmental Funds	$ 621,261
Internal Service Funds	Aggregate Other Governmental Funds	1,374,129
		$ 1,995,390

The amounts owed to the internal service funds represent loans to the Special Assessment Districts capital projects fund 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	$ (42,382,050)
Effect of current year internal service activity on business-type activities	(3,244,319)
	$ (45,626,369)

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. During the year, transfers were used to fund programs or capital expenditures, make debt service principal and interest payments, and for reserves per the City's Financial Management Policies. Transfers were also used to close out funds.

Transfer In Fund	Transfer Out Fund	Amount
Aggregate Other Governmental Funds	General Fund	$ 8,071,500
	Aggregate Other Governmental Funds	5,952,954
	Water Enterprise Fund	760,780
	Sewer Enterprise Fund	650,964
	Aggregate Other Enterprise Funds	2,898
	Internal Service Funds	1,437,211
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	217,000

(Continued)

Transfer In Fund	Transfer Out Fund	Amount
Internal Service Funds	General Fund	$ 2,583,029
	Water Enterprise Fund	421
	Sewer Enterprise Fund	446
	Aggregate Other Enterprise Funds	503,727
		$ 20,180,930

Note 5. Capital Assets

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

	Balance July 1, 2016	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2017
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	$ 36,982,865	$ 56,743,036	$ (3,979)	$ (35,508,900)	$ 58,213,022
Land	188,762,187	1,291,257	(1,352,220)		188,701,224
Total capital assets not being depreciated or amortized	225,745,052	58,034,293	(1,356,199)	(35,508,900)	246,914,246
Capital assets being depreciated or amortized					
Buildings and building improvements	341,099,607	78,602	(1,186,968)	849,792	340,841,033
Improvements other than buildings	381,614,291	35,188	(61,225)	5,485,948	387,074,202
Infrastructure	1,583,854,175	36,649,728		27,557,118	1,648,061,021
Machinery and equipment	94,163,550	4,327,656	(2,727,282)	1,616,042	97,379,966
Total capital assets being depreciated or amortized	2,400,731,623	41,091,174	(3,975,475)	35,508,900	2,473,356,222
Accumulated depreciation and amortization					
Buildings and building improvements	(97,694,187)	(4,183,207)	969,128		(100,908,266)
Improvements other than buildings	(65,575,534)	(8,977,553)	40,604		(74,512,483)
Infrastructure	(797,999,619)	(20,714,944)			(818,714,563)
Machinery and equipment	(69,661,670)	(5,065,584)	2,716,481		(72,010,773)
Total accumulated depreciation and amortization	(1,030,931,010)	(38,941,288)	3,726,213		(1,066,146,085)
Total capital assets being depreciated or amortized, net	1,369,800,613	2,149,886	(249,262)	35,508,900	1,407,210,137
Total governmental activities	$ 1,595,545,665	$ 60,184,179	$ (1,605,461)	$	$ 1,654,124,383

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

(Continued)

	Balance July 1, 2016	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2017
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	$ 19,514,852	$ 24,759,979	$	$ (8,594,001)	$ 35,680,830
Land	35,912,213				35,912,213
Total capital assets not being depreciated or amortized	55,427,065	24,759,979		(8,594,001)	71,593,043
Capital assets being depreciated or amortized					
Buildings and building improvements	178,638,809		(16,807)		178,622,002
Improvements other than buildings	1,317,402,502	9,879,799	(2,824,684)	8,279,025	1,332,736,642
Machinery and equipment	46,996,941	303,777	(2,227,732)	314,976	45,387,962
Total capital assets being depreciated or amortized	1,543,038,252	10,183,576	(5,069,223)	8,594,001	1,556,746,606
Accumulated depreciation and amortization					
Buildings and building improvements	(39,643,321)	(3,432,193)	16,807		(43,058,707)
Improvements other than buildings	(562,780,209)	(20,076,918)	2,824,684		(580,032,443)
Machinery and equipment	(25,220,988)	(1,567,447)	2,227,732		(24,560,703)
Total accumulated depreciation and amortization	(627,644,518)	(25,076,558)	5,069,223		(647,651,853)
Total capital assets being depreciated or amortized, net	915,393,734	(14,892,982)		8,594,001	909,094,753
Total business-type activities	$ 970,820,799	$ 9,866,997	$	$	$ 980,687,796

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

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

Governmental activities	
General government	$ 1,922,305
Judicial	363,642
Public safety	2,114,797
Public works	20,822,328
Culture and recreation	10,292,693
Internal service fund depreciation expense is charged to specific functions based on asset usage	3,425,523
Total depreciation expense, governmental activities	$ 38,941,288
Business-type activities	
Water	$ 12,162,479
Sewer	12,458,596
Development services	14,131
Cultural arts and tourism	116,976
Municipal golf course	324,376
Total depreciation expense, business-type activities	$ 25,076,558

(Continued)

Note 6. Long-term Liabilities

Changes in Long-term Liabilities

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
Governmental activities					
General obligation bonds					
$2,065,000 Series 2006 Medium-term Bonds (Energy Retrofit Project) due annually through September 2016; interest fixed at 3.79%	$ 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%	14,760,000		(3,550,000)	11,210,000	3,635,000
$2,710,000 Series 2011B General Obligation Refunding Bonds; principal due annually through June 2020; interest fixed at 3.0%	2,200,000		(525,000)	1,675,000	540,000
$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% and 5.0%	24,305,000			24,305,000	
$12,700,000 Series 2016 General Obligation (Limited Tax) Medium-Term Various Purpose and Refunding Bonds; principal due annually beginning August 2017 through August 2026. Interest varies between 2.0% and 5.0%		12,700,000		12,700,000	350,000
Total general obligation bonds	95,069,000	12,700,000	(4,319,000)	103,450,000	4,525,000

(Continued)

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
Tax allocation bonds					
$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	$	$ (225,000)	$ 9,140,000	$ 230,000
Total tax allocation bonds	9,365,000		(225,000)	9,140,000	230,000
Other long-term obligations					
$17,960,000 2009 Installment Purchase Agreement due annually through 2024; interest fixed at 4.97%	12,589,000		(9,986,000)	2,603,000	1,242,000
Intangible asset obligation	91,000		(45,500)	45,500	45,500
Total other long-term obligations	12,680,000		(10,031,500)	2,648,500	1,287,500
Unamortized bond premiums	8,117,448	2,426,713	(663,900)	9,880,261	
Claims and judgments	13,609,407	21,334,772	(17,839,210)	17,104,969	17,104,969
Compensated absences	40,904,706	4,770,874	(3,828,206)	41,847,374	3,166,251
Other post employment benefits	20,668,072	3,043,127	(1,719,143)	21,992,056	
Net pension liability	310,374,591	92,436,642	(45,335,788)	357,475,445	
Total governmental activities	510,788,224	136,712,128	(83,961,747)	563,538,605	26,313,720
Business-type activities					
Revenue bonds					
$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	2,389,288		(305,428)	2,083,860	316,677
$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%	3,595,000		(1,760,000)	1,835,000	1,835,000
$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; interest fixed at 0.0%	1,222,712		(87,337)	1,135,375	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%	69,530,000		(3,140,000)	66,390,000	3,265,000

(Continued)

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017	Due Within One Year
$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		(2,340,000)	5,034,000	2,456,000
$11,061,000 Series 2015 Sewer Bonds due in annual installments beginning June 2017 through June 2019; interest fixed at 5.0%	11,061,000		(3,510,000)	7,551,000	3,684,000
Total revenue bonds	111,857,000		(11,142,765)	100,714,235	11,644,014
Other long-term obligations					
Provisional credits and refunding agreements	818,539	119,348	(102,194)	835,693	
Intergovernmental payable to the Southern Nevada Water Authority	1,614,370		(322,874)	1,291,496	322,874
Total other long-term obligations	2,432,909	119,348	(425,068)	2,127,189	322,874
Unamortized bond premiums	8,163,578		(930,271)	7,233,307	
Compensated absences	7,242,808	963,006	(421,491)	7,784,323	686,884
Other post employment benefits	4,110,313	85,122		4,195,435	
Net pension liability	48,291,378	14,752,880	(7,205,115)	55,839,143	
Total business-type activities	182,097,986	15,920,356	(20,124,710)	177,893,632	12,653,772
Total long-term debt obligations	$ 692,886,210	$ 152,632,484	$ (104,086,457)	$ 741,432,237	$ 38,967,492

Compensated absences and other post employment benefits 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.

(Continued)

For the year ended June 30, 2017, activity related to the City's unamortized deferred refunding charges were as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2016	$ 6,586,344	$ 5,994,018	$ 12,580,362
Additions	932,906		932,906
Reductions	(951,898)	(506,106)	(1,458,004)
Balance June 30, 2017	$ 6,567,352	$ 5,487,912	$ 12,055,264

Future Debt Service Requirements

At June 30, 2017, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations, were as follows:

	Revenue bonds		General obligation bonds	
For the Year Ending June 30,	Principal	Interest	Principal	Interest
2018	$ 11,644,014	$ 4,437,604	$ 4,525,000	$ 4,421,305
2019	10,290,678	3,914,403	4,660,000	4,297,976
2020	4,027,772	3,408,559	7,965,000	4,123,304
2021	4,215,312	3,216,019	6,300,000	3,821,569
2022	4,418,312	3,014,268	6,625,000	3,555,644
2023 - 2027	23,736,138	11,784,513	29,550,000	13,709,188
2028 - 2032	29,162,009	6,024,913	25,630,000	7,816,438
2033 - 2037	13,220,000	798,000	18,195,000	1,848,000
	$ 100,714,235	$ 36,598,279	$ 103,450,000	$ 43,593,424

	Tax allocation bonds		Other long-term obligations	
For the Year Ending June 30,	Principal	Interest	Principal	Interest
2018	$ 230,000	$ 387,600	$ 1,287,500	$ 129,369
2019	240,000	379,350	1,361,000	67,642
2020	250,000	368,300		
2021	265,000	355,425		
2022	275,000	341,925		
2023 - 2027	1,605,000	1,482,625		
2028 - 2032	2,045,000	1,040,888		
2033 - 2037	2,485,000	601,338		
2038 - 2042	1,745,000	106,500		
	$ 9,140,000	$ 5,063,951	$ 2,648,500	$ 197,011

Special Assessment Bonds

The City has issued special assessment bonds with an aggregate outstanding principal balance of $107,605,000 at June 30, 2017. 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.

(Continued)

Advance Refunding

In August 2016, the City issued $12,700,000 in General Obligation (Limited Tax) Medium-Term Various Purpose and Refunding Bonds, Series 2016. The refunding proceeds were placed in an irrevocable trust to provide funds for the partial advance refunding of $8,854,000 principal of the City's March 2009 Installment Purchase Agreement. The City's Series 2016 Bonds bear interest at rates from 2% to 5%, which is payable semi-annually on February 1 and August 1 of each year, commencing on February 1, 2017 and continuing through maturity in fiscal year 2027. Over the life of the bonds, the refunding will reduce total debt service by $876,513, and will result in a net present value benefit of $775,807. The remainder of the bond issue was undertaken to provide funding for the purchase, upgrade, and replacement of the City police communications system and other equipment.

Defeased Debt

Debt was defeased in connection with the August 2016 advance refunding. At June 30, 2017, the remaining outstanding principal balance of the defeased debt is $8,854,000.

Note 7. Defined Benefit Pension Plans

Aggregate Balances

At June 30, 2017, the City's aggregate pension plan balances were as follows:

	Public Employees' Retirement System of Nevada	Judicial Retirement System of Nevada	Aggregate Total
Net unamortized deferred outflows of resources related to pensions	$ 101,718,291	$ 86,500	$ 101,804,791
Net pension liability	413,086,137	228,451	413,314,588
Net unamortized deferred inflows of resources related to pensions	34,253,386	54,611	34,307,997
Pension expense	54,451,633	196,562	54,648,195

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City's regular and police/fire 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.

(Continued)

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

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, this multiplier is 2.5% for all years of service. Regular members entering the PERS on or after July 1, 2015, have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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

1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or

2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

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

For members entering the system on or after January 1, 2010 and before July 1, 2015, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten 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, at age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

(Continued)

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

The authority for establishing and amending the obligation to make contributions, and member contribution rates rests with NRS. New hires, in agencies which did not elect the Employer Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two 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, 2016, the required employer/employee matching rate was 14.50% for regular and 20.75% for police/fire members. The EPC rate was 28.00% for regular and 40.50% for police/fire members.

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

PERS collective net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following 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, 2016
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)

At June 30, 2016, assumed mortality rates and projected life expectancies for selected ages were as follows:

Regular Members

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

Police/Fire Members

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

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, 2016:

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

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

(Continued)

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016 and 2015. 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, 2016, 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, 2016.

The City's proportionate share of the net pension liability at June 30, 2016, 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	$ 605,503,573	$ 413,086,137	$ 252,997,196

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from 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 $413,086,137, which represents 3.06964% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2016, 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, 2016.

For the year ended June 30, 2017, the City's pension expense was $54,451,633 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 27,661,317
Net difference between projected and actual earnings on investments	38,401,495	
Changes in proportion and differences between actual contributions and proportionate share of contributions	8,961,923	6,592,069
Contributions made subsequent to the measurement date	54,354,873	

At June 30, 2016 (the actuarial valuation measurement date), the average expected remaining service life is 6.48 years.

(Continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $54,354,873 will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,	
2018	$ (3,885,743)
2019	(3,885,743)
2020	16,619,951
2021	8,038,799
2022	(3,094,950)
Thereafter	(682,282)

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

Net pension liability, beginning of year	$ 358,665,969
Pension expense	54,451,633
Employer contributions	(52,475,582)
Change in net deferred inflows and outflows of resources	52,444,117
Net pension liability, end of year	$ 413,086,137

At June 30, 2017, $5,946,745 is payable to PERS, for the June 2017 required contribution, and is included in accounts payable.

Agent Multiple-Employer Defined Benefit Pension Plan

The City's municipal court judges, in certain circumstances, can elect to be covered by the Judicial Retirement System of Nevada (JRS), an agent multiple-employers defined benefit pension plan. The JRS was established by the Nevada Legislature in July 2001, effective January 1, 2003, to provide a reasonable base retirement income to justices of the Supreme Court and district judges. In 2005, the Nevada Legislature amended the retirement status to allow municipal court judges and justices of the peace to participate in JRS, upon the election of the local government employing the municipal court judges and justices of the peace. JRS is administered and governed by the Nevada Public Employees' Retirement Board (the JRS Board) whose seven members are appointed by the governor. The City does not exercise any control over the JRS.

Benefits are paid according to various options contained in the NRS, dependent upon whether a member was serving as a Supreme Court Justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002, may select one of the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002, are only eligible for the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by NRS, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Option 2 - Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, may select benefit payments computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

(Continued)

Members who retired under the Previous Benefit Plan (in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members enrolled in the JRS on or after July 1, 2015, will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate though payroll deductions. Annual compensation allowed to be taken into account in determining retirement benefits is limited to $200,000 (adjusted for Consumer Price Index (All Items)).

JRS members become fully vested after five years of service. A member is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

JRS members enrolled on or after July 1, 2015, become fully vested after five years of service and is eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, and at any age with 33 1/3 years of service.

Post-retirement increases are provided by authority of the NRS, 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 JRS Board approved index) for the three preceding years.

A JRS 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 JRS Board approved index) for the period between retirement and the date of increase.

For JRS members entering the system on or after January 1, 2010, and prior to July 1, 2015, the post-retirement increases are the same as paragraph 1 above, except that the increases do not exceed 4% per year.

For JRS members entering the system on or after July 1, 2015, the post-retirement increases will be 2.0% per year following the third through fifth anniversaries of the commencement of benefit and 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries the annual increase shall be the lessor of 3.0% or the Consumer Price Index (All Items) for the preceding calendar year.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS 1A.180. Participating employers pay JRS a contribution rate, which is actuarially determined to be sufficient to enable JRS to pay all liabilities for current benefits for their members and retirees. JRS administrative expenses are the responsibility of the participating employers and are included as a component of JRS contribution rate.

(Continued)

At June 30, 2016, JRS membership consisted of:

Active members	107
Inactive vested members	2
Retired members and beneficiaries	70
	179

The amount of annual contribution required to fund JRS is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, the UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace. The payment to amortize the UAAL is paid annually for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace.

In addition, effective with the January 1, 2009 valuation, assets are valued using five-year smoothing. The Actuarial Value of Assets (AVA) is further limited to not less than 70% or greater than 130% of market value.

The JRS net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using June 30, 2016, census data.

The total JRS pension liability was determined using the following actuarial assumptions (based on the results of an experience study dated September 12, 2013):

Actuarial valuation date	June 30, 2016
Inflation rate	3.50%
Payroll growth	3.00% to 8.00%
Investment rate of return	8.00%, including inflation
Discount rate	8.00%, net of pension plan investment expense, including inflation
Consumer price index	3.50%
Asset valuation method	The actuarial value of assets is equal to the prior year's actuarial value of assets plus contributions and net transfers, less benefit payments and expenses, plus expected investment return, and 20% of each of the previous five years' gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 70% or greater than 130% of the market value of assets.
Actuarial cost method	Entry age normal
Amortization method	Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace
Mortality rates	RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males)

(Continued)

JRS policies which determine the investment portfolio target asset allocation are established by the JRS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of JRS. The following target asset allocation policy was adopted as of June 30, 2016:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	49 %	5.50 %
International equity	21 %	5.75 %
Domestic fixed income	30 %	0.25 %

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

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid annually, at the end of the year, for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace. Based on those assumptions, JRS's fiduciary net position at June 30, 2016, was projected to be available to make all projected future benefit payments of current active and inactive JRS members. Therefore, the long term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016.

The City's JRS net pension liability at June 30, 2016, calculated using the discount rate of 8.00%, as well as what the City's JRS 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	$ 371,468	$ 228,451	$ 107,578

JRS issues a publicly available Annual Financial Report that includes financial statements and required supplemental information. This report is available by writing to JRS at 693 West Nye Lane, Carson City, Nevada 89703. In addition, JRS is classified as a component unit of the State of Nevada, and as such JRS financial information is is available at http://controller.nv.gov/FinancialReports/CAFR_Download_Page.html and is included in the State of Nevada's Comprehensive Annual Financial Report. JRS fiduciary net position and related additions to/deductions from it have been determined on the same basis used in the JRS Annual Financial Report. JRS 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.

(Continued)

The City's share of the JRS net pension liability was $228,451, which represents 1.00856% of the JRS net pension liability. Each employer's proportion of the net pension liability is based on their contributions relative to the total contributions for all employers for the period ended June 30, 2016.

For the period ended June 30, 2017, the City's JRS pension expense was $196,562 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,473	$ 45,060
Net difference between projected and actual earnings on investments	45,107	
Other changes		9,551
Contributions made subsequent to the measurement date	33,920	

At June 30, 2016, the average expected remaining service life is 4.80 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $33,920 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	
2018	$ 1,647
2019	1,647
2020	(3,759)
2021	(1,566)

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

Net pension liability, beginning of year	$
Pension expense	196,562
Employer contributions	(65,321)
Change in net deferred inflows and outflows of resources	97,210
Net pension liability, end of year	$ 228,451

At June 30, 2017, $30,920 is payable to JRS, for the June 2017 required contribution, and is 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.

(Continued)

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.

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 $1,150 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, 2017, the City had 264 retirees receiving benefits and 1,113 active employees. Contributions are required for both retiree and dependent coverage and range from $447 to $1,637 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	129,752	861,499	991,251
Adjustment to ARC	(149,240)	(990,760)	(1,140,000)
Annual OPEB cost	409,512	2,718,739	3,128,251
OPEB contributions made	(386,623)	(1,332,522)	(1,719,145)
Increase in net OPEB obligation	22,889	1,386,217	1,409,106
Net OPEB obligation, beginning of year	3,553,777	21,224,608	24,778,385
Net OPEB obligation, end of year	$ 3,576,666	$ 22,610,825	$ 26,187,491

(Continued)

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plans and the net OPEB obligations fiscal years ended June 30, 2015, 2016 and 2017, were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2015	$ 448,192	$ 406,886	90.8 %	$ 3,620,108
2016	332,000	398,331	120.0 %	3,553,777
2017	409,512	386,623	94.4 %	3,576,666
City of Henderson Plans				
2015	2,163,808	1,219,628	56.4 %	19,079,263
2016	2,780,000	634,655	22.8 %	21,224,608
2017	2,718,739	1,332,522	49.0 %	22,610,825

Funded Status and Funding Progress

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2015	N/A [1]	$ 6,526,000	$ 6,526,000	0.0 %	N/A [2]	N/A [2]
City of Henderson Plans						
July 1, 2015	N/A [1]	27,931,000	27,931,000	0.0 %	153,470,317	18.2 %

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

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

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.

(Continued)

Note 9. Risk Management

State and local governments are subject to many types off 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.

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 $750,000 self insured retention (SIR). In addition, the City continues to maintain the following coverage: a $1,000,000 blanket Property insurance policy on all buildings, building contents and Boiler and Machinery with a $100,000 deductible; $10,000,000 Inland Marine policy covering Contractors' Equipment and Auto Physical Damage with a $10,000 deductible; a $250,000 Commercial Crime policy with a $10,000 deductible that covers employee dishonesty, forgery and alteration; and a Cyber Liability policy with a $2,500,000 limit and $25,000 retention.

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 $750,000 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, 2016 through July 1, 2017.

(Continued)

For the fiscal years ended June 30, 2016 and 2017, changes in claims liability amounts were as follows:

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
For the year ended June 30, 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	2,062,000	13,637,211	(14,091,211)	1,608,000
	$ 12,986,132	$ 16,522,654	$ (15,899,379)	$ 13,609,407
For the year ended June 30, 2017				
Liability insurance	$ 1,541,408	$ 815,793	$ (810,713)	$ 1,546,488
Workmen's compensation insurance	10,459,999	4,931,747	(1,463,265)	13,928,481
Health Insurance	1,608,000	15,587,232	(15,565,232)	1,630,000
	$ 13,609,407	$ 21,334,772	$ (17,839,210)	$ 17,104,969

Note 10. Other Information

Construction in Progress

As of June 30, 2017, construction in progress of $93,893,852 was reflected in the government-wide financial statements. Management estimates it will require an additional outlay of approximately $39,206,711 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.

(Continued)

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 $351.2 million, plus accrued interest, for the costs incurred by the developers in connection with the construction of the public improvements. However, the City's 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, 2017, the contingent obligation is approximately $87.2 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, 2017, total costs under such agreements were $783,901.

At June 30, 2017, the future minimum operating lease payments were as follows:

For the Year Ending June 30,	
2018	$ 844,655
2019	840,021
2020	770,056
2021	584,988
	$ 3,039,720

Encumbrances

At June 30, 2017, outstanding encumbrances were as follows:

General Fund	$ 1,189,951
Grants Special Revenue Fund	4,106,509
Aggregate Other Governmental Funds	12,563,597
	$ 17,860,057

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)

Note 11. Components of Fund Balances

At June 30, 2017, the components of governmental fund balances were as follows:

	General Fund	Grants Special Revenue Fund	Aggregate Other Governmental Funds	Total Governmental Funds
Restricted				
Stabilization and other general programs	$	$ 36,139	$ 20,573,496	$ 20,609,635
Courts and other judicial programs			646,953	646,953
Fire, police and other public safety programs		219,920	5,336,691	5,556,611
Streets and other public works projects		26,876	65,627,609	65,654,485
Parks, cultural and recreational programs		6,140	11,141,715	11,147,855
Community assistance and support programs		154,785		154,785
Debt service			7,302,409	7,302,409
Redevelopment programs			30,480,419	30,480,419
Assigned				
Stabilization and other general programs	737,221			737,221
Courts and other judicial programs	297			297
Fire, police and other public safety programs	156,238			156,238
Streets and other public works projects	177,460		42,147,669	42,325,129
Parks, cultural and recreational programs	110,000			110,000
Community assistance and support programs	8,735			8,735
Unassigned	25,212,708			25,212,708
	$ 26,402,659	$ 443,860	$ 183,256,961	$ 210,103,480

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

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. Management has completed its assessment of this statement and determined that no existing transactions are subject to alternative disclosure or treatment under the statement. Management will monitor future transactions with the statement in mind to ensure proper treatment and disclosure, should it be necessary.

(Continued)

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

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

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

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016. The objective of this Statement is to address accounting and financial reporting for resources received pursuant to an irrevocable split-interest agreement. Management has completed its assessment of this statement and determined that it will not have a material effect on financial position or changes therein.

In June of 2016, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves 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.

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REQUIRED SUPPLEMENTARY INFORMATION

2017 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2017

CITY OF HENDERSON, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2017

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2011	$ N/A [1]	$ 7,931,000	$ 7,931,000	0.0 %	$ N/A [2]	N/A [2]
July 1, 2013	N/A [1]	7,303,000	7,303,000	0.0 %	N/A [2]	N/A [2]
July 1, 2015	N/A [1]	6,526,000	6,526,000	0.0 %	N/A [2]	N/A [2]
City of Henderson Plans						
July 1, 2011	$ N/A [1]	$ 34,427,000	$ 34,427,000	0.0 %	$ 143,530,451	24.0 %
July 1, 2013	N/A [1]	20,652,000	20,652,000	0.0 %	142,409,404	14.5 %
July 1, 2015	N/A [1]	27,931,000	27,931,000	0.0 %	153,470,317	18.2 %

1. No assets have been placed in trust.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

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, 2016 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Employee Payroll[2]	Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2014	3.11371 %	$ 324,509,868	$ 149,487,119	217.08 %	76.31 %
2015	3.12987 %	358,665,969	153,186,312	234.14 %	75.13 %
2016	3.06964 %	413,086,137	157,972,248	261.49 %	72.23 %

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.
2. Covered payroll is presented in accordance with the guidance in GASB 82, Pension Issues - An Amendment of GASB Statements No. 67, 68, and 73.

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, 2017 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll[2]	Contributions as a Percentage of Covered Employee Payroll
2015	$ 48,713,121	$ 48,713,121	$	$ 153,186,312	31.80 %
2016	52,475,582	52,475,582		157,972,248	33.22 %
2017	54,354,873	54,354,873		163,656,523	33.21 %

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.
2. Covered payroll is presented in accordance with the guidance in GASB 82, Pension Issues - An Amendment of GASB Statements No. 67, 68, and 73.

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Net Pension Liability, Beginning of Year	Pension Expense	Employer Contributions	Change in Net Deferred Outflows and Inflows	Net Pension Liability, End of Year
2016	$	$ 196,562	$ (65,321)	$ 97,210	$ 228,451

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the year ended June 30, 2016. As becomes available this schedule will ultimately present information for the ten most resent fiscal years.

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
PENSION PLAN INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Total Pension Plan Liability	Pension Plan Fiduciary Net Position	Net Pension Plan Liability	Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability	Pension Plan Covered Employee Payroll	Net Pension Plan Liability as a Percentage of Pension Plan Covered Employee Payroll
2014	$ 108,630,337	$ 92,113,212	$ 16,517,125	84.79511 %	$ 17,186,300	96.10635 %
2015	119,810,260	98,944,699	20,865,561	82.58450 %	18,933,500	110.20446 %
2016	123,753,035	101,101,940	22,651,095	81.69653 %	19,929,944	113.65358 %

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

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017 AND LAST NINE FISCAL YEARS[1]

For the Year Ended June 30,	Actuarially Required Contribution	Contributions Made	Contribution (Deficiency) Excess	Covered Employee Payroll	Contributions Made as a Percentage of Covered Employee Payroll
2017	$ 33,943	$ 33,920	$ (23)	$ 147,579	22.98430 %

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

Note 1. Other Post Employment Benefits

For the year ended June 30, 2017, 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, 2017, 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, 2016.

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 Notes 1 and 7 to the basic financial statements.

Note 3. Agent Multiple-Employer Defined Benefit Pension Plan

For the year ended June 30, 2017, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2016.

The actuarial valuation reports dated June 30, 2014, was the first valuation to date of the agent multiple-employer defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most resent valuations.

Additional pension plan information can be found in Notes 1 and 7 to the basic financial statements.

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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.

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

RTC/County Funded Capital Projects - 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 Capital Projects - 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 Capital Projects - 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 Capital Projects - 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 Capital Projects - 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 Capital Projects - 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.

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CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments	$ 54,542,963	$ 7,259,264	$ 104,846,391	$ 166,648,618
Restricted cash and cash equivalents	2,518,405		5,330,727	7,849,132
Accounts receivable, net	56,862		87,350	144,212
Interest receivable	108,255	18,614	170,279	297,148
Taxes receivable	133,226	302,536		435,762
Special assessments receivable		1,369,600		1,369,600
Notes receivable, net	33,972		7,021,492	7,055,464
Due from other governments	6,114,292	24,830	337,472	6,476,594
Advances to other funds			621,261	621,261
Land held for resale	9,274,239			9,274,239
Total assets	$ 72,782,214	$ 8,974,844	$ 118,414,972	$ 200,172,030
LIABILITIES				
Accounts payable and other accrued liabilities	$ 466,580	$ 253	$ 2,256,956	$ 2,723,789
Accrued wages	324,462		13,335	337,797
Tax increment payable to developers	1,324,592			1,324,592
Due to other governments	1,022,038	46	300,200	1,322,284
Due to other funds	338,424			338,424
Advances from other funds	621,261		1,374,129	1,995,390
Deposits			1,000	1,000
Compensated absences	1,176			1,176
Total liabilities	4,098,533	299	3,945,620	8,044,452
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	133,226	302,536		435,762
Unavailable revenue, special assessments		1,369,600		1,369,600
Unavailable revenue, notes receivable	33,972		7,021,492	7,055,464
Unavailable revenue, other receivables			9,791	9,791
Total deferred inflows of resources	167,198	1,672,136	7,031,283	8,870,617
Total liabilities and deferred inflows of resources	4,265,731	1,672,435	10,976,903	16,915,069
FUND BALANCES				
Restricted	68,516,483	7,302,409	65,290,400	141,109,292
Assigned			42,147,669	42,147,669
Total fund balances	68,516,483	7,302,409	107,438,069	183,256,961
Total liabilities, deferred inflows of resources and fund balances	$ 72,782,214	$ 8,974,844	$ 118,414,972	$ 200,172,030

CITY OF HENDERSON, NEVADA

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

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
REVENUES				
Property taxes	$ 10,122,067	$ 4,112,396	$ 1,271,705	$ 15,506,168
Intergovernmental	21,496,270		2,871,341	24,367,611
Charges for services	149,789		183,640	333,429
Fines and forfeitures	1,311,396			1,311,396
Impact fees			1,258,308	1,258,308
Special assessments		90,145		90,145
Investment income (loss)	2,086	116,243	687,021	805,350
Developer contributions			2,282,571	2,282,571
Rental fees	7,144		515,916	523,060
Miscellaneous	52,299	6,608	390,666	449,573
Total revenues	33,141,051	4,325,392	9,461,168	46,927,611
EXPENDITURES				
Current				
General government	7,635,635	134,846	1,331,066	9,101,547
Judicial	743,450			743,450
Public safety	15,966,382		780,407	16,746,789
Public works	1,132,012	5,580	4,889,765	6,027,357
Culture and recreation			1,925,395	1,925,395
Community support			273,942	273,942
Total current	25,477,479	140,426	9,200,575	34,818,480
Capital outlay				
General government			1,880,123	1,880,123
Public safety	32,597		4,919,351	4,951,948
Public works	1,869,079		15,706,778	17,575,857
Culture and recreation			1,603,050	1,603,050
Total capital outlay	1,901,676		24,109,302	26,010,978
Debt service				
Principal payments	225,000	5,451,000		5,676,000
Payment to current bond refunding agent		9,786,906		9,786,906
Interest charges	393,300	4,575,592	124,916	5,093,808
Total debt service	618,300	19,813,498	124,916	20,556,714
Total expenditures	27,997,455	19,953,924	33,434,793	81,386,172
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,143,596	(15,628,532)	(23,973,625)	(34,458,561)
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			9,242,809	9,242,809
Issuance of refunding bonds		8,345,000		8,345,000
Debt issuance proceeds			4,355,000	4,355,000
Premium on refunding bonds issued		1,574,450	852,263	2,426,713
Transfers in	560,000	5,874,017	10,442,290	16,876,307
Transfers out	(78,654)	(258,390)	(5,832,910)	(6,169,954)
Total other financing sources (uses)	481,346	15,535,077	19,059,452	35,075,875
CHANGE IN FUND BALANCE	5,624,942	(93,455)	(4,914,173)	617,314
FUND BALANCE, BEGINNING OF YEAR	62,891,541	7,395,864	112,352,242	182,639,647
FUND BALANCE, END OF YEAR	$ 68,516,483	$ 7,302,409	$ 107,438,069	$ 183,256,961

CITY OF HENDERSON, NEVADA

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

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
ASSETS					
Cash, cash equivalents and investments	$ 21,693,185	$ 10,690,600	$ 406,573	$ 607,419	$ 20,533,682
Restricted cash and cash equivalents	2,518,405				
Accounts receivable, net				50,951	
Interest receivable	45,885	20,653	965		39,749
Taxes receivable	133,226				
Notes receivable, net	33,972				
Due from other governments	32,552	867,809			65
Land held for resale	9,274,239				
Total assets	$ 33,731,464	$ 11,579,062	$ 407,538	$ 658,370	$ 20,573,496
LIABILITIES					
Accounts payable and other accrued liabilities	$ 95,015	$ 100,138	$ 9,398	$ 7,938	$
Accrued wages	20,941			3,479	
Tax increment payable to developers	1,324,592				
Due to other governments	1,022,038				
Due to other funds					
Advances from other funds	621,261				
Compensated absences					
Total liabilities	3,083,847	100,138	9,398	11,417	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	133,226				
Unavailable revenue, notes receivable	33,972				
Total deferred inflows of resources	167,198				
Total liabilities and deferred inflows of resources	3,251,045	100,138	9,398	11,417	
FUND BALANCES					
Restricted	30,480,419	11,478,924	398,140	646,953	20,573,496
Total fund balances	30,480,419	11,478,924	398,140	646,953	20,573,496
Total liabilities, deferred inflows of resources and fund balances	$ 33,731,464	$ 11,579,062	$ 407,538	$ 658,370	$ 20,573,496

(Continued)

CITY OF HENDERSON, NEVADA

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

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention	Total Special Revenue Funds
ASSETS					
Cash, cash equivalents and investments	$	$ 412,339	$ 199,165	$	$ 54,542,963
Restricted cash and cash equivalents					2,518,405
Accounts receivable, net	5,911				56,862
Interest receivable		628	375		108,255
Taxes receivable					133,226
Notes receivable, net					33,972
Due from other governments	4,130,233			1,083,633	6,114,292
Land held for resale					9,274,239
Total assets	$ 4,136,144	$ 412,967	$ 199,540	$ 1,083,633	$ 72,782,214
LIABILITIES					
Accounts payable and other accrued liabilities	$ 118,480	$ 113,582	$ 1,992	$ 20,037	$ 466,580
Accrued wages	276,633	312	32	23,065	324,462
Tax increment payable to developers					1,324,592
Due to other governments					1,022,038
Due to other funds	294,942			43,482	338,424
Advances from other funds					621,261
Compensated absences	1,176				1,176
Total liabilities	691,231	113,894	2,024	86,584	4,098,533
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes					133,226
Unavailable revenue, notes receivable					33,972
Total deferred inflows of resources					167,198
Total liabilities and deferred inflows of resources	691,231	113,894	2,024	86,584	4,265,731
FUND BALANCES					
Restricted	3,444,913	299,073	197,516	997,049	68,516,483
Total fund balances	3,444,913	299,073	197,516	997,049	68,516,483
Total liabilities, deferred inflows of resources and fund balances	$ 4,136,144	$ 412,967	$ 199,540	$ 1,083,633	$ 72,782,214

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, 2017

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	$ 10,111,288	$	$	$	$ 10,779
Intergovernmental		4,231,702			
Charges for services					
Fines and forfeitures			579,829	731,567	
Investment income (loss)	4,402	(67)	87		(5,761)
Rental fees	919				
Miscellaneous	38,683		1,628		
Total revenues	10,155,292	4,231,635	581,544	731,567	5,018
EXPENDITURES					
Current					
General government	7,635,635				
Judicial				743,450	
Public safety			471,906		
Public works		1,132,012			
Total current	7,635,635	1,132,012	471,906	743,450	
Capital outlay					
Public safety			32,597		
Public works		1,869,079			
Total capital outlay		1,869,079	32,597		
Debt service					
Principal payments	225,000				
Interest charges	393,300				
Total debt service	618,300				
Total expenditures	8,253,935	3,001,091	504,503	743,450	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,901,357	1,230,544	77,041	(11,883)	5,018
OTHER FINANCING SOURCES (USES)					
Transfers in					510,000
Transfers out		(78,654)			
Total other financing sources (uses)		(78,654)			510,000
CHANGE IN FUND BALANCE	1,901,357	1,151,890	77,041	(11,883)	515,018
FUND BALANCE, BEGINNING OF YEAR	28,579,062	10,327,034	321,099	658,836	20,058,478
FUND BALANCE, END OF YEAR	$ 30,480,419	$ 11,478,924	$ 398,140	$ 646,953	$ 20,573,496

(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, 2017

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention	Total Special Revenue Funds
REVENUES					
Property taxes	$	$	$	$	$ 10,122,067
Intergovernmental	16,131,005		50,000	1,083,563	21,496,270
Charges for services	44,066	98,223	7,500		149,789
Fines and forfeitures					1,311,396
Investment income (loss)	3,826	(511)	40	70	2,086
Rental fees			6,225		7,144
Miscellaneous	7,839		4,149		52,299
Total revenues	16,186,736	97,712	67,914	1,083,633	33,141,051
EXPENDITURES					
Current					
General government					7,635,635
Judicial					743,450
Public safety	15,335,916	28,392	43,584	86,584	15,966,382
Public works					1,132,012
Total current	15,335,916	28,392	43,584	86,584	25,477,479
Capital outlay					
Public safety					32,597
Public works					1,869,079
Total capital outlay					1,901,676
Debt service					
Principal payments					225,000
Interest charges					393,300
Total debt service					618,300
Total expenditures	15,335,916	28,392	43,584	86,584	27,997,455
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	850,820	69,320	24,330	997,049	5,143,596
OTHER FINANCING SOURCES (USES)					
Transfers in			50,000		560,000
Transfers out					(78,654)
Total other financing sources (uses)			50,000		481,346
CHANGE IN FUND BALANCE	850,820	69,320	74,330	997,049	5,624,942
FUND BALANCE, BEGINNING OF YEAR	2,594,093	229,753	123,186		62,891,541
FUND BALANCE, END OF YEAR	$ 3,444,913	$ 299,073	$ 197,516	$ 997,049	$ 68,516,483

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

	Special Assessment Districts	General Obligation	Total Debt Service Funds
ASSETS			
Cash, cash equivalents and investments	$ 1,132,754	$ 6,126,510	$ 7,259,264
Interest receivable	2,292	16,322	18,614
Taxes receivable		302,536	302,536
Special assessments receivable	1,369,600		1,369,600
Due from other governments		24,830	24,830
Total assets	$ 2,504,646	$ 6,470,198	$ 8,974,844
LIABILITIES			
Accounts payable and other accrued liabilities	$ 253	$	$ 253
Due to other governments	46		46
Total liabilities	299		299
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		302,536	302,536
Unavailable revenue, special assessments	1,369,600		1,369,600
Total deferred inflows of resources	1,369,600	302,536	1,672,136
Total liabilities and deferred inflows of resources	1,369,899	302,536	1,672,435
FUND BALANCES			
Restricted	1,134,747	6,167,662	7,302,409
Total fund balances	1,134,747	6,167,662	7,302,409
Total liabilities, deferred inflows of resources and fund balances	$ 2,504,646	$ 6,470,198	$ 8,974,844

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, 2017

	Special Assessment Districts	General Obligation	Total Debt Service Funds
REVENUES			
Property taxes	$	$ 4,112,396	$ 4,112,396
Special assessments	90,145		90,145
Investment income (loss)	101,982	14,261	116,243
Miscellaneous	6,608		6,608
Total revenues	198,735	4,126,657	4,325,392
EXPENDITURES			
Current			
General government		134,846	134,846
Public works	5,580		5,580
Total current	5,580	134,846	140,426
Debt service			
Principal payments		5,451,000	5,451,000
Payment to current bond refunding agent		9,786,906	9,786,906
Interest charges		4,575,592	4,575,592
Total debt service		19,813,498	19,813,498
Total expenditures	5,580	19,948,344	19,953,924
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	193,155	(15,821,687)	(15,628,532)
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds		8,345,000	8,345,000
Premium on refunding bonds issued		1,574,450	1,574,450
Transfers in		5,874,017	5,874,017
Transfers out	(258,390)		(258,390)
Total other financing sources (uses)	(258,390)	15,793,467	15,535,077
CHANGE IN FUND BALANCE	(65,235)	(28,220)	(93,455)
FUND BALANCE, BEGINNING OF YEAR	1,199,982	6,195,882	7,395,864
FUND BALANCE, END OF YEAR	$ 1,134,747	$ 6,167,662	$ 7,302,409

CITY OF HENDERSON, NEVADA

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

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
ASSETS				
Cash, cash equivalents and investments	$ 12,700,235	$ 6,123,195	$ 4,881,152	$ 496,633
Restricted cash and cash equivalents	610,804		185,269	
Accounts receivable, net				
Interest receivable	25,417	12,023	9,907	981
Notes receivable, net				
Due from other governments		97,472		
Advances to other funds				
Total assets	$ 13,336,456	$ 6,232,690	$ 5,076,328	$ 497,614
LIABILITIES				
Accounts payable and other accrued liabilities	$ 705,426	$ 77,733	$ 89,370	$
Accrued wages	1,132			
Due to other governments		200		300,000
Advances from other funds				
Deposits				
Total liabilities	706,558	77,933	89,370	300,000
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables				
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	706,558	77,933	89,370	300,000
FUND BALANCES				
Restricted		6,154,757	4,986,958	197,614
Assigned	12,629,898			
Total fund balances	12,629,898	6,154,757	4,986,958	197,614
Total liabilities, deferred inflows of resources and fund balances	$ 13,336,456	$ 6,232,690	$ 5,076,328	$ 497,614

(Continued)

CITY OF HENDERSON, NEVADA

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

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas
ASSETS				
Cash, cash equivalents and investments	$ 560,146	$ 22,165	$ 20,316,952	$ 5,822,941
Restricted cash and cash equivalents			4,483,380	
Accounts receivable, net			81,567	
Interest receivable		454	49,583	11,503
Notes receivable, net				
Due from other governments		240,000		
Advances to other funds				
Total assets	$ 560,146	$ 262,619	$ 24,931,482	$ 5,834,444
LIABILITIES				
Accounts payable and other accrued liabilities	$ 24,793	$	$ 1,235,604	$
Accrued wages			2,760	
Due to other governments				
Advances from other funds				
Deposits				
Total liabilities	24,793		1,238,364	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables			9,791	
Total deferred inflows of resources			9,791	
Total liabilities and deferred inflows of resources	24,793		1,248,155	
FUND BALANCES				
Restricted	535,353	262,619		
Assigned			23,683,327	5,834,444
Total fund balances	535,353	262,619	23,683,327	5,834,444
Total liabilities, deferred inflows of resources and fund balances	$ 560,146	$ 262,619	$ 24,931,482	$ 5,834,444

(Continued)

CITY OF HENDERSON, NEVADA

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

	Special Assessment Districts	Land Sales	Total Capital Project Funds
ASSETS			
Cash, cash equivalents and investments	$ 24,366,943	$ 29,556,029	$ 104,846,391
Restricted cash and cash equivalents		51,274	5,330,727
Accounts receivable, net		5,783	87,350
Interest receivable	1,068	59,343	170,279
Notes receivable, net		7,021,492	7,021,492
Due from other governments			337,472
Advances to other funds		621,261	621,261
Total assets	$ 24,368,011	$ 37,315,182	$ 118,414,972
LIABILITIES			
Accounts payable and other accrued liabilities	$	$ 124,030	$ 2,256,956
Accrued wages		9,443	13,335
Due to other governments			300,200
Advances from other funds	1,374,129		1,374,129
Deposits		1,000	1,000
Total liabilities	1,374,129	134,473	3,945,620
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, notes receivable		7,021,492	7,021,492
Unavailable revenue, other receivables			9,791
Total deferred inflows of resources		7,021,492	7,031,283
Total liabilities and deferred inflows of resources	1,374,129	7,155,965	10,976,903
FUND BALANCES			
Restricted	22,993,882	30,159,217	65,290,400
Assigned			42,147,669
Total fund balances	22,993,882	30,159,217	107,438,069
Total liabilities, deferred inflows of resources and fund balances	$ 24,368,011	$ 37,315,182	$ 118,414,972

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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, 2017

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
REVENUES				
Property taxes	$	$	$	$
Intergovernmental		2,759,411		
Charges for services		93,251		
Impact fees			1,258,308	
Investment income (loss)	(5,951)	(1,110)	(634)	(112)
Developer contributions	596,983			
Rental fees				
Miscellaneous		56,330		
Total revenues	591,032	2,907,882	1,257,674	(112)
EXPENDITURES				
Current				
General government				
Public safety	549,448			
Public works	56,568			
Culture and recreation		1,785,598	129,422	
Community support				
Total current	606,016	1,785,598	129,422	
Capital outlay				
General government	67,775			
Public safety	4,057,643			
Public works				
Culture and recreation		424,248	1,071,585	
Total capital outlay	4,125,418	424,248	1,071,585	
Debt service				
Interest charges				
Total debt service				
Total expenditures	4,731,434	2,209,846	1,201,007	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,140,402)	698,036	56,667	(112)
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Debt issuance proceeds				
Premium on refunding bonds issued				
Transfers in	2,260,908			
Transfers out		(274,794)		
Total other financing sources (uses)	2,260,908	(274,794)		
CHANGE IN FUND BALANCE	(1,879,494)	423,242	56,667	(112)
FUND BALANCE, BEGINNING OF YEAR	14,509,392	5,731,515	4,930,291	197,726
FUND BALANCE, END OF YEAR	$ 12,629,898	$ 6,154,757	$ 4,986,958	$ 197,614

(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, 2017

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas
REVENUES				
Property taxes	$	$ 1,271,705	$	$
Intergovernmental				
Charges for services			90,389	
Impact fees				
Investment income (loss)		915	10,961	(1,301)
Developer contributions			1,685,588	
Rental fees				
Miscellaneous			314,208	
Total revenues		1,272,620	2,101,146	(1,301)
EXPENDITURES				
Current				
General government			1,064,694	
Public safety			217,112	
Public works			432,191	
Culture and recreation			10,375	
Community support				
Total current			1,724,372	
Capital outlay				
General government			1,812,348	
Public safety			861,708	
Public works			8,168,414	
Culture and recreation			107,217	
Total capital outlay			10,949,687	
Debt service				
Interest charges				
Total debt service				
Total expenditures			12,674,059	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		1,272,620	(10,572,913)	(1,301)
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Debt issuance proceeds			4,355,000	
Premium on refunding bonds issued			852,263	
Transfers in			6,619,834	
Transfers out		(1,300,000)	(89,908)	
Total other financing sources (uses)		(1,300,000)	11,737,189	
CHANGE IN FUND BALANCE		(27,380)	1,164,276	(1,301)
FUND BALANCE, BEGINNING OF YEAR	535,353	289,999	22,519,051	5,835,745
FUND BALANCE, END OF YEAR	$ 535,353	$ 262,619	$ 23,683,327	$ 5,834,444

(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, 2017

	Special Assessment Districts	Land Sales	Total Capital Project Funds
REVENUES			
Property taxes	$	$	$ 1,271,705
Intergovernmental		111,930	2,871,341
Charges for services			183,640
Impact fees			1,258,308
Investment income (loss)	107,751	576,502	687,021
Developer contributions			2,282,571
Rental fees		515,916	515,916
Miscellaneous		20,128	390,666
Total revenues	107,751	1,224,476	9,461,168
EXPENDITURES			
Current			
General government		266,372	1,331,066
Public safety		13,847	780,407
Public works	3,840,151	560,855	4,889,765
Culture and recreation			1,925,395
Community support		273,942	273,942
Total current	3,840,151	1,115,016	9,200,575
Capital outlay			
General government			1,880,123
Public safety			4,919,351
Public works	4,558,640	2,979,724	15,706,778
Culture and recreation			1,603,050
Total capital outlay	4,558,640	2,979,724	24,109,302
Debt service			
Interest charges	124,916		124,916
Total debt service	124,916		124,916
Total expenditures	8,523,707	4,094,740	33,434,793
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,415,956)	(2,870,264)	(23,973,625)
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales		9,242,809	9,242,809
Debt issuance proceeds			4,355,000
Premium on refunding bonds issued			852,263
Transfers in	1,161,548	400,000	10,442,290
Transfers out		(4,168,208)	(5,832,910)
Total other financing sources (uses)	1,161,548	5,474,601	19,059,452
CHANGE IN FUND BALANCE	(7,254,408)	2,604,337	(4,914,173)
FUND BALANCE, BEGINNING OF YEAR	30,248,290	27,554,880	112,352,242
FUND BALANCE, END OF YEAR	$ 22,993,882	$ 30,159,217	$ 107,438,069

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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, 2017

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 60,014,122	$ 60,270,195	$ 256,073
Franchise fees	31,500,000	32,323,065	823,065
Licenses and permits	9,934,200	10,194,059	259,859
Intergovernmental	106,907,840	107,847,459	939,619
Charges for services	29,000,537	29,865,473	864,936
Fines and forfeitures	4,740,132	4,923,361	183,229
Impact fees		868,941	868,941
Investment income (loss)	290,000	237,295	(52,705)
Miscellaneous	2,058,745	1,098,498	(960,247)
Total revenues	244,445,576	247,628,346	3,182,770
EXPENDITURES			
General government			
Mayor and council			
Salaries and wages	337,229	316,299	20,930
Employee benefits	211,336	182,026	29,310
Services and supplies	170,374	125,511	44,863
Total mayor and council	718,939	623,836	95,103
City manager			
Salaries and wages	1,113,511	1,054,587	58,924
Employee benefits	429,417	404,670	24,747
Services and supplies	113,130	108,543	4,587
Total city manager	1,656,058	1,567,800	88,258
Finance			
Salaries and wages	3,368,183	3,172,393	195,790
Employee benefits	1,485,640	1,360,737	124,903
Services and supplies	711,572	438,655	272,917
Total finance	5,565,395	4,971,785	593,610
Information technology			
Salaries and wages	5,065,511	4,990,174	75,337
Employee benefits	2,162,331	2,115,819	46,512
Services and supplies	1,033,257	955,369	77,888
Total information technology	8,261,099	8,061,362	199,737
City clerk			
Salaries and wages	1,237,706	1,245,792	(8,086)
Employee benefits	538,684	531,128	7,556
Services and supplies	1,276,998	782,424	494,574
Total city clerk	3,053,388	2,559,344	494,044
Human resources			
Salaries and wages	1,653,808	1,578,348	75,460
Employee benefits	712,000	701,981	10,019
Services and supplies	926,771	379,115	547,656
Capital outlay	1,000	3,349	(2,349)
Total human resources	3,293,579	2,662,793	630,786
City attorney			
Salaries and wages	1,832,038	1,789,749	42,289
Employee benefits	714,393	714,187	206
Services and supplies	681,273	196,614	484,659
Capital outlay	200,000		200,000
Total city attorney	3,427,704	2,700,550	727,154

(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, 2017

	Final Budget	Actual	Variance
Community development			
Salaries and wages	2,215,207	2,086,025	129,182
Employee benefits	1,053,916	924,707	129,209
Services and supplies	701,650	479,994	221,656
Total community development	3,970,773	3,490,726	480,047
Building maintenance			
Salaries and wages	3,022,742	2,962,294	60,448
Employee benefits	1,504,856	1,427,895	76,961
Services and supplies	3,827,088	3,577,829	249,259
Capital outlay	88,163	88,160	3
Total building maintenance	8,442,849	8,056,178	386,671
Public affairs			
Salaries and wages	760,921	693,059	67,862
Employee benefits	356,997	289,163	67,834
Services and supplies	708,012	575,718	132,294
Total public affairs	1,825,930	1,557,940	267,990
Internal audit			
Salaries and wages	242,639	239,187	3,452
Employee benefits	105,617	102,323	3,294
Services and supplies	22,625	16,773	5,852
Total internal audit	370,881	358,283	12,598
Council support			
Salaries and wages	510,443	480,163	30,280
Employee benefits	214,606	211,293	3,313
Services and supplies	549,376	297,468	251,908
Total council support	1,274,425	988,924	285,501
Miscellaneous			
Salaries and wages	3,400,000	3,200,315	199,685
Employee benefits	500,000	476,387	23,613
Services and supplies	1,049,523	534,837	514,686
Total miscellaneous	4,949,523	4,211,539	737,984
Total general government	46,810,543	41,811,060	4,999,483
Judicial			
Municipal court			
Salaries and wages	4,291,275	4,154,817	136,458
Employee benefits	2,158,306	2,109,048	49,258
Services and supplies	707,694	670,373	37,321
Total municipal court	7,157,275	6,934,238	223,037
City attorney- criminal			
Salaries and wages	2,305,994	2,333,926	(27,932)
Employee benefits	1,072,829	1,040,464	32,365
Services and supplies	298,270	266,862	31,408
Total city attorney- criminal	3,677,093	3,641,252	35,841
City attorney- court programs			
Salaries and wages	1,156,527	926,675	229,852
Employee benefits	477,371	404,810	72,561
Services and supplies	282,230	226,767	55,463
Capital outlay		1,388	(1,388)
Total city attorney- court programs	1,916,128	1,559,640	356,488

(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, 2017

	Final Budget	Actual	Variance
Total judicial	12,750,496	12,135,130	615,366
Public safety			
Fire			
Salaries and wages	30,471,170	30,021,085	450,085
Employee benefits	13,887,584	13,685,778	201,806
Services and supplies	3,047,963	3,431,517	(383,554)
Total fire	47,406,717	47,138,380	268,337
Police			
Salaries and wages	51,087,193	50,152,342	934,851
Employee benefits	25,867,781	25,431,997	435,784
Services and supplies	11,665,571	11,292,819	372,752
Capital outlay	58,695	58,048	647
Total police	88,679,240	86,935,206	1,744,034
Building inspection			
Salaries and wages	1,111,226	1,063,674	47,552
Employee benefits	519,043	496,256	22,787
Services and supplies	233,629	139,747	93,882
Total building inspection	1,863,898	1,699,677	164,221
Total public safety	137,949,855	135,773,263	2,176,592
Public works			
Streets			
Salaries and wages	661,153	687,402	(26,249)
Employee benefits	318,167	323,213	(5,046)
Services and supplies	883,614	968,199	(84,585)
Total streets	1,862,934	1,978,814	(115,880)
Street lighting			
Salaries and wages	921,402	781,450	139,952
Employee benefits	436,572	355,656	80,916
Services and supplies	2,123,745	2,008,734	115,011
Total street lighting	3,481,719	3,145,840	335,879
Public works general services			
Salaries and wages	2,269,866	2,066,869	202,997
Employee benefits	1,024,228	932,693	91,535
Services and supplies	847,449	551,901	295,548
Total public works general services	4,141,543	3,551,463	590,080
Total public works	9,486,196	8,676,117	810,079
Culture and recreation			
Parks			
Salaries and wages	7,193,899	6,978,999	214,900
Employee benefits	3,622,637	3,402,863	219,774
Services and supplies	6,818,123	6,597,407	220,716
Capital outlay	113,000	123,805	(10,805)
Total parks	17,747,659	17,103,074	644,585

(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, 2017

	Final Budget	Actual	Variance
Recreation			
Salaries and wages	11,387,813	11,025,393	362,420
Employee benefits	3,838,126	3,386,777	451,349
Services and supplies	4,203,392	4,098,587	104,805
Capital outlay	14,923	11,827	3,096
Total recreation	19,444,254	18,522,584	921,670
Total culture and recreation	37,191,913	35,625,658	1,566,255
Community support			
Economic development			
Salaries and wages	453,561	407,365	46,196
Employee benefits	188,043	166,026	22,017
Services and supplies	237,251	241,044	(3,793)
Total economic development	878,855	814,435	64,420
Neighborhood services			
Salaries and wages	359,511	301,241	58,270
Employee benefits	158,628	125,953	32,675
Services and supplies	279,686	200,285	79,401
Total neighborhood services	797,825	627,479	170,346
Total community support	1,676,680	1,441,914	234,766
Total expenditures	245,865,683	235,463,142	10,402,541
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,420,107)	12,165,204	13,585,311
OTHER FINANCING USES			
Transfers out	(1,533,029)	(10,654,529)	(9,121,500)
CHANGE IN FUND BALANCE	(2,953,136)	1,510,675	4,463,811
FUND BALANCE, BEGINNING OF YEAR	24,891,984	24,891,984	
FUND BALANCE, END OF YEAR	$ 21,938,848	$ 26,402,659	$ 4,463,811

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 23,829,684	$ 7,935,606	$ (15,894,078)
Miscellaneous	493,408	358,734	(134,674)
Total revenues	24,323,092	8,294,340	(16,028,752)
EXPENDITURES			
General government			
Services and supplies	237,116	49,834	187,282
Judicial			
Salaries and wages	5,928	184	5,744
Employee benefits		7	(7)
Services and supplies	220,721	135,229	85,492
Total judicial	226,649	135,420	91,229
Public safety			
Salaries and wages	557,538	445,123	112,415
Employee benefits	74,613	39,180	35,433
Services and supplies	744,585	434,745	309,840
Capital outlay	1,111,534	307,886	803,648
Total public safety	2,488,270	1,226,934	1,261,336
Public works			
Salaries and wages	78		78
Services and supplies	2,573,213	130,406	2,442,807
Capital outlay	8,243,396	2,157,348	6,086,048
Total public works	10,816,687	2,287,754	8,528,933
Culture and recreation			
Salaries and wages	272,427	181,166	91,261
Employee benefits	43,140	34,818	8,322
Services and supplies	1,552,264	1,259,967	292,297
Capital outlay	606,690	206,688	400,002
Total culture and recreation	2,474,521	1,682,639	791,882
Community support			
Salaries and wages	476,499	366,136	110,363
Employee benefits	83,918	184,319	(100,401)
Services and supplies	7,878,754	2,579,012	5,299,742
Total community support	8,439,171	3,129,467	5,309,704
Total expenditures	24,682,414	8,512,048	16,170,366
CHANGE IN FUND BALANCE	(359,322)	(217,708)	141,614
FUND BALANCE, BEGINNING OF YEAR	661,568	661,568	
FUND BALANCE, END OF YEAR	$ 302,246	$ 443,860	$ 141,614

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 10,020,503	$ 10,111,288	$ 90,785
Investment income (loss)	145,863	4,402	(141,461)
Rental fees		919	919
Miscellaneous	38,123	38,683	560
Total revenues	10,204,489	10,155,292	(49,197)
EXPENDITURES			
General government			
Salaries and wages	660,110	611,397	48,713
Employee benefits	301,479	270,098	31,381
Services and supplies	8,216,445	6,754,140	1,462,305
Total general government	9,178,034	7,635,635	1,542,399
Debt service			
Principal payments	225,000	225,000	
Interest charges	393,300	393,300	
Total debt service	618,300	618,300	
Total expenditures	9,796,334	8,253,935	1,542,399
CHANGE IN FUND BALANCE	408,155	1,901,357	1,493,202
FUND BALANCE, BEGINNING OF YEAR	28,579,062	28,579,062	
FUND BALANCE, END OF YEAR	$ 28,987,217	$ 30,480,419	$ 1,493,202

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 3,505,927	$ 4,231,702	$ 725,775
Investment income (loss)	90,000	(67)	(90,067)
Total revenues	3,595,927	4,231,635	635,708
EXPENDITURES			
Public works			
Salaries and wages	571,400	523,609	47,791
Employee benefits	200,000	222,048	(22,048)
Services and supplies	604,723	386,355	218,368
Capital outlay	4,005,180	1,869,079	2,136,101
Total public works	5,381,303	3,001,091	2,380,212
Total expenditures	5,381,303	3,001,091	2,380,212
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,785,376)	1,230,544	3,015,920
OTHER FINANCING USES			
Transfers out	(90,000)	(78,654)	11,346
CHANGE IN FUND BALANCE	(1,875,376)	1,151,890	3,027,266
FUND BALANCE, BEGINNING OF YEAR	10,327,034	10,327,034	
FUND BALANCE, END OF YEAR	$ 8,451,658	$ 11,478,924	$ 3,027,266

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 483,000	$ 579,829	$ 96,829
Investment income (loss)	1,000	87	(913)
Miscellaneous		1,628	1,628
Total revenues	484,000	581,544	97,544
EXPENDITURES			
Public safety			
Services and supplies	708,485	471,906	236,579
Capital outlay	35,400	32,597	2,803
Total public safety	743,885	504,503	239,382
CHANGE IN FUND BALANCE	(259,885)	77,041	336,926
FUND BALANCE, BEGINNING OF YEAR	321,099	321,099	
FUND BALANCE, END OF YEAR	$ 61,214	$ 398,140	$ 336,926

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 707,821	$ 731,567	$ 23,746
EXPENDITURES			
Judicial			
Salaries and wages	167,159	158,662	8,497
Employee benefits	87,308	63,645	23,663
Services and supplies	595,377	521,143	74,234
Capital outlay	100,000		100,000
Total judicial	949,844	743,450	206,394
CHANGE IN FUND BALANCE	(242,023)	(11,883)	230,140
FUND BALANCE, BEGINNING OF YEAR	658,836	658,836	
FUND BALANCE, END OF YEAR	$ 416,813	$ 646,953	$ 230,140

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 10,712	$ 10,779	$ 67
Investment income (loss)	180,000	(5,761)	(185,761)
Total revenues	190,712	5,018	(185,694)
OTHER FINANCING SOURCES			
Transfers in	123,000	510,000	387,000
CHANGE IN FUND BALANCE	313,712	515,018	201,306
FUND BALANCE, BEGINNING OF YEAR	20,058,478	20,058,478	
FUND BALANCE, END OF YEAR	$ 20,372,190	$ 20,573,496	$ 201,306

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 15,976,690	$ 16,131,005	$ 154,315
Charges for services		44,066	44,066
Investment income (loss)	3,500	3,826	326
Miscellaneous		7,839	7,839
Total revenues	15,980,190	16,186,736	206,546
EXPENDITURES			
Public safety			
Salaries and wages	9,254,086	9,198,083	56,003
Employee benefits	5,033,905	4,923,323	110,582
Services and supplies	1,600,582	1,214,510	386,072
Total public safety	15,888,573	15,335,916	552,657
CHANGE IN FUND BALANCE	91,617	850,820	759,203
FUND BALANCE, BEGINNING OF YEAR	2,594,093	2,594,093	
FUND BALANCE, END OF YEAR	$ 2,685,710	$ 3,444,913	$ 759,203

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 70,000	$ 98,223	$ 28,223
Investment income (loss)	1,700	(511)	(2,211)
Total revenues	71,700	97,712	26,012
EXPENDITURES			
Public safety			
Salaries and wages		10,266	(10,266)
Employee benefits		4,504	(4,504)
Services and supplies	75,000	13,622	61,378
Total public safety	75,000	28,392	46,608
CHANGE IN FUND BALANCE	(3,300)	69,320	72,620
FUND BALANCE, BEGINNING OF YEAR	229,753	229,753	
FUND BALANCE, END OF YEAR	$ 226,453	$ 299,073	$ 72,620

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 50,000	$ 50,000	$
Charges for services		7,500	7,500
Investment income (loss)		40	40
Rental fees		6,225	6,225
Miscellaneous	20,000	4,149	(15,851)
Total revenues	70,000	67,914	(2,086)
EXPENDITURES			
Public safety			
Salaries and wages	10,000	3,737	6,263
Employee benefits		210	(210)
Services and supplies	145,000	39,637	105,363
Total public safety	155,000	43,584	111,416
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(85,000)	24,330	109,330
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	
CHANGE IN FUND BALANCE	(35,000)	74,330	109,330
FUND BALANCE, BEGINNING OF YEAR	123,186	123,186	
FUND BALANCE, END OF YEAR	$ 88,186	$ 197,516	$ 109,330

CITY OF HENDERSON, NEVADA

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

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 1,057,500	$ 1,083,563	$ 26,063
Investment income (loss)		70	70
Total revenues	1,057,500	1,083,633	26,133
EXPENDITURES			
Public safety			
Salaries and wages		23,065	(23,065)
Employee benefits		63,519	(63,519)
Services and supplies	260,000		260,000
Capital outlay	325,000		325,000
Total public safety	585,000	86,584	498,416
CHANGE IN FUND BALANCE	472,500	997,049	524,549
FUND BALANCE, BEGINNING OF YEAR			
FUND BALANCE, END OF YEAR	$ 472,500	$ 997,049	$ 524,549

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Special assessments	$ 83,672	$ 90,145	$ 6,473
Investment income (loss)	113,593	101,982	(11,611)
Miscellaneous		6,608	6,608
Total revenues	197,265	198,735	1,470
EXPENDITURES			
Public works			
Services and supplies		5,580	(5,580)
Debt service			
Administrative and other costs	56,236		56,236
Total debt service	56,236		56,236
Total expenditures	56,236	5,580	50,656
EXCESS OF REVENUES OVER EXPENDITURES	141,029	193,155	52,126
OTHER FINANCING USES			
Transfers out	(172,895)	(258,390)	(85,495)
CHANGE IN FUND BALANCE	(31,866)	(65,235)	(33,369)
FUND BALANCE, BEGINNING OF YEAR	1,199,982	1,199,982	
FUND BALANCE, END OF YEAR	$ 1,168,116	$ 1,134,747	$ (33,369)

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 4,095,473	$ 4,112,396	$ 16,923
Investment income (loss)	49,620	14,261	(35,359)
Total revenues	4,145,093	4,126,657	(18,436)
EXPENDITURES			
General government			
Services and supplies		134,846	(134,846)
Debt service			
Principal payments	5,451,000	5,451,000	
Payment to current bond refunding agent	9,786,906	9,786,906	
Interest charges	4,575,595	4,575,592	3
Administrative and other costs	156,577		156,577
Total debt service	19,970,078	19,813,498	156,580
Total expenditures	19,970,078	19,948,344	21,734
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(15,824,985)	(15,821,687)	3,298
OTHER FINANCING SOURCES			
Issuance of refunding bonds	8,345,000	8,345,000	
Premium on refunding bonds issued	1,574,450	1,574,450	
Transfers in	4,773,619	5,874,017	1,100,398
Total other financing sources	14,693,069	15,793,467	1,100,398
CHANGE IN FUND BALANCE	(1,131,916)	(28,220)	1,103,696
FUND BALANCE, BEGINNING OF YEAR	6,195,882	6,195,882	
FUND BALANCE, END OF YEAR	$ 5,063,966	$ 6,167,662	$ 1,103,696

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	$ 120,000	$ (5,951)	$ (125,951)
Developer contributions	596,983	596,983	
Total revenues	716,983	591,032	(125,951)
EXPENDITURES			
General government			
Services and supplies	58,744		58,744
Capital outlay	67,775	67,775	
Total general government	126,519	67,775	58,744
Public safety			
Services and supplies	1,548,827	549,448	999,379
Capital outlay	6,399,000	4,057,643	2,341,357
Total public safety	7,947,827	4,607,091	3,340,736
Public works			
Salaries and wages	70,498	13,301	57,197
Employee benefits	8,393	459	7,934
Services and supplies	729,247	42,808	686,439
Capital outlay	532,225		532,225
Total public works	1,340,363	56,568	1,283,795
Total expenditures	9,414,709	4,731,434	4,683,275
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,697,726)	(4,140,402)	4,557,324
OTHER FINANCING SOURCES (USES)			
Transfers in	260,908	2,260,908	2,000,000
Transfers out	(123,000)		123,000
Total other financing sources (uses)	137,908	2,260,908	2,123,000
CHANGE IN FUND BALANCE	(8,559,818)	(1,879,494)	6,680,324
FUND BALANCE, BEGINNING OF YEAR	14,509,392	14,509,392	
FUND BALANCE, END OF YEAR	$ 5,949,574	$ 12,629,898	$ 6,680,324

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 2,700,000	$ 2,759,411	$ 59,411
Charges for services	100,000	93,251	(6,749)
Investment income (loss)	44,000	(1,110)	(45,110)
Miscellaneous	58,250	56,330	(1,920)
Total revenues	2,902,250	2,907,882	5,632
EXPENDITURES			
Culture and recreation			
Salaries and wages	8,325	8,324	1
Employee benefits	770	768	2
Services and supplies	2,743,212	1,776,506	966,706
Capital outlay	1,417,715	424,248	993,467
Total culture and recreation	4,170,022	2,209,846	1,960,176
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,267,772)	698,036	1,965,808
OTHER FINANCING USES			
Transfers out	(274,794)	(274,794)	
CHANGE IN FUND BALANCE	(1,542,566)	423,242	1,965,808
FUND BALANCE, BEGINNING OF YEAR	5,731,515	5,731,515	
FUND BALANCE, END OF YEAR	$ 4,188,949	$ 6,154,757	$ 1,965,808

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Impact fees	$ 840,000	$ 1,258,308	$ 418,308
Investment income (loss)	49,500	(634)	(50,134)
Total revenues	889,500	1,257,674	368,174
EXPENDITURES			
Culture and recreation			
Salaries and wages		1,480	(1,480)
Employee benefits		711	(711)
Services and supplies	431,608	127,231	304,377
Capital outlay	2,691,942	1,071,585	1,620,357
Total culture and recreation	3,123,550	1,201,007	1,922,543
CHANGE IN FUND BALANCE	(2,234,050)	56,667	2,290,717
FUND BALANCE, BEGINNING OF YEAR	4,930,291	4,930,291	
FUND BALANCE, END OF YEAR	$ 2,696,241	$ 4,986,958	$ 2,290,717

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	$ 2,000	$ (112)	$ (2,112)
CHANGE IN FUND BALANCE	2,000	(112)	(2,112)
FUND BALANCE, BEGINNING OF YEAR	197,726	197,726	
FUND BALANCE, END OF YEAR	$ 199,726	$ 197,614	$ (2,112)

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, 2017

	Final Budget	Actual	Variance
FUND BALANCE, BEGINNING OF YEAR	$ 535,353	$ 535,353	$
FUND BALANCE, END OF YEAR	$ 535,353	$ 535,353	$

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Property taxes	$ 1,250,000	$ 1,271,705	$ 21,705
Investment income (loss)		915	915
Total revenues	1,250,000	1,272,620	22,620
OTHER FINANCING USES			
Transfers out	(1,300,000)	(1,300,000)	
CHANGE IN FUND BALANCE	(50,000)	(27,380)	22,620
FUND BALANCE, BEGINNING OF YEAR	289,999	289,999	
FUND BALANCE, END OF YEAR	$ 239,999	$ 262,619	$ 22,620

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 80,000	$ 90,389	$ 10,389
Investment income (loss)	134,000	10,961	(123,039)
Developer contributions	1,200,588	1,685,588	485,000
Miscellaneous	230,000	314,208	84,208
Total revenues	1,644,588	2,101,146	456,558
EXPENDITURES			
General government			
Salaries and wages	100,000	112,810	(12,810)
Employee benefits		9,319	(9,319)
Services and supplies	1,482,832	942,565	540,267
Capital outlay	3,444,562	1,812,348	1,632,214
Total general government	5,027,394	2,877,042	2,150,352
Public safety			
Salaries and wages	197,473	38,545	158,928
Employee benefits	7,527	6,539	988
Services and supplies	974,682	172,028	802,654
Capital outlay	5,193,657	861,708	4,331,949
Total public safety	6,373,339	1,078,820	5,294,519
Public works			
Salaries and wages		241	(241)
Employee benefits		30	(30)
Services and supplies	2,875,955	431,920	2,444,035
Capital outlay	12,162,084	8,168,414	3,993,670
Total public works	15,038,039	8,600,605	6,437,434
Culture and recreation			
Services and supplies	23,546	10,375	13,171
Capital outlay	1,974,830	107,217	1,867,613
Total culture and recreation	1,998,376	117,592	1,880,784
Total expenditures	28,437,148	12,674,059	15,763,089
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(26,792,560)	(10,572,913)	16,219,647
OTHER FINANCING SOURCES (USES)			
Debt issuance proceeds	5,207,263	4,355,000	(852,263)
Premium on refunding bonds issued		852,263	852,263
Transfers in	4,208,334	6,619,834	2,411,500
Transfers out	(89,908)	(89,908)	
Total other financing sources (uses)	9,325,689	11,737,189	2,411,500
CHANGE IN FUND BALANCE	(17,466,871)	1,164,276	18,631,147
FUND BALANCE, BEGINNING OF YEAR	22,519,051	22,519,051	
FUND BALANCE, END OF YEAR	$ 5,052,180	$ 23,683,327	$ 18,631,147

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	$ 60,000	$ (1,301)	$ (61,301)
CHANGE IN FUND BALANCE	60,000	(1,301)	(61,301)
FUND BALANCE, BEGINNING OF YEAR	5,835,745	5,835,745	
FUND BALANCE, END OF YEAR	$ 5,895,745	$ 5,834,444	$ (61,301)

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	$ 68,000	$ 107,751	$ 39,751
EXPENDITURES			
Public works			
Services and supplies	3,614,645	3,840,151	(225,506)
Capital outlay	12,789,758	4,558,640	8,231,118
Total public works	16,404,403	8,398,791	8,005,612
Debt service			
Interest charges	125,223	124,916	307
Total expenditures	16,529,626	8,523,707	8,005,919
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(16,461,626)	(8,415,956)	8,045,670
OTHER FINANCING SOURCES			
Transfers in	1,076,054	1,161,548	85,494
CHANGE IN FUND BALANCE	(15,385,572)	(7,254,408)	8,131,164
FUND BALANCE, BEGINNING OF YEAR	30,248,290	30,248,290	
FUND BALANCE, END OF YEAR	$ 14,862,718	$ 22,993,882	$ 8,131,164

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, 2017

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 112,000	$ 111,930	$ (70)
Investment income (loss)	720,000	576,502	(143,498)
Rental fees		515,916	515,916
Miscellaneous	460,000	20,128	(439,872)
Total revenues	1,292,000	1,224,476	(67,524)
EXPENDITURES			
General government			
Salaries and wages	191,781	189,822	1,959
Employee benefits	72,570	71,060	1,510
Services and supplies	15,565	5,490	10,075
Total general government	279,916	266,372	13,544
Public safety			
Salaries and wages	3,000	2,987	13
Employee benefits	675	577	98
Services and supplies	10,283	10,283	
Capital outlay	34,049		34,049
Total public safety	48,007	13,847	34,160
Public works			
Salaries and wages	102,402	98,003	4,399
Employee benefits	39,031	37,407	1,624
Services and supplies	1,885,400	425,445	1,459,955
Capital outlay	3,572,481	2,979,724	592,757
Total public works	5,599,314	3,540,579	2,058,735
Community support			
Services and supplies	514,500	273,942	240,558
Total expenditures	6,441,737	4,094,740	2,346,997
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,149,737)	(2,870,264)	2,279,473
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales	7,750,000	9,242,809	1,492,809
Transfers in	400,000	400,000	
Transfers out	(4,168,208)	(4,168,208)	
Total other financing sources (uses)	3,981,792	5,474,601	1,492,809
CHANGE IN FUND BALANCE	(1,167,945)	2,604,337	3,772,282
FUND BALANCE, BEGINNING OF YEAR	27,554,880	27,554,880	
FUND BALANCE, END OF YEAR	$ 26,386,935	$ 30,159,217	$ 3,772,282

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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.

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Engineering	City Shop	Revolving	Self Insurance	Worker's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
ASSETS								
Current assets								
Cash, cash equivalents and investments	$ 4,394,844	$ 9,959,575	$ 1,913,636	$ 6,395,905	$ 17,967,689	$ 6,471,288	$ 10,568,930	$ 57,671,867
Restricted cash and cash equivalents						1,035,999		1,035,999
Accounts receivable, net	10,530	36,216		2,100	283,475	12,839	3,422	348,582
Interest receivable	8,424	14,202	4,359	12,306	31,653	10,866	20,165	101,975
Inventories		56,468						56,468
Prepaid items							197,289	197,289
Due from other funds			1,374,129					1,374,129
Due from other governments	178,316	2,803						181,119
Total current assets	4,592,114	10,069,264	3,292,124	6,410,311	18,282,817	7,530,992	10,789,806	60,967,428
Noncurrent assets								
Capital assets, net of accumulated depreciation and amortization								
Construction in progress		2,329,881						2,329,881
Buildings and building improvements		1,012,330						1,012,330
Improvements other than buildings		1,163,704						1,163,704
Machinery and equipment	14,385	53,993,243						54,007,628
Accumulated depreciation and amortization	(14,385)	(40,718,179)						(40,732,564)
Total capital assets, net of accumulated depreciation and amortization		17,780,979						17,780,979
Total assets	4,592,114	27,850,243	3,292,124	6,410,311	18,282,817	7,530,992	10,789,806	78,748,407
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amounts related to pensions	2,003,605	667,477		250,419	435,056	48,792	321,305	3,726,654
LIABILITIES								
Current liabilities								
Accounts payable and other accrued liabilities	77,541	163,980		131,150	44,038	49,671	588,227	1,054,607
Accrued wages	139,325	48,102		14,221	30,829	3,421	12,390	248,288
Deposits							25,235	25,235
Compensated absences	133,479	38,071		14,848	20,185	7,928	10,795	225,306
Claims and judgments				1,546,488	13,928,481	1,630,000		17,104,969
Total current liabilities	350,345	250,153		1,706,707	14,023,533	1,691,020	636,647	18,658,405

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2017

	Engineering	City Shop	Revolving	Self Insurance	Worker's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
Noncurrent liabilities								
Compensated absences	1,425,348	406,538		158,553	215,540	84,654	115,284	2,405,917
Other post employment benefits	688,929	187,753		66,795	73,948	1,482,109	58,643	2,558,177
Net pension liability	8,111,870	2,663,370		1,030,751	1,669,591	197,140	1,323,375	14,996,097
Total noncurrent liabilities	10,226,147	3,257,661		1,256,099	1,959,079	1,763,903	1,497,302	19,960,191
Total liabilities	10,576,492	3,507,814		2,962,806	15,982,612	3,454,923	2,133,949	38,618,596
DEFERRED INFLOWS OF RESOURCES								
Deferred amounts related to pensions	657,057	198,797		85,508	86,084	15,826	91,457	1,134,729
NET POSITION								
Net investment in capital assets		17,780,979						17,780,979
Restricted								
Claims				3,612,416	2,649,177	4,109,035		10,370,628
Unrestricted	(4,637,830)	7,030,130	3,292,124				8,885,705	14,570,129
Total net position	$ (4,637,830)	$ 24,811,109	$ 3,292,124	$ 3,612,416	$ 2,649,177	$ 4,109,035	$ 8,885,705	$ 42,721,736

CITY OF HENDERSON, NEVADA

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

	Engineering	City Shop	Revolving	Self Insurance	Worker's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
OPERATING REVENUES								
Charges for services	$ 7,623,409	$ 6,653,442	$ 124,917	$ 2,896,179	$ 2,982,827	$ 18,234,106	$ 11,198,211	$ 49,713,091
OPERATING EXPENSES								
Salaries and wages	4,347,353	1,467,591		493,317	953,660	108,532	682,131	8,052,584
Employee benefits	1,801,533	636,837		204,853	409,521	43,145	280,299	3,376,188
Services and supplies	2,045,836	3,813,144		1,220,654	1,400,479	2,507,140	10,232,110	21,219,363
Claims and judgments				815,793	4,931,747	15,587,232		21,334,772
Legal fees					20,678			20,678
Depreciation and amortization		3,425,523						3,425,523
Total operating expenses	8,194,722	9,343,095		2,734,617	7,716,085	18,246,049	11,194,540	57,429,108
Operating income (loss)	(571,313)	(2,689,653)	124,917	161,562	(4,733,258)	(11,943)	3,671	(7,716,017)
NONOPERATING REVENUES (EXPENSES)								
Investment income	(2,221)	(21,142)	296	(1,899)	1,599	(9,335)	(7,050)	(39,752)
Gain on capital asset disposition		286,002						286,002
Interest expense					(31,010)			(31,010)
Miscellaneous	188,568	149,651		9,376	150		17,391	365,136
Total nonoperating revenues (expenses)	186,347	414,511	296	7,477	(29,261)	(9,335)	10,341	580,376
Income (loss) before capital contributions and transfers	(384,966)	(2,275,142)	125,213	169,039	(4,762,519)	(21,278)	14,012	(7,135,641)
CAPITAL CONTRIBUTIONS								
Capital contributions		1,177,919						1,177,919
TRANSFERS								
Transfers in		2,500,000					587,623	3,087,623
Transfers out			(1,323,158)		(114,053)			(1,437,211)
Total transfers		2,500,000	(1,323,158)		(114,053)		587,623	1,650,412
CHANGE IN NET POSITION	(384,966)	1,402,777	(1,197,945)	169,039	(4,876,572)	(21,278)	601,635	(4,307,310)
NET POSITION, BEGINNING OF YEAR	(4,252,864)	23,408,332	4,490,069	3,443,377	7,525,749	4,130,313	8,284,070	47,029,046
NET POSITION, END OF YEAR	$ (4,637,830)	$ 24,811,109	$ 3,292,124	$ 3,612,416	$ 2,649,177	$ 4,109,035	$ 8,885,705	$ 42,721,736

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CITY OF HENDERSON, NEVADA

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

	Engineering	City Shop	Revolving	Self Insurance	Worker's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	$ 1,258,012	$	$	$	$	$ 1,528,961	$ 11,141	$ 2,798,114
Cash received from other sources	188,568	117,493		9,376	150		17,391	332,978
Cash payments for goods and services	(3,808,361)	(4,835,913)		(2,129,806)	(3,456,915)	(17,824,292)	(11,182,700)	(43,237,987)
Cash payments for employee services	(4,271,640)	(1,414,147)		(578,926)	(885,111)	(97,011)	(699,886)	(7,946,721)
Cash payments for interfund services	6,477,663	6,653,442	124,917	2,896,179	2,982,827	16,705,145	11,187,070	47,027,243
Net cash provided by (used in) operating activities	(155,758)	520,875	124,917	196,823	(1,359,049)	312,803	(666,984)	(1,026,373)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in		2,500,000					587,623	3,087,623
Transfers out			(1,323,158)		(114,053)			(1,437,211)
Repayments of advances from other funds			133,474					133,474
Interest payments on debt					(31,010)			(31,010)
Net cash provided by noncapital financing activities		2,500,000	(1,189,684)		(145,063)		587,623	1,752,876
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES								
Acquisition and construction of capital assets		(3,781,455)						(3,781,455)
Proceeds received from disposal of capital assets		290,346						290,346
Net cash used in capital financing activities		(3,491,109)						(3,491,109)
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income	(4,849)	(21,236)	2	(5,839)	(6,228)	(12,637)	(11,926)	(62,713)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(160,607)	(491,470)	(1,064,765)	190,984	(1,510,340)	300,166	(91,287)	(2,827,319)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,555,451	10,451,045	2,978,401	6,204,921	19,478,029	7,207,121	10,660,217	61,535,185
CASH AND CASH EQUIVALENTS, END OF YEAR								
Cash and cash equivalents, unrestricted	4,394,844	9,959,575	1,913,636	6,395,905	17,967,689	6,471,288	10,568,930	57,671,867
Cash and cash equivalents, restricted						1,035,999		1,035,999
	$ 4,394,844	$ 9,959,575	$ 1,913,636	$ 6,395,905	$ 17,967,689	$ 7,507,287	$ 10,568,930	$ 58,707,866

(Continued)

CITY OF HENDERSON, NEVADA

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

	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)	$ (571,313)	$ (2,689,653)	$ 124,917	$ 161,562	$ (4,733,258)	$ (11,943)	$ 3,671	$ (7,716,017)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation		3,425,523						3,425,523
Other	188,568	149,651		9,376	150		17,391	365,136
(Increase) decrease in operating assets								
Accounts receivable	(1,026)	(32,158)		536	(141,660)	(2,383)	(3,422)	(180,113)
Prepaid items		10,376					(196,194)	(185,818)
Due from other funds	113,292	(2,803)						110,489
Inventories		5,586						5,586
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	33,931	(392,421)		101,880	(27,589)	(18,842)	(482,381)	(785,422)
Compensated absences	60,349	44,484		(85,382)	65,645	10,868	(4,554)	91,410
Claims and judgments				5,080	3,468,482	22,000		3,495,562
Other post employment benefits	19,196	1,865		3,620	8,885	313,072	6,032	352,670
Net pension liability	1,245	425		151	296	31	192	2,340
Deposits							(7,719)	(7,719)
Total adjustments	415,555	3,210,528		35,261	3,374,209	324,746	(670,655)	6,689,644
Net cash provided by (used in) operating activities	$ (155,758)	$ 520,875	$ 124,917	$ 196,823	$ (1,359,049)	$ 312,803	$ (666,984)	$ (1,026,373)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	$	$ 1,177,919	$	$	$	$	$	$ 1,177,919

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 7,237,516	$ 7,623,409	$ 385,893
OPERATING EXPENSES			
Salaries and wages	4,743,766	4,347,353	396,413
Employee benefits	2,178,062	1,801,533	376,529
Services and supplies	2,128,848	2,045,836	83,012
Total operating expenses	9,050,676	8,194,722	855,954
Operating loss	(1,813,160)	(571,313)	1,241,847
NONOPERATING REVENUES			
Investment income	50,000	(2,221)	(52,221)
Miscellaneous	150,000	188,568	38,568
Total nonoperating revenues	200,000	186,347	(13,653)
CHANGE IN NET POSITION	$ (1,613,160)	(384,966)	$ 1,228,194
NET POSITION, BEGINNING OF YEAR		(4,252,864)	
NET POSITION, END OF YEAR		$ (4,637,830)	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 5,255,471	$ 6,653,442	$ 1,397,971
OPERATING EXPENSES			
Salaries and wages	1,523,880	1,467,591	56,289
Employee benefits	740,224	636,837	103,387
Services and supplies	4,956,733	3,813,144	1,143,589
Depreciation and amortization	3,300,000	3,425,523	(125,523)
Total operating expenses	10,520,837	9,343,095	1,177,742
Operating loss	(5,265,366)	(2,689,653)	2,575,713
NONOPERATING REVENUES			
Investment income	70,000	(21,142)	(91,142)
Gain on capital asset disposition	290,000	286,002	(3,998)
Miscellaneous	100,000	149,651	49,651
Total nonoperating revenues	460,000	414,511	(45,489)
Loss before capital contributions	(4,805,366)	(2,275,142)	2,530,224
CAPITAL CONTRIBUTIONS			
Capital contributions		1,177,919	1,177,919
TRANSFERS			
Transfers in		2,500,000	2,500,000
CHANGE IN NET POSITION	$ (4,805,366)	1,402,777	$ 6,208,143
NET POSITION, BEGINNING OF YEAR		23,408,332	
NET POSITION, END OF YEAR		$ 24,811,109	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$	$ 124,917	$ 124,917
NONOPERATING REVENUES			
Investment income	140,000	296	(139,704)
Income before transfers	140,000	125,213	(14,787)
TRANSFERS			
Transfers out	(1,323,159)	(1,323,158)	1
CHANGE IN NET POSITION	$ (1,183,159)	(1,197,945)	$ (14,786)
NET POSITION, BEGINNING OF YEAR		4,490,069	
NET POSITION, END OF YEAR		$ 3,292,124	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 2,936,179	$ 2,896,179	$ (40,000)
OPERATING EXPENSES			
Salaries and wages	588,745	493,317	95,428
Employee benefits	209,193	204,853	4,340
Services and supplies	1,699,524	1,220,654	478,870
Claims and judgments	1,450,000	815,793	634,207
Legal fees	75,000		75,000
Total operating expenses	4,022,462	2,734,617	1,287,845
Operating income (loss)	(1,086,283)	161,562	1,247,845
NONOPERATING REVENUES			
Investment income	49,500	(1,899)	(51,399)
Miscellaneous		9,376	9,376
Total nonoperating revenues	49,500	7,477	(42,023)
CHANGE IN NET POSITION	$ (1,036,783)	169,039	$ 1,205,822
NET POSITION, BEGINNING OF YEAR		3,443,377	
NET POSITION, END OF YEAR		$ 3,612,416	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 3,003,615	$ 2,982,827	$ (20,788)
OPERATING EXPENSES			
Salaries and wages	1,019,755	953,660	66,095
Employee benefits	442,956	409,521	33,435
Services and supplies	783,925	1,400,479	(616,554)
Claims and judgments	5,720,000	4,931,747	788,253
Legal fees	18,000	20,678	(2,678)
Total operating expenses	7,984,636	7,716,085	268,551
Operating loss	(4,981,021)	(4,733,258)	247,763
NONOPERATING REVENUES (EXPENSES)			
Investment income	115,000	1,599	(113,401)
Interest expense		(31,010)	(31,010)
Miscellaneous		150	150
Total nonoperating revenues (expenses)	115,000	(29,261)	(144,261)
Loss before transfers	(4,866,021)	(4,762,519)	103,502
TRANSFERS			
Transfers out	(114,053)	(114,053)	
Total transfers	(114,053)	(114,053)	
CHANGE IN NET POSITION	$ (4,980,074)	(4,876,572)	$ 103,502
NET POSITION, BEGINNING OF YEAR		7,525,749	
NET POSITION, END OF YEAR		$ 2,649,177	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 18,089,285	$ 18,234,106	$ 144,821
OPERATING EXPENSES			
Salaries and wages	97,893	108,532	(10,639)
Employee benefits	43,007	43,145	(138)
Services and supplies	2,928,471	2,507,140	421,331
Claims and judgments	15,520,164	15,587,232	(67,068)
Total operating expenses	18,589,535	18,246,049	343,486
Operating loss	(500,250)	(11,943)	488,307
NONOPERATING REVENUES			
Investment income	65,000	(9,335)	(74,335)
CHANGE IN NET POSITION	$ (435,250)	(21,278)	$ 413,972
NET POSITION, BEGINNING OF YEAR		4,130,313	
NET POSITION, END OF YEAR		$ 4,109,035	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 11,161,021	$ 11,198,211	$ 37,190
OPERATING EXPENSES			
Salaries and wages	753,278	682,131	71,147
Employee benefits	316,883	280,299	36,584
Services and supplies	16,015,408	10,232,110	5,783,298
Total operating expenses	17,085,569	11,194,540	5,891,029
Operating income (loss)	(5,924,548)	3,671	5,928,219
NONOPERATING REVENUES			
Investment income	68,500	(7,050)	(75,550)
Miscellaneous	16,900	17,391	491
Total nonoperating revenues	85,400	10,341	(75,059)
Income (loss) before transfers	(5,839,148)	14,012	5,853,160
TRANSFERS			
Transfers in	587,623	587,623	
CHANGE IN NET POSITION	$ (5,251,525)	601,635	$ 5,853,160
NET POSITION, BEGINNING OF YEAR		8,284,070	
NET POSITION, END OF YEAR		$ 8,885,705	

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CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	$ 7,032,874	$ 169,872	$ 12,930,101	$ 20,132,847
Restricted cash and cash equivalents		39,746		39,746
Accounts receivable, net	3,719	162,486		166,205
Interest receivable	13,236	404	25,755	39,395
Due from other governments	119,659			119,659
Total current assets	7,169,488	372,508	12,955,856	20,497,852
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	23,922,059	1,206,116	26,526,434
Machinery and equipment	230,587	2,326,270	689,224	3,246,081
Accumulated depreciation and amortization	(3,422,824)	(18,846,264)	(1,341,775)	(23,610,863)
Total capital assets, net of accumulated depreciation and amortization	2,041,558	26,865,594	553,565	29,460,717
Total noncurrent assets	2,041,558	26,865,594	553,565	29,460,717
Total assets	9,211,046	27,238,102	13,509,421	49,958,569
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	704,998		2,781,931	3,486,929
LIABILITIES				
Current liabilities				
Accounts payable and other accrued liabilities	45,745	27,906	146,870	220,521
Accrued wages	45,118		226,664	271,782
Due to other governments	2,093		3,664	5,757
Unearned revenue	12,921		5,167,628	5,180,549
Deposits	5,750		117,685	123,435
Compensated absences	39,881		160,334	200,215
Total current liabilities	151,508	27,906	5,822,845	6,002,259
Noncurrent liabilities				
Compensated absences	412,085		1,656,705	2,068,790
Other post employment benefits	288,179		1,050,867	1,339,046
Net pension liability	3,007,005		10,670,779	13,677,784
Total noncurrent liabilities	3,707,269		13,378,351	17,085,620
Total liabilities	3,858,777	27,906	19,201,196	23,087,879
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	304,963		634,547	939,510
NET POSITION				
Net investment in capital assets	2,041,558	26,865,594	553,565	29,460,717
Capital projects		39,746		39,746
Unrestricted	3,710,746	304,856	(4,097,956)	(82,354)
Total net position	$ 5,752,304	$ 27,210,196	$ (3,544,391)	$ 29,418,109

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
OPERATING REVENUES				
Charges for services	$ 610,309	$ 2,129,360	$ 12,647,476	$ 15,387,145
Licenses and permits	542,656		4,333,000	4,875,656
Rental fees	300,030			300,030
Miscellaneous	54,760	45,471	2,612	102,843
Total operating revenues	1,507,755	2,174,831	16,983,088	20,665,674
OPERATING EXPENSES				
Salaries and wages	1,645,208		6,642,376	8,287,584
Employee benefits	598,024		2,757,398	3,355,422
Services and supplies	1,231,040	2,267,148	7,007,979	10,506,167
Depreciation and amortization	116,976	324,376	14,131	455,483
Total operating expenses	3,591,248	2,591,524	16,421,884	22,604,656
Operating income (loss)	(2,083,493)	(416,693)	561,204	(1,938,982)
NONOPERATING REVENUES (EXPENSES)				
Investment income	515	(171)	(4,291)	(3,947)
Room tax revenue	2,334,237			2,334,237
Other intergovernmental revenue	1,004,630			1,004,630
Miscellaneous			850	850
Total nonoperating revenues (expenses)	3,339,382	(171)	(3,441)	3,335,770
Income (loss) before capital contributions and transfers	1,255,889	(416,864)	557,763	1,396,788
CAPITAL CONTRIBUTIONS				
Capital contributions	3,813			3,813
TRANSFERS				
Transfers in		217,000		217,000
Transfers out	(527)		(506,098)	(506,625)
Total transfers	(527)	217,000	(506,098)	(289,625)
CHANGE IN NET POSITION	1,259,175	(199,864)	51,665	1,110,976
NET POSITION, BEGINNING OF YEAR	4,493,129	27,410,060	(3,596,056)	28,307,133
NET POSITION, END OF YEAR	$ 5,752,304	$ 27,210,196	$ (3,544,391)	$ 29,418,109

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,637,925	$ 2,134,621	$ 15,512,012	$ 19,284,558
Cash received from other sources	3,342,680		850	3,343,530
Cash payments for goods and services	(1,858,005)	(2,245,213)	(9,727,762)	(13,830,980)
Cash payments for employee services	(1,644,131)		(6,242,187)	(7,886,318)
Net cash provided by (used in) operating activities	1,478,469	(110,592)	(457,087)	910,790
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in		217,000		217,000
Transfers out	(527)		(506,098)	(506,625)
Net cash provided by (used in) noncapital financing activities	(527)	217,000	(506,098)	(289,625)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets		(102,168)		(102,168)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	(5,829)	(386)	(11,325)	(17,540)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,472,113	3,854	(974,510)	501,457
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,560,761	205,764	13,904,611	19,671,136
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,032,874	$ 209,618	$ 12,930,101	$ 20,172,593
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (2,083,493)	$ (416,693)	$ 561,204	$ (1,938,982)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	116,976	324,376	14,131	455,483
Other	3,342,680		850	3,343,530
(Increase) decrease in operating assets				
Accounts receivable	(2,887)	(40,210)		(43,097)
Due from other governments	141,798			141,798
Prepaid items			1,334	1,334
Increase (decrease) in operating liabilities				
Accounts payable and other accrued liabilities	(35,956)	21,935	24,928	10,907
Accrued salaries and benefits	10,447		77,272	87,719
Compensated absences	(8,015)		340,749	332,734
Other post employment benefits	8,886		14,589	23,475
Net pension liability	394		1,898	2,292
Deposits	(3,620)		(22,966)	(26,586)
Unearned revenue	(8,741)		(1,471,076)	(1,479,817)
Total adjustments	3,561,962	306,101	(1,018,291)	2,849,772
Net cash provided by (used in) operating activities	$ 1,478,469	$ (110,592)	$ (457,087)	$ 910,790

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utilities fees	$ 68,100,000	$ 71,184,217	$ 3,084,217
Connection fees	1,000,000	1,315,050	315,050
Late charges	1,350,000	1,335,572	(14,428)
Miscellaneous	80,000	84,496	4,496
Total operating revenues	70,530,000	73,919,335	3,389,335
OPERATING EXPENSES			
Salaries and wages	12,271,939	11,806,234	465,705
Employee benefits	5,581,999	5,208,423	373,576
Water purchases	24,390,700	24,918,378	(527,678)
Services and supplies	23,235,487	19,967,411	3,268,076
Depreciation and amortization	11,929,476	12,162,479	(233,003)
Total operating expenses	77,409,601	74,062,925	3,346,676
Operating loss	(6,879,601)	(143,590)	6,736,011
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,250,000	25,504	(1,224,496)
Interest expense	(575,323)	(87,973)	487,350
Miscellaneous		1,631	1,631
Total nonoperating revenues (expenses)	674,677	(60,838)	(735,515)
Loss before capital contributions and transfers	(6,204,924)	(204,428)	6,000,496
CAPITAL CONTRIBUTIONS			
Capital contributions	5,000,000	10,343,530	5,343,530
TRANSFERS			
Transfers out	(1,300,421)	(761,201)	539,220
CHANGE IN NET POSITION	$ (2,505,345)	9,377,901	$ 11,883,246
NET POSITION, BEGINNING OF YEAR		465,588,556	
NET POSITION, END OF YEAR		$ 474,966,457	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utilities fees	$ 45,450,000	$ 45,233,752	$ (216,248)
Connection fees	50,000	108,227	58,227
Late charges	650,000	606,173	(43,827)
Intergovernmental	300,000	755,286	455,286
Miscellaneous	60,000	56,145	(3,855)
Total operating revenues	46,510,000	46,759,583	249,583
OPERATING EXPENSES			
Salaries and wages	10,507,726	10,012,730	494,996
Employee benefits	4,881,654	4,516,582	365,072
Services and supplies	20,500,092	17,536,208	2,963,884
Depreciation and amortization	12,337,863	12,458,596	(120,733)
Total operating expenses	48,227,335	44,524,116	3,703,219
Operating income (loss)	(1,717,335)	2,235,467	3,952,802
NONOPERATING REVENUES (EXPENSES)			
Investment income	800,000	5,301	(794,699)
Interest expense	(4,372,519)	(3,948,741)	423,778
Sales tax revenue	5,200,000	5,203,111	3,111
Other intergovernmental revenue		1,530	1,530
Miscellaneous		24,323	24,323
Total nonoperating revenues (expenses)	1,627,481	1,285,524	(341,957)
Income (loss) before capital contributions and transfers	(89,854)	3,520,991	3,610,845
CAPITAL CONTRIBUTIONS			
Capital contributions	7,000,000	13,698,930	6,698,930
TRANSFERS			
Transfers out	(700,446)	(651,410)	49,036
CHANGE IN NET POSITION	$ 6,209,700	16,568,511	$ 10,358,811
NET POSITION, BEGINNING OF YEAR		508,068,649	
NET POSITION, END OF YEAR		$ 524,637,160	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 387,142	$ 610,309	$ 223,167
Licenses and permits	600,000	542,656	(57,344)
Rental fees	237,000	300,030	63,030
Miscellaneous	58,800	54,760	(4,040)
Total operating revenues	1,282,942	1,507,755	224,813
OPERATING EXPENSES			
Salaries and wages	2,158,865	1,645,208	513,657
Employee benefits	777,038	598,024	179,014
Services and supplies	1,668,405	1,231,040	437,365
Depreciation and amortization	123,200	116,976	6,224
Total operating expenses	4,727,508	3,591,248	1,136,260
Operating loss	(3,444,566)	(2,083,493)	1,361,073
NONOPERATING REVENUES			
Investment income	17,000	515	(16,485)
Room tax revenue	2,000,000	2,334,237	334,237
Other intergovernmental revenue	1,377,000	1,004,630	(372,370)
Total nonoperating revenues	3,394,000	3,339,382	(54,618)
Income (loss) before capital contributions and transfers	(50,566)	1,255,889	1,306,455
CAPITAL CONTRIBUTIONS			
Capital contributions		3,813	3,813
TRANSFERS			
Transfers out	(527)	(527)	
CHANGE IN NET POSITION	$ (51,093)	1,259,175	$ 1,310,268
NET POSITION, BEGINNING OF YEAR		4,493,129	
NET POSITION, END OF YEAR		$ 5,752,304	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 2,417,550	$ 2,129,360	$ (288,190)
Miscellaneous		45,471	45,471
Total operating revenues	2,417,550	2,174,831	(242,719)
OPERATING EXPENSES			
Services and supplies	2,804,770	2,267,148	537,622
Depreciation and amortization	296,383	324,376	(27,993)
Total operating expenses	3,101,153	2,591,524	509,629
Operating loss	(683,603)	(416,693)	266,910
NONOPERATING REVENUES			
Investment income	1,700	(171)	(1,871)
Miscellaneous	39,000		(39,000)
Total nonoperating revenues	40,700	(171)	(40,871)
Loss before transfers	(642,903)	(416,864)	226,039
TRANSFERS			
Transfers in	217,000	217,000	
CHANGE IN NET POSITION	$ (425,903)	(199,864)	$ 226,039
NET POSITION, BEGINNING OF YEAR		27,410,060	
NET POSITION, END OF YEAR		$ 27,210,196	

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, 2017

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	$ 12,665,912	$ 12,647,476	$ (18,436)
Licenses and permits	4,888,681	4,333,000	(555,681)
Miscellaneous	3,356	2,612	(744)
Total operating revenues	17,557,949	16,983,088	(574,861)
OPERATING EXPENSES			
Salaries and wages	6,573,096	6,642,376	(69,280)
Employee benefits	2,861,124	2,757,398	103,726
Services and supplies	7,695,056	7,007,979	687,077
Depreciation and amortization	14,555	14,131	424
Total operating expenses	17,143,831	16,421,884	721,947
Operating income	414,118	561,204	147,086
NONOPERATING REVENUES			
Investment income	187,454	(4,291)	(191,745)
Miscellaneous		850	850
Total nonoperating revenues	187,454	(3,441)	(190,895)
Income before transfers	601,572	557,763	(43,809)
TRANSFERS			
Transfers out	(506,098)	(506,098)	
CHANGE IN NET POSITION	$ 95,474	51,665	$ (43,809)
NET POSITION, BEGINNING OF YEAR		(3,596,056)	
NET POSITION, END OF YEAR		$ (3,544,391)	

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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.

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CITY OF HENDERSON, NEVADA

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

	Section 125 Plan	Traffic Signal	Forfeited Assets	Paving Frontage	Special Assessment Districts	Total Agency Funds
ASSETS						
Cash, cash equivalents and investments	$ 172,430	$ 8,556,371	$ 721,964	$ 79,305	$ 30,590,186	$ 40,120,256
Special assessments receivable					344,472	344,472
Total assets	$ 172,430	$ 8,556,371	$ 721,964	$ 79,305	$ 30,934,658	$ 40,464,728
LIABILITIES						
Due to developers	$	$ 8,556,371	$	$ 79,305	$	$ 8,635,676
Due to employees	172,430					172,430
Due to others			721,964		30,934,658	31,656,622
Total liabilities	$ 172,430	$ 8,556,371	$ 721,964	$ 79,305	$ 30,934,658	$ 40,464,728

CITY OF HENDERSON, NEVADA

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

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
SECTION 125 PLAN				
ASSETS				
Cash, cash equivalents and investments	$ 164,916	$ 820,131	$ 812,617	$ 172,430
LIABILITIES				
Due to employees	$ 164,916	$ 820,131	$ 812,617	$ 172,430
TRAFFIC SIGNAL				
ASSETS				
Cash, cash equivalents and investments	$ 9,266,989	$ 982,395	$ 1,693,013	$ 8,556,371
LIABILITIES				
Due to developers	$ 9,266,989	$ 982,395	$ 1,693,013	$ 8,556,371
FORFEITED ASSETS				
ASSETS				
Cash, cash equivalents and investments	$ 292,074	$ 1,200,096	$ 770,206	$ 721,964
LIABILITIES				
Due to others	$ 292,074	$ 1,200,096	$ 770,206	$ 721,964
PAVING FRONTAGE				
ASSETS				
Cash, cash equivalents and investments	$ 78,701	$ 604	$	$ 79,305
LIABILITIES				
Due to developers	$ 78,701	$ 604	$	$ 79,305
SPECIAL ASSESSMENT DISTRICTS				
ASSETS				
Cash, cash equivalents and investments	$ 36,722,008	$ 94,281,124	$ 100,412,946	$ 30,590,186
Special assessments receivable	422,057	2,053	79,638	344,472
Total assets	$ 37,144,065	$ 94,283,177	$ 100,492,584	$ 30,934,658
LIABILITIES				
Due to others	$ 37,143,942	$ 94,280,265	$ 100,489,549	$ 30,934,658
Due to other governments	123	2,912	3,035	
Total liabilities	$ 37,144,065	$ 94,283,177	$ 100,492,584	$ 30,934,658
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	$ 46,524,688	$ 97,284,350	$ 103,688,782	$ 40,120,256
Special assessments receivable	422,057	2,053	79,638	344,472
Total assets	$ 46,946,745	$ 97,286,403	$ 103,768,420	$ 40,464,728
LIABILITIES				
Due to developers	$ 9,345,690	$ 982,999	$ 1,693,013	$ 8,635,676
Due to employees	164,916	820,131	812,617	172,430
Due to others	37,436,016	95,480,361	101,259,755	31,656,622
Due to other governments	123	2,912	3,035	
Total liabilities	$ 46,946,745	$ 97,286,403	$ 103,768,420	$ 40,464,728

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