



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

2019



CITY OF HENDERSON, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2019

Prepared by: Finance Department

Jim McIntosh

Chief Financial Officer

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CITY OF HENDERSON, NEVADA

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2019

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

INTRODUCTORY SECTION





City of Henderson, Nevada
240 S. Water Street
Henderson, Nevada 89015

October 31, 2019

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Henderson, Nevada:

The comprehensive annual financial report for the City of Henderson for the fiscal year ended June 30, 2019 is hereby submitted in accordance with Nevada Revised Statutes 354.624. State law requires that a local government provide for an annual audit by independent certified public accountants of its financial statements in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the City of Henderson (referred to herein as either Henderson or the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

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

Profile of the Government

The City of Henderson is located in the southeastern part of Clark County, Nevada. With a population of approximately 310,000, Henderson is the second largest city in the State of Nevada. The City Charter was approved in its present form by the Nevada Legislature in 1971 and has been amended subsequent thereto.

The City operates under a council-manager form of government, with elective offices consisting of a Mayor, four City Council members, each representing one ward, and three Municipal Court judges. All positions are nonpartisan and elected at-large. The Mayor and all Council members are elected for four-year terms and the Municipal Court judges are elected for six-year terms. Elections are held every other year with three City Council seats and one judge voted upon one election year and the Mayor, one City Council seat, and one judge voted upon in the other election year.

In 2019, the Nevada Legislature passed Assembly Bill 50 mandating the Henderson municipal elections be moved to the statewide election calendar held in even-numbered years. The next Henderson municipal election will be held in 2022. Current elected officials' terms have been extended by 1.5 years.

The City provides a full range of services including police and fire protection; municipal court; detention facilities; water and sewer services; the construction and maintenance of boulevards, streets and other public infrastructure; recreational facilities and activities; cultural events; and a municipal golf course.

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council if 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.

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 (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.

Activities of the general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, and internal service funds, are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is statutorily required to be exercised at the function level. Appropriations lapse at year end. However, encumbrances generally are re-appropriated as part of the following year's budget augmentation.

Local Economy

Henderson continues to be ranked as one of America's most livable and tax-friendly cities, having been able to maintain property taxes at the same low rate for 29 years.

Located just seven miles from the famous Las Vegas Strip, Henderson is known throughout the nation for its premier master planned residential communities, outstanding parks and recreational facilities, cultural activities, and business community. Some of the nation's best known and most respected corporations have established major operations in Henderson, including Medco Health Solutions, Ford Motor Credit, Core-Mark Distributors Inc., Walmart, Ethel M. Chocolates, Levi Strauss & Company, and Cashman Equipment. Henderson also has defined gaming districts which include casino/resort developments such as the M Resort, Sunset Station, Fiesta Henderson, Westin Lake Las Vegas Resort and Spa, and Green Valley Ranch Station. The City will soon become home to the National Football League's Las Vegas Raiders headquarters and practice facility. Construction on the facility will be completed by spring 2020. In addition, the City's historic Water Street District is set to undergo a revitalization with the addition of several new businesses along with the construction of the National Hockey League's Las Vegas Golden Knights second practice facility which will also serve as a community ice skating rink.

The City is focusing its efforts on recruiting new businesses from a list of target industries including medical, industrial, financial, educational, and administrative offices. These new businesses help create job opportunities for residents, while also helping to diversify the local economy. Businesses that may be interested in relocating and local businesses planning to expand may be eligible for a number of incentive programs and services. As municipal stewards, it is essential that the financial integrity of the City is maintained regardless of the effects of outside forces and economic conditions.

The outlook for Nevada's economy is positive and projected to fare at least as well as it did in 2018. Four key indicators support this outlook: strong employment and population growth, robust consumer spending, increasing personal income and high taxable sales. Several influencing factors are growth in the autonomous vehicles field and approximately \$23 billion worth of construction projects – resort, entertainment and transportation – in the pipeline. Economic development officials stress that the state is much better now than a few years ago largely due to the efforts at economic diversification.

The national employment picture has continued to show signs of strengthening. The official unemployment rate, which was at 4.0% in June 2018, fell to 3.7% as of June 2019, suggesting that the U.S. job market continues to improve and progress toward full employment.

Like the national employment market, the local market has also shown signs of stability, with Nevada's and the Las Vegas Metropolitan Statistical Area unemployment rates remaining steady at 4.0% as of June 2019.

Nevada's job growth has continued to outpace the nation. As of June 2019, Nevada has seen year-over-year gains for 102 consecutive months, with employment higher than this time last year by 45,500. June was the 83rd consecutive month that Nevada's year-over-year job growth had outpaced the nation.

The largest year-to-date job gains (as of June 2019) were found in professional and business services (+15,500 jobs), construction (+12,300 jobs), manufacturing (+8,700 jobs), and education/health services (+6,600).

The City has a tax rate of \$.7108 per \$100 in assessed valuation. This property tax rate has remained consistent for 29 years and continues to be one of the lowest in the State of Nevada.

The City is highly reliant on consolidated tax, which consists of liquor taxes, cigarette taxes, the Government Services Tax, the Real Property Transfer Tax, the Basic City County Relief Tax (BCCRT), and the Supplemental City County Relief Tax (SCCRT). The BCCRT and SCCRT are strictly sales tax based, and generally make up in excess of 85% of consolidated tax. Compiled at the state level, these funds are then distributed to municipalities according to a formula outlined in Nevada Revised Statutes (NRS) 360.

Economic activity within the Las Vegas valley continues to be strong with 42.1 million visitors and convention growth which has exceeded expectations and continues to approach the record attendance of 6.5 million set in 2018. Hotel room occupancy rates have also remained strong hovering near record highs for both midweek and weekend levels.

According to population estimates made by the Nevada state demographer, the population in Clark County rose to 2,251,175 as of July 1, 2018. This reflects a modest population increase of 2.6% over the July 1, 2017 figure of 2,193,818. It is estimated that the population will continue to gradually increase in Clark County in the coming years.

Long-Term Financial Planning

The City continues to update the Capital Improvement Plan, a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. Some of these capital projects for fiscal year 2020, contingent upon available funding, include:

Grants, park taxes, and contributions to fund various parks and recreation projects, including Union Pacific Railroad right-of-way acquisition.

Water Fund to fund the R-8A Reservoir project, which will design and construct a 5 million-gallon reservoir and associated appurtenances. This will replace aging infrastructure and expand capacity based on growing demand.

Sewer Fund to fund the summer house lift station. This project will include a new lift station located within the Rainbow Canyon development of Lake Las Vegas. The lift station will include a wet well, pumps, generator, dual force mains, fittings, manholes, permanent power, and fiber optic communication lines, in addition to overall site improvements including perimeter wall, and gates.

The City to fund Fire Station 85, the new 3 bay fire station in the Southeast area (District 81), to improve fire station distribution, concentration and response reliability. The fire station is anticipated to consist of approximately 11,000 square feet on an approximately 2-acre site.

The City will continue to partner with the Clark County Regional Flood Control District, the Regional Transportation Commission, Nevada Department of Transportation, and developers to fund projects for flood channels and street projects, including design and construction of the Lower Pittman Whitney Wash Detention Basin & outfall channel replacement.

The City maintains a forecast of the financial condition of the City's major operating funds over a five-year horizon. It is an invaluable tool used to assist the City Council, City Manager, and department heads in developing long-range strategies and tactics to be included in their Performance Budget and, ultimately, in formulating budget requests.

The long-range forecast is updated on a continual basis and is used to evaluate the current status of city-wide short and long-range goals and objectives, and to make predictions about how future events and circumstances may affect the City's financial stability. Forecasting is one of the most powerful tools the City has available to help make informed financial decisions that will ensure the City's future vitality and economic stability.

The City's approach to forecasting in general is to apply a conservative philosophy that will help meet the long-term goals of not over estimating revenues or under estimating expenditures. Economic forecasting is not an exact science and relies upon the professional judgment of the forecaster. To reduce the risks of miscalculating future revenues or expenditures, the City attempts to identify as many factors as possible that may contribute to changes in revenues and expenditures. The City's revenue and expenditure budgets are comprised of many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates. The forecast data includes assumptions relating to major revenues and expenditures for the various funds based on the current political and economic environment.

If a prolonged economic downturn occurs, and annual revenues are unable to support the costs of essential services, the City will consider several options. These options would include increasing revenues from existing sources such as property taxes, creating new taxing sources, and/or service reductions.

Major Initiatives

A comprehensive assessment of capital and operating needs has been compiled and is updated annually to provide for strategic allocation of additional or new resources. Additional investment in infrastructure and technological updates have been made in the past few years and the City plans to continue to dedicate resources to these important initiatives. The City will continue to look for resourceful ways to maintain the quality services and facilities that our community has come to expect.

The City is actively participating in educational advancement in our community. The Redevelopment Agency dedicates 18% of the incremental ad valorem tax revenue in certain redevelopment areas to be invested in schools serving residents. The City Council also voted to dedicate 30% of recreational marijuana business license revenue to local schools. The City created the Community Education Advisory Board to ensure that these funds are used for programs and facility reinvestment that produce positive outcomes for local students. City staff, in conjunction with community leaders, are working to level the playing field and provide better educational opportunities for all students in Henderson.

With the growth of the economy for the past several years, the City must prepare for the next economic decline. To this end, the City intends to build up reserves beyond the requirements outlined in the Financial Management Policy in order to be as prepared for the next downturn as it was for the last. This is an important step in keeping on the road to attaining our vision of being America's Premier Community.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Henderson for its comprehensive annual financial report for the fiscal year ended June 30, 2018.

This was the 37th consecutive year that the government has received this prestigious award. In order to be awarded a

Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department's Accounting staff as well as certain members of the City Manager's staff, Public Works, Parks and Recreation Department, Utilities, and Neighborhood Services staffs. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation, as well as the contributions of the staff of Piercy Bowler Taylor & Kern, the City's independent auditors.

In closing, without the leadership and support of the City Council of the City of Henderson, preparation of this report would not have been possible.

Respectfully submitted,



Richard A. Derrick
City Manager/CEO



Jim McIntosh
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Henderson
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

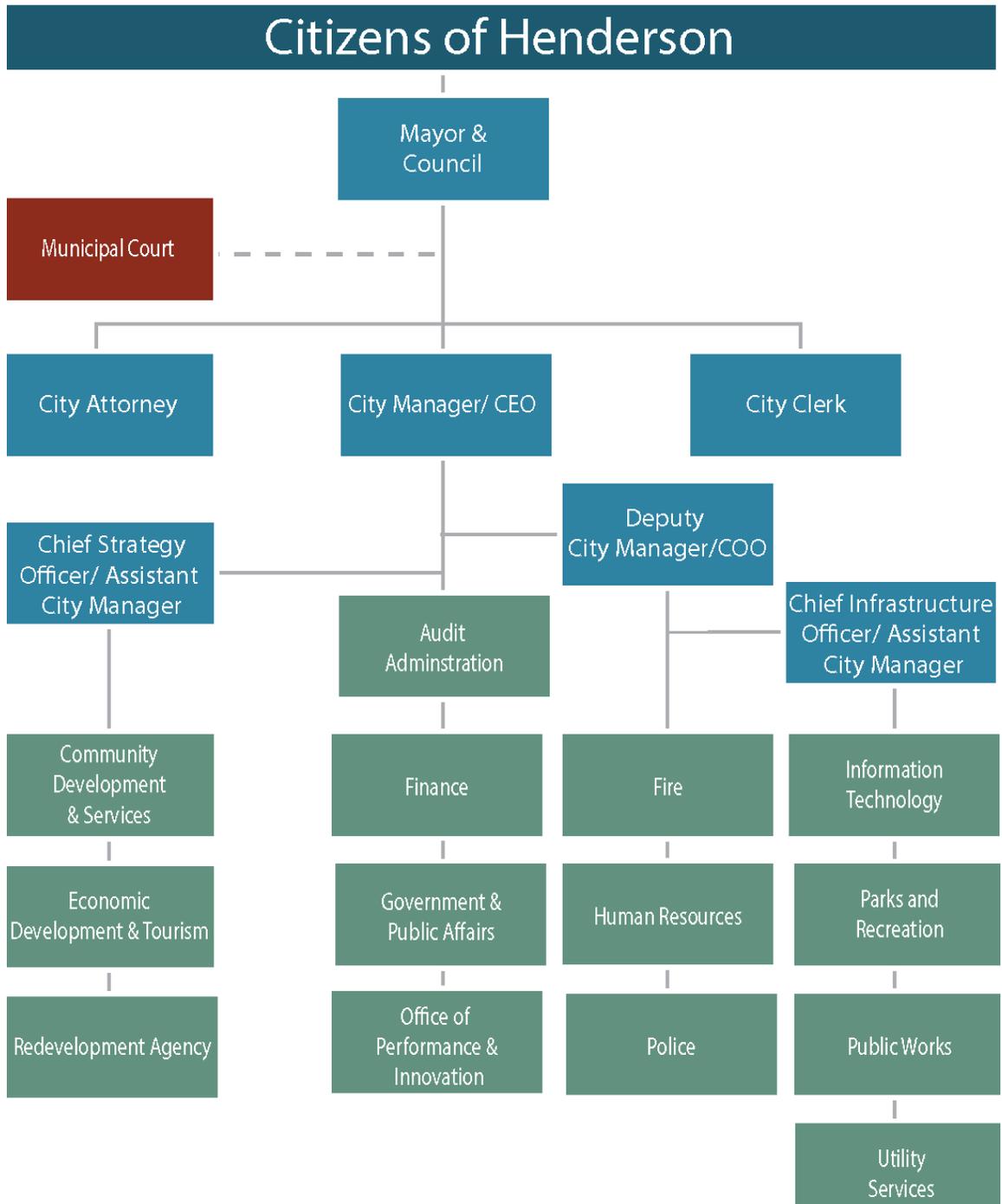
Christopher P. Morill

Executive Director/CEO

CITY OF HENDERSON, NEVADA

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2019



CITY OF HENDERSON, NEVADA

List of Principal Officers

Presented as of October 31, 2019

MAYOR AND COUNCIL

Debra March, Mayor
Michelle Romero, Councilwoman
Dan K. Shaw, Councilman
John F. Marz, Councilman
Dan H. Stewart, Councilman

CITY OFFICIALS

Richard A. Derrick, City Manager/CEO
Nicholas G. Vaskov, City Attorney
Sabrina Mercadante, City Clerk



2019

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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 (the City) as of and for the year ended June 30, 2019, and the budgetary comparison information for the general fund and each major special revenue fund, as listed in the table of contents 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, 2019, 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.

Emphasis of a Matter, Prior Period Adjustment. As discussed in Note 2 to the basic financial statements, beginning fund balance in the Lake Las Vegas Capital Projects Fund and beginning net position related to Governmental Activities in the Statement of Net Position have been restated and reduced by \$2,611,470 to properly reflect a liability to a developer for a refundable deposit. Our opinion is not modified with respect to this matter.

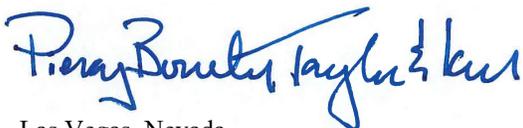
Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information and proportionate share of statutorily required pension contribution information on pages 11-23 and 81-87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, statistical section and schedule of business license fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section and schedule of business license fees have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada
October 31, 2019

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. This should be read in conjunction with the transmittal letter in the Introduction Section and the City's financial statements following this section.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2019 by \$2,583,955,998 (net position). However, due to the recognition of estimated liabilities and deferred resources related to pension and other post-employment benefits totaling \$434,038,874 as of June 30, 2019, the City's Governmental Activities have negative unrestricted net position of \$245,069,012.

During fiscal year 2019, the City's total net position increased by \$121,427,188, net of prior-period adjustment of \$2,611,470. See the sections on Governmental Activities and Business-type Activities below for explanations of the increase.

As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$264,016,915, an increase of \$42,201,594 (net of prior-period adjustment of \$2,611,470) over the prior year. See the governmental fund analysis below for explanations of the increase. Approximately 10.6% of ending fund balances, or \$28,116,220, is available for spending at the City's discretion (i.e., unassigned fund balance).

As of June 30, 2019, unassigned fund balance in the general fund was 10.8% of fiscal year 2019 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.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 City funds are classified into one of three fund categories: governmental, proprietary or fiduciary.

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 sheets and statements of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-five individual governmental funds as of June 30, 2019. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance 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 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).

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the proprietary funds statement of net position and statement of revenues, expenses and changes in net position for the Water Fund, Sewer Fund and Development Services Fund, all of which are considered to be major funds. Data from the two 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.

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, vehicles, self-insurance activities, interfund loan activities for special assessment districts and 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 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

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's changes, proportionate share and actuarially determined contribution information related to the City's pension and OPEB benefits provided to the City's employees and are presented immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the required supplementary information on net pension and total OPEB liabilities. Internal service funds are presented after the governmental funds combining statement.

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, 2019, the City is reporting net position of \$2,583,955,998. The following table provides a summary of the City's net position for the years ended June 30, 2019 and 2018.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Summary Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | 2019 | 2018 (Restated) | 2019 | 2018 | 2019 | 2018 (Restated) |
| Assets | | | | | | |
| Current, restricted and other | \$ 427,204,945 | \$ 373,591,507 | \$ 213,840,371 | \$ 194,193,671 | \$ 641,045,316 | \$ 567,785,178 |
| Capital | <u>1,700,094,725</u> | <u>1,684,460,680</u> | <u>999,594,769</u> | <u>995,972,740</u> | <u>2,699,689,494</u> | <u>2,680,433,420</u> |
| Total assets | <u>2,127,299,670</u> | <u>2,058,052,187</u> | <u>1,213,435,140</u> | <u>1,190,166,411</u> | <u>3,340,734,810</u> | <u>3,248,218,598</u> |
| Deferred outflows of resources | <u>64,213,377</u> | <u>56,412,443</u> | <u>13,229,817</u> | <u>12,855,796</u> | <u>77,443,194</u> | <u>69,268,239</u> |
| Liabilities | | | | | | |
| Current | 35,495,341 | 28,734,139 | 25,488,280 | 25,588,971 | 60,983,621 | 54,323,110 |
| Other | <u>590,195,072</u> | <u>594,315,123</u> | <u>150,314,431</u> | <u>165,870,059</u> | <u>740,509,503</u> | <u>760,185,182</u> |
| Total liabilities | <u>625,690,413</u> | <u>623,049,262</u> | <u>175,802,711</u> | <u>191,459,030</u> | <u>801,493,124</u> | <u>814,508,292</u> |
| Deferred inflows of resources | <u>28,969,425</u> | <u>35,310,943</u> | <u>3,759,457</u> | <u>5,138,792</u> | <u>32,728,882</u> | <u>40,449,735</u> |
| Net position | | | | | | |
| Net investment in capital assets | 1,603,799,207 | 1,571,088,765 | 919,833,177 | 905,555,423 | 2,523,632,384 | 2,476,644,188 |
| Restricted | 178,123,014 | 142,073,654 | 16,349,684 | 6,465,320 | 194,472,698 | 148,538,974 |
| Unrestricted | <u>(245,069,012)</u> | <u>(257,057,994)</u> | <u>110,919,928</u> | <u>94,403,642</u> | <u>(134,149,084)</u> | <u>(162,654,352)</u> |
| Total net position | <u>\$ 1,536,853,209</u> | <u>\$ 1,456,104,425</u> | <u>\$ 1,047,102,789</u> | <u>\$ 1,006,424,385</u> | <u>\$ 2,583,955,998</u> | <u>\$ 2,462,528,810</u> |

The largest portion of the City's net position is 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.

As of June 30, 2019, 7.5% of the City's net position is subject to external restrictions on how it may be used. The remaining balance is a negative \$134,149,084, resulting from the recognition of estimated liabilities and deferred resources related to pension and other post-employment benefits (OPEB). As of June 30, 2019, the City's long-term liabilities include a net pension liability of \$413.0 million, which was actuarially determined to be the City's proportionate share of the collective net pension liability of PERS. However, per NRS, respective participating public employers are not liable for any obligation of PERS. Additionally, as of June 30, 2019, the City has recorded an estimated long-term liability of \$56.6 million for its actuarially determined total OPEB liability.

The City's total net position increased by \$121,427,188 during the current fiscal year, comprised of an increase in governmental activities net position of \$80,748,784 (net of a prior period adjustment of \$2,611,470) and an increase in business-type activities net position of \$40,678,404. See explanations for the increases in the sections for Governmental Activities and Business-type Activities, immediately following the table below.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Summary Statement of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|-------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | (Restated) | | | | (Restated) |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 60,680,785 | \$ 59,771,450 | \$ 150,689,727 | \$ 145,001,667 | \$ 211,370,512 | \$ 204,773,117 |
| Operating grants and contributions | 6,514,970 | 8,130,952 | | | 6,514,970 | 8,130,952 |
| Capital grants and contributions | 54,182,748 | 55,362,844 | 27,595,157 | 30,349,483 | 81,777,905 | 85,712,327 |
| General revenues | | | | | | |
| Property taxes | 91,134,869 | 82,592,579 | | | 91,134,869 | 82,592,579 |
| Room taxes | 1,390,043 | 1,202,532 | 2,356,678 | 2,405,064 | 3,746,721 | 3,607,596 |
| Intergovernmental revenues - consolidated tax | 118,869,105 | 110,094,368 | | | 118,869,105 | 110,094,368 |
| Motor vehicle fuel tax | 6,129,774 | 5,949,748 | | | 6,129,774 | 5,949,748 |
| Sales tax | 22,892,225 | 21,333,785 | 5,908,827 | 5,435,994 | 28,801,052 | 26,769,779 |
| Franchise fees, based on gross receipts | 33,766,078 | 33,662,964 | | | 33,766,078 | 33,662,964 |
| Unrestricted investment income | 8,377,585 | 1,804,414 | 6,978,694 | 1,171,910 | 15,356,279 | 2,976,324 |
| Gain on disposal of capital assets | 8,106,733 | 4,402,727 | 3,420 | | 8,110,153 | 4,402,727 |
| Miscellaneous | 1,819,297 | 1,799,429 | 2,852,155 | 2,223,506 | 4,671,452 | 4,022,935 |
| Total revenues | 413,864,212 | 386,107,792 | 196,384,658 | 186,587,624 | 610,248,870 | 572,695,416 |
| Expenses | | | | | | |
| General government | 62,997,651 | 59,933,998 | | | 62,997,651 | 59,933,998 |
| Judicial | 11,176,164 | 11,613,257 | | | 11,176,164 | 11,613,257 |
| Public safety | 163,724,635 | 173,233,070 | | | 163,724,635 | 173,233,070 |
| Public works | 34,616,021 | 35,668,455 | | | 34,616,021 | 35,668,455 |
| Culture and recreation | 50,752,764 | 50,566,579 | | | 50,752,764 | 50,566,579 |
| Community support | 3,098,245 | 4,983,380 | | | 3,098,245 | 4,983,380 |
| Interest expense and fiscal charges | 4,966,704 | 5,203,461 | | | 4,966,704 | 5,203,461 |
| Water | | | 78,149,917 | 77,037,042 | 78,149,917 | 77,037,042 |
| Sewer | | | 51,560,957 | 50,641,990 | 51,560,957 | 50,641,990 |
| Development services | | | 18,186,927 | 19,127,769 | 18,186,927 | 19,127,769 |
| Cultural arts and tourism | | | 7,075,750 | 3,740,723 | 7,075,750 | 3,740,723 |
| Municipal golf course | | | 2,515,947 | 2,528,988 | 2,515,947 | 2,528,988 |
| Total expenses | 331,332,184 | 341,202,200 | 157,489,498 | 153,076,512 | 488,821,682 | 494,278,712 |
| Change in net position before transfers | 82,532,028 | 44,905,592 | 38,895,160 | 33,511,112 | 121,427,188 | 78,416,704 |
| Transfers | (1,783,244) | 2,855,358 | 1,783,244 | (2,855,358) | | |
| Change in net position | 80,748,784 | 47,760,950 | 40,678,404 | 30,655,754 | 121,427,188 | 78,416,704 |
| Net position, beginning of year, as previously reported | 1,458,715,895 | 1,410,924,976 | 1,006,424,385 | 975,768,631 | 2,465,140,280 | 2,386,693,607 |
| Adjustment | (2,611,470) | (2,581,501) | | | (2,611,470) | (2,581,501) |
| Net position, beginning of year, as adjusted | 1,456,104,425 | 1,408,343,475 | 1,006,424,385 | 975,768,631 | 2,462,528,810 | 2,384,112,106 |
| Net position, end of year | \$ 1,536,853,209 | \$ 1,456,104,425 | \$ 1,047,102,789 | \$ 1,006,424,385 | \$ 2,583,955,998 | \$ 2,462,528,810 |

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Governmental Activities

Governmental activities increased the City's net position by \$80,748,784. Revenues came in at \$413.9 million supported by solid levels of consolidated taxes (\$118.9 million), property taxes (\$91.1 million) and sales taxes (\$22.9 million). Total expenses finished the year at \$331.3 million, in line with expectations and budget. Significant year-over-year changes are as follows:

Property tax revenue increased by \$8.5 million due to an increase in assessed value and new properties coming onto the tax rolls, which is a byproduct of continued growth in the local economy.

Intergovernmental revenue-consolidated tax and sales tax revenue increased by \$8.8 million and \$1.6 million, respectively, also due to continued growth in the local economy.

Unrestricted investment income increased by \$6.6 million due to a combination of higher investment balances, higher rate of return and an unrealized gain for the current fiscal year end compared to an unrealized loss in the prior fiscal year.

Gain on disposal of capital assets increased by \$3.7 million due primarily to land sales in the current fiscal year related to continued economic development in the City.

General government expense increased by \$3.1 million due primarily to the City experiencing a \$5.4 million increase in claims expense for both self-insured medical claims and self-insured liability claims as a result of an increase in the number of claims and the revised estimate of claims incurred but not reported. This increase was offset by a decrease in the write-down of land held for resale. In fiscal year 2018, the City of Henderson Redevelopment Agency (the Agency) reported one significant write-down of land held for resale (\$4.7 million) in the Eastside Redevelopment area. An additional decrease was experienced in OPEB expense of \$3.6 million as a result of a change in the retiree subsidy program that limited the benefit.

Public Safety expense decreased by \$9.5 million primarily due to a decrease in OPEB expense of \$12.8 million as a result of a change in the retiree subsidy program that limited the benefit. This decrease was offset by a \$4.5 million increase in salaries and wages. The fire department hired seven additional firefighter/paramedics to staff for peak load rescue. Also, the police department added and filled eight new positions and filled four vacant positions which had been previously approved positions through the More Cops legislation.

Community support expense decreased by \$1.9 million primarily due to the close out of two Barclay's Catalyst projects.

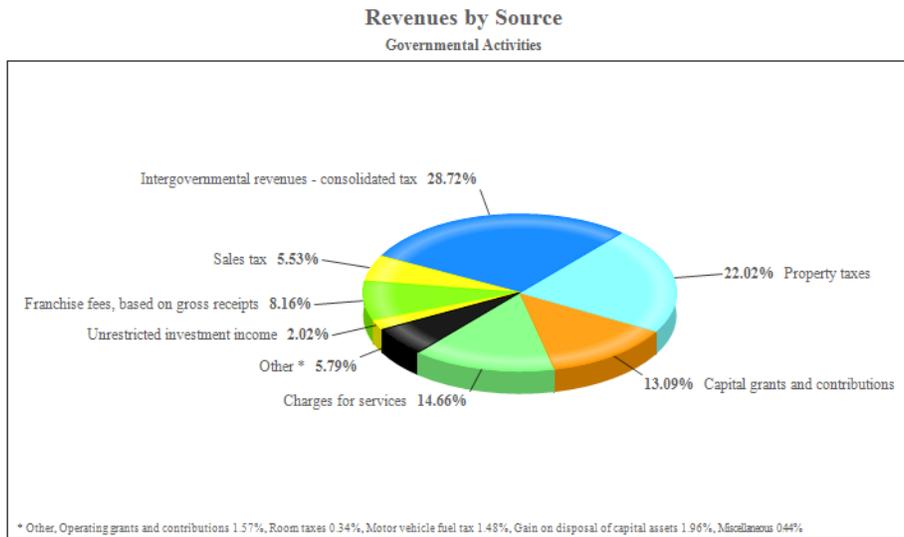
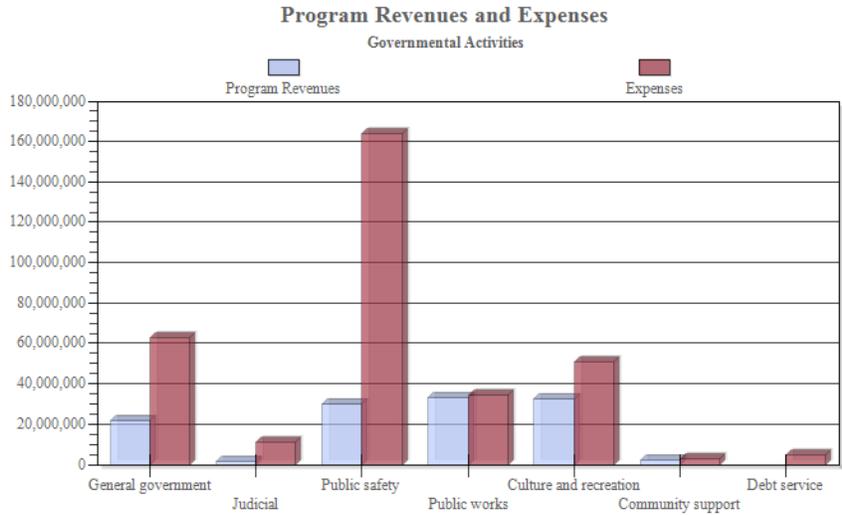
Transfers decreased by \$4.6 million due primarily to a \$1.8 million decrease in transfers in for debt service and transfers out for the Vegas Golden Knights ice hockey facility construction from the Agency and the transfer of convention center liabilities from the Cultural Arts and Tourism enterprise fund to governmental activities resulting from the closing of the convention center for \$4.0 million and \$3.1 million, respectively. Lastly, the Development Services Center fund had a transfer out for return of capital in fiscal year 2018, which did not recur in fiscal year 2019.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019



Business-type Activities

Business-type activities increased the City's net position by \$40,678,404. Charges for services account for \$150.7 million of the total revenues of \$196.4 million. Total expenses were in line with expectations and budget, except for \$6.8 million of funds budgeted for the Vegas Golden Knights ice hockey facility that were rolled into fiscal year 2020. The largest proportional increase in expenses was in Cultural Arts and Tourism (\$3.3 million) mainly as a result of costs associated with the lease agreement for the Vegas Golden Knights ice hockey facility (\$0.8 million), including demolition of the existing convention center to make way for the new facility and the loss on assets (\$1.9 million) related to the termination of convention center operations.

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

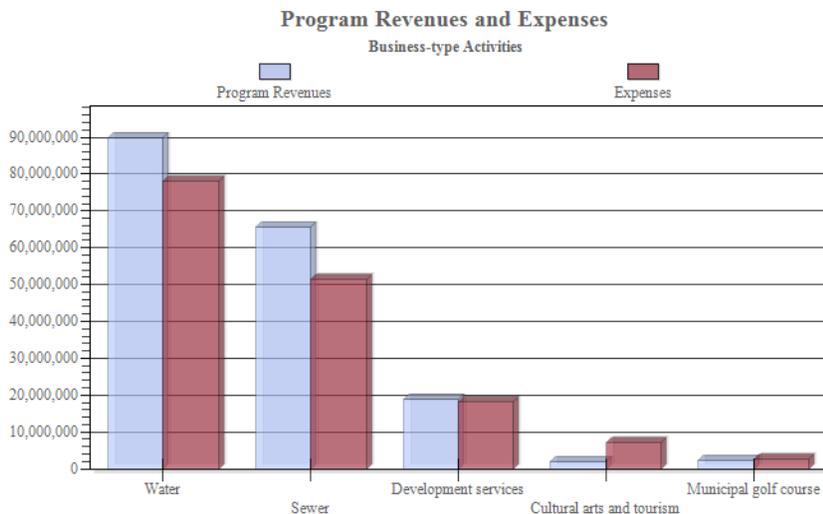
Significant year-over-year changes are as follows:

Charges for services increased by \$5.7 million, due primarily to an increase in utilities fees of \$3.1 million resulting from a 2% increase in water rates coupled with account growth related to population increase. Building permit fees increased \$1.2 million and plan check and quality control inspection fees increased \$1.4 million due to both a 47% increase in issued commercial building permit valuations and activity on those permits, including the Las Vegas Raiders practice facility, the Amazon Distribution Center, and the Google Data Center, among others.

Capital grants and contributions decreased by \$2.8 million, due to a decrease in utility assets constructed and contributed by developers. In the prior fiscal year, several significant utility developer contributions occurred including Pearl Creek, Inspirada, Eastgate Road, and Champion Place.

Unrestricted investment income increased by \$5.8 million due to a combination of higher investment balances, higher rate of return and an unrealized gain for the current fiscal year end compared to an unrealized loss in the prior fiscal year.

Transfers increased \$4.6 million due primarily to a \$1.8 million increase in transfers out for debt service and transfers in for the Vegas Golden Knights ice hockey facility construction from the Agency and the transfer of convention center liabilities from the Cultural Arts and Tourism enterprise fund to governmental activities resulting from the closing of the convention center for \$4.0 million and \$3.1 million, respectively. Lastly, the Development Services Center fund had a transfer-in for return of capital in fiscal year 2018, which did not recur in fiscal year 2019.

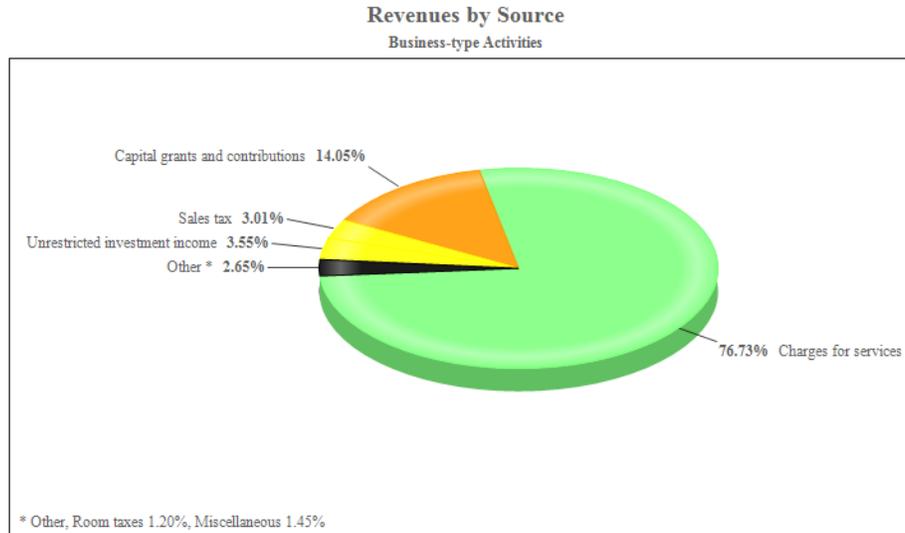


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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019



Governmental Funds

The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$264,016,915, an increase of \$42,201,594, in comparison with the prior fiscal year. Approximately 10.6% of this balance (\$28,116,220) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either nonspendable (\$281,988), restricted by State law or outside entities (\$167,732,842), committed for specific uses by the City Council (\$3,024,516), or assigned for specific uses by the City (\$64,861,349).

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 \$28,116,220, while total fund balance was \$33,981,675. 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, 2019, unassigned fund balance represents 10.8% of total general fund expenditures, while total fund balance represents 13.1% of that same amount.

The fund balance of the general fund increased by \$3,718,768 during the current fiscal year. Significant year-over-year changes are as follows:

Property taxes increased by \$4.7 million due to an increase in assessed value and new properties coming onto the tax rolls, due to continued growth in the local economy.

Intergovernmental revenues increased by \$8.9 million, due primarily 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), also due to continued economic growth in Southern Nevada.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Licenses and permits increased by \$1.3 million due to an increase in license fees for medical and recreational marijuana. Additionally, fines and forfeits increased \$1.3 million as a result of a 35% increase in number of case filings.

Charges for services decreased by \$1.0 million, due primarily to a decrease in ambulance related revenue resulting from a lower Ground Emergency Medical Transportation Subsidy.

Other general fund revenues increased in total by \$1.0 million, but no one category changed significantly over the previous fiscal year.

General government current expenditures increased by \$4.9 million due primarily to an increase in salaries and wages and related benefits of \$2.9 million. The most significant increases were experienced in human resources, community development and building maintenance of \$0.3 million, \$0.5 million and \$0.7 million, respectively. The increases are due to an increase in full time equivalents (FTEs) as a result of the City's efforts to bring contracted work back in-house and retirement payments. Additional increases were experienced in services and supplies related to information technology and miscellaneous of \$0.5 million and \$0.6 million, respectively.

Public safety current expenditures increased by \$5.7 million, primarily due to an increase in salaries and wages of approximately \$3.9 million and an increase in employee benefits of \$1.3 million. The increase in salaries and wages for public safety primarily resulted from the addition of seven firefighter/paramedics positions to staff for peak load rescue coupled with the cost of living adjustment. The City also added an additional eight FTEs to the police department. The increase in employee benefits primarily resulted from an increase in pension expense of \$0.9 million and insurance expense of \$0.3 million.

Culture and recreation current expenditures increased by \$1.5 million, due primarily to an increase in salaries and wages and related benefits of \$1.1 million from an increase in FTEs.

Other general fund expenditures increased in total by \$1.1 million, but no one category changed significantly over the previous fiscal year.

Transfers to other funds were \$19.2 million and were primarily to fund debt service and capital acquisition.

Grants Special Revenue Fund

As of June 30, 2019, the grants special revenue fund has a total fund balance of \$574,228 which increased by \$97,049 during the current fiscal year, all of which is restricted by granting agencies. Intergovernmental revenues decreased by \$5.2 million, due primarily to the closeout of Nevada Department of Transportation (NDOT) projects totaling \$3.2 million, two Barclay's Catalyst projects totaling \$1.5 million and one Homeland Security grant used to purchase hazardous materials vehicle totaling \$0.5 million.

In fiscal year 2019, there was a decrease in public works expenditures of \$2.6 million, due primarily to the closeout of cooperative agreements with NDOT for projects totaling \$3.4 million, which was offset by the startup of one cooperative agreement used to purchase electric vehicles totaling \$0.8 million.

Community Support expenditures also decreased by \$1.6 million due to the close out of two Barclay's Catalyst projects.

Other grants special revenue fund expenditures decreased by \$1.0 million but no one category changed significantly over the previous fiscal year.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Proprietary Funds

The City's proprietary fund statements 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 2019 amounted to \$77,177,226 and the total increase in net position was \$12,822,456. Unrestricted net position of the sewer fund at the end of the fiscal year 2019 was \$85,818,010 and the total increase in net position was \$22,128,802. Unrestricted net position of the development services fund was negative \$4,334,247 and the total increase in net position was \$1,444,934. 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 \$6.4 million, or 2.4% over the original budget, which is not considered significant.

Actual expenditures were 94.0% of appropriations, or \$16.5 million lower than the final budget. All functions are well within appropriation authority. The savings can be attributed to several factors, including position vacancy savings, incomplete projects that will be re-apportioned to the next fiscal year, and lower than expected operating expenditures due to continuous improvement efforts. The main areas of savings are summarized below:

Actual General Government expenditures were \$6.1 million below the final budget. The majority of the positive variance from budget is due to lower than expected operating expenditures of approximately \$3.6 million which primarily relate to ongoing projects that will be re-apportioned in fiscal year 2020. The remaining variance is within the salary and wages and related benefits expenditures and are primarily due to position vacancy savings.

Actual Public Safety expenditures were \$5.1 million below the final budget. The majority of the positive variance was from lower salaries and wages and related benefits expenditures of \$4.1 million resulting from employment position vacancies and lower than anticipated PERS eligible compensation

There were other functional savings of \$5.3 million in the aggregate, but none significant in any one category.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2019, the City's total carrying value of capital assets is \$2,699,689,494 (net of accumulated depreciation). The City's capital assets include land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and a municipal golf course. During fiscal year 2019, the City's capital assets increased by \$19.3 million (approximately \$15.6 million increase for governmental activities and approximately \$3.6 million increase for business-type activities).

Significant capital asset transactions during the current fiscal year included the following:

Land increased \$5.7 million in governmental activities primarily due to the purchase of the Mt. Diablo parcel for \$4.1 million and the parcel for the Gillespie Power Substation for \$1.9 million.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Infrastructure increased \$40.4 million in governmental activities primarily due to the addition of street improvement construction projects including Volunteer-LV Blvd-Exec Airport for \$12.5 million, Center Street Improvements for \$11.4 million, and Starr-Las Vegas Blvd to St Rose Parkway for \$6.2 million. This also includes the Thermal Detection Camera install project for \$4.3 million and several infrastructure donations received from private developers, including Inspirada Village 3 Pod 4 for \$2.7 million and South 15 Airport project for \$1.4 million.

Machinery and equipment increased \$23.9 million in business-type activities as a result of the completion of several projects including the SCADA Upgrade for \$12.9 million, WRF Air Treatment Improvements for \$8.1 million and the SCADA System Phase 2 for \$2.5 million.

Construction in progress decreased \$25.3 million in governmental activities, primarily due to the completion of street improvement construction projects including Volunteer-LV Blvd-Exec Airport, Starr-Las Vegas Blvd to St Rose Pkwy the Thermal Detection Camera Install project mentioned previously and the addition of three Emergency Vehicles (Pierce Pumpers) for \$2.0 million.

Construction in progress decreased \$21.6 million in business-type activities, primarily due to the completion of the Galleria Reclaimed Waterline Replacement for \$5.3 million and completion of the SCADA and WRF Air Treatment Improvement projects mentioned previously.

Capital Assets, Net of Accumulated Depreciation and Amortization

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|------------------------------------|--------------------------|-------------------------|--------------------------|-----------------------|--------------------------|-------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | Construction in progress | \$ 34,496,061 | \$ 59,820,138 | \$ 15,710,324 | \$ 37,307,514 | \$ 50,206,385 |
| Land | 193,004,710 | 187,243,093 | 35,909,213 | 35,912,213 | 228,913,923 | 223,155,306 |
| Building and building improvements | 243,098,561 | 244,834,926 | 129,196,158 | 131,934,348 | 372,294,719 | 376,769,274 |
| Improvements other than buildings | 304,482,022 | 309,610,908 | 771,745,011 | 767,657,778 | 1,076,227,033 | 1,077,268,686 |
| Infrastructure | 888,865,276 | 848,447,882 | | | 888,865,276 | 848,447,882 |
| Machinery and equipment | 36,148,095 | 34,503,733 | 47,034,063 | 23,160,887 | 83,182,158 | 57,664,620 |
| | <u>\$ 1,700,094,725</u> | <u>\$ 1,684,460,680</u> | <u>\$ 999,594,769</u> | <u>\$ 995,972,740</u> | <u>\$ 2,699,689,494</u> | <u>\$ 2,680,433,420</u> |

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

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$195,696,225. Of this amount, \$102,332,016 is considered general obligation debt and \$9,074,555 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.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| | Summary of Bonds Outstanding | | | | | |
|--------------------------|------------------------------|----------------|--------------------------|---------------|--------------------------|----------------|
| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bonds | \$ 102,332,016 | \$ 107,676,546 | \$ | \$ | \$ 102,332,016 | \$ 107,676,546 |
| Tax allocation bonds | 9,074,555 | 9,334,370 | | | 9,074,555 | 9,334,370 |
| Water and sewer bonds | | | 84,289,654 | 95,416,756 | 84,289,654 | 95,416,756 |
| | \$ 111,406,571 | \$ 117,010,916 | \$ 84,289,654 | \$ 95,416,756 | \$ 195,696,225 | \$ 212,427,672 |

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

As of June 30, 2019, the City's net general obligation bonded debt subject to the legal debt margin was \$186.6 million, which is significantly below the legal limit of \$2.1 billion.

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 fiscal year 2020 include the following:

Reinvesting in infrastructure with additional funding for City Shop and Capital Replacement.

Maintaining fiscal resiliency in ending fund balances and financial stabilization reserves.

Providing additional staffing for fire, police, planning, parks and recreation and utility services.

During the current fiscal year, fund balance in the general fund increased to \$33,981,675. The City has appropriated approximately \$3.6 million of this amount for spending in the fiscal year 2020 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 S. Water Street, Henderson, Nevada 89015.



2019

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

BASIC FINANCIAL STATEMENTS



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CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 308,391,809 | \$ 224,240,340 | \$ 532,632,149 |
| Cash, cash equivalents and investments, restricted | 8,821,068 | 18,914,435 | 27,735,503 |
| Accounts receivable, net | 11,738,132 | 17,203,544 | 28,941,676 |
| Taxes receivable | 1,478,861 | | 1,478,861 |
| Special assessments receivable | 1,143,546 | | 1,143,546 |
| Notes receivable, net | 2,500,215 | 171,417 | 2,671,632 |
| Interest receivable | 893,779 | 794,783 | 1,688,562 |
| Due from other governments | 37,573,216 | 1,185,679 | 38,758,895 |
| Prepaid items | 322,443 | | 322,443 |
| Land held for resale | 3,706,554 | | 3,706,554 |
| Other assets | 118,520 | 1,846,975 | 1,965,495 |
| Internal balances | 50,516,802 | (50,516,802) | |
| Capital assets, net of accumulated depreciation and amortization | | | |
| Construction in progress | 34,496,061 | 15,710,324 | 50,206,385 |
| Land | 193,004,710 | 35,909,213 | 228,913,923 |
| Building and building improvements | 243,098,561 | 129,196,158 | 372,294,719 |
| Improvements other than buildings | 304,482,022 | 771,745,011 | 1,076,227,033 |
| Infrastructure | 888,865,276 | | 888,865,276 |
| Machinery and equipment | 36,148,095 | 47,034,063 | 83,182,158 |
| Total assets | 2,127,299,670 | 1,213,435,140 | 3,340,734,810 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | 4,619,132 | 4,528,062 | 9,147,194 |
| Deferred amounts related to pensions | 57,521,806 | 8,524,618 | 66,046,424 |
| Deferred amounts related to other postemployment benefits | 2,072,439 | 177,137 | 2,249,576 |
| Total deferred outflows of resources | 64,213,377 | 13,229,817 | 77,443,194 |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | 14,631,315 | 9,159,586 | 23,790,901 |
| Accrued wages | 6,301,922 | 1,216,121 | 7,518,043 |
| Contracts and retentions payable | 158,018 | 458,820 | 616,838 |
| Due to other governments | 3,352,243 | 4,966,533 | 8,318,776 |
| Tax increment payable to developers | 968,638 | | 968,638 |
| Unearned revenue | 535,991 | 6,750,519 | 7,286,510 |
| Interest payable | 640,674 | | 640,674 |
| Deposits | 8,906,540 | 371,950 | 9,278,490 |
| Other current liabilities, payable from restricted assets | | 2,564,751 | 2,564,751 |
| Noncurrent liabilities, due within one year | 35,161,682 | 964,001 | 36,125,683 |
| Noncurrent liabilities, partially payable from restricted assets, due within one year | | 4,027,771 | 4,027,771 |
| Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year | 555,033,390 | 145,322,659 | 700,356,049 |
| Total liabilities | 625,690,413 | 175,802,711 | 801,493,124 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amounts related to pensions | 26,720,187 | 3,567,442 | 30,287,629 |
| Deferred amounts related to other postemployment benefits | 2,249,238 | 192,015 | 2,441,253 |
| Total deferred inflows of resources | 28,969,425 | 3,759,457 | 32,728,882 |

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-------------------------|
| NET POSITION | | | |
| Net investment in capital assets | 1,603,799,207 | 919,833,177 | 2,523,632,384 |
| Restricted for | | | |
| Stabilization and other general programs | 23,481,856 | | 23,481,856 |
| Courts and other judicial programs | 1,372,996 | | 1,372,996 |
| Fire, police and other public safety programs | 14,069,542 | | 14,069,542 |
| Streets and other public works projects | 77,536,281 | | 77,536,281 |
| Parks, cultural and recreational programs | 13,593,294 | 10,750,000 | 24,343,294 |
| Community assistance and support programs | 325,679 | | 325,679 |
| Debt service | 8,719,385 | 599,684 | 9,319,069 |
| Water charge reserve | | 5,000,000 | 5,000,000 |
| Redevelopment programs | 28,275,123 | | 28,275,123 |
| Claims | 10,748,858 | | 10,748,858 |
| Unrestricted | <u>(245,069,012)</u> | <u>110,919,928</u> | <u>(134,149,084)</u> |
| Total net position | <u>\$ 1,536,853,209</u> | <u>\$ 1,047,102,789</u> | <u>\$ 2,583,955,998</u> |

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

CITY OF HENDERSON, NEVADA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

| FUNCTION/PROGRAM | Program Revenues | | | | Net (Expenses) Revenues and Change in Net Position | | |
|-------------------------------------|-----------------------|-------------------------|--|----------------------|---|-----------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | | Governmental Activities | Business-type Activities | Total |
| | | | Capital Grants and Contributions | Total | | | |
| Governmental activities | | | | | | | |
| General government | \$ 62,997,651 | \$ 19,730,688 | \$ 533,380 | \$ 1,352,157 | \$ (41,381,426) | | \$ (41,381,426) |
| Judicial | 11,176,164 | 1,508,986 | 144,729 | | (9,522,449) | | (9,522,449) |
| Public safety | 163,724,635 | 28,816,964 | 1,180,492 | 275,000 | (133,452,179) | | (133,452,179) |
| Public works | 34,616,021 | 1,280,757 | 80,910 | 32,046,409 | (1,207,945) | | (1,207,945) |
| Culture and recreation | 50,752,764 | 9,308,707 | 2,602,324 | 20,509,182 | (18,332,551) | | (18,332,551) |
| Community support | 3,098,245 | 34,683 | 1,973,135 | | (1,090,427) | | (1,090,427) |
| Debt service | | | | | | | |
| Interest expense and fiscal charges | 4,966,704 | | | | (4,966,704) | | (4,966,704) |
| Total governmental activities | <u>331,332,184</u> | <u>60,680,785</u> | <u>6,514,970</u> | <u>54,182,748</u> | <u>(209,953,681)</u> | | <u>(209,953,681)</u> |
| Business-type activities | | | | | | | |
| Water | 78,149,917 | 79,252,277 | | 10,608,572 | | 11,710,932 | 11,710,932 |
| Sewer | 51,560,957 | 48,619,555 | | 16,986,585 | | 14,045,183 | 14,045,183 |
| Development services | 18,186,927 | 18,907,585 | | | | 720,658 | 720,658 |
| Cultural arts and tourism | 7,075,750 | 1,798,355 | | | | (5,277,395) | (5,277,395) |
| Municipal golf course | 2,515,947 | 2,111,955 | | | | (403,992) | (403,992) |
| Total business-type activities | <u>157,489,498</u> | <u>150,689,727</u> | | <u>27,595,157</u> | | <u>20,795,386</u> | <u>20,795,386</u> |
| Total function/program | <u>\$ 488,821,682</u> | <u>\$ 211,370,512</u> | <u>\$ 6,514,970</u> | <u>\$ 81,777,905</u> | <u>\$ (209,953,681)</u> | | <u>\$ (189,158,295)</u> |

(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, 2019

| | Program Revenues | | | | Net (Expenses) Revenues and Change in Net Position | | |
|--|------------------|-------------------------|--|---------------|---|-----------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | | Governmental Activities | Business-type Activities | Total |
| | | | Capital Grants and Contributions | Contributions | | | |
| GENERAL REVENUES | | | | | | | |
| Property taxes | | | | | 91,134,869 | | 91,134,869 |
| Room taxes | | | | | 1,390,043 | 2,356,678 | 3,746,721 |
| Intergovernmental revenues - consolidated tax | | | | | 118,869,105 | | 118,869,105 |
| Motor vehicle fuel tax | | | | | 6,129,774 | | 6,129,774 |
| Sales tax | | | | | 22,892,225 | 5,908,827 | 28,801,052 |
| Franchise fees, based on gross receipts | | | | | 33,766,078 | | 33,766,078 |
| Unrestricted investment income | | | | | 8,377,585 | 6,978,694 | 15,356,279 |
| Gain on disposal of capital assets | | | | | 8,106,733 | 3,420 | 8,110,153 |
| Miscellaneous | | | | | 1,819,297 | 2,852,155 | 4,671,452 |
| Total general revenues | | | | | <u>292,485,709</u> | <u>18,099,774</u> | <u>310,585,483</u> |
| Transfers | | | | | <u>(1,783,244)</u> | <u>1,783,244</u> | |
| CHANGE IN NET POSITION | | | | | <u>80,748,784</u> | <u>40,678,404</u> | <u>121,427,188</u> |
| NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | 1,458,715,895 | 1,006,424,385 | 2,465,140,280 |
| Adjustment | | | | | <u>(2,611,470)</u> | | <u>(2,611,470)</u> |
| NET POSITION BEGINNING OF YEAR, AS ADJUSTED | | | | | <u>1,456,104,425</u> | <u>1,006,424,385</u> | <u>2,462,528,810</u> |
| NET POSITION, END OF YEAR | | | | | <u>\$ 1,536,853,209</u> | <u>\$ 1,047,102,789</u> | <u>\$ 2,583,955,998</u> |

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2019

| | Special Revenue Funds | | Aggregate Other Governmental Funds | Total Governmental Funds |
|---|-----------------------------|-----------------------------|--|--------------------------------|
| | General Fund | Grants | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 16,834,333 | \$ | \$ 222,988,493 | \$ 239,822,826 |
| Cash, cash equivalents and investments, restricted | 223,753 | | 6,200,315 | 6,424,068 |
| Accounts receivable, net | 10,919,012 | 8,938 | 671,735 | 11,599,685 |
| Interest receivable | 98,237 | | 592,570 | 690,807 |
| Taxes receivable | 976,654 | | 502,207 | 1,478,861 |
| Special assessments receivable | | | 1,143,546 | 1,143,546 |
| Notes receivable, net | 2,249,581 | 11,539,078 | 270,458 | 14,059,117 |
| Prepaid items | 42,283 | | 239,705 | 281,988 |
| Due from other funds | 1,023,908 | | 32,981 | 1,056,889 |
| Due from other governments | 26,884,382 | 2,752,196 | 7,504,887 | 37,141,465 |
| Land held for resale | | | 3,706,554 | 3,706,554 |
| Total assets | <u>\$ 59,252,143</u> | <u>\$ 14,300,212</u> | <u>\$ 243,853,451</u> | <u>\$ 317,405,806</u> |
| LIABILITIES | | | | |
| Accounts payable and other accrued liabilities | \$ 8,560,796 | \$ 763,995 | \$ 3,430,771 | \$ 12,755,562 |
| Accrued wages | 5,506,276 | 49,012 | 472,117 | 6,027,405 |
| Tax increment payable to developers | | | 968,638 | 968,638 |
| Due to other governments | 2,381,273 | | 970,970 | 3,352,243 |
| Due to other funds | | 1,023,908 | 32,981 | 1,056,889 |
| Advances from other funds | | | 1,148,685 | 1,148,685 |
| Unearned revenue | 216,009 | 312,538 | | 528,547 |
| Deposits | 3,458,464 | | 5,441,925 | 8,900,389 |
| Compensated absences | 108,284 | | 1,803 | 110,087 |
| Total liabilities | <u>20,231,102</u> | <u>2,149,453</u> | <u>12,467,890</u> | <u>34,848,445</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue, property taxes | 976,654 | | 502,207 | 1,478,861 |
| Unavailable revenue, special assessments | | | 1,143,546 | 1,143,546 |
| Unavailable revenue, notes receivable | 2,249,581 | 11,539,078 | 270,458 | 14,059,117 |
| Unavailable revenue, other receivables | 1,813,131 | 37,453 | 8,338 | 1,858,922 |
| Total deferred inflows of resources | <u>5,039,366</u> | <u>11,576,531</u> | <u>1,924,549</u> | <u>18,540,446</u> |
| Total liabilities and deferred inflows of resources | <u>25,270,468</u> | <u>13,725,984</u> | <u>14,392,439</u> | <u>53,388,891</u> |
| FUND BALANCES | | | | |
| Nonspendable | 42,283 | | 239,705 | 281,988 |
| Restricted | 223,753 | 574,228 | 166,934,861 | 167,732,842 |
| Committed | 3,024,516 | | | 3,024,516 |
| Assigned | 2,574,903 | | 62,286,446 | 64,861,349 |
| Unassigned | 28,116,220 | | | 28,116,220 |
| Total fund balances | <u>33,981,675</u> | <u>574,228</u> | <u>229,461,012</u> | <u>264,016,915</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 59,252,143</u> | <u>\$ 14,300,212</u> | <u>\$ 243,853,451</u> | <u>\$ 317,405,806</u> |

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, 2019

| | | |
|---|------------------------|-------------------------|
| FUND BALANCES, GOVERNMENTAL FUNDS | | \$ 264,016,915 |
| 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 | \$ 2,777,451,015 | |
| Less accumulated depreciation | <u>(1,101,313,928)</u> | 1,676,137,087 |
| Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds: | | |
| Deferred outflows related to pensions | 55,141,785 | |
| Deferred outflows related to other postemployment benefits | 2,011,084 | |
| Deferred charges on refunding | <u>4,619,132</u> | 61,772,001 |
| 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 | (111,851,502) | |
| Construction contracts payable | (158,018) | |
| Other postemployment benefits | (48,602,782) | |
| Compensated absences payable | (40,430,313) | |
| Net pension liability | <u>(344,997,486)</u> | (546,040,101) |
| Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds: | | |
| Interest payable | <u>(640,674)</u> | (640,674) |
| Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds: | | |
| Unavailable revenue | 6,981,544 | |
| Deferred inflows related to pensions | (25,711,738) | |
| Deferred inflows related to other postemployment benefits | <u>(2,165,729)</u> | (20,895,923) |
| 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 | 51,987,102 | |
| Internal service fund balance receivable from business-type activities from cumulative prior years' activity | 49,018,813 | |
| Internal service fund balance receivable from business-type activities from current year activity | <u>1,497,989</u> | 102,503,904 |
| NET POSITION, GOVERNMENTAL ACTIVITIES | | <u>\$ 1,536,853,209</u> |

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

| | Special Revenue Funds | | Aggregate Other Governmental Funds | Total Governmental Funds |
|---|--------------------------|------------------|--|--------------------------------|
| | General Fund | Grants | | |
| REVENUES | | | | |
| Property taxes | \$ 68,290,953 | | \$ 22,753,529 | \$ 91,044,482 |
| Franchise fees | 33,766,078 | | | 33,766,078 |
| Licenses and permits | 12,876,549 | | 131,331 | 13,007,880 |
| Intergovernmental | 124,388,827 | 6,177,241 | 29,403,457 | 159,969,525 |
| Charges for services | 33,323,314 | | 463,222 | 33,786,536 |
| Fines and forfeitures | 5,938,342 | | 1,166,296 | 7,104,638 |
| Impact fees | 1,352,157 | | 1,001,620 | 2,353,777 |
| Special assessments | | | 139,347 | 139,347 |
| Investment income | 816,593 | | 6,440,132 | 7,256,725 |
| Developer contributions | | | 16,235,632 | 16,235,632 |
| Rental fees | | | 19,801 | 19,801 |
| Miscellaneous | 1,498,768 | 261,177 | 1,601,492 | 3,361,437 |
| Total revenues | <u>282,251,581</u> | <u>6,438,418</u> | <u>79,355,859</u> | <u>368,045,858</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 47,667,294 | 137,168 | 15,628,713 | 63,433,175 |
| Judicial | 11,041,716 | 141,801 | 660,378 | 11,843,895 |
| Public safety | 150,963,469 | 712,710 | 21,856,309 | 173,532,488 |
| Public works | 9,312,907 | 241,766 | 2,503,407 | 12,058,080 |
| Culture and recreation | 38,367,651 | 1,532,535 | 1,532,290 | 41,432,476 |
| Community support | 1,854,552 | 1,865,325 | | 3,719,877 |
| Total current | <u>259,207,589</u> | <u>4,631,305</u> | <u>42,181,097</u> | <u>306,019,991</u> |
| Capital outlay | | | | |
| General government | 156,793 | | 2,479,391 | 2,636,184 |
| Public safety | 24,636 | 458,606 | 4,200,300 | 4,683,542 |
| Public works | | 936,121 | 11,166,074 | 12,102,195 |
| Culture and recreation | 31,380 | 315,337 | 1,481,230 | 1,827,947 |
| Community support | 16,247 | | | 16,247 |
| Total capital outlay | <u>229,056</u> | <u>1,710,064</u> | <u>19,326,995</u> | <u>21,266,115</u> |
| Debt service | | | | |
| Principal payments | | | 6,409,310 | 6,409,310 |
| Interest charges | | | 4,818,162 | 4,818,162 |
| Total debt service | | | <u>11,227,472</u> | <u>11,227,472</u> |
| Total expenditures | <u>259,436,645</u> | <u>6,341,369</u> | <u>72,735,564</u> | <u>338,513,578</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>22,814,936</u> | <u>97,049</u> | <u>6,620,295</u> | <u>29,532,280</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from land sales | | | 15,724,314 | 15,724,314 |
| Gain (loss) on capital asset disposition | 101,018 | | 2,019 | 103,037 |
| Transfers in | | | 31,044,100 | 31,044,100 |
| Transfers out | (19,197,186) | | (15,004,951) | (34,202,137) |
| Total other financing sources (uses) | <u>(19,096,168)</u> | | <u>31,765,482</u> | <u>12,669,314</u> |

(Continued)

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

CITY OF HENDERSON, NEVADA

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Special Revenue Funds | | Aggregate Other Governmental Funds | Total Governmental Funds |
|---|--------------------------|-------------------|--|--------------------------------|
| | General Fund | Grants | | |
| CHANGE IN FUND BALANCE | <u>3,718,768</u> | <u>97,049</u> | <u>38,385,777</u> | <u>42,201,594</u> |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 30,262,907 | 477,179 | 193,686,705 | 224,426,791 |
| Adjustment | | | (2,611,470) | (2,611,470) |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | <u>30,262,907</u> | <u>477,179</u> | <u>191,075,235</u> | <u>221,815,321</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 33,981,675</u> | <u>\$ 574,228</u> | <u>\$ 229,461,012</u> | <u>\$ 264,016,915</u> |

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

CITY OF HENDERSON, NEVADA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

| | | |
|---|--------------------|----------------------|
| CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS | | \$ 42,201,594 |
| 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 | \$ 22,787,172 | |
| Less current year depreciation | (39,796,527) | |
| Proceeds from land sales | (15,826,351) | |
| Net gain on disposition of capital assets | 6,779,560 | |
| Transfer of proprietary fund assets to general long-term assets | <u>186,775</u> | (25,869,371) |
| 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 | 628,913 | |
| Change in unavailable revenue related to notes receivable from current year activity | 364,278 | |
| Change in unavailable revenue from cumulative prior years' activity | (547,210) | |
| Capital asset contributions | 32,235,868 | |
| Gain on extinguishment of debt | 80,000 | |
| Change in accrued interest receivable on notes receivable | <u>(88,156)</u> | 32,673,693 |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued: | | |
| Debt principal repayments | <u>6,409,310</u> | 6,409,310 |
| 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 liability for other postemployment benefits and related | 15,775,232 | |
| Change in compensated absences payable | 658,803 | |
| Amortization of debt premiums, discounts and refunding charges | (269,765) | |
| Change in accrued interest | 61,638 | |
| Change in due to developer | 630,000 | |
| Change in net pension liability and related | 2,569,164 | |
| Transfer of proprietary fund liabilities to general long-term liabilities | <u>(3,121,680)</u> | 16,303,392 |
| 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 | 7,532,177 | |
| The internal service funds change in net position related to business-type activities | <u>1,497,989</u> | <u>9,030,166</u> |
| CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES | | <u>\$ 80,748,784</u> |

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

CITY OF HENDERSON, NEVADA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Original Budget | Final Budget | Actual | Variance |
|---|----------------------|----------------------|----------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 67,216,691 | \$ 67,216,691 | \$ 68,290,953 | \$ 1,074,262 |
| Franchise fees | 33,700,217 | 33,700,217 | 33,766,078 | 65,861 |
| Licenses and permits | 12,741,750 | 13,758,750 | 12,876,549 | (882,201) |
| Intergovernmental | 121,256,117 | 122,825,569 | 124,388,827 | 1,563,258 |
| Charges for services | 29,932,830 | 33,011,162 | 33,323,314 | 312,152 |
| Fines and forfeitures | 4,525,965 | 5,191,210 | 5,938,342 | 747,132 |
| Impact fees | | | 1,352,157 | 1,352,157 |
| Investment income | 285,000 | 387,300 | 816,593 | 429,293 |
| Developer contributions | 100,000 | 100,000 | | (100,000) |
| Miscellaneous | 200,925 | 876,497 | 1,498,768 | 622,271 |
| Total revenues | 269,959,495 | 277,067,396 | 282,251,581 | 5,184,185 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 51,014,183 | 53,653,934 | 47,667,294 | 5,986,640 |
| Judicial | 11,458,789 | 11,604,805 | 11,041,716 | 563,089 |
| Public safety | 154,197,745 | 156,064,293 | 150,963,469 | 5,100,824 |
| Public works | 10,134,760 | 11,097,558 | 9,312,907 | 1,784,651 |
| Culture and recreation | 40,953,538 | 40,525,853 | 38,367,651 | 2,158,202 |
| Community support | 1,776,497 | 2,409,362 | 1,854,552 | 554,810 |
| Total current | 269,535,512 | 275,355,805 | 259,207,589 | 16,148,216 |
| Capital outlay | | | | |
| General government | | 221,934 | 156,793 | 65,141 |
| Public safety | | 31,744 | 24,636 | 7,108 |
| Culture and recreation | | 271,785 | 31,380 | 240,405 |
| Community support | | 16,248 | 16,247 | 1 |
| Total capital outlay | _____ | 541,711 | 229,056 | 312,655 |
| Total expenditures | 269,535,512 | 275,897,516 | 259,436,645 | 16,460,871 |
| EXCESS OF REVENUES OVER EXPENDITURES | 423,983 | 1,169,880 | 22,814,936 | 21,645,056 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Gain (loss) on capital asset disposition | | | 101,018 | 101,018 |
| Transfers out | (1,200,000) | (2,603,310) | (19,197,186) | (16,593,876) |
| Total other financing sources (uses) | (1,200,000) | (2,603,310) | (19,096,168) | (16,492,858) |
| CHANGE IN FUND BALANCE | (776,017) | (1,433,430) | 3,718,768 | 5,152,198 |
| FUND BALANCE, BEGINNING OF YEAR | 27,341,675 | 30,262,907 | 30,262,907 | _____ |
| FUND BALANCE, END OF YEAR | \$ 26,565,658 | \$ 28,829,477 | \$ 33,981,675 | \$ 5,152,198 |

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, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 16,603,850 | \$ 21,459,251 | \$ 6,177,241 | \$ (15,282,010) |
| Miscellaneous | <u>300,000</u> | <u>500,000</u> | <u>261,177</u> | <u>(238,823)</u> |
| Total revenues | <u>16,903,850</u> | <u>21,959,251</u> | <u>6,438,418</u> | <u>(15,520,833)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 50,000 | 238,400 | 137,168 | 101,232 |
| Judicial | 57,000 | 294,000 | 141,801 | 152,199 |
| Public safety | 496,698 | 1,476,698 | 712,710 | 763,988 |
| Public works | 252,500 | 652,500 | 241,766 | 410,734 |
| Culture and recreation | 1,000,000 | 2,250,000 | 1,532,535 | 717,465 |
| Community support | <u>3,047,653</u> | <u>3,047,653</u> | <u>1,865,325</u> | <u>1,182,328</u> |
| Total current | <u>4,903,851</u> | <u>7,959,251</u> | <u>4,631,305</u> | <u>3,327,946</u> |
| Capital outlay | | | | |
| Public safety | 1,800,000 | 1,800,000 | 458,606 | 1,341,394 |
| Public works | 1,700,000 | 3,700,000 | 936,121 | 2,763,879 |
| Culture and recreation | <u>8,500,000</u> | <u>8,500,000</u> | <u>315,337</u> | <u>8,184,663</u> |
| Total capital outlay | <u>12,000,000</u> | <u>14,000,000</u> | <u>1,710,064</u> | <u>12,289,936</u> |
| Total expenditures | <u>16,903,851</u> | <u>21,959,251</u> | <u>6,341,369</u> | <u>15,617,882</u> |
| CHANGE IN FUND BALANCE | (1) | | 97,049 | 97,049 |
| FUND BALANCE, BEGINNING OF YEAR | <u>393,671</u> | <u>477,179</u> | <u>477,179</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 393,670</u> | <u>\$ 477,179</u> | <u>\$ 574,228</u> | <u>\$ 97,049</u> |

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

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CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2019

| | Business-type Activities | | | | | Governmental Activities |
|--|--------------------------|----------------------|-------------------------|---------------------|---------------------------|----------------------------|
| | | | Aggregate Other | | | Internal Service Funds |
| | Water | Sewer | Development Services | Enterprise Funds | Total Enterprise Funds | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 101,245,423 | \$ 103,691,882 | \$ 15,374,336 | \$ 3,928,699 | \$ 224,240,340 | \$ 68,568,983 |
| Cash, cash equivalents and investments, restricted | 7,453,503 | 710,932 | | 10,750,000 | 18,914,435 | 2,397,000 |
| Accounts receivable, net | 11,949,330 | 5,120,263 | | 133,951 | 17,203,544 | 138,447 |
| Interest receivable | 350,504 | 356,284 | 49,374 | 38,621 | 794,783 | 202,972 |
| Notes receivable, net | 171,417 | | | | 171,417 | |
| Inventories | 710,974 | 1,136,001 | | | 1,846,975 | 118,520 |
| Prepaid items | | | | | | 40,455 |
| Due from other governments | | 1,069,496 | | 116,183 | 1,185,679 | 431,751 |
| Total current assets | <u>121,881,151</u> | <u>112,084,858</u> | <u>15,423,710</u> | <u>14,967,454</u> | <u>264,357,173</u> | <u>71,898,128</u> |
| Noncurrent assets | | | | | | |
| Capital assets, net of accumulated depreciation and amortization | | | | | | |
| Construction in progress | 7,182,374 | 8,527,950 | | | 15,710,324 | 1,466,300 |
| Land | 3,182,645 | 18,926,639 | | 13,799,929 | 35,909,213 | |
| Buildings and building improvements | 38,990,393 | 131,391,199 | 15,420 | 5,660,600 | 176,057,612 | 1,012,330 |
| Improvements other than buildings | 721,241,054 | 633,539,019 | 1,206,116 | 23,922,059 | 1,379,908,248 | 1,163,704 |
| Machinery and equipment | 22,419,544 | 39,503,533 | 689,224 | 2,335,103 | 64,947,404 | 64,120,347 |
| Accumulated depreciation and amortization | <u>(379,598,252)</u> | <u>(272,543,628)</u> | <u>(1,368,176)</u> | <u>(19,427,976)</u> | <u>(672,938,032)</u> | <u>(43,805,043)</u> |
| Total capital assets, net of accumulated depreciation and amortization | <u>413,417,758</u> | <u>559,344,712</u> | <u>542,584</u> | <u>26,289,715</u> | <u>999,594,769</u> | <u>23,957,638</u> |
| Other assets | | | | | | |
| Advances to other funds | | | | | | 1,148,685 |
| Total noncurrent assets | <u>413,417,758</u> | <u>559,344,712</u> | <u>542,584</u> | <u>26,289,715</u> | <u>999,594,769</u> | <u>25,106,323</u> |
| Total assets | <u>535,298,909</u> | <u>671,429,570</u> | <u>15,966,294</u> | <u>41,257,169</u> | <u>1,263,951,942</u> | <u>97,004,451</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred amounts related to pensions | 3,607,621 | 3,128,925 | 1,686,420 | 101,652 | 8,524,618 | 2,380,021 |
| Deferred charges on refunding | | 4,528,062 | | | 4,528,062 | |
| Deferred amounts related to other postemployment benefits | 69,486 | 59,798 | 36,337 | 11,516 | 177,137 | 61,355 |
| Total deferred outflows of resources | <u>3,677,107</u> | <u>7,716,785</u> | <u>1,722,757</u> | <u>113,168</u> | <u>13,229,817</u> | <u>2,441,376</u> |

(Continued)

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2019

| | Business-type Activities | | | | | Governmental Activities |
|---|--------------------------|-----------------------|-------------------------|----------------------|---------------------------|----------------------------|
| | Aggregate Other | | | | Total Enterprise Funds | Internal Service Funds |
| | Water | Sewer | Development Services | Enterprise Funds | | |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable and other accrued liabilities | 5,785,324 | 2,203,145 | 249,924 | 921,193 | 9,159,586 | 1,875,753 |
| Accrued wages | 522,368 | 391,353 | 277,639 | 24,761 | 1,216,121 | 274,517 |
| Due to other governments | 4,966,533 | | | | 4,966,533 | |
| Construction contracts and retentions | 224,545 | 234,275 | | | 458,820 | |
| Unearned revenue | | | 6,750,519 | | 6,750,519 | 7,444 |
| Customer deposits payable from restricted assets | 2,258,566 | | | | 2,258,566 | |
| Deposits | | | 365,087 | 6,863 | 371,950 | 6,151 |
| Compensated absences | 256,321 | 225,888 | 146,918 | 12,000 | 641,127 | 192,052 |
| Claims and judgments | | | | | | 23,326,528 |
| Interest payable from restricted assets | 26,259 | 279,926 | | | 306,185 | |
| Debt obligations partially payable from restricted assets | 340,435 | 4,010,210 | | | 4,350,645 | |
| Total current liabilities | <u>14,380,351</u> | <u>7,344,797</u> | <u>7,790,087</u> | <u>964,817</u> | <u>30,480,052</u> | <u>25,682,445</u> |
| Noncurrent liabilities | | | | | | |
| Debt obligations payable | 1,098,407 | 79,486,350 | | | 80,584,757 | |
| Compensated absences | 2,662,592 | 2,346,458 | 1,526,138 | 124,652 | 6,659,840 | 1,991,961 |
| Other postemployment benefits | 1,540,085 | 1,542,082 | 966,800 | 263,841 | 4,312,808 | 3,730,856 |
| Net pension liability | 22,519,573 | 19,641,714 | 10,649,528 | 189,741 | 53,000,556 | 14,961,505 |
| Provisional credits and refunding agreements | 757,000 | 7,698 | | | 764,698 | |
| Total noncurrent liabilities | <u>28,577,657</u> | <u>103,024,302</u> | <u>13,142,466</u> | <u>578,234</u> | <u>145,322,659</u> | <u>20,684,322</u> |
| Total liabilities | <u>42,958,008</u> | <u>110,369,099</u> | <u>20,932,553</u> | <u>1,543,051</u> | <u>175,802,711</u> | <u>46,366,767</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred amounts related to pensions | 1,623,854 | 1,438,056 | 505,532 | | 3,567,442 | 1,008,449 |
| Deferred amounts related to other postemployment benefits | 69,334 | 68,222 | 42,629 | 11,830 | 192,015 | 83,509 |
| Total deferred inflows of resources | <u>1,693,188</u> | <u>1,506,278</u> | <u>548,161</u> | <u>11,830</u> | <u>3,759,457</u> | <u>1,091,958</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 411,978,916 | 481,021,962 | 542,584 | 26,289,715 | 919,833,177 | 23,957,638 |
| Restricted | | | | | | |
| Debt service | 168,678 | 431,006 | | | 599,684 | |
| Capital projects and system development | | | | 10,750,000 | 10,750,000 | |
| Water charge reserve | 5,000,000 | | | | 5,000,000 | |
| Claims | | | | | | 10,748,858 |
| Unrestricted | <u>77,177,226</u> | <u>85,818,010</u> | <u>(4,334,247)</u> | <u>2,775,741</u> | <u>161,436,730</u> | <u>17,280,606</u> |
| Total net position | <u>\$ 494,324,820</u> | <u>\$ 567,270,978</u> | <u>\$ (3,791,663)</u> | <u>\$ 39,815,456</u> | 1,097,619,591 | <u>\$ 51,987,102</u> |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time | | | | | <u>(50,516,802)</u> | |
| Net position of business-type activities | | | | | <u>\$ 1,047,102,789</u> | |

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

| | Business-type Activities | | | | | Governmental |
|---|--------------------------|--------------------|-------------------------|---------------------|---------------------------|---------------------------|
| | | | | Aggregate Other | | Activities |
| | Water | Sewer | Development Services | Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| OPERATING REVENUES | | | | | | |
| Utilities fees | \$ 76,162,215 | \$ 47,638,844 | \$ | \$ | \$ 123,801,059 | \$ |
| Connection fees | 1,699,851 | 389,114 | | | 2,088,965 | |
| Late charges | 1,390,211 | 574,097 | | | 1,964,308 | |
| Charges for services | | | 13,019,805 | 2,812,551 | 15,832,356 | 59,600,611 |
| Licenses and permits | | | 5,887,780 | 412,381 | 6,300,161 | |
| Intergovernmental | | 524,356 | 6,116 | | 530,472 | |
| Rental fees | | | | 220,565 | 220,565 | |
| Miscellaneous | 272,893 | 211,020 | 2,501 | 49,895 | 536,309 | |
| Total operating revenues | <u>79,525,170</u> | <u>49,337,431</u> | <u>18,916,202</u> | <u>3,495,392</u> | <u>151,274,195</u> | <u>59,600,611</u> |
| OPERATING EXPENSES | | | | | | |
| Salaries and wages | 13,616,840 | 10,570,860 | 7,179,159 | 1,516,743 | 32,883,602 | 7,352,339 |
| Employee benefits | 5,398,053 | 4,389,122 | 2,931,056 | 424,283 | 13,142,514 | 2,688,590 |
| Water purchases | 26,744,845 | | | | 26,744,845 | |
| Services and supplies | 21,081,471 | 19,372,335 | 7,787,831 | 5,523,731 | 53,765,368 | 22,000,533 |
| Claims and judgments | | | | | | 23,666,438 |
| Legal fees | | | | | | 51,772 |
| Depreciation and amortization | 11,041,935 | 12,774,205 | 12,270 | 408,159 | 24,236,569 | 3,582,719 |
| Total operating expenses | <u>77,883,144</u> | <u>47,106,522</u> | <u>17,910,316</u> | <u>7,872,916</u> | <u>150,772,898</u> | <u>59,342,391</u> |
| Operating income (loss) | <u>1,642,026</u> | <u>2,230,909</u> | <u>1,005,886</u> | <u>(4,377,524)</u> | <u>501,297</u> | <u>258,220</u> |
| NONOPERATING REVENUES | | | | | | |
| (EXPENSES) | | | | | | |
| Investment income | 3,195,481 | 3,034,869 | 439,048 | 309,296 | 6,978,694 | 1,871,886 |
| Gain (loss) on capital asset disposition | (515,856) | (742,061) | | (1,895,601) | (3,153,518) | 291,008 |
| Interest expense | (50,952) | (3,451,263) | | | (3,502,215) | (13,608) |
| Room tax revenue | | | | 2,356,678 | 2,356,678 | |
| Sales tax revenue | | 5,908,827 | | | 5,908,827 | |
| Other intergovernmental revenue | | | | 1,570,708 | 1,570,708 | |
| Gain on transfer of noncurrent liabilities | | | | 3,121,680 | 3,121,680 | |
| Miscellaneous | 641 | 1,374 | | 694,964 | 696,979 | 335,092 |
| Total nonoperating revenues (expenses) | <u>2,629,314</u> | <u>4,751,746</u> | <u>439,048</u> | <u>6,157,725</u> | <u>13,977,833</u> | <u>2,484,378</u> |
| Income before capital contributions and transfers | <u>4,271,340</u> | <u>6,982,655</u> | <u>1,444,934</u> | <u>1,780,201</u> | <u>14,479,130</u> | <u>2,742,598</u> |
| CAPITAL CONTRIBUTIONS | | | | | | |
| Capital contributions | <u>10,608,572</u> | <u>17,070,602</u> | | | <u>27,679,174</u> | <u>1,649,631</u> |
| TRANSFERS | | | | | | |
| Transfers in | 3,544 | 3,545 | | 4,000,000 | 4,007,089 | 5,212,270 |
| Transfers out | (2,061,000) | (1,928,000) | | | (3,989,000) | (2,072,322) |
| Total transfers | <u>(2,057,456)</u> | <u>(1,924,455)</u> | | <u>4,000,000</u> | <u>18,089</u> | <u>3,139,948</u> |

(Continued)

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 (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

| | Business-type Activities | | | | | Governmental Activities |
|---|--------------------------|-----------------------|-------------------------|----------------------|---------------------------|----------------------------|
| | Aggregate Other | | | | Total Enterprise Funds | Internal Service Funds |
| | Water | Sewer | Development Services | Enterprise Funds | | |
| CHANGE IN NET POSITION | 12,822,456 | 22,128,802 | 1,444,934 | 5,780,201 | 42,176,393 | 7,532,177 |
| NET POSITION, BEGINNING OF YEAR | <u>481,502,364</u> | <u>545,142,176</u> | <u>(5,236,597)</u> | <u>34,035,255</u> | | <u>44,454,925</u> |
| NET POSITION, END OF YEAR | <u>\$ 494,324,820</u> | <u>\$ 567,270,978</u> | <u>\$ (3,791,663)</u> | <u>\$ 39,815,456</u> | | <u>\$ 51,987,102</u> |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | | | | | <u>(1,497,989)</u> | |
| CHANGES IN NET POSITION, BUSINESS- TYPE ACTIVITIES | | | | | <u>\$ 40,678,404</u> | |

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

| | Business-type Activities | | | | | Governmental |
|--|--------------------------|-----------------------|-------------------------|----------------------|---------------------------|---------------------------|
| | | | Aggregate Other | | | Activities |
| | Water | Sewer | Development Services | Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash received from customers | \$ 79,581,022 | \$ 49,240,510 | \$ 18,790,673 | \$ 3,499,696 | \$ 151,111,901 | \$ 3,569,060 |
| Cash received from other sources | 641 | 5,910,201 | | 4,622,350 | 10,533,192 | 335,911 |
| Cash payments for goods and services | (55,394,953) | (24,251,151) | (10,677,063) | (5,297,085) | (95,620,252) | (43,254,489) |
| Cash payments for employee services | (13,406,743) | (10,803,928) | (7,409,273) | (1,562,680) | (33,182,624) | (7,366,066) |
| Cash payments for interfund services | | | | | | 55,884,692 |
| Net cash provided by operating activities | <u>10,779,967</u> | <u>20,095,632</u> | <u>704,337</u> | <u>1,262,281</u> | <u>32,842,217</u> | <u>9,169,108</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers in | 3,544 | 3,545 | | 4,000,000 | 4,007,089 | 5,212,270 |
| Transfers out | (2,061,000) | (1,928,000) | | | (3,989,000) | (2,072,322) |
| Repayments of advances from other funds | | | | | | 102,821 |
| Interest payments on claims | | | | | | (13,608) |
| Net cash provided by (used in) noncapital financing activities | <u>(2,057,456)</u> | <u>(1,924,455)</u> | | <u>4,000,000</u> | <u>18,089</u> | <u>3,229,161</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | | |
| Acquisition and construction of capital assets | (7,517,884) | (12,535,169) | | (17,265) | (20,070,318) | (4,708,707) |
| Proceeds received from disposal of capital assets | 3,420 | | | | 3,420 | 354,194 |
| Principal payments on debt | (2,906,341) | (7,707,209) | | | (10,613,550) | |
| Interest payments on debt | (259,919) | (3,783,768) | (36,337) | (11,516) | (4,091,540) | |
| Decrease in provisional credits | (881,647) | (59,162) | | | (940,809) | |
| Capital contributions | 3,971,504 | 12,509,964 | | | 16,481,468 | |
| Net cash used in capital financing activities | <u>(7,590,867)</u> | <u>(11,575,344)</u> | <u>(36,337)</u> | <u>(28,781)</u> | <u>(19,231,329)</u> | <u>(4,354,513)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Investment income | <u>3,109,511</u> | <u>2,947,136</u> | <u>427,117</u> | <u>294,813</u> | <u>6,778,577</u> | <u>1,819,288</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 4,241,155 | 9,542,969 | 1,095,117 | 5,528,313 | 20,407,554 | 9,863,044 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>104,457,771</u> | <u>94,859,845</u> | <u>14,279,219</u> | <u>9,150,386</u> | <u>222,747,221</u> | <u>61,102,939</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | | | | | |
| Unrestricted | 101,245,423 | 103,691,882 | 15,374,336 | 3,928,699 | 224,240,340 | 68,568,983 |
| Restricted | 7,453,503 | 710,932 | | 10,750,000 | 18,914,435 | 2,397,000 |
| | <u>\$ 108,698,926</u> | <u>\$ 104,402,814</u> | <u>\$ 15,374,336</u> | <u>\$ 14,678,699</u> | <u>\$ 243,154,775</u> | <u>\$ 70,965,983</u> |

(Continued)

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

| | Business-type Activities | | | | | Governmental Activities |
|---|--------------------------|----------------------|-------------------------|---------------------|---------------------------|----------------------------|
| | Aggregate Other | | | | Total Enterprise Funds | Internal Service Funds |
| | Water | Sewer | Development Services | Enterprise Funds | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | \$ 1,642,026 | \$ 2,230,909 | \$ 1,005,886 | \$ (4,377,524) | \$ 501,297 | \$ 258,220 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | | | |
| Depreciation | 11,041,935 | 12,774,205 | 12,270 | 408,159 | 24,236,569 | 3,582,719 |
| Other | 641 | 5,910,201 | | 4,622,350 | 10,533,192 | 335,092 |
| (Increase) decrease in operating assets | | | | | | |
| Accounts receivable | 55,852 | 910 | | 60,791 | 117,553 | 25,593 |
| Due from other governments | | (97,831) | 1,791 | (35,800) | (131,840) | |
| Prepaid items | | | | | | 69,350 |
| Due from other funds | | | | | | (141,186) |
| Inventories | (468,828) | (53,903) | | | (522,731) | 9,130 |
| Increase (decrease) in operating liabilities | | | | | | |
| Accounts payable and other accrued liabilities | (774,687) | 119,338 | 91,833 | 798,231 | 234,715 | 650,634 |
| Accrued wages | 104,082 | 21,568 | 19,946 | (34,086) | 111,510 | 22,933 |
| Compensated absences | 127,116 | (252,369) | (246,107) | (19,120) | (390,480) | (36,660) |
| Claims and judgments | | | | | | 4,846,084 |
| Other postemployment benefits | (477,002) | (410,493) | (249,441) | (120,412) | (1,257,348) | (349,957) |
| Net pension liability | (178,816) | (146,903) | (100,248) | (16,964) | (442,931) | (100,993) |
| Deposits | (292,352) | | 295,727 | (2,657) | 718 | (7,930) |
| Unearned revenue | | | (127,320) | (20,687) | (148,007) | 6,079 |
| Total adjustments | <u>9,137,941</u> | <u>17,864,723</u> | <u>(301,549)</u> | <u>5,639,805</u> | <u>32,340,920</u> | <u>8,910,888</u> |
| Net cash provided by operating activities | <u>\$ 10,779,967</u> | <u>\$ 20,095,632</u> | <u>\$ 704,337</u> | <u>\$ 1,262,281</u> | <u>\$ 32,842,217</u> | <u>\$ 9,169,108</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | |
| Contribution of capital assets | <u>\$ 6,637,068</u> | <u>\$ 4,560,638</u> | <u>\$</u> | <u>\$</u> | <u>\$ 11,197,706</u> | <u>\$ 1,649,631</u> |
| Transfer of capital assets | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 1,892,601</u> | <u>\$ 1,892,601</u> | <u>\$</u> |
| Transfer of noncurrent liabilities | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 3,121,680</u> | <u>\$ 3,121,680</u> | <u>\$</u> |

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

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2019

| | <u>Agency Funds</u> |
|--|---------------------|
| ASSETS | |
| Cash, cash equivalents and investments, unrestricted | \$ 39,951,723 |
| Special assessments receivable | <u>351,239</u> |
| Total assets | <u>40,302,962</u> |
| LIABILITIES | |
| Due to developers | 10,669,897 |
| Due to employees | 197,796 |
| Due to others | <u>29,435,269</u> |
| Total liabilities | <u>40,302,962</u> |
| NET POSITION | <u><u>\$</u></u> |

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

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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 S. 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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 City 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 subject 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.

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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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.

The development services fund accounts 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, inspection, plan checking, certain development reviews and related administrative expenses.

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 City, 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, an employee benefits plan, 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 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 recorded at estimated fair value in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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."

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 resources to be set aside for annual debt service payments. 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 and cash equivalents.

Also, the Agency maintains funds, which under applicable State statutes and owner participation agreements are to be used for specified purposes. These amounts are reported as restricted cash and cash equivalents.

In addition, other third-party restrictions require resources to be set aside for various purposes in the General Fund, Flood Control Capital Projects Fund, Municipal Facilities Acquisition and Construction Capital Projects Fund, Capital Replacement Capital Projects Fund, Worker's Compensation Self-Insurance Internal Service Fund, Water and Sewer Enterprise Funds, and Cultural Arts & Tourism Enterprise Fund. These amounts are also reported as restricted cash and cash equivalents.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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. For governmental fund types, outlays for capital assets are expensed during the current period. Capital assets are valued at the cost of purchase or internal development, while donated assets are recorded at the acquisition value of the date donated.

Interest incurred during the construction phase of capital assets of business-type activities was previously included as part of the capitalized value of the assets constructed. Effective July 1, 2018, as a result of adopting GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest expense incurred during construction is recorded as an expense.

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 and bridges are reported at initial installation cost.

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

| <u>Road Network</u> | | <u>Storm Drain Network</u> |
|---------------------|--------------|----------------------------------|
| Asphalt | Sidewalks | Storm drain drop inlets |
| Curbs and gutters | Streetlights | Other storm drain infrastructure |
| Traffic signals | | |

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

| | <u>Years</u> |
|-------------------------------------|--------------|
| 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 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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.

In governmental funds, 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.

Other Postemployment Benefits (OPEB)

The City recognizes benefit payments when due and payable in accordance with the benefit terms for the purpose of measuring the total OPEB liability, deferred outflows of resources and deferred inflow of resources related to OPEB, and OPEB expense.

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 outflows and inflows of resources related to pension, and pension expense, including information related to JRS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by JRS when due and payable in accordance with the benefit terms. JRS investments are reported at fair value.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may 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. Under full accrual accounting, a deferred charge on refunding is 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 and OPEB. The deferred outflows of resources related to pensions are 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. The deferred outflows of resources related to OPEB are deferred and amortized over the average expected remaining service life of active and inactive plan members.

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 and the proprietary funds statement of net position also report deferred inflows related to pensions and OPEB. The deferred inflows of resources related to pensions are deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. The deferred inflows of resources related to OPEB are deferred and amortized over the average expected remaining service life of active and inactive plan members.

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 use either by 1) external parties, such as creditors, 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Restricted - Includes amounts with constraints 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. These constraints remain binding unless removed or changed in the same manner employed to previously commit these resources.

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

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

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

In accordance with NRS 354.6115, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the non-major financial stabilization special revenue fund. This fund is 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 if declared by City Council. Pursuant to the NRS, a natural disaster is defined as a fire, flood, earthquake, drought or any other occurrence that results in widespread or severe damage to property or injury to or the death of persons within the City that requires immediate action to protect the health, safety and welfare of the residents of the City as determined by the governing board. 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. Per the NRS, the money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than a purpose specified above. None of these circumstances are expected to occur routinely and have not occurred since fiscal year 2009. The fund balance in the financial stabilization special revenue fund is \$23,428,022 at June 30, 2019.

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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 Department of Taxation, and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council if 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 (\$68,692,424) occurred in the capital projects funds.

Excess of Expenditures over Appropriations

For the year ended June 30, 2019, total operating expenses exceeded appropriations for the Self-Insurance Internal Service Fund, which is a potential violation of NRS 354.626. The excess expense occurred as a result of a higher than anticipated claims expense.

Deficit Net Position

The Development Services Enterprise Fund and the Engineering Internal Service Fund have deficit net positions of \$3,791,663 and \$4,987,652, respectively, at June 30, 2019.

Tax Abatements

At June 30, 2019, 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, 2019 – \$3,896,947
- 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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Agreement description – Redevelopment Area Owner Participation Agreement with Landwell, LP

Amount abated during the year ended June 30, 2019 – \$1,395,325

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, 2019 – \$618,287

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

Agreement description – Redevelopment Area Owner Participation Agreement with Valley Health System, LLC

Amount abated during the year ended June 30, 2019 – \$656,447

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 90% of incremental taxes for the first 10 years after the effective date, and then 80% being remitted to Valley Health System, LLC after 18% Clark County School District set-aside and 15% 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. The aggregate gross, accrual basis reduction of the City's taxes for the year ended June 30, 2019 is as follows:

Agreement/program description – Redevelopment Area Owner Participation Agreements

Amount abated during the year ended June 30, 2019 – \$143,095

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 for the first 10 years after the effective date, and then 80% 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.

All tax abatement agreements/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program. The aggregate gross, accrual basis reduction of the City's taxes for the year ended June 30, 2019 is as follows:

Agreement/program description – NRS 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, 2019 – \$30,236

Specific tax being abated – Personal property taxes and/or sales and use taxes

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 – \$329,151
 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, 2019 – \$271,673
 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, 2019 – \$291,972
 Specific tax being abated – Sales and use taxes

Prior Period Adjustment

Beginning fund balance in the Lake Las Vegas Capital Projects Fund and beginning net position related to Governmental Activities in the Statement of Net Position have been restated and reduced by \$2,611,470 to properly reflect a liability to a developer for a refundable deposit.

Note 3. Cash, Cash Equivalents and Investments

The following is a reconciliation of the City's cash, cash equivalents and investments balances (including restricted amounts) as of June 30, 2019:

| | |
|--|---------------------------|
| Cash on hand | \$ 49,476 |
| Cash on deposit | 66,454,652 |
| Cash equivalents | 168,946,933 |
| Investments | <u>364,868,314</u> |
| Total cash, cash equivalents and investments | <u>\$ 600,319,375</u> |

At June 30, 2019, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

| | Unrestricted | Restricted | Total |
|--|---------------------------|-----------------------------|---------------------------|
| Governmental activities | \$ 308,391,809 | \$ 8,821,068 | \$ 317,212,877 |
| Business-type activities | 224,240,340 | 18,914,435 | 243,154,775 |
| Fiduciary Funds | <u>39,951,723</u> | <u> </u> | <u>39,951,723</u> |
| Total cash, cash equivalents and investments | <u>\$ 572,583,872</u> | <u>\$ 27,735,503</u> | <u>\$ 600,319,375</u> |

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

As of June 30, 2019, the recorded amount of the City's deposits was \$66,454,652 and the bank balance was \$67,728,991. The City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized in accordance with the NRS.

The City manages its custodial credit risk related to deposits by participating in the State's Pooled Collateral Program, which was created during the 2003 legislative session to monitor collateral maintained by depositories for local government agencies' deposits. This program provides for a centralized process and management of all pledging and maintenance of collateral by the State Treasurer's Office rather than each local agency and eliminates the need for the City to establish separate custodial agreements with each financial institution. The State Treasurer requires that acceptable securities pledged as collateral be maintained at 102% of the entities' deposits participating in the pool.

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:

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> | <u>Minimum Rating</u> | |
|--|-----------------------------|--|---|----------------------------------|----------------|
| | | | | <u>Standard & Poor's</u> | <u>Moody's</u> |
| 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 | 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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, 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 | \$ 92,763,762 | \$ 92,865,032 | .32 |
| Wells Fargo Government Money Market | 15,990,528 | 15,990,528 | .29 |
| U.S. Agency securities | | | |
| Federal Farm Credit Bank | 74,859,631 | 75,086,058 | 1.13 |
| Federal Home Loan Bank | 157,589,008 | 157,990,782 | 1.51 |
| Federal Home Loan Mortgage Corporation | 44,364,077 | 44,447,586 | .86 |
| Federal National Mortgage | 36,978,262 | 37,055,447 | 1.21 |
| U.S. Treasury notes | 39,880,235 | 40,185,419 | 4.25 |
| U.S. Treasury notes - inflationary | 1,844,010 | 1,996,091 | 2.04 |
| Corporate bonds | 8,147,890 | 8,005,660 | 1.21 |
| Total pooled cash equivalents and investments | 472,417,403 | 473,622,603 | 1.32 |
| Non-pooled cash equivalents and investments | | | |
| Special assessment bond proceeds investments | | | |
| Morgan Stanley Money Market Fund | 59,461,146 | 59,461,146 | .30 |
| Other bond proceeds investments | | | |
| Redevelopment bonds - Morgan Stanley Money Market Fund | 639,429 | 639,429 | .30 |
| Utility bonds - State of Nevada, Local Government Investment Pool | 92,069 | 92,069 | .32 |
| Total non-pooled cash equivalents and investments | 60,192,644 | 60,192,644 | .30 |
| Total cash equivalents and investments | \$ 532,610,047 | \$ 533,815,247 | 1.20 |

The City's investments are reported at fair value based on quoted market prices, which are considered level 1 inputs under 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 (LGIP) is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance. The LGIP operates in accordance with all applicable NRS and the fair value of the City's position in the pool is the same as the value of pool shares.

At June 30, 2019, in accordance with the NRS as previously defined, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

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

| | Standard & Poor's | Moody's | Percentage of Portfolio |
|---|-------------------|---------|-------------------------|
| Pooled cash equivalents and investments | | | |
| State of Nevada, Local Government Investment Pool | N/A | N/A | 17.40 % |
| Wells Fargo Government Money Market | AAAm | Aaa-mf | 3.00 % |
| U.S. Agency securities | | | |
| Federal Farm Credit Bank | AA+ | Aaa | 14.07 % |
| Federal Home Loan Bank | AA+ | Aaa | 29.60 % |
| Federal Home Loan Mortgage Corporation | AA+ | Aaa | 8.33 % |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| | Standard & Poor's | Moody's | Percentage of Portfolio |
|---|----------------------|---------|----------------------------|
| Federal National Mortgage | AA+ | Aaa | 6.94 % |
| U.S. Treasury notes | * | * | 7.53 % |
| U.S. Treasury notes - inflationary | * | * | 0.37 % |
| Corporate bonds | | | |
| Apple | AA+ | Aa1 | 0.19 % |
| Intel | A+ | A1 | 0.19 % |
| Intercontinental Exchange | A | A2 | 0.19 % |
| John Deere | A | A2 | 0.18 % |
| Microsoft | AAA | Aaa | 0.18 % |
| Oracle | AA- | A1 | 0.18 % |
| PNC Bank | A | A2 | 0.18 % |
| Wells Fargo & Company | A- | A2 | 0.19 % |
| Total pooled cash equivalents and investments | | | 88.72 % |
| Non-pooled cash equivalents and investments | | | |
| Special assessment bond proceeds investments | | | |
| Morgan Stanley Money Market Fund | AAA | Aaa-mf | 11.14 % |
| Other bond proceeds investments | | | |
| Redevelopment bonds - Morgan Stanley Money Market Fund | AAA | Aaa-mf | 0.12 % |
| Utility bonds - State of Nevada, Local Government Investment Pool | N/A | N/A | 0.02 % |
| Total non-pooled cash equivalents and investments | | | 11.28 % |
| 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 the outside party. At year end, the City's investment pool and specific investments had no securities exposed to custodial credit risk.

Note 4. Interfund Balances and Activity

At June 30, 2019, 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 | \$ 1,023,908 |
| Aggregate Other Governmental Funds | Aggregate Other Governmental Funds | 32,981 |
| | | \$ 1,056,889 |

The amount due to the General Fund is a temporary loan to cover deficit cash balances in the Grants special revenue fund. The amount due from the Neighborhood Improvement District special revenue fund to the Capital Replacement capital projects fund is due to a temporary loan to cover improvement costs.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Advances To and From Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|------------------------------------|---------------------|
| Internal Service Funds | Aggregate Other Governmental Funds | \$ <u>1,148,685</u> |

The amounts owed to the internal service funds represent loans to the Special Assessment Districts capital projects fund to be repaid from special assessments.

Internal Balances

| | |
|--|------------------------|
| Effect of prior years' internal service activity on business-type activities | \$ (49,018,813) |
| Effect of current year internal service activity on business-type activities | <u>(1,497,989)</u> |
| | <u>\$ (50,516,802)</u> |

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.

| <u>Transfer In Fund</u> | <u>Transfer Out Fund</u> | <u>Amount</u> |
|------------------------------------|------------------------------------|----------------------|
| Aggregate Other Governmental Funds | General Fund | \$ 13,984,916 |
| | Aggregate Other Governmental Funds | 10,997,862 |
| | Water Enterprise Fund | 2,061,000 |
| | Sewer Enterprise Fund | 1,928,000 |
| | Internal Service Funds | 2,072,322 |
| Water Enterprise Fund | Aggregate Other Governmental Funds | 3,544 |
| Sewer Enterprise Fund | Aggregate Other Governmental Funds | 3,545 |
| Aggregate Other Enterprise Funds | Aggregate Other Governmental Funds | 4,000,000 |
| Internal Service Funds | General Fund | <u>5,212,270</u> |
| | | <u>\$ 40,263,459</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Note 5. Capital Assets

For the year ended June 30, 2019, capital asset activity was as follows:

| | Balance July 1, 2018 | Increases | Decreases | Transfers* and Reclassifications | Balance June 30, 2019 |
|--|-------------------------|----------------------|-----------------------|-------------------------------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated or amortized | | | | | |
| Construction in progress | \$ 59,820,138 | \$ 14,488,631 | \$ (1,207,767) | \$ (38,604,941) | \$ 34,496,061 |
| Land | <u>187,243,093</u> | <u>7,261,034</u> | <u>(1,499,417)</u> | | <u>193,004,710</u> |
| Total capital assets not being depreciated or amortized | <u>247,063,231</u> | <u>21,749,665</u> | <u>(2,707,184)</u> | <u>(38,604,941)</u> | <u>227,500,771</u> |
| Capital assets being depreciated or amortized | | | | | |
| Buildings and building improvements | 349,925,942 | 796,154 | | 1,918,349 | 352,640,445 |
| Improvements other than buildings | 393,214,606 | 3,309,229 | | 900,404 | 397,424,239 |
| Infrastructure | 1,689,456,632 | 29,418,137 | | 34,073,043 | 1,752,947,812 |
| Machinery and equipment | <u>108,782,614</u> | <u>6,307,297</u> | <u>(2,753,636)</u> | <u>2,364,154</u> | <u>114,700,429</u> |
| Total capital assets being depreciated or amortized | <u>2,541,379,794</u> | <u>39,830,817</u> | <u>(2,753,636)</u> | <u>39,255,950</u> | <u>2,617,712,925</u> |
| Accumulated depreciation and amortization | | | | | |
| Buildings and building improvements | (105,091,016) | (4,314,587) | | (136,281) | (109,541,884) |
| Improvements other than buildings | (83,603,698) | (9,205,729) | | (132,790) | (92,942,217) |
| Infrastructure | (841,008,750) | (23,073,786) | | | (864,082,536) |
| Machinery and equipment | <u>(74,278,881)</u> | <u>(6,785,144)</u> | <u>2,706,854</u> | <u>(195,163)</u> | <u>(78,552,334)</u> |
| Total accumulated depreciation and amortization | <u>(1,103,982,345)</u> | <u>(43,379,246)</u> | <u>2,706,854</u> | <u>(464,234)</u> | <u>(1,145,118,971)</u> |
| Total capital assets being depreciated or amortized, net | <u>1,437,397,449</u> | <u>(3,548,429)</u> | <u>(46,782)</u> | <u>38,791,716</u> | <u>1,472,593,954</u> |
| Total governmental activities | <u>\$ 1,684,460,680</u> | <u>\$ 18,201,236</u> | <u>\$ (2,753,966)</u> | <u>\$ 186,775</u> | <u>\$ 1,700,094,725</u> |

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| | Balance July 1, 2018 | Increases | Decreases | Transfers* and Reclassifications | Balance June 30, 2019 |
|--|-------------------------|-----------------------------|-----------------------|-------------------------------------|--------------------------|
| Business-type activities | | | | | |
| Capital assets not being depreciated or amortized | | | | | |
| Construction in progress | \$ 37,307,514 | \$ 18,645,246 | \$ (128,645) | \$ (40,113,791) | \$ 15,710,324 |
| Land | <u>35,912,213</u> | <u> </u> | <u>(3,000)</u> | <u> </u> | <u>35,909,213</u> |
| Total capital assets not being depreciated or amortized | <u>73,219,727</u> | <u>18,645,246</u> | <u>(131,645)</u> | <u>(40,113,791)</u> | <u>51,619,537</u> |
| Capital assets being depreciated or amortized | | | | | |
| Buildings and building improvements | 177,905,249 | 1,319,019 | (3,512,480) | 345,824 | 176,057,612 |
| Improvements other than buildings | 1,362,908,300 | 9,399,715 | (6,833,452) | 14,433,685 | 1,379,908,248 |
| Machinery and equipment | <u>50,306,811</u> | <u>1,711,756</u> | <u>(11,754,436)</u> | <u>24,683,273</u> | <u>64,947,404</u> |
| Total capital assets being depreciated or amortized | <u>1,591,120,360</u> | <u>12,430,490</u> | <u>(22,100,368)</u> | <u>39,462,782</u> | <u>1,620,913,264</u> |
| Accumulated depreciation and amortization | | | | | |
| Buildings and building improvements | (45,970,901) | (3,430,963) | 2,404,129 | 136,281 | (46,861,454) |
| Improvements other than buildings | (595,250,522) | (18,904,556) | 5,859,051 | 132,790 | (608,163,237) |
| Machinery and equipment | <u>(27,145,924)</u> | <u>(1,901,050)</u> | <u>10,938,472</u> | <u>195,163</u> | <u>(17,913,341)</u> |
| Total accumulated depreciation and amortization | <u>(668,367,347)</u> | <u>(24,236,569)</u> | <u>19,201,652</u> | <u>464,234</u> | <u>(672,938,032)</u> |
| Total capital assets being depreciated or amortized, net | <u>922,753,013</u> | <u>(11,806,079)</u> | <u>(2,898,716)</u> | <u>39,927,016</u> | <u>947,975,232</u> |
| Total business-type activities | <u>\$ 995,972,740</u> | <u>\$ 6,839,167</u> | <u>\$ (3,030,361)</u> | <u>\$ (186,775)</u> | <u>\$ 999,594,769</u> |

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

For the year ended June 30, 2019, charges, by function, for depreciation expense were as follows:

| | |
|--|----------------------|
| Governmental activities | |
| General government | \$ 3,546,242 |
| Judicial | 372,695 |
| Public safety | 2,225,431 |
| Public works | 23,021,079 |
| Culture and recreation | 10,631,080 |
| Internal service fund depreciation expense is charged to specific functions based on asset usage | <u>3,582,719</u> |
| Total depreciation expense, governmental activities | <u>\$ 43,379,246</u> |
| Business-type activities | |
| Water | \$ 11,041,935 |
| Sewer | 12,774,205 |
| Development services | 12,270 |
| Cultural arts and tourism | 100,970 |
| Municipal golf course | <u>307,189</u> |
| Total depreciation expense, business-type activities | <u>\$ 24,236,569</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Note 6. Long-term Liabilities

Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2019, was as follows:

| | Balance July 1, 2018 | Increases | Decreases | Balance June 30, 2019 | Due Within One Year |
|---|-------------------------|-----------|--------------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| General obligation bonds | | | | | |
| \$18,245,000 Series 2011A General Obligation Refunding Bonds; principal due annually through June 2020; interest varies between 2.0% and 3.15% | \$ 7,575,000 | | \$ (3,735,000) | \$ 3,840,000 | \$ 3,840,000 |
| \$2,710,000 Series 2011B General Obligation Refunding Bonds; principal due annually through June 2020; interest fixed at 3.0% | 1,135,000 | | (560,000) | 575,000 | 575,000 |
| \$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 | |
| \$39,955,000 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 | 1,785,000 |
| \$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% | <u>12,350,000</u> | | <u>(365,000)</u> | <u>11,985,000</u> | <u>1,765,000</u> |
| Total general obligation bonds | <u>98,925,000</u> | | <u>(4,660,000)</u> | <u>94,265,000</u> | <u>7,965,000</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| | Balance July 1, 2018 | Increases | Decreases | Balance June 30, 2019 | 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% | \$ 8,910,000 | \$ _____ | \$ (240,000) | \$ 8,670,000 | \$ 250,000 |
| Total tax allocation bonds | 8,910,000 | _____ | (240,000) | 8,670,000 | 250,000 |
| Other long-term obligations | | | | | |
| \$17,960,000 2009 Installment Purchase Agreement due annually through 2024; interest fixed at 4.97% | 1,361,000 | _____ | (1,361,000) | _____ | _____ |
| \$684,108 Installment Purchase Agreement due annually through December 2021; Non-interest-bearing | 593,241 | _____ | (148,310) | 444,931 | 148,310 |
| Total other long-term obligations | 1,954,241 | _____ | (1,509,310) | 444,931 | 148,310 |
| Unamortized bond premiums | 9,175,916 | _____ | (704,345) | 8,471,571 | _____ |
| Claims and judgments | 18,480,444 | 23,628,434 | (18,782,350) | 23,326,528 | 23,326,528 |
| Compensated absences | 43,043,150 | 3,731,797 | (4,050,533) | 42,724,414 | 3,471,844 |
| Total other postemployment benefits | 65,961,889 | 7,892,095 | (21,520,346) | 52,333,638 | _____ |
| Net pension liability | 347,154,483 | 22,362,368 | (9,557,861) | 359,958,990 | _____ |
| Due to developers | 710,000 | _____ | (710,000) | _____ | _____ |
| Total governmental activities | 594,315,123 | 57,614,694 | (61,734,745) | 590,195,072 | 35,161,682 |
| Business-type activities | | | | | |
| Revenue bonds | | | | | |
| \$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65% | 1,767,183 | _____ | (328,341) | 1,438,842 | 340,435 |
| \$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; Non-interest-bearing | 1,048,038 | _____ | (87,335) | 960,703 | 87,336 |
| \$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2034; interest varies between 4.0% and 5.0% | 63,125,000 | _____ | (3,430,000) | 59,695,000 | 3,600,000 |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| | Balance July 1, 2018 | Increases | Decreases | Balance June 30, 2019 | 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% | 2,578,000 | | (2,578,000) | | |
| \$11,061,000 Series 2015 Sewer Bonds due in annual installments beginning June 2017 through June 2019; interest fixed at 5.0% | <u>3,867,000</u> | | <u>(3,867,000)</u> | | |
| Total revenue bonds | <u>89,070,221</u> | | <u>(10,290,676)</u> | <u>78,779,545</u> | <u>4,027,771</u> |
| Other long-term obligations | | | | | |
| Intergovernmental payable to the Southern Nevada Water Authority | <u>968,622</u> | | <u>(322,874)</u> | <u>645,748</u> | <u>322,874</u> |
| Total other long-term obligations | <u>968,622</u> | | <u>(322,874)</u> | <u>645,748</u> | <u>322,874</u> |
| Unamortized bond premiums | 6,346,535 | | (836,426) | 5,510,109 | |
| Compensated absences | 7,958,086 | 257,849 | (914,968) | 7,300,967 | 641,127 |
| Total other postemployment benefits | 5,674,378 | 558,530 | (1,920,100) | 4,312,808 | |
| Net pension liability | 54,146,710 | 3,694,848 | (4,841,002) | 53,000,556 | |
| Provisional credits and refunding agreements | <u>1,705,507</u> | <u>492,567</u> | <u>(1,433,376)</u> | <u>764,698</u> | |
| Total business-type activities | <u>165,870,059</u> | <u>5,003,794</u> | <u>(20,559,422)</u> | <u>150,314,431</u> | <u>4,991,772</u> |
| Total long-term debt obligations | <u>\$ 760,185,182</u> | <u>\$ 62,618,488</u> | <u>\$ (82,294,167)</u> | <u>\$ 740,509,503</u> | <u>\$ 40,153,454</u> |

Compensated absences, pension and other postemployment 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 debt refunding transactions 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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, activity related to the City's unamortized deferred refunding charges was as follows:

| | Governmental Activities | Business-type Activities | Total |
|-----------------------|----------------------------|-----------------------------|---------------|
| Balance June 30, 2018 | \$ 5,593,242 | \$ 4,999,439 | \$ 10,592,681 |
| Reductions | (974,110) | (471,377) | (1,445,487) |
| Balance June 30, 2019 | \$ 4,619,132 | \$ 4,528,062 | \$ 9,147,194 |

Future Debt Service Requirements

At June 30, 2019, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations, were as follows:

| For the Year Ending June 30, | Revenue bonds | | General obligation bonds | |
|------------------------------|---------------|---------------|--------------------------|---------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 4,027,771 | \$ 3,408,558 | \$ 7,965,000 | \$ 4,123,304 |
| 2021 | 4,215,311 | 3,216,019 | 6,300,000 | 3,821,569 |
| 2022 | 4,418,312 | 3,014,268 | 6,625,000 | 3,555,644 |
| 2023 | 4,626,792 | 2,802,538 | 6,970,000 | 3,265,594 |
| 2024 | 4,457,337 | 2,584,119 | 7,335,000 | 2,967,069 |
| 2025 - 2029 | 25,761,683 | 9,423,094 | 24,800,000 | 11,290,600 |
| 2030 - 2034 | 31,272,339 | 3,797,675 | 27,920,000 | 5,532,863 |
| 2035 - 2039 | _____ | _____ | 6,350,000 | 317,500 |
| | \$ 78,779,545 | \$ 28,246,271 | \$ 94,265,000 | \$ 34,874,143 |

| For the Year Ending June 30, | Tax allocation bonds | | Other long-term obligations | |
|------------------------------|----------------------|--------------|-----------------------------|----------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 250,000 | \$ 368,300 | \$ 148,310 | \$ _____ |
| 2021 | 265,000 | 355,425 | 148,310 | _____ |
| 2022 | 275,000 | 341,925 | 148,311 | _____ |
| 2023 | 290,000 | 327,800 | _____ | _____ |
| 2024 | 305,000 | 312,925 | _____ | _____ |
| 2025 - 2029 | 1,770,000 | 1,314,000 | _____ | _____ |
| 2030 - 2034 | 2,225,000 | 866,426 | _____ | _____ |
| 2035 - 2039 | 2,685,000 | 398,100 | _____ | _____ |
| 2040 - 2044 | 605,000 | 12,100 | _____ | _____ |
| | \$ 8,670,000 | \$ 4,297,001 | \$ 444,931 | \$ _____ |

Provisions Relating to Events of Default or Termination Events with Finance-Related Consequences

The City's outstanding Series 2000 Water Revenue Bonds and Series 2009 Clean Water State Revolving Loan Fund borrowings related to business-type activities of \$1,438,841 and \$960,703, respectively, contain provisions that 1) 10 days following the payment due date, if payment has not been made, penalty interest of 0.1% per day shall accrue on the principal amount due; and 2) in the event of termination by lender due to failure by borrower to cure material default after having received notice of same, the entire balances then due, including accrued interest and penalties, shall be due on demand by lender.

Special Assessment Bonds

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

In November 2018, the City created Local Improvement District No. T-20 (Rainbow Canyon) for the first phase of the Rainbow Canyon community located on the north shore of Lake Las Vegas. In December 2018, the City issued \$17,805,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessment and forwarding the collections to the bondholders. These transactions are accounted for in an agency fund. The Rainbow Canyon project consists of the acquisition of certain improvements constructed by the developer. These improvements, which are accounted for in a capital projects fund, include water and sewer mains, storm drain facilities, roadways, a detention basin and a sewer lift station.

The City had issued special assessment bonds with an aggregate outstanding principal balance of \$99,005,000 at June 30, 2019. 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.

Note 7. Defined Benefit Pension Plans

Aggregate Balances

At June 30, 2019, 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 | \$ 65,979,211 | \$ 67,213 | \$ 66,046,424 |
| Net pension liability | 412,902,805 | 56,741 | 412,959,546 |
| Net unamortized deferred inflows of resources related to pensions | 30,181,349 | 106,280 | 30,287,629 |
| Pension expense (recovery) | 26,028,078 | 29,137 | 26,057,215 |

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (PERS)

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.

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 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, and 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, at age 60 with ten years of service, or at age 50 with twenty years of service, or at any age with thirty years of service. Police/fire members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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, 2018, 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, 2018, 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 October 2017), applied to all periods included in the measurement:

| | |
|----------------------------|---|
| Actuarial valuation date | June 30, 2018 |
| Inflation rate | 2.75% |
| Payroll growth | 5.00%, including inflation |
| Investment rate of return | 7.50% |
| Discount rate | 7.50% |
| Productivity pay increase | 0.50% |
| Consumer price index | 2.75% |
| Actuarial cost method | Entry age normal and level percentage of payroll |
| Projected salary increases | Regular: 4.25% to 9.15%, depending on service Police/fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2018, assumed healthy retiree mortality rates and projected life expectancies for selected ages were as follows:

| Age | Mortality Rates | | Expected Years of Life Remaining | |
|-----|-----------------|---------|----------------------------------|---------|
| | Males | Females | Males | Females |
| 40 | 0.20 % | 0.14 % | 40.4 | 43.6 |
| 50 | 0.49 % | 0.38 % | 31.4 | 34.5 |
| 60 | 0.90 % | 0.59 % | 23.2 | 25.9 |
| 70 | 1.81 % | 1.26 % | 15.6 | 17.7 |
| 80 | 4.55 % | 3.42 % | 9.1 | 10.5 |

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

| | |
|----------------|---|
| Healthy | Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50 (the RP-2014 Healthy Annuitant Mortality Tables have rates only for ages 50 and later), mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. |
| Disabled | Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. |
| Pre-Retirement | Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. |

The RP-2014 Headcount-Weighted Mortality Tables, set forward one year for spouses and beneficiaries, reasonably reflect the projected mortality experience of the Plan as of the measurement date. The additional projection of 6 years is a provision made for future mortality improvement.

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, 2018:

| 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 2.75%.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018 and 2017. 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, 2018, 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

The City's proportionate share of the net pension liability at June 30, 2018, calculated using the discount rate of 7.50%, 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 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current discount rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|-----------------------|---------------------------------|----------------|---------------------------------|
| Net pension liability | \$ 629,660,066 | \$ 412,902,805 | \$ 232,790,144 |

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 \$412,902,805, which represents 3.02765% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ended June 30, 2018, 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, 2018.

For the year ended June 30, 2019, the City's pension expense was \$26,028,078 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2019, were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 12,935,089 | \$ 19,165,779 |
| Changes of assumptions or other inputs | 21,835,049 | |
| Net difference between projected and actual earnings on investments | | 2,043,504 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 2,060,823 | 8,972,066 |
| Contributions made subsequent to the measurement date | 29,148,250 | |

At June 30, 2018, the average expected remaining service life was 6.22 years.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$29,148,250 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>For the Year Ending June 30,</u> | |
|-------------------------------------|--------------|
| 2020 | \$ 4,634,286 |
| 2021 | 1,234,279 |
| 2022 | (3,177,113) |
| 2023 | 1,719,438 |
| 2024 | 1,971,402 |
| Thereafter | 267,320 |

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

| | |
|--|-----------------------|
| Net pension liability, beginning of year | \$ 401,189,368 |
| Pension expense | 26,028,078 |
| Employer contributions | (28,186,861) |
| Change in net deferred inflows and outflows of resources | <u>13,872,220</u> |
| Net pension liability, end of year | <u>\$ 412,902,805</u> |

At June 30, 2019, \$6,639,361 is payable to PERS for the June 2019 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 statutes 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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 through payroll deductions.

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 are 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 benefits and 2.5% per year following the sixth through eighth anniversaries. On succeeding anniversaries, the annual increase shall be the lesser 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.

At June 30, 2018, JRS membership consisted of:

| | |
|-----------------------------------|-------------------|
| Active members | 113 |
| Inactive vested members | 4 |
| Retired members and beneficiaries | <u>73</u> |
| | <u><u>190</u></u> |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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, 2018, 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, 2018 census data.

The total JRS pension liability was determined using the following actuarial assumptions (based on the results of an experience study dated October 2017):

| | |
|---------------------------|---|
| Actuarial valuation date | June 30, 2018 |
| Inflation rate | 2.75% |
| Payroll growth | 3.00% to 8.00% |
| Investment rate of return | 7.50%, net of pension plan investment expense, including inflation |
| Discount rate | 7.50%, including inflation |
| Consumer price index | 2.75% |
| 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 payroll (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 | Post-retirement: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016. Pre-retirement: Headcount-Weighted RP- 2014 Employee Mortality Tables projected to 2020 with Scale MP-2016 |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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, 2018:

| Asset Class | Target Allocation | Long-term Expected Arithmetic Real Rate of Return |
|-----------------------|----------------------|--|
| Domestic equity | 49 % | 6.60 % |
| International equity | 21 % | 7.37 % |
| Domestic fixed income | 30 % | 0.36 % |

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2018 and 2017. 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, 2018, 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 (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

The City's JRS net pension liability at June 30, 2018, calculated using the discount rate of 7.50%, as well as what the City's JRS net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current discount rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|-----------------------|---------------------------------|---------------|---------------------------------|
| Net pension liability | \$ 123,320 | \$ 56,741 | \$ 232 |

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 available at <http://controller.nv.gov> under Financial Reports 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)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

The City's share of the JRS net pension liability was \$56,741, which represents 0.42495% 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, 2018.

For the period ended June 30, 2019, the City's JRS pension expense was \$29,137 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2019, were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
|---|--------------------------------------|----------------------------------|--|
| Differences between expected and actual experience | \$ 3,627 | \$ 24,151 | |
| Changes of assumptions or other inputs | 184 | | |
| Net difference between projected and actual earnings on investments | | 539 | |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 41,350 | 81,590 | |
| Contributions made subsequent to the measurement date | 22,052 | | |

At June 30, 2018, the average expected remaining service life was 4.72 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$22,052 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. 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, | | |
|-----------------------------|----|----------|
| 2020 | \$ | (6,615) |
| 2021 | | (16,634) |
| 2022 | | (25,518) |
| 2023 | | (12,352) |

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

| | | |
|--|------------|--|
| Net pension liability, beginning of year | \$ 111,825 | |
| Pension expense | 29,137 | |
| Employer contributions | (22,552) | |
| Change in net deferred inflows and outflows of resources | (61,669) | |
| Net pension liability, end of year | \$ 56,741 | |

At June 30, 2019, \$1,696 is payable to JRS for the June 2019 required contribution and is included in accounts payable.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Note 8. Other Postemployment Benefits

Aggregate Balances

At June 30, 2019, the City's aggregate OPEB plan balances were as follows:

| | Public Employee Benefit Program | City of Henderson Plans | Aggregate Total |
|--|------------------------------------|----------------------------|-----------------|
| Net OPEB assets administered through a qualifying trust | None | None | None |
| Total OPEB liability | \$ 6,013,568 | \$ 50,632,878 | \$ 56,646,446 |
| Net unamortized deferred outflows of resources related to OPEB | 196,440 | 2,053,136 | 2,249,576 |
| Net unamortized deferred inflows of resources related to OPEB | 155,851 | 2,285,402 | 2,441,253 |
| OPEB expense (recovery) | 212,251 | (15,550,263) | (15,338,012) |

Plan Information

In accordance with NRS, the City provides other postemployment benefits to eligible retirees through the following plans:

The Nevada Public Employee Benefit Program (PEBP), a multiple-employer cost sharing defined benefit plan, administered by a ten member governing board appointed by the Governor, including an Executive Officer who directs the program and serves at the pleasure of the Board.

The City of Henderson Plan (City Plan), a single-employer defined benefit plan, administered by City management.

Both plans provide healthcare, prescription, dental, vision and life insurance benefits. Eligible pre-Medicare retirees that are not eligible for PEBP can receive coverage through the City Plan. Medicare eligible retirees must purchase coverage through Extended Health. Medicare eligible retirees will retain their post-65 term life insurance policy valued at \$25,000, and the premiums are paid by the City.

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing or calling the following:

Public Employee Benefit Plan
901 South Stewart Street, Suite 101
Carson City, NV 89701
(775) 684-7000

The City Plan does not issue a separate financial report; however, additional information may be obtained by writing or calling the following:

City of Henderson
Finance Department
240 S. Water Street
Henderson, Nevada, 89015
(702) 267-1700

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the City is obligated to provide postemployment benefits is limited to eligible employees who retired from City service prior to December 1, 2008. No future retirees are eligible for this benefit.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

The City is required to provide a subsidy based on years of service for a closed group of its retirees that have enrolled in PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2019 the maximum subsidy paid per participant was \$1,559 per month.

Benefit provisions for the City Plan are established pursuant to NRS 287 and amended by the City's eight-member Insurance Committee, which includes representation from the various participating employee groups. Eligible retirees are able to participate in the plan at the same rates as active employees. Effective January 1, 2014, eligible retirees participating in the City Plan receive a graduated benefit of lower monthly premiums based on years of service with the City, 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. Effective January 1, 2019, this graduated benefit was amended. The amendment modified the definition of years of service, which are now based on enrollment date in the City Plan. Additionally, the post-65 benefit will be received for up to seventeen years based on the retirees' years of service. Previously, there was no cap on the number of years the post-65 benefit could be received, and the years of service were based on years with the City.

The City's Insurance Committee reviews and determines the plan contribution requirements and the plan options. Contribution amounts differ depending on the selected plan and range from \$1,134 to \$1,323 per month. Retiree loss experience is pooled with active employee loss experience for the purpose of setting rates, and the difference between the true claims cost and the blended rate creates an implicit rate subsidy from the City.

At June 30, 2019, employees covered by OPEB benefit terms consisted of:

| | Public Employee Benefit Program | City of Henderson Plans | Aggregate Total |
|--|------------------------------------|----------------------------|-----------------|
| Active members | | 1,241 | 1,241 |
| Inactive employees currently receiving benefit payments | 115 | 161 | 276 |
| Inactive employees entitled to, but not yet receiving benefit payments | | 429 | 429 |
| | 115 | 1,831 | 1,946 |

Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2018), applied to all periods included in the measurement:

| | |
|--|--|
| Actuarial valuation date | June 30, 2019 |
| Measurement date | June 30, 2019 |
| Inflation rate | 2.00% per annum |
| Salary changes | 2.00% per annum |
| Discount rate | 3.50% per annum as of June 30, 2019 3.87% per annum as of June 30, 2018 |
| Discount rate source | Bond Buyer 20-Bond GO index |
| Postemployment benefit changes | Change to graduated benefit of lower monthly payment terms |
| Benefit-related costs shared with inactive employees | Required to contribute 100% of premium equivalent rates |
| Actuarial cost method | Entry Age Normal based on level percentage of projected salary |
| Healthcare cost trend rates | 6.50% per annum, decreasing 0.50%/1.0% (City Plan/PEBP) per year to an ultimate rate of 4.5% |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Mortality rates are based on the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis.

Changes in the assumptions and other inputs that affected the measurement of the City's total OPEB liability during the period ended June 30, 2019, were as follows:

Discount rates for the years ended June 30, 2019 and 2018 were 3.50% and 3.87%, respectively.

Effective January 1, 2019, this graduated benefit of lower monthly premiums was amended. The amendment modified the definition of years of service, which are now based on enrollment date in the City Plan. Additionally, the post-65 benefit will be received for up to seventeen years based on retirees' years of service. Previously, there was a no cap on the number of years the post-65 benefit could be received, and the years of service were based on years with the City.

The City's total OPEB liability at June 30, 2019, calculated using the discount rate of 3.50%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (2.50%) or 1.00% higher (4.50%) than the current discount rate, was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|----------------------|---------------------------------|---------------|---------------------------------|
| Total OPEB liability | \$ 47,799,000 | \$ 56,646,446 | \$ 68,035,000 |

The City's total OPEB liability at June 30, 2019, calculated using the healthcare trend rate of 6.50% decreasing to 4.50%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower (5.50% decreasing to 3.50%) or 1.00% higher (7.50% decreasing to 5.50%) than the current healthcare trend rate was as follows:

| | 1% Decrease in Healthcare Trend Rate | Healthcare Trend Rate | 1% Increase in Healthcare Trend Rate |
|----------------------|--|--------------------------|--|
| Total OPEB liability | \$ 51,540,000 | \$ 56,646,446 | \$ 62,950,000 |

At June 30, 2019, changes in the City's total OPEB liability were as follows:

| | Public Employee Benefit Program | City of Henderson Plans | Aggregate Total |
|---|------------------------------------|----------------------------|-----------------|
| Service cost | \$ 209,915 | \$ 3,091,184 | \$ 3,091,184 |
| Interest on total OPEB liability | | 2,639,049 | 2,848,964 |
| Changes in benefit terms | | (21,218,784) | (21,218,784) |
| Changes of assumptions or other inputs | 219,223 | 2,291,254 | 2,510,477 |
| Benefit payments | (398,086) | (1,823,576) | (2,221,662) |
| Net change in total OPEB liability | 31,052 | (15,020,873) | (14,989,821) |
| Total OPEB liability, beginning of year | 5,982,516 | 65,653,751 | 71,636,267 |
| Total OPEB liability, end of year | \$ 6,013,568 | \$ 50,632,878 | \$ 56,646,446 |

For the period ended June 30, 2019, the City recorded an OPEB expense recovery of \$15,338,012. As of June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB of \$2,249,576 and \$2,441,253, respectively, which relate to changes in actuarial assumptions and other inputs.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in employee benefit expense as follows:

For the Year Ended June 30,

| | | |
|------------|----|----------|
| 2020 | \$ | (59,376) |
| 2021 | | (59,376) |
| 2022 | | (59,376) |
| 2023 | | (59,376) |
| 2024 | | (59,376) |
| Thereafter | | 105,203 |

Note 9. Risk Management

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

In addition, there are also situations in which incidents occur before the date of the financial statements, but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's 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 \$15.0 million 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 \$1.0 billion blanket Property insurance policy on all buildings, building contents and Boiler and Machinery with a \$100,000 deductible; a \$10.0 million Inland Marine policy covering Contractors' Equipment and Auto Physical Damage with a \$10,000 deductible; a \$1.0 million Commercial Crime policy with a \$10,000 deductible that covers employee dishonesty, forgery and alteration; a \$50.0 million Terrorism policy with a \$1.0 million sublimit for Active Shooter with varying deductibles; and a Cyber Liability policy with a \$5.0 million 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. The specific stop loss is \$525,000 per participant, and a third-party administrator is used to pay claims.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 \$4.0 million SIR for all public safety employees and a \$1.0 million SIR for all other employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from July 1, 2018 through July 1, 2019.

For the fiscal years ended June 30, 2018 and 2019, 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, 2018 | | | | |
| Liability insurance | \$ 1,546,488 | \$ 809,040 | \$ (594,455) | \$ 1,761,073 |
| Workmen's compensation insurance | 13,928,481 | 3,955,213 | (2,814,323) | 15,069,371 |
| Health Insurance | <u>1,630,000</u> | <u>15,255,826</u> | <u>(15,235,826)</u> | <u>1,650,000</u> |
| | <u>\$ 17,104,969</u> | <u>\$ 20,020,079</u> | <u>\$ (18,644,604)</u> | <u>\$ 18,480,444</u> |
| For the year ended June 30, 2019 | | | | |
| Liability insurance | \$ 1,761,073 | \$ 3,725,173 | \$ (608,005) | \$ 4,878,241 |
| Workmen's compensation insurance | 15,069,371 | 3,714,976 | (2,110,060) | 16,674,287 |
| Health Insurance | <u>1,650,000</u> | <u>16,188,285</u> | <u>(16,064,285)</u> | <u>1,774,000</u> |
| | <u>\$ 18,480,444</u> | <u>\$ 23,628,434</u> | <u>\$ (18,782,350)</u> | <u>\$ 23,326,528</u> |

Note 10. Other Information

Construction in Progress

As of June 30, 2019, construction in progress of \$50,206,385 was reflected in the government-wide financial statements. Management estimates it will require an additional outlay of approximately \$106,304,652 to complete these projects.

Litigation

The City is a defendant in a negligence and wrongful death case. Plaintiffs have not identified a specific amount of damages for the cause of action but are seeking monetary damages in excess of \$50,000. Based on the current progress of the case to date and facts known at this time, a loss contingency is reasonably possible, but a range of loss cannot be reasonably estimated.

There are additional 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 those 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

Lake Las Vegas

The City and the developers of Lake Las Vegas established a fund commencing in 1989 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. Due to the financial hardship brought on by the economic recession that began in December 2007, both parties' contributions to this fund ceased in 2007 and 2008, respectively, and did not resume. Upon the expiration of the agreement in March of 2019, the City's portion of the balance was transferred to the Municipal Facilities Acquisition and Construction Capital Projects fund. The remaining balance will continue to accrue interest until refunded pursuant to the agreements.

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 \$346.3 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, 2019, the contingent obligation is approximately \$103.7 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, 2019, total costs under such agreements were \$887,452.

At June 30, 2019, the future minimum operating lease payments were as follows:

| <u>For the Year Ending June 30,</u> | |
|-------------------------------------|---------------------|
| 2020 | \$ 789,366 |
| 2021 | 603,574 |
| 2022 | 14,817 |
| 2023 | 14,817 |
| 2024 | 7,408 |
| | <u>\$ 1,429,982</u> |

Encumbrances

At June 30, 2019, outstanding encumbrances were as follows:

| | |
|------------------------------------|----------------------|
| General Fund | \$ 2,445,688 |
| Grants Special Revenue Fund | 1,241,376 |
| Aggregate Other Governmental Funds | <u>22,433,815</u> |
| | <u>\$ 26,120,879</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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.

Note 11. Components of Fund Balances

At June 30, 2019, the components of governmental fund balances were as follows:

| | General Fund | Grants Special Revenue Fund | Aggregate Other Governmental Funds | Total Governmental Funds |
|---|---------------|--------------------------------|--|--------------------------------|
| Nonspendable | | | | |
| Prepaid items | \$ 42,283 | \$ | \$ 239,705 | \$ 281,988 |
| Restricted | | | | |
| General government programs | | 11,551 | | 11,551 |
| Courts and other judicial programs | 223,753 | 11 | 1,149,232 | 1,372,996 |
| Fire, police and other public safety programs | | 22,394 | 14,047,148 | 14,069,542 |
| Streets and other public works projects | | 24,374 | 77,511,907 | 77,536,281 |
| Parks, cultural and recreational programs | | 202,799 | 13,390,495 | 13,593,294 |
| Community assistance and support programs | | 313,099 | 12,580 | 325,679 |
| Debt service | | | 9,360,059 | 9,360,059 |
| Redevelopment programs | | | 28,035,418 | 28,035,418 |
| Stabilization program | | | 23,428,022 | 23,428,022 |
| Committed | | | | |
| Streets and other public works projects | 1,223,058 | | | 1,223,058 |
| Community assistance and support programs | 1,801,458 | | | 1,801,458 |
| Assigned | | | | |
| General government programs | 1,574,704 | | | 1,574,704 |
| Courts and other judicial programs | 1,289 | | | 1,289 |
| Fire, police and other public safety programs | 499,589 | | 11,159 | 510,748 |
| Streets and other public works projects | 105,482 | | 62,275,287 | 62,380,769 |
| Parks, cultural and recreational programs | 356,820 | | | 356,820 |
| Community assistance and support programs | 37,019 | | | 37,019 |
| Unassigned | 28,116,220 | | | 28,116,220 |
| Total governmental fund balances | \$ 33,981,675 | \$ 574,228 | \$ 229,461,012 | \$ 264,016,915 |

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 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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 August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, effective for periods beginning after December 15, 2018. This statement addresses the reporting of a majority equity interest in a legally separate organization and requires that such majority equity interest be reported as an investment. Management has not yet completed its assessment of this statement.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020. This statement addresses the method to be used for reporting conduit debt obligations by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has not yet completed its assessment of this statement.

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2019

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF HENDERSON, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹

| | Service Cost | Interest on Total OPEB Liability | Changes in Benefit Terms | Differences Between Expected and Actual Experience | Changes in Assumptions or Other Inputs | Benefit Payments | Net Change in Total OPEB Liability | Total OPEB Liability, Beginning of Year | Total OPEB Liability, End of Year | Covered Payroll | Total OPEB Liability, End of Year as a Percentage of Covered Payroll |
|---|--------------|--|-----------------------------|--|---|---------------------|--|--|---|--------------------|---|
| | | | | | | | | | | | |
| Public Employee Benefit Program | | | | | | | | | | | |
| 2018 | \$ | 223,745 | \$ | \$ | (196,744) | (401,917) | (374,916) | 6,357,432 | 5,982,516 | ² | ² |
| 2019 | | 209,915 | | 219,223 | | (398,086) | 31,052 | 5,982,516 | 6,013,568 | ² | ² |
| City of Henderson Plans ³ | | | | | | | | | | | |
| 2018 | 2,976,012 | 2,592,355 | | | (2,885,064) | (1,329,370) | 1,353,933 | 64,299,818 | 65,653,751 | 169,647,531 | 38.70 % |
| 2019 | 3,091,184 | 2,639,049 | (21,218,784) | | 2,291,254 | (1,823,576) | (15,020,873) | 65,653,751 | 50,632,878 | 176,053,321 | 28.76 % |

1. Information for Postemployment Benefits Other Than Pension is not available for years prior to the year ended June 30, 2018. As additional information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.
3. No assets have been placed in a trust.

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, 2018 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Proportion of the Collective Net Pension Liability</u> | <u>Proportion of the Collective Net Pension Liability</u> | <u>Covered Payroll</u> | <u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll</u> | <u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u> |
|------------------------------------|---|---|------------------------|--|---|
| 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 | 3.06940 % | 413,086,137 | 157,972,248 | 261.49 % | 72.23 % |
| 2017 | 3.01650 % | 401,189,368 | 163,656,523 | 245.14 % | 74.42 % |
| 2018 | 3.02765 % | 412,902,805 | 169,647,531 | 243.39 % | 75.21 % |

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

CITY OF HENDERSON, NEVADA

**REQUIRED SUPPLEMENTARY INFORMATION
 MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
 PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹**

| <u>For the Year Ended June 30,</u> | <u>Statutorily Required Contribution</u> | <u>Contributions in relation to the Statutorily Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a Percentage of Covered Payroll</u> |
|------------------------------------|--|---|---|------------------------|---|
| 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 % |
| 2018 | 56,373,722 | 56,373,722 | | 169,647,531 | 33.23 % |
| 2019 | 58,296,499 | 58,296,499 | | 176,053,321 | 33.11 % |

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

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Net Pension Liability, Beginning of Year</u> | <u>Pension Expense</u> | <u>Employer Contributions</u> | <u>Change in Net Deferred Outflows and Inflows</u> | <u>Net Pension Liability, End of Year</u> |
|------------------------------------|---|------------------------|-----------------------------------|--|---|
| 2016 | \$ | \$ 196,562 | \$ (65,321) | \$ 97,210 | \$ 228,451 |
| 2017 | 228,451 | 46,970 | (33,920) | (129,676) | 111,825 |
| 2018 | 111,825 | 29,137 | (22,552) | (61,669) | 56,741 |

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 information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN PENSION PLAN INFORMATION FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS¹

| 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 Payroll | Net Pension Plan Liability as a Percentage of Pension Plan Covered 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 % |
| 2017 | 133,560,566 | 114,498,900 | 19,061,666 | 85.72807 % | 20,995,038 | 90.79129 % |
| 2018 | 137,726,452 | 124,374,024 | 13,352,428 | 90.30511 % | 20,451,176 | 65.28929 % |

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 information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Actuarially Required Contribution</u> | <u>Contributions Made</u> | <u>Contribution (Deficiency) Excess</u> | <u>Covered Payroll</u> | <u>Contributions Made as a Percentage of Covered Payroll</u> |
|------------------------------------|--|-------------------------------|---|------------------------|--|
| 2017 | \$ 33,943 | \$ 33,920 | \$ (23) | 147,579 | 22.98430 % |
| 2018 | 22,552 | 22,552 | | 151,121 | 14.92314 % |
| 2019 | 22,052 | 22,052 | | 154,748 | 14.25026 % |

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the year ended June 30, 2017. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

CITY OF HENDERSON, NEVADA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

Note 1. Other Postemployment Benefits

For the year ended June 30, 2019, an amendment was made to the graduated benefit that eligible retiree receive of lower monthly premiums based on years of service with the City. The amendment modified the definition of years of service, which are now based on enrollment date in the City Plan. Additionally, the post-65 benefit can be received for up to seventeen years based on the retirees' years of service. Previously, there was no cap on the number of years the post-65 benefit could be received, and the years of service were based on time with the City. Also, the discount rate used in the actuarial assumptions decreased from 3.87% to 3.50%.

At June 30, 2019, no assets were accumulated in a qualifying trust in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

Actuarial information for postemployment benefits other than pensions is not available for measurement years prior to the year ended June 30, 2018. As information becomes available this schedule will ultimately present information for the ten most recent fiscal years.

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, 2019, 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, 2018.

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, 2019, 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, 2018.

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 recent valuations.

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

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Comprehensive Annual Financial Report City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

GOVERNMENTAL FUNDS

Non-major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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.

Neighborhood Improvement District Special Revenue - to account for the assessments levied which are to be used for the maintenance of neighborhood improvement projects.

Recreation, Cultural Events, and Tourism Special Revenue - to account for the designated room tax, gaming license and other revenues associated with tourism, recreation and cultural events.

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 Capital Projects - 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, playgrounds 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. Land purchased is for capital purposes.

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CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

| | Special Revenue Funds | Debt Service Funds | Capital Project Funds | Aggregate Other Governmental Funds |
|---|--------------------------|-----------------------|--------------------------|--|
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 67,702,881 | \$ 9,272,589 | \$ 146,013,023 | \$ 222,988,493 |
| Cash, cash equivalents and investments, restricted | 1,288,156 | | 4,912,159 | 6,200,315 |
| Accounts receivable, net | 45,695 | | 626,040 | 671,735 |
| Interest receivable | 233,693 | 37,998 | 320,879 | 592,570 |
| Taxes receivable | 191,244 | 310,963 | | 502,207 |
| Special assessments receivable | 34,683 | 1,108,863 | | 1,143,546 |
| Notes receivable, net | 19,824 | | 250,634 | 270,458 |
| Prepaid items | 239,705 | | | 239,705 |
| Due from other funds | | | 32,981 | 32,981 |
| Due from other governments | 7,209,587 | 50,110 | 245,190 | 7,504,887 |
| Land held for resale | 3,706,554 | | | 3,706,554 |
| Total assets | \$ 80,672,022 | \$ 10,780,523 | \$ 152,400,906 | \$ 243,853,451 |
| LIABILITIES | | | | |
| Accounts payable and other accrued liabilities | \$ 763,666 | \$ 324 | \$ 2,666,781 | \$ 3,430,771 |
| Accrued wages | 448,078 | | 24,039 | 472,117 |
| Tax increment payable to developers | 968,638 | | | 968,638 |
| Due to other governments | 70,437 | 314 | 900,219 | 970,970 |
| Due to other funds | 32,981 | | | 32,981 |
| Advances from other funds | | | 1,148,685 | 1,148,685 |
| Deposits | 40,000 | | 5,401,925 | 5,441,925 |
| Compensated absences | 1,803 | | | 1,803 |
| Total liabilities | 2,325,603 | 638 | 10,141,649 | 12,467,890 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue, property taxes | 191,244 | 310,963 | | 502,207 |
| Unavailable revenue, special assessments | 34,683 | 1,108,863 | | 1,143,546 |
| Unavailable revenue, notes receivable | 19,824 | | 250,634 | 270,458 |
| Unavailable revenue, other receivables | | | 8,338 | 8,338 |
| Total deferred inflows of resources | 245,751 | 1,419,826 | 258,972 | 1,924,549 |
| Total liabilities and deferred inflows of resources | 2,571,354 | 1,420,464 | 10,400,621 | 14,392,439 |
| FUND BALANCES | | | | |
| Nonspendable | 239,705 | | | 239,705 |
| Restricted | 77,860,963 | 9,360,059 | 79,713,839 | 166,934,861 |
| Assigned | | | 62,286,446 | 62,286,446 |
| Total fund balances | 78,100,668 | 9,360,059 | 142,000,285 | 229,461,012 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 80,672,022 | \$ 10,780,523 | \$ 152,400,906 | \$ 243,853,451 |

CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

| | Special Revenue Funds | Debt Service Funds | Capital Project Funds | Aggregate Other Governmental Funds |
|--|--------------------------|-----------------------|--------------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 16,440,988 | \$ 4,935,031 | \$ 1,377,510 | \$ 22,753,529 |
| Licenses and permits | 131,331 | | | 131,331 |
| Intergovernmental | 27,733,964 | | 1,669,493 | 29,403,457 |
| Charges for services | 316,917 | | 146,305 | 463,222 |
| Fines and forfeitures | 1,166,296 | | | 1,166,296 |
| Impact fees | | | 1,001,620 | 1,001,620 |
| Special assessments | | 139,347 | | 139,347 |
| Investment income | 2,095,879 | 390,178 | 3,954,075 | 6,440,132 |
| Developer contributions | | | 16,235,632 | 16,235,632 |
| Rental fees | 888 | | 18,913 | 19,801 |
| Miscellaneous | 39,111 | 3,332 | 1,559,049 | 1,601,492 |
| Total revenues | 47,925,374 | 5,467,888 | 25,962,597 | 79,355,859 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 12,575,946 | 10,024 | 3,042,743 | 15,628,713 |
| Judicial | 660,378 | | | 660,378 |
| Public safety | 20,535,358 | | 1,320,951 | 21,856,309 |
| Public works | 1,404,293 | 4,706 | 1,094,408 | 2,503,407 |
| Culture and recreation | 35,509 | | 1,496,781 | 1,532,290 |
| Total current | 35,211,484 | 14,730 | 6,954,883 | 42,181,097 |
| Capital outlay | | | | |
| General government | | | 2,479,391 | 2,479,391 |
| Public safety | 321,994 | | 3,878,306 | 4,200,300 |
| Public works | 2,483,671 | | 8,682,403 | 11,166,074 |
| Culture and recreation | | | 1,481,230 | 1,481,230 |
| Total capital outlay | 2,805,665 | | 16,521,330 | 19,326,995 |
| Debt service | | | | |
| Principal payments | 240,000 | 6,169,310 | | 6,409,310 |
| Interest charges | 379,350 | 4,365,619 | 73,193 | 4,818,162 |
| Total debt service | 619,350 | 10,534,929 | 73,193 | 11,227,472 |
| Total expenditures | 38,636,499 | 10,549,659 | 23,549,406 | 72,735,564 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 9,288,875 | (5,081,771) | 2,413,191 | 6,620,295 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from land sales | | | 15,724,314 | 15,724,314 |
| Gain (loss) on capital asset disposition | | | 2,019 | 2,019 |
| Transfers in | 2,233,605 | 6,733,094 | 22,077,401 | 31,044,100 |
| Transfers out | (5,814,350) | (176,014) | (9,014,587) | (15,004,951) |
| Total other financing sources (uses) | (3,580,745) | 6,557,080 | 28,789,147 | 31,765,482 |
| CHANGE IN FUND BALANCE | 5,708,130 | 1,475,309 | 31,202,338 | 38,385,777 |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 72,392,538 | 7,884,750 | 113,409,417 | 193,686,705 |
| Adjustment | | | (2,611,470) | (2,611,470) |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | 72,392,538 | 7,884,750 | 110,797,947 | 191,075,235 |
| FUND BALANCE, END OF YEAR | \$ 78,100,668 | \$ 9,360,059 | \$ 142,000,285 | \$ 229,461,012 |

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

| | Redevelopment Agency | Gas Tax | Forfeited Assets | Municipal Court Administrative Fee | Financial Stabilization | Sales and Use Tax |
|---|-------------------------|----------------------|-------------------|--|----------------------------|----------------------|
| ASSETS | | | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 24,030,979 | \$ 12,549,784 | \$ 233,180 | \$ 1,164,366 | \$ 23,352,356 | \$ 1,643,523 |
| Cash, cash equivalents and investments, restricted | 1,288,156 | | | | | |
| Accounts receivable, net | | | | | | 27,148 |
| Interest receivable | 98,405 | 42,694 | 1,050 | | 75,550 | 3,391 |
| Taxes receivable | 191,244 | | | | | |
| Special assessments receivable | | | | | | |
| Notes receivable, net | 19,824 | | | | | |
| Prepaid items | 239,705 | | | | | |
| Due from other governments | 147,476 | 1,101,967 | | | 116 | 4,709,584 |
| Land held for resale | 3,706,554 | | | | | |
| Total assets | <u>\$ 29,722,343</u> | <u>\$ 13,694,445</u> | <u>\$ 234,230</u> | <u>\$ 1,164,366</u> | <u>\$ 23,428,022</u> | <u>\$ 6,383,646</u> |
| LIABILITIES | | | | | | |
| Accounts payable and other accrued liabilities | \$ 132,257 | \$ 243,451 | \$ 25,193 | \$ 8,871 | | \$ 148,040 |
| Accrued wages | 24,820 | 158 | | 6,263 | | 335,842 |
| Tax increment payable to developers | 968,638 | | | | | |
| Due to other governments | 70,437 | | | | | |
| Due to other funds | | | | | | |
| Deposits | 40,000 | | | | | |
| Compensated absences | | | | | | |
| Total liabilities | <u>1,236,152</u> | <u>243,609</u> | <u>25,193</u> | <u>15,134</u> | | <u>483,882</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue, property taxes | 191,244 | | | | | |
| Unavailable revenue, special assessments | | | | | | |
| Unavailable revenue, notes receivable | 19,824 | | | | | |
| Total deferred inflows of resources | <u>211,068</u> | | | | | |
| Total liabilities and deferred inflows of resources | <u>1,447,220</u> | <u>243,609</u> | <u>25,193</u> | <u>15,134</u> | | <u>483,882</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | 239,705 | | | | | |
| Restricted | 28,035,418 | 13,450,836 | 209,037 | 1,149,232 | 23,428,022 | 5,899,764 |
| Total fund balances | <u>28,275,123</u> | <u>13,450,836</u> | <u>209,037</u> | <u>1,149,232</u> | <u>23,428,022</u> | <u>5,899,764</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 29,722,343</u> | <u>\$ 13,694,445</u> | <u>\$ 234,230</u> | <u>\$ 1,164,366</u> | <u>\$ 23,428,022</u> | <u>\$ 6,383,646</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2019

| | Commissary | Eldorado Valley Training Facility | Crime Prevention | Neighborhood Improvement District | Recreation, Cultural Events & Tourism | Total Non-Major Special Revenue Funds |
|---|-------------------|---|---------------------|---|---|---|
| ASSETS | | | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 607,130 | \$ 354,719 | \$ 2,872,079 | \$ 47,352 | \$ 847,413 | \$ 67,702,881 |
| Cash, cash equivalents and investments, restricted | | | | | | 1,288,156 |
| Accounts receivable, net | | | 9,497 | | 9,050 | 45,695 |
| Interest receivable | 1,884 | 1,154 | 8,697 | 157 | 711 | 233,693 |
| Taxes receivable | | | | | | 191,244 |
| Special assessments receivable | | | | 34,683 | | 34,683 |
| Notes receivable, net | | | | | | 19,824 |
| Prepaid items | | | | | | 239,705 |
| Due from other governments | | | 1,250,444 | | | 7,209,587 |
| Land held for resale | | | | | | 3,706,554 |
| Total assets | \$ 609,014 | \$ 355,873 | \$ 4,140,717 | \$ 82,192 | \$ 857,174 | \$ 80,672,022 |
| LIABILITIES | | | | | | |
| Accounts payable and other accrued liabilities | \$ 158,486 | \$ 1,340 | \$ 39,753 | \$ 1,931 | \$ 4,344 | \$ 763,666 |
| Accrued wages | | 50 | 67,774 | 17 | 13,154 | 448,078 |
| Tax increment payable to developers | | | | | | 968,638 |
| Due to other governments | | | | | | 70,437 |
| Due to other funds | | | | 32,981 | | 32,981 |
| Deposits | | | | | | 40,000 |
| Compensated absences | | | 1,803 | | | 1,803 |
| Total liabilities | 158,486 | 1,390 | 109,330 | 34,929 | 17,498 | 2,325,603 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue, property taxes | | | | | | 191,244 |
| Unavailable revenue, special assessments | | | | 34,683 | | 34,683 |
| Unavailable revenue, notes receivable | | | | | | 19,824 |
| Total deferred inflows of resources | | | | 34,683 | | 245,751 |
| Total liabilities and deferred inflows of resources | 158,486 | 1,390 | 109,330 | 69,612 | 17,498 | 2,571,354 |
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | 239,705 |
| Restricted | 450,528 | 354,483 | 4,031,387 | 12,580 | 839,676 | 77,860,963 |
| Total fund balances | 450,528 | 354,483 | 4,031,387 | 12,580 | 839,676 | 78,100,668 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 609,014 | \$ 355,873 | \$ 4,140,717 | \$ 82,192 | \$ 857,174 | \$ 80,672,022 |

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, 2019

| | Redevelopment Agency | Gas Tax | Forfeited Assets | Municipal Court Administrative Fee | Financial Stabilization | Sales and Use Tax |
|--|-------------------------|----------------------|-------------------|--|----------------------------|----------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 16,429,617 | | | | \$ 11,371 | |
| Licenses and permits | | | | | | |
| Intergovernmental | | 4,645,603 | | | | 18,082,753 |
| Charges for services | | | | | | 114,081 |
| Fines and forfeitures | | | 159,747 | 1,006,549 | | |
| Investment income | 897,435 | 382,263 | 10,379 | | 685,472 | 31,013 |
| Rental fees | 888 | | | | | |
| Miscellaneous | 28,863 | | 650 | | | 4,702 |
| Total revenues | 17,356,803 | 5,027,866 | 170,776 | 1,006,549 | 696,843 | 18,232,549 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 12,575,946 | | | | | |
| Judicial | | | | 660,378 | | |
| Public safety | | | 444,465 | | | 16,913,782 |
| Public works | | 1,294,053 | | | | |
| Culture and recreation | | | | | | |
| Total current | 12,575,946 | 1,294,053 | 444,465 | 660,378 | | 16,913,782 |
| Capital outlay | | | | | | |
| Public safety | | | 78,776 | | | 118,620 |
| Public works | | 2,483,671 | | | | |
| Total capital outlay | | 2,483,671 | 78,776 | | | 118,620 |
| Debt service | | | | | | |
| Principal payments | 240,000 | | | | | |
| Interest charges | 379,350 | | | | | |
| Total debt service | 619,350 | | | | | |
| Total expenditures | 13,195,296 | 3,777,724 | 523,241 | 660,378 | | 17,032,402 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 4,161,507 | 1,250,142 | (352,465) | 346,171 | 696,843 | 1,200,147 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 893,605 | | | | 635,000 | |
| Transfers out | (5,557,350) | (230,000) | | | | (27,000) |
| Total other financing sources (uses) | (4,663,745) | (230,000) | | | 635,000 | (27,000) |
| CHANGE IN FUND BALANCE | (502,238) | 1,020,142 | (352,465) | 346,171 | 1,331,843 | 1,173,147 |
| FUND BALANCE, BEGINNING OF YEAR | 28,777,361 | 12,430,694 | 561,502 | 803,061 | 22,096,179 | 4,726,617 |
| FUND BALANCE, END OF YEAR | \$ 28,275,123 | \$ 13,450,836 | \$ 209,037 | \$ 1,149,232 | \$ 23,428,022 | \$ 5,899,764 |

(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, 2019

| | <u>Commissary</u> | <u>Eldorado Valley Training Facility</u> | <u>Crime Prevention</u> | <u>Neighborhood Improvement District</u> | <u>Recreation, Cultural Events & Tourism</u> | <u>Total Non-Major Special Revenue Funds</u> |
|--|-------------------|--|-----------------------------|--|--|--|
| REVENUES | | | | | | |
| Property taxes | \$ | \$ | \$ | \$ | \$ | \$ 16,440,988 |
| Licenses and permits | | | | | 131,331 | 131,331 |
| Intergovernmental | | 55,000 | 4,809,472 | | 141,136 | 27,733,964 |
| Charges for services | 90,184 | | 40,573 | 72,079 | | 316,917 |
| Fines and forfeitures | | | | | | 1,166,296 |
| Investment income | 17,111 | 9,552 | 59,251 | 685 | 2,718 | 2,095,879 |
| Rental fees | | | | | | 888 |
| Miscellaneous | | 4,219 | 621 | 56 | | 39,111 |
| Total revenues | <u>107,295</u> | <u>68,771</u> | <u>4,909,917</u> | <u>72,820</u> | <u>275,185</u> | <u>47,925,374</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | | | | | | 12,575,946 |
| Judicial | | | | | | 660,378 |
| Public safety | 17,157 | 32,136 | 3,127,818 | | | 20,535,358 |
| Public works | | | | 110,240 | | 1,404,293 |
| Culture and recreation | | | | | 35,509 | 35,509 |
| Total current | <u>17,157</u> | <u>32,136</u> | <u>3,127,818</u> | <u>110,240</u> | <u>35,509</u> | <u>35,211,484</u> |
| Capital outlay | | | | | | |
| Public safety | | | 124,598 | | | 321,994 |
| Public works | | | | | | 2,483,671 |
| Total capital outlay | | | <u>124,598</u> | | | <u>2,805,665</u> |
| Debt service | | | | | | |
| Principal payments | | | | | | 240,000 |
| Interest charges | | | | | | 379,350 |
| Total debt service | | | | | | <u>619,350</u> |
| Total expenditures | <u>17,157</u> | <u>32,136</u> | <u>3,252,416</u> | <u>110,240</u> | <u>35,509</u> | <u>38,636,499</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>90,138</u> | <u>36,635</u> | <u>1,657,501</u> | <u>(37,420)</u> | <u>239,676</u> | <u>9,288,875</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | 55,000 | | 50,000 | 600,000 | 2,233,605 |
| Transfers out | | | | | | (5,814,350) |
| Total other financing sources (uses) | | <u>55,000</u> | | <u>50,000</u> | <u>600,000</u> | <u>(3,580,745)</u> |
| CHANGE IN FUND BALANCE | 90,138 | 91,635 | 1,657,501 | 12,580 | 839,676 | 5,708,130 |
| FUND BALANCE, BEGINNING OF YEAR | <u>360,390</u> | <u>262,848</u> | <u>2,373,886</u> | | | <u>72,392,538</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 450,528</u> | <u>\$ 354,483</u> | <u>\$ 4,031,387</u> | <u>\$ 12,580</u> | <u>\$ 839,676</u> | <u>\$ 78,100,668</u> |

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

| | <u>Special Assessment Districts</u> | <u>General Obligation</u> | <u>Total Non-Major Debt Service Funds</u> |
|--|---|-------------------------------|---|
| ASSETS | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 1,224,066 | \$ 8,048,523 | \$ 9,272,589 |
| Interest receivable | 4,032 | 33,966 | 37,998 |
| Taxes receivable | | 310,963 | 310,963 |
| Special assessments receivable | 1,108,863 | | 1,108,863 |
| Due from other governments | | <u>50,110</u> | <u>50,110</u> |
| Total assets | <u>\$ 2,336,961</u> | <u>\$ 8,443,562</u> | <u>\$ 10,780,523</u> |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | \$ 324 | | \$ 324 |
| Due to other governments | <u>314</u> | | <u>314</u> |
| Total liabilities | <u>638</u> | | <u>638</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue, property taxes | | 310,963 | 310,963 |
| Unavailable revenue, special assessments | <u>1,108,863</u> | | <u>1,108,863</u> |
| Total deferred inflows of resources | <u>1,108,863</u> | <u>310,963</u> | <u>1,419,826</u> |
| Total liabilities and deferred inflows of resources | <u>1,109,501</u> | <u>310,963</u> | <u>1,420,464</u> |
| FUND BALANCES | | | |
| Restricted | <u>1,227,460</u> | <u>8,132,599</u> | <u>9,360,059</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 2,336,961</u> | <u>\$ 8,443,562</u> | <u>\$ 10,780,523</u> |

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, 2019

| | Special Assessment Districts | General Obligation | Total Non-Major Debt Service Funds |
|---|------------------------------------|-----------------------|--|
| REVENUES | | | |
| Property taxes | \$ | \$ 4,935,031 | \$ 4,935,031 |
| Special assessments | 139,347 | | 139,347 |
| Investment income | 121,452 | 268,726 | 390,178 |
| Miscellaneous | 3,332 | | 3,332 |
| Total revenues | 264,131 | 5,203,757 | 5,467,888 |
| EXPENDITURES | | | |
| Current | | | |
| General government | | 10,024 | 10,024 |
| Public works | 4,706 | | 4,706 |
| Total current | 4,706 | 10,024 | 14,730 |
| Debt service | | | |
| Principal payments | | 6,169,310 | 6,169,310 |
| Interest charges | | 4,365,619 | 4,365,619 |
| Total debt service | | 10,534,929 | 10,534,929 |
| Total expenditures | 4,706 | 10,544,953 | 10,549,659 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 259,425 | (5,341,196) | (5,081,771) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | 6,733,094 | 6,733,094 |
| Transfers out | (176,014) | | (176,014) |
| Total other financing sources (uses) | (176,014) | 6,733,094 | 6,557,080 |
| CHANGE IN FUND BALANCE | 83,411 | 1,391,898 | 1,475,309 |
| FUND BALANCE, BEGINNING OF YEAR | 1,144,049 | 6,740,701 | 7,884,750 |
| FUND BALANCE, END OF YEAR | \$ 1,227,460 | \$ 8,132,599 | \$ 9,360,059 |

CITY OF HENDERSON, NEVADA

**NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

| | Municipal Facilities Acquisition and Construction | Special Recreation | Park Development | Flood Control |
|---|--|-----------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 28,878,048 | \$ 4,956,216 | \$ 6,133,528 | \$ 214,103 |
| Cash, cash equivalents and investments, restricted | 2,070,307 | | | 300,000 |
| Accounts receivable, net | | | | 600,219 |
| Interest receivable | 90,214 | 16,879 | 20,261 | 1,696 |
| Notes receivable, net | | | | |
| Due from other funds | | | | |
| Due from other governments | | 25,982 | | |
| Total assets | <u>\$ 31,038,569</u> | <u>\$ 4,999,077</u> | <u>\$ 6,153,789</u> | <u>\$ 1,116,018</u> |
| LIABILITIES | | | | |
| Accounts payable and other accrued liabilities | \$ 1,022,945 | \$ 104,896 | \$ 7,361 | \$ |
| Accrued wages | 2,123 | | | |
| Due to other governments | | | | 900,219 |
| Advances from other funds | | | | |
| Deposits | | | | |
| Total liabilities | <u>1,025,068</u> | <u>104,896</u> | <u>7,361</u> | <u>900,219</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue, notes receivable | | | | |
| Unavailable revenue, other receivables | | | | |
| Total deferred inflows of resources | | | | |
| Total liabilities and deferred inflows of resources | <u>1,025,068</u> | <u>104,896</u> | <u>7,361</u> | <u>900,219</u> |
| FUND BALANCES | | | | |
| Restricted | 2,070,307 | 4,894,181 | 6,146,428 | 215,799 |
| Assigned | 27,943,194 | | | |
| Total fund balances | <u>30,013,501</u> | <u>4,894,181</u> | <u>6,146,428</u> | <u>215,799</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 31,038,569</u> | <u>\$ 4,999,077</u> | <u>\$ 6,153,789</u> | <u>\$ 1,116,018</u> |

(Continued)

CITY OF HENDERSON, NEVADA

**NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019**

| | <u>RTC/County Funded</u> | <u>Special Ad Valorem Transportation</u> | <u>Capital Replacement</u> | <u>Lake Las Vegas</u> |
|--|------------------------------|--|--------------------------------|-----------------------|
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 560,124 | \$ 157,899 | \$ 35,359,783 | \$ 2,664,925 |
| Cash, cash equivalents and investments, restricted | | | 2,541,852 | |
| Accounts receivable, net | | | 25,821 | |
| Interest receivable | | 1,482 | 96,452 | |
| Notes receivable, net | | | | |
| Due from other funds | | | 32,981 | |
| Due from other governments | | <u>219,208</u> | | |
| Total assets | <u>\$ 560,124</u> | <u>\$ 378,589</u> | <u>\$ 38,056,889</u> | <u>\$ 2,664,925</u> |
| LIABILITIES | | | | |
| Accounts payable and other accrued liabilities | \$ 24,793 | | \$ 1,152,791 | |
| Accrued wages | | | 10,656 | |
| Due to other governments | | | | |
| Advances from other funds | | | | |
| Deposits | | | | <u>2,664,925</u> |
| Total liabilities | <u>24,793</u> | | <u>1,163,447</u> | <u>2,664,925</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue, notes receivable | | | | |
| Unavailable revenue, other receivables | | | <u>8,338</u> | |
| Total deferred inflows of resources | | | <u>8,338</u> | |
| Total liabilities and deferred inflows of resources | <u>24,793</u> | | <u>1,171,785</u> | <u>2,664,925</u> |
| FUND BALANCES | | | | |
| Restricted | 535,331 | 378,589 | 2,541,852 | |
| Assigned | | | <u>34,343,252</u> | |
| Total fund balances | <u>535,331</u> | <u>378,589</u> | <u>36,885,104</u> | |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 560,124</u> | <u>\$ 378,589</u> | <u>\$ 38,056,889</u> | <u>\$ 2,664,925</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2019

| | Special Assessment Districts | Land Sales | Total Non-Major Capital Project Funds |
|---|------------------------------------|----------------------|---|
| ASSETS | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 35,016,080 | \$ 32,072,317 | \$ 146,013,023 |
| Cash, cash equivalents and investments, restricted | | | 4,912,159 |
| Accounts receivable, net | | | 626,040 |
| Interest receivable | 1,797 | 92,098 | 320,879 |
| Notes receivable, net | | 250,634 | 250,634 |
| Due from other funds | | | 32,981 |
| Due from other governments | | | 245,190 |
| | <u>\$ 35,017,877</u> | <u>\$ 32,415,049</u> | <u>\$ 152,400,906</u> |
| Total assets | | | |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | \$ 12,204 | \$ 341,791 | \$ 2,666,781 |
| Accrued wages | | 11,260 | 24,039 |
| Due to other governments | | | 900,219 |
| Advances from other funds | 1,148,685 | | 1,148,685 |
| Deposits | | 2,737,000 | 5,401,925 |
| | <u>1,160,889</u> | <u>3,090,051</u> | <u>10,141,649</u> |
| Total liabilities | | | |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue, notes receivable | | 250,634 | 250,634 |
| Unavailable revenue, other receivables | | | 8,338 |
| | <u></u> | <u>250,634</u> | <u>258,972</u> |
| Total deferred inflows of resources | | | |
| Total liabilities and deferred inflows of resources | <u>1,160,889</u> | <u>3,340,685</u> | <u>10,400,621</u> |
| FUND BALANCES | | | |
| Restricted | 33,856,988 | 29,074,364 | 79,713,839 |
| Assigned | | | 62,286,446 |
| | <u>33,856,988</u> | <u>29,074,364</u> | <u>142,000,285</u> |
| Total fund balances | | | |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 35,017,877</u> | <u>\$ 32,415,049</u> | <u>\$ 152,400,906</u> |

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, 2019

| | Municipal Facilities Acquisition and Construction | Special Recreation | Park Development | Flood Control |
|---|--|-----------------------|---------------------|-------------------|
| REVENUES | | | | |
| Property taxes | \$ | \$ | \$ | \$ |
| Intergovernmental | | 1,669,493 | | |
| Charges for services | | 61,085 | | |
| Impact fees | | | 1,001,620 | |
| Investment income | 740,295 | 158,413 | 182,413 | 15,448 |
| Developer contributions | 1,268,760 | | | |
| Rental fees | | | | |
| Miscellaneous | | 12,633 | 50,000 | |
| Total revenues | <u>2,009,055</u> | <u>1,901,624</u> | <u>1,234,033</u> | <u>15,448</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 15,661 | | | |
| Public safety | 758,006 | | | |
| Public works | 55,396 | | | |
| Culture and recreation | | 1,309,726 | 68,450 | |
| Total current | <u>829,063</u> | <u>1,309,726</u> | <u>68,450</u> | |
| Capital outlay | | | | |
| General government | 73,508 | | | |
| Public safety | 1,307,631 | | | |
| Public works | | | | |
| Culture and recreation | | 776,881 | 704,349 | |
| Total capital outlay | <u>1,381,139</u> | <u>776,881</u> | <u>704,349</u> | |
| Debt service | | | | |
| Interest charges | | | | |
| Total expenditures | <u>2,210,202</u> | <u>2,086,607</u> | <u>772,799</u> | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(201,147)</u> | <u>(184,983)</u> | <u>461,234</u> | <u>15,448</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from land sales | | | | |
| Gain (loss) on capital asset disposition | | 2,019 | | |
| Transfers in | 9,624,149 | 180,000 | | |
| Transfers out | (2,215,000) | (274,794) | | |
| Total other financing sources (uses) | <u>7,409,149</u> | <u>(92,775)</u> | | |
| CHANGE IN FUND BALANCE | <u>7,208,002</u> | <u>(277,758)</u> | <u>461,234</u> | <u>15,448</u> |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 22,805,499 | 5,171,939 | 5,685,194 | 200,351 |
| Adjustment | | | | |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | <u>22,805,499</u> | <u>5,171,939</u> | <u>5,685,194</u> | <u>200,351</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 30,013,501</u> | <u>\$ 4,894,181</u> | <u>\$ 6,146,428</u> | <u>\$ 215,799</u> |

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

| | RTC/County Funded | Special Ad Valorem Transportation | Capital Replacement | Lake Las Vegas |
|--|----------------------|---|------------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ | \$ 1,377,510 | \$ | \$ |
| Intergovernmental | | | | |
| Charges for services | | | 85,220 | |
| Impact fees | | | | |
| Investment income | | 5,102 | 912,899 | 91,745 |
| Developer contributions | | | 275,000 | |
| Rental fees | | | | |
| Miscellaneous | | | 906,398 | |
| Total revenues | 4,995 | 1,382,612 | 2,179,517 | 91,745 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | 2,711,604 | |
| Public safety | | | 562,945 | |
| Public works | | | 578,747 | |
| Culture and recreation | | | 118,605 | |
| Total current | 4,995 | 1,382,612 | 3,971,901 | 91,745 |
| Capital outlay | | | | |
| General government | | | 2,405,883 | |
| Public safety | | | 2,570,675 | |
| Public works | 4,995 | | 994,337 | |
| Culture and recreation | | | | |
| Total capital outlay | 4,995 | 1,382,612 | 5,970,895 | 91,745 |
| Debt service | | | | |
| Interest charges | | | | |
| Total expenditures | 4,995 | 1,382,612 | 9,942,796 | 91,745 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (4,995) | 1,382,612 | (7,763,279) | 91,745 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from land sales | | | | |
| Gain (loss) on capital asset disposition | | | | |
| Transfers in | | | 11,697,238 | |
| Transfers out | | (1,300,000) | (30,089) | (3,346,799) |
| Total other financing sources (uses) | 4,995 | (1,300,000) | 11,667,149 | (3,346,799) |
| CHANGE IN FUND BALANCE | (4,995) | 82,612 | 3,903,870 | (3,255,054) |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 540,326 | 295,977 | 32,981,234 | 5,866,524 |
| Adjustment | | | | (2,611,470) |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | 540,326 | 295,977 | 32,981,234 | 3,255,054 |
| FUND BALANCE, END OF YEAR | \$ 535,331 | \$ 378,589 | \$ 36,885,104 | \$ 3,255,054 |

(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, 2019

| | Special Assessment Districts | Land Sales | Total Non-Major Capital Project Funds |
|--|------------------------------------|----------------------|---|
| REVENUES | | | |
| Property taxes | \$ | \$ | \$ 1,377,510 |
| Intergovernmental | | | 1,669,493 |
| Charges for services | | | 146,305 |
| Impact fees | | | 1,001,620 |
| Investment income | 590,556 | 1,257,204 | 3,954,075 |
| Developer contributions | 14,691,872 | | 16,235,632 |
| Rental fees | | 18,913 | 18,913 |
| Miscellaneous | | 590,018 | 1,559,049 |
| Total revenues | 15,282,428 | 1,866,135 | 25,962,597 |
| EXPENDITURES | | | |
| Current | | | |
| General government | | 315,478 | 3,042,743 |
| Public safety | | | 1,320,951 |
| Public works | 17,740 | 442,525 | 1,094,408 |
| Culture and recreation | | | 1,496,781 |
| Total current | 17,740 | 758,003 | 6,954,883 |
| Capital outlay | | | |
| General government | | | 2,479,391 |
| Public safety | | | 3,878,306 |
| Public works | 460,852 | 7,222,219 | 8,682,403 |
| Culture and recreation | | | 1,481,230 |
| Total capital outlay | 460,852 | 7,222,219 | 16,521,330 |
| Debt service | | | |
| Interest charges | 73,193 | | 73,193 |
| Total expenditures | 551,785 | 7,980,222 | 23,549,406 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 14,730,643 | (6,114,087) | 2,413,191 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from land sales | | 15,724,314 | 15,724,314 |
| Gain (loss) on capital asset disposition | | | 2,019 |
| Transfers in | 176,014 | 400,000 | 22,077,401 |
| Transfers out | | (1,847,905) | (9,014,587) |
| Total other financing sources (uses) | 176,014 | 14,276,409 | 28,789,147 |
| CHANGE IN FUND BALANCE | 14,906,657 | 8,162,322 | 31,202,338 |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 18,950,331 | 20,912,042 | 113,409,417 |
| Adjustment | | | (2,611,470) |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | 18,950,331 | 20,912,042 | 110,797,947 |
| FUND BALANCE, END OF YEAR | \$ 33,856,988 | \$ 29,074,364 | \$ 142,000,285 |

CITY OF HENDERSON, NEVADA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|-------------------------------------|--------------------|--------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 67,216,691 | \$ 68,290,953 | \$ 1,074,262 |
| Franchise fees | 33,700,217 | 33,766,078 | 65,861 |
| Licenses and permits | 13,758,750 | 12,876,549 | (882,201) |
| Intergovernmental | 122,825,569 | 124,388,827 | 1,563,258 |
| Charges for services | 33,011,162 | 33,323,314 | 312,152 |
| Fines and forfeitures | 5,191,210 | 5,938,342 | 747,132 |
| Impact fees | | 1,352,157 | 1,352,157 |
| Investment income | 387,300 | 816,593 | 429,293 |
| Miscellaneous | 976,497 | 1,498,768 | 522,271 |
| Total revenues | 277,067,396 | 282,251,581 | 5,184,185 |
| EXPENDITURES | | | |
| General government | | | |
| Mayor and council | | | |
| Salaries and wages | 455,311 | 454,946 | 365 |
| Employee benefits | 249,667 | 233,602 | 16,065 |
| Services and supplies | 259,139 | 196,234 | 62,905 |
| Total mayor and council | 964,117 | 884,782 | 79,335 |
| City manager | | | |
| Salaries and wages | 1,313,594 | 1,319,395 | (5,801) |
| Employee benefits | 525,543 | 522,849 | 2,694 |
| Services and supplies | 144,837 | 144,332 | 505 |
| Total city manager | 1,983,974 | 1,986,576 | (2,602) |
| Finance | | | |
| Salaries and wages | 3,734,489 | 3,458,437 | 276,052 |
| Employee benefits | 1,842,981 | 1,573,914 | 269,067 |
| Services and supplies | 857,408 | 502,453 | 354,955 |
| Capital outlay | 40,000 | 11,739 | 28,261 |
| Total finance | 6,474,878 | 5,546,543 | 928,335 |
| Information technology | | | |
| Salaries and wages | 5,358,106 | 5,084,258 | 273,848 |
| Employee benefits | 2,446,667 | 2,189,533 | 257,134 |
| Services and supplies | 1,780,574 | 1,616,846 | 163,728 |
| Total information technology | 9,585,347 | 8,890,637 | 694,710 |
| City clerk | | | |
| Salaries and wages | 1,432,109 | 1,339,514 | 92,595 |
| Employee benefits | 699,553 | 601,397 | 98,156 |
| Services and supplies | 907,012 | 505,332 | 401,680 |
| Capital outlay | 63,930 | 47,343 | 16,587 |
| Total city clerk | 3,102,604 | 2,493,586 | 609,018 |
| Human resources | | | |
| Salaries and wages | 1,874,074 | 1,824,236 | 49,838 |
| Employee benefits | 818,837 | 695,739 | 123,098 |
| Services and supplies | 1,021,751 | 774,410 | 247,341 |
| Capital outlay | 19,800 | 14,781 | 5,019 |
| Total human resources | 3,734,462 | 3,309,166 | 425,296 |
| City attorney | | | |
| Salaries and wages | 1,972,784 | 1,925,096 | 47,688 |
| Employee benefits | 833,513 | 776,742 | 56,771 |
| Services and supplies | 656,032 | 494,272 | 161,760 |
| Total city attorney | 3,462,329 | 3,196,110 | 266,219 |

(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, 2019

| | Final Budget | Actual | Variance |
|-------------------------------|--------------|------------|-----------|
| Community development | | | |
| Salaries and wages | 2,237,809 | 2,071,475 | 166,334 |
| Employee benefits | 1,072,277 | 968,223 | 104,054 |
| Services and supplies | 961,691 | 515,336 | 446,355 |
| Capital outlay | 17,500 | 17,500 | |
| Total community development | 4,289,277 | 3,572,534 | 716,743 |
| Building maintenance | | | |
| Salaries and wages | 3,655,892 | 3,618,652 | 37,240 |
| Employee benefits | 1,833,300 | 1,745,691 | 87,609 |
| Services and supplies | 3,828,626 | 3,665,894 | 162,732 |
| Total building maintenance | 9,317,818 | 9,030,237 | 287,581 |
| Public affairs | | | |
| Salaries and wages | 1,403,212 | 1,226,387 | 176,825 |
| Employee benefits | 651,291 | 531,693 | 119,598 |
| Services and supplies | 2,151,728 | 1,393,102 | 758,626 |
| Total public affairs | 4,206,231 | 3,151,182 | 1,055,049 |
| Internal audit | | | |
| Salaries and wages | 273,266 | 273,264 | 2 |
| Employee benefits | 115,003 | 114,419 | 584 |
| Services and supplies | 36,148 | 24,831 | 11,317 |
| Total internal audit | 424,417 | 412,514 | 11,903 |
| Miscellaneous | | | |
| Salaries and wages | 3,522,050 | 3,410,303 | 111,747 |
| Employee benefits | 600,000 | 546,562 | 53,438 |
| Services and supplies | 2,127,660 | 1,327,925 | 799,735 |
| Capital outlay | 80,704 | 65,430 | 15,274 |
| Total miscellaneous | 6,330,414 | 5,350,220 | 980,194 |
| Total general government | 53,875,868 | 47,824,087 | 6,051,781 |
| Judicial | | | |
| Municipal court | | | |
| Salaries and wages | 4,368,107 | 4,214,972 | 153,135 |
| Employee benefits | 2,334,647 | 2,189,014 | 145,633 |
| Services and supplies | 975,756 | 964,577 | 11,179 |
| Total municipal court | 7,678,510 | 7,368,563 | 309,947 |
| City attorney- criminal | | | |
| Salaries and wages | 2,408,845 | 2,287,347 | 121,498 |
| Employee benefits | 1,190,066 | 1,091,113 | 98,953 |
| Services and supplies | 327,384 | 294,693 | 32,691 |
| Total city attorney- criminal | 3,926,295 | 3,673,153 | 253,142 |
| Total judicial | 11,604,805 | 11,041,716 | 563,089 |
| Public safety | | | |
| Fire | | | |
| Salaries and wages | 34,566,462 | 34,164,596 | 401,866 |
| Employee benefits | 16,730,314 | 16,225,491 | 504,823 |
| Services and supplies | 5,080,905 | 5,017,958 | 62,947 |
| Total fire | 56,377,681 | 55,408,045 | 969,636 |

(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, 2019

| | Final Budget | Actual | Variance |
|-------------------------------------|--------------------|--------------------|------------------|
| Police | | | |
| Salaries and wages | 53,514,092 | 53,024,488 | 489,604 |
| Employee benefits | 30,219,333 | 27,620,880 | 2,598,453 |
| Services and supplies | 13,935,870 | 13,005,129 | 930,741 |
| Capital outlay | 30,258 | 23,150 | 7,108 |
| Total police | <u>97,699,553</u> | <u>93,673,647</u> | <u>4,025,906</u> |
| Building inspection | | | |
| Salaries and wages | 1,174,808 | 1,136,595 | 38,213 |
| Employee benefits | 588,622 | 566,526 | 22,096 |
| Services and supplies | 253,886 | 201,806 | 52,080 |
| Capital outlay | 1,486 | 1,486 | |
| Total building inspection | <u>2,018,802</u> | <u>1,906,413</u> | <u>112,389</u> |
| Total public safety | <u>156,096,036</u> | <u>150,988,105</u> | <u>5,107,931</u> |
| Public works | | | |
| Streets | | | |
| Salaries and wages | 861,196 | 861,119 | 77 |
| Employee benefits | 448,070 | 445,297 | 2,773 |
| Services and supplies | 1,121,362 | 1,102,101 | 19,261 |
| Total streets | <u>2,430,628</u> | <u>2,408,517</u> | <u>22,111</u> |
| Street lighting | | | |
| Salaries and wages | 1,013,956 | 867,775 | 146,181 |
| Employee benefits | 505,791 | 423,591 | 82,200 |
| Services and supplies | 2,328,129 | 2,129,085 | 199,044 |
| Total street lighting | <u>3,847,876</u> | <u>3,420,451</u> | <u>427,425</u> |
| Public works general services | | | |
| Salaries and wages | 2,310,083 | 1,972,001 | 338,082 |
| Employee benefits | 1,089,605 | 947,320 | 142,285 |
| Services and supplies | 1,419,366 | 564,618 | 854,748 |
| Total public works general services | <u>4,819,054</u> | <u>3,483,939</u> | <u>1,335,115</u> |
| Total public works | <u>11,097,558</u> | <u>9,312,907</u> | <u>1,784,651</u> |
| Culture and recreation | | | |
| Parks | | | |
| Salaries and wages | 7,698,699 | 7,425,993 | 272,706 |
| Employee benefits | 4,217,844 | 3,860,667 | 357,177 |
| Services and supplies | 8,183,062 | 7,442,019 | 741,043 |
| Capital outlay | 271,785 | 31,380 | 240,405 |
| Total parks | <u>20,371,390</u> | <u>18,760,059</u> | <u>1,611,331</u> |
| Recreation | | | |
| Salaries and wages | 12,075,328 | 11,617,872 | 457,456 |
| Employee benefits | 4,085,213 | 3,771,785 | 313,428 |
| Services and supplies | 4,265,707 | 4,249,315 | 16,392 |
| Total recreation | <u>20,426,248</u> | <u>19,638,972</u> | <u>787,276</u> |
| Total culture and recreation | <u>40,797,638</u> | <u>38,399,031</u> | <u>2,398,607</u> |

(Continued)

CITY OF HENDERSON, NEVADA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|--|---------------|---------------|--------------|
| Community support | | | |
| Economic development | | | |
| Salaries and wages | 446,767 | 473,753 | (26,986) |
| Employee benefits | 204,060 | 173,995 | 30,065 |
| Services and supplies | 367,489 | 339,154 | 28,335 |
| Total economic development | 1,018,316 | 986,902 | 31,414 |
| Neighborhood services | | | |
| Salaries and wages | 331,120 | 211,134 | 119,986 |
| Employee benefits | 172,848 | 100,000 | 72,848 |
| Services and supplies | 887,078 | 556,516 | 330,562 |
| Capital outlay | 16,248 | 16,247 | 1 |
| Total neighborhood services | 1,407,294 | 883,897 | 523,397 |
| Total community support | 2,425,610 | 1,870,799 | 554,811 |
| Total expenditures | 275,897,515 | 259,436,645 | 16,460,870 |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,169,881 | 22,814,936 | 21,645,055 |
| OTHER FINANCING SOURCES (USES) | | | |
| Gain (loss) on capital asset disposition | | 101,018 | 101,018 |
| Transfers out | (2,603,310) | (19,197,186) | (16,593,876) |
| Total other financing sources (uses) | (2,603,310) | (19,096,168) | (16,492,858) |
| CHANGE IN FUND BALANCE | (1,433,429) | 3,718,768 | 5,152,197 |
| FUND BALANCE, BEGINNING OF YEAR | 30,262,907 | 30,262,907 | |
| FUND BALANCE, END OF YEAR | \$ 28,829,477 | \$ 33,981,675 | \$ 5,152,198 |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|-------------------|---------------------|
| REVENUES | | | |
| Intergovernmental | \$ 21,459,251 | \$ 6,177,241 | \$ (15,282,010) |
| Miscellaneous | 500,000 | 261,177 | (238,823) |
| Total revenues | <u>21,959,251</u> | <u>6,438,418</u> | <u>(15,520,833)</u> |
| EXPENDITURES | | | |
| General government | | | |
| Services and supplies | <u>238,400</u> | <u>137,168</u> | <u>101,232</u> |
| Judicial | | | |
| Salaries and wages | 5,000 | 315 | 4,685 |
| Employee benefits | 2,000 | 14 | 1,986 |
| Services and supplies | 287,000 | 141,472 | 145,528 |
| Total judicial | <u>294,000</u> | <u>141,801</u> | <u>152,199</u> |
| Public safety | | | |
| Salaries and wages | 592,352 | 430,764 | 161,588 |
| Employee benefits | 134,346 | 41,485 | 92,861 |
| Services and supplies | 750,000 | 240,461 | 509,539 |
| Capital outlay | 1,800,000 | 458,606 | 1,341,394 |
| Total public safety | <u>3,276,698</u> | <u>1,171,316</u> | <u>2,105,382</u> |
| Public works | | | |
| Salaries and wages | | 1,720 | (1,720) |
| Employee benefits | | 782 | (782) |
| Services and supplies | 652,500 | 239,264 | 413,236 |
| Capital outlay | 3,700,000 | 936,121 | 2,763,879 |
| Total public works | <u>4,352,500</u> | <u>1,177,887</u> | <u>3,174,613</u> |
| Culture and recreation | | | |
| Salaries and wages | 200,000 | 206,780 | (6,780) |
| Employee benefits | 50,000 | 45,344 | 4,656 |
| Services and supplies | 2,000,000 | 1,280,411 | 719,589 |
| Capital outlay | 8,500,000 | 315,337 | 8,184,663 |
| Total culture and recreation | <u>10,750,000</u> | <u>1,847,872</u> | <u>8,902,128</u> |
| Community support | | | |
| Salaries and wages | 481,716 | 302,987 | 178,729 |
| Employee benefits | 268,286 | 154,017 | 114,269 |
| Services and supplies | 2,297,651 | 1,408,321 | 889,330 |
| Total community support | <u>3,047,653</u> | <u>1,865,325</u> | <u>1,182,328</u> |
| Total expenditures | <u>21,959,251</u> | <u>6,341,369</u> | <u>15,617,882</u> |
| CHANGE IN FUND BALANCE | | 97,049 | 97,049 |
| FUND BALANCE, BEGINNING OF YEAR | <u>477,179</u> | <u>477,179</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 477,179</u> | <u>\$ 574,228</u> | <u>\$ 97,049</u> |

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, 2019

| | Final Budget | Actual | Variance |
|--|----------------------|----------------------|---------------------|
| REVENUES | | | |
| Property taxes | \$ 16,174,676 | \$ 16,429,617 | \$ 254,941 |
| Investment income | 498,739 | 897,435 | 398,696 |
| Rental fees | | 888 | 888 |
| Miscellaneous | 15,314 | 28,863 | 13,549 |
| Total revenues | 16,688,729 | 17,356,803 | 668,074 |
| EXPENDITURES | | | |
| General government | | | |
| Salaries and wages | 803,604 | 668,759 | 134,845 |
| Employee benefits | 376,591 | 306,180 | 70,411 |
| Services and supplies | 20,449,130 | 11,601,007 | 8,848,123 |
| Total general government | 21,629,325 | 12,575,946 | 9,053,379 |
| Debt service | | | |
| Principal payments | 240,000 | 240,000 | |
| Interest charges | 379,350 | 379,350 | |
| Total debt service | 619,350 | 619,350 | |
| Total expenditures | 22,248,675 | 13,195,296 | 9,053,379 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (5,559,946) | 4,161,507 | 9,721,453 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | 893,605 | 893,605 |
| Transfers out | | (5,557,350) | (5,557,350) |
| Total other financing sources (uses) | | (4,663,745) | (4,663,745) |
| CHANGE IN FUND BALANCE | (5,559,946) | (502,238) | 5,057,708 |
| FUND BALANCE, BEGINNING OF YEAR | 28,777,361 | 28,777,361 | |
| FUND BALANCE, END OF YEAR | \$ 23,217,415 | \$ 28,275,123 | \$ 5,057,708 |

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, 2019

| | Final Budget | Actual | Variance |
|---|---------------------|----------------------|-----------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 4,701,546 | \$ 4,645,603 | \$ (55,943) |
| Investment income | <u>211,700</u> | <u>382,263</u> | <u>170,563</u> |
| Total revenues | <u>4,913,246</u> | <u>5,027,866</u> | <u>114,620</u> |
| EXPENDITURES | | | |
| Public works | | | |
| Salaries and wages | 504,859 | 500,132 | 4,727 |
| Employee benefits | 205,715 | 203,211 | 2,504 |
| Services and supplies | 2,244,094 | 590,710 | 1,653,384 |
| Capital outlay | <u>7,941,180</u> | <u>2,483,671</u> | <u>5,457,509</u> |
| Total public works | <u>10,895,848</u> | <u>3,777,724</u> | <u>7,118,124</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(5,982,602)</u> | <u>1,250,142</u> | <u>7,232,744</u> |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(90,000)</u> | <u>(230,000)</u> | <u>(140,000)</u> |
| CHANGE IN FUND BALANCE | (6,072,602) | 1,020,142 | 7,092,744 |
| FUND BALANCE, BEGINNING OF YEAR | <u>12,430,694</u> | <u>12,430,694</u> | <u> </u> |
| FUND BALANCE, END OF YEAR | <u>\$ 6,358,092</u> | <u>\$ 13,450,836</u> | <u>\$ 7,092,744</u> |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|-------------------|-------------------|
| REVENUES | | | |
| Fines and forfeitures | \$ 134,448 | \$ 159,747 | \$ 25,299 |
| Investment income | 7,340 | 10,379 | 3,039 |
| Miscellaneous | | 650 | 650 |
| Total revenues | <u>141,788</u> | <u>170,776</u> | <u>28,988</u> |
| EXPENDITURES | | | |
| Public safety | | | |
| Services and supplies | 587,007 | 444,465 | 142,542 |
| Capital outlay | 81,157 | 78,776 | 2,381 |
| Total public safety | <u>668,164</u> | <u>523,241</u> | <u>144,923</u> |
| CHANGE IN FUND BALANCE | (526,376) | (352,465) | 173,911 |
| FUND BALANCE, BEGINNING OF YEAR | <u>561,502</u> | <u>561,502</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 35,126</u> | <u>\$ 209,037</u> | <u>\$ 173,911</u> |

CITY OF HENDERSON, NEVADA

MUNICIPAL COURT ADMINISTRATIVE FEE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|--------------------------|----------------------------|--------------------------|
| REVENUES | | | |
| Fines and forfeitures | \$ <u>735,000</u> | \$ <u>1,006,549</u> | \$ <u>271,549</u> |
| EXPENDITURES | | | |
| Judicial | | | |
| Salaries and wages | 175,544 | 163,245 | 12,299 |
| Employee benefits | 91,768 | 72,254 | 19,514 |
| Services and supplies | 683,052 | 424,879 | 258,173 |
| Capital outlay | <u>115,000</u> | <u>115,000</u> | <u>115,000</u> |
| Total judicial | <u>1,065,364</u> | <u>660,378</u> | <u>404,986</u> |
| CHANGE IN FUND BALANCE | (330,364) | 346,171 | 676,535 |
| FUND BALANCE, BEGINNING OF YEAR | <u>803,061</u> | <u>803,061</u> | |
| FUND BALANCE, END OF YEAR | \$ <u><u>472,697</u></u> | \$ <u><u>1,149,232</u></u> | \$ <u><u>676,535</u></u> |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|----------------------|----------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 11,181 | \$ 11,371 | \$ 190 |
| Investment income | <u>384,000</u> | <u>685,472</u> | <u>301,472</u> |
| Total revenues | <u>395,181</u> | <u>696,843</u> | <u>301,662</u> |
| | | | |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>850,000</u> | <u>635,000</u> | <u>(215,000)</u> |
| | | | |
| CHANGE IN FUND BALANCE | 1,245,181 | 1,331,843 | 86,662 |
| | | | |
| FUND BALANCE, BEGINNING OF YEAR | <u>22,096,179</u> | <u>22,096,179</u> | |
| | | | |
| FUND BALANCE, END OF YEAR | <u>\$ 23,341,360</u> | <u>\$ 23,428,022</u> | <u>\$ 86,662</u> |

CITY OF HENDERSON, NEVADA

SALES AND USE TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|---|---------------|---------------|--------------|
| REVENUES | | | |
| Intergovernmental | \$ 17,700,000 | \$ 18,082,753 | \$ 382,753 |
| Charges for services | | 114,081 | 114,081 |
| Investment income | 11,190 | 31,013 | 19,823 |
| Miscellaneous | | 4,702 | 4,702 |
| Total revenues | 17,711,190 | 18,232,549 | 521,359 |
| EXPENDITURES | | | |
| Public safety | | | |
| Salaries and wages | 10,200,536 | 9,989,906 | 210,630 |
| Employee benefits | 5,670,906 | 5,501,418 | 169,488 |
| Services and supplies | 2,468,589 | 1,422,458 | 1,046,131 |
| Capital outlay | 118,621 | 118,620 | 1 |
| Total public safety | 18,458,652 | 17,032,402 | 1,426,250 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (747,462) | 1,200,147 | 1,947,609 |
| OTHER FINANCING USES | | | |
| Transfers out | (27,000) | (27,000) | |
| CHANGE IN FUND BALANCE | (774,462) | 1,173,147 | 1,947,609 |
| FUND BALANCE, BEGINNING OF YEAR | 4,726,617 | 4,726,617 | |
| FUND BALANCE, END OF YEAR | \$ 3,952,155 | \$ 5,899,764 | \$ 1,947,609 |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|-------------------|------------------|
| REVENUES | | | |
| Charges for services | \$ 70,000 | \$ 90,184 | \$ 20,184 |
| Investment income | <u>9,500</u> | <u>17,111</u> | <u>7,611</u> |
| Total revenues | <u>79,500</u> | <u>107,295</u> | <u>27,795</u> |
| EXPENDITURES | | | |
| Public safety | | | |
| Services and supplies | <u>75,000</u> | <u>17,157</u> | <u>57,843</u> |
| CHANGE IN FUND BALANCE | 4,500 | 90,138 | 85,638 |
| FUND BALANCE, BEGINNING OF YEAR | <u>360,390</u> | <u>360,390</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 364,890</u> | <u>\$ 450,528</u> | <u>\$ 85,638</u> |

CITY OF HENDERSON, NEVADA

ELDORADO VALLEY TRAINING FACILITY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|---|--------------|------------|------------|
| REVENUES | | | |
| Intergovernmental | \$ 55,000 | \$ 55,000 | \$ |
| Charges for services | 10,000 | | (10,000) |
| Investment income | 5,100 | 9,552 | 4,452 |
| Miscellaneous | 10,000 | 4,219 | (5,781) |
| Total revenues | 80,100 | 68,771 | (11,329) |
| EXPENDITURES | | | |
| Public safety | | | |
| Salaries and wages | 12,595 | 2,148 | 10,447 |
| Employee benefits | 2,014 | 1,247 | 767 |
| Services and supplies | 357,182 | 28,741 | 328,441 |
| Total public safety | 371,791 | 32,136 | 339,655 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (291,691) | 36,635 | 328,326 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 55,000 | 55,000 | |
| CHANGE IN FUND BALANCE | (236,691) | 91,635 | 328,326 |
| FUND BALANCE, BEGINNING OF YEAR | 262,848 | 262,848 | |
| FUND BALANCE, END OF YEAR | \$ 26,157 | \$ 354,483 | \$ 328,326 |

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, 2019

| | Final Budget | Actual | Variance |
|---------------------------------|--------------|--------------|------------|
| REVENUES | | | |
| Intergovernmental | \$ 4,776,000 | \$ 4,809,472 | \$ 33,472 |
| Charges for services | | 40,573 | 40,573 |
| Investment income | 28,500 | 59,251 | 30,751 |
| Miscellaneous | | 621 | 621 |
| Total revenues | 4,804,500 | 4,909,917 | 105,417 |
| EXPENDITURES | | | |
| Public safety | | | |
| Salaries and wages | 1,777,059 | 1,748,185 | 28,874 |
| Employee benefits | 1,130,181 | 1,122,633 | 7,548 |
| Services and supplies | 973,718 | 257,000 | 716,718 |
| Capital outlay | 139,621 | 124,598 | 15,023 |
| Total public safety | 4,020,579 | 3,252,416 | 768,163 |
| CHANGE IN FUND BALANCE | 783,921 | 1,657,501 | 873,580 |
| FUND BALANCE, BEGINNING OF YEAR | 2,373,886 | 2,373,886 | |
| FUND BALANCE, END OF YEAR | \$ 3,157,807 | \$ 4,031,387 | \$ 873,580 |

CITY OF HENDERSON, NEVADA

NEIGHBORHOOD IMPROVEMENT DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|---|--------------|-----------|-------------|
| REVENUES | | | |
| Charges for services | \$ 106,764 | \$ 72,079 | \$ (34,685) |
| Investment income | 275 | 685 | 410 |
| Miscellaneous | | 56 | 56 |
| Total revenues | 107,039 | 72,820 | (34,219) |
| EXPENDITURES | | | |
| Public works | | | |
| Salaries and wages | 3,000 | 2,211 | 789 |
| Employee benefits | 1,500 | 1,067 | 433 |
| Services and supplies | 127,264 | 106,962 | 20,302 |
| Total public works | 131,764 | 110,240 | 21,524 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (24,725) | (37,420) | (12,695) |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 50,000 | 50,000 | |
| CHANGE IN FUND BALANCE | 25,275 | 12,580 | (12,695) |
| FUND BALANCE, BEGINNING OF YEAR | | | |
| FUND BALANCE, END OF YEAR | \$ 25,275 | \$ 12,580 | \$ (12,695) |

CITY OF HENDERSON, NEVADA

RECREATION, CULTURAL EVENTS & TOURISM SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|--------------------------------------|--------------|------------|------------|
| REVENUES | | | |
| Licenses and permits | \$ 122,000 | \$ 131,331 | \$ 9,331 |
| Intergovernmental | | 141,136 | 141,136 |
| Investment income | | 2,718 | 2,718 |
| Total revenues | 122,000 | 275,185 | 153,185 |
| EXPENDITURES | | | |
| Culture and recreation | | | |
| Salaries and wages | 30,000 | 26,256 | 3,744 |
| Employee benefits | 13,612 | 9,253 | 4,359 |
| Services and supplies | 10,000 | | 10,000 |
| Total culture and recreation | 53,612 | 35,509 | 18,103 |
| EXCESS OF REVENUES OVER EXPENDITURES | 68,388 | 239,676 | 171,288 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 513,683 | 600,000 | 86,317 |
| CHANGE IN FUND BALANCE | 582,071 | 839,676 | 257,605 |
| FUND BALANCE, BEGINNING OF YEAR | | | |
| FUND BALANCE, END OF YEAR | \$ 582,071 | \$ 839,676 | \$ 257,605 |

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, 2019

| | Final Budget | Actual | Variance |
|--------------------------------------|--------------|--------------|------------|
| REVENUES | | | |
| Special assessments | \$ 89,821 | \$ 139,347 | \$ 49,526 |
| Investment income | 97,942 | 121,452 | 23,510 |
| Miscellaneous | | 3,332 | 3,332 |
| Total revenues | 187,763 | 264,131 | 76,368 |
| EXPENDITURES | | | |
| Public works | | | |
| Services and supplies | 108,530 | 4,706 | 103,824 |
| EXCESS OF REVENUES OVER EXPENDITURES | 79,233 | 259,425 | 180,192 |
| OTHER FINANCING USES | | | |
| Transfers out | (175,651) | (176,014) | (363) |
| CHANGE IN FUND BALANCE | (96,418) | 83,411 | 179,829 |
| FUND BALANCE, BEGINNING OF YEAR | 1,144,049 | 1,144,049 | |
| FUND BALANCE, END OF YEAR | \$ 1,047,631 | \$ 1,227,460 | \$ 179,829 |

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, 2019

| | Final Budget | Actual | Variance |
|---|---------------------|---------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 4,857,769 | \$ 4,935,031 | \$ 77,262 |
| Investment income | <u>147,100</u> | <u>268,726</u> | <u>121,626</u> |
| Total revenues | <u>5,004,869</u> | <u>5,203,757</u> | <u>198,888</u> |
| EXPENDITURES | | | |
| General government | | | |
| Services and supplies | <u>25,675</u> | <u>10,024</u> | <u>15,651</u> |
| Debt service | | | |
| Principal payments | 6,169,310 | 6,169,310 | |
| Interest charges | <u>4,365,620</u> | <u>4,365,619</u> | <u>1</u> |
| Total debt service | <u>10,534,930</u> | <u>10,534,929</u> | <u>1</u> |
| Total expenditures | <u>10,560,605</u> | <u>10,544,953</u> | <u>15,652</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(5,555,736)</u> | <u>(5,341,196)</u> | <u>214,540</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>6,512,404</u> | <u>6,733,094</u> | <u>220,690</u> |
| CHANGE IN FUND BALANCE | 956,668 | 1,391,898 | 435,230 |
| FUND BALANCE, BEGINNING OF YEAR | <u>6,740,701</u> | <u>6,740,701</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 7,697,369</u> | <u>\$ 8,132,599</u> | <u>\$ 435,230</u> |

CITY OF HENDERSON, NEVADA

MUNICIPAL FACILITIES ACQUISITION AND CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------------|----------------------|----------------------|
| REVENUES | | | |
| Investment income | \$ 381,100 | \$ 740,295 | \$ 359,195 |
| Developer contributions | 900,000 | 1,268,760 | 368,760 |
| Miscellaneous | <u>1,377,350</u> | | <u>(1,377,350)</u> |
| Total revenues | <u>2,658,450</u> | <u>2,009,055</u> | <u>(649,395)</u> |
| EXPENDITURES | | | |
| General government | | | |
| Services and supplies | 3,363,769 | 15,661 | 3,348,108 |
| Capital outlay | <u>248,452</u> | <u>73,508</u> | <u>174,944</u> |
| Total general government | <u>3,612,221</u> | <u>89,169</u> | <u>3,523,052</u> |
| Public safety | | | |
| Services and supplies | 2,745,617 | 758,006 | 1,987,611 |
| Capital outlay | <u>13,399,400</u> | <u>1,307,631</u> | <u>12,091,769</u> |
| Total public safety | <u>16,145,017</u> | <u>2,065,637</u> | <u>14,079,380</u> |
| Public works | | | |
| Salaries and wages | 49,000 | 21,139 | 27,861 |
| Employee benefits | 1,000 | 941 | 59 |
| Services and supplies | <u>638,915</u> | <u>33,316</u> | <u>605,599</u> |
| Total public works | <u>688,915</u> | <u>55,396</u> | <u>633,519</u> |
| Total expenditures | <u>20,446,153</u> | <u>2,210,202</u> | <u>18,235,951</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(17,787,703)</u> | <u>(201,147)</u> | <u>17,586,556</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 3,353,871 | 9,624,149 | 6,270,278 |
| Transfers out | <u>(3,065,000)</u> | <u>(2,215,000)</u> | <u>850,000</u> |
| Total other financing sources (uses) | <u>288,871</u> | <u>7,409,149</u> | <u>7,120,278</u> |
| CHANGE IN FUND BALANCE | (17,498,832) | 7,208,002 | 24,706,834 |
| FUND BALANCE, BEGINNING OF YEAR | <u>22,805,499</u> | <u>22,805,499</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 5,306,667</u> | <u>\$ 30,013,501</u> | <u>\$ 24,706,834</u> |

CITY OF HENDERSON, NEVADA

SPECIAL RECREATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|---|--------------|--------------|--------------|
| REVENUES | | | |
| Intergovernmental | \$ 1,655,114 | \$ 1,669,493 | \$ 14,379 |
| Charges for services | 100,000 | 61,085 | (38,915) |
| Investment income | 87,000 | 158,413 | 71,413 |
| Miscellaneous | 192,633 | 12,633 | (180,000) |
| Total revenues | 2,034,747 | 1,901,624 | (133,123) |
| EXPENDITURES | | | |
| Culture and recreation | | | |
| Salaries and wages | 7,266 | 7,074 | 192 |
| Employee benefits | 763 | 762 | 1 |
| Services and supplies | 2,713,530 | 1,301,890 | 1,411,640 |
| Capital outlay | 1,864,294 | 776,881 | 1,087,413 |
| Total culture and recreation | 4,585,853 | 2,086,607 | 2,499,246 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (2,551,106) | (184,983) | 2,366,123 |
| OTHER FINANCING SOURCES (USES) | | | |
| Gain (loss) on capital asset disposition | | 2,019 | 2,019 |
| Transfers in | | 180,000 | 180,000 |
| Transfers out | (274,794) | (274,794) | |
| Total other financing sources (uses) | (274,794) | (92,775) | 182,019 |
| CHANGE IN FUND BALANCE | (2,825,900) | (277,758) | 2,548,142 |
| FUND BALANCE, BEGINNING OF YEAR | 5,171,939 | 5,171,939 | |
| FUND BALANCE, END OF YEAR | \$ 2,346,039 | \$ 4,894,181 | \$ 2,548,142 |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| REVENUES | | | |
| Impact fees | \$ 1,050,000 | \$ 1,001,620 | \$ (48,380) |
| Investment income | 97,230 | 182,413 | 85,183 |
| Miscellaneous | | 50,000 | 50,000 |
| Total revenues | <u>1,147,230</u> | <u>1,234,033</u> | <u>86,803</u> |
| EXPENDITURES | | | |
| Culture and recreation | | | |
| Services and supplies | 195,680 | 68,450 | 127,230 |
| Capital outlay | 4,025,235 | 704,349 | 3,320,886 |
| Total culture and recreation | <u>4,220,915</u> | <u>772,799</u> | <u>3,448,116</u> |
| CHANGE IN FUND BALANCE | (3,073,685) | 461,234 | 3,534,919 |
| FUND BALANCE, BEGINNING OF YEAR | <u>5,685,194</u> | <u>5,685,194</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 2,611,509</u> | <u>\$ 6,146,428</u> | <u>\$ 3,534,919</u> |

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, 2019**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|-------------------|-----------------|
| REVENUES | | | |
| Investment income | \$ <u>10,000</u> | \$ <u>15,448</u> | \$ <u>5,448</u> |
| CHANGE IN FUND BALANCE | 10,000 | 15,448 | 5,448 |
| FUND BALANCE, BEGINNING OF YEAR | <u>200,351</u> | <u>200,351</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 210,351</u> | <u>\$ 215,799</u> | <u>\$ 5,448</u> |

CITY OF HENDERSON, NEVADA

RTC/COUNTY FUNDED CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|-------------------|----------------------|
| EXPENDITURES | | | |
| Public works | | | |
| Capital outlay | \$ <u>4,995</u> | \$ <u>4,995</u> | \$ <u> </u> |
| CHANGE IN FUND BALANCE | (4,995) | (4,995) | |
| FUND BALANCE, BEGINNING OF YEAR | <u>540,326</u> | <u>540,326</u> | <u> </u> |
| FUND BALANCE, END OF YEAR | <u>\$ 535,331</u> | <u>\$ 535,331</u> | <u>\$ </u> |

CITY OF HENDERSON, NEVADA

SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|--------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 1,300,000 | \$ 1,377,510 | \$ 77,510 |
| Investment income | <u>2,300</u> | <u>5,102</u> | <u>2,802</u> |
| Total revenues | <u>1,302,300</u> | <u>1,382,612</u> | <u>80,312</u> |
| | | | |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(1,300,000)</u> | <u>(1,300,000)</u> | |
| | | | |
| CHANGE IN FUND BALANCE | 2,300 | 82,612 | 80,312 |
| | | | |
| FUND BALANCE, BEGINNING OF YEAR | <u>295,977</u> | <u>295,977</u> | |
| | | | |
| FUND BALANCE, END OF YEAR | <u>\$ 298,277</u> | <u>\$ 378,589</u> | <u>\$ 80,312</u> |

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, 2019

| | Final Budget | Actual | Variance |
|--|---------------------|----------------------|----------------------|
| REVENUES | | | |
| Charges for services | \$ 100,000 | \$ 85,220 | \$ (14,780) |
| Investment income | 465,270 | 912,899 | 447,629 |
| Developer contributions | 275,000 | 275,000 | |
| Miscellaneous | 225,793 | 906,398 | 680,605 |
| Total revenues | 1,066,063 | 2,179,517 | 1,113,454 |
| EXPENDITURES | | | |
| General government | | | |
| Salaries and wages | 240,392 | 223,065 | 17,327 |
| Employee benefits | 49,763 | 30,353 | 19,410 |
| Services and supplies | 3,254,854 | 2,458,186 | 796,668 |
| Capital outlay | 7,490,375 | 2,405,883 | 5,084,492 |
| Total general government | 11,035,384 | 5,117,487 | 5,917,897 |
| Public safety | | | |
| Salaries and wages | 78,711 | 45,520 | 33,191 |
| Employee benefits | 15,191 | 13,047 | 2,144 |
| Services and supplies | 935,589 | 504,378 | 431,211 |
| Capital outlay | 5,590,425 | 2,570,675 | 3,019,750 |
| Total public safety | 6,619,916 | 3,133,620 | 3,486,296 |
| Public works | | | |
| Salaries and wages | 100 | 95 | 5 |
| Employee benefits | 359 | 188 | 171 |
| Services and supplies | 4,336,763 | 578,464 | 3,758,299 |
| Capital outlay | 8,648,300 | 994,337 | 7,653,963 |
| Total public works | 12,985,522 | 1,573,084 | 11,412,438 |
| Culture and recreation | | | |
| Services and supplies | 296,343 | 118,605 | 177,738 |
| Capital outlay | 2,049,932 | | 2,049,932 |
| Total culture and recreation | 2,346,275 | 118,605 | 2,227,670 |
| Total expenditures | 32,987,097 | 9,942,796 | 23,044,301 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (31,921,034) | (7,763,279) | 24,157,755 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 5,892,322 | 11,697,238 | 5,804,916 |
| Transfers out | (23,000) | (30,089) | (7,089) |
| Total other financing sources (uses) | 5,869,322 | 11,667,149 | 5,797,827 |
| CHANGE IN FUND BALANCE | (26,051,712) | 3,903,870 | 29,955,582 |
| FUND BALANCE, BEGINNING OF YEAR | 32,981,234 | 32,981,234 | |
| FUND BALANCE, END OF YEAR | \$ 6,929,522 | \$ 36,885,104 | \$ 29,955,582 |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------------|-----------------------------|------------------------------|
| REVENUES | | | |
| Investment income | \$ <u>92,938</u> | \$ <u>91,745</u> | \$ <u>(1,193)</u> |
| OTHER FINANCING USES | | | |
| Transfers out | <u>(3,353,871)</u> | <u>(3,346,799)</u> | <u>7,072</u> |
| CHANGE IN FUND BALANCE | <u>(3,260,933)</u> | <u>(3,255,054)</u> | <u>5,879</u> |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | 5,866,524 | |
| Adjustment | | <u>(2,611,470)</u> | |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | <u>5,866,524</u> | <u>3,255,054</u> | <u>(2,611,470)</u> |
| FUND BALANCE, END OF YEAR | \$ <u><u>2,605,591</u></u> | \$ <u><u> </u></u> | \$ <u><u>(2,605,591)</u></u> |

CITY OF HENDERSON, NEVADA

SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | Final Budget | Actual | Variance |
|---|---------------------|----------------------|----------------------|
| REVENUES | | | |
| Investment income | \$ 101,181 | \$ 590,556 | \$ 489,375 |
| Developer contributions | | <u>14,691,872</u> | <u>14,691,872</u> |
| Total revenues | <u>101,181</u> | <u>15,282,428</u> | <u>15,181,247</u> |
| EXPENDITURES | | | |
| Public works | | | |
| Services and supplies | 550,000 | 17,740 | 532,260 |
| Capital outlay | <u>12,372,176</u> | <u>460,852</u> | <u>11,911,324</u> |
| Total public works | <u>12,922,176</u> | <u>478,592</u> | <u>12,443,584</u> |
| Debt service | | | |
| Interest charges | <u>76,989</u> | <u>73,193</u> | <u>3,796</u> |
| Total expenditures | <u>12,999,165</u> | <u>551,785</u> | <u>12,447,380</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(12,897,984)</u> | <u>14,730,643</u> | <u>27,628,627</u> |
| OTHER FINANCING SOURCES | | | |
| Transfers in | <u>175,651</u> | <u>176,014</u> | <u>363</u> |
| CHANGE IN FUND BALANCE | (12,722,333) | 14,906,657 | 27,628,990 |
| FUND BALANCE, BEGINNING OF YEAR | <u>18,950,331</u> | <u>18,950,331</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 6,227,998</u> | <u>\$ 33,856,988</u> | <u>\$ 27,628,990</u> |

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, 2019

| | Final Budget | Actual | Variance |
|---|---------------|---------------|---------------|
| REVENUES | | | |
| Investment income | \$ 885,000 | \$ 1,257,204 | \$ 372,204 |
| Rental fees | | 18,913 | 18,913 |
| Miscellaneous | 30,000 | 590,018 | 560,018 |
| Total revenues | 915,000 | 1,866,135 | 951,135 |
| EXPENDITURES | | | |
| General government | | | |
| Salaries and wages | 183,106 | 184,333 | (1,227) |
| Employee benefits | 75,484 | 70,000 | 5,484 |
| Services and supplies | 117,837 | 61,145 | 56,692 |
| Total general government | 376,427 | 315,478 | 60,949 |
| Public works | | | |
| Salaries and wages | 135,871 | 109,672 | 26,199 |
| Employee benefits | 56,108 | 47,638 | 8,470 |
| Services and supplies | 1,079,008 | 285,215 | 793,793 |
| Capital outlay | 10,531,191 | 7,222,219 | 3,308,972 |
| Total public works | 11,802,178 | 7,664,744 | 4,137,434 |
| Total expenditures | 12,178,605 | 7,980,222 | 4,198,383 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (11,263,605) | (6,114,087) | 5,149,518 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from land sales | 9,600,000 | 15,724,314 | 6,124,314 |
| Transfers in | 400,000 | 400,000 | |
| Transfers out | (954,300) | (1,847,905) | (893,605) |
| Total other financing sources (uses) | 9,045,700 | 14,276,409 | 5,230,709 |
| CHANGE IN FUND BALANCE | (2,217,905) | 8,162,322 | 10,380,227 |
| FUND BALANCE, BEGINNING OF YEAR | 20,912,042 | 20,912,042 | |
| FUND BALANCE, END OF YEAR | \$ 18,694,137 | \$ 29,074,364 | \$ 10,380,227 |

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2019

Comprehensive Annual Financial Report City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

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 departments or agencies of the government and to other governmental units, on a cost reimbursement basis

Engineering Internal Service Fund - 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 Internal Service Fund - 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 Internal Service 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 Internal Service Fund - 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 Internal Service Fund - 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 Internal Service Fund - 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 Internal Service Fund - 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.



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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2019

| | Engineering | City Shop | Revolving | Self-Insurance | Worker's | | Citywide Services | Total Internal Service Funds |
|---|------------------|-------------------|------------------|------------------|-----------------------------|---------------------------------|-------------------|------------------------------|
| | | | | | Compensation Self-Insurance | Health Insurance Self-Insurance | | |
| ASSETS | | | | | | | | |
| Current assets | | | | | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 4,585,122 | \$ 13,427,870 | \$ 1,461,787 | \$ 7,795,414 | \$ 18,048,581 | \$ 11,108,537 | \$ 12,141,672 | \$ 68,568,983 |
| Cash, cash equivalents and investments, restricted | | | | | 2,397,000 | | | 2,397,000 |
| Accounts receivable, net | 17,334 | 20,280 | | | 40,694 | 60,139 | | 138,447 |
| Interest receivable | 15,006 | 34,204 | 5,060 | 25,148 | 59,361 | 25,034 | 39,159 | 202,972 |
| Inventories | | 118,520 | | | | | | 118,520 |
| Prepaid items | 427,391 | | | | | | 40,455 | 40,455 |
| Due from other governments | | | | | | | 4,360 | 431,751 |
| Total current assets | 5,044,853 | 13,600,874 | 1,466,847 | 7,820,562 | 20,545,636 | 11,193,710 | 12,225,646 | 71,898,128 |
| Noncurrent assets | | | | | | | | |
| Capital assets, net of accumulated depreciation and amortization | | | | | | | | |
| Construction in progress | | 1,466,300 | | | | | | 1,466,300 |
| 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 | 64,105,962 | | | | | | 64,120,347 |
| Accumulated depreciation and amortization | (14,385) | (43,790,658) | | | | | | (43,805,043) |
| Total capital assets, net of accumulated depreciation and amortization | | | | | | | | 23,957,638 |
| Other assets | | | | | | | | |
| Advances to other funds | | | 1,148,685 | | | | | 1,148,685 |
| Total assets | 5,044,853 | 37,558,512 | 2,615,532 | 7,820,562 | 20,545,636 | 11,193,710 | 12,225,646 | 97,004,451 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Deferred amounts related to pensions | 1,293,018 | 428,190 | | 165,515 | 244,522 | 34,625 | 214,151 | 2,380,021 |
| Deferred amounts related to other postemployment benefits | 37,862 | 2,704 | | 5,784 | 3,446 | 4,347 | 7,212 | 61,355 |
| Total deferred outflows of resources | 1,330,880 | 430,894 | | 171,299 | 247,968 | 38,972 | 221,363 | 2,441,376 |

(Continued)

CITY OF HENDERSON, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2019

| | Engineering | City Shop | Revolving | Self-Insurance | Worker's | | Health Insurance | Citywide Services | Total Internal Service Funds |
|---|-----------------------|----------------------|---------------------|---------------------|-----------------------------|---------------------|----------------------|----------------------|------------------------------|
| | | | | | Compensation Self-Insurance | Self-Insurance | | | |
| LIABILITIES | | | | | | | | | |
| Current liabilities | | | | | | | | | |
| Accounts payable and other accrued liabilities | 63,700 | 1,276,828 | | 19,177 | 42,475 | 39,996 | 433,577 | 1,875,753 | |
| Accrued wages | 170,337 | 61,011 | | 12,678 | 5,980 | 10,829 | 13,682 | 274,517 | |
| Unearned revenue | | | | | | 7,444 | | 7,444 | |
| Deposits | | | | | | | 6,151 | 6,151 | |
| Compensated absences | 121,976 | 33,990 | | 8,785 | 4,547 | 11,958 | 10,796 | 192,052 | |
| Claims and judgments | | | | 4,878,241 | 16,674,287 | 1,774,000 | | 23,326,528 | |
| Total current liabilities | <u>356,013</u> | <u>1,371,829</u> | | <u>4,918,881</u> | <u>16,727,289</u> | <u>1,844,227</u> | <u>464,206</u> | <u>25,682,445</u> | |
| Noncurrent liabilities | | | | | | | | | |
| Compensated absences | 1,265,124 | 352,540 | | 91,120 | 47,166 | 124,030 | 111,981 | 1,991,961 | |
| Other postemployment benefits | 1,016,597 | 91,201 | | 131,914 | 462,679 | 1,848,585 | 179,880 | 3,730,856 | |
| Net pension liability | 8,106,792 | 2,667,198 | | 1,030,364 | 1,631,893 | 202,313 | 1,322,945 | 14,961,505 | |
| Total noncurrent liabilities | <u>10,388,513</u> | <u>3,110,939</u> | | <u>1,253,398</u> | <u>2,141,738</u> | <u>2,174,928</u> | <u>1,614,806</u> | <u>20,684,322</u> | |
| Total liabilities | <u>10,744,526</u> | <u>4,482,768</u> | | <u>6,172,279</u> | <u>18,869,027</u> | <u>4,019,155</u> | <u>2,079,012</u> | <u>46,366,767</u> | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Deferred amounts related to pensions | 574,076 | 167,997 | | 78,274 | 93,821 | 9,927 | 84,354 | 1,008,449 | |
| Deferred amounts related to other postemployment benefits | 44,783 | 3,932 | | 5,918 | 18,686 | 2,202 | 7,988 | 83,509 | |
| Total deferred inflows of resources | <u>618,859</u> | <u>171,929</u> | | <u>84,192</u> | <u>112,507</u> | <u>12,129</u> | <u>92,342</u> | <u>1,091,958</u> | |
| NET POSITION | | | | | | | | | |
| Net investment in capital assets | | 23,957,638 | | | | | | 23,957,638 | |
| Restricted | | | | | | | | | |
| Claims | (4,987,652) | 9,377,071 | 2,615,532 | 1,735,390 | 1,812,070 | 7,201,398 | 10,275,655 | 10,748,858 | |
| Unrestricted | | | | | | | | 17,280,606 | |
| Total net position | <u>\$ (4,987,652)</u> | <u>\$ 33,334,709</u> | <u>\$ 2,615,532</u> | <u>\$ 1,735,390</u> | <u>\$ 1,812,070</u> | <u>\$ 7,201,398</u> | <u>\$ 10,275,655</u> | <u>\$ 51,987,102</u> | |

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

| | Engineering | City Shop | Revolving | Self-Insurance | Worker's | | Citywide Services | Total Internal Service Funds |
|--|--------------------|--------------------|------------------|--------------------|-----------------------------|---------------------------------|--------------------|------------------------------|
| | | | | | Compensation Self-Insurance | Health Insurance Self-Insurance | | |
| OPERATING REVENUES | | | | | | | | |
| Charges for services | \$ 8,797,444 | \$ 8,430,688 | \$ 73,193 | \$ 3,193,038 | \$ 6,119,150 | \$ 20,620,100 | \$ 12,366,998 | \$ 59,600,611 |
| OPERATING EXPENSES | | | | | | | | |
| Salaries and wages | 4,508,296 | 1,625,807 | | 388,033 | 196,452 | 261,801 | 371,950 | 7,352,339 |
| Employee benefits | 1,639,629 | 707,340 | | 112,866 | 44,345 | 76,416 | 107,994 | 2,688,590 |
| Services and supplies | 2,099,909 | 4,412,278 | | 1,301,894 | 1,491,831 | 2,855,175 | 9,839,446 | 22,000,533 |
| Claims and judgments | | | | 3,725,172 | 3,752,982 | 16,188,284 | | 23,666,438 |
| Legal fees | | | | | 51,772 | | | 51,772 |
| Depreciation and amortization | | 3,582,719 | | | | | | 3,582,719 |
| Total operating expenses | <u>8,247,834</u> | <u>10,328,144</u> | | <u>5,527,965</u> | <u>5,537,382</u> | <u>19,381,676</u> | <u>10,319,390</u> | <u>59,342,391</u> |
| Operating income (loss) | <u>549,610</u> | <u>(1,897,456)</u> | <u>73,193</u> | <u>(2,334,927)</u> | <u>581,768</u> | <u>1,238,424</u> | <u>2,047,608</u> | <u>258,220</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Investment income | 133,834 | 305,779 | 49,459 | 220,100 | 535,600 | 284,115 | 342,999 | 1,871,886 |
| Gain (loss) on capital asset disposition | | 291,008 | | | (13,608) | | | 291,008 |
| Interest expense | | | | | | | 24,279 | (13,608) |
| Miscellaneous | 132,057 | 172,986 | | 5,770 | | | | 335,092 |
| Total nonoperating revenues (expenses) | <u>265,891</u> | <u>769,773</u> | <u>49,459</u> | <u>225,870</u> | <u>521,992</u> | <u>284,115</u> | <u>367,278</u> | <u>2,484,378</u> |
| Income (loss) before capital contributions and transfers | <u>815,501</u> | <u>(1,127,683)</u> | <u>122,652</u> | <u>(2,109,057)</u> | <u>1,103,760</u> | <u>1,522,539</u> | <u>2,414,886</u> | <u>2,742,598</u> |
| CAPITAL CONTRIBUTIONS | | | | | | | | |
| Capital contributions | | 1,649,631 | | | | | | 1,649,631 |
| TRANSFERS | | | | | | | | |
| Transfers in | | 5,000,000 | | | | | 212,270 | 5,212,270 |
| Transfers out | | | (470,000) | | | | (1,602,322) | (2,072,322) |
| Total transfers | | <u>5,000,000</u> | <u>(470,000)</u> | | | | <u>(1,390,052)</u> | <u>3,139,948</u> |
| CHANGE IN NET POSITION | 815,501 | 5,521,948 | (347,348) | (2,109,057) | 1,103,760 | 1,522,539 | 1,024,834 | 7,532,177 |
| NET POSITION, BEGINNING OF YEAR | (5,803,153) | 27,812,761 | 2,962,880 | 3,844,447 | 708,310 | 5,678,859 | 9,250,821 | 44,454,925 |
| NET POSITION, END OF YEAR | <u>(4,987,652)</u> | <u>33,334,709</u> | <u>2,615,532</u> | <u>1,735,390</u> | <u>1,812,070</u> | <u>7,201,398</u> | <u>10,275,655</u> | <u>51,987,102</u> |

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

| | Engineering | City Shop | Revolving | Self-Insurance | Worker's | | | Total Internal Service Funds |
|--|--------------|---------------|--------------|----------------|-----------------------------|---------------------------------|-------------------|------------------------------|
| | | | | | Compensation Self-Insurance | Health Insurance Self-Insurance | Citywide Services | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Cash received from customers | \$ 1,515,601 | \$ | \$ | \$ | \$ | \$ 2,047,882 | \$ 5,577 | \$ 3,569,060 |
| Cash received from other sources | 132,057 | 173,805 | | 5,770 | | | 24,279 | 335,911 |
| Cash payments for goods and services | (4,117,248) | (4,361,369) | | (2,077,458) | (3,708,543) | (18,939,995) | (10,049,876) | (43,254,489) |
| Cash payments for employee services | (4,561,744) | (1,590,139) | | (414,802) | (203,350) | (223,809) | (372,222) | (7,366,066) |
| Cash payments for interfund services | 7,141,168 | 8,430,688 | 73,193 | 3,193,038 | 6,119,150 | 18,572,747 | 12,354,708 | 55,884,692 |
| Net cash provided by operating activities | 109,834 | 2,652,985 | 73,193 | 706,548 | 2,207,257 | 1,456,825 | 1,962,466 | 9,169,108 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Transfers in | | 5,000,000 | | | | | 212,270 | 5,212,270 |
| Transfers out | | | (470,000) | | | | (1,602,322) | (2,072,322) |
| Repayments of advances from other funds | | | 102,821 | | | | | 102,821 |
| Interest payments on claims | | | | | (13,608) | | | (13,608) |
| Net cash provided by (used in) noncapital financing activities | | | (367,179) | | (13,608) | | (1,390,052) | 3,229,161 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Acquisition and construction of capital assets | | (4,708,707) | | | | | | (4,708,707) |
| Proceeds received from disposal of capital assets | | 354,194 | | | | | | 354,194 |
| Net cash used in capital financing activities | | (4,354,513) | | | | | | (4,354,513) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Investment income | 130,434 | 296,263 | 49,124 | 212,962 | 516,485 | 276,151 | 337,869 | 1,819,288 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 240,268 | 3,594,735 | (244,862) | 919,510 | 2,710,134 | 1,732,976 | 910,283 | 9,863,044 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 4,344,854 | 9,833,135 | 1,706,649 | 6,875,904 | 17,735,447 | 9,375,561 | 11,231,389 | 61,102,939 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | | | | | | | |
| Unrestricted | 4,585,122 | 13,427,870 | 1,461,787 | 7,795,414 | 18,048,581 | 11,108,537 | 12,141,672 | 68,568,983 |
| Restricted | 4,585,122 | 13,427,870 | 1,461,787 | 7,795,414 | 2,397,000 | 11,108,537 | 12,141,672 | 2,397,000 |
| | \$ 4,585,122 | \$ 13,427,870 | \$ 1,461,787 | \$ 7,795,414 | \$ 20,445,581 | \$ 11,108,537 | \$ 12,141,672 | \$ 70,965,983 |

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2019

| | Engineering | City Shop | Revolving | Self-Insurance | Worker's | | Citywide Services | Total Internal Service Funds |
|---|-------------|----------------|-----------|----------------|-----------------------------|---------------------------------|-------------------|------------------------------|
| | | | | | Compensation Self-Insurance | Health Insurance Self-Insurance | | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | | | | |
| Operating income (loss) | \$ 549,610 | \$ (1,897,456) | \$ 73,193 | \$ (2,334,927) | \$ 581,768 | \$ 1,238,424 | \$ 2,047,608 | \$ 258,220 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | | | | | |
| Depreciation | | 3,582,719 | | | | | | 3,582,719 |
| Other | 132,057 | 172,986 | | 5,770 | | | 24,279 | 335,092 |
| (Increase) decrease in operating assets | | | | | | | | |
| Accounts receivable | 1,728 | 819 | | | 64,621 | (41,575) | 69,350 | 25,593 |
| Prepaid items | | | | | | | 1,217 | (141,186) |
| Due from other funds | (142,403) | | | | | | | 9,130 |
| Inventories | | 9,130 | | | | | | |
| Increase (decrease) in operating liabilities | | | | | | | | |
| Accounts payable and other accrued liabilities | (17,250) | 792,466 | | (3,748) | (7,937) | (3,193) | (109,704) | 650,634 |
| Accrued wages | 12,801 | 3,938 | 4 | | 115 | 4,840 | 1,235 | 22,933 |
| Compensated absences | (66,249) | 31,730 | | (26,773) | (7,013) | 33,152 | (1,507) | (36,660) |
| Claims and judgments | | | | 3,117,168 | 1,604,916 | 124,000 | (56,718) | 4,846,084 |
| Other postemployment benefits | (297,772) | (21,269) | | (45,494) | (27,104) | 98,400 | (5,364) | (349,957) |
| Net pension liability | (62,688) | (22,078) | | (5,452) | (2,109) | (3,302) | (7,930) | (100,993) |
| Deposits | | | | | | 6,079 | | (7,930) |
| Unearned revenue | | | | | | 218,401 | | 6,079 |
| Total adjustments | (439,776) | 4,550,441 | | 3,041,475 | 1,625,489 | (85,142) | | 8,910,888 |
| Net cash provided by operating activities | \$ 109,834 | \$ 2,652,985 | \$ 73,193 | \$ 706,548 | \$ 2,207,257 | \$ 1,456,825 | \$ 1,962,466 | \$ 9,169,108 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| Contribution of capital assets | | \$ 1,649,631 | | | | | | \$ 1,649,631 |

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, 2019

| | Final Budget | Actual | Variance |
|---------------------------------|--------------|----------------|--------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 9,123,168 | \$ 8,797,444 | \$ (325,724) |
| OPERATING EXPENSES | | | |
| Salaries and wages | 5,011,717 | 4,508,296 | 503,421 |
| Employee benefits | 2,325,508 | 1,639,629 | 685,879 |
| Services and supplies | 2,159,964 | 2,099,909 | 60,055 |
| Total operating expenses | 9,497,189 | 8,247,834 | 1,249,355 |
| Operating income (loss) | (374,021) | 549,610 | 923,631 |
| NONOPERATING REVENUES | | | |
| Investment income | 74,000 | 133,834 | 59,834 |
| Miscellaneous | - | 132,057 | 132,057 |
| Total nonoperating revenues | 74,000 | 265,891 | 191,891 |
| CHANGE IN NET POSITION | \$ (300,021) | 815,501 | \$ 1,115,522 |
| NET POSITION, BEGINNING OF YEAR | | (5,803,153) | |
| NET POSITION, END OF YEAR | | \$ (4,987,652) | |

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, 2019

| | Final Budget | Actual | Variance |
|---|----------------|---------------|--------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 8,430,688 | \$ 8,430,688 | \$ _____ |
| OPERATING EXPENSES | | | |
| Salaries and wages | 1,714,179 | 1,625,807 | 88,372 |
| Employee benefits | 806,301 | 707,340 | 98,961 |
| Services and supplies | 5,230,236 | 4,412,278 | 817,958 |
| Depreciation and amortization | 3,554,711 | 3,582,719 | (28,008) |
| Total operating expenses | 11,305,427 | 10,328,144 | 977,283 |
| Operating loss | (2,874,739) | (1,897,456) | 977,283 |
| NONOPERATING REVENUES | | | |
| Investment income | 166,000 | 305,779 | 139,779 |
| Gain (loss) on capital asset disposition | 94,000 | 291,008 | 197,008 |
| Miscellaneous | 150,000 | 172,986 | 22,986 |
| Total nonoperating revenues | 410,000 | 769,773 | 359,773 |
| Loss before capital contributions and transfers | (2,464,739) | (1,127,683) | 1,337,056 |
| CAPITAL CONTRIBUTIONS | | | |
| Capital contributions | _____ | 1,649,631 | 1,649,631 |
| TRANSFERS | | | |
| Transfers in | _____ | 5,000,000 | 5,000,000 |
| CHANGE IN NET POSITION | \$ (2,464,739) | 5,521,948 | \$ 7,986,687 |
| NET POSITION, BEGINNING OF YEAR | | 27,812,761 | |
| NET POSITION, END OF YEAR | | \$ 33,334,709 | |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|----------------------------|------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ <u>37,000</u> | \$ <u>73,193</u> | \$ <u>36,193</u> |
| NONOPERATING REVENUES | | | |
| Investment income | <u>29,000</u> | <u>49,459</u> | <u>20,459</u> |
| Income before transfers | <u>66,000</u> | <u>122,652</u> | <u>56,652</u> |
| TRANSFERS | | | |
| Transfers out | <u>(470,000)</u> | <u>(470,000)</u> | |
| CHANGE IN NET POSITION | \$ <u>(404,000)</u> | (347,348) | \$ <u>56,652</u> |
| NET POSITION, BEGINNING OF YEAR | | <u>2,962,880</u> | |
| NET POSITION, END OF YEAR | | \$ <u><u>2,615,532</u></u> | |

CITY OF HENDERSON, NEVADA

SELF-INSURANCE INTERNAL SERVICE FUND

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------------|---------------------|-----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 3,193,036 | \$ 3,193,038 | \$ 2 |
| OPERATING EXPENSES | | | |
| Salaries and wages | 430,957 | 388,033 | 42,924 |
| Employee benefits | 166,231 | 112,866 | 53,365 |
| Services and supplies | 1,704,108 | 1,301,894 | 402,214 |
| Claims and judgments | 1,443,764 | 3,725,172 | (2,281,408) |
| Legal fees | 75,000 | | 75,000 |
| Total operating expenses | <u>3,820,060</u> | <u>5,527,965</u> | <u>(1,707,905)</u> |
| Operating loss | <u>(627,024)</u> | <u>(2,334,927)</u> | <u>(1,707,903)</u> |
| NONOPERATING REVENUES | | | |
| Investment income | 118,000 | 220,100 | 102,100 |
| Miscellaneous | | 5,770 | 5,770 |
| Total nonoperating revenues | <u>118,000</u> | <u>225,870</u> | <u>107,870</u> |
| CHANGE IN NET POSITION | \$ <u>(509,024)</u> | (2,109,057) | \$ <u>(1,600,033)</u> |
| NET POSITION, BEGINNING OF YEAR | | <u>3,844,447</u> | |
| NET POSITION, END OF YEAR | | \$ <u>1,735,390</u> | |

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, 2019

| | Final Budget | Actual | Variance |
|--|--------------|--------------|--------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 6,165,852 | \$ 6,119,150 | \$ (46,702) |
| OPERATING EXPENSES | | | |
| Salaries and wages | 228,866 | 196,452 | 32,414 |
| Employee benefits | 75,225 | 44,345 | 30,880 |
| Services and supplies | 1,487,816 | 1,491,831 | (4,015) |
| Claims and judgments | 4,923,032 | 3,752,982 | 1,170,050 |
| Legal fees | 48,000 | 51,772 | (3,772) |
| Total operating expenses | 6,762,939 | 5,537,382 | 1,225,557 |
| Operating income (loss) | (597,087) | 581,768 | 1,178,855 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 271,000 | 535,600 | 264,600 |
| Interest expense | | (13,608) | (13,608) |
| Total nonoperating revenues (expenses) | 271,000 | 521,992 | 250,992 |
| CHANGE IN NET POSITION | \$ (326,087) | 1,103,760 | \$ 1,429,847 |
| NET POSITION, BEGINNING OF YEAR | | 708,310 | |
| NET POSITION, END OF YEAR | | \$ 1,812,070 | |

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, 2019

| | Final Budget | Actual | Variance |
|---------------------------------|---------------|---------------|--------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 20,490,164 | \$ 20,620,100 | \$ 129,936 |
| OPERATING EXPENSES | | | |
| Salaries and wages | 231,152 | 261,801 | (30,649) |
| Employee benefits | 115,240 | 76,416 | 38,824 |
| Services and supplies | 2,800,840 | 2,855,175 | (54,335) |
| Claims and judgments | 17,560,697 | 16,188,284 | 1,372,413 |
| Total operating expenses | 20,707,929 | 19,381,676 | 1,326,253 |
| Operating income (loss) | (217,765) | 1,238,424 | 1,456,189 |
| NONOPERATING REVENUES | | | |
| Investment income | 145,000 | 284,115 | 139,115 |
| CHANGE IN NET POSITION | \$ (72,765) | 1,522,539 | \$ 1,595,304 |
| NET POSITION, BEGINNING OF YEAR | | 5,678,859 | |
| NET POSITION, END OF YEAR | | \$ 7,201,398 | |

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, 2019**

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------------|-----------------------------|----------------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ <u>12,377,987</u> | \$ <u>12,366,998</u> | \$ <u>(10,989)</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 394,663 | 371,950 | 22,713 |
| Employee benefits | 182,851 | 107,994 | 74,857 |
| Services and supplies | <u>13,088,404</u> | <u>9,839,446</u> | <u>3,248,958</u> |
| Total operating expenses | <u>13,665,918</u> | <u>10,319,390</u> | <u>3,346,528</u> |
| Operating income (loss) | <u>(1,287,931)</u> | <u>2,047,608</u> | <u>3,335,539</u> |
| NONOPERATING REVENUES | | | |
| Investment income | 181,000 | 342,999 | 161,999 |
| Miscellaneous | | <u>24,279</u> | <u>24,279</u> |
| Total nonoperating revenues | <u>181,000</u> | <u>367,278</u> | <u>186,278</u> |
| Income (loss) before transfers | <u>(1,106,931)</u> | <u>2,414,886</u> | <u>3,521,817</u> |
| TRANSFERS | | | |
| Transfers in | | 212,270 | 212,270 |
| Transfers out | <u>(1,602,322)</u> | <u>(1,602,322)</u> | |
| Total transfers | <u>(1,602,322)</u> | <u>(1,390,052)</u> | <u>212,270</u> |
| CHANGE IN NET POSITION | \$ <u><u>(2,709,253)</u></u> | 1,024,834 | \$ <u><u>3,734,087</u></u> |
| NET POSITION, BEGINNING OF YEAR | | <u>9,250,821</u> | |
| NET POSITION, END OF YEAR | | \$ <u><u>10,275,655</u></u> | |

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2019

| | Cultural Arts and Tourism | Municipal Golf Course | Aggregate Other Enterprise Funds |
|--|------------------------------|--------------------------|--|
| ASSETS | | | |
| Current assets | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 3,789,405 | \$ 139,294 | \$ 3,928,699 |
| Cash, cash equivalents and investments, restricted | 10,750,000 | | 10,750,000 |
| Accounts receivable, net | 350 | 133,601 | 133,951 |
| Interest receivable | 38,178 | 443 | 38,621 |
| Due from other governments | 116,183 | | 116,183 |
| Total current assets | <u>14,694,116</u> | <u>273,338</u> | <u>14,967,454</u> |
| Noncurrent assets | | | |
| Capital assets, net of accumulated depreciation and amortization | | | |
| Land | | 13,799,929 | 13,799,929 |
| Buildings and building improvements | | 5,660,600 | 5,660,600 |
| Improvements other than buildings | | 23,922,059 | 23,922,059 |
| Machinery and equipment | | 2,335,103 | 2,335,103 |
| Accumulated depreciation and amortization | | <u>(19,427,976)</u> | <u>(19,427,976)</u> |
| Total capital assets, net of accumulated depreciation and amortization | | <u>26,289,715</u> | <u>26,289,715</u> |
| Total noncurrent assets | | <u>26,289,715</u> | <u>26,289,715</u> |
| Total assets | <u>14,694,116</u> | <u>26,563,053</u> | <u>41,257,169</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amounts related to pensions | 101,652 | | 101,652 |
| Deferred amounts related to other postemployment benefits | 11,516 | | 11,516 |
| Total deferred outflows of resources | <u>113,168</u> | | <u>113,168</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and other accrued liabilities | 901,443 | 19,750 | 921,193 |
| Accrued wages | 24,761 | | 24,761 |
| Deposits | 6,863 | | 6,863 |
| Compensated absences | 12,000 | | 12,000 |
| Total current liabilities | <u>945,067</u> | <u>19,750</u> | <u>964,817</u> |
| Noncurrent liabilities | | | |
| Compensated absences | 124,652 | | 124,652 |
| Other postemployment benefits | 263,841 | | 263,841 |
| Net pension liability | 189,741 | | 189,741 |
| Total noncurrent liabilities | <u>578,234</u> | | <u>578,234</u> |
| Total liabilities | <u>1,523,301</u> | <u>19,750</u> | <u>1,543,051</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amounts related to other postemployment benefits | 11,830 | | 11,830 |
| NET POSITION | | | |
| Net investment in capital assets | | 26,289,715 | 26,289,715 |
| Restricted | | | |
| Capital projects and system development | 10,750,000 | | 10,750,000 |
| Unrestricted | <u>2,522,153</u> | <u>253,588</u> | <u>2,775,741</u> |
| Total net position | <u>\$ 13,272,153</u> | <u>\$ 26,543,303</u> | <u>\$ 39,815,456</u> |

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2019

| | Cultural Arts and Tourism | Municipal Golf Course | Aggregate Other Enterprise Funds |
|--|------------------------------|--------------------------|--|
| OPERATING REVENUES | | | |
| Charges for services | \$ 700,596 | \$ 2,111,955 | \$ 2,812,551 |
| Licenses and permits | 412,381 | | 412,381 |
| Rental fees | 220,565 | | 220,565 |
| Miscellaneous | 6,789 | 43,106 | 49,895 |
| Total operating revenues | <u>1,340,331</u> | <u>2,155,061</u> | <u>3,495,392</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 1,516,743 | | 1,516,743 |
| Employee benefits | 424,283 | | 424,283 |
| Services and supplies | 3,317,973 | 2,205,758 | 5,523,731 |
| Depreciation and amortization | 100,970 | 307,189 | 408,159 |
| Total operating expenses | <u>5,359,969</u> | <u>2,512,947</u> | <u>7,872,916</u> |
| Operating loss | <u>(4,019,638)</u> | <u>(357,886)</u> | <u>(4,377,524)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 304,965 | 4,331 | 309,296 |
| Gain (loss) on capital asset disposition | (1,892,601) | (3,000) | (1,895,601) |
| Room tax revenue | 2,356,678 | | 2,356,678 |
| Other intergovernmental revenue | 1,570,708 | | 1,570,708 |
| Gain on transfer of noncurrent liabilities | 3,121,680 | | 3,121,680 |
| Miscellaneous | 694,964 | | 694,964 |
| Total nonoperating revenues (expenses) | <u>6,156,394</u> | <u>1,331</u> | <u>6,157,725</u> |
| Income (loss) before transfers | <u>2,136,756</u> | <u>(356,555)</u> | <u>1,780,201</u> |
| TRANSFERS | | | |
| Transfers in | <u>4,000,000</u> | | <u>4,000,000</u> |
| CHANGE IN NET POSITION | 6,136,756 | (356,555) | 5,780,201 |
| NET POSITION, BEGINNING OF YEAR | 7,135,397 | 26,899,858 | 34,035,255 |
| NET POSITION, END OF YEAR | <u>\$ 13,272,153</u> | <u>\$ 26,543,303</u> | <u>\$ 39,815,456</u> |

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

| | Cultural Arts and Tourism | Municipal Golf Course | Aggregate Other Enterprise Funds |
|--|------------------------------|--------------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received from customers | \$ 1,296,453 | \$ 2,203,243 | \$ 3,499,696 |
| Cash received from other sources | 4,622,350 | | 4,622,350 |
| Cash payments for goods and services | (3,077,393) | (2,219,692) | (5,297,085) |
| Cash payments for employee services | (1,562,680) | | (1,562,680) |
| Net cash provided by (used in) operating activities | 1,278,730 | (16,449) | 1,262,281 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | 4,000,000 | | 4,000,000 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | (1,073) | (16,192) | (17,265) |
| Interest payments on debt | (11,516) | | (11,516) |
| Net cash used in capital financing activities | (12,589) | (16,192) | (28,781) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment income | 290,403 | 4,410 | 294,813 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 5,556,544 | (28,231) | 5,528,313 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 8,982,861 | 167,525 | 9,150,386 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | | |
| Unrestricted | 3,789,405 | 139,294 | 3,928,699 |
| Restricted | 10,750,000 | | 10,750,000 |
| | \$ 14,539,405 | \$ 139,294 | \$ 14,678,699 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Operating loss | \$ (4,019,638) | \$ (357,886) | \$ (4,377,524) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | |
| Depreciation | 100,970 | 307,189 | 408,159 |
| Other | 4,622,350 | | 4,622,350 |
| (Increase) decrease in operating assets | | | |
| Accounts receivable | 12,609 | 48,182 | 60,791 |
| Due from other governments | (35,800) | | (35,800) |
| Increase (decrease) in operating liabilities | | | |
| Accounts payable and other accrued liabilities | 812,165 | (13,934) | 798,231 |
| Accrued wages | (34,086) | | (34,086) |
| Compensated absences | (19,120) | | (19,120) |
| Other postemployment benefits | (120,412) | | (120,412) |
| Net pension liability | (16,964) | | (16,964) |
| Deposits | (2,657) | | (2,657) |
| Unearned revenue | (20,687) | | (20,687) |
| Total adjustments | 5,298,368 | 341,437 | 5,639,805 |
| Net cash provided by (used in) operating activities | \$ 1,278,730 | \$ (16,449) | \$ 1,262,281 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Transfer of capital assets | \$ 1,892,601 | | \$ 1,892,601 |
| Transfer of noncurrent liabilities | \$ 3,121,680 | | \$ 3,121,680 |

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, 2019

| | Final Budget | Actual | Variance |
|--|----------------|----------------|---------------|
| OPERATING REVENUES | | | |
| Utilities fees | \$ 76,100,000 | \$ 76,162,215 | \$ 62,215 |
| Connection fees | 1,500,000 | 1,699,851 | 199,851 |
| Late charges | 1,300,000 | 1,390,211 | 90,211 |
| Miscellaneous | 65,000 | 272,893 | 207,893 |
| Total operating revenues | 78,965,000 | 79,525,170 | 560,170 |
| OPERATING EXPENSES | | | |
| Salaries and wages | 13,715,922 | 13,616,840 | 99,082 |
| Employee benefits | 6,483,959 | 5,398,053 | 1,085,906 |
| Water purchases | 29,582,344 | 26,744,845 | 2,837,499 |
| Services and supplies | 24,637,610 | 21,081,471 | 3,556,139 |
| Depreciation and amortization | 11,250,000 | 11,041,935 | 208,065 |
| Total operating expenses | 85,669,835 | 77,883,144 | 7,786,691 |
| Operating income (loss) | (6,704,835) | 1,642,026 | 8,346,861 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 1,710,000 | 3,195,481 | 1,485,481 |
| Gain (loss) on capital asset disposition | | (515,856) | (515,856) |
| Interest expense | (190,434) | (50,952) | 139,482 |
| Miscellaneous | | 641 | 641 |
| Total nonoperating revenues (expenses) | 1,519,566 | 2,629,314 | 1,109,748 |
| Income (loss) before capital contributions and transfers | (5,185,269) | 4,271,340 | 9,456,609 |
| CAPITAL CONTRIBUTIONS | | | |
| Capital contributions | 5,318,000 | 10,608,572 | 5,290,572 |
| TRANSFERS | | | |
| Transfers in | | 3,544 | 3,544 |
| Transfers out | (1,700,000) | (2,061,000) | (361,000) |
| Total transfers | (1,700,000) | (2,057,456) | (357,456) |
| CHANGE IN NET POSITION | \$ (1,567,269) | 12,822,456 | \$ 14,389,725 |
| NET POSITION, BEGINNING OF YEAR | | 481,502,364 | |
| NET POSITION, END OF YEAR | | \$ 494,324,820 | |

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, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|---------------------|-----------------------|----------------------|
| OPERATING REVENUES | | | |
| Utilities fees | \$ 46,865,000 | \$ 47,638,844 | \$ 773,844 |
| Connection fees | 160,000 | 389,114 | 229,114 |
| Late charges | 600,000 | 574,097 | (25,903) |
| Intergovernmental | 300,000 | 524,356 | 224,356 |
| Miscellaneous | 50,000 | 211,020 | 161,020 |
| Total operating revenues | <u>47,975,000</u> | <u>49,337,431</u> | <u>1,362,431</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 11,471,632 | 10,570,860 | 900,772 |
| Employee benefits | 5,544,432 | 4,389,122 | 1,155,310 |
| Services and supplies | 21,834,192 | 19,372,335 | 2,461,857 |
| Depreciation and amortization | 13,500,000 | 12,774,205 | 725,795 |
| Total operating expenses | <u>52,350,256</u> | <u>47,106,522</u> | <u>5,243,734</u> |
| Operating income (loss) | <u>(4,375,256)</u> | <u>2,230,909</u> | <u>6,606,165</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 1,650,000 | 3,034,869 | 1,384,869 |
| Gain (loss) on capital asset disposition | | (742,061) | (742,061) |
| Interest expense | (3,723,969) | (3,451,263) | 272,706 |
| Sales tax revenue | 5,600,000 | 5,908,827 | 308,827 |
| Miscellaneous | | 1,374 | 1,374 |
| Total nonoperating revenues (expenses) | <u>3,526,031</u> | <u>4,751,746</u> | <u>1,225,715</u> |
| Income (loss) before capital contributions and transfers | <u>(849,225)</u> | <u>6,982,655</u> | <u>7,831,880</u> |
| CAPITAL CONTRIBUTIONS | | | |
| Capital contributions | <u>7,000,000</u> | <u>17,070,602</u> | <u>10,070,602</u> |
| TRANSFERS | | | |
| Transfers in | | 3,545 | 3,545 |
| Transfers out | (1,650,000) | (1,928,000) | (278,000) |
| Total transfers | <u>(1,650,000)</u> | <u>(1,924,455)</u> | <u>(274,455)</u> |
| CHANGE IN NET POSITION | <u>\$ 4,500,775</u> | 22,128,802 | <u>\$ 17,628,027</u> |
| NET POSITION, BEGINNING OF YEAR | | <u>545,142,176</u> | |
| NET POSITION, END OF YEAR | | <u>\$ 567,270,978</u> | |

CITY OF HENDERSON, NEVADA

DEVELOPMENT SERVICES ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|-----------------------|-----------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 12,578,281 | \$ 13,019,805 | \$ 441,524 |
| Licenses and permits | 5,819,539 | 5,887,780 | 68,241 |
| Intergovernmental | | 6,116 | 6,116 |
| Miscellaneous | 2,093 | 2,501 | 408 |
| Total operating revenues | <u>18,399,913</u> | <u>18,916,202</u> | <u>516,289</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 8,278,196 | 7,179,159 | 1,099,037 |
| Employee benefits | 3,694,106 | 2,931,056 | 763,050 |
| Services and supplies | 8,602,636 | 7,787,831 | 814,805 |
| Depreciation and amortization | 15,000 | 12,270 | 2,730 |
| Total operating expenses | <u>20,589,938</u> | <u>17,910,316</u> | <u>2,679,622</u> |
| Operating income (loss) | <u>(2,190,025)</u> | <u>1,005,886</u> | <u>3,195,911</u> |
| NONOPERATING REVENUES | | | |
| Investment income | <u>240,000</u> | <u>439,048</u> | <u>199,048</u> |
| CHANGE IN NET POSITION | <u>\$ (1,950,025)</u> | 1,444,934 | <u>\$ 3,394,959</u> |
| NET POSITION, BEGINNING OF YEAR | | <u>(5,236,597)</u> | |
| NET POSITION, END OF YEAR | | <u>\$ (3,791,663)</u> | |

CITY OF HENDERSON, NEVADA

CULTURAL ARTS AND TOURISM ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2019

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-----------------------|----------------------|----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 522,500 | \$ 700,596 | \$ 178,096 |
| Licenses and permits | 600,000 | 412,381 | (187,619) |
| Rental fees | 258,100 | 220,565 | (37,535) |
| Miscellaneous | 5,500 | 6,789 | 1,289 |
| Total operating revenues | <u>1,386,100</u> | <u>1,340,331</u> | <u>(45,769)</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 1,857,513 | 1,516,743 | 340,770 |
| Employee benefits | 692,242 | 424,283 | 267,959 |
| Services and supplies | 10,523,122 | 3,317,973 | 7,205,149 |
| Depreciation and amortization | 120,000 | 100,970 | 19,030 |
| Total operating expenses | <u>13,192,877</u> | <u>5,359,969</u> | <u>7,832,908</u> |
| Operating loss | <u>(11,806,777)</u> | <u>(4,019,638)</u> | <u>7,787,139</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 159,100 | 304,965 | 145,865 |
| Gain (loss) on capital asset disposition | (1,900,000) | (1,892,601) | 7,399 |
| Room tax revenue | 2,078,000 | 2,356,678 | 278,678 |
| Other intergovernmental revenue | 1,553,409 | 1,570,708 | 17,299 |
| Gain on transfer of noncurrent liabilities | | 3,121,680 | 3,121,680 |
| Miscellaneous | 669,036 | 694,964 | 25,928 |
| Total nonoperating revenues (expenses) | <u>2,559,545</u> | <u>6,156,394</u> | <u>3,596,849</u> |
| Income (loss) before transfers | <u>(9,247,232)</u> | <u>2,136,756</u> | <u>11,383,988</u> |
| TRANSFERS | | | |
| Transfers in | | 4,000,000 | 4,000,000 |
| Transfers out | (513,683) | | 513,683 |
| Total transfers | <u>(513,683)</u> | <u>4,000,000</u> | <u>4,513,683</u> |
| CHANGE IN NET POSITION | <u>\$ (9,760,915)</u> | 6,136,756 | <u>\$ 15,897,671</u> |
| NET POSITION, BEGINNING OF YEAR | | <u>7,135,397</u> | |
| NET POSITION, END OF YEAR | | <u>\$ 13,272,153</u> | |

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, 2019

| | Final Budget | Actual | Variance |
|--|--------------|---------------|--------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 2,273,775 | \$ 2,111,955 | \$ (161,820) |
| Miscellaneous | | 43,106 | 43,106 |
| Total operating revenues | 2,273,775 | 2,155,061 | (118,714) |
| OPERATING EXPENSES | | | |
| Services and supplies | 2,336,097 | 2,205,758 | 130,339 |
| Depreciation and amortization | 325,000 | 307,189 | 17,811 |
| Total operating expenses | 2,661,097 | 2,512,947 | 148,150 |
| Operating loss | (387,322) | (357,886) | 29,436 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 2,200 | 4,331 | 2,131 |
| Gain (loss) on capital asset disposition | | (3,000) | (3,000) |
| Miscellaneous | 35,000 | | (35,000) |
| Total nonoperating revenues (expenses) | 37,200 | 1,331 | (35,869) |
| CHANGE IN NET POSITION | \$ (350,122) | (356,555) | \$ (6,433) |
| NET POSITION, BEGINNING OF YEAR | | 26,899,858 | |
| NET POSITION, END OF YEAR | | \$ 26,543,303 | |



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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.



CITY OF HENDERSON, NEVADA

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019**

| | <u>Section 125 Plan</u> | <u>Traffic Signal</u> | <u>Forfeited Assets</u> | <u>Paving Frontage</u> | <u>Special Assessment Districts</u> | <u>Total Agency Funds</u> |
|---|-------------------------|-----------------------|-------------------------|------------------------|---|-------------------------------|
| ASSETS | | | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 197,796 | \$ 10,588,121 | \$ 387,508 | \$ 81,776 | \$ 28,696,522 | \$ 39,951,723 |
| Special assessments receivable | | | | | 351,239 | 351,239 |
| Total assets | <u>\$ 197,796</u> | <u>\$ 10,588,121</u> | <u>\$ 387,508</u> | <u>\$ 81,776</u> | <u>\$ 29,047,761</u> | <u>\$ 40,302,962</u> |
| LIABILITIES | | | | | | |
| Due to developers | | \$ 10,588,121 | | \$ 81,776 | | \$ 10,669,897 |
| Due to employees | 197,796 | | | | | 197,796 |
| Due to others | | | 387,508 | | 29,047,761 | 29,435,269 |
| Total liabilities | <u>\$ 197,796</u> | <u>\$ 10,588,121</u> | <u>\$ 387,508</u> | <u>\$ 81,776</u> | <u>\$ 29,047,761</u> | <u>\$ 40,302,962</u> |

CITY OF HENDERSON, NEVADA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance June 30, 2019 |
|--|-------------------------|---------------|---------------|--------------------------|
| SECTION 125 PLAN | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 186,264 | \$ 849,701 | \$ 838,169 | \$ 197,796 |
| LIABILITIES | | | | |
| Due to employees | \$ 186,264 | \$ 849,701 | \$ 838,169 | \$ 197,796 |
| TRAFFIC SIGNAL | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 9,440,414 | \$ 1,160,007 | \$ 12,300 | \$ 10,588,121 |
| LIABILITIES | | | | |
| Due to developers | \$ 9,440,414 | \$ 1,160,007 | \$ 12,300 | \$ 10,588,121 |
| FORFEITED ASSETS | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 237,336 | \$ 467,283 | \$ 317,111 | \$ 387,508 |
| LIABILITIES | | | | |
| Due to others | \$ 237,336 | \$ 467,283 | \$ 317,111 | \$ 387,508 |
| PAVING FRONTAGE | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 80,226 | \$ 1,550 | | \$ 81,776 |
| LIABILITIES | | | | |
| Due to developers | \$ 80,226 | \$ 1,550 | | \$ 81,776 |
| SPECIAL ASSESSMENT DISTRICTS | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 28,247,274 | \$ 32,420,957 | \$ 31,971,709 | \$ 28,696,522 |
| Special assessments receivable | 497,616 | 12,430 | 158,807 | 351,239 |
| Total assets | \$ 28,744,890 | \$ 32,433,387 | \$ 32,130,516 | \$ 29,047,761 |
| LIABILITIES | | | | |
| Due to others | \$ 28,744,890 | \$ 32,432,743 | \$ 32,129,872 | \$ 29,047,761 |
| Due to other governments | | 644 | 644 | |
| Total liabilities | \$ 28,744,890 | \$ 32,433,387 | \$ 32,130,516 | \$ 29,047,761 |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 38,191,514 | \$ 34,899,498 | \$ 33,139,289 | \$ 39,951,723 |
| Special assessments receivable | 497,616 | 12,430 | 158,807 | 351,239 |
| Total assets | \$ 38,689,130 | \$ 34,911,928 | \$ 33,298,096 | \$ 40,302,962 |
| LIABILITIES | | | | |
| Due to developers | \$ 9,520,640 | \$ 1,161,557 | \$ 12,300 | \$ 10,669,897 |
| Due to employees | 186,264 | 849,701 | 838,169 | 197,796 |
| Due to others | 28,982,226 | 32,900,026 | 32,446,983 | 29,435,269 |
| Due to other governments | | 644 | 644 | |
| Total liabilities | \$ 38,689,130 | \$ 34,911,928 | \$ 33,298,096 | \$ 40,302,962 |



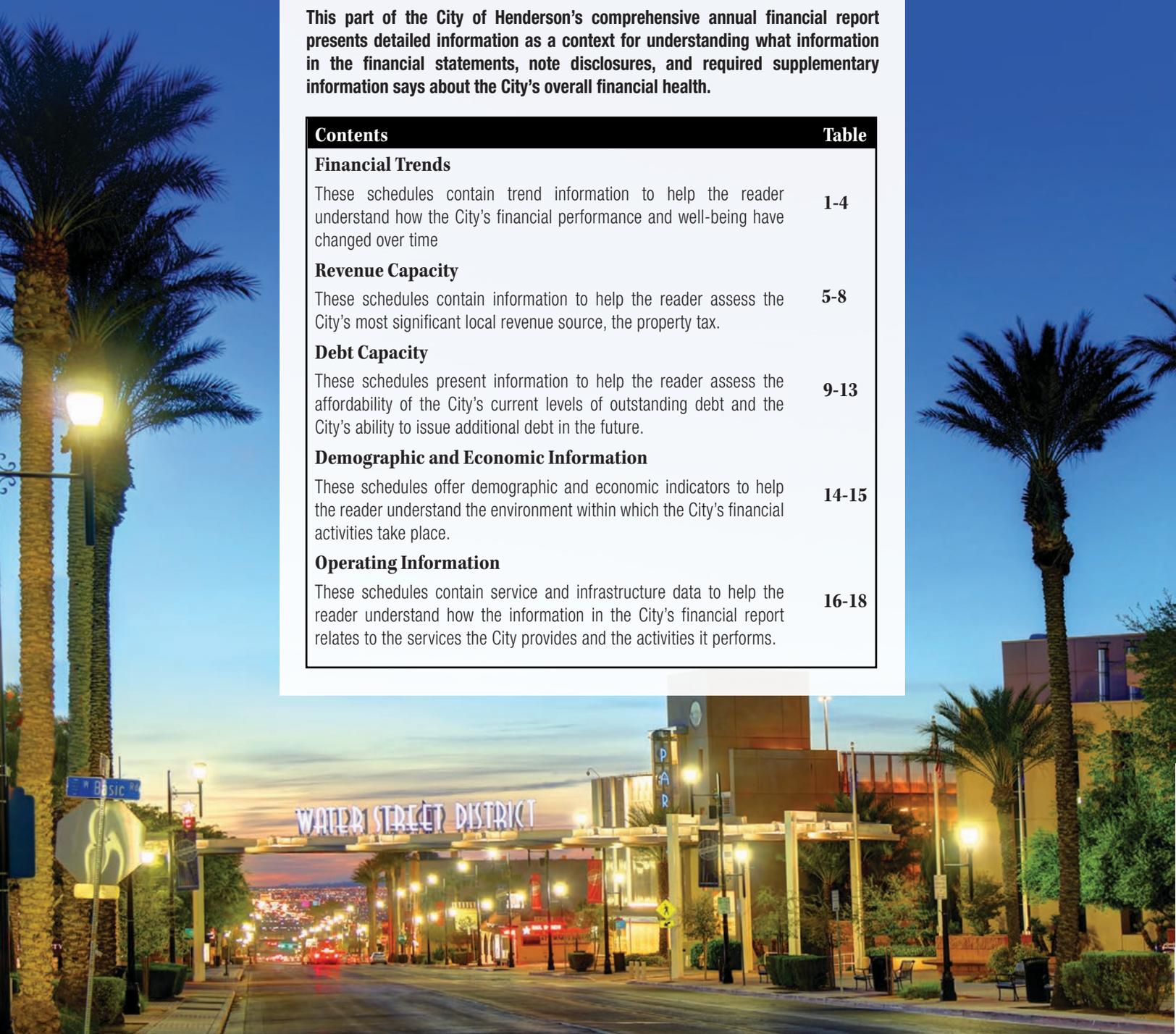
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Comprehensive Annual Financial Report City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

STATISTICAL SECTION

This part of the City of Henderson's comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| Contents | Table |
|--|-------|
| Financial Trends | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time | 1-4 |
| Revenue Capacity | |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | 5-8 |
| Debt Capacity | |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 9-13 |
| Demographic and Economic Information | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 14-15 |
| Operating Information | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 16-18 |



CITY OF HENDERSON, NEVADA

TABLE 1 – NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 1,284,908,783 | \$ 1,334,875,084 | \$ 1,391,457,251 | \$ 1,377,259,345 | \$ 1,327,111,404 | \$ 1,365,423,723 | \$ 1,476,900,561 | \$ 1,535,572,974 | \$ 1,571,088,765 | \$ 1,603,799,207 |
| Restricted | 314,860,901 | 273,915,622 | 235,191,764 | 210,529,977 | 179,220,120 | 173,216,725 | 154,848,468 | 150,368,722 | 142,073,684 | 178,123,014 |
| Unrestricted | 77,704,211 | 77,453,363 | 69,583,399 | 62,500,084 | 81,948,297 | (215,965,382) | (199,668,677) | (275,016,720) | (257,057,994) | (245,069,012) |
| Total governmental activities | 1,677,473,895 | 1,686,244,069 | 1,696,232,414 | 1,650,289,406 | 1,588,279,821 | 1,322,675,066 | 1,432,080,352 | 1,410,924,976 | 1,456,104,425 | 1,536,853,209 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 862,809,319 | 880,946,820 | 873,340,088 | 846,172,666 | 831,640,345 | 835,080,514 | 856,794,239 | 878,228,166 | 905,555,423 | 919,833,177 |
| Restricted | 93,754,763 | 52,357,776 | 48,462,130 | 13,987,769 | 11,182,393 | 6,941,323 | 2,498,955 | 2,646,316 | 6,465,320 | 16,349,684 |
| Unrestricted | 98,897,518 | 95,130,847 | 88,282,105 | 111,824,498 | 115,597,495 | 81,096,813 | 100,289,094 | 94,894,149 | 94,403,642 | 110,919,928 |
| Total business-type activities | 1,055,461,600 | 1,028,435,443 | 1,010,084,323 | 971,984,933 | 958,420,233 | 923,118,650 | 959,582,288 | 975,768,631 | 1,006,424,385 | 1,047,102,789 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 2,147,718,102 | 2,215,821,904 | 2,264,797,339 | 2,223,432,011 | 2,158,751,749 | 2,200,504,237 | 2,333,694,800 | 2,413,801,140 | 2,476,644,188 | 2,523,632,384 |
| Restricted | 408,615,664 | 326,273,398 | 283,653,894 | 224,517,746 | 190,402,513 | 180,158,048 | 157,347,423 | 153,015,038 | 148,538,974 | 194,472,698 |
| Unrestricted | 176,601,729 | 172,584,210 | 157,865,504 | 174,324,582 | 197,545,792 | (134,868,569) | (99,379,583) | (180,122,571) | (162,654,352) | (134,149,084) |
| Total primary government | \$ 2,732,935,495 | \$ 2,714,679,512 | \$ 2,706,316,737 | \$ 2,622,274,339 | \$ 2,546,700,054 | \$ 2,245,793,716 | \$ 2,391,662,640 | \$ 2,386,693,607 | \$ 2,462,528,810 | \$ 2,583,955,998 |

1. Due to Governmental Accounting Standards Board (GASB) 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, Adoption of these standards resulted in a negative unrestricted net position in governmental activities and the total unrestricted net position and significantly reduced the unrestricted net position for business-type activities.

CITY OF HENDERSON, NEVADA

TABLE 2 - CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 56,692,760 | \$ 52,900,058 | \$ 54,671,522 | \$ 60,686,477 | \$ 47,826,017 | \$ 51,514,550 | \$ 49,590,212 | \$ 51,926,527 | \$ 59,933,998 | \$ 62,997,651 |
| Judicial | 11,535,842 | 12,979,313 | 12,710,426 | 14,002,003 | 13,089,666 | 12,639,795 | 12,589,050 | 13,357,418 | 11,613,257 | 11,176,164 |
| Public safety | 128,874,376 | 129,840,967 | 136,086,182 | 138,260,143 | 138,652,346 | 136,718,517 | 146,672,330 | 161,673,077 | 173,233,070 | 163,724,635 |
| Public works | 73,247,603 | 74,665,903 | 77,151,783 | 75,900,091 | 104,652,659 | 29,181,216 | 31,107,461 | 37,656,505 | 35,668,455 | 34,616,021 |
| Culture and recreation | 42,085,811 | 44,729,292 | 47,012,306 | 46,200,390 | 44,259,523 | 45,399,004 | 47,766,606 | 50,969,703 | 50,566,579 | 50,752,764 |
| Community support | 7,176,141 | 8,601,886 | 6,542,584 | 4,952,021 | 7,686,894 | 4,601,580 | 5,482,324 | 4,229,302 | 4,983,380 | 3,098,245 |
| Interest on long-term debt | 8,607,438 | 8,358,181 | 6,313,732 | 6,056,717 | 6,206,019 | 6,564,502 | 5,355,076 | 5,327,171 | 5,203,461 | 4,966,704 |
| Total governmental activities | 328,219,971 | 332,075,600 | 340,488,535 | 346,057,842 | 362,373,124 | 286,619,164 | 298,563,059 | 325,159,703 | 341,202,200 | 331,332,184 |
| Business-type activities | | | | | | | | | | |
| Water | 79,669,396 | 84,611,740 | 85,564,061 | 83,514,646 | 83,097,653 | 74,573,926 | 72,092,583 | 74,717,817 | 77,037,042 | 78,149,917 |
| Sewer | 49,498,225 | 52,306,007 | 53,996,011 | 53,979,377 | 58,692,077 | 46,919,969 | 46,729,422 | 49,348,476 | 50,641,990 | 51,560,957 |
| Other | 19,490,239 | 18,592,183 | 16,763,572 | 17,257,464 | 19,458,866 | 22,739,006 | 20,734,070 | 23,889,845 | 25,397,480 | 27,778,624 |
| Total business-type activities | 148,657,860 | 155,509,930 | 156,323,644 | 154,751,464 | 161,248,596 | 144,232,901 | 139,556,075 | 147,956,138 | 153,076,512 | 157,489,498 |
| Total primary government expenses | \$ 476,877,831 | \$ 487,585,530 | \$ 496,812,179 | \$ 500,809,306 | \$ 523,621,720 | \$ 430,852,065 | \$ 438,119,134 | \$ 473,095,841 | \$ 494,278,712 | \$ 488,821,682 |
| Program revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 12,364,344 | \$ 12,755,255 | \$ 13,313,837 | \$ 12,352,918 | \$ 11,044,740 | \$ 13,292,167 | \$ 13,757,049 | \$ 14,436,435 | \$ 18,853,199 | \$ 19,730,688 |
| Public safety | 15,501,879 | 16,781,182 | 23,261,773 | 22,577,786 | 20,964,266 | 24,610,026 | 25,340,791 | 22,031,787 | 29,740,829 | 28,816,964 |
| Culture and recreation | 7,437,937 | 7,159,485 | 7,431,387 | 7,364,419 | 7,409,742 | 7,722,084 | 8,527,581 | 8,611,809 | 8,923,064 | 9,308,707 |
| Other | 1,958,860 | 2,162,404 | 2,764,981 | 2,582,372 | 2,414,590 | 2,734,632 | 3,412,951 | 3,579,496 | 2,254,358 | 2,824,426 |
| Operating grants and contributions | 10,864,690 | 14,981,464 | 10,108,605 | 10,625,816 | 12,891,586 | 9,081,006 | 9,395,210 | 8,053,316 | 8,130,952 | 6,514,970 |
| Capital grants and contributions | 186,667,654 | 90,276,209 | 97,763,977 | 58,672,921 | 39,008,389 | 61,258,310 | 116,030,640 | 72,920,117 | 55,362,844 | 54,182,748 |
| Total governmental activities | 234,795,364 | 144,115,999 | 154,644,560 | 114,176,232 | 93,733,313 | 118,698,225 | 176,464,222 | 129,632,960 | 123,265,246 | 121,378,503 |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water | 57,032,464 | 60,343,146 | 61,939,043 | 63,425,581 | 65,174,318 | 68,588,979 | 69,553,882 | 73,838,739 | 77,090,283 | 79,252,277 |
| Sewer | 31,321,424 | 33,408,659 | 35,023,243 | 37,434,262 | 40,083,332 | 43,019,179 | 45,196,126 | 45,975,977 | 47,305,300 | 48,619,555 |
| Other | 9,461,451 | 9,539,537 | 10,576,098 | 14,335,875 | 16,328,422 | 18,933,819 | 23,017,454 | 21,567,461 | 20,606,084 | 22,817,895 |
| Operating grants and contributions | 439,769 | 252,284 | 88,378 | 20,000 | 20,000 | | | | | |
| Capital grants and contributions | 46,258,599 | 16,454,579 | 14,658,033 | 10,187,969 | 19,717,458 | 15,058,529 | 30,019,342 | 21,326,556 | 30,349,483 | 27,595,157 |
| Total business-type activities | 144,513,707 | 119,998,205 | 122,284,795 | 125,403,687 | 141,303,530 | 145,600,506 | 167,786,804 | 162,708,733 | 175,351,150 | 178,284,884 |
| Total primary government program revenues | \$ 379,309,071 | \$ 264,114,204 | \$ 276,929,355 | \$ 239,579,919 | \$ 235,036,843 | \$ 264,298,731 | \$ 344,251,026 | \$ 292,341,693 | \$ 298,616,396 | \$ 299,663,387 |
| Net (expenses) program revenues | \$ (93,424,607) | \$ (187,959,601) | \$ (185,843,975) | \$ (231,881,610) | \$ (268,639,811) | \$ (167,920,939) | \$ (122,098,837) | \$ (195,506,743) | \$ (217,936,954) | \$ (209,953,681) |
| Governmental activities | (4,144,153) | (35,311,725) | (34,038,849) | (29,347,777) | (19,945,066) | 1,367,605 | 28,230,729 | 14,752,595 | 22,274,638 | 20,795,386 |
| Business-type activities | (97,568,760) | (223,271,326) | (219,882,824) | (261,229,387) | (288,584,877) | (166,553,334) | (93,868,108) | (180,754,148) | (195,663,316) | (189,158,295) |
| Primary government | | | | | | | | | | |

(Continued)

CITY OF HENDERSON, NEVADA

TABLE 2 - CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|--|------------------------|------------------------|------------------------|--------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|-------------------------|
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | \$ 94,879,894 | \$ 74,856,808 | \$ 67,805,008 | \$ 63,320,080 | \$ 63,982,175 | \$ 67,332,544 | \$ 72,832,645 | \$ 75,820,135 | \$ 82,592,579 | \$ 91,134,869 |
| Intergovernmental revenues - consolidated tax | 70,110,772 | 73,965,376 | 81,088,044 | 81,088,044 | 88,013,859 | 94,093,208 | 97,764,145 | 103,694,983 | 110,094,368 | 118,869,105 |
| Other taxes | 43,968,045 | 43,534,106 | 45,310,894 | 45,472,996 | 47,983,783 | 50,837,097 | 53,270,190 | 56,379,672 | 62,149,029 | 64,178,120 |
| Increase (decrease) in fair value of investments | 7,187,788 ⁴ | 3,211,723 ⁴ | 3,807,539 | (3,569,677) ⁹ | 3,115,696 ¹ | 2,942,486 | 3,598,318 | 658,995 ⁵ | 1,804,414 ⁵ | 8,377,585 ⁵ |
| Unrestricted investment income | 660,264 | 4,782 | 505,220 | 2,231,741 | 185,299 | 205,287 | 341,836 | 6,257,270 ² | 4,402,727 | 8,106,733 ¹⁶ |
| Gain on disposal of capital assets | 1,641,563 | 1,377,894 | 4,509,623 ⁶ | 632,593 | 812,423 | 1,183,010 | 1,437,835 | 1,490,441 | 1,799,429 | 1,819,297 |
| Miscellaneous | 2,317,722 | (220,914) | (3,221,142) | (4,794,708) | 2,536,991 | 1,985,265 | 2,259,154 | (94,253) | 2,855,358 | (1,783,244) |
| Transfers | 220,766,048 | 196,729,775 | 195,832,320 | 188,392,122 | 206,630,226 | 218,578,897 | 231,504,123 | 244,207,243 | 265,697,904 | 290,702,465 |
| Total governmental activities | <u>\$ 229,948,808</u> | <u>\$ 205,015,343</u> | <u>\$ 211,520,049</u> | <u>\$ 198,017,584</u> | <u>\$ 213,010,592</u> | <u>\$ 225,774,320</u> | <u>\$ 239,737,032</u> | <u>\$ 252,865,189</u> | <u>\$ 274,079,020</u> | <u>\$ 310,585,483</u> |
| Business-type activities | | | | | | | | | | |
| Other taxes | 5,250,092 | 4,878,184 | 5,354,081 | 5,669,539 | 6,160,172 | 6,720,073 | 7,152,053 | 7,537,348 | 7,841,058 | 8,265,505 |
| Increase (decrease) in fair value of investments | 5,383,141 ⁴ | 2,252,165 ⁴ | 3,055,567 | (3,045,590) ⁹ | 2,271,148 ¹ | 1,973,790 | 2,695,143 | 26,858 ⁵ | 1,171,910 ⁵ | 6,978,694 ⁵ |
| Unrestricted investment income | 6,080 | 934,305 | 4,056,939 ⁷ | 496,494 | 1,995 | 486,825 | 644,867 | 999,487 | 2,223,506 | 3,420 |
| Gain on disposal of capital assets | 861,169 | 220,914 | 3,221,142 | 4,794,708 | (2,536,991) | (1,985,265) | (2,259,154) | 94,253 | (2,855,358) | 2,852,155 |
| Miscellaneous | (2,317,722) | 8,285,568 | 15,687,729 | 9,625,462 | 6,380,366 | 7,195,423 | 8,232,909 | 8,657,946 | 8,381,116 | 19,883,018 |
| Transfers | 9,182,760 | 8,285,568 | 15,687,729 | 9,625,462 | 6,380,366 | 7,195,423 | 8,232,909 | 8,657,946 | 8,381,116 | 19,883,018 |
| Total business-type activities | <u>\$ 229,948,808</u> | <u>\$ 205,015,343</u> | <u>\$ 211,520,049</u> | <u>\$ 198,017,584</u> | <u>\$ 213,010,592</u> | <u>\$ 225,774,320</u> | <u>\$ 239,737,032</u> | <u>\$ 252,865,189</u> | <u>\$ 274,079,020</u> | <u>\$ 310,585,483</u> |
| Total primary government general revenues and other changes in net position | <u>\$ 127,341,441</u> | <u>\$ 8,770,174</u> | <u>\$ 9,988,345</u> | <u>\$ (43,489,488)</u> | <u>\$ (62,009,585)</u> | <u>\$ 50,657,958</u> | <u>\$ 109,405,286</u> | <u>\$ 48,700,500</u> | <u>\$ 47,760,950</u> | <u>\$ 80,748,784</u> |
| Change in net position | 5,038,607 | (27,026,157) | (18,351,120) | (19,722,315) | (13,564,700) | 8,563,028 | 36,463,638 | 23,410,541 | 30,655,754 | 40,678,404 |
| Governmental activities | <u>\$ 132,380,048</u> | <u>\$ (18,255,983)</u> | <u>\$ (8,362,775)</u> | <u>\$ (63,211,803)</u> | <u>\$ (75,574,285)</u> | <u>\$ 59,220,986</u> | <u>\$ 145,868,924</u> | <u>\$ 72,111,041</u> | <u>\$ 78,416,704</u> | <u>\$ 121,427,188</u> |
| Business-type activities | | | | | | | | | | |
| Primary government | | | | | | | | | | |

1. Increase due to higher cash and investment balances, higher interest rates, and market value increases.
2. Due to a significant land sale to Fontanesi LLC.
3. Decrease due to construction slowdown.
4. Decrease due to lower cash balances and interest rates.
5. Due to adjustment for GASB 31 which requires investments to be adjusted to market value.
6. Other revenues increased due to a refund from the Clean Water Coalition of the City's initial contribution.
7. Other revenues increased due to a refund from the Southern Nevada Public Land Management Act.
8. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.
9. Due to an adjustment for GASB 31, which requires investments to be adjusted to market value. There was a significant decrease in fair value in fiscal 2013. Previously, this adjustment was included in investment income.
10. Decrease due to losses on three significant land sales in fiscal year 2013 and lower salary expenses, including severance pay.
11. Increase due in large part to money used to call bonds as part of the Inspirada special assessment district restructure.
12. Increase due primarily to increase in grants from HUD.
13. Increase due to developer infrastructure and utility contributed assets.
14. Decrease due to change in useful lives for capital assets, which greatly decreased depreciation expense.
15. Increase due to contribution of three parks.
16. Increase primarily due to land sales of 8.15 acres.

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CITY OF HENDERSON, NEVADA

TABLE 3 - FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General fund | | | | | | | | | | |
| Reserved | \$ 1,482,401 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Unreserved | 19,337,267 | | | | | | | | 33,723 | 42,283 |
| Nonspendable | | | | | | | 79 | | | 223,753 |
| Restricted | | | | | | | | | | 3,024,516 |
| Committed | | 792,071 | 1,165,902 | 936,460 | 644,394 | 1,235,676 | 1,274,063 | 1,189,951 | 3,569,975 | 2,574,903 |
| Assigned | | 15,703,300 | 15,686,060 | 16,391,761 | 17,606,056 | 21,505,080 | 23,617,842 | 25,212,708 | 26,659,209 | 28,116,220 |
| Unassigned | | 16,495,371 | 16,851,962 | 17,328,221 | 18,250,450 | 22,740,756 | 24,891,984 | 26,402,659 | 30,262,907 | 33,981,675 |
| Total general fund | <u>\$ 20,819,668</u> | <u>\$ 16,495,371</u> | <u>\$ 16,851,962</u> | <u>\$ 17,328,221</u> | <u>\$ 18,250,450</u> | <u>\$ 22,740,756</u> | <u>\$ 24,891,984</u> | <u>\$ 26,402,659</u> | <u>\$ 30,262,907</u> | <u>\$ 33,981,675</u> |
| Other governmental funds | | | | | | | | | | |
| Reserved | \$ 76,127,137 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Unreserved | 36,765,723 | | | | | | | | | |
| Special revenue funds | 208,832,619 | | | | | | | | | |
| Capital projects funds | | | | | | 31,314 | | | | 239,705 |
| Nonspendable | | 245,234,860 | 211,098,881 | 190,966,371 | 160,194,848 | 157,563,176 | 140,437,027 | 141,553,152 | 132,510,627 | 167,509,089 |
| Restricted | | 46,616,449 | 38,417,701 | 27,194,098 | 27,215,621 | 33,727,701 | 42,864,188 | 42,147,669 | 59,041,787 | 62,866,446 |
| Assigned | | 291,851,309 | 249,516,582 | 218,160,469 | 187,410,469 | 191,322,191 | 183,301,215 | 183,700,821 | 191,552,414 | 230,035,240 |
| Total other governmental funds | <u>\$ 321,725,479</u> | <u>\$ 291,851,309</u> | <u>\$ 249,516,582</u> | <u>\$ 218,160,469</u> | <u>\$ 187,410,469</u> | <u>\$ 191,322,191</u> | <u>\$ 183,301,215</u> | <u>\$ 183,700,821</u> | <u>\$ 191,552,414</u> | <u>\$ 230,035,240</u> |

1. As GASB 54 became effective in fiscal year 2011, new fund balance classifications were applied prospectively.

CITY OF HENDERSON, NEVADA
TABLE 4 - CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| REVENUES | | | | | | | | | | |
| Property taxes | \$ 95,260,527 | \$ 75,550,577 | \$ 67,884,894 | \$ 63,273,661 | \$ 63,971,517 | \$ 67,552,659 | \$ 72,798,983 | \$ 75,776,363 | \$ 82,598,765 | \$ 91,044,482 |
| Franchise fees | 30,110,422 | 29,210,827 | 30,372,912 | 30,011,869 | 31,481,739 | 32,077,892 | 32,656,108 | 32,323,065 | 33,662,964 | 33,766,078 |
| Licenses and permits | 7,501,281 | 7,682,535 | 7,462,017 | 8,063,081 | 8,079,773 | 9,469,188 | 9,536,717 | 10,194,059 | 11,573,588 | 13,007,880 |
| Intergovernmental | 118,971,843 | 130,024,108 | 180,950,806 | 133,680,893 | 127,032,094 | 137,490,840 | 130,520,784 | 140,150,676 | 154,225,791 | 159,969,525 |
| Charges for services | 17,852,260 | 19,380,975 | 27,099,129 | 27,552,577 | 23,393,130 | 28,562,698 | 31,159,845 | 30,198,902 | 34,685,944 | 33,786,536 |
| Fines and forfeitures | 7,249,522 | 7,173,923 | 7,515,637 | 6,611,577 | 5,658,992 | 5,859,243 | 6,072,479 | 6,234,757 | 6,072,479 | 7,104,638 |
| Impact fees | 932,256 | 1,093,287 | 1,265,402 | 1,469,432 | 1,390,696 | 1,895,401 | 2,116,467 | 2,127,249 | 2,437,240 | 2,353,777 |
| Special assessments | 190,674 | 179,582 | 130,380 | 146,928 | 130,820 | 130,274 | 150,382 | 90,145 | 111,957 | 139,347 |
| Investment income | 5,442,945 | 2,347,817 | 2,675,229 | 1,653,726 | 2,014,255 | 2,407,753 | 3,082,242 | 1,042,645 | 2,037,931 | 7,256,725 |
| GASB 31 adjustment | | | | (2,278,714) | | | | | | |
| Developer contributions | 2,956,906 | 2,070,192 | 423,063 | 767,836 | 3,865,035 | 4,430,009 | 9,664,234 | 2,282,571 | 1,829,523 | 16,235,632 |
| Rental fees | | | 586,828 | 603,767 | 547,580 | 493,311 | 531,613 | 523,060 | 35,117 | 19,801 |
| Miscellaneous | 2,285,723 | 3,728,592 | 2,691,313 | 1,181,952 | 1,346,321 | 1,597,104 | 1,692,050 | 1,906,805 | 2,942,486 | 3,361,437 |
| Total revenues | 288,754,359 | 278,442,415 | 329,057,610 | 272,738,605 | 268,911,952 | 292,257,766 | 299,768,668 | 302,850,297 | 332,213,785 | 368,045,858 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 50,514,742 | 48,445,028 | 49,528,424 | 47,245,654 | 42,863,764 | 48,539,745 | 48,194,160 | 50,870,932 | 59,869,631 | 63,433,175 |
| Judicial | 11,203,113 | 11,433,646 | 11,614,816 | 12,087,601 | 12,058,955 | 12,325,268 | 12,673,082 | 13,012,612 | 11,254,836 | 11,843,895 |
| Public safety | 122,936,668 | 124,107,748 | 126,721,032 | 129,203,173 | 130,708,646 | 133,919,848 | 146,671,365 | 153,381,052 | 165,444,855 | 173,532,488 |
| Public works | 15,018,064 | 10,451,455 | 10,871,321 | 9,680,018 | 33,509,200 | 9,706,622 | 12,498,653 | 14,833,880 | 12,001,015 | 12,058,080 |
| Culture and recreation | 38,430,999 | 41,245,449 | 43,861,086 | 40,374,416 | 38,923,601 | 36,623,298 | 38,024,671 | 38,891,372 | 39,858,356 | 41,432,476 |
| Community support | 7,897,333 | 8,492,678 | 6,411,155 | 5,152,419 | 7,604,154 | 4,720,684 | 5,762,377 | 4,845,323 | 5,072,265 | 3,719,877 |
| Total current | 246,000,919 | 244,176,004 | 249,007,834 | 243,743,281 | 265,668,320 | 247,835,465 | 263,824,308 | 275,835,171 | 293,500,958 | 306,019,991 |
| Capital outlay | | | | | | | | | | |
| General government | 1,715,063 | 2,541,115 | 1,060,444 | 1,445,582 | 713,262 | 239,526 | 923,225 | 1,971,632 | 718,839 | 2,636,184 |
| Judicial | 22,337 | 22,141 | | 284,878 | | | 381,627 | 1,388 | 10,235 | |
| Public safety | 13,171,077 | 23,149,251 | 1,699,246 | 1,917,272 | 928,040 | 1,837,871 | 1,319,331 | 5,317,882 | 6,038,538 | 4,683,542 |
| Public works | 22,632,042 | 9,770,785 | 32,819,205 | 19,274,299 | 19,538,892 | 13,826,060 | 29,670,888 | 19,733,205 | 12,420,923 | 12,102,195 |
| Culture and recreation | 16,653,363 | 16,218,930 | 69,700,415 | 23,456,629 | 5,382,403 | 11,709,733 | 1,418,344 | 1,945,370 | 2,893,393 | 1,827,947 |
| Community support | | | | | | | 65,000 | | | 16,247 |
| Total capital outlay | 54,193,882 | 51,702,222 | 105,279,310 | 46,378,660 | 26,562,597 | 27,613,190 | 33,778,415 | 28,969,477 | 22,081,928 | 21,266,115 |
| Debt service | | | | | | | | | | |
| Principal payments | 13,152,963 | 13,603,963 | 10,019,533 | 5,114,565 | 4,208,565 | 4,243,000 | 6,011,000 | 5,676,000 | 6,087,867 | 6,409,310 |
| Payment to current bond refunding agent | | | 2,803,072 | | | 27,209,998 | 10,288,415 | 9,786,906 | | |
| Interest charges | 7,938,796 | 7,592,048 | 5,863,454 | 4,293,471 | 5,323,451 | 5,207,223 | 5,190,128 | 5,093,808 | 5,191,215 | 4,818,162 |
| Administrative and other costs | 27,329 | 20,959 | 809,634 | 591,649 | 21,363 | 306,322 | | | | |
| Total debt service | 21,119,088 | 21,216,970 | 19,495,693 | 9,999,685 | 9,553,379 | 36,966,543 | 21,489,543 | 20,556,714 | 11,279,082 | 11,227,472 |
| Total expenditures | 321,313,889 | 317,095,196 | 373,782,837 | 300,121,626 | 301,784,296 | 312,415,198 | 319,092,266 | 325,361,362 | 326,861,968 | 338,513,578 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (32,559,530) | (38,652,781) | (44,725,227) | (27,383,021) | (32,872,344) | (20,157,432) | (19,323,598) | (22,511,065) | 5,351,817 | 29,532,280 |

(Continued)

CITY OF HENDERSON, NEVADA

TABLE 4 - CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---|------------------|------------------|------------------|--------------------------|------------------|------------------|-------------------------|-------------------------|------------------|--------------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from land sales | 546,145 | 52,493 | 572,981 | 1,827,493 (3,426,519) | 3,444,629 | 1,118,024 | 2,696,014 | 9,242,809 ¹⁴ | 6,859,417 | 15,724,314 ¹⁶ |
| Loss on sale of land held for development | | | | | | | | | | |
| Capital leases | 446,894 | | 322,695 | 66,750,000 | | | | | | |
| Issuance of refunding bonds | | | 34,560,000 | | | | | | | |
| Proceeds from debt issuance | | | 565,000 | | | | 9,365,000 ¹¹ | 8,345,000 ¹¹ | 684,108 | |
| Premium on refunding bonds issued | | | 639,842 | 5,055,658 | | 3,208,334 | 475,559 | 4,355,000 ¹³ | | |
| Payment to advance refunding bond agent | | | (31,591,875) | (71,194,329) | | | | 2,426,713 | | |
| Gain (loss) on capital asset disposition | | | | | | | | | | |
| Sale of capital assets | 1,558 | 4,782 | | | | | | | | 103,037 |
| Transfers in | 59,932,273 | 57,142,122 | 25,459,998 | 16,774,827 | 8,036,323 | 16,673,879 | 12,597,062 | 16,876,307 | 37,169,566 | 31,044,100 |
| Transfers out | (61,359,567) | (52,745,083) | (27,781,550) | (18,899,893) | (8,436,379) | (16,745,777) | (11,679,785) | (16,824,483) | (35,771,566) | (34,202,137) |
| | (432,697) | 4,454,314 | 2,747,091 | (3,112,763) | 3,044,573 | 28,559,460 | 13,453,850 | 24,421,346 | 8,941,525 | 12,669,314 |
| Total other financing sources (uses) | \$ (32,992,227) | \$ (34,198,467) | \$ (41,978,136) | \$ (30,495,784) | \$ (29,827,771) | \$ 8,402,028 | \$ (5,869,748) | \$ 1,910,281 | \$ 14,293,342 | \$ 42,201,594 |
| CHANGE IN FUND BALANCE | 8.0 % | 8.2 % | 6.0 % | 3.6 % | 3.5 % | 3.3 % | 3.9 % | 3.6 % | 3.7 % | 3.6 % |
| Debt service as a percentage of noncapital expenditures | | | | | | | | | | |

1. This ratio is computed by dividing principal and interest by total expenditures less amounts that are capitalized on the accrual basis government-wide statement of net position. This amount can be found on the reconciliation between the statement of revenues, expenditures, and changes in fund balance to the statement of activities for governmental funds.
2. Due to decreased return on investments.
3. Increase in grants related to the Southern Nevada Public Land Management Act.
4. Decrease due to detention facility expansion. Expenditures for this occurred in fiscal years 2010 and 2011.
5. Increase due mainly to construction of special assessment infrastructure.
6. Increase in expenditures for parks and trails related to the Southern Nevada Public Land Management Act.
7. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.
8. Due to GASB 31 adjustment, which requires investments be adjusted to market value. There was a significant decrease in fair value in fiscal 2013. Previously, this adjustment was included in investment income.
9. Fiscal year 2012 debt refunding projects reduced fiscal year 2013 total debt service requirements by approximately \$6.5 million, of which approximately \$4.9 million pertains to principal and \$1.6 million to interest.
10. Increase due in large part to funds used to call bonds as part of the Inspira special assessment district restructure.
11. Issue of bonds to refund City debt in order to better align the City's resources with its obligations.
12. Decrease due mainly to lower contributions for traffic control of \$5.6 million. Fiscal year 2016 was a historic high.
13. Issue of bonds for purchase, upgrade and replacement of City police communication system and other equipment.
14. Increase due to the land sales to Fontanesi LLC and Union Village.
15. Increase due to the creation of Local Improvement District T-20 (Rainbow Canyon) at Lake Las Vegas.
16. Increase primarily due to land sales of 8.15 acres.

CITY OF HENDERSON, NEVADA

**TABLE 5 - ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS
(UNAUDITED)**

| For the Year Ended June 30, | Real Property | | Personal Property | | Total | | Ratio of Total Assessed to Total Estimated Actual Value | |
|-----------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|-----------------|---|--------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Direct Tax Rate | | |
| 2010 | \$ 12,995,450,318 | \$ 37,129,858,051 | \$ 482,709,443 | \$ 1,379,169,837 | \$ 13,478,159,761 | 0.7108 | \$ 38,509,027,888 | 35.0 % |
| 2011 | 9,497,480,081 | 27,135,657,374 | 400,059,544 | 1,143,027,269 | 9,897,539,625 | 0.7108 | 28,278,684,643 | 35.0 % |
| 2012 | 8,532,382,809 | 24,378,236,597 | 338,969,942 | 968,485,549 | 8,871,352,751 | 0.7108 | 25,346,722,146 | 35.0 % |
| 2013 | 7,808,141,879 | 22,308,976,797 | 398,927,794 | 1,139,793,697 | 8,207,069,673 | 0.7108 | 23,448,770,494 | 35.0 % |
| 2014 | 8,020,000,967 | 22,914,288,477 | 353,015,606 | 1,008,616,017 | 8,373,016,573 | 0.7108 | 23,922,904,494 | 35.0 % |
| 2015 | 9,287,875,627 | 26,536,787,506 | 357,836,109 | 1,022,388,883 | 9,645,711,736 | 0.7108 | 27,559,176,389 | 35.0 % |
| 2016 | 10,374,179,331 | 29,640,512,374 | 583,414,483 | 1,666,898,523 | 10,957,593,814 | 0.7108 | 31,307,410,897 | 35.0 % |
| 2017 | 11,363,112,300 | 32,466,035,143 | 616,081,682 | 1,760,233,377 | 11,979,193,982 | 0.7108 | 34,226,268,520 | 35.0 % |
| 2018 | 12,182,829,161 | 34,808,083,317 | 730,923,906 | 2,088,354,017 | 12,913,753,067 | 0.7108 | 36,896,437,334 | 35.0 % |
| 2019 | 12,894,918,627 | 36,842,624,649 | 817,719,128 | 2,336,340,366 | 13,712,637,755 | 0.7108 | 39,178,965,015 | 35.0 % |

1. Source - Clark County Assessor's Office.

CITY OF HENDERSON, NEVADA

**TABLE 6 - PROPERTY TAX RATES¹ - DIRECT AND OVERLAPPING² GOVERNMENTS
(PER \$100 OF ASSESSED VALUE³)
LAST TEN FISCAL YEARS
(UNAUDITED)**

| For the Year Ended June 30, | City of Henderson, Nevada | | | | Overlapping Rates | | | Total Direct and Overlapping Rates |
|-----------------------------|---------------------------|-------------------|---------------------|-----------------|------------------------------|--------------|------------------|------------------------------------|
| | Total Tax Levy | Debt Service Fund | Total City Tax Rate | State of Nevada | Clark County School District | Clark County | Special District | |
| 2010 | 0.5608 | 0.1500 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0692 | 2.1967 |
| 2011 | 0.5608 | 0.1500 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0662 | 2.1937 |
| 2012 | 0.5508 | 0.1600 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0575 | 2.1850 |
| 2013 | 0.5608 | 0.1500 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0586 | 2.1861 |
| 2014 | 0.5554 | 0.1554 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0585 | 2.1860 |
| 2015 | 0.5608 | 0.1500 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0593 | 2.1868 |
| 2016 | 0.5533 | 0.1575 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0594 | 2.1869 |
| 2017 | 0.5508 | 0.1600 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0602 | 2.1877 |
| 2018 | 0.5508 | 0.1600 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0604 | 2.1879 |
| 2019 | 0.5483 | 0.1625 | 0.7108 | 0.1700 | 1.3034 | 0.6541 | 0.0606 | 2.1881 |

1. Source - State of Nevada, Department of Taxation's "Local Government Finance Redbook."
 2. Overlapping rates are those of local and county governments that apply to property owners within the City of Henderson. Not all overlapping rates apply to all City of Henderson property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
 3. The State of Nevada Constitution caps the property tax rate at \$5 per \$100 assessed value. The Nevada Revised Statutes further capped the rate at \$3.64 per \$100 of assessed value.

CITY OF HENDERSON, NEVADA

TABLE 7 - PRINCIPAL PROPERTY TAXPAYERS¹ CURRENT AND NINE YEARS AGO (UNAUDITED)

| Taxpayer | 2019 | | | 2010 | | |
|---|-------------------------------------|------|---|-------------------------------------|------|---|
| | Taxable Assessed Value ² | Rank | Approximate Percentage of Taxable Assessed Valuation ³ | Taxable Assessed Value ² | Rank | Approximate Percentage of Taxable Assessed Valuation ³ |
| Station Casinos Incorporated | \$ 220,513,087 | 1 | 1.61 % | \$ 141,168,230 | 5 | 1.05 % |
| M Resort | 97,561,331 | 2 | 0.71 % | | | |
| Basic Management Incorporated | 85,908,722 | 3 | 0.63 % | 257,840,183 | 1 | 1.91 % |
| Ascaya Incorporated | 69,974,609 | 4 | 0.51 % | | | |
| Picerne Real Estate Group | 55,154,334 | 5 | 0.40 % | | | |
| Harsch Investment Properties | 50,619,401 | 6 | 0.37 % | 52,544,212 | 9 | 0.39 % |
| Universal Health Services Inc. | 42,586,892 | 7 | 0.31 % | | | |
| Ranch Center Associates Limited Partnership | 33,616,070 | 8 | 0.25 % | | | |
| Molasky Group of Companies | 32,197,879 | 9 | 0.23 % | | | |
| Langdon Street Capital | 25,838,758 | 10 | 0.19 % | | | |
| Focus Property Group | | | | 171,571,613 | 2 | 1.27 % |
| Greenspun Corporation | | | | 170,292,556 | 3 | 1.26 % |
| Lake Las Vegas Joint Venture | | | | 153,873,428 | 4 | 1.14 % |
| Marnell Corrao Associates | | | | 108,819,815 | 6 | 0.81 % |
| Green Valley Ranch Gaming, LLC | | | | 93,862,344 | 7 | 0.70 % |
| W.L. Nevada, Inc. | | | | 88,450,975 | 8 | 0.66 % |
| Richard C. MacDonald Properties | | | | 50,270,017 | 10 | 0.37 % |
| | <u>\$ 713,971,083</u> | | <u>5.21 %</u> | <u>\$ 1,288,693,373</u> | | <u>9.56 %</u> |

1. Source - Clark County Assessor's Office.
2. Taxable assessed value is 35% of appraised value.
3. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.

CITY OF HENDERSON, NEVADA

TABLE 8 - PROPERTY TAX LEVIES AND COLLECTIONS¹ LAST TEN FISCAL YEARS (UNAUDITED)

| <u>For the Year Ended June 30,</u> | <u>Tax Levy</u> | <u>Current Tax Levy Collections</u> | <u>Percent of Tax Levy Collected</u> | <u>Delinquent Tax Levy Collections</u> | <u>Total Tax Levy Collected</u> | <u>Percent of Total Tax Levy Collected to Tax Levy</u> |
|------------------------------------|-----------------|---|--|--|-------------------------------------|--|
| 2010 | \$ 91,487,815 | \$ 89,058,480 | 97.34 % | \$ 2,298,601 | \$ 91,357,081 | 99.86 % |
| 2011 | 70,954,944 | 69,557,584 | 98.03 % | 1,373,199 | 70,930,783 | 99.97 % |
| 2012 | 63,346,266 | 62,318,519 | 98.38 % | 1,010,219 | 63,328,738 | 99.97 % |
| 2013 | 58,111,016 | 57,611,241 | 99.14 % | 482,511 | 58,093,752 | 99.97 % |
| 2014 | 58,809,487 | 58,410,072 | 99.32 % | 384,174 | 58,794,246 | 99.97 % |
| 2015 | 62,375,612 | 62,085,849 | 99.54 % | 272,879 | 62,358,728 | 99.97 % |
| 2016 | 66,753,522 | 66,377,824 | 99.44 % | 355,748 | 66,733,572 | 99.97 % |
| 2017 | 69,806,522 | 69,427,671 | 99.46 % | 348,270 | 69,775,941 | 99.96 % |
| 2018 | 75,969,860 | 75,554,625 | 99.45 % | 308,873 | 75,863,498 | 99.86 % |
| 2019 | 83,540,235 | 83,035,950 | 99.40 % | 2 | 83,035,950 | 99.40 % |

1. Source - Clark County Comptroller's Office.
2. Not available at time of printing.

CITY OF HENDERSON, NEVADA

TABLE 9 - RATIOS OF OUTSTANDING DEBT¹ BY TYPE LAST TEN FISCAL YEARS (UNAUDITED)

| For the Year Ended June 30, | Governmental Activities | | | | | | Business-type Activities | | Total Primary Government | Percentage of Personal Income ² | Per Capita ² |
|-----------------------------|-------------------------|----------------|------------------|---------------|-----------------|----------------|--------------------------|----------------|--------------------------|--|-------------------------|
| | General Obligation | | Special | | Notes and Loans | Capital Leases | Total | Revenue Bonds | | | |
| | Bonds | Tax Allocation | Assessment Bonds | Bonds | | | | | | | |
| 2010 | \$ 122,151,193 | \$ 14,215,000 | \$ 165,000 | \$ 17,403,000 | \$ 297,931 | \$ 154,232,124 | \$ 197,011,070 | \$ 351,243,194 | 3.51 % | \$ 1,314 | |
| 2011 | 110,220,146 | 13,625,000 | | 16,807,000 | 148,968 | 140,801,114 | 183,865,575 | 324,666,689 | 3.67 % | 1,226 | |
| 2012 | 103,771,563 | 13,010,000 | | 16,136,000 | 215,130 | 133,132,693 | 169,348,252 | 302,480,945 | 3.42 % | 1,134 | |
| 2013 | 112,832,598 | 12,360,000 | | 15,384,000 | 107,565 | 140,684,163 | 162,647,566 | 303,331,729 | 3.49 % | 1,106 | |
| 2014 | 109,823,861 | 11,680,000 | | 14,546,000 | | 136,049,861 | 147,525,741 | 283,575,602 | 3.14 % | 1,009 | |
| 2015 | 107,398,145 | 10,965,000 | | 13,616,000 | | 131,979,145 | 132,406,583 | 264,385,728 | 3.16 % | 919 | |
| 2016 | 102,722,448 | 9,829,000 | | 12,680,000 | | 125,231,448 | 120,020,578 | 245,252,026 | 2.79 % | 833 | |
| 2017 | 112,886,076 | 9,584,185 | | 2,648,500 | | 125,118,761 | 107,947,542 | 233,066,303 | 2.41 % | 775 | |
| 2018 | 107,676,546 | 9,334,370 | | 1,954,241 | | 118,965,157 | 95,416,756 | 214,381,913 | 2.04 % | 691 | |
| 2019 | 102,332,016 | 9,074,555 | | 444,931 | | 111,851,502 | 84,289,654 | 196,141,156 | 1.69 % | 617 | |

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. See Table 14 "Demographic and Economic Statistics" for personal income and population data.

CITY OF HENDERSON, NEVADA

TABLE 10 - RATIOS OF GENERAL BONDED DEBT¹ OUTSTANDING LAST TEN FISCAL YEARS (UNAUDITED)

| For the Year Ended June 30, | General Obligation Bonds | Less Amounts Available in Debt Service Funds | Net General Obligation Bonds | Percentage of Estimated Actual Taxable Property Value ² | Per Capita ³ |
|-----------------------------|-----------------------------|--|---------------------------------|---|-------------------------|
| 2010 | \$ 122,151,193 | \$ 6,964,868 | \$ 115,186,325 | 0.30 % | \$ 431 |
| 2011 | 110,220,146 | 2,901,962 | 107,318,184 | 0.38 % | 405 |
| 2012 | 103,771,563 | 1,658,689 | 102,112,874 | 0.40 % | 383 |
| 2013 | 112,832,598 | 1,313,003 | 111,519,595 | 0.48 % | 407 |
| 2014 | 109,823,861 | 3,514,253 | 106,309,608 | 0.44 % | 378 |
| 2015 | 107,398,145 | 6,704,648 | 100,693,497 | 0.37 % | 350 |
| 2016 | 102,722,448 | 5,606,693 | 97,115,755 | 0.31 % | 330 |
| 2017 | 112,886,076 | 5,538,075 | 107,348,001 | 0.31 % | 357 |
| 2018 | 107,676,546 | 6,149,127 | 101,527,419 | 0.28 % | 327 |
| 2019 | 102,332,016 | 7,585,563 | 94,746,453 | 0.24 % | 298 |

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. See Table 5 "Assessed and Estimated Actual Value of Taxable Property" for estimated actual property value data.
3. See Table 14 "Demographic and Economic Statistics" for population data.

CITY OF HENDERSON, NEVADA

TABLE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2}
JUNE 30, 2019
(UNAUDITED)

| | Total General Obligation Debt | Percent Applicable | Applicable Net General Obligation Debt |
|--|----------------------------------|--------------------|--|
| City of Henderson, Nevada | \$ 111,851,502 | 100.00 % | \$ <u>111,851,502</u> |
| Overlapping governments | | | |
| Clark County | 599,312,000 | 15.25 % | 91,395,080 |
| Clark County School District | 3,012,195,354 | 15.25 % | 459,359,791 |
| Las Vegas-Clark County Library District | 26,290,000 | 20.25 % | <u>5,323,725</u> |
| Total overlapping governments | | | <u>556,078,596</u> |
| Total direct and overlapping debt | | | <u>\$ 667,930,098</u> |

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Henderson. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Henderson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and therefore, responsible for repaying the debt, of each overlapping government. Total general obligation debt balances obtained from the respective organizations' finance departments. Percentages applicable are derived from the State of Nevada, Department of Taxation's "Local Government Finance Redbook."

CITY OF HENDERSON, NEVADA

TABLE 12 - LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed value | \$ 13,478,159,761 | \$ 9,897,539,625 | \$ 8,871,352,751 | \$ 8,207,069,673 | \$ 8,373,016,573 | \$ 9,645,711,736 | \$ 10,957,593,814 | \$ 11,979,193,982 | \$ 12,913,753,067 | \$ 13,712,637,755 |
| Legal debt margin | \$ 2,021,723,964 | \$ 1,484,630,944 | \$ 1,330,702,913 | \$ 1,231,060,451 | \$ 1,255,952,486 | \$ 1,446,856,760 | \$ 1,643,639,072 | \$ 1,796,879,097 | \$ 1,937,062,960 | \$ 2,056,895,663 |
| Debt applicable to debt limit | | | | | | | | | | |
| Total bonded debt, including special assessment bonds | 333,542,263 | 307,710,721 | 286,129,815 | 287,840,164 | 269,029,602 | 250,769,728 | 232,572,026 | 230,417,803 | 212,427,672 | 195,696,224 |
| Less: | | | | | | | | | | |
| Special assessment bonds | (165,000) | | | | | | | | | |
| Tax allocation bonds | (14,215,000) | (13,625,000) | (13,010,000) | (12,360,000) | (11,680,000) | (10,965,000) | (9,829,000) | (9,584,185) | (9,334,370) | (9,074,555) |
| Total bonded debt, applicable to debt limit | 319,162,263 | 294,085,721 | 273,119,815 | 275,480,164 | 257,349,602 | 239,804,728 | 222,743,026 | 220,833,618 | 203,093,302 | 186,621,669 |
| Legal debt margin | \$ 1,702,561,701 | \$ 1,190,545,223 | \$ 1,057,583,098 | \$ 955,580,287 | \$ 998,602,884 | \$ 1,207,052,032 | \$ 1,420,896,046 | \$ 1,576,045,479 | \$ 1,733,969,658 | \$ 1,870,273,994 |
| Total bonded debt applicable to limit as a percentage of debt limit | 15.79 % | 19.81 % | 20.52 % | 22.38 % | 20.49 % | 16.57 % | 13.55 % | 12.29 % | 10.48 % | 9.07 % |

1. Does not include matured and unredeemed bonds.
2. Tax allocation bonds issued by the City of Henderson Redevelopment Agency do not constitute indebtedness within the meaning of the statutory debt limitations.

CITY OF HENDERSON, NEVADA

TABLE 13 - PLEDGED REVENUE BOND¹ COVERAGE LAST TEN FISCAL YEARS (UNAUDITED)

| For the Year Ended June 30, | Water and Sewer Bonds | | | | | | Special Assessment Bonds | | | | | | | | |
|-----------------------------|-----------------------|---------------|--------------|---------------------------------|--------------|----------|--------------------------|-----------|-----------|--------------|--|--|--------------|--|--|
| | Charges for Services | | | Operating Expenses ² | | | Net Available Revenue | | | Debt Service | | | Debt Service | | |
| | | | | | | | | | | | | | | | |
| 2010 | \$ 88,353,887 | \$ 78,934,746 | \$ 9,419,141 | \$ 13,128,082 | \$ 9,593,468 | 41.45 % | \$ 190,674 | \$ 70,000 | \$ 19,000 | 214.24 % | | | | | |
| 2011 | 93,751,805 | 79,778,387 | 13,973,418 | 13,742,139 | 8,970,572 | 61.52 % | 179,582 | 165,000 | 11,875 | 101.53 % | | | | | |
| 2012 | 96,962,286 | 82,367,031 | 14,595,255 | 14,148,317 | 8,332,420 | 64.92 % | | | | | | | | | |
| 2013 | 100,859,843 | 80,469,835 | 20,390,008 | 14,017,434 | 6,472,556 | 99.51 % | | | | | | | | | |
| 2014 | 105,257,650 | 83,587,025 | 21,670,625 | 14,135,252 | 6,700,933 | 104.00 % | | | | | | | | | |
| 2015 | 111,608,158 | 85,701,388 | 25,906,770 | 14,598,529 | 5,950,793 | 126.07 % | | | | | | | | | |
| 2016 | 114,750,008 | 87,601,625 | 27,148,383 | 11,428,878 | 5,304,838 | 162.24 % | | | | | | | | | |
| 2017 | 119,814,716 | 93,963,966 | 25,848,750 | 11,142,765 | 4,947,841 | 160.64 % | | | | | | | | | |
| 2018 | 124,395,183 | 99,957,723 | 24,437,460 | 11,644,014 | 4,437,604 | 151.96 % | | | | | | | | | |
| 2019 | 127,854,332 | 101,173,526 | 26,680,806 | 10,290,679 | 3,914,402 | 187.83 % | | | | | | | | | |

| Tax Allocation Bonds | | |
|----------------------|------------|----------|
| | Principal | Coverage |
| 2010 | \$ 565,000 | 793,176 |
| 2011 | 590,000 | 765,672 |
| 2012 | 615,000 | 735,128 |
| 2013 | 650,000 | 702,789 |
| 2014 | 680,000 | 669,121 |
| 2015 | 715,000 | 633,882 |
| 2016 | 755,000 | 453,930 |
| 2017 | 225,000 | 393,300 |
| 2018 | 230,000 | 387,600 |
| 2019 | 240,000 | 379,350 |

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Total operating expenses, excluding depreciation and amortization.

CITY OF HENDERSON, NEVADA

**TABLE 14 - DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

| <u>For the Year Ended June 30,</u> | <u>Population</u> ¹ | <u>Personal Income</u> ² | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> ³ |
|------------------------------------|--------------------------------|-------------------------------------|---------------------------------------|---|
| 2010 | 267,270 | \$ 10,003,816,464 | \$ 37,430 | 13.80 % |
| 2011 | 264,839 | 8,841,491,222 | 33,384 | 13.40 % |
| 2012 | 266,846 | 8,846,208,756 | 33,151 | 11.00 % |
| 2013 | 274,270 | 8,690,214,958 | 31,685 | 9.80 % |
| 2014 | 280,928 | 9,039,623,004 | 32,178 | 8.10 % |
| 2015 | 287,828 | 8,355,722,814 | 29,030 | 6.60 % |
| 2016 | 294,359 | 8,775,373,195 | 29,812 | 5.70 % |
| 2017 | 300,709 | 9,658,153,376 | 32,118 | 5.00 % |
| 2018 | 310,244 | 10,501,006,590 | 33,848 | 4.60 % |
| 2019 | 317,661 | 11,596,051,390 | 36,504 | 4.40 % |

1. Source - City of Henderson, Community Development Department.
2. Source - Personal income data is from Applied Analysis, 6385 S. Rainbow Boulevard, Suite 105, Las Vegas, Nevada 89118 or www.appliedanalysis.com.
3. Source - Bureau of Labor Statistics - Local Area Unemployment Statistics.

CITY OF HENDERSON, NEVADA

**TABLE 15 - PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(UNAUDITED)**

| Employer | 2019 | | | 2010 | | |
|--|------------------------|------|--|------------------------|------|--|
| | Employees ¹ | Rank | Percentage of Total City of Henderson, Nevada Employment | Employees ¹ | Rank | Percentage of Total City of Henderson, Nevada Employment |
| City of Henderson | 3176 ² | 1 | 2.07 % | 2963 ² | 1 | 2.37% |
| Barclays Services, LLC | 1000-4999 ³ | 2 | 0.65 - 3.26 % | | | |
| Green Valley Ranch Station Casino | 1000-4999 ³ | 3 | 0.65 - 3.26 % | 1500-1999 ³ | 3 | 1.20 - 1.60% |
| St. Rose Dominican Hospital-Siena | 1000-4999 ³ | 4 | 0.65 - 3.26 % | 1500-1999 ³ | 2 | 1.20 - 1.60% |
| Sunset Station Hotel & Casino | 1000-4999 ³ | 5 | 0.65 - 3.26 % | 1000-1499 ³ | 5 | 0.80 - 1.20% |
| CaptionCall, LLC | 500-999 ³ | 6 | 0.33 - 0.65 % | | | |
| Fiesta Henderson Casino Hotel | 500-999 ³ | 7 | 0.33 - 0.65 % | 500-599 ³ | 10 | 0.40 - 0.48% |
| Henderson Hospital | 500-999 ³ | 8 | 0.33 - 0.65 % | | | |
| St. Rose Dominican Hospital-Rose de Lima | 500-999 ³ | 9 | 0.33 - 0.65 % | 800-899 ³ | 7 | 0.64 - 0.72% |
| The M Resort | 500-999 ³ | 10 | 0.33 - 0.65 % | 1000-1499 ³ | 4 | 0.80 - 1.20% |
| Medco Health LLC | | | | 800-899 ³ | 6 | 0.64 - 0.72% |
| Zappos.com | | | | 600-699 ³ | 8 | 0.48 - 0.56% |
| Wal-Mart Supercenter | | | | 500-599 ³ | 9 | 0.40 - 0.48% |

1. For privacy purposes, exact employment numbers are unavailable.
2. Source - City of Henderson, Finance Department
3. Source - Applied Analysis, 6385 S. Rainbow Boulevard, Suite 105, Las Vegas, Nevada 89118 or www.appliedanalysis.com.

CITY OF HENDERSON, NEVADA

TABLE 16 - FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM¹
LAST TEN FISCAL YEARS
(UNAUDITED)

| Function/program | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| General government | 354 | 349 | 353 | 354 | 340 | 343 | 353 | 348 | 350 | 368 |
| Judicial | 97 | 99 | 102 | 99 | 108 | 104 | 105 | 103 | 92 | 93 |
| Public safety | 872 | 908 | 911 | 907 | 910 | 877 | 890 | 909 | 985 | 985 |
| Public works | 140 | 145 | 134 | 103 | 113 | 114 | 124 | 123 | 126 | 134 |
| Culture and recreation | 461 | 463 | 460 | 458 | 471 | 438 | 438 | 435 | 443 | 474 |
| Community support | 23 | 24 | 24 | 18 | 20 | 20 | 18 | 17 | 16 | 14 |
| Total governmental activities | <u>1,947</u> | <u>1,988</u> | <u>1,984</u> | <u>1,939</u> | <u>1,962</u> | <u>1,896</u> | <u>1,928</u> | <u>1,935</u> | <u>2,012</u> | <u>2,068</u> |
| Business-type activities | | | | | | | | | | |
| Water | 151 | 155 | 152 | 145 | 147 | 150 | 152 | 158 | 163 | 169 |
| Sewer | 118 | 117 | 117 | 129 | 128 | 129 | 133 | 134 | 136 | 136 |
| Development services | 62 | 55 | 40 | 44 | 56 | 65 | 68 | 75 | 86 | 80 |
| Other | 41 | 46 | 44 | 44 | 44 | 44 | 36 | 30 | 35 | 15 |
| Total business-type activities | <u>372</u> | <u>373</u> | <u>353</u> | <u>362</u> | <u>375</u> | <u>388</u> | <u>389</u> | <u>397</u> | <u>420</u> | <u>400</u> |
| Total full-time equivalent employees | <u>2,319</u> | <u>2,361</u> | <u>2,337</u> | <u>2,301</u> | <u>2,337</u> | <u>2,284</u> | <u>2,317</u> | <u>2,332</u> | <u>2,432</u> | <u>2,468</u> |

1. Source - City of Henderson, Finance Department.

CITY OF HENDERSON, NEVADA

**TABLE 17 - OPERATING INDICATORS BY FUNCTION/PROGRAM¹
LAST TEN FISCAL YEARS
(UNAUDITED)**

| Function/program | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|---|---------------|---------------|-------------------------|----------------------|---------------------|----------------------|-------------------|----------------------|---------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Judicial | | | | | | | | | | |
| New cases created (criminal and traffic) | 62,458 | 55,169 | 49,165 | 43,256 | 37,741 | 38,257 | 40,094 | 37,728 | 40,407 | 52,030 |
| Cases closed (criminal and traffic) | 49,305 | 44,004 | 43,934 | 39,257 | 34,582 | 33,562 | 37,856 | 37,963 | 39,093 | 45,690 |
| Scheduled court appearances - defendants | 66,703 | 54,693 | 49,729 | 45,524 | 36,608 | 35,631 | 39,468 | 36,298 | 35,867 | 46,169 |
| Public safety | | | | | | | | | | |
| Police reports | 26,466 | 24,419 | 24,767 | 22,320 | 22,037 | 20,392 | 24,611 | 26,875 | 29,982 | 31,278 |
| Police calls for service | 160,594 | 154,392 | 140,775 | 141,677 | 135,678 | 145,903 | 154,751 | 179,854 | 198,185 | 269,662 ²⁷ |
| Number of emergency medical response incidents | 16,164 | 17,115 | 18,513 | 18,953 | 19,227 | 20,421 | 21,487 | 22,718 | 24,224 | 25,387 |
| Number of emergency medical response transports | 11,333 | 11,969 | 12,951 | 13,199 | 13,050 | 13,671 | 14,790 | 15,998 | 17,628 | 18,672 |
| Number of fire incidents | 552 | 570 | 599 | 544 | 555 | 529 | 523 | 655 | 645 | 523 |
| Public works | | | | | | | | | | |
| Lane miles of street maintenance | 340 | 227 | 122 ⁵ | 12 ¹¹ | 241 | 54 ¹⁹ | 68 | 92 | 70 | 66 |
| Lane miles of existing street reconstruction | 34 | 95 | 4 ⁶ | 20 ¹² | 4 | 20 | 36 | 1 | 2 | 5 |
| Number of scheduled inspections (off-site improvements) | 20,658 | 17,347 | 24,665 | 20,421 | 23,116 | 30,406 | 31,165 | 35,367 | 33,399 | 33,846 |
| Number of off-site (non-building) projects | 288 | 105 | 51 ⁷ | 79 | 43 | 51 | 68 | 36 | 43 | 37 |
| Culture and recreation | | | | | | | | | | |
| Parks and recreation class registrations | 267,008 | 316,490 | 304,492 | 388,038 | 464,722 | 430,863 | 457,965 | 409,299 | 433,807 | 433,752 |
| Community support | | | | | | | | | | |
| Number of requests for information on business relocations | 160 | 101 | 91 | 233 ¹³ | 154 | 178 | 165 | 414 ²² | 123 ²⁴ | 91 |
| Number of local business requests for information, assistance or outreach | 746 | 573 | 569 | 688 | 661 | 444 | 511 | 744 ²² | 2,408 ²⁵ | 28 ²⁸ |
| Number of jobs created | 411 | 250 | 390 | 269 | 1,920 ¹⁶ | 289 | 971 ²⁰ | 1,223 ²³ | 1,659 ²⁶ | 685 |
| Business-type activities | | | | | | | | | | |
| Water | | | | | | | | | | |
| Average daily water consumption (MGD) | 67 | 68 | 68 | 68 | 67 | 68 | 68 | 70 | 74 | 74 |
| Number of requests for line location | 31,633 | 34,620 | 46,017 ⁸ | 51,662 | 52,315 | 60,681 | 60,821 | 73,811 ²¹ | 85,762 | 85,725 |
| Number of hydrant major repairs | 227 | 255 | 201 | 127 ¹⁴ | 139 | 91 ¹⁷ | 90 | 109 | 155 | 134 |
| Number of line repairs | 464 | 423 | 418 | 483 | 397 | 524 | 633 | 570 | 863 | 862 |
| Sewer | | | | | | | | | | |
| Lines video inspected (feet) | 172,267 | 133,271 | 489,488 ⁹ | 552,244 | 619,118 | 523,884 | 495,963 | 371,572 | 440,809 | 447,766 |
| Lines cleaned (feet) | 2,224,640 | 2,314,701 | 1,717,800 ¹⁰ | 1,626,459 | 2,417,309 | 1,764,059 | 1,504,376 | 706,208 | 1,061,126 | 1,309,662 |
| Development services | | | | | | | | | | |
| Number of plan review activities | 11,808 | 12,401 | 12,664 | 12,660 | 14,220 | 21,957 ¹⁸ | 25,847 | 29,433 | 29,263 | 31,219 |
| Building permits issued | 10,814 | 9,684 | 10,106 | 11,729 ¹⁵ | 12,439 | 15,999 ¹⁸ | 16,742 | 15,721 | 17,561 | 19,486 |

(Continued)

CITY OF HENDERSON, NEVADA

TABLE 17 - OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

| | |
|-----|--|
| 1. | Source - Various City of Henderson departments. |
| 2. | Indicators are not available for the general government function. |
| 3. | Indicates number of jobs anticipated as a result of new business or relocations/expansions of existing businesses |
| 4. | Millions of gallons per day (MFG). |
| 5. | Maintenance technique used was more expensive in fiscal year 2012 because the streets maintained in this fiscal year were in worse shape than in the previous year; therefore because of funding, fewer lane miles were maintained. |
| 6. | Funding sources decreased significantly, which included ARRA monies. |
| 7. | Private projects slowed down due to the economic downturn. |
| 8. | Increase due to increase for line locations from contractors/excavators. Data also includes re-mark requests. |
| 9. | Increase due to second closed circuit television truck and implementation of a formal assessment program to meet objectives of a new law requiring tracking of the location of private sewer lateral connections to public sewer mains. |
| 10. | Decrease due to reassignment of staff to assist in line inspections. |
| 11. | Projects were delayed and not awarded until July 2013. |
| 12. | Fiscal year 2011 was largest year in history due to ARRA funding. Projects significantly slowed down subsequently, although increased slightly in 2013, as there was not a need for reconstruction after large reconstruction projects in FY 2011. |
| 13. | Due to increased confidence in the economy and marketing initiatives. |
| 14. | Substantial hydrant repairs were made in previous years, negating the need for future repairs. This in addition to construction slowdown accounts for the decrease. |
| 15. | Increase due to significant increase in single family residence permits. |
| 16. | Bareilly Card U. S. opened a new customer contact center and announced this will create approximately 1,000 jobs. |
| 17. | Decrease due to steady maintenance, leading to fewer problems. Also, a determination was made to adjust maintenance cycles from 1.5 to 3 years. |
| 18. | Increase due in large part to revitalization of two master-planned communities. |
| 19. | The available funding for the maintenance program decreased from the previous year. |
| 20. | CoreMark International, Xtreme Manufacturing, and OnTrac provided 234, 200, and 175 jobs respectively, which accounts for the largest change. |
| 21. | Due to increase in construction activity. |
| 22. | Increase due to rebounding economy in Southern Nevada teamed with businesses seeking refuge from regulations in neighboring states. Additionally, two new Economic Development Officers were hired in late 2016 which has increased the City's capacity to respond. |
| 23. | Henderson Hospital and two Chick-fil-a locations provided 280 and 300 jobs respectively, which accounts for the large change. |
| 24. | Decrease is due to the realigning of categorical data. All outreach events are now included under Local business requests for information/assistance/outreach. |
| 25. | Increase is due to the realigning of categorical data, as well as an increase in outreach efforts including involvement in large panel discussions, association events, local tradeshow, and other local business events. Additionally, they were fully staffed for the entire year, unlike the previous year. |
| 26. | Raiders Corporate, Xtreme Manufacturing and PRA Group locations provided for 250, 204 and 350 jobs respectively, which accounts for the large change. |
| 27. | Increase due to proactive and geographic policing. |
| 28. | Indicator tracking has been discontinued. |

CITY OF HENDERSON, NEVADA

TABLE 18 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

| Function/program | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 | June 30, 2018 | June 30, 2019 |
|-----------------------------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| Public safety | | | | | | | | | | |
| Number of police stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of fire stations | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 |
| Number of patrol units | 148 | 144 | 144 | 137 | 132 | 136 | 136 | 136 | 143 | 143 |
| Public works | | | | | | | | | | |
| Streets (miles) | 812 | 817 | 819 | 822 | 829 | 835 | 851 | 863 | 862 | 873 |
| Traffic signals | 149 | 152 | 152 | 158 | 160 | 166 | 174 | 182 | 182 | 188 |
| Culture and recreation | | | | | | | | | | |
| Park acreage | 763 | 791 | 1,204 | 1,238 | 1,263 | 1,300 | 1,306 | 1,306 | 1,306 | 1,311 |
| Number of parks | 45 | 48 | 53 | 57 | 60 | 63 | 64 | 64 | 64 | 65 |
| Number of swimming pools | 15 | 15 | 15 | 15 | 15 | 13 | 13 | 13 | 13 | 13 |
| Number of tennis courts | 41 | 44 | 57 | 57 | 62 | 64 | 64 | 58 | 58 | 58 |
| Number of recreation centers | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Business-type activities | | | | | | | | | | |
| Water | | | | | | | | | | |
| Water mains (miles) | 1,462 | 1,462 | 1,175 ³ | 1,200 | 1,222 | 1,482 | 1,488 | 1,505 | 1,521 | 1,539 |
| Number of treatment plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of water pump stations | 31 | 31 | 32 | 32 | 32 | 33 | 33 | 33 | 32 | 34 |
| Sewer | | | | | | | | | | |
| Number of sewage treatment plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of sewer lift stations | 13 | 13 | 16 | 16 | 16 | 16 | 16 | 15 | 15 | 16 |
| Miles of sanitary sewer lines | 1,080 | 1,082 | 935 ³ | 935 | 943 | 947 | 949 | 956 | 968 | 975 |

1. Source - Various City of Henderson departments.
 2. Indicators are not available for the general government, judicial, community support, or development services functions.
 3. Method of calculation now excludes private lines and lines proposed for construction.



2019

Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2019

COMPLIANCE SECTION



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

Members of the City Council
City of Henderson, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 31, 2019.

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019 - 001 that we consider to be a significant deficiency.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the City, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under

Government Auditing Standards.

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

We noted certain matters that we reported to the City in a separate letter dated October 31, 2019.

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

A handwritten signature in blue ink, appearing to read "Pieray Bonet Taylor". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Las Vegas, Nevada
October 31, 2019

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

Members of the City Council
City of Henderson, Nevada

We have audited the compliance of the City of Henderson (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program. In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019.

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019 - 002 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 31, 2019, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada
October 31, 2019

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CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Amount Passed Through to Subrecipients | Expenditures |
|---|---------------------------|---|---|--------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Child Nutrition Cluster | | | | |
| <i>Passed through State of Nevada Department of Agriculture</i> | | | | |
| Special Milk Program for Children | | | | |
| Safekey Milk Grant 2019 | 10.556 | M-102375-10 | | 17,101 |
| Total Child Nutrition Cluster | | | | 17,101 |
| Total U.S. Department of Agriculture | | | | 17,101 |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| CDBG - Entitlement Grants Cluster | | | | |
| <i>Direct program</i> | | | | |
| Community Development Block Grants/Entitlement Grants | | | | |
| Community Development Block Grants - Other | 14.218 | | | 434,027 |
| Community Development Block Grants - Subrecipient | 14.218 | | 380,553 | |
| Community Development Block Grants - Loans outstanding balance at June 30, 2018 | 14.218 | | | 291,870 |
| Program Income - CDBG Funds | 14.218 | | | 3,213 |
| | | | | 380,553 |
| | | | | 729,110 |
| <i>Passed through State of Nevada Housing Division</i> | | | | |
| Neighborhood Stabilization Program - Loans outstanding balance at June 30, 2018 | 14.218 | NV-001-HE2 | | 12,500 |
| Total CDBG - Entitlement Grants Cluster | | | | 380,553 |
| | | | | 741,610 |
| <i>Direct program</i> | | | | |
| Home Investment Partnerships Program | | | | |
| Home Grants - Other | 14.239* | | | 86,997 |
| Home Grants - Fiscal Year 2019 Loans | 14.239* | | | 102,319 |
| Home Grants - Loans outstanding balance at June 30, 2018 | 14.239* | | | 3,009,058 |
| Program Income - Home Funds | 14.239* | | | 8,301 |
| | | | | 3,206,675 |
| <i>Passed through State of Nevada Housing Division</i> | | | | |
| Home Grants - Fiscal Year 2019 Loans | 14.239* | Agreement | | 374,527 |
| Home Grants - Loans outstanding balance at June 30, 2018 | 14.239* | Agreement | | 2,988,259 |
| | | | | 3,362,786 |
| | | | | 6,569,461 |
| Total U.S. Department of Housing and Urban Development | | | | 380,553 |
| | | | | 7,311,071 |
| <u>U.S. Department of the Interior</u> | | | | |
| <i>Direct program</i> | | | | |
| Southern Nevada Public Land Management | | | | |
| SNPLMA UPRR Trail Projects | 15.235 | | | 592,840 |
| Total U.S. Department of the Interior | | | | 592,840 |

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Amount Passed Through to Subrecipients | Expenditures |
|--|---------------------------|---|---|--------------|
| <u>U.S. Department of Justice</u> | | | | |
| <i>Direct program</i> | | | | |
| DEA-Cannabis 2018 | 16.U01 | | | 5,525 |
| DEA-Cannabis 2019 | 16.U01 | | | 4,263 |
| | | | | 9,788 |
| <i>Passed through Las Vegas Metropolitan Police Department</i> | | | | |
| Missing Children's Assistance | | | | |
| Internet Crimes Against Children 2017 | 16.543 | Interlocal Agreement | | 20,752 |
| <i>Direct program</i> | | | | |
| Drug Court Discretionary Grant Program | | | | |
| A.B.C. Court | 16.585 | | | 22,267 |
| <i>Passed through State of Nevada Office of the Attorney General</i> | | | | |
| Violence Against Women Formula Grants | | | | |
| VAWA 2018 | 16.588 | 2018-VAWA-01 | | 44,841 |
| <i>Direct program</i> | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | | | | |
| Local JAG 2017 | 16.738 | | | 30,029 |
| <i>Passed through State of Nevada Department of Public Safety</i> | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | | | | |
| State JAG 2018 | 16.738 | 18-JAG-07 | | 21,726 |
| | | | | 51,755 |
| <i>Direct program</i> | | | | |
| Edward Byrne Memorial Competitive Grant Program | | | | |
| SMART 2014 | 16.751 | | | 83,950 |
| <i>Passed through State of Nevada Office of the Attorney General</i> | | | | |
| National Sexual Assault Kit Initiative | | | | |
| Sexual Assault Kit Initiative 2015 | 16.833 | 2015-SAKI-02 | | 5,959 |
| <i>Direct program</i> | | | | |
| Equitable Sharing Program | | | | |
| | 16.922 | | | 30,875 |
| Total U.S. Department of Justice | | | | 270,187 |
| <u>U.S. Department of Transportation</u> | | | | |
| Highway Planning and Construction Cluster | | | | |
| <i>Passed through State of Nevada Department of Transportation</i> | | | | |
| Highway Planning and Construction | | | | |
| NDOT I-515 Sunset Intrchg Landscape | 20.205* | P222-10-063 | | 32,259 |
| NDOT I-215 Regional Trail | 20.205* | P057-16-063 | | 792,838 |
| NDOT Pedestrian Flashers | 20.205* | P060-16-063 | | (341) |
| NDOT Electric Vehicles | 20.205* | P483-16-063 | | 98,665 |

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Amount Passed Through to Subrecipients | Expenditures |
|--|---------------------------|---|---|--------------|
| <u>U.S. Department of Transportation (Continued)</u> | | | | |
| NDOT I-215 Trail Bridges | 20.205* | P484-16-063 | | 184,023 |
| NDOT Boulder Hwy Trail | 20.205* | PR177-13-063 | | (433) |
| NDOT Pueblo Trail | 20.205* | PR285-14-063 | | (182) |
| NDOT St. Rose @ Gilespie | 20.205* | PR288-14-063 | | 39,856 |
| NDOT College Trail Connector Project | 20.205* | P076-16-063 | | 6,809 |
| NDOT Brazos 2017 | 20.205* | PR070-17-816 | | 211,950 |
| NDOT Pueblo Trail Extension | 20.205* | P632-17-063 | | 21,892 |
| | | | | 1,387,336 |
| <i>Passed through State of Nevada Division of State Parks</i> | | | | |
| Recreational Trails Program | | | | |
| Henderson Trail Locators | 20.219* | 2016-14 | | 9,914 |
| Whitney Mesa Trail Maintenance | 20.219* | 2017-16 | | 84,283 |
| | | | | 94,197 |
| Total Highway Planning and Construction Cluster | | | | 1,481,533 |
| <i>Direct program</i> | | | | |
| Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements | | | | |
| Commercial Enforcement 2017 | 20.237 | | | 154,470 |
| <i>Highway Safety Cluster</i> | | | | |
| <i>Passed through State of Nevada Department of Public Safety</i> | | | | |
| State and Community Highway Safety | | | | |
| Joining Forces 2018 | 20.600 | JF-2018-HPD-00061 | | 25,697 |
| Joining Forces 2019 | 20.600 | JF-2019-HPD-00035 | | 106,736 |
| | | | | 132,433 |
| <i>Passed through State of Nevada Department of Public Safety</i> | | | | |
| National Priority Safety Programs | | | | |
| Joining Forces 2018 | 20.616 | JF-2018-HPD-00061 | | 9,459 |
| Joining Forces 2019 | 20.616 | JF-2019-HPD-00035 | | 38,441 |
| | | | | 47,900 |
| Total Highway Safety Cluster | | | | 180,333 |
| Total U.S. Department of Transportation | | | | 1,816,336 |
| <u>U.S. Department of the Treasury</u> | | | | |
| <i>Direct program</i> | | | | |
| Equitable Sharing | 21.016 | | | 298,207 |
| Total U.S. Department of the Treasury | | | | 298,207 |
| <u>U.S. Environmental Protection Agency</u> | | | | |
| <i>Direct program</i> | | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | | | | |
| Brownfields Assessment Grant | 66.818 | | | 125,395 |
| Total U.S. Environmental Protection Agency | | | | 125,395 |

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Amount Passed Through to Subrecipients | Expenditures |
|--|---------------------------|---|---|---------------------------|
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Aging Cluster | | | | |
| <i>Passed through State of Nevada Department of Health and Human Services</i> | | | | |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | | | | |
| Senior Nutrition Congregate 2018 | 93.045 | 03-031-07-1X-18 | | 43,525 |
| Senior Nutrition Congregate 2019 | 93.045 | 03-031-07-1X-19 | | 140,219 |
| Senior Nutrition Homebound 2018 | 93.045 | 03-031-04-2H-18 | | 100,025 |
| Senior Nutrition Homebound 2019 | 93.045 | 03-031-04-2H-19 | | 185,761 |
| Program Income - Senior Nutrition | 93.045 | | | <u>117,020</u> |
| | | | | 586,550 |
| <i>Passed through State of Nevada Department of Health and Human Services</i> | | | | |
| Nutrition Services Incentive Program | | | | |
| Senior Nutrition 2019 | 93.053 | 03-031-57-NX-19 | | <u>145,432</u> |
| Total Aging Cluster | | | | <u><u>731,982</u></u> |
| <i>Direct program</i> | | | | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | | | | |
| A. B. C. Court | 93.243 | | | <u>41,761</u> |
| <i>Passed through Southern Nevada Health District</i> | | | | |
| PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds | | | | |
| SNHD Reach Grant | 93.738 | C1900051 | | <u>535</u> |
| Total U.S. Department of Health and Human Services | | | | <u><u>774,278</u></u> |
| <u>U.S. Department of Homeland Security</u> | | | | |
| <i>Passed through State of Nevada Department of Public Safety</i> | | | | |
| Emergency Management Performance Grants | | | | |
| Emergency Management Performance Grants FFY16 - Equipment | 97.042 | 9704216 | | 5,702 |
| Emergency Management Performance Grants FFY18 | 97.042 | 9704218 | | 88,508 |
| Emergency Management Performance Grants FFY19 | 97.042 | 9704219 | | <u>65,483</u> |
| | | | | 159,693 |
| <i>Passed through State of Nevada Department of Public Safety</i> | | | | |
| Homeland Security Grant Program | | | | |
| HSGP FFY18 | 97.067 | 97067.18-3100 | | <u>220,656</u> |
| Total U.S. Department of Homeland Security | | | | <u><u>380,349</u></u> |
| Total expenditures of federal awards | | | <u>\$ 380,553</u> | <u>11,585,764</u> |

CITY OF HENDERSON, NEVADA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Henderson, Nevada (the City) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the net position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Outstanding Loan Balances

The federal loan programs listed below are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule.

At June 30, 2019, outstanding loan balances were as follows:

| Federal CFDA Number | Program Title | Loan Balance Receivable |
|------------------------|---|----------------------------|
| 14.218 | Community Development Block Grants/Entitlement Grants | \$ 210,700 |
| 14.239 | Home Investment Partnerships Program | 6,350,647 |
| | | <u>\$ 6,561,347</u> |

CITY OF HENDERSON, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditors' Results

| | |
|---|---|
| Financial Statements | |
| Type of auditors' report issued | Unmodified |
| Internal control over financial reporting | |
| Material weaknesses identified | No |
| Significant deficiencies identified that are not considered to be material weaknesses | Yes |
| Noncompliance material to financial statements | No |
| Federal Awards | |
| Internal control over major programs | |
| Material weaknesses identified | No |
| Significant deficiencies identified that are not considered to be material weaknesses | Yes |
| Type of auditors' report issued on compliance for major programs | Unmodified |
| Audit findings required to be reported in accordance with 2 CFR 200.516(a) | No |
| Identification of major programs | |
| CFDA number | 14.239 |
| Name of federal program or cluster | Home Investment Partnerships Program |
| CFDA number | 20.205, 20.219 |
| Name of federal program or cluster | Highway Planning and Construction Cluster |
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee | No |

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

2019 - 001

| | |
|----------------------------------|---|
| Criteria or specific requirement | Policies and procedures are in place and operating effectively to provide reasonable assurance that utilities fee revenue in the Water and Sewer enterprise funds is recorded in the period during which the revenue has been earned. |
| Condition and context | The report used to determine unbilled utilities accounts receivable at year end was inaccurate, which caused revenue and receivables to be overstated. The inaccuracy was not detected as part of the year-end closing process to review journal entries to record receivables. |
| Effect | In the City's Water and Sewer enterprise funds, revenue and receivables were overstated by approximately \$1,500,000 and \$600,000, respectively. |
| Cause | The internal controls designed to provide reasonable assurance that utility fee revenue is reported accurately did not function as intended. Specifically, the review of the year-end journal entry to record unbilled accounts receivable and late fees did not detect that the report parameters were inaccurate. |
| Recommendation | We recommend that management refine the review process for the year-end close to ensure that the entry to record unbilled utilities revenue is accurate at year-end. |
| Management's response | Management informed us that the Accounting Manager will include, as part of the unbilled revenue review process, a specific examination of the database and perform a year over year comparison in search for irregularities. |

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

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

| | |
|---------------------------------------|--|
| 2019 - 002 | |
| Federal program | Home Grants (CFDA #14.239) |
| Criteria or specific requirement | §200.502 Loan and loan guarantees (loans). Since the Federal Government is at risk for loans until the debt is repaid, the following guidelines must be used to calculate the value of Federal awards expended under loan programs, except as noted in paragraphs (c) and (d) of this section: (1) Value of new loans made or received during the audit period; plus (2) Beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements; plus (3) Any interest subsidy, cash, or administrative cost allowance received. |
| Condition and context | During the current year audit, management informed us that the beginning balance of loans identified on the schedule of expenditures of federal awards (SEFA) was understated. |
| A statistically valid sample was used | No |
| Questioned costs | None |
| Effect | The beginning balance of notes receivable reported in the SEFA for the year ended June 30, 2019 did not agree to the ending notes receivable balance reported in the notes to the SEFA for the year ended June 30, 2018 by \$46,853. |
| Cause | Inadequate controls in place to ensure the loan balance schedule used for preparation of the SEFA is complete and notes receivable are reflected on the schedule in a timely manner. |
| Repeat finding | Yes |
| Recommendation | The total loan balance should be more closely monitored to ensure proper reporting on the City's SEFA. |
| Management's response | Management informed us that finance will complete additional reconciliation procedures of the loan activity to notes receivable schedules and agree those to SEFA reporting and disclosure. A unique general ledger account number for loan activity has been established to ensure that costs are no longer commingled with other non-loan related expenditures, and that they are reported properly. Finance and Neighborhood Services will also be conducting annual audits of open loan files to verify that loan balances, project numbers and other information are correct and in agreement with the loan portfolio. |

CITY OF HENDERSON, NEVADA

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2018

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

2018 - 001

Criteria or specific requirement

Policies and procedures are in place and operating effectively to provide reasonable assurance that license and permit revenue in the Development Services enterprise fund is recorded in the period during which the revenue has been earned.

Condition and context

The report used to determine whether license and permit revenue should be recognized or deferred at year end was inaccurate, which caused unearned revenue to be overstated and revenue to be understated. The inaccuracy was not detected as part of the year-end closing process in which the journal entry is recorded to record unearned revenue.

Current status

Corrected

Reason this finding is no longer valid or does not warrant further action

The City created a script to capture all inaccuracies in the converted data. In addition, they created a one time script in the system to identify all permits that should be recognized as revenue and automatically update appropriate fields. Lastly, they created a system report to identify all permits for which revenue should be recognized.

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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

2018 - 002

Federal program

Home Grants (CFDA #14.239)

Criteria or specific requirement

§200.502 Loan and loan guarantees (loans). Since the Federal Government is at risk for loans until the debt is repaid, the following guidelines must be used to calculate the value of Federal awards expended under loan programs, except as noted in paragraphs (c) and (d) of this section:

- (1) Value of new loans made or received during the audit period; plus
- (2) Beginning of the audit period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements; plus
- (3) Any interest subsidy, cash, or administrative cost allowance received.

Condition and context

During the current year audit, management informed us that the beginning balance identified on the SEFA was understated.

Current status

Uncorrected.

Planned corrective action

See 2019-002.

CITY OF HENDERSON, NEVADA

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2019

As required by Nevada Revised Statutes (NRS) 354.624, Section 4(a), all fees imposed by a local government are subject to the provisions of NRS 354.5989. A local government may adopt new business license fees only if the revenue from the fees is less than the prescribed calculated maximum.

FEES CALCULATED AS A PERCENTAGE OF GROSS REVENUE

| | | |
|---|----|------------------|
| Business license revenue for the year ended June 30, 2019 | \$ | 4,977,874 |
| Business license revenue for the year ended June 30, 2018 (base year) | \$ | 4,729,600 |
| Adjustment to base year | | |
| Percentage change in Consumer Price Index | | <u>1.91 %</u> |
| Total adjustment to base year | | <u>90,335</u> |
| Adjusted business license revenue base for the year ended June 30, 2019 | | <u>4,819,935</u> |
| Amount over allowable maximum | \$ | <u>157,939</u> |

FEES CALCULATED ON A FLAT OR FIXED RATE

| | | |
|---|----|----------------|
| Business license revenue for the year ended June 30, 2019 | \$ | 2,703,719 |
| Business license revenue for the year ended June 30, 2018 (base year) | \$ | 2,576,576 |
| Adjustment to base year | | |
| Percentage change in local government population | | 2.39 % |
| Percentage change in Consumer Price Index | | <u>1.91 %</u> |
| Total adjustment to base year | | <u>4.30 %</u> |
| Adjusted business license revenue base for the year ended June 30, 2019 | | <u>110,793</u> |
| Amount over allowable maximum | \$ | <u>16,350</u> |



A Place To Call Home

Debra March

Mayor

John F. Marz

Councilman

Michelle Romero

Councilwoman

Dan K. Shaw

Councilman

Dan H. Stewart

Councilman

Richard A. Derrick

City Manager/CEO

Bristol S. Ellington

Deputy City Manager/
Chief Operating Officer

Stephanie Garcia-Vause

Assistant City Manager/
Chief Strategy Officer

Robert Herr

Assistant City Manager/
Chief Infrastructure Officer

Jim McIntosh

Chief Financial Officer

CITY OF HENDERSON

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