



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.

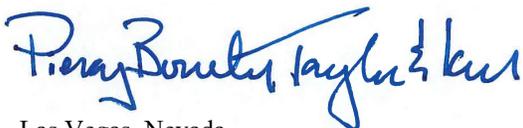
Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information and proportionate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

THIS PAGE INTENTIONALLY LEFT BLANK

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	2019	2018	2019	2018
		(Restated)				(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	<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>

(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.

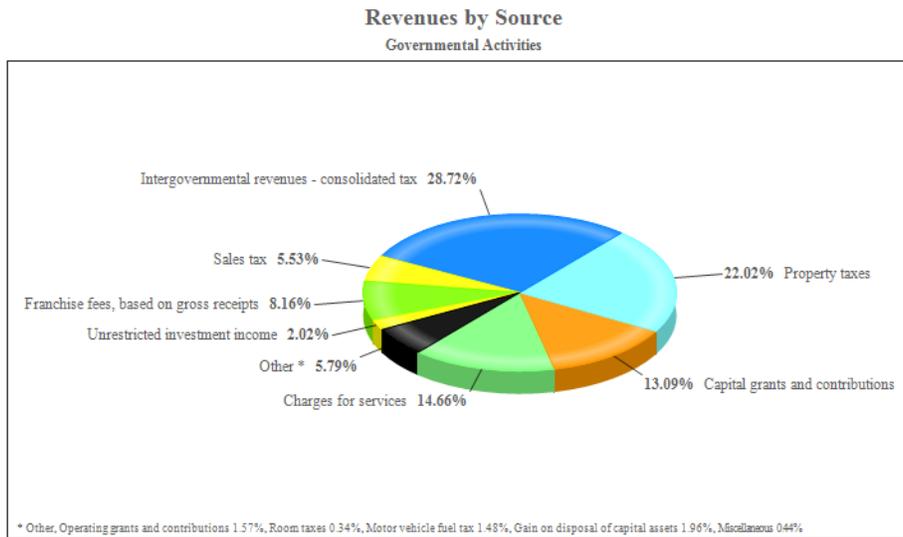
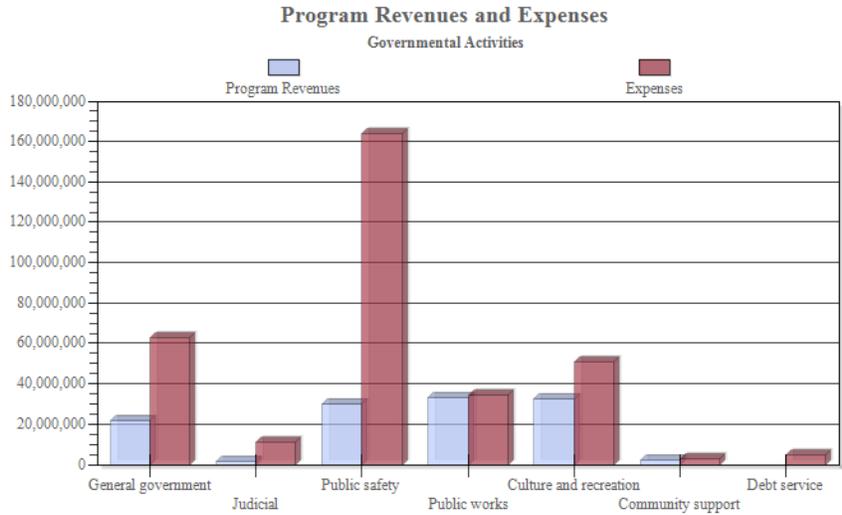
Transfers decreased by \$4.6 million due primarily to a \$1.8 million decrease in transfers in for debt service and transfers out for the Vegas Golden Knights ice hockey facility construction from the Agency and the transfer of convention center liabilities from the Cultural Arts and Tourism enterprise 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.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2019

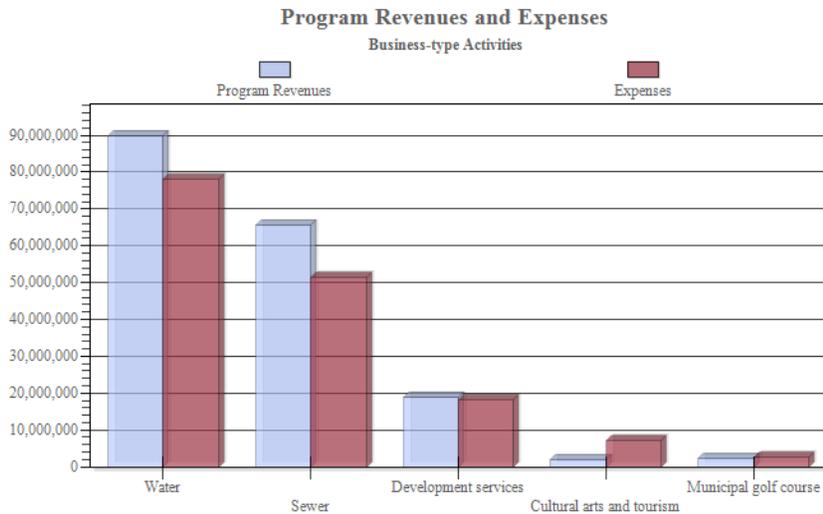
Significant year-over-year changes are as follows:

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.

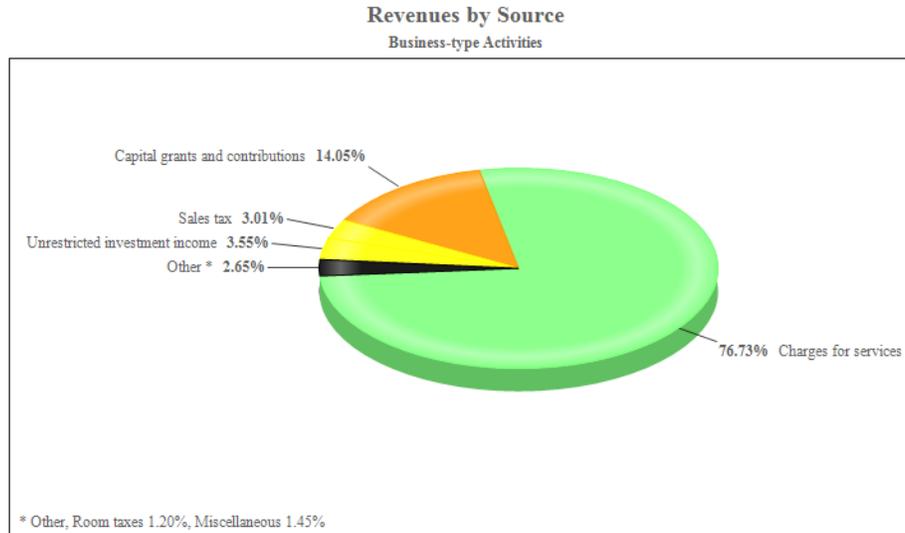


(Continued)

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



THIS PAGE INTENTIONALLY LEFT BLANK

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	(245,069,012)	110,919,928	(134,149,084)
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.

THIS PAGE INTENTIONALLY LEFT BLANK

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				Internal Service	
	Water	Sewer	Development Services	Enterprise Funds		Total Enterprise 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	10,608,572	17,070,602			27,679,174	1,649,631
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				Internal Service	
	Water	Sewer	Development Services	Enterprise Funds		Total Enterprise 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>

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>(3,000)</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.

THIS PAGE INTENTIONALLY LEFT BLANK



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.

THIS PAGE INTENTIONALLY LEFT BLANK



2019

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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
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		50,110	50,110
Total assets	\$ 2,336,961	\$ 8,443,562	\$ 10,780,523
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 324		\$ 324
Due to other governments	314		314
Total liabilities	638		638
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		310,963	310,963
Unavailable revenue, special assessments	1,108,863		1,108,863
Total deferred inflows of resources	1,108,863	310,963	1,419,826
Total liabilities and deferred inflows of resources	1,109,501	310,963	1,420,464
FUND BALANCES			
Restricted	1,227,460	8,132,599	9,360,059
Total liabilities, deferred inflows of resources and fund balances	\$ 2,336,961	\$ 8,443,562	\$ 10,780,523

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	<u>264,131</u>	<u>5,203,757</u>	<u>5,467,888</u>
EXPENDITURES			
Current			
General government		10,024	10,024
Public works	4,706		4,706
Total current	<u>4,706</u>	<u>10,024</u>	<u>14,730</u>
Debt service			
Principal payments		6,169,310	6,169,310
Interest charges		4,365,619	4,365,619
Total debt service		<u>10,534,929</u>	<u>10,534,929</u>
Total expenditures	<u>4,706</u>	<u>10,544,953</u>	<u>10,549,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>259,425</u>	<u>(5,341,196)</u>	<u>(5,081,771)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		6,733,094	6,733,094
Transfers out	(176,014)		(176,014)
Total other financing sources (uses)	<u>(176,014)</u>	<u>6,733,094</u>	<u>6,557,080</u>
CHANGE IN FUND BALANCE	83,411	1,391,898	1,475,309
FUND BALANCE, BEGINNING OF YEAR	<u>1,144,049</u>	<u>6,740,701</u>	<u>7,884,750</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,227,460</u>	<u>\$ 8,132,599</u>	<u>\$ 9,360,059</u>

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

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas
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		219,208		
Total assets	\$ 560,124	\$ 378,589	\$ 38,056,889	\$ 2,664,925
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				2,664,925
Total liabilities	24,793		1,163,447	2,664,925
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables			8,338	
Total deferred inflows of resources			8,338	
Total liabilities and deferred inflows of resources	24,793		1,171,785	2,664,925
FUND BALANCES				
Restricted	535,331	378,589	2,541,852	
Assigned			34,343,252	
Total fund balances	535,331	378,589	36,885,104	
Total liabilities, deferred inflows of resources and fund balances	\$ 560,124	\$ 378,589	\$ 38,056,889	\$ 2,664,925

(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

	<u>Municipal Facilities Acquisition and Construction</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>
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

	<u>Special Assessment Districts</u>	<u>Land Sales</u>	<u>Total Non-Major Capital Project Funds</u>
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	<u>15,282,428</u>	<u>1,866,135</u>	<u>25,962,597</u>
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	<u>17,740</u>	<u>758,003</u>	<u>6,954,883</u>
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	<u>460,852</u>	<u>7,222,219</u>	<u>16,521,330</u>
Debt service			
Interest charges	73,193		73,193
Total expenditures	<u>551,785</u>	<u>7,980,222</u>	<u>23,549,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>14,730,643</u>	<u>(6,114,087)</u>	<u>2,413,191</u>
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)	<u>176,014</u>	<u>14,276,409</u>	<u>28,789,147</u>
CHANGE IN FUND BALANCE	<u>14,906,657</u>	<u>8,162,322</u>	<u>31,202,338</u>
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	<u>18,950,331</u>	<u>20,912,042</u>	<u>110,797,947</u>
FUND BALANCE, END OF YEAR	<u>\$ 33,856,988</u>	<u>\$ 29,074,364</u>	<u>\$ 142,000,285</u>

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	97,699,553	93,673,647	4,025,906
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	2,018,802	1,906,413	112,389
Total public safety	156,096,036	150,988,105	5,107,931
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	2,430,628	2,408,517	22,111
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	3,847,876	3,420,451	427,425
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	4,819,054	3,483,939	1,335,115
Total public works	11,097,558	9,312,907	1,784,651
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	20,371,390	18,760,059	1,611,331
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	20,426,248	19,638,972	787,276
Total culture and recreation	40,797,638	38,399,031	2,398,607

(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	<u>500,000</u>	<u>261,177</u>	<u>(238,823)</u>
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	<u>287,000</u>	<u>141,472</u>	<u>145,528</u>
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	<u>1,800,000</u>	<u>458,606</u>	<u>1,341,394</u>
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	<u>3,700,000</u>	<u>936,121</u>	<u>2,763,879</u>
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	<u>8,500,000</u>	<u>315,337</u>	<u>8,184,663</u>
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	<u>2,297,651</u>	<u>1,408,321</u>	<u>889,330</u>
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>\$ 472,697</u>	<u>\$ 1,149,232</u>	<u>\$ 676,535</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

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

CITY OF HENDERSON, NEVADA

GENERAL OBLIGATION DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 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	1,377,350		(1,377,350)
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	248,452	73,508	174,944
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	13,399,400	1,307,631	12,091,769
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	638,915	33,316	605,599
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	(3,065,000)	(2,215,000)	850,000
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	\$ 4,995	\$ 4,995	\$
CHANGE IN FUND BALANCE	(4,995)	(4,995)	
FUND BALANCE, BEGINNING OF YEAR	<u>540,326</u>	<u>540,326</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

	Final Budget	Actual	Variance
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>	<u> </u>
CHANGE IN FUND BALANCE	2,300	82,612	80,312
FUND BALANCE, BEGINNING OF YEAR	<u>295,977</u>	<u>295,977</u>	<u> </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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
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	<u>1,066,063</u>	<u>2,179,517</u>	<u>1,113,454</u>
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	<u>11,035,384</u>	<u>5,117,487</u>	<u>5,917,897</u>
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	<u>6,619,916</u>	<u>3,133,620</u>	<u>3,486,296</u>
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	<u>12,985,522</u>	<u>1,573,084</u>	<u>11,412,438</u>
Culture and recreation			
Services and supplies	296,343	118,605	177,738
Capital outlay	2,049,932		2,049,932
Total culture and recreation	<u>2,346,275</u>	<u>118,605</u>	<u>2,227,670</u>
Total expenditures	<u>32,987,097</u>	<u>9,942,796</u>	<u>23,044,301</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(31,921,034)</u>	<u>(7,763,279)</u>	<u>24,157,755</u>
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)	<u>5,869,322</u>	<u>11,667,149</u>	<u>5,797,827</u>
CHANGE IN FUND BALANCE	(26,051,712)	3,903,870	29,955,582
FUND BALANCE, BEGINNING OF YEAR	<u>32,981,234</u>	<u>32,981,234</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,929,522</u>	<u>\$ 36,885,104</u>	<u>\$ 29,955,582</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK



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.



THIS PAGE INTENTIONALLY LEFT BLANK

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						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									
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>

THIS PAGE INTENTIONALLY LEFT BLANK

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		Citywide Services	Total Internal Service Funds
					Compensation Self-Insurance	Health Insurance Self-Insurance		
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$ 1,515,601	\$	\$	\$	\$	\$	\$ 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)		(10,049,876)	(43,254,489)
Cash payments for employee services	(4,561,744)	(1,590,139)		(414,802)	(203,350)		(372,222)	(7,366,066)
Cash payments for interfund services	7,141,168	8,430,688	73,193	3,193,038	6,119,150		12,354,708	55,884,692
Net cash provided by operating activities	109,834	2,652,985	73,193	706,548	2,207,257		1,962,466	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		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		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		11,231,389	61,102,939
CASH AND CASH EQUIVALENTS, END OF YEAR	4,585,122	13,427,870	1,461,787	7,795,414	18,048,581		12,141,672	68,568,983
Unrestricted	4,585,122	13,427,870	1,461,787	7,795,414	2,397,000		11,108,537	2,397,000
Restricted					20,445,581		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
					Health Insurance Self-Insurance	Compensation 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	132,057	3,582,719		5,770			24,279	3,582,719
Other		172,986						335,092
(Increase) decrease in operating assets								
Accounts receivable	1,728	819			64,621	(41,575)	69,350	25,593
Prepaid items							1,217	69,350
Due from other funds	(142,403)							(141,186)
Inventories		9,130						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)	(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>2,615,532</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

	Final Budget	Actual	Variance
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	3,820,060	5,527,965	(1,707,905)
Operating loss	(627,024)	(2,334,927)	(1,707,903)
NONOPERATING REVENUES			
Investment income	118,000	220,100	102,100
Miscellaneous		5,770	5,770
Total nonoperating revenues	118,000	225,870	107,870
CHANGE IN NET POSITION	\$ (509,024)	(2,109,057)	\$ (1,600,033)
NET POSITION, BEGINNING OF YEAR		3,844,447	
NET POSITION, END OF YEAR		\$ 1,735,390	

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>20,490,164</u>	\$ <u>20,620,100</u>	\$ <u>129,936</u>
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	<u>17,560,697</u>	<u>16,188,284</u>	<u>1,372,413</u>
Total operating expenses	<u>20,707,929</u>	<u>19,381,676</u>	<u>1,326,253</u>
Operating income (loss)	<u>(217,765)</u>	<u>1,238,424</u>	<u>1,456,189</u>
NONOPERATING REVENUES			
Investment income	<u>145,000</u>	<u>284,115</u>	<u>139,115</u>
CHANGE IN NET POSITION	\$ <u>(72,765)</u>	1,522,539	\$ <u>1,595,304</u>
NET POSITION, BEGINNING OF YEAR		<u>5,678,859</u>	
NET POSITION, END OF YEAR		\$ <u>7,201,398</u>	

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

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

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

	Final Budget	Actual	Variance
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	47,975,000	49,337,431	1,362,431
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	52,350,256	47,106,522	5,243,734
Operating income (loss)	(4,375,256)	2,230,909	6,606,165
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)	3,526,031	4,751,746	1,225,715
Income (loss) before capital contributions and transfers	(849,225)	6,982,655	7,831,880
CAPITAL CONTRIBUTIONS			
Capital contributions	7,000,000	17,070,602	10,070,602
TRANSFERS			
Transfers in		3,545	3,545
Transfers out	(1,650,000)	(1,928,000)	(278,000)
Total transfers	(1,650,000)	(1,924,455)	(274,455)
CHANGE IN NET POSITION	\$ 4,500,775	22,128,802	\$ 17,628,027
NET POSITION, BEGINNING OF YEAR		545,142,176	
NET POSITION, END OF YEAR		\$ 567,270,978	

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

	Final Budget	Actual	Variance
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	18,399,913	18,916,202	516,289
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	20,589,938	17,910,316	2,679,622
Operating income (loss)	(2,190,025)	1,005,886	3,195,911
NONOPERATING REVENUES			
Investment income	240,000	439,048	199,048
CHANGE IN NET POSITION	\$ (1,950,025)	1,444,934	\$ 3,394,959
NET POSITION, BEGINNING OF YEAR		(5,236,597)	
NET POSITION, END OF YEAR		\$ (3,791,663)	

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

	Final Budget	Actual	Variance
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	1,386,100	1,340,331	(45,769)
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	13,192,877	5,359,969	7,832,908
Operating loss	(11,806,777)	(4,019,638)	7,787,139
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)	2,559,545	6,156,394	3,596,849
Income (loss) before transfers	(9,247,232)	2,136,756	11,383,988
TRANSFERS			
Transfers in		4,000,000	4,000,000
Transfers out	(513,683)		513,683
Total transfers	(513,683)	4,000,000	4,513,683
CHANGE IN NET POSITION	\$ (9,760,915)	6,136,756	\$ 15,897,671
NET POSITION, BEGINNING OF YEAR		7,135,397	
NET POSITION, END OF YEAR		\$ 13,272,153	

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	



2019

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

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