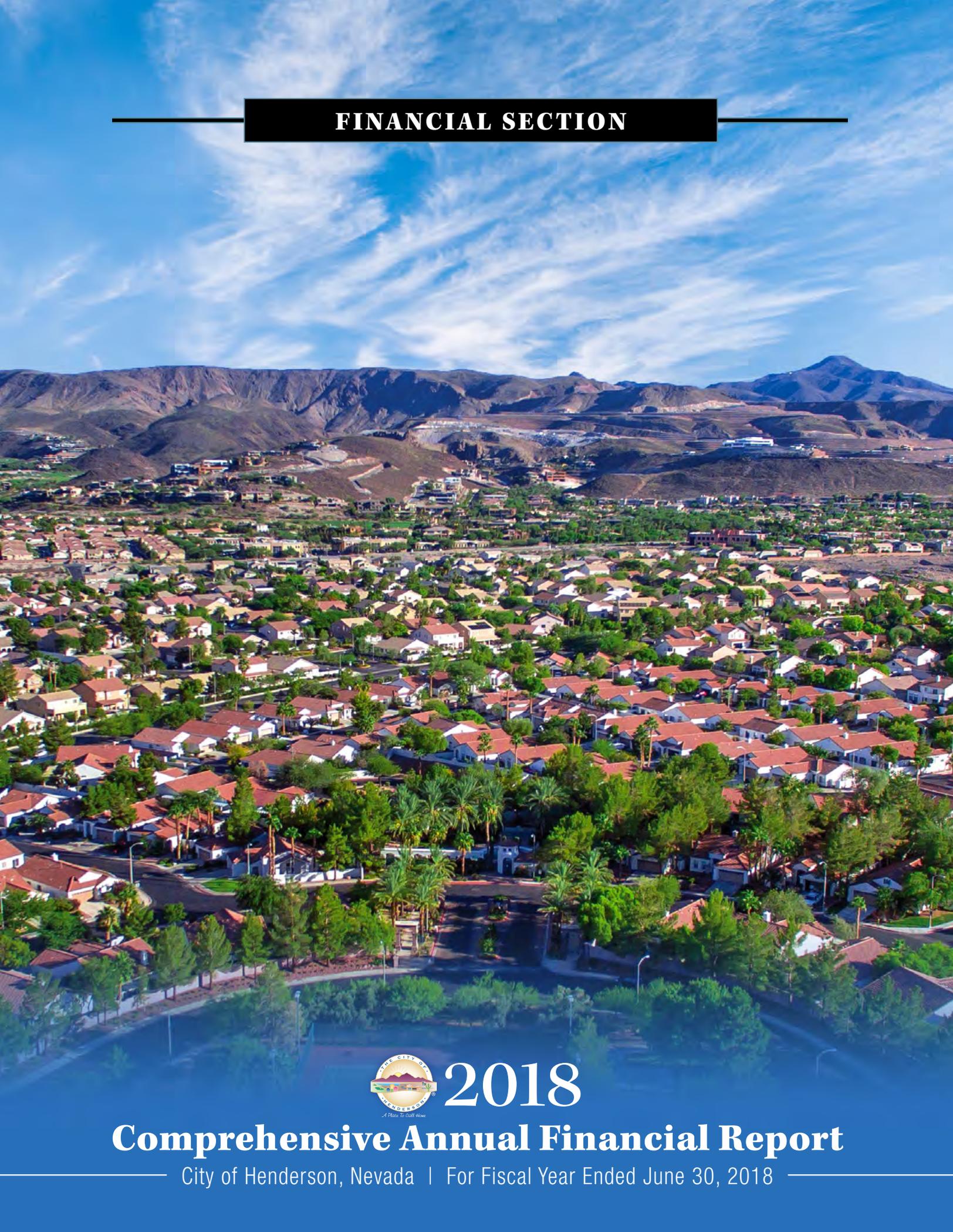


# FINANCIAL SECTION



# 2018

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

Honorable Mayor and Members of the City Council  
City of Henderson, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson (the City) as of and for the year ended June 30, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund and each major special revenue fund, as listed in the table of contents for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the

management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 11-23 and 80-86 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, 2018, 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, 2018

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2018

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As management of the City of Henderson, Nevada (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. 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 of the City exceeded its liabilities at June 30, 2018 by \$2,465,140,280 (net position). However due to the implementation of Governmental Accounting Standards Board Statement (GASB) 68, *Accounting and Financial Reporting for Pensions*, (GASB 68) and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), the City has negative unrestricted net position in Governmental Activities of \$254,446,524.

The City previously implemented GASB 68, which required the City to record its proportionate share of the collective net pension liability of the Nevada Public Employees Retirement System (PERS) and the related deferred inflows and outflows of resources. However, per Nevada Revised Statutes (NRS), respective participating public employers are not liable for obligations of PERS.

Effective July 1, 2017, the City implemented GASB 75, which required the City to report the estimated total liability for postemployment benefits other than pensions (OPEB), and the related deferred inflows and outflows of resources. As of July 1, 2017, the implementation of GASB 75 resulted in a decreases in net position of \$42,447,966 and \$2,021,793 for the City's Governmental and Business-type Activities, respectively.

Additionally, effective July 1, 2017, the City fully Implemented GASB 82, *Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No.73* (GASB 82), which provided clarification that payments that were made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of GASB 67 and employee contributions for purpose of GASB 82. It also required that an employer's expense and expenditure for those amounts be recognized in the period for which the contribution was assessed. As of July 1, 2017, the implementation of GASB 82 resulted in a decrease in net position of \$29,062,084 and \$5,604,933 for the City's Governmental Activities and Business-type Activities, respectively.

During fiscal year 2018, the City's total net position increased by \$78,446,673. See the sections on Governmental Activities and Business-type Activities below for explanations of the increase.

As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$224,426,791, an increase of \$14,323,311 in comparison with the prior year. See the governmental fund analysis below for explanations of the increase. Approximately 11.9% of ending fund balances, or \$26,659,209, is available for spending at the City's discretion (i.e., unassigned fund balance).

As of June 30, 2018, unassigned fund balance in the general fund was 10.8% of fiscal year 2018 expenditures in the general fund.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### 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.

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.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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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-three individual governmental funds as of June 30, 2018. 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).

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.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

### 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, 2018, the City is reporting net position of \$2,465,140,280. The following table provides a summary of the City's net position for the years ended June 30, 2018 and 2017.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)
Assets						
Current, restricted and other	\$ 373,591,507	\$ 358,530,050	\$ 194,193,671	\$ 189,454,041	\$ 567,785,178	\$ 547,984,091
Capital	<u>1,684,460,680</u>	<u>1,654,124,383</u>	<u>995,972,740</u>	<u>980,687,796</u>	<u>2,680,433,420</u>	<u>2,634,812,179</u>
Total assets	<u>2,058,052,187</u>	<u>2,012,654,433</u>	<u>1,190,166,411</u>	<u>1,170,141,837</u>	<u>3,248,218,598</u>	<u>3,182,796,270</u>
Deferred outflows of resources	<u>56,412,443</u>	<u>64,640,168</u>	<u>12,855,796</u>	<u>14,552,869</u>	<u>69,268,239</u>	<u>79,193,037</u>
Liabilities						
Current	26,122,669	29,909,460	25,588,971	25,176,248	51,711,640	55,085,708
Other	<u>594,315,123</u>	<u>606,592,131</u>	<u>165,870,059</u>	<u>179,309,864</u>	<u>760,185,182</u>	<u>785,901,995</u>
Total liabilities	<u>620,437,792</u>	<u>636,501,591</u>	<u>191,459,030</u>	<u>204,486,112</u>	<u>811,896,822</u>	<u>840,987,703</u>
Deferred inflows of resources	<u>35,310,943</u>	<u>29,868,034</u>	<u>5,138,792</u>	<u>4,439,963</u>	<u>40,449,735</u>	<u>34,307,997</u>
Net position						
Net investment in capital assets	1,571,088,765	1,535,572,974	905,555,423	878,228,166	2,476,644,188	2,413,801,140
Restricted	142,073,654	150,368,722	6,465,320	2,646,316	148,538,974	153,015,038
Unrestricted	<u>(254,446,524)</u>	<u>(275,016,720)</u>	<u>94,403,642</u>	<u>94,894,149</u>	<u>(160,042,882)</u>	<u>(180,122,571)</u>
Total net position	<u>\$ 1,458,715,895</u>	<u>\$ 1,410,924,976</u>	<u>\$ 1,006,424,385</u>	<u>\$ 975,768,631</u>	<u>\$ 2,465,140,280</u>	<u>\$ 2,386,693,607</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.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

A portion of the City's net position (6.0%) is subject to external restrictions on how it may be used. The remaining balance is a negative \$160,042,882, resulting from the previously adopted GASB 68 and current year adoptions of GASB 75 and 85. As of June 30, 2018, pursuant to GASB 68, the City's long-term liabilities include a net pension liability of \$401.3 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 a result of the adoption of GASB 75, the City's has recorded a long-term liability for its actuarially determined total OPEB liability of \$71.6 million.

The City's total net position increased by \$78,446,673 during the current fiscal year, comprised of an increase in governmental activities net position of \$47,790,919 and an increase in business-type activities net position of \$30,655,754. See explanations for the increases in the sections for Governmental Activities and Business-type Activities, immediately following the table below.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
		(Restated)		(Restated)		(Restated)
Revenues						
Program revenues						
Charges for services	\$ 59,771,450	\$ 48,659,527	\$ 145,001,667	\$ 141,382,177	\$ 204,773,117	\$ 190,041,704
Operating grants and contributions	8,130,952	8,053,316			8,130,952	8,053,316
Capital grants and contributions	55,362,844	72,920,117	30,349,483	21,326,556	85,712,327	94,246,673
General revenues						
Property taxes	82,592,579	75,820,135			82,592,579	75,820,135
Room taxes	1,202,532	1,167,119	2,405,064	2,334,237	3,607,596	3,501,356
Intergovernmental revenues - consolidated tax	110,094,368	103,694,983			110,094,368	103,694,983
Motor vehicle fuel tax	5,949,748	5,674,990			5,949,748	5,674,990
Sales tax	21,333,785	17,214,498	5,435,994	5,203,111	26,769,779	22,417,609
Franchise fees, based on gross receipts	33,662,964	32,323,065			33,662,964	32,323,065
Unrestricted investment income	1,834,383	658,995	1,171,910	26,858	3,006,293	685,853
Gain on disposal of capital assets	4,402,727	6,257,270			4,402,727	6,257,270
Miscellaneous	1,799,429	1,490,441	2,223,506	999,487	4,022,935	2,489,928
<b>Total revenues</b>	<b>386,137,761</b>	<b>373,934,456</b>	<b>186,587,624</b>	<b>171,272,426</b>	<b>572,725,385</b>	<b>545,206,882</b>
Expenses						
General government	59,933,998	51,926,527			59,933,998	51,926,527
Judicial	11,613,257	13,357,418			11,613,257	13,357,418
Public safety	173,233,070	161,673,077			173,233,070	161,673,077
Public works	35,668,455	37,656,505			35,668,455	37,656,505
Culture and recreation	50,566,579	50,969,703			50,566,579	50,969,703
Community support	4,983,380	4,229,302			4,983,380	4,229,302
Interest expense and fiscal charges	5,203,461	5,327,171			5,203,461	5,327,171
Water			77,037,042	74,717,817	77,037,042	74,717,817
Sewer			50,641,990	49,348,476	50,641,990	49,348,476
Development services			19,127,769	17,618,921	19,127,769	17,618,921
Cultural arts and tourism			3,740,723	3,691,725	3,740,723	3,691,725
Municipal golf course			2,528,988	2,579,199	2,528,988	2,579,199
<b>Total expenses</b>	<b>341,202,200</b>	<b>325,139,703</b>	<b>153,076,512</b>	<b>147,956,138</b>	<b>494,278,712</b>	<b>473,095,841</b>
Change in net position before transfers	44,935,561	48,794,753	33,511,112	23,316,288	78,446,673	72,111,041

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)
Transfers	\$ 2,855,358	\$ (94,253)	\$ (2,855,358)	\$ 94,253	\$	\$
Change in net position	<u>47,790,919</u>	<u>48,700,500</u>	<u>30,655,754</u>	<u>23,410,541</u>	<u>78,446,673</u>	<u>72,111,041</u>
Net position, beginning of year, as previously reported	1,482,435,026	1,432,080,352	983,395,357	959,582,288	2,465,830,383	2,391,662,640
Adjustment	<u>(71,510,050)</u>	<u>(69,855,876)</u>	<u>(7,626,726)</u>	<u>(7,224,198)</u>	<u>(79,136,776)</u>	<u>(77,080,074)</u>
Net position, beginning of year, as adjusted	<u>1,410,924,976</u>	<u>1,362,224,476</u>	<u>975,768,631</u>	<u>952,358,090</u>	<u>2,386,693,607</u>	<u>2,314,582,566</u>
Net position, end of year	<u>1,458,715,895</u>	<u>1,410,924,976</u>	<u>1,006,424,385</u>	<u>975,768,631</u>	<u>2,465,140,280</u>	<u>2,386,693,607</u>

### Governmental Activities

Governmental activities increased the City's net position by \$47,790,919. Revenues came in at \$386.1 million supported by solid levels of consolidated taxes (\$110.1 million), property taxes (\$82.6 million) and sales taxes (\$21.3 million). Total expenses finished the year at \$341.2 million, in line with expectations and budget. Significant year-over-year changes are as follows:

Charges for services increased by \$11.1 million, due primarily to a subsidy for Ground Emergency Medical Transportation. This was the first year the City received the subsidy related to ambulance services provided, which increased charges for service revenue by \$4.9 million.

Capital grants and contributions decreased by \$17.6 million, due primarily to a decrease in developer contributions. In the prior year, the City received a \$21.6 million contribution related to a major road improvement project for Stephanie Street from Galleria Drive to Russell Road.

Property tax revenue increased by \$6.8 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 \$6.4 million and \$4.1, respectively, also due to continued growth in the local economy.

General government expense increased by \$8.0 million, due primarily to the write-down of land held for resale of \$5.4 million, based on recent appraisals.

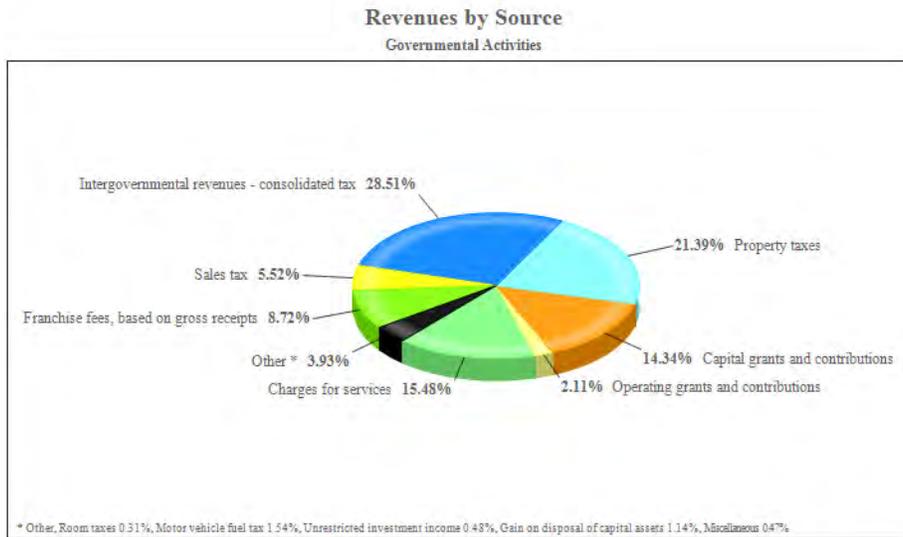
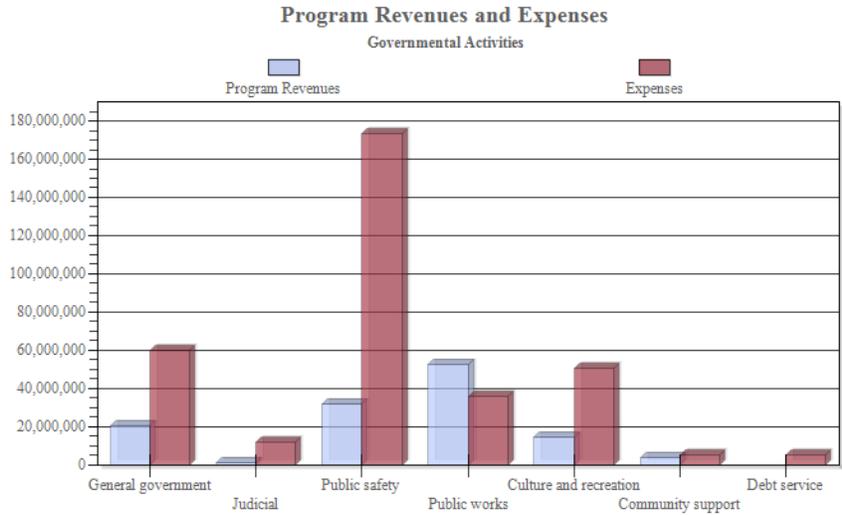
Public Safety expense increased by \$11.6 million, primarily due to increases in salaries and wages of approximately \$6.3 million and an increase in employee benefits of \$4.4 million. The increase in salaries and wages for public safety primarily result from an increase in full time equivalent (FTE) police positions due to the More Cops legislation. The increase in employee benefits primary results from the adoption of GASB 75, which resulted in an increase of employee benefit expense of \$1.5 million. Workers compensation expense also increased \$2.2 million as a result of an increase in claims.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018



### Business-type Activities

Business-type activities increased the City's net position by \$30,655,754. Charges for services account for \$145.0 million of the total revenues of \$186.6. Total expenses were in line with expectations and budget; the largest proportional increase was in water services (\$2.3 million) supporting an increase in overall development activity due to the strong economy.

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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

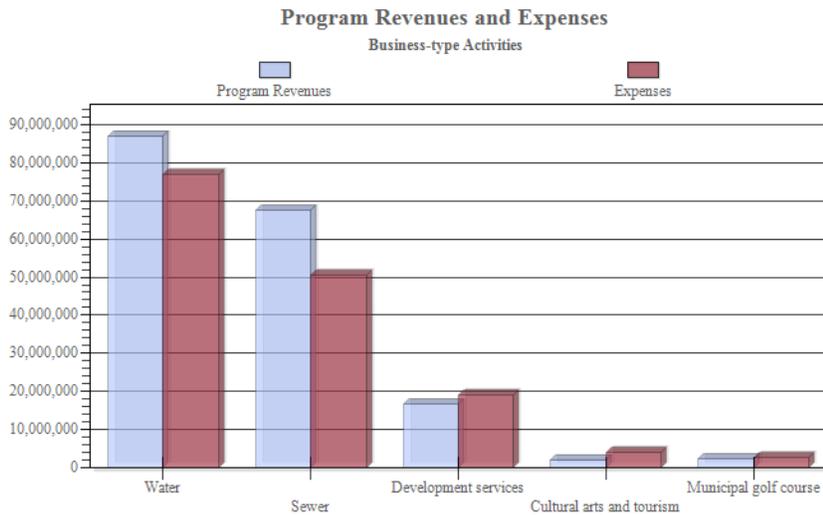
Significant year-over-year changes are as follows:

Charges for services increased by \$3.6 million, due primarily to an increase in utilities fees of \$4.3 million resulting from an increase in the number of active water accounts and a 2% rate increase. Sewer rates remained the same; however, there was an increase in the number of active accounts.

These increases were partially offset by a \$2.0 million decrease in revenue in quality control inspections related to development services. While inflows related to development services were the highest in the last five fiscal years, many of the related development projects were longer term, causing them to cross fiscal years. As such, much of the inflow related to those projects was deferred for future years' benefit, rather than being recognized as revenue in the current fiscal year.

Capital grants and contributions increased by \$9.0 million, due to an increase in sewer development fees and in utility assets contributed by developers. In the current year, a large base of water and sewer mains were contributed from several completed developments, including, Pearl Creek, Inspirada, Eastgate Road, and Champion Place. There was also an increase in sewer development fees due to an increase in development of apartment complexes, fees paid for an elementary school, a Marriott Residence Inn and several medical and restaurant rehabs.

Unrestricted investment income increased by \$1.1 million due to an improved rate of return.

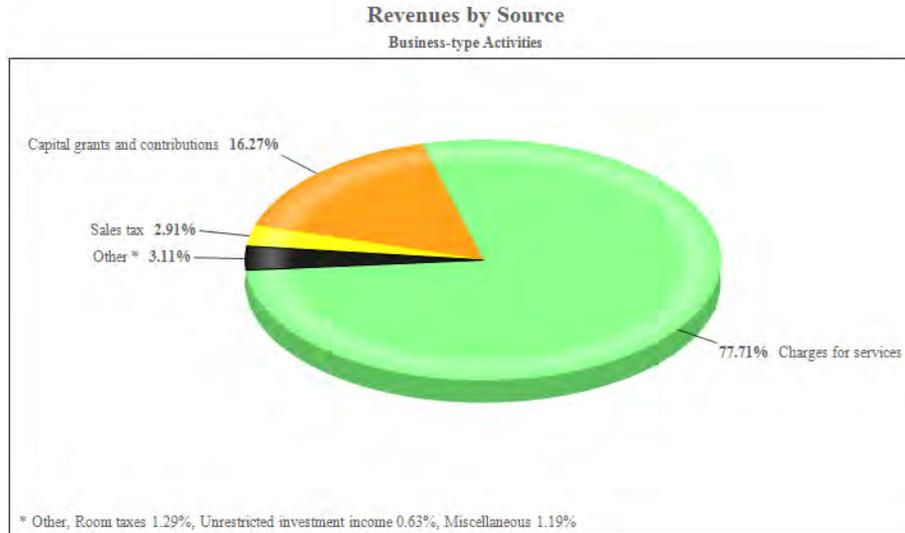


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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018



### 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 \$224,426,791, an increase of \$14,323,311, in comparison with the prior year. Approximately 11.9% of this balance (\$26,659,209) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either nonspendable (\$33,723), restricted by State law or outside entities (\$132,510,627) or assigned for specific uses by the City (\$65,223,232).

### 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 \$26,659,209, while total fund balance was \$30,262,907. 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, 2018, unassigned fund balance represents 10.8% of total general fund expenditures, while total fund balance represents 12.3% of that same amount.

The fund balance of the general fund increased by \$3,860,248 during the current fiscal year. Significant year-over-year changes are as follows:

Property taxes increased by \$3.4 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 \$7.6 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, 2018

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Charges for services increase by \$4.5 million, due primarily to the Ground Emergency Medical Transportation subsidy. This was the first year the City received the subsidy related to ambulance services provided, which increased charges for service revenue by \$4.9 million.

Other general fund revenues decreased in total by \$3.0 million, but no one category changed significantly over the previous fiscal year.

Judicial current expenditures decreased by \$1.6 million due to a departmental reorganization during the current fiscal year in which the City's court program for alternative sentencing was transferred from the judicial function to the public safety function.

Public safety current expenditures increased by \$9.5 million, primarily due to an increase in salaries and wages of approximately \$3.2 million and an increase in employee benefits of \$3.5 million. The increase in salaries and wages for public safety primarily result from an increase in FTE police officers as a result of the More Cops legislation. The increase in employee benefits primarily resulted from an increase in workers compensation claims expense of \$1.9 million and an increase in pension expense of \$0.9 million. Also, during the year, the City's court program for alternative sentencing was moved from the judicial function to the public safety function due to a department reorganization.

Culture and recreation current expenditures increased by \$1.3 million, due primarily to an increase in salaries and wages and related benefits of \$0.8 million from an increase in FTEs.

Other general fund expenditures increased in total by \$1.4 million, but no one category changed significantly over the previous fiscal year.

Transfers to other funds were \$16.8 million and were primarily to fund debt service and capital acquisition.

### Grants Special Revenue Fund

As of June 30, 2018, the grants special revenue fund has a total fund balance of \$477,179, which increased by \$33,319 during the current fiscal year, all of which is restricted by granting agencies. Intergovernmental revenues increased by \$3.4 million during the current fiscal year, due primarily to Barclay's Catalyst projects funded by the State of Nevada totaling \$1.5 million, and funding from cooperative agreements with the Nevada Department of Transportation for the Boulder Highway Trail (\$1.0 million) and intersection improvements at I-515 and Marks Street (\$0.9 million).

In fiscal year 2018, there was an increase in public works capital outlay expenditures of \$1.5 million, due primarily to large road and trail improvement projects, including Sunset Road from Marks Street to I-515 and Boulder Highway Trail Enhancement. Both projects were completed during the current fiscal year.

Other grant special revenue fund expenditures increased \$1.7 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, 2018

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### Proprietary Funds

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

Unrestricted net position of the water fund at the end of fiscal year 2018 amounted to \$69,583,037 and the total increase in net position was \$8,854,125. Unrestricted net position of the sewer fund at the end of the fiscal year 2018 was \$74,252,830 and the total increase in net position was \$22,781,188. Unrestricted net position of the development services fund was negative \$5,791,451 and the total decrease in net position was \$497,789. 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 \$6.9 million, or 2.7% over the original budget, which is not considered significant.

Actual expenditures were 94.9% of appropriations, or \$13.2 million lower than the final budget. All functions are well within appropriation authority. The savings can be attributed to several factors, including employment position vacancies, lower than expected operating expenditures, savings resulting from the Henderson Innovation Plan, and incomplete projects that will be re-appropriated to the next fiscal year. The main areas of savings are summarized below:

Actual General Government expenditures were \$5.2 million below the final budget. The majority of the positive variance from budget is due to lower than expected operating expenditures of approximately \$2.4 million which related to ongoing projects that will be re-appropriated in fiscal year 2019.

Actual Public Safety expenditures were \$3.5 million below the final budget. The majority of the positive variance was from lower salaries and wages and related benefits expenses of \$3.3 million resulting from employment position vacancies.

There were other functional savings of \$4.5 million in the aggregate, but none significant in any one category.

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2018, the City's total carrying value of capital assets is \$2,680,433,420 (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 2018, the City's capital assets increased by \$45.6 million (approximately \$30.3 million increase for governmental activities and approximately \$15.3 million increase for business-type activities).

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

Buildings and building improvements increased by \$4.9 million in governmental activities, primarily due to \$8.9 million in completed projects including the Inspirada Fire Station and the Emergency Operations Center Renovation, less current year depreciation of \$4.2 million. This increase was offset by a decrease in buildings and building improvements of \$3.6 million in business-type activities, due primarily to current year depreciation of \$3.4 million.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

Improvements other than buildings increased by \$15.0 million in business-type activities, primarily due to \$20.1 million in large projects being completed, including R-10A Reservoir, Pittman/Boulder Hwy Waterline, R5A Reservoir, Volunteer/Executive Airport, and US93 Boulder City Utility Relocation. This increase was offset by a decrease in improvements other than buildings of \$3.0 million in governmental activities, due to \$6.1 million in completed projects including Energy Efficient Outdoor Lighting Upgrade, O'Callaghan Park Renovation, and the Pavilion Monument Sign, less current year depreciation of \$9.1 million.

Infrastructure increased by \$19.1 million in governmental activities primarily due to privately donated infrastructure of \$24.2 million (several larger completed projects include Pearl Creek Unit 1, Inspirada POD 3-1 Phase 1, Inspirada POD 3-3 West, Champion Place Unit 2, and South 15 Business Park Phase 1), \$12.2 million in completed construction in progress (including \$7.4 million in improvements on Racetrack Road from Boulder Highway to Athens Avenue and Newport Bridge and a \$1.9 million flood control project on Pittman West Horizon – Palm Hills), \$4.1 million in special assessment funded street and flood control infrastructure, and \$0.9 million in County funded improvements (consisting of road improvements/reconstruction along Mission Drive, UPRR to College Drive), less depreciation of \$22.3 million.

Additionally, major equipment increased \$9.1 million in governmental activities, primarily due to the completion of the EnerGov project and the purchase of a Hazmat vehicle and three fire trucks.

### Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
	Construction in progress	\$ 59,820,138	\$ 58,213,022	\$ 37,307,514	\$ 35,680,830	\$ 97,127,652
Land	187,243,093	188,701,224	35,912,213	35,912,213	223,155,306	224,613,437
Building and building improvements	244,834,926	239,932,767	131,934,348	135,563,295	376,769,274	375,496,062
Improvements other than buildings	309,610,908	312,561,719	767,657,778	752,704,199	1,077,268,686	1,065,265,918
Infrastructure	848,447,882	829,346,458			848,447,882	829,346,458
Machinery and equipment	34,503,733	25,369,193	23,160,887	20,827,259	57,664,620	46,196,452
	<u>\$ 1,684,460,680</u>	<u>\$ 1,654,124,383</u>	<u>\$ 995,972,740</u>	<u>\$ 980,687,796</u>	<u>\$ 2,680,433,420</u>	<u>\$ 2,634,812,179</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 \$212,427,672. Of this amount, \$107,676,546 is considered general obligation debt and \$9,334,370 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, 2018**

	Summary of Bonds Outstanding					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 107,676,546	\$ 112,886,076	\$	\$	\$ 107,676,546	\$ 112,886,076
Tax allocation bonds	9,334,370	9,584,185			9,334,370	9,584,185
Water and sewer bonds			95,416,756	107,947,542	95,416,756	107,947,542
	\$ 117,010,916	\$ 122,470,261	\$ 95,416,756	\$ 107,947,542	\$ 212,427,672	\$ 230,417,803

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

As of June 30, 2018, the City's net general obligation bonded debt subject to the legal debt margin was \$203.1 million, which is significantly below the legal limit of \$1.9 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 2019 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 utilities services.

During the current fiscal year, fund balance in the general fund increased to \$30,262,907. The City has appropriated approximately \$3.0 million of this amount for spending in the fiscal year 2019 budget. It is intended that this use of available fund balance will pay for one-time services and capital expenditures.

### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 240 Water Street, Henderson, Nevada 89015.

# BASIC FINANCIAL STATEMENTS



# 2018

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

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# CITY OF HENDERSON, NEVADA

## STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 251,406,624	\$ 213,377,659	\$ 464,784,283
Cash, cash equivalents and investments, restricted	10,523,020	9,369,562	19,892,582
Accounts receivable, net	10,668,993	17,303,142	27,972,135
Taxes receivable	1,388,474		1,388,474
Special assessments receivable	1,248,210		1,248,210
Notes receivable, net	9,090,692	189,372	9,280,064
Interest receivable	723,336	594,666	1,318,002
Due from other governments	35,523,561	1,053,839	36,577,400
Prepaid items	143,528		143,528
Land held for resale	3,728,606		3,728,606
Other assets	127,650	1,324,244	1,451,894
Internal balances	49,018,813	(49,018,813)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	59,820,138	37,307,514	97,127,652
Land	187,243,093	35,912,213	223,155,306
Building and building improvements	244,834,926	131,934,348	376,769,274
Improvements other than buildings	309,610,908	767,657,778	1,077,268,686
Infrastructure	848,447,882		848,447,882
Machinery and equipment	34,503,733	23,160,887	57,664,620
	<u>2,058,052,187</u>	<u>1,190,166,411</u>	<u>3,248,218,598</u>
<b>Total assets</b>			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	5,593,242	4,999,439	10,592,681
Deferred amounts related to pensions	50,819,201	7,856,357	58,675,558
	<u>56,412,443</u>	<u>12,855,796</u>	<u>69,268,239</u>
<b>Total deferred outflows of resources</b>			
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	11,797,730	9,446,158	21,243,888
Accrued wages	5,781,053	1,124,663	6,905,716
Contracts and retentions payable	115,112	711,308	826,420
Due to other governments	2,154,081	4,425,194	6,579,275
Tax increment payable to developers	973,863		973,863
Unearned revenue	278,791	6,898,526	7,177,317
Interest payable	702,312		702,312
Deposits	4,319,727	78,880	4,398,607
Other current liabilities, payable from restricted assets		2,904,242	2,904,242
Noncurrent liabilities, due within one year	28,244,410	1,002,057	29,246,467
Noncurrent liabilities, partially payable from restricted assets, due within one year		10,290,679	10,290,679
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	566,070,713	154,577,323	720,648,036
	<u>620,437,792</u>	<u>191,459,030</u>	<u>811,896,822</u>
<b>Total liabilities</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	32,773,389	4,914,815	37,688,204
Deferred amounts related to other postemployment benefits	2,537,554	223,977	2,761,531
	<u>35,310,943</u>	<u>5,138,792</u>	<u>40,449,735</u>
<b>Total deferred inflows of resources</b>			

(Continued)

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

**CITY OF HENDERSON, NEVADA**

**STATEMENT OF NET POSITION (CONTINUED)**

**JUNE 30, 2018**

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,571,088,765	905,555,423	2,476,644,188
Restricted for			
Stabilization and other general programs	22,136,536		22,136,536
Courts and other judicial programs	803,061		803,061
Fire, police and other public safety programs	8,353,461		8,353,461
Streets and other public works projects	53,356,602		53,356,602
Parks, cultural and recreational programs	10,989,838	79,933	11,069,771
Community assistance and support programs	242,741		242,741
Debt service	7,182,438	1,119,235	8,301,673
Redevelopment programs	28,777,361		28,777,361
Claims	10,231,616		10,231,616
Utility projects and system development		5,266,152	5,266,152
Unrestricted	(254,446,524)	94,403,642	(160,042,882)
Total net position	\$ 1,458,715,895	\$ 1,006,424,385	\$ 2,465,140,280

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

# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
		Charges for Services	Capital Grants and Contributions			
Governmental activities						
General government	\$ 59,933,998	\$ 18,853,199	\$ 615,033	\$ 870,093	\$ (39,595,673)	\$ (39,595,673)
Judicial	11,613,257	1,113,616	152,477	(10,347,164)	(10,347,164)	(10,347,164)
Public safety	173,233,070	29,740,829	1,240,520	544,000	(141,707,721)	(141,707,721)
Public works	35,668,455	1,140,742	73,252	51,112,443	16,657,982	16,657,982
Culture and recreation	50,566,579	8,923,064	2,488,585	2,836,308	(36,318,622)	(36,318,622)
Community support	4,983,380		3,561,085		(1,422,295)	(1,422,295)
Debt service						
Interest expense and fiscal charges	5,203,461				(5,203,461)	(5,203,461)
Total governmental activities	<u>341,202,200</u>	<u>59,771,450</u>	<u>8,130,952</u>	<u>55,362,844</u>	<u>(217,936,954)</u>	<u>(217,936,954)</u>
Business-type activities						
Water	77,037,042	77,090,283		10,050,750	10,103,991	10,103,991
Sewer	50,641,990	47,305,300		20,298,733	16,962,043	16,962,043
Development services	19,127,769	16,582,967			(2,544,802)	(2,544,802)
Cultural arts and tourism	3,740,723	1,845,974			(1,894,749)	(1,894,749)
Municipal golf course	2,528,988	2,177,143			(351,845)	(351,845)
Total business-type activities	<u>153,076,512</u>	<u>145,001,667</u>		<u>30,349,483</u>	<u>22,274,638</u>	<u>22,274,638</u>
Total function/program	<u>\$ 494,278,712</u>	<u>\$ 204,773,117</u>	<u>\$ 8,130,952</u>	<u>\$ 85,712,327</u>	<u>\$ (217,936,954)</u>	<u>(195,662,316)</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, 2018

	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			
<b>GENERAL REVENUES</b>							
Property taxes					82,592,579		82,592,579
Room taxes					1,202,532	2,405,064	3,607,596
Intergovernmental revenues - consolidated tax					110,094,368		110,094,368
Motor vehicle fuel tax					5,949,748		5,949,748
Sales tax					21,333,785	5,435,994	26,769,779
Franchise fees, based on gross receipts					33,662,964		33,662,964
Unrestricted investment income					1,834,383	1,171,910	3,006,293
Gain on disposal of capital assets					4,402,727		4,402,727
Miscellaneous					1,799,429	2,223,506	4,022,935
<b>Total general revenues</b>					<u>262,872,515</u>	<u>11,236,474</u>	<u>274,108,989</u>
Transfers					<u>2,855,358</u>	<u>(2,855,358)</u>	
<b>CHANGE IN NET POSITION</b>					<u>47,790,919</u>	<u>30,655,754</u>	<u>78,446,673</u>
<b>NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>					1,482,435,026	983,395,357	2,465,830,383
Adjustment					<u>(71,510,050)</u>	<u>(7,626,726)</u>	<u>(79,136,776)</u>
<b>NET POSITION BEGINNING OF YEAR, AS ADJUSTED</b>					<u>1,410,924,976</u>	<u>975,768,631</u>	<u>2,386,693,607</u>
<b>NET POSITION, END OF YEAR</b>					<u>\$ 1,458,715,895</u>	<u>\$ 1,006,424,385</u>	<u>\$ 2,465,140,280</u>

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

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2018

	Special Revenue Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 11,601,306	\$ 18,672	\$ 180,312,603	\$ 191,932,581
Cash and cash equivalents, restricted	1,230,750		7,663,374	8,894,124
Accounts receivable, net	10,371,720	2,919	130,314	10,504,953
Interest receivable	74,137		410,669	484,806
Taxes receivable	929,730		458,744	1,388,474
Special assessments receivable			1,248,210	1,248,210
Notes receivable, net	2,327,849	10,857,091	6,786,254	19,971,194
Prepaid items	33,723			33,723
Due from other funds	533,873			533,873
Due from other governments	27,135,160	1,357,363	6,740,473	35,232,996
Land held for resale			3,728,606	3,728,606
<b>Total assets</b>	<b><u>\$ 54,238,248</u></b>	<b><u>\$ 12,236,045</u></b>	<b><u>\$ 207,479,247</u></b>	<b><u>\$ 273,953,540</u></b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 8,079,060	\$ 335,361	\$ 2,158,190	\$ 10,572,611
Accrued wages	5,045,036	32,541	451,892	5,529,469
Tax increment payable to developers			973,863	973,863
Due to other governments	1,781,718		372,363	2,154,081
Due to other funds		533,873		533,873
Advances from other funds			1,251,506	1,251,506
Unearned revenue	189,270		88,156	277,426
Deposits	4,305,646			4,305,646
<b>Total liabilities</b>	<b><u>19,400,730</u></b>	<b><u>901,775</u></b>	<b><u>5,295,970</u></b>	<b><u>25,598,475</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	929,730		458,744	1,388,474
Unavailable revenue, special assessments			1,248,210	1,248,210
Unavailable revenue, notes receivable	2,327,849	10,857,091	6,786,254	19,971,194
Unavailable revenue, other receivables	1,317,032		3,364	1,320,396
<b>Total deferred inflows of resources</b>	<b><u>4,574,611</u></b>	<b><u>10,857,091</u></b>	<b><u>8,496,572</u></b>	<b><u>23,928,274</u></b>
<b>Total liabilities and deferred inflows of resources</b>	<b><u>23,975,341</u></b>	<b><u>11,758,866</u></b>	<b><u>13,792,542</u></b>	<b><u>49,526,749</u></b>
<b>FUND BALANCES</b>				
Nonspendable	33,723			33,723
Restricted		477,179	132,033,448	132,510,627
Assigned	3,569,975		61,653,257	65,223,232
Unassigned	26,659,209			26,659,209
<b>Total fund balances</b>	<b><u>30,262,907</u></b>	<b><u>477,179</u></b>	<b><u>193,686,705</u></b>	<b><u>224,426,791</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 54,238,248</u></b>	<b><u>\$ 12,236,045</u></b>	<b><u>\$ 207,479,247</u></b>	<b><u>\$ 273,953,540</u></b>

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

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2018

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 224,426,791
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	\$ 2,724,913,376	
Less accumulated depreciation	<u>(1,061,697,901)</u>	1,663,215,475
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Interest receivable	<u>88,156</u>	88,156
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	48,676,956	
Deferred charges on refunding	<u>5,593,242</u>	54,270,198
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	(118,965,157)	
Construction contracts payable	(115,112)	
Other postemployment benefits	(61,951,166)	
Compensated absences payable	(40,822,477)	
Due to developer	(710,000)	
Net pension liability	<u>(332,572,125)</u>	(555,136,037)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(702,312)</u>	(702,312)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	13,047,772	
Deferred inflows related to pensions	(31,522,576)	
Deferred inflows related to other postemployment benefits	<u>(2,445,310)</u>	(20,920,114)
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	44,454,925	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	47,028,747	
Internal service fund balance receivable from business-type activities from current year activity	<u>1,990,066</u>	93,473,738
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,458,715,895</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, 2018

	Special Revenue Funds		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
<b>REVENUES</b>				
Property taxes	\$ 63,638,015		\$ 18,960,750	\$ 82,598,765
Franchise fees	33,662,964			33,662,964
Licenses and permits	11,573,588			11,573,588
Intergovernmental	115,446,996	11,331,577	27,447,218	154,225,791
Charges for services	34,344,300		341,644	34,685,944
Fines and forfeitures	4,682,134		1,390,345	6,072,479
Impact fees	870,093		1,567,147	2,437,240
Special assessments			111,957	111,957
Investment income (loss)	390,042		1,677,858	2,067,900
Developer contributions			1,829,523	1,829,523
Rental fees			35,117	35,117
Miscellaneous	1,511,386	355,925	1,075,175	2,942,486
Total revenues	<u>266,119,518</u>	<u>11,687,502</u>	<u>54,436,734</u>	<u>332,243,754</u>
<b>EXPENDITURES</b>				
Current				
General government	42,758,699	257,453	16,853,479	59,869,631
Judicial	10,583,229	120,127	551,480	11,254,836
Public safety	145,218,300	838,448	19,388,107	165,444,855
Public works	9,238,271	185,780	2,576,964	12,001,015
Culture and recreation	36,781,798	1,148,044	1,928,514	39,858,356
Community support	1,244,137	3,465,128	363,000	5,072,265
Total current	<u>245,824,434</u>	<u>6,014,980</u>	<u>41,661,544</u>	<u>293,500,958</u>
Capital outlay				
General government	107,594		611,245	718,839
Judicial			10,235	10,235
Public safety	72,095	1,040,709	4,925,734	6,038,538
Public works	23,045	3,635,233	8,762,645	12,420,923
Culture and recreation	94,878	963,261	1,835,254	2,893,393
Total capital outlay	<u>297,612</u>	<u>5,639,203</u>	<u>16,145,113</u>	<u>22,081,928</u>
Debt service				
Principal payments			6,087,867	6,087,867
Interest charges			5,191,215	5,191,215
Total debt service			<u>11,279,082</u>	<u>11,279,082</u>
Total expenditures	<u>246,122,046</u>	<u>11,654,183</u>	<u>69,085,739</u>	<u>326,861,968</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>19,997,472</u>	<u>33,319</u>	<u>(14,649,005)</u>	<u>5,381,786</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales			6,859,417	6,859,417
Proceeds from debt issuance	684,108			684,108
Transfers in			37,169,566	37,169,566
Transfers out	(16,821,332)		(18,950,234)	(35,771,566)
Total other financing sources (uses)	<u>(16,137,224)</u>		<u>25,078,749</u>	<u>8,941,525</u>
CHANGE IN FUND BALANCE	3,860,248	33,319	10,429,744	14,323,311
FUND BALANCE, BEGINNING OF YEAR	<u>26,402,659</u>	<u>443,860</u>	<u>183,256,961</u>	<u>210,103,480</u>
FUND BALANCE, END OF YEAR	<u>\$ 30,262,907</u>	<u>\$ 477,179</u>	<u>\$ 193,686,705</u>	<u>\$ 224,426,791</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, 2018

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 14,323,311
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	\$ 22,532,439	
Less current year depreciation	(37,452,861)	
Proceeds from land sales	(6,859,417)	
Net gain on disposition of capital assets	<u>4,012,699</u>	(17,767,140)
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	763,386	
Change in unavailable revenue related to notes receivable from current year activity	(175,968)	
Change in unavailable revenue from cumulative prior years' activity	(594,733)	
Capital asset contributions	45,119,400	
Change in accrued interest receivable on notes receivable	<u>(2,706)</u>	45,109,379
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 issuance proceeds	(684,108)	
Debt principal repayments	<u>6,087,867</u>	5,403,759
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	(3,129,978)	
Change in compensated absences payable	(1,759,621)	
Amortization of debt premiums, discounts and refunding charges	(96,736)	
Change in accrued interest	25,037	
Change in due to developer	(710,000)	
Change in net pension liability	<u>159,792</u>	(5,511,506)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	4,243,050	
The internal service funds change in net position related to business-type activities	<u>1,990,066</u>	<u>6,233,116</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 47,790,919</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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 62,976,740	\$ 62,976,740	\$ 63,638,015	\$ 661,275
Franchise fees	31,926,000	32,861,000	33,662,964	801,964
Licenses and permits	10,999,750	11,624,750	11,573,588	(51,162)
Intergovernmental	112,637,591	114,942,528	115,446,996	504,468
Charges for services	28,528,330	30,244,976	34,344,300	4,099,324
Fines and forfeitures	4,975,200	4,627,092	4,682,134	55,042
Impact fees			870,093	870,093
Investment income (loss)	100,000	285,000	390,042	105,042
Miscellaneous	1,339,125	1,607,462	1,511,386	(96,076)
<b>Total revenues</b>	<b>253,482,736</b>	<b>259,169,548</b>	<b>266,119,518</b>	<b>6,949,970</b>
<b>EXPENDITURES</b>				
Current				
General government	44,626,924	47,973,745	42,758,699	5,215,046
Judicial	10,988,771	11,093,420	10,583,229	510,191
Public safety	146,925,731	148,685,650	145,218,300	3,467,350
Public works	9,532,992	10,323,251	9,238,271	1,084,980
Culture and recreation	38,694,751	38,954,940	36,781,798	2,173,142
Community support	1,721,207	1,687,484	1,244,137	443,347
<b>Total current</b>	<b>252,490,376</b>	<b>258,718,490</b>	<b>245,824,434</b>	<b>12,894,056</b>
Capital outlay				
General government		182,004	107,594	74,410
Public safety		81,855	72,095	9,760
Public works		23,046	23,045	1
Culture and recreation		365,147	94,878	270,269
<b>Total capital outlay</b>		<b>652,052</b>	<b>297,612</b>	<b>354,440</b>
<b>Total expenditures</b>	<b>252,490,376</b>	<b>259,370,542</b>	<b>246,122,046</b>	<b>13,248,496</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>992,360</b>	<b>(200,994)</b>	<b>19,997,472</b>	<b>20,198,466</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from debt issuance			684,108	684,108
Transfers out	(925,000)	(925,000)	(16,821,332)	(15,896,332)
<b>Total other financing sources (uses)</b>	<b>(925,000)</b>	<b>(925,000)</b>	<b>(16,137,224)</b>	<b>(15,212,224)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>67,360</b>	<b>(1,125,994)</b>	<b>3,860,248</b>	<b>4,986,242</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>21,949,866</b>	<b>26,402,659</b>	<b>26,402,659</b>	
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 22,017,226</b>	<b>\$ 25,276,665</b>	<b>\$ 30,262,907</b>	<b>\$ 4,986,242</b>

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

# CITY OF HENDERSON, NEVADA

## GRANTS SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Intergovernmental	\$ 9,622,870	\$ 60,104,388	\$ 11,331,577	\$ (48,772,811)
Miscellaneous	<u>300,000</u>	<u>328,102</u>	<u>355,925</u>	<u>27,823</u>
Total revenues	<u>9,922,870</u>	<u>60,432,490</u>	<u>11,687,502</u>	<u>(48,744,988)</u>
<b>EXPENDITURES</b>				
Current				
General government	50,000	716,782	257,453	459,329
Judicial	100,000	301,356	120,127	181,229
Public safety	1,563,435	1,349,840	838,448	511,392
Public works	252,500	2,248,565	185,780	2,062,785
Culture and recreation	650,000	6,931,079	1,148,044	5,783,035
Community support	<u>2,534,434</u>	<u>8,524,873</u>	<u>3,465,128</u>	<u>5,059,745</u>
Total current	<u>5,150,369</u>	<u>20,072,495</u>	<u>6,014,980</u>	<u>14,057,515</u>
Capital outlay				
Public safety		1,288,159	1,040,709	247,450
Public works	2,272,500	14,288,002	3,635,233	10,652,769
Culture and recreation	<u>2,500,000</u>	<u>24,792,661</u>	<u>963,261</u>	<u>23,829,400</u>
Total capital outlay	<u>4,772,500</u>	<u>40,368,822</u>	<u>5,639,203</u>	<u>34,729,619</u>
Total expenditures	<u>9,922,869</u>	<u>60,441,317</u>	<u>11,654,183</u>	<u>48,787,134</u>
CHANGE IN FUND BALANCE	1	(8,827)	33,319	42,146
FUND BALANCE, BEGINNING OF YEAR	<u>1,059,901</u>	<u>443,860</u>	<u>443,860</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,059,902</u>	<u>\$ 435,033</u>	<u>\$ 477,179</u>	<u>\$ 42,146</u>

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

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2018

	Business-type Activities					Governmental Activities
				Aggregate Other		Internal Service Funds
	Water	Sewer	Development Services	Enterprise Funds	Total Enterprise Funds	
<b>ASSETS</b>						
Current assets						
Cash, cash equivalents and investments, unrestricted	\$ 96,220,189	\$ 93,807,798	\$ 14,279,219	\$ 9,070,453	\$ 213,377,659	\$ 59,474,043
Cash and cash equivalents, restricted	8,237,582	1,052,047		79,933	9,369,562	1,628,896
Accounts receivable, net	11,987,227	5,121,173		194,742	17,303,142	164,040
Interest receivable	264,534	268,551	37,443	24,138	594,666	150,374
Notes receivable, net	189,372				189,372	
Inventories	242,146	1,082,098			1,324,244	127,650
Prepaid items						109,805
Due from other governments		971,665	1,791	80,383	1,053,839	290,565
Total current assets	<u>117,141,050</u>	<u>102,303,332</u>	<u>14,318,453</u>	<u>9,449,649</u>	<u>243,212,484</u>	<u>61,945,373</u>
Noncurrent assets						
Capital assets, net of accumulated depreciation and amortization						
Construction in progress	16,333,264	20,905,805		68,445	37,307,514	1,967,838
Land	3,182,645	18,926,639		13,802,929	35,912,213	
Buildings and building improvements	37,886,202	130,507,491	15,420	9,496,136	177,905,249	1,012,330
Improvements other than buildings	714,424,154	621,957,712	1,206,116	25,320,318	1,362,908,300	1,163,704
Machinery and equipment	18,996,799	28,085,884	689,224	2,534,904	50,306,811	59,385,777
Accumulated depreciation and amortization	<u>(380,079,478)</u>	<u>(264,286,514)</u>	<u>(1,355,906)</u>	<u>(22,645,449)</u>	<u>(668,367,347)</u>	<u>(42,284,444)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>410,743,586</u>	<u>556,097,017</u>	<u>554,854</u>	<u>28,577,283</u>	<u>995,972,740</u>	<u>21,245,205</u>
Other assets						
Advances to other funds						<u>1,251,506</u>
Total noncurrent assets	<u>410,743,586</u>	<u>556,097,017</u>	<u>554,854</u>	<u>28,577,283</u>	<u>995,972,740</u>	<u>22,496,711</u>
Total assets	<u>527,884,636</u>	<u>658,400,349</u>	<u>14,873,307</u>	<u>38,026,932</u>	<u>1,239,185,224</u>	<u>84,442,084</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amounts related to pensions	3,186,626	2,783,068	1,450,404	436,259	7,856,357	2,142,245
Deferred charges on refunding	<u>60,497</u>	<u>4,938,942</u>			<u>4,999,439</u>	
Total deferred outflows of resources	<u>3,247,123</u>	<u>7,722,010</u>	<u>1,450,404</u>	<u>436,259</u>	<u>12,855,796</u>	<u>2,142,245</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, 2018

	Business-type Activities					Governmental Activities
	Aggregate Other				Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Development Services	Enterprise Funds		
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable and other accrued liabilities	7,083,687	2,081,540	154,138	126,793	9,446,158	1,225,119
Accrued wages	439,387	372,052	261,646	51,578	1,124,663	251,584
Due to other governments	4,421,756			3,438	4,425,194	
Construction contracts and retentions	144,114	566,121		1,073	711,308	
Unearned revenue			6,877,839	20,687	6,898,526	1,365
Customer deposits payable from restricted assets	2,550,918				2,550,918	
Deposits			69,360	9,520	78,880	14,081
Compensated absences	238,266	241,075	163,791	36,051	679,183	193,720
Claims and judgments						18,480,444
Interest payable from restricted assets	42,993	310,331			353,324	
Debt obligations partially payable from restricted assets	2,906,342	7,707,211			10,613,553	
Total current liabilities	<u>17,827,463</u>	<u>11,278,330</u>	<u>7,526,774</u>	<u>249,140</u>	<u>36,881,707</u>	<u>20,166,313</u>
Noncurrent liabilities						
Debt obligations payable	1,622,085	84,149,740			85,771,825	
Compensated absences	2,553,531	2,583,640	1,755,372	386,360	7,278,903	2,026,953
Other postemployment benefits	2,007,194	1,944,062	1,211,067	512,055	5,674,378	4,010,723
Net pension liability	21,848,280	19,090,233	10,273,192	2,935,005	54,146,710	14,582,358
Provisional credits and refunding agreements	1,638,647	66,860			1,705,507	
Total noncurrent liabilities	<u>29,669,737</u>	<u>107,834,535</u>	<u>13,239,631</u>	<u>3,833,420</u>	<u>154,577,323</u>	<u>20,620,034</u>
Total liabilities	<u>47,497,200</u>	<u>119,112,865</u>	<u>20,766,405</u>	<u>4,082,560</u>	<u>191,459,030</u>	<u>40,786,347</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred amounts related to pensions	2,052,968	1,790,583	746,100	325,164	4,914,815	1,250,813
Deferred amounts related to other postemployment benefits	79,227	76,735	47,803	20,212	223,977	92,244
Total deferred inflows of resources	<u>2,132,195</u>	<u>1,867,318</u>	<u>793,903</u>	<u>345,376</u>	<u>5,138,792</u>	<u>1,343,057</u>
<b>NET POSITION</b>						
Net investment in capital assets	406,275,656	470,147,630	554,854	28,577,283	905,555,423	21,245,205
Restricted						
Debt service	377,519	741,716			1,119,235	
Capital projects and system development	5,266,152			79,933	5,346,085	
Claims						10,231,616
Unrestricted	<u>69,583,037</u>	<u>74,252,830</u>	<u>(5,791,451)</u>	<u>5,378,039</u>	<u>143,422,455</u>	<u>12,978,104</u>
Total net position	<u>\$ 481,502,364</u>	<u>\$ 545,142,176</u>	<u>\$ (5,236,597)</u>	<u>\$ 34,035,255</u>	1,055,443,198	<u>\$ 44,454,925</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>(49,018,813)</u>	
Net position of business-type activities					<u>\$ 1,006,424,385</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, 2018

	Business-type Activities					Governmental
	Aggregate Other				Internal Service	
	Water	Sewer	Development Services	Enterprise Funds		Total Enterprise Funds
<b>OPERATING REVENUES</b>						
Utilities fees	\$ 74,176,270	\$ 46,513,330	\$	\$	\$ 120,689,600	\$
Connection fees	1,582,661	176,481			1,759,142	
Late charges	1,331,352	615,089			1,946,441	
Charges for services			11,677,436	2,790,932	14,468,368	57,808,277
Licenses and permits			4,905,531	539,787	5,445,318	
Intergovernmental		610,528	39,248		649,776	
Rental fees				291,820	291,820	
Miscellaneous	122,756	131,363	3,058	67,962	325,139	
<b>Total operating revenues</b>	<u>77,213,039</u>	<u>48,046,791</u>	<u>16,625,273</u>	<u>3,690,501</u>	<u>145,575,604</u>	<u>57,808,277</u>
<b>OPERATING EXPENSES</b>						
Salaries and wages	12,181,645	10,680,460	7,214,038	1,572,729	31,648,872	7,214,337
Employee benefits	5,497,532	4,837,602	3,217,870	610,475	14,163,479	3,393,049
Water purchases	26,928,264				26,928,264	
Services and supplies	21,173,531	18,658,689	7,190,955	3,644,548	50,667,723	22,763,619
Claims and judgments						20,091,961
Legal fees						16,304
Depreciation and amortization	11,790,107	12,622,733	14,131	438,731	24,865,702	3,338,767
<b>Total operating expenses</b>	<u>77,571,079</u>	<u>46,799,484</u>	<u>17,636,994</u>	<u>6,266,483</u>	<u>148,274,040</u>	<u>56,818,037</u>
<b>Operating income (loss)</b>	<u>(358,040)</u>	<u>1,247,307</u>	<u>(1,011,721)</u>	<u>(2,575,982)</u>	<u>(2,698,436)</u>	<u>990,240</u>
<b>NONOPERATING REVENUES</b>						
<b>(EXPENSES)</b>						
Investment income	533,709	541,316	63,203	33,682	1,171,910	283,827
Gain (loss) on capital asset disposition	(247,294)	(422,076)			(669,370)	236,428
Interest expense		(3,544,092)			(3,544,092)	(20,460)
Room tax revenue				2,405,064	2,405,064	
Sales tax revenue		5,435,994			5,435,994	
Other intergovernmental revenue				1,645,532	1,645,532	
Miscellaneous		3,308	729		4,037	315,219
<b>Total nonoperating revenues (expenses)</b>	<u>286,415</u>	<u>2,014,450</u>	<u>63,932</u>	<u>4,084,278</u>	<u>6,449,075</u>	<u>815,014</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(71,625)</u>	<u>3,261,757</u>	<u>(947,789)</u>	<u>1,508,296</u>	<u>3,750,639</u>	<u>1,805,254</u>
<b>CAPITAL CONTRIBUTIONS</b>						
Capital contributions	10,050,750	20,619,431			30,670,181	2,060,796
<b>TRANSFERS</b>						
Transfers in			450,000		450,000	1,850,000
Transfers out	(1,125,000)	(1,100,000)			(2,225,000)	(1,473,000)
<b>Total transfers</b>	<u>(1,125,000)</u>	<u>(1,100,000)</u>	<u>450,000</u>		<u>(1,775,000)</u>	<u>377,000</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, 2018

	Business-type Activities					Governmental Activities
	Aggregate Other				Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Development Services	Enterprise Funds		
CHANGE IN NET POSITION	<u>8,854,125</u>	<u>22,781,188</u>	<u>(497,789)</u>	<u>1,508,296</u>	<u>32,645,820</u>	<u>4,243,050</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	474,966,457	524,637,160	(3,544,391)	32,962,500		42,721,736
Adjustment	<u>(2,318,218)</u>	<u>(2,276,172)</u>	<u>(1,194,417)</u>	<u>(435,541)</u>		<u>(2,509,861)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>472,648,239</u>	<u>522,360,988</u>	<u>(4,738,808)</u>	<u>32,526,959</u>		<u>40,211,875</u>
NET POSITION, END 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>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					<u>(1,990,066)</u>	
CHANGES IN NET POSITION, BUSINESS- TYPE ACTIVITIES					<u>\$ 30,655,754</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, 2018

	Business-type Activities					Governmental
			Aggregate Other			Activities
	Water	Sewer	Development Services	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 76,662,082	\$ 47,710,793	\$ 18,333,693	\$ 3,709,006	\$ 146,415,574	\$ 4,150,790
Cash received from other sources	626,735	5,439,302	729	4,050,596	10,117,362	330,336
Cash payments for goods and services	(54,673,386)	(23,348,265)	(10,394,467)	(4,171,279)	(92,587,397)	(44,203,623)
Cash payments for employee services	(12,063,373)	(10,606,978)	(7,076,932)	(1,595,824)	(31,343,107)	(7,621,591)
Cash payments for interfund services						53,530,339
Net cash provided by operating activities	<u>10,552,058</u>	<u>19,194,852</u>	<u>863,023</u>	<u>1,992,499</u>	<u>32,602,432</u>	<u>6,186,251</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in			450,000		450,000	1,850,000
Transfers out	(1,125,000)	(1,100,000)			(2,225,000)	(1,473,000)
Repayments of advances from other funds						122,623
Interest payments on claims						(20,460)
Net cash provided by (used in) noncapital financing activities	<u>(1,125,000)</u>	<u>(1,100,000)</u>	<u>450,000</u>		<u>(1,775,000)</u>	<u>479,163</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(12,464,873)	(13,703,723)	(15,420)	(107,789)	(26,291,805)	(4,768,955)
Proceeds received from disposal of capital assets						263,186
Principal payments on debt	(4,607,677)	(7,359,211)			(11,966,888)	
Interest payments on debt	(543,437)	(4,071,417)			(4,614,854)	
Increase in provisional credits	817,225	52,589			869,814	
Capital contributions	4,485,968	11,379,394			15,865,362	
Net cash used in capital financing activities	<u>(12,312,794)</u>	<u>(13,702,368)</u>	<u>(15,420)</u>	<u>(107,789)</u>	<u>(26,138,371)</u>	<u>(4,505,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment income	<u>465,241</u>	<u>449,605</u>	<u>51,515</u>	<u>23,184</u>	<u>989,545</u>	<u>235,428</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,420,495)</b>	<b>4,842,089</b>	<b>1,349,118</b>	<b>1,907,894</b>	<b>5,678,606</b>	<b>2,395,073</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>106,878,266</u></b>	<b><u>90,017,756</u></b>	<b><u>12,930,101</u></b>	<b><u>7,242,492</u></b>	<b><u>217,068,615</u></b>	<b><u>58,707,866</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>						
Cash and cash equivalents, unrestricted	96,220,189	93,807,798	14,279,219	9,070,453	213,377,659	59,474,043
Cash and cash equivalents, restricted	8,237,582	1,052,047		79,933	9,369,562	1,628,896
	<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>

(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, 2018

	Business-type Activities					Governmental Activities
	Aggregate Other				Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Development Services	Enterprise Funds		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (358,040)	\$ 1,247,307	\$ (1,011,721)	\$ (2,575,982)	\$ (2,698,436)	\$ 990,240
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation	11,790,107	12,622,733	14,131	438,731	24,865,702	3,338,767
Other	626,735	5,439,302	729	4,050,596	10,117,362	315,219
(Increase) decrease in operating assets						
Accounts receivable	(550,957)	(330,444)		(28,537)	(909,938)	184,542
Due from other governments		(5,554)	(1,791)	39,276	31,931	
Prepaid items						87,484
Due from other funds						(109,446)
Inventories	58,962	(49,680)			9,282	(71,182)
Increase (decrease) in operating liabilities						
Accounts payable and other accrued liabilities	(2,302,701)	76,389	(11,803)	51,966	(2,186,149)	173,808
Accrued wages	59,139	75,962	50,389	8,981	194,471	
Compensated absences	77,538	23,656	102,124	(29,555)	173,763	(410,550)
Claims and judgments						1,375,475
Other postemployment benefits	101,410	98,220	61,187	25,870	286,687	323,883
Net pension liability	(3,450)	(3,039)	(2,108)	(383)	(8,980)	(2,200)
Deposits	1,053,315		(48,325)	3,770	1,008,760	(9,789)
Unearned revenue			1,710,211	7,766	1,717,977	
Total adjustments	<u>10,910,098</u>	<u>17,947,545</u>	<u>1,874,744</u>	<u>4,568,481</u>	<u>35,300,868</u>	<u>5,196,011</u>
Net cash provided by operating activities	<u>\$ 10,552,058</u>	<u>\$ 19,194,852</u>	<u>\$ 863,023</u>	<u>\$ 1,992,499</u>	<u>\$ 32,602,432</u>	<u>\$ 6,186,251</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Contribution of capital assets	<u>\$ 4,938,047</u>	<u>\$ 9,240,037</u>	<u>\$</u>	<u>\$</u>	<u>\$ 14,178,084</u>	<u>\$ 2,060,796</u>

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

# CITY OF HENDERSON, NEVADA

## FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2018

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	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments, unrestricted	\$ 38,191,514
Special assessments receivable	<u>497,616</u>
Total assets	<u>38,689,130</u>
LIABILITIES	
Due to developers	9,520,640
Due to employees	186,264
Due to others	<u>28,982,226</u>
Total liabilities	<u>38,689,130</u>
NET POSITION	<u><u>\$</u></u>

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

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

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

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

#### Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the 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, 2018

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, and fines and forfeits are not susceptible to accrual because generally they are not measurable until received.

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

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

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

The City reports the following major governmental funds:

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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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, building 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 government, or to other governments, on a cost-reimbursement basis.

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

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

#### Cash, Cash Equivalents and Investments

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

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### 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, Municipal Facilities Acquisition and Construction Capital Projects Fund, Park Development Capital Projects Fund, Capital Replacement Capital Projects Funds, Health Insurance Fund and Water and Sewer Funds. 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, 2018

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### Capital Assets

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

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

Interest incurred during the construction of capital assets in the City's enterprise funds is included as part of the capitalized value of the asset constructed. The amount of interest capitalized for the year ended June 30, 2018 was \$422,720.

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	Street Lights	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, 2018

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

### Other Postemployment Benefits (OPEB)

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to a future period(s) and so, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports two items in this category. A deferred charge on refunding 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 for 1) the changes in proportion and differences between actual pension contributions and the City's proportionate share of pension contributions, 2) changes in assumptions and 3) the difference between projected and actual investment earnings on plan investments. These amounts 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.

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

In accordance with NRS 354.6115, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the non-major financial stabilization special revenue fund. This fund is designed to maintain a balance of 8.3% of general fund revenue. If the fund balance falls short of this 8.3%, City Council can approve funding from other revenue sources. Monies from this fund can be made available for city-wide costs incurred to mitigate the effects of a natural disaster or terrorist attack as declared by City Council. 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. 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. In addition, balances in this fund can be made available to the general fund to compensate for shortfalls of actual revenues of 2.0% or greater, as compared to the final budget filed with the Nevada Department of Taxation. None of these circumstances are expected to occur routinely and have not occurred since fiscal year 2009. The fund balance in the financial stabilization special revenue fund is \$22,096,179 at June 30, 2018.

### 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, 2018

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### 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 (\$54,335,510) occurred in the special revenue funds.

#### Excess of Expenditures over Appropriations

For the year ended June 30, 2018 total expenses exceeded appropriations for the Municipal Golf Course Enterprise Fund (Total Operational Expenses), which is a potential violation of NRS 354.626. The excess expense occurred as a result of purchases of equipment during the year which were expected to be capital purchases, but ultimately fell under the capitalization threshold, thereby requiring that they be expensed.

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

#### Tax Abatements

At June 30, 2018, 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, 2018 – \$2,990,134
- 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, 2018

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

Amount abated during the year ended June 30, 2018 – \$925,181

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, 2018 – \$478,821

Purpose – Redevelopment of an area to reduce blight and create jobs

Specific tax being abated – Real property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required “gap” or shortfall in project finances and RDA Board approval

Abatement mechanism – Receipt of incremental tax revenue by RDA with 25% of incremental taxes being remitted to Hanson after a 5% administration fee

Recipient commitments – Construct approved capital improvements

All other tax abatement agreements/programs, entered into by the City, have been summarized, by type of agreement/program and the gross, accrual basis reduction of the City's taxes for the year ended June 30, 2018 aggregated as follows:

Agreement/program description – Redevelopment Area Owner Participation Agreements

Amount abated during the year ended June 30, 2018 – \$290,484

Purpose – Redevelopment of an area to reduce blight and create jobs

Specific tax being abated – Real property taxes

Authority for agreement/program – NRS 279 – Redevelopment of communities

Recipient eligibility criteria – Completion of the approved project in a redevelopment area, financial due diligence by RDA, a required “gap” or shortfall in project finances and RDA Board approval

Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes being remitted to owner participants after 18% Clark County School District (CCSD) set-aside and 15% RDA administration fee

Recipient commitments – Construct approved capital improvements.

All tax abatement agreements/programs, entered into by the State of Nevada, have been summarized, by type of agreement/program and the gross, accrual basis reduction of the City's taxes for the year ended June 30, 2018 aggregated 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, 2018 – \$27,750

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

Agreement/program description – NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center

Amount abated during the year ended June 30, 2018 – \$350,816

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, 2018 – \$42,814

Specific tax being abated – 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, 2018**

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, 2018 – \$235,052

Specific tax being abated – Sales and use taxes

### Prior Period Adjustments

Effective July 1, 2017, the City implemented GASB statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). This statement requires governments to report a total OPEB liability, along with other deferred amounts related to OPEB.

Also, effective July 1, 2017, the City fully implemented GASB statement 82, *Pension issues – an amendment of GASB statement No. 67, No. 68, and No. 73* (GASB 82). The statement provided clarification that payments that were made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of GASB 67 and employee contributions for purpose of GASB 82. It also required that an employer’s expense and expenditure for those amounts be recognized in the period for which the contribution was assessed and classified in the same manner as the employer classifies similar compensation other than pension.

Net position or fund balance as of July 1, 2017, has been retroactively adjusted as follows:

	Water Enterprise Fund	Sewer Enterprise Fund	Development Services Enterprise Fund	Aggregate Other Enterprise Funds	
Net position or fund balance, as previously reported	\$ 474,966,457	\$ 524,637,160	\$ (3,544,391)	\$ 32,962,500	
Adjustments					
Adoption of GASB 75	(420,050)	(631,149)	(146,816)	(218,218)	
Adoption of GASB 82	<u>(1,898,168)</u>	<u>(1,645,023)</u>	<u>(1,047,601)</u>	<u>(217,323)</u>	
Total adjustments	<u>(2,318,218)</u>	<u>(2,276,172)</u>	<u>(1,194,417)</u>	<u>(435,541)</u>	
Net position or fund balance, as adjusted	<u>\$ 472,648,239</u>	<u>\$ 522,360,988</u>	<u>\$ (4,738,808)</u>	<u>\$ 32,526,959</u>	
			Internal Service Funds	Governmental Activities	Business-type Activities
Net position or fund balance, as previously reported			\$ 42,721,736	\$ 1,482,435,026	\$ 983,395,357
Adjustments					
Adoption of GASB 75			(1,220,907)	(42,447,966)	(2,021,793)
Adoption of GASB 82			<u>(1,288,954)</u>	<u>(29,062,084)</u>	<u>(5,604,933)</u>
Total adjustments			<u>(2,509,861)</u>	<u>(71,510,050)</u>	<u>(7,626,726)</u>
Net position or fund balance, as adjusted			<u>\$ 40,211,875</u>	<u>\$ 1,410,924,976</u>	<u>\$ 975,768,631</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

### 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, 2018:

Cash on hand	\$ 47,374
Cash on deposit	85,837,807
Cash equivalents	137,186,631
Investments	<u>299,796,567</u>
Total cash, cash equivalents and investments	<u>\$ 522,868,379</u>

At June 30, 2018, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 251,406,624	\$ 10,523,020	\$ 261,929,644
Business-type activities	213,337,659	9,369,562	222,707,221
Fiduciary Funds	<u>38,191,514</u>		<u>38,191,514</u>
Total cash, cash equivalents and investments	<u>\$ 502,935,797</u>	<u>\$ 19,892,582</u>	<u>\$ 522,828,379</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.

As of June 30, 2018, the recorded amount of the City's deposits was \$85,837,807 and the bank balance was \$88,803,296. As of year-end, 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.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating	
				Standard & Poor's	Moody's
Banker's acceptances	180 days	20%	None	N/A	N/A
Commercial paper	270 days	20%	None	A-1	P-1
Money market mutual funds	None	None	None	AAA	Aaa
Negotiable certificates of deposit	None	None	None	N/A	N/A
Collateralized nonnegotiable certificates of deposit	None	None	None	N/A	N/A
Negotiable notes and medium-term obligations of local governments within the State of Nevada	None	None	None	N/A	N/A
Obligations of state and local governments outside of the State of Nevada	None	None	None	N/A	N/A
Repurchase agreements	90 days	None	None	N/A	N/A
U.S. Treasury obligations	10 years	None	None	N/A	N/A
U.S. Agency securities					
Federal National Mortgage	10 years	None	None	N/A	N/A
Federal Agricultural Mortgage Corporation	10 years	None	None	N/A	N/A
Federal Farm Credit Bank	10 years	None	None	N/A	N/A
Federal Home Loan Bank	10 years	None	None	N/A	N/A
Federal Home Loan Mortgage Corporation	10 years	None	None	N/A	N/A
Government National Mortgage Association	10 years	None	None	N/A	N/A
Local government investment pool	None	None	None	N/A	N/A
Notes, bonds and other obligations issued by U.S. Corporations	5 years	20%	25%	A	N/A
Collateralized mortgage obligations	None	None	None	AAA	N/A
Asset-backed securities	None	None	None	AAA	N/A

At June 30, 2018, the City had the following cash equivalents and investments:

	Cost	Fair Value	Weighted Average Maturity (Years)
<b>Pooled cash equivalents and investments</b>			
State of Nevada, Local Government Investment Pool	\$ 90,644,497	\$ 90,532,406	.39
U.S. Agency securities			
Federal Farm Credit Bank	56,467,803	55,888,407	1.62
Federal Home Loan Bank	65,199,592	64,716,460	1.13
Federal Home Loan Mortgage Corporation	89,791,200	89,150,549	1.64
Federal National Mortgage	36,487,870	35,954,780	1.60
US Treasury notes	39,880,235	38,393,799	5.25
US Treasury notes - inflationary	1,844,010	1,952,363	3.04
Corporate bonds	9,155,080	8,855,550	2.03
Marketable Certificate of Deposit	5,000,000	4,996,750	.13
<b>Total pooled cash equivalents and investments</b>	<b>394,470,287</b>	<b>390,441,064</b>	<b>1.62</b>
<b>Non-pooled cash equivalents and investments</b>			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	45,826,000	45,826,000	N/A
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	626,169	626,169	N/A
Utility bonds - State of Nevada, Local Government Investment Pool	89,965	89,965	N/A
<b>Total non-pooled cash equivalents and investments</b>	<b>46,542,134</b>	<b>46,542,134</b>	<b>N/A</b>
<b>Total cash equivalents and investments</b>	<b>\$ 441,012,421</b>	<b>\$ 436,983,198</b>	<b>1.45</b>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, 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			
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	12.79 %
Federal Home Loan Bank	AA+	Aaa	14.81 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	20.40 %
Federal National Mortgage	AA+	Aaa	8.23 %
U.S. Treasury notes	*	*	8.79 %
US Treasury notes - inflationary	*	*	0.45 %
State of Nevada, Local Government Investment Pool	N/A	N/A	20.72 %
Corporate bonds			
Apple	AA+	Aa1	0.22 %
Intel	A+	A1	0.23 %
Intercontinental Exchange	A	A2	0.23 %
John Deere	A	A2	0.22 %
Microsoft	AAA	Aaa	0.23 %
Oracle	AA-	A1	0.22 %
PNC Bank	A	A2	0.23 %
Simon Property Group	A	A2	0.23 %
Wells Fargo & Company	A2	A-	0.22 %
Marketable certificate of deposit	A+	Aa1	1.14 %
Total pooled cash equivalents and investments			89.36 %
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	AAA	Aaa	10.49 %
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	AAA	Aaa	0.14 %
Utility bonds - State of Nevada, Local Government Investment Pool	N/A	N/A	0.01 %
Total non-pooled cash equivalents and investments			10.64 %
Total cash equivalents and investments			100.00 %

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

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

### Note 4. Interfund Balances and Activity

At June 30, 2018, 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	\$ 533,873

The amount due to the general fund is a temporary loan to cover deficit cash balances in the Grants special revenue fund.

#### Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Internal Service Funds	Aggregate Other Governmental Funds	\$ 1,251,506

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	\$ (47,028,747)
Effect of current year internal service activity on business-type activities	(1,990,066)
	\$ (49,018,813)

#### 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.

Transfer In Fund	Transfer Out Fund	Amount
Aggregate Other Governmental Funds	General Fund	\$ 14,971,332
	Aggregate Other Governmental Funds	18,950,234
	Water Enterprise Fund	1,125,000
	Sewer Enterprise Fund	1,100,000
	Internal Service Funds	1,023,000
Development Services Enterprise Fund	Internal Service Funds	450,000
Internal Service Funds	General Fund	1,850,000
		\$ 39,469,566

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

### Note 5. Capital Assets

For the year ended June 30, 2018, capital asset activity was as follows:

	Balance July 1, 2017	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2018
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 58,213,022	\$ 37,911,705		\$ (36,304,589)	\$ 59,820,138
Land	<u>188,701,224</u>	<u>976,338</u>	<u>(2,434,469)</u>		<u>187,243,093</u>
Total capital assets not being depreciated or amortized	<u>246,914,246</u>	<u>38,888,043</u>	<u>(2,434,469)</u>	<u>(36,304,589)</u>	<u>247,063,231</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	340,841,033	147,914		8,936,995	349,925,942
Improvements other than buildings	387,074,202	46,703		6,093,701	393,214,606
Infrastructure	1,648,061,021	29,178,188		12,217,423	1,689,456,632
Machinery and equipment	<u>97,379,966</u>	<u>5,481,906</u>	<u>(3,150,322)</u>	<u>9,071,064</u>	<u>108,782,614</u>
Total capital assets being depreciated or amortized	<u>2,473,356,222</u>	<u>34,854,711</u>	<u>(3,150,322)</u>	<u>36,319,183</u>	<u>2,541,379,794</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(100,908,266)	(4,182,750)			(105,091,016)
Improvements other than buildings	(74,512,483)	(9,091,215)			(83,603,698)
Infrastructure	(818,714,563)	(22,294,187)			(841,008,750)
Machinery and equipment	<u>(72,010,773)</u>	<u>(5,223,476)</u>	<u>2,969,962</u>	<u>(14,594)</u>	<u>(74,278,881)</u>
Total accumulated depreciation and amortization	<u>(1,066,146,085)</u>	<u>(40,791,628)</u>	<u>2,969,962</u>	<u>(14,594)</u>	<u>(1,103,982,345)</u>
Total capital assets being depreciated or amortized, net	<u>1,407,210,137</u>	<u>(5,936,917)</u>	<u>(180,360)</u>	<u>36,304,589</u>	<u>1,437,397,449</u>
Total governmental activities	<u>\$ 1,654,124,383</u>	<u>\$ 32,951,126</u>	<u>\$ (2,614,829)</u>	<u>\$</u>	<u>\$ 1,684,460,680</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, 2018**

	Balance July 1, 2017	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2018
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 35,680,830	\$ 26,463,742	\$	\$ (24,837,058)	\$ 37,307,514
Land	<u>35,912,213</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>35,912,213</u>
Total capital assets not being depreciated or amortized	<u>71,593,043</u>	<u>26,463,742</u>	<u>                    </u>	<u>(24,837,058)</u>	<u>73,219,727</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	178,622,002		(732,173)	15,420	177,905,249
Improvements other than buildings	1,332,736,642	13,857,385	(3,752,574)	20,066,847	1,362,908,300
Machinery and equipment	<u>45,387,962</u>	<u>498,889</u>	<u>(320,237)</u>	<u>4,740,197</u>	<u>50,306,811</u>
Total capital assets being depreciated or amortized	<u>1,556,746,606</u>	<u>14,356,274</u>	<u>(4,804,984)</u>	<u>24,822,464</u>	<u>1,591,120,360</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(43,058,707)	(3,432,193)	519,999		(45,970,901)
Improvements other than buildings	(580,032,443)	(19,822,935)	3,295,378	1,309,478	(595,250,522)
Machinery and equipment	<u>(24,560,703)</u>	<u>(1,610,574)</u>	<u>320,237</u>	<u>(1,294,884)</u>	<u>(27,145,924)</u>
Total accumulated depreciation and amortization	<u>(647,651,853)</u>	<u>(24,865,702)</u>	<u>4,135,614</u>	<u>14,594</u>	<u>(668,367,347)</u>
Total capital assets being depreciated or amortized, net	<u>909,094,753</u>	<u>(10,509,428)</u>	<u>(669,370)</u>	<u>24,837,058</u>	<u>922,753,013</u>
Total business-type activities	<u>\$ 980,687,796</u>	<u>\$ 15,954,314</u>	<u>\$ (669,370)</u>	<u>\$</u>	<u>\$ 995,972,740</u>

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

For the year ended June 30, 2018, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 2,280,014
Judicial	380,367
Public safety	2,052,151
Public works	22,311,569
Culture and recreation	10,428,760
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>3,338,767</u>
Total depreciation expense, governmental activities	<u>\$ 40,791,628</u>
Business-type activities	
Water	\$ 11,790,107
Sewer	12,622,733
Development services	14,131
Cultural arts and tourism	116,432
Municipal golf course	<u>322,299</u>
Total depreciation expense, business-type activities	<u>\$ 24,865,702</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

### Note 6. Long-term Liabilities

#### Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017 (Restated)	Increases	Decreases	Balance June 30, 2018	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%	\$ 11,210,000		\$ (3,635,000)	\$ 7,575,000	\$ 3,735,000
\$2,710,000 Series 2011B General Obligation Refunding Bonds; principal due annually through June 2020; interest fixed at 3.0%	1,675,000		(540,000)	1,135,000	560,000
\$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	
\$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>12,700,000</u>		<u>(350,000)</u>	<u>12,350,000</u>	<u>365,000</u>
Total general obligation bonds	<u>103,450,000</u>		<u>(4,525,000)</u>	<u>98,925,000</u>	<u>4,660,000</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017 (Restated)	Increases	Decreases	Balance June 30, 2018	Due Within One Year
Tax allocation bonds					
\$9,365,000 Series 2015 Henderson Redevelopment Tax Increment Refunding Bonds due annually through October 2039; interest varies between 2.0% and 5.0%	\$ 9,140,000	\$ _____	\$ (230,000)	\$ 8,910,000	\$ 240,000
Total tax allocation bonds	<u>9,140,000</u>	<u>_____</u>	<u>(230,000)</u>	<u>8,910,000</u>	<u>240,000</u>
Other long-term obligations					
\$17,960,000 2009 Installment Purchase Agreement due annually through 2024; interest fixed at 4.97%	2,603,000		(1,242,000)	1,361,000	1,361,000
Intangible asset obligation	45,500		(45,500)		
\$684,137 Installment Purchase Agreement due annually through December 2021; Non-interest-bearing	_____	684,108	(90,867)	593,241	148,310
Total other long-term obligations	<u>2,648,500</u>	<u>684,108</u>	<u>(1,378,367)</u>	<u>1,954,241</u>	<u>1,509,310</u>
Unamortized bond premiums	9,880,261		(704,345)	9,175,916	
Claims and judgments	17,104,969	20,020,079	(18,644,604)	18,480,444	18,480,444
Compensated absences	41,847,374	4,739,785	(3,544,009)	43,043,150	3,354,656
Other postemployment benefits	65,045,583	5,339,030	(4,422,724)	65,961,889	
Net pension liability	357,475,445	24,169,825	(34,490,787)	347,154,483	
Due to developers	_____	710,000	_____	710,000	_____
Total governmental activities	<u>606,592,132</u>	<u>55,662,827</u>	<u>(67,939,836)</u>	<u>594,315,123</u>	<u>28,244,410</u>
Business-type activities					
Revenue bonds					
\$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	2,083,860		(316,677)	1,767,183	328,342
\$29,815,000 Series 2007 Water and Sewer Refunding Bonds due in annual installments through September 2017; interest varies between 4.0% and 5.0%	1,835,000		(1,835,000)		
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; Non-interest-bearing	1,135,375		(87,337)	1,048,038	87,337

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017 (Restated)	Increases	Decreases	Balance June 30, 2018	Due Within One Year
\$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2034; interest varies between 4.0% and 5.0%	\$ 66,390,000		\$ (3,265,000)	\$ 63,125,000	\$ 3,430,000
\$19,710,000 Series 2013A Sewer Refunding Bonds due in periodic installments through June 2030; interest varies between 3.0% and 5.0%	16,685,000			16,685,000	
\$7,374,000 Series 2015 Water Bonds due in annual installments beginning June 2017 through June 2019; interest fixed at 5.0%	5,034,000		(2,456,000)	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>7,551,000</u>		<u>(3,684,000)</u>	<u>3,867,000</u>	<u>3,867,000</u>
Total revenue bonds	<u>100,714,235</u>		<u>(11,644,014)</u>	<u>89,070,221</u>	<u>10,290,679</u>
Other long-term obligations					
Intergovernmental payable to the Southern Nevada Water Authority	<u>1,291,496</u>		<u>(322,874)</u>	<u>968,622</u>	<u>322,874</u>
Total other long-term obligations	<u>1,291,496</u>		<u>(322,874)</u>	<u>968,622</u>	<u>322,874</u>
Unamortized bond premiums	7,233,307		(886,772)	6,346,535	
Compensated absences	7,784,323	612,806	(439,043)	7,958,086	679,183
Other postemployment benefits	5,611,667	453,082	(390,371)	5,674,378	
Net pension liability	55,839,143	4,000,877	(5,693,310)	54,146,710	
Provisional credits and refunding agreements	<u>835,693</u>	<u>1,196,789</u>	<u>(326,975)</u>	<u>1,705,507</u>	
Total business-type activities	<u>179,309,864</u>	<u>6,263,554</u>	<u>(19,703,359)</u>	<u>165,870,059</u>	<u>11,292,736</u>
Total long-term debt obligations	<u>\$ 785,901,996</u>	<u>\$ 61,926,381</u>	<u>\$ (87,643,195)</u>	<u>\$ 760,185,182</u>	<u>\$ 39,537,146</u>

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

For the year ended June 30, 2018, activity related to the City's unamortized deferred refunding charges were as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2017	\$ 6,567,352	\$ 5,487,912	\$ 12,055,264
Reductions	<u>(974,110)</u>	<u>(488,473)</u>	<u>(1,462,583)</u>
Balance June 30, 2018	<u>\$ 5,593,242</u>	<u>\$ 4,999,439</u>	<u>\$ 10,592,681</u>

#### Future Debt Service Requirements

At June 30, 2018, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations, were as follows:

<u>For the Year Ending June 30,</u>	Revenue bonds		General obligation bonds	
	Principal	Interest	Principal	Interest
2019	\$ 10,290,679	\$ 3,914,402	\$ 4,660,000	\$ 4,297,976
2020	4,027,772	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 - 2028	24,536,683	10,628,094	27,235,000	12,467,006
2029 - 2033	30,224,672	4,907,594	26,755,000	6,702,775
2034 - 2038	<u>6,730,000</u>	<u>269,200</u>	<u>12,415,000</u>	<u>938,250</u>
	<u>\$ 89,070,221</u>	<u>\$ 32,160,673</u>	<u>\$ 98,925,000</u>	<u>\$ 39,172,118</u>

<u>For the Year Ending June 30,</u>	Tax allocation bonds		Other long-term obligations	
	Principal	Interest	Principal	Interest
2019	\$ 240,000	\$ 379,350	\$ 1,832,184	\$ 67,642
2020	250,000	368,300	471,184	
2021	265,000	355,425	471,184	
2022	275,000	341,925	148,311	
2023	290,000	327,800		
2024 - 2028	1,685,000	1,400,375		
2029 - 2033	2,135,000	952,676		
2034 - 2038	2,585,000	502,600		
2039 - 2043	<u>1,185,000</u>	<u>47,900</u>		
	<u>\$ 8,910,000</u>	<u>\$ 4,676,351</u>	<u>\$ 2,922,863</u>	<u>\$ 67,642</u>

#### Special Assessment Bonds

The City has issued special assessment bonds with an aggregate outstanding principal balance of \$93,660,000 at June 30, 2018. The City is only acting as an agent for these bonds and is not liable for the debt. Principal and interest are payable from the special assessments levied.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

### Installment Purchase Agreement

In December 2017, the City entered into a five-year installment purchase agreement with Axon Enterprise, Inc. to purchase conducted electrical devices (Tasers) for use by the City's law enforcement officers. The total amount of the obligation is \$684,108, which will be paid for from general, special revenue, capital funding sources through December 2021.

### Defeased Debt

At June 30, 2018, the remaining outstanding principal balance of the defeased debt is \$8,854,000.

## Note 7. Defined Benefit Pension Plans

### Aggregate Balances

At June 30, 2018, 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	\$ 58,555,559	\$ 119,999	\$ 58,675,558
Net pension liability	401,189,368	111,825	401,301,193
Net unamortized deferred inflows of resources related to pensions	37,591,307	96,897	37,688,204
Pension expense	28,123,732	46,970	28,170,702

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

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

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

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, 2018

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Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, this multiplier is 2.5% 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, the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

For the fiscal year ended June 30, 2017, 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](http://www.nvpers.org), under publications.

PERS collective net pension liability was measured as of June 30, 2017, 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, 2017
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, 2018

Since the last measurement date of June 30, 2016, several assumption changes were made resulting from the experience review completed in October 2017. These changes include a decrease in the inflation rate and the consumer price index from 3.50% to 2.75%, a decrease in the investment rate of return and discount rate from 8.00% to 7.50%, and a decrease in productivity pay from 0.75% to 0.50%. Lastly, projected salary decreased from a range of 4.60% - 9.75% for regular and 5.25% - 14.50% for police/fire to 4.25% - 9.15% for regular and 4.55% - 13.90% for police/fire.

At June 30, 2017, assumed 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.

For the measurement date of June 30, 2016, the RP-2000 Combined Health Mortality Table projected to 2013 with Scale AA, set back one year for females (no setback for males) was used for non-disabled regular male and female members. For all non-disabled police/fire members, the RP-2000 Combined Health mortality Table projected to 2013 with Scale AA, set forward one year were used. Lastly, for all disabled regular members and disabled police/fire members, the RP-2000 Combined Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years were used.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

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, 2017:

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%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017 and 8.00% as of June 30, 2016. 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, 2017, 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, 2017.

The City's proportionate share of the net pension liability at June 30, 2017, 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	\$ 606,486,312	\$ 401,189,368	\$ 230,687,040

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

The City's proportionate share (amount) of the collective net pension liability was \$401,189,368, which represents 3.01650% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ended June 30, 2017, 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, 2017.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

For the year ended June 30, 2018, the City's pension expense was \$28,123,732 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2018, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 26,326,135
Changes of assumptions or other inputs	26,615,096	
Net difference between projected and actual earnings on investments	2,604,853	
Changes in proportion and differences between actual contributions and proportionate share of contributions	1,148,749	11,265,172
Contributions made subsequent to the measurement date	28,186,861	

At June 30, 2017 (the actuarial valuation measurement date), the average expected remaining service life is 6.39 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$28,186,861 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ending June 30,			
2019	\$	17,956,885	
2020		(23,245,329)	
2021		(6,003,170)	
2022		16,367,940	
2023		(8,463,514)	
Thereafter		(3,835,421)	

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

Net pension liability, beginning of year	\$	413,086,137
Pension expense		28,123,732
Employer contributions		(27,177,436)
Change in net deferred inflows and outflows of resources		(12,843,065)
Net pension liability, end of year	\$	401,189,368

At June 30, 2018, \$6,390,392 is payable to PERS, for the June 2018 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.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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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.

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. Annual compensation allowed to be taken into account in determining retirement benefits is limited to \$200,000 (adjusted for Consumer Price Index (All Items)).

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

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

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

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

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

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

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

At June 30, 2017, JRS membership consisted of:

Active members	113
Inactive vested members	2
Retired members and beneficiaries	<u>76</u>
	<u><u>191</u></u>

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, 2017, 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, 2017, 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, 2017
Inflation rate	2.75%
Payroll growth	3.00% to 8.00%
Investment rate of return	7.50%, including inflation
Discount rate	7.50%, net of pension plan investment expense, 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 pay (3% payroll growth assumed) over a declining amortization period of 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

**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

Since the last measurement date of June 30, 2016, several assumption changes were made resulting from the experience review completed in October 2017. These changes include a decrease in the inflation rate and the consumer price index from 3.50% to 2.75% and a decrease in the investment rate of return and discount rate from 8.00% to 7.50%. Also, the mortality rates were updated to Headcount-Weighted RP2014 from the RP-2000 Combined Healthy Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

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, 2017:

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

\* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017 and 8.00% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid annually, at the end of the year, for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace. Based on those assumptions, JRS's fiduciary net position at June 30, 2017, 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, 2017.

The City's JRS net pension liability at June 30, 2017, 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	\$ 202,081	\$ 111,825	\$ 35,342

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

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/FinancialReports/CAFR\\_Download\\_Page.html](http://controller.nv.gov/FinancialReports/CAFR_Download_Page.html) and is included in the State of Nevada's Comprehensive Annual Financial Report. JRS fiduciary net position and related additions to/deductions from it have been determined on the same basis used in the JRS Annual Financial Report. JRS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City's share of the JRS net pension liability was \$111,825, which represents 0.58665% 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, 2017.

For the period ended June 30, 2018, the City's JRS pension expense was \$46,970 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2018, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,971	\$ 18,067
Changes of assumptions or other inputs	357	
Net difference between projected and actual earnings on investments	2,327	
Changes in proportion and differences between actual contributions and proportionate share of contributions	86,792	78,830
Contributions made subsequent to the measurement date	22,552	

At June 30, 2017, the average expected remaining service life is 4.48 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$22,552 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. 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,			
2019		\$	532
2020			(332)
2021			19
2022			331

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

Net pension liability, beginning of year	\$	228,451
Pension expense		46,970
Employer contributions		(33,920)
Change in net deferred inflows and outflows of resources		(129,676)
Net pension liability, end of year	\$	111,825

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

At June 30, 2018, \$2,485 is payable to JRS, for the June 2018 required contribution, and is included in accounts payable.

### Note 8. Other Postemployment Benefits

#### Aggregate Balances

At June 30, 2018, 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	\$ 5,982,516	\$ 65,653,751	\$ 71,636,267
Net unamortized deferred inflows of resources related to OPEB	176,297	2,585,234	2,761,531
OPEB expense	203,298	5,268,548	5,471,846

#### 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 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 the 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, 89014  
(702) 267-1700

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

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.

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 2018, the maximum subsidy paid per participant was \$1,325 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 full 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.

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, 2018, 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, 2018
Measurement date	June 30, 2018
Inflation rate	2.00% per annum
Salary changes	2.00% per annum
Discount rate	3.87% per annum as of June 30, 2018
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
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	7.00% 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, 2018

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, 2018, were as follows:

Discount rates for the years ended June 30, 2018 and 2017 were 3.87% and 3.58%, respectively.

There were no changes in OPEB benefit terms that affected the measurement of the City's total OPEB liability during the period ended June 30, 2018.

The City's total OPEB liability at June 30, 2018, calculated using the discount rate of 3.87%, 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 (2.87%) or 1.00% higher (4.87%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Total OPEB liability	\$ 86,039,283	\$ 71,636,267	\$ 60,447,893

The City's total OPEB liability at June 30, 2018, calculated using the healthcare trend rate of 7.00% 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 (6.00% decreasing to 3.50%) or 1.00% higher (8.00% 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	\$ 65,179,000	\$ 71,636,267	\$ 79,608,000

At June 30, 2018, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
Service cost	\$	\$ 2,976,012	\$ 2,976,012
Interest on total OPEB liability	223,745	2,592,355	2,816,100
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions or other inputs	(196,744)	(2,885,064)	(3,081,808)
Benefit payments	(401,917)	(1,329,370)	(1,731,287)
Net change in total OPEB liability	(374,916)	1,353,933	979,017
Total OPEB liability, beginning of year	6,357,432	64,299,818	70,657,250
Total OPEB liability, end of year	\$ 5,982,516	\$ 65,653,751	\$ 71,636,267

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

For the period ended June 30, 2018, the City's OPEB expense was \$5,471,846 and its reported deferred outflows and inflows of resources related to OPEB as of June 30, 2018, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions and other inputs	\$	\$ 2,761,531

Since this is the transition year (GASB 45 to GASB 75), there are no deferred outflows of resources related to OPEB.

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

<u>For the Year Ended June 30,</u>	
2019	\$ (320,278)
2020	(320,278)
2021	(320,278)
2022	(320,278)
2023	(320,278)
Thereafter	(1,160,141)

#### 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; \$10.0 million Inland Marine policy covering Contractors' Equipment and Auto Physical Damage with a \$10,000 deductible; a \$250,000 Commercial Crime policy with a \$10,000 deductible and a \$750,000 Excess Commercial Crime policy with a \$250,000 deductible that covers employee dishonesty, forgery and alteration; \$50.0 million Terrorism policy with a \$1.0 million sublimit for Active Shooter; deductibles vary and a Cyber Liability policy with a \$5.0 million limit and \$25,000 retention.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2018

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.

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, 2017 through July 1, 2018.

For the fiscal years ended June 30, 2017 and 2018, 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, 2017				
Liability insurance	\$ 1,541,408	\$ 815,793	\$ (810,713)	\$ 1,546,488
Workmen's compensation insurance	10,459,999	4,931,747	(1,463,265)	13,928,481
Health Insurance	<u>1,608,000</u>	<u>15,587,232</u>	<u>(15,565,232)</u>	<u>1,630,000</u>
	<u>\$ 13,609,407</u>	<u>\$ 21,334,772</u>	<u>\$ (17,839,210)</u>	<u>\$ 17,104,969</u>
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>

#### **Note 10. Other Information**

##### Construction in Progress

As of June 30, 2018, construction in progress of \$97,127,652 was reflected in the government-wide financial statements. Management estimates it will require an additional outlay of approximately \$47,124,146 to complete these projects.

##### Litigation

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2018

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### 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 which began in December 2007, both parties' contributions to this fund ceased in 2007 and 2008, respectively, and did not resume. The balance continues to be maintained and accumulates interest, and will do so until the expiration of the thirty-year period of the agreement in 2019, after which the City will be allowed to utilize the fund balance for any appropriate municipal purpose.

### 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, 2018, the contingent obligation is approximately \$87.2 million.

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

### Operating Leases

The City has entered into various noncancelable managed service agreements (effectively leases) for copier equipment and related services. For the year ended June 30, 2018, total costs under such agreements were \$825,656.

At June 30, 2018, the future minimum operating lease payments were as follows:

<u>For the Year Ending June 30,</u>	
2019	\$ 844,514
2020	774,549
2021	588,758
	<u>\$ 2,207,821</u>

### Encumbrances

At June 30, 2018, outstanding encumbrances were as follows:

General Fund	\$ 1,395,194
Grants Special Revenue Fund	1,043,737
Aggregate Other Governmental Funds	9,231,991
	<u>\$ 11,670,922</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, 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	\$ 33,723	\$	\$	\$ 33,723
Restricted				
General government programs		6,634		6,634
Courts and other judicial programs			803,061	803,061
Fire, police and other public safety programs		68,218	8,285,243	8,353,461
Streets and other public works projects		26,881	53,329,721	53,356,602
Parks, cultural and recreational programs		132,705	10,857,133	10,989,838
Community assistance and support programs		242,741		242,741
Debt service			7,884,750	7,884,750
Redevelopment programs			28,777,361	28,777,361
Stabilization program			22,096,179	22,096,179
Assigned				
General government programs	1,229,070			1,229,070
Courts and other judicial programs	725			725
Fire, police and other public safety programs	207,859		217,124	424,983
Streets and other public works projects	713,457		61,436,133	62,149,590
Parks, cultural and recreational programs	181,430			181,430
Community assistance and support programs	1,237,434			1,237,434
Unassigned	26,659,209			26,659,209
Total governmental fund balances	\$ 30,262,907	\$ 477,179	\$ 193,686,705	\$ 224,426,791

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

(Continued)

## CITY OF HENDERSON, NEVADA

### NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED JUNE 30, 2018

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

In 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 March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This statement addresses the information to be disclosed related to debt, including direct borrowings and direct placements and clarifies which liabilities governments should include when disclosing information related to debt. Management has not yet completed its assessment of this statement.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019. This statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that such interest costs be recognized as an expense in the period in which the cost is incurred. 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**



**2018**

**Comprehensive Annual Financial Report**

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

# 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, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>

	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- Employee Payroll	Total OPEB Liability, End of Year as a Percentage of Covered- Employee Payroll
Public Employee Benefit Program 2018	\$	\$ 223,745	\$	\$	\$ (196,744)	(401,917)	(374,916)	\$ 6,357,432	\$ 5,982,516	2	2
City of Henderson Plans <sup>3</sup> 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 %

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, 2017 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Payroll<sup>2</sup></u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	3.11371 %	\$ 324,509,868	\$ 149,487,119	217.08 %	76.31 %
2015	3.12987 %	358,665,969	153,186,312	234.14 %	75.13 %
2016	3.06964 %	413,086,137	157,972,248	261.49 %	72.23 %
2017	3.01650 %	401,189,368	163,656,523	245.14 %	74.42 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
2. Covered payroll is presented in accordance with the guidance in GASB 82, Pension Issues - An Amendment of GASB Statements No. 67, 68, and 73.

**CITY OF HENDERSON, NEVADA**

**REQUIRED SUPPLEMENTARY INFORMATION  
 MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
 PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION  
 FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll<sup>2</sup></u>	<u>Contributions as a Percentage of Covered Employee 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 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.
2. Covered payroll is presented in accordance with the guidance in GASB 82, Pension Issues - An Amendment of GASB Statements No. 67, 68, and 73.

**CITY OF HENDERSON, NEVADA**

**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
 FOR THE YEAR ENDED JUNE 30, 2017 AND LAST NINE FISCAL YEARS<sup>1</sup>**

<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	\$ 228,451	\$ 196,562	\$ (65,321)	\$ 97,210	\$ 228,451
2017		46,970	(33,920)	(129,676)	111,825

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, 2017 AND LAST NINE FISCAL YEARS<sup>1</sup>

<u>For the Year Ended June 30,</u>	<u>Total Pension Plan Liability</u>	<u>Pension Plan Fiduciary Net Position</u>	<u>Net Pension Plan Liability</u>	<u>Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability</u>	<u>Pension Plan Covered Employee Payroll</u>	<u>Net Pension Plan Liability as a Percentage of Pension Plan Covered Employee Payroll</u>
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 %

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, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>

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

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, 2018

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### **Note 1. Other Postemployment Benefits**

For the year ended June 30, 2018, no significant events occurred that had an effect on the benefit provision, size or composition of those covered by the postemployment benefit plans. The only significant change in actuarial methods and assumptions used was an increase in the discount rate from 3.58% at the beginning of the year to 3.87% at the end of the year.

At June 30, 2018, 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**

Since the last measurement date of June 30, 2016, several assumption changes were made resulting from the experience review completed in October 2017. These changes include a decrease in the inflation rate and the consumer price index from 3.50% to 2.75%, a decrease in the investment rate of return and discount rate from 8.00% to 7.50%, and a decrease in productivity pay from 0.75% to 0.50%. Lastly, projected salary decreased from a range of 4.60% - 9.75% for regular and 5.25% - 14.50% for police/fire to 4.25% - 9.15% for regular and 4.55% - 13.90% for police/fire.

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**

Since the last measurement date of June 30, 2016, several assumption changes were made resulting from the experience review completed in October 2017. These changes include a decrease in the inflation rate and the consumer price index from 3.50% to 2.75% and a decrease in the investment rate of return and discount rate from 8.00% to 7.50%. Also, the mortality rates were updated to Headcount-Weighted RP2014 from the RP-2000 Combined Healthy Table projected to 2013 with Scale AA, set back one year for females (no age setback for males).

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

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

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# GOVERNMENTAL FUNDS

## Non-major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

## Non-major Debt Service Funds

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

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

## Non-major Capital Projects Funds

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

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

**Special Recreation 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.

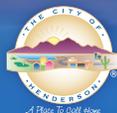
**Special Ad Valorem Transportation Capital Projects** - to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital projects designed to alleviate critical transportation needs within Clark County.

**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.



# 2018

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

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# CITY OF HENDERSON, NEVADA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 61,981,706	\$ 7,824,880	\$ 110,506,017	\$ 180,312,603
Cash and cash equivalents, restricted	2,329,680		5,333,694	7,663,374
Accounts receivable, net	73,136		57,178	130,314
Interest receivable	169,229	26,983	214,457	410,669
Taxes receivable	162,945	295,799		458,744
Special assessments receivable		1,248,210		1,248,210
Notes receivable, net	23,411		6,762,843	6,786,254
Due from other governments	6,418,415	34,097	287,961	6,740,473
Land held for resale	3,728,606			3,728,606
<b>Total assets</b>	<b>\$ 74,887,128</b>	<b>\$ 9,429,969</b>	<b>\$ 123,162,150</b>	<b>\$ 207,479,247</b>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 831,440	\$ 303	\$ 1,326,447	\$ 2,158,190
Accrued wages	435,475		16,417	451,892
Tax increment payable to developers	973,863			973,863
Due to other governments	67,456	907	304,000	372,363
Advances from other funds			1,251,506	1,251,506
Unearned revenue			88,156	88,156
<b>Total liabilities</b>	<b>2,308,234</b>	<b>1,210</b>	<b>2,986,526</b>	<b>5,295,970</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	162,945	295,799		458,744
Unavailable revenue, special assessments		1,248,210		1,248,210
Unavailable revenue, notes receivable	23,411		6,762,843	6,786,254
Unavailable revenue, other receivables			3,364	3,364
<b>Total deferred inflows of resources</b>	<b>186,356</b>	<b>1,544,009</b>	<b>6,766,207</b>	<b>8,496,572</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>2,494,590</b>	<b>1,545,219</b>	<b>9,752,733</b>	<b>13,792,542</b>
<b>FUND BALANCES</b>				
Restricted	72,392,538	7,884,750	51,756,160	132,033,448
Assigned			61,653,257	61,653,257
<b>Total fund balances</b>	<b>72,392,538</b>	<b>7,884,750</b>	<b>113,409,417</b>	<b>193,686,705</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 74,887,128</b>	<b>\$ 9,429,969</b>	<b>\$ 123,162,150</b>	<b>\$ 207,479,247</b>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 13,288,466	\$ 4,342,942	\$ 1,329,342	\$ 18,960,750
Intergovernmental	25,826,147		1,621,071	27,447,218
Charges for services	194,921		146,723	341,644
Fines and forfeitures	1,390,345			1,390,345
Impact fees			1,567,147	1,567,147
Special assessments		111,957		111,957
Investment income (loss)	325,093	159,489	1,193,276	1,677,858
Developer contributions			1,829,523	1,829,523
Rental fees	800		34,317	35,117
Miscellaneous	36,066		1,039,109	1,075,175
<b>Total revenues</b>	<b>41,061,838</b>	<b>4,614,388</b>	<b>8,760,508</b>	<b>54,436,734</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	14,562,607	10,325	2,280,547	16,853,479
Judicial	551,480			551,480
Public safety	18,945,415		442,692	19,388,107
Public works	1,270,965	3,656	1,302,343	2,576,964
Culture and recreation			1,928,514	1,928,514
Community support			363,000	363,000
<b>Total current</b>	<b>35,330,467</b>	<b>13,981</b>	<b>6,317,096</b>	<b>41,661,544</b>
<b>Capital outlay</b>				
General government			611,245	611,245
Judicial	10,235			10,235
Public safety	432,303		4,493,431	4,925,734
Public works	2,144,652		6,617,993	8,762,645
Culture and recreation			1,835,254	1,835,254
<b>Total capital outlay</b>	<b>2,587,190</b>		<b>13,557,923</b>	<b>16,145,113</b>
<b>Debt service</b>				
Principal payments	230,000	5,857,867		6,087,867
Interest charges	560,629	4,550,673	79,913	5,191,215
<b>Total debt service</b>	<b>790,629</b>	<b>10,408,540</b>	<b>79,913</b>	<b>11,279,082</b>
<b>Total expenditures</b>	<b>38,708,286</b>	<b>10,422,521</b>	<b>19,954,932</b>	<b>69,085,739</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,353,552</b>	<b>(5,808,133)</b>	<b>(11,194,424)</b>	<b>(14,649,005)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales			6,859,417	6,859,417
Transfers in	1,650,553	6,593,011	28,926,002	37,169,566
Transfers out	(128,050)	(202,537)	(18,619,647)	(18,950,234)
<b>Total other financing sources (uses)</b>	<b>1,522,503</b>	<b>6,390,474</b>	<b>17,165,772</b>	<b>25,078,749</b>
<b>CHANGE IN FUND BALANCE</b>	<b>3,876,055</b>	<b>582,341</b>	<b>5,971,348</b>	<b>10,429,744</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>68,516,483</b>	<b>7,302,409</b>	<b>107,438,069</b>	<b>183,256,961</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 72,392,538</b>	<b>\$ 7,884,750</b>	<b>\$ 113,409,417</b>	<b>\$ 193,686,705</b>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2018

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
<b>ASSETS</b>					
Cash, cash equivalents and investments, unrestricted	\$ 23,797,806	\$ 11,815,393	\$ 626,891	\$ 779,443	\$ 22,039,085
Cash and cash equivalents, restricted	2,329,680				
Accounts receivable, net				68,315	
Interest receivable	72,372	31,100	1,861		57,006
Taxes receivable	162,945				
Notes receivable, net	23,411				
Due from other governments	196,602	668,539			88
Land held for resale	3,728,606				
<b>Total assets</b>	<b><u>\$ 30,311,422</u></b>	<b><u>\$ 12,515,032</u></b>	<b><u>\$ 628,752</u></b>	<b><u>\$ 847,758</u></b>	<b><u>\$ 22,096,179</u></b>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 280,284	\$ 61,771	\$ 67,250	\$ 38,749	\$
Accrued wages	26,102	22,567		5,948	
Tax increment payable to developers	973,863				
Due to other governments	67,456				
<b>Total liabilities</b>	<b><u>1,347,705</u></b>	<b><u>84,338</u></b>	<b><u>67,250</u></b>	<b><u>44,697</u></b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes	162,945				
Unavailable revenue, notes receivable	23,411				
<b>Total deferred inflows of resources</b>	<b><u>186,356</u></b>				
<b>Total liabilities and deferred inflows of resources</b>	<b><u>1,534,061</u></b>	<b><u>84,338</u></b>	<b><u>67,250</u></b>	<b><u>44,697</u></b>	
<b>FUND BALANCES</b>					
Restricted	28,777,361	12,430,694	561,502	803,061	22,096,179
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 30,311,422</u></b>	<b><u>\$ 12,515,032</u></b>	<b><u>\$ 628,752</u></b>	<b><u>\$ 847,758</u></b>	<b><u>\$ 22,096,179</u></b>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2018

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention	Total Non-Major Special Revenue Funds
<b>ASSETS</b>					
Cash, cash equivalents and investments, unrestricted	\$ 807,650	\$ 556,975	\$ 265,787	\$ 1,292,676	\$ 61,981,706
Cash and cash equivalents, restricted					2,329,680
Accounts receivable, net	4,821				73,136
Interest receivable	1,695	1,445	715	3,035	169,229
Taxes receivable					162,945
Notes receivable, net					23,411
Due from other governments	4,387,989			1,165,197	6,418,415
Land held for resale					3,728,606
<b>Total assets</b>	<b>\$ 5,202,155</b>	<b>\$ 558,420</b>	<b>\$ 266,502</b>	<b>\$ 2,460,908</b>	<b>\$ 74,887,128</b>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 145,384	\$ 198,030	\$ 3,537	\$ 36,435	\$ 831,440
Accrued wages	330,154		117	50,587	435,475
Tax increment payable to developers					973,863
Due to other governments					67,456
<b>Total liabilities</b>	<b>475,538</b>	<b>198,030</b>	<b>3,654</b>	<b>87,022</b>	<b>2,308,234</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes					162,945
Unavailable revenue, notes receivable					23,411
<b>Total deferred inflows of resources</b>					<b>186,356</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>475,538</b>	<b>198,030</b>	<b>3,654</b>	<b>87,022</b>	<b>2,494,590</b>
<b>FUND BALANCES</b>					
Restricted	4,726,617	360,390	262,848	2,373,886	72,392,538
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 5,202,155</b>	<b>\$ 558,420</b>	<b>\$ 266,502</b>	<b>\$ 2,460,908</b>	<b>\$ 74,887,128</b>

# 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, 2018

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
<b>REVENUES</b>					
Property taxes	\$ 13,277,137				\$ 11,329
Intergovernmental		4,442,362			
Charges for services					
Fines and forfeitures			672,522	717,823	
Investment income (loss)	160,257	53,075	7,262		101,354
Rental fees	800				
Miscellaneous	21,431		3,717		
Total revenues	<u>13,459,625</u>	<u>4,495,437</u>	<u>683,501</u>	<u>717,823</u>	<u>112,683</u>
<b>EXPENDITURES</b>					
Current					
General government	14,562,607				
Judicial				551,480	
Public safety			378,064		
Public works		1,270,965			
Total current	<u>14,562,607</u>	<u>1,270,965</u>	<u>378,064</u>	<u>551,480</u>	
Capital outlay					
Judicial				10,235	
Public safety			142,075		
Public works		2,144,652			
Total capital outlay		<u>2,144,652</u>	<u>142,075</u>	<u>10,235</u>	
Debt service					
Principal payments	230,000				
Interest charges	560,629				
Total debt service	<u>790,629</u>				
Total expenditures	<u>15,353,236</u>	<u>3,415,617</u>	<u>520,139</u>	<u>561,715</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,893,611)</u>	<u>1,079,820</u>	<u>163,362</u>	<u>156,108</u>	<u>112,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	190,553				1,410,000
Transfers out		(128,050)			
Total other financing sources (uses)	<u>190,553</u>	<u>(128,050)</u>			<u>1,410,000</u>
CHANGE IN FUND BALANCE	(1,703,058)	951,770	163,362	156,108	1,522,683
FUND BALANCE, BEGINNING OF YEAR	<u>30,480,419</u>	<u>11,478,924</u>	<u>398,140</u>	<u>646,953</u>	<u>20,573,496</u>
FUND BALANCE, END OF YEAR	<u>\$ 28,777,361</u>	<u>\$ 12,430,694</u>	<u>\$ 561,502</u>	<u>\$ 803,061</u>	<u>\$ 22,096,179</u>

(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, 2018

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention	Total Non-Major Special Revenue Funds
<b>REVENUES</b>					
Property taxes	\$	\$	\$	\$	\$ 13,288,466
Intergovernmental	16,860,695		50,000	4,473,090	25,826,147
Charges for services	106,973	87,948			194,921
Fines and forfeitures					1,390,345
Investment income (loss)	2,544	1,890	1,111	(2,400)	325,093
Rental fees					800
Miscellaneous	5,203		4,636	1,079	36,066
Total revenues	<u>16,975,415</u>	<u>89,838</u>	<u>55,747</u>	<u>4,471,769</u>	<u>41,061,838</u>
<b>EXPENDITURES</b>					
Current					
General government					14,562,607
Judicial					551,480
Public safety	15,650,172	28,521	40,415	2,848,243	18,945,415
Public works					1,270,965
Total current	<u>15,650,172</u>	<u>28,521</u>	<u>40,415</u>	<u>2,848,243</u>	<u>35,330,467</u>
Capital outlay					
Judicial					10,235
Public safety	43,539			246,689	432,303
Public works					2,144,652
Total capital outlay	<u>43,539</u>			<u>246,689</u>	<u>2,587,190</u>
Debt service					
Principal payments					230,000
Interest charges					560,629
Total debt service					<u>790,629</u>
Total expenditures	<u>15,693,711</u>	<u>28,521</u>	<u>40,415</u>	<u>3,094,932</u>	<u>38,708,286</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,281,704</u>	<u>61,317</u>	<u>15,332</u>	<u>1,376,837</u>	<u>2,353,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			50,000		1,650,553
Transfers out					(128,050)
Total other financing sources (uses)			<u>50,000</u>		<u>1,522,503</u>
CHANGE IN FUND BALANCE	1,281,704	61,317	65,332	1,376,837	3,876,055
FUND BALANCE, BEGINNING OF YEAR	<u>3,444,913</u>	<u>299,073</u>	<u>197,516</u>	<u>997,049</u>	<u>68,516,483</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,726,617</u>	<u>\$ 360,390</u>	<u>\$ 262,848</u>	<u>\$ 2,373,886</u>	<u>\$ 72,392,538</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2018

	<u>Special Assessment Districts</u>	<u>General Obligation</u>	<u>Total Non-Major Debt Service Funds</u>
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 1,142,120	\$ 6,682,760	\$ 7,824,880
Interest receivable	3,139	23,844	26,983
Taxes receivable		295,799	295,799
Special assessments receivable	1,248,210		1,248,210
Due from other governments		<u>34,097</u>	<u>34,097</u>
Total assets	<u>\$ 2,393,469</u>	<u>\$ 7,036,500</u>	<u>\$ 9,429,969</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$ 303		\$ 303
Due to other governments	<u>907</u>		<u>907</u>
Total liabilities	<u>1,210</u>		<u>1,210</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, property taxes		295,799	295,799
Unavailable revenue, special assessments	<u>1,248,210</u>		<u>1,248,210</u>
Total deferred inflows of resources	<u>1,248,210</u>	<u>295,799</u>	<u>1,544,009</u>
Total liabilities and deferred inflows of resources	<u>1,249,420</u>	<u>295,799</u>	<u>1,545,219</u>
<b>FUND BALANCES</b>			
Restricted	<u>1,144,049</u>	<u>6,740,701</u>	<u>7,884,750</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,393,469</u>	<u>\$ 7,036,500</u>	<u>\$ 9,429,969</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
REVENUES			
Property taxes	\$	\$ 4,342,942	\$ 4,342,942
Special assessments	111,957		111,957
Investment income (loss)	103,538	55,951	159,489
Total revenues	215,495	4,398,893	4,614,388
EXPENDITURES			
Current			
General government		10,325	10,325
Public works	3,656		3,656
Total current	3,656	10,325	13,981
Debt service			
Principal payments		5,857,867	5,857,867
Interest charges		4,550,673	4,550,673
Total debt service		10,408,540	10,408,540
Total expenditures	3,656	10,418,865	10,422,521
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	211,839	(6,019,972)	(5,808,133)
OTHER FINANCING SOURCES (USES)			
Transfers in		6,593,011	6,593,011
Transfers out	(202,537)		(202,537)
Total other financing sources (uses)	(202,537)	6,593,011	6,390,474
CHANGE IN FUND BALANCE	9,302	573,039	582,341
FUND BALANCE, BEGINNING OF YEAR	1,134,747	6,167,662	7,302,409
FUND BALANCE, END OF YEAR	\$ 1,144,049	\$ 6,740,701	\$ 7,884,750

**CITY OF HENDERSON, NEVADA**

**NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2018**

	<u>Municipal Facilities Acquisition and Construction</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 22,056,770	\$ 5,210,534	\$ 5,693,289	\$ 498,994
Cash and cash equivalents, restricted	801,547		185,269	
Accounts receivable, net				
Interest receivable	33,461	14,769	15,358	1,357
Notes receivable, net				
Due from other governments		<u>46,861</u>		
Total assets	<u>\$ 22,891,778</u>	<u>\$ 5,272,164</u>	<u>\$ 5,893,916</u>	<u>\$ 500,351</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 84,691	\$ 96,138	\$ 208,722	\$
Accrued wages	1,588	87		
Due to other governments		4,000		300,000
Advances from other funds				
Unearned revenue				
Total liabilities	<u>86,279</u>	<u>100,225</u>	<u>208,722</u>	<u>300,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables				
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	<u>86,279</u>	<u>100,225</u>	<u>208,722</u>	<u>300,000</u>
<b>FUND BALANCES</b>				
Restricted		5,171,939	5,685,194	200,351
Assigned	<u>22,805,499</u>			
Total fund balances	<u>22,805,499</u>	<u>5,171,939</u>	<u>5,685,194</u>	<u>200,351</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,891,778</u>	<u>\$ 5,272,164</u>	<u>\$ 5,893,916</u>	<u>\$ 500,351</u>

(Continued)

**CITY OF HENDERSON, NEVADA**

**NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2018**

	<u>RTC/County Funded</u>	<u>Special Ad Valorem Transportation</u>	<u>Capital Replacement</u>	<u>Lake Las Vegas</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 565,119	\$ 53,880	\$ 29,413,927	\$ 5,850,616
Cash and cash equivalents, restricted			4,295,604	
Accounts receivable, net			57,178	
Interest receivable		997	55,348	15,908
Notes receivable, net				
Due from other governments		<u>241,100</u>		
Total assets	<u>\$ 565,119</u>	<u>\$ 295,977</u>	<u>\$ 33,822,057</u>	<u>\$ 5,866,524</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 24,793		\$ 832,484	
Accrued wages			4,975	
Due to other governments				
Advances from other funds				
Unearned revenue				
Total liabilities	<u>24,793</u>		<u>837,459</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables			3,364	
Total deferred inflows of resources			<u>3,364</u>	
Total liabilities and deferred inflows of resources	<u>24,793</u>		<u>840,823</u>	
<b>FUND BALANCES</b>				
Restricted	540,326	295,977		
Assigned			32,981,234	5,866,524
Total fund balances	<u>540,326</u>	<u>295,977</u>	<u>32,981,234</u>	<u>5,866,524</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 565,119</u>	<u>\$ 295,977</u>	<u>\$ 33,822,057</u>	<u>\$ 5,866,524</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2018

	Special Assessment Districts	Land Sales	Total Non-Major Capital Project Funds
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 20,200,399	\$ 20,962,489	\$ 110,506,017
Cash and cash equivalents, restricted		51,274	5,333,694
Accounts receivable, net			57,178
Interest receivable	1,438	75,821	214,457
Notes receivable, net		6,762,843	6,762,843
Due from other governments			287,961
	<u>\$ 20,201,837</u>	<u>\$ 27,852,427</u>	<u>\$ 123,162,150</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	\$	\$ 79,619	\$ 1,326,447
Accrued wages		9,767	16,417
Due to other governments			304,000
Advances from other funds	1,251,506		1,251,506
Unearned revenue		88,156	88,156
	<u>1,251,506</u>	<u>177,542</u>	<u>2,986,526</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue, notes receivable		6,762,843	6,762,843
Unavailable revenue, other receivables			3,364
	<u></u>	<u>6,762,843</u>	<u>6,766,207</u>
Total deferred inflows of resources			
Total liabilities and deferred inflows of resources	<u>1,251,506</u>	<u>6,940,385</u>	<u>9,752,733</u>
<b>FUND BALANCES</b>			
Restricted	18,950,331	20,912,042	51,756,160
Assigned			61,653,257
	<u>18,950,331</u>	<u>20,912,042</u>	<u>113,409,417</u>
Total fund balances			
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,201,837</u>	<u>\$ 27,852,427</u>	<u>\$ 123,162,150</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, 2018

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
REVENUES				
Property taxes	\$	\$	\$	\$
Intergovernmental		1,521,611		
Charges for services		58,813		
Impact fees			1,567,147	
Investment income (loss)	(43,929)	37,232	23,699	2,737
Developer contributions	808,800			
Rental fees				
Miscellaneous	350,000	179,503		
Total revenues	<u>1,114,871</u>	<u>1,797,159</u>	<u>1,590,846</u>	<u>2,737</u>
EXPENDITURES				
Current				
General government				
Public safety	275,664			
Public works	37,840			
Culture and recreation		1,600,541	88,503	
Community support				
Total current	<u>313,504</u>	<u>1,600,541</u>	<u>88,503</u>	
Capital outlay				
General government				
Public safety	3,171,231			
Public works				
Culture and recreation		904,642	804,107	
Total capital outlay	<u>3,171,231</u>	<u>904,642</u>	<u>804,107</u>	
Debt service				
Interest charges				
Total expenditures	<u>3,484,735</u>	<u>2,505,183</u>	<u>892,610</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,369,864)</u>	<u>(708,024)</u>	<u>698,236</u>	<u>2,737</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Transfers in	13,545,465			
Transfers out	(1,000,000)	(274,794)		
Total other financing sources (uses)	<u>12,545,465</u>	<u>(274,794)</u>		
CHANGE IN FUND BALANCE	10,175,601	(982,818)	698,236	2,737
FUND BALANCE, BEGINNING OF YEAR	<u>12,629,898</u>	<u>6,154,757</u>	<u>4,986,958</u>	<u>197,614</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,805,499</u>	<u>\$ 5,171,939</u>	<u>\$ 5,685,194</u>	<u>\$ 200,351</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, 2018

	<u>RTC/County Funded</u>	<u>Special Ad Valorem Transportation</u>	<u>Capital Replacement</u>	<u>Lake Las Vegas</u>
<b>REVENUES</b>				
Property taxes	\$ 99,460	\$ 1,329,342	\$	\$
Intergovernmental				
Charges for services			87,910	
Impact fees				
Investment income (loss)		4,016	55,160	32,080
Developer contributions			1,020,723	
Rental fees				
Miscellaneous			493,932	
<b>Total revenues</b>	<u>99,460</u>	<u>1,333,358</u>	<u>1,657,725</u>	<u>32,080</u>
<b>EXPENDITURES</b>				
Current				
General government			1,911,416	
Public safety			167,028	
Public works			940,490	
Culture and recreation			239,470	
Community support				
<b>Total current</b>			<u>3,258,404</u>	
Capital outlay				
General government			611,245	
Public safety			1,322,200	
Public works	94,487		1,819,464	
Culture and recreation			126,505	
<b>Total capital outlay</b>	<u>94,487</u>		<u>3,879,414</u>	
Debt service				
Interest charges				
<b>Total expenditures</b>	<u>94,487</u>		<u>7,137,818</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>4,973</u>	<u>1,333,358</u>	<u>(5,480,093)</u>	<u>32,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from land sales				
Transfers in			14,778,000	
Transfers out		(1,300,000)		
<b>Total other financing sources (uses)</b>		<u>(1,300,000)</u>	<u>14,778,000</u>	
<b>CHANGE IN FUND BALANCE</b>	4,973	33,358	9,297,907	32,080
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>535,353</u>	<u>262,619</u>	<u>23,683,327</u>	<u>5,834,444</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 540,326</u>	<u>\$ 295,977</u>	<u>\$ 32,981,234</u>	<u>\$ 5,866,524</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, 2018

	Special Assessment Districts	Land Sales	Total Non-Major Capital Project Funds
<b>REVENUES</b>			
Property taxes	\$	\$	\$ 1,329,342
Intergovernmental			1,621,071
Charges for services			146,723
Impact fees			1,567,147
Investment income (loss)	244,479	837,802	1,193,276
Developer contributions			1,829,523
Rental fees		34,317	34,317
Miscellaneous		15,674	1,039,109
<b>Total revenues</b>	<u>244,479</u>	<u>887,793</u>	<u>8,760,508</u>
<b>EXPENDITURES</b>			
Current			
General government		369,131	2,280,547
Public safety			442,692
Public works	189	323,824	1,302,343
Culture and recreation			1,928,514
Community support		363,000	363,000
<b>Total current</b>	<u>189</u>	<u>1,055,955</u>	<u>6,317,096</u>
Capital outlay			
General government			611,245
Public safety			4,493,431
Public works	4,410,465	293,577	6,617,993
Culture and recreation			1,835,254
<b>Total capital outlay</b>	<u>4,410,465</u>	<u>293,577</u>	<u>13,557,923</u>
Debt service			
Interest charges	79,913		79,913
<b>Total expenditures</b>	<u>4,490,567</u>	<u>1,349,532</u>	<u>19,954,932</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,246,088)</u>	<u>(461,739)</u>	<u>(11,194,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from land sales		6,859,417	6,859,417
Transfers in	202,537	400,000	28,926,002
Transfers out		(16,044,853)	(18,619,647)
<b>Total other financing sources (uses)</b>	<u>202,537</u>	<u>(8,785,436)</u>	<u>17,165,772</u>
<b>CHANGE IN FUND BALANCE</b>	(4,043,551)	(9,247,175)	5,971,348
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>22,993,882</u>	<u>30,159,217</u>	<u>107,438,069</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 18,950,331</u>	<u>\$ 20,912,042</u>	<u>\$ 113,409,417</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, 2018

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 62,976,740	\$ 63,638,015	\$ 661,275
Franchise fees	32,861,000	33,662,964	801,964
Licenses and permits	11,624,750	11,573,588	(51,162)
Intergovernmental	114,942,528	115,446,996	504,468
Charges for services	30,244,976	34,344,300	4,099,324
Fines and forfeitures	4,627,092	4,682,134	55,042
Impact fees		870,093	870,093
Investment income (loss)	285,000	390,042	105,042
Miscellaneous	1,607,462	1,511,386	(96,076)
<b>Total revenues</b>	<b>259,169,548</b>	<b>266,119,518</b>	<b>6,949,970</b>
<b>EXPENDITURES</b>			
General government			
Mayor and council			
Salaries and wages	422,465	421,981	484
Employee benefits	218,981	205,880	13,101
Services and supplies	219,440	132,859	86,581
<b>Total mayor and council</b>	<b>860,886</b>	<b>760,720</b>	<b>100,166</b>
City manager			
Salaries and wages	1,218,253	1,164,343	53,910
Employee benefits	492,084	458,417	33,667
Services and supplies	127,573	118,376	9,197
<b>Total city manager</b>	<b>1,837,910</b>	<b>1,741,136</b>	<b>96,774</b>
Finance			
Salaries and wages	3,440,706	3,259,501	181,205
Employee benefits	1,628,327	1,429,474	198,853
Services and supplies	702,474	468,015	234,459
<b>Total finance</b>	<b>5,771,507</b>	<b>5,156,990</b>	<b>614,517</b>
Information technology			
Salaries and wages	5,197,365	4,955,825	241,540
Employee benefits	2,270,596	2,115,918	154,678
Services and supplies	1,114,405	1,088,433	25,972
<b>Total information technology</b>	<b>8,582,366</b>	<b>8,160,176</b>	<b>422,190</b>
City clerk			
Salaries and wages	1,242,152	1,222,062	20,090
Employee benefits	563,397	535,413	27,984
Services and supplies	443,112	269,807	173,305
Capital outlay	45,000	6,570	38,430
<b>Total city clerk</b>	<b>2,293,661</b>	<b>2,033,852</b>	<b>259,809</b>
Human resources			
Salaries and wages	1,641,665	1,535,135	106,530
Employee benefits	745,697	666,872	78,825
Services and supplies	838,461	585,929	252,532
Capital outlay	22,724	22,651	73
<b>Total human resources</b>	<b>3,248,547</b>	<b>2,810,587</b>	<b>437,960</b>
City attorney			
Salaries and wages	1,882,653	1,854,396	28,257
Employee benefits	738,114	722,951	15,163
Services and supplies	688,564	381,291	307,273
<b>Total city attorney</b>	<b>3,309,331</b>	<b>2,958,638</b>	<b>350,693</b>

(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, 2018

	Final Budget	Actual	Variance
Community development			
Salaries and wages	1,860,106	1,762,140	97,966
Employee benefits	849,971	794,874	55,097
Services and supplies	967,646	604,747	362,899
Total community development	3,677,723	3,161,761	515,962
Building maintenance			
Salaries and wages	3,327,109	3,177,165	149,944
Employee benefits	1,614,623	1,524,530	90,093
Services and supplies	4,095,391	3,556,725	538,666
Capital outlay	37,555	37,554	1
Total building maintenance	9,074,678	8,295,974	778,704
Public affairs			
Salaries and wages	1,278,593	1,229,342	49,251
Employee benefits	572,176	517,979	54,197
Services and supplies	1,677,148	1,209,612	467,536
Capital outlay	5,775	5,775	
Total public affairs	3,533,692	2,962,708	570,984
Internal audit			
Salaries and wages	251,756	247,226	4,530
Employee benefits	110,414	105,989	4,425
Services and supplies	25,462	21,667	3,795
Total internal audit	387,632	374,882	12,750
Miscellaneous			
Salaries and wages	4,170,000	3,182,520	987,480
Employee benefits	506,000	503,892	2,108
Services and supplies	830,866	727,413	103,453
Capital outlay	70,950	35,044	35,906
Total miscellaneous	5,577,816	4,448,869	1,128,947
Total general government	48,155,749	42,866,293	5,289,456
Judicial			
Municipal court			
Salaries and wages	4,354,894	4,121,947	232,947
Employee benefits	2,165,001	2,082,350	82,651
Services and supplies	952,608	923,024	29,584
Total municipal court	7,472,503	7,127,321	345,182
City attorney- criminal			
Salaries and wages	2,234,099	2,159,317	74,782
Employee benefits	1,078,853	1,031,786	47,067
Services and supplies	307,965	264,805	43,160
Total city attorney- criminal	3,620,917	3,455,908	165,009
Total judicial	11,093,420	10,583,229	510,191
Public safety			
Fire			
Salaries and wages	33,456,837	32,108,891	1,347,946
Employee benefits	15,262,155	15,319,576	(57,421)
Services and supplies	4,435,676	4,346,415	89,261
Capital outlay	36,855	36,854	1
Total fire	53,191,523	51,811,736	1,379,787

(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, 2018

	Final Budget	Actual	Variance
Police			
Salaries and wages	52,401,893	51,260,893	1,141,000
Employee benefits	28,097,916	27,326,514	771,402
Services and supplies	13,140,006	13,183,272	(43,266)
Capital outlay	45,000	35,241	9,759
Total police	93,684,815	91,805,920	1,878,895
Building inspection			
Salaries and wages	1,076,450	1,023,556	52,894
Employee benefits	502,309	475,289	27,020
Services and supplies	312,408	173,894	138,514
Total building inspection	1,891,167	1,672,739	218,428
Total public safety	148,767,505	145,290,395	3,477,110
Public works			
Streets			
Salaries and wages	841,548	838,062	3,486
Employee benefits	413,497	409,124	4,373
Services and supplies	1,239,223	1,218,103	21,120
Total streets	2,494,268	2,465,289	28,979
Street lighting			
Salaries and wages	921,371	685,471	235,900
Employee benefits	406,386	335,012	71,374
Services and supplies	2,227,979	2,156,963	71,016
Capital outlay	23,046	23,045	1
Total street lighting	3,578,782	3,200,491	378,291
Public works general services			
Salaries and wages	2,162,889	2,101,828	61,061
Employee benefits	1,028,525	958,676	69,849
Services and supplies	1,081,833	535,032	546,801
Total public works general services	4,273,247	3,595,536	677,711
Total public works	10,346,297	9,261,316	1,084,981
Culture and recreation			
Parks			
Salaries and wages	7,700,349	7,306,275	394,074
Employee benefits	3,983,216	3,562,200	421,016
Services and supplies	7,384,802	7,047,304	337,498
Capital outlay	365,147	94,878	270,269
Total parks	19,433,514	18,010,657	1,422,857
Recreation			
Salaries and wages	11,500,773	11,205,551	295,222
Employee benefits	4,067,815	3,494,542	573,273
Services and supplies	4,317,985	4,165,926	152,059
Total recreation	19,886,573	18,866,019	1,020,554
Total culture and recreation	39,320,087	36,876,676	2,443,411

(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, 2018

	Final Budget	Actual	Variance
Community support			
Economic development			
Salaries and wages	436,595	434,414	2,181
Employee benefits	189,528	187,568	1,960
Services and supplies	251,013	243,599	7,414
Total economic development	877,136	865,581	11,555
Neighborhood services			
Salaries and wages	157,837	127,196	30,641
Employee benefits	119,191	56,139	63,052
Services and supplies	533,320	195,221	338,099
Total neighborhood services	810,348	378,556	431,792
Total community support	1,687,484	1,244,137	443,347
Total expenditures	259,370,542	246,122,046	13,248,496
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(200,994)	19,997,472	20,198,466
OTHER FINANCING SOURCES (USES)			
Proceeds from debt issuance		684,108	684,108
Transfers out	(925,000)	(16,821,332)	(15,896,332)
Total other financing sources (uses)	(925,000)	(16,137,224)	(15,212,224)
CHANGE IN FUND BALANCE	(1,125,994)	3,860,248	4,986,242
FUND BALANCE, BEGINNING OF YEAR	26,402,659	26,402,659	
FUND BALANCE, END OF YEAR	\$ 25,276,665	\$ 30,262,907	\$ 4,986,242

# 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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 60,104,388	\$ 11,331,577	\$ (48,772,811)
Miscellaneous	<u>328,102</u>	<u>355,925</u>	<u>27,823</u>
Total revenues	<u>60,432,490</u>	<u>11,687,502</u>	<u>(48,744,988)</u>
EXPENDITURES			
General government			
Services and supplies	<u>716,782</u>	<u>257,453</u>	<u>459,329</u>
Judicial			
Salaries and wages	7,644	5,402	2,242
Employee benefits	1,094	186	908
Services and supplies	<u>292,618</u>	<u>114,539</u>	<u>178,079</u>
Total judicial	<u>301,356</u>	<u>120,127</u>	<u>181,229</u>
Public safety			
Salaries and wages	812,039	564,707	247,332
Employee benefits	87,127	65,646	21,481
Services and supplies	450,674	208,095	242,579
Capital outlay	<u>1,288,159</u>	<u>1,040,709</u>	<u>247,450</u>
Total public safety	<u>2,637,999</u>	<u>1,879,157</u>	<u>758,842</u>
Public works			
Services and supplies	2,248,565	185,780	2,062,785
Capital outlay	<u>14,288,002</u>	<u>3,635,233</u>	<u>10,652,769</u>
Total public works	<u>16,536,567</u>	<u>3,821,013</u>	<u>12,715,554</u>
Culture and recreation			
Salaries and wages	210,128	145,460	64,668
Employee benefits	40,047	32,866	7,181
Services and supplies	6,680,904	969,718	5,711,186
Capital outlay	<u>24,792,661</u>	<u>963,261</u>	<u>23,829,400</u>
Total culture and recreation	<u>31,723,740</u>	<u>2,111,305</u>	<u>29,612,435</u>
Community support			
Salaries and wages	600,974	348,613	252,361
Employee benefits	166,020	169,696	(3,676)
Services and supplies	<u>7,757,879</u>	<u>2,946,819</u>	<u>4,811,060</u>
Total community support	<u>8,524,873</u>	<u>3,465,128</u>	<u>5,059,745</u>
Total expenditures	<u>60,441,317</u>	<u>11,654,183</u>	<u>48,787,134</u>
CHANGE IN FUND BALANCE	(8,827)	33,319	42,146
FUND BALANCE, BEGINNING OF YEAR	<u>443,860</u>	<u>443,860</u>	
FUND BALANCE, END OF YEAR	<u>\$ 435,033</u>	<u>\$ 477,179</u>	<u>\$ 42,146</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, 2018

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 12,817,077	\$ 13,277,137	\$ 460,060
Investment income (loss)	296,341	160,257	(136,084)
Rental fees		800	800
Miscellaneous	8,855	21,431	12,576
Total revenues	13,122,273	13,459,625	337,352
EXPENDITURES			
General government			
Salaries and wages	801,403	727,215	74,188
Employee benefits	366,684	322,785	43,899
Services and supplies	20,645,602	13,512,607	7,132,995
Capital outlay	1,000,000		1,000,000
Total general government	22,813,689	14,562,607	8,251,082
Debt service			
Principal payments	230,000	230,000	
Interest charges	387,600	560,629	(173,029)
Total debt service	617,600	790,629	(173,029)
Total expenditures	23,431,289	15,353,236	8,078,053
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(10,309,016)	(1,893,611)	8,415,405
OTHER FINANCING SOURCES			
Transfers in		190,553	190,553
CHANGE IN FUND BALANCE	(10,309,016)	(1,703,058)	8,605,958
FUND BALANCE, BEGINNING OF YEAR	30,480,419	30,480,419	
FUND BALANCE, END OF YEAR	\$ 20,171,403	\$ 28,777,361	\$ 8,605,958

# 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, 2018

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 3,598,713	\$ 4,442,362	\$ 843,649
Investment income (loss)	<u>111,700</u>	<u>53,075</u>	<u>(58,625)</u>
Total revenues	<u>3,710,413</u>	<u>4,495,437</u>	<u>785,024</u>
EXPENDITURES			
Public works			
Salaries and wages	658,713	608,037	50,676
Employee benefits	259,348	244,972	14,376
Services and supplies	850,658	417,956	432,702
Capital outlay	<u>5,533,020</u>	<u>2,144,652</u>	<u>3,388,368</u>
Total public works	<u>7,301,739</u>	<u>3,415,617</u>	<u>3,886,122</u>
Total expenditures	<u>7,301,739</u>	<u>3,415,617</u>	<u>3,886,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,591,326)</u>	<u>1,079,820</u>	<u>4,671,146</u>
OTHER FINANCING USES			
Transfers out	<u>(111,700)</u>	<u>(128,050)</u>	<u>(16,350)</u>
CHANGE IN FUND BALANCE	(3,703,026)	951,770	4,654,796
FUND BALANCE, BEGINNING OF YEAR	<u>11,478,924</u>	<u>11,478,924</u>	<u>          </u>
FUND BALANCE, END OF YEAR	<u>\$ 7,775,898</u>	<u>\$ 12,430,694</u>	<u>\$ 4,654,796</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 571,537	\$ 672,522	\$ 100,985
Investment income (loss)	7,340	7,262	(78)
Miscellaneous		3,717	3,717
Total revenues	<u>578,877</u>	<u>683,501</u>	<u>104,624</u>
EXPENDITURES			
Public safety			
Services and supplies	786,033	378,064	407,969
Capital outlay	174,625	142,075	32,550
Total public safety	<u>960,658</u>	<u>520,139</u>	<u>440,519</u>
CHANGE IN FUND BALANCE	(381,781)	163,362	545,143
FUND BALANCE, BEGINNING OF YEAR	<u>398,140</u>	<u>398,140</u>	
FUND BALANCE, END OF YEAR	<u>\$ 16,359</u>	<u>\$ 561,502</u>	<u>\$ 545,143</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 715,000	\$ 717,823	\$ 2,823
EXPENDITURES			
Judicial			
Salaries and wages	176,298	130,427	45,871
Employee benefits	88,769	51,447	37,322
Services and supplies	498,001	369,606	128,395
Capital outlay	<u>120,245</u>	<u>10,235</u>	<u>110,010</u>
Total judicial	<u>883,313</u>	<u>561,715</u>	<u>321,598</u>
CHANGE IN FUND BALANCE	(168,313)	156,108	324,421
FUND BALANCE, BEGINNING OF YEAR	<u>646,953</u>	<u>646,953</u>	
FUND BALANCE, END OF YEAR	<u>\$ 478,640</u>	<u>\$ 803,061</u>	<u>\$ 324,421</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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 11,217	\$ 11,329	\$ 112
Investment income (loss)	<u>214,000</u>	<u>101,354</u>	<u>(112,646)</u>
Total revenues	<u>225,217</u>	<u>112,683</u>	<u>(112,534)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>533,000</u>	<u>1,410,000</u>	<u>877,000</u>
CHANGE IN FUND BALANCE	758,217	1,522,683	764,466
FUND BALANCE, BEGINNING OF YEAR	<u>20,573,496</u>	<u>20,573,496</u>	
FUND BALANCE, END OF YEAR	<u>\$ 21,331,713</u>	<u>\$ 22,096,179</u>	<u>\$ 764,466</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, 2018

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 16,511,291	\$ 16,860,695	\$ 349,404
Charges for services		106,973	106,973
Investment income (loss)	1,190	2,544	1,354
Miscellaneous		5,203	5,203
Total revenues	16,512,481	16,975,415	462,934
<b>EXPENDITURES</b>			
Public safety			
Salaries and wages	9,467,575	9,207,240	260,335
Employee benefits	5,450,905	5,352,504	98,401
Services and supplies	1,566,576	1,090,428	476,148
Capital outlay	162,160	43,539	118,621
Total public safety	16,647,216	15,693,711	953,505
 CHANGE IN FUND BALANCE	 (134,735)	 1,281,704	 1,416,439
FUND BALANCE, BEGINNING OF YEAR	3,444,913	3,444,913	
FUND BALANCE, END OF YEAR	\$ 3,310,178	\$ 4,726,617	\$ 1,416,439

# 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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 70,000	\$ 87,948	\$ 17,948
Investment income (loss)	<u>4,500</u>	<u>1,890</u>	<u>(2,610)</u>
Total revenues	<u>74,500</u>	<u>89,838</u>	<u>15,338</u>
EXPENDITURES			
Public safety			
Salaries and wages	14,500	7,460	7,040
Employee benefits	9,160	3,507	5,653
Services and supplies	<u>51,340</u>	<u>17,554</u>	<u>33,786</u>
Total public safety	<u>75,000</u>	<u>28,521</u>	<u>46,479</u>
CHANGE IN FUND BALANCE	(500)	61,317	61,817
FUND BALANCE, BEGINNING OF YEAR	<u>299,073</u>	<u>299,073</u>	
FUND BALANCE, END OF YEAR	<u>\$ 298,573</u>	<u>\$ 360,390</u>	<u>\$ 61,817</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, 2018

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 50,000	\$ 50,000	\$
Charges for services	10,000		(10,000)
Investment income (loss)	2,600	1,111	(1,489)
Miscellaneous	10,000	4,636	(5,364)
Total revenues	72,600	55,747	(16,853)
EXPENDITURES			
Public safety			
Salaries and wages	10,790	2,307	8,483
Employee benefits	3,450	1,252	2,198
Services and supplies	248,033	36,856	211,177
Total public safety	262,273	40,415	221,858
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(189,673)	15,332	205,005
OTHER FINANCING SOURCES			
Transfers in	50,000	50,000	
CHANGE IN FUND BALANCE	(139,673)	65,332	205,005
FUND BALANCE, BEGINNING OF YEAR	197,516	197,516	
FUND BALANCE, END OF YEAR	\$ 57,843	\$ 262,848	\$ 205,005

# 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, 2018

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 4,300,000	\$ 4,473,090	\$ 173,090
Investment income (loss)	3,500	(2,400)	(5,900)
Miscellaneous		1,079	1,079
Total revenues	4,303,500	4,471,769	168,269
EXPENDITURES			
Public safety			
Salaries and wages	1,686,648	1,418,665	267,983
Employee benefits	1,008,306	940,892	67,414
Services and supplies	653,390	488,686	164,704
Capital outlay	386,310	246,689	139,621
Total public safety	3,734,654	3,094,932	639,722
CHANGE IN FUND BALANCE	568,846	1,376,837	807,991
FUND BALANCE, BEGINNING OF YEAR	997,049	997,049	
FUND BALANCE, END OF YEAR	\$ 1,565,895	\$ 2,373,886	\$ 807,991

# 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, 2018

	Final Budget	Actual	Variance
REVENUES			
Special assessments	\$ 86,497	\$ 111,957	\$ 25,460
Investment income (loss)	<u>106,701</u>	<u>103,538</u>	<u>(3,163)</u>
Total revenues	<u>193,198</u>	<u>215,495</u>	<u>22,297</u>
EXPENDITURES			
Public works			
Services and supplies	<u>102,962</u>	<u>3,656</u>	<u>99,306</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>90,236</u>	<u>211,839</u>	<u>121,603</u>
OTHER FINANCING USES			
Transfers out	<u>(181,198)</u>	<u>(202,537)</u>	<u>(21,339)</u>
CHANGE IN FUND BALANCE	(90,962)	9,302	100,264
FUND BALANCE, BEGINNING OF YEAR	<u>1,134,747</u>	<u>1,134,747</u>	<u>          </u>
FUND BALANCE, END OF YEAR	<u>\$ 1,043,785</u>	<u>\$ 1,144,049</u>	<u>\$ 100,264</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, 2018

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 4,297,646	\$ 4,342,942	\$ 45,296
Investment income (loss)	<u>78,100</u>	<u>55,951</u>	<u>(22,149)</u>
Total revenues	<u>4,375,746</u>	<u>4,398,893</u>	<u>23,147</u>
EXPENDITURES			
General government			
Services and supplies	<u>36,000</u>	<u>10,325</u>	<u>25,675</u>
Debt service			
Principal payments	5,767,000	5,857,867	(90,867)
Interest charges	<u>4,550,674</u>	<u>4,550,673</u>	<u>1</u>
Total debt service	<u>10,317,674</u>	<u>10,408,540</u>	<u>(90,866)</u>
Total expenditures	<u>10,353,674</u>	<u>10,418,865</u>	<u>(65,191)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,977,928)</u>	<u>(6,019,972)</u>	<u>(42,044)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>4,960,794</u>	<u>6,593,011</u>	<u>1,632,217</u>
CHANGE IN FUND BALANCE	(1,017,134)	573,039	1,590,173
FUND BALANCE, BEGINNING OF YEAR	<u>6,167,662</u>	<u>6,167,662</u>	<u>          </u>
FUND BALANCE, END OF YEAR	<u><u>\$ 5,150,528</u></u>	<u><u>\$ 6,740,701</u></u>	<u><u>\$ 1,590,173</u></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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment income (loss)	\$ 112,100	\$ (43,929)	\$ (156,029)
Developer contributions	128,800	808,800	680,000
Miscellaneous	350,000	350,000	
Total revenues	<u>590,900</u>	<u>1,114,871</u>	<u>523,971</u>
<b>EXPENDITURES</b>			
General government			
Services and supplies	<u>58,744</u>		<u>58,744</u>
Public safety			
Services and supplies	1,107,364	275,664	831,700
Capital outlay	<u>3,364,632</u>	<u>3,171,231</u>	<u>193,401</u>
Total public safety	<u>4,471,996</u>	<u>3,446,895</u>	<u>1,025,101</u>
Public works			
Salaries and wages	57,196	13,856	43,340
Employee benefits	7,933	494	7,439
Services and supplies	1,202,577	23,490	1,179,087
Capital outlay	<u>176,225</u>		<u>176,225</u>
Total public works	<u>1,443,931</u>	<u>37,840</u>	<u>1,406,091</u>
Total expenditures	<u>5,974,671</u>	<u>3,484,735</u>	<u>2,489,936</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,383,771)</u>	<u>(2,369,864)</u>	<u>3,013,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		13,545,465	13,545,465
Transfers out	<u>(1,533,000)</u>	<u>(1,000,000)</u>	<u>533,000</u>
Total other financing sources (uses)	<u>(1,533,000)</u>	<u>12,545,465</u>	<u>14,078,465</u>
CHANGE IN FUND BALANCE	(6,916,771)	10,175,601	17,092,372
FUND BALANCE, BEGINNING OF YEAR	<u>12,629,898</u>	<u>12,629,898</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,713,127</u>	<u>\$ 22,805,499</u>	<u>\$ 17,092,372</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, 2018

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,655,114	\$ 1,521,611	\$ (133,503)
Charges for services	140,000	58,813	(81,187)
Investment income (loss)	62,000	37,232	(24,768)
Miscellaneous	188,000	179,503	(8,497)
Total revenues	2,045,114	1,797,159	(247,955)
EXPENDITURES			
Culture and recreation			
Salaries and wages	14,344	12,325	2,019
Employee benefits	1,000	820	180
Services and supplies	4,038,513	1,587,396	2,451,117
Capital outlay	1,330,729	904,642	426,087
Total culture and recreation	5,384,586	2,505,183	2,879,403
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,339,472)	(708,024)	2,631,448
OTHER FINANCING USES			
Transfers out	(274,794)	(274,794)	
CHANGE IN FUND BALANCE	(3,614,266)	(982,818)	2,631,448
FUND BALANCE, BEGINNING OF YEAR	6,154,757	6,154,757	
FUND BALANCE, END OF YEAR	\$ 2,540,491	\$ 5,171,939	\$ 2,631,448

**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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Impact fees	\$ 1,140,000	\$ 1,567,147	\$ 427,147
Investment income (loss)	<u>54,230</u>	<u>23,699</u>	<u>(30,531)</u>
Total revenues	<u>1,194,230</u>	<u>1,590,846</u>	<u>396,616</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	9,800	7,569	2,231
Employee benefits	4,420	3,245	1,175
Services and supplies	242,805	77,689	165,116
Capital outlay	<u>2,618,823</u>	<u>804,107</u>	<u>1,814,716</u>
Total culture and recreation	<u>2,875,848</u>	<u>892,610</u>	<u>1,983,238</u>
CHANGE IN FUND BALANCE	(1,681,618)	698,236	2,379,854
FUND BALANCE, BEGINNING OF YEAR	<u>4,986,958</u>	<u>4,986,958</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,305,340</u>	<u>\$ 5,685,194</u>	<u>\$ 2,379,854</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, 2018**

---

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income (loss)	\$ <u>6,000</u>	\$ <u>2,737</u>	\$ <u>(3,263)</u>
CHANGE IN FUND BALANCE	6,000	2,737	(3,263)
FUND BALANCE, BEGINNING OF YEAR	<u>197,614</u>	<u>197,614</u>	
FUND BALANCE, END OF YEAR	<u>\$ 203,614</u>	<u>\$ 200,351</u>	<u>\$ (3,263)</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, 2018**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ <u>99,460</u>	\$ <u>99,460</u>	\$ <u>          </u>
EXPENDITURES			
Public works			
Capital outlay	<u>99,460</u>	<u>94,487</u>	<u>4,973</u>
CHANGE IN FUND BALANCE		4,973	4,973
FUND BALANCE, BEGINNING OF YEAR	<u>535,353</u>	<u>535,353</u>	<u>          </u>
FUND BALANCE, END OF YEAR	<u>\$ 535,353</u>	<u>\$ 540,326</u>	<u>\$ 4,973</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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,329,342	\$ 29,342
Investment income (loss)	<u>3,000</u>	<u>4,016</u>	<u>1,016</u>
Total revenues	<u>1,303,000</u>	<u>1,333,358</u>	<u>30,358</u>
OTHER FINANCING USES			
Transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>          </u>
CHANGE IN FUND BALANCE	3,000	33,358	30,358
FUND BALANCE, BEGINNING OF YEAR	<u>262,619</u>	<u>262,619</u>	<u>          </u>
FUND BALANCE, END OF YEAR	<u>\$ 265,619</u>	<u>\$ 295,977</u>	<u>\$ 30,358</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, 2018

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 100,000	\$ 87,910	\$ (12,090)
Investment income (loss)	232,270	55,160	(177,110)
Developer contributions	1,020,723	1,020,723	
Miscellaneous	493,932	493,932	493,932
<b>Total revenues</b>	<b>1,352,993</b>	<b>1,657,725</b>	<b>304,732</b>
<b>EXPENDITURES</b>			
General government			
Salaries and wages	127,257	111,728	15,529
Employee benefits	8,820	7,349	1,471
Services and supplies	3,693,036	1,792,339	1,900,697
Capital outlay	2,419,488	611,245	1,808,243
<b>Total general government</b>	<b>6,248,601</b>	<b>2,522,661</b>	<b>3,725,940</b>
Public safety			
Salaries and wages	144,478	50,590	93,888
Employee benefits	15,439	13,800	1,639
Services and supplies	649,558	102,638	546,920
Capital outlay	6,507,896	1,322,200	5,185,696
<b>Total public safety</b>	<b>7,317,371</b>	<b>1,489,228</b>	<b>5,828,143</b>
Public works			
Salaries and wages	6,500	5,752	748
Employee benefits	3,000	2,540	460
Services and supplies	3,446,140	932,198	2,513,942
Capital outlay	5,435,531	1,819,464	3,616,067
<b>Total public works</b>	<b>8,891,171</b>	<b>2,759,954</b>	<b>6,131,217</b>
Culture and recreation			
Services and supplies	263,666	239,470	24,196
Capital outlay	2,502,867	126,505	2,376,362
<b>Total culture and recreation</b>	<b>2,766,533</b>	<b>365,975</b>	<b>2,400,558</b>
<b>Total expenditures</b>	<b>25,223,676</b>	<b>7,137,818</b>	<b>18,085,858</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(23,870,683)</b>	<b>(5,480,093)</b>	<b>18,390,590</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	2,778,000	14,778,000	12,000,000
<b>CHANGE IN FUND BALANCE</b>	<b>(21,092,683)</b>	<b>9,297,907</b>	<b>30,390,590</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>23,683,327</b>	<b>23,683,327</b>	
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,590,644</b>	<b>\$ 32,981,234</b>	<b>\$ 30,390,590</b>

**CITY OF HENDERSON, NEVADA**

**LAKE LAS VEGAS CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2018**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income (loss)	\$ <u>61,000</u>	\$ <u>32,080</u>	\$ <u>(28,920)</u>
CHANGE IN FUND BALANCE	61,000	32,080	(28,920)
FUND BALANCE, BEGINNING OF YEAR	<u>5,834,444</u>	<u>5,834,444</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,895,444</u>	<u>\$ 5,866,524</u>	<u>\$ (28,920)</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, 2018

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	\$ 68,500	\$ 244,479	\$ 175,979
EXPENDITURES			
Public works			
Services and supplies	593,657	189	593,468
Capital outlay	12,251,448	4,410,465	7,840,983
Total public works	12,845,105	4,410,654	8,434,451
Debt service			
Interest charges	81,173	79,913	1,260
Total expenditures	12,926,278	4,490,567	8,435,711
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(12,857,778)	(4,246,088)	8,611,690
OTHER FINANCING SOURCES			
Transfers in	181,198	202,537	21,339
CHANGE IN FUND BALANCE	(12,676,580)	(4,043,551)	8,633,029
FUND BALANCE, BEGINNING OF YEAR	22,993,882	22,993,882	
FUND BALANCE, END OF YEAR	\$ 10,317,302	\$ 18,950,331	\$ 8,633,029

# 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, 2018

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Investment income (loss)	\$ 816,300	\$ 837,802	\$ 21,502
Rental fees		34,317	34,317
Miscellaneous	430,000	15,674	(414,326)
Total revenues	1,246,300	887,793	(358,507)
<b>EXPENDITURES</b>			
General government			
Salaries and wages	197,087	196,044	1,043
Employee benefits	70,122	60,361	9,761
Services and supplies	177,860	112,726	65,134
Total general government	445,069	369,131	75,938
Public safety			
Employee benefits	145		145
Services and supplies	475		475
Total public safety	620		620
Public works			
Salaries and wages	108,474	99,179	9,295
Employee benefits	44,450	40,475	3,975
Services and supplies	1,132,285	184,170	948,115
Capital outlay	4,592,200	293,577	4,298,623
Total public works	5,877,409	617,401	5,260,008
Community support			
Services and supplies	363,000	363,000	
Total expenditures	6,686,098	1,349,532	5,336,566
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(5,439,798)	(461,739)	4,978,059
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from land sales	6,000,000	6,859,417	859,417
Transfers in	400,000	400,000	
Transfers out	(1,354,300)	(16,044,853)	(14,690,553)
Total other financing sources (uses)	5,045,700	(8,785,436)	(13,831,136)
CHANGE IN FUND BALANCE	(394,098)	(9,247,175)	(8,853,077)
FUND BALANCE, BEGINNING OF YEAR	30,159,217	30,159,217	
FUND BALANCE, END OF YEAR	\$ 29,765,119	\$ 20,912,042	\$ (8,853,077)

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# PROPRIETARY FUNDS

## Internal Service Funds

**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other 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.



# 2018

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

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# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2018

	Engineering	City Shop	Revolving	Self-Insurance	Worker's		Citywide	Total Internal
					Compensation	Health Insurance		
<b>ASSETS</b>								
Current assets								
Cash, cash equivalents and investments, unrestricted	\$ 4,344,854	\$ 9,833,135	\$ 1,706,649	\$ 6,875,904	\$ 17,735,447	\$ 7,746,665	\$ 11,231,389	\$ 59,474,043
Cash and cash equivalents, restricted						1,628,896		1,628,896
Accounts receivable, net	19,062	21,099			105,315	18,564		164,040
Interest receivable	11,606	24,688	4,725	18,010	40,246	17,070	34,029	150,374
Inventories		127,650						127,650
Prepaid items	284,988						109,805	109,805
Due from other governments							5,577	290,565
<b>Total current assets</b>	<u>4,660,510</u>	<u>10,006,572</u>	<u>1,711,374</u>	<u>6,893,914</u>	<u>17,881,008</u>	<u>9,411,195</u>	<u>11,380,800</u>	<u>61,945,373</u>
Noncurrent assets								
Capital assets, net of accumulated depreciation and amortization								
Construction in progress		1,967,838						1,967,838
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	59,371,392						59,385,777
Accumulated depreciation and amortization	(14,385)	(42,270,059)						(42,284,444)
<b>Total capital assets, net of accumulated depreciation and amortization</b>		<u>21,245,205</u>						<u>21,245,205</u>
Other assets								
Advances to other funds			1,251,506					1,251,506
<b>Total assets</b>	<u>4,660,510</u>	<u>31,251,777</u>	<u>2,962,880</u>	<u>6,893,914</u>	<u>17,881,008</u>	<u>9,411,195</u>	<u>11,380,800</u>	<u>84,442,084</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred amounts related to pensions	1,145,429	376,211		152,677	239,557	26,850	201,521	2,142,245

(Continued)

**CITY OF HENDERSON, NEVADA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2018**

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
<b>LIABILITIES</b>								
Current liabilities								
Accounts payable and other accrued liabilities	80,950	484,362		22,925	50,412	43,189	543,281	1,225,119
Accrued wages	157,536	57,073		12,674	5,865	5,989	12,447	251,584
Unearned revenue						1,365		1,365
Deposits							14,081	14,081
Compensated absences	126,783	30,951		11,051	5,123	8,971	10,841	193,720
Claims and judgments				1,761,073	15,069,371	1,650,000		18,480,444
Total current liabilities	<u>365,269</u>	<u>572,386</u>		<u>1,807,723</u>	<u>15,130,771</u>	<u>1,709,514</u>	<u>580,650</u>	<u>20,166,313</u>
Noncurrent liabilities								
Compensated absences	1,326,566	323,849		115,627	53,603	93,865	113,443	2,026,953
Other postemployment benefits	1,271,117	109,381		170,800	485,846	1,745,219	228,360	4,010,723
Net pension liability	7,871,456	2,584,316		1,009,892	1,623,975	189,914	1,302,805	14,582,358
Total noncurrent liabilities	<u>10,469,139</u>	<u>3,017,546</u>		<u>1,296,319</u>	<u>2,163,424</u>	<u>2,028,998</u>	<u>1,644,608</u>	<u>20,620,034</u>
Total liabilities	<u>10,834,408</u>	<u>3,589,932</u>		<u>3,104,042</u>	<u>17,294,195</u>	<u>3,738,512</u>	<u>2,225,258</u>	<u>40,786,347</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred amounts related to pensions	724,511	220,978		91,360	98,883	17,853	97,228	1,250,813
Deferred amounts related to other postemployment benefits	<u>50,173</u>	<u>4,317</u>		<u>6,742</u>	<u>19,177</u>	<u>2,821</u>	<u>9,014</u>	<u>92,244</u>
Total deferred inflows of resources	<u>774,684</u>	<u>225,295</u>		<u>98,102</u>	<u>118,060</u>	<u>20,674</u>	<u>106,242</u>	<u>1,343,057</u>
<b>NET POSITION</b>								
Net investment in capital assets		21,245,205						21,245,205
Restricted								
Claims		6,567,556	2,962,880	3,844,447	708,310	5,678,859	9,250,821	10,231,616
Unrestricted	<u>(5,803,153)</u>	<u>6,567,556</u>	<u>2,962,880</u>	<u>3,844,447</u>	<u>708,310</u>	<u>5,678,859</u>	<u>9,250,821</u>	<u>12,978,104</u>
Total net position	<u>\$ (5,803,153)</u>	<u>\$ 27,812,761</u>	<u>\$ 2,962,880</u>	<u>\$ 3,844,447</u>	<u>\$ 708,310</u>	<u>\$ 5,678,859</u>	<u>\$ 9,250,821</u>	<u>\$ 44,454,925</u>

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

	Engineering	City Shop	Revolving	Self-Insurance	Worker's		Citywide Services	Total Internal Service Funds
					Compensation Self-Insurance	Health Insurance Self-Insurance		
<b>OPERATING REVENUES</b>								
Charges for services	9,167,120	8,402,406	79,913	3,040,986	5,276,685	19,770,998	12,070,169	57,808,277
<b>OPERATING EXPENSES</b>								
Salaries and wages	4,287,561	1,517,758		316,054	602,805	136,754	353,405	7,214,337
Employee benefits	1,948,230	665,852		160,086	372,076	73,195	173,610	3,393,049
Services and supplies	3,054,188	4,014,283		1,368,926	1,694,618	2,686,550	9,945,054	22,763,619
Claims and judgments				809,040	4,030,028	15,252,893		20,091,961
Legal fees					16,304			16,304
Depreciation and amortization		3,338,767						3,338,767
Total operating expenses	9,289,979	9,536,660		2,654,106	6,715,831	18,149,392	10,472,069	56,818,037
Operating income (loss)	(122,859)	(1,134,254)	79,913	386,880	(1,439,146)	1,621,606	1,598,100	990,240
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment income	22,249	45,288	10,843	32,057	88,192	21,510	63,688	283,827
Gain (loss) on capital asset disposition		236,428						236,428
Interest expense					(20,460)			(20,460)
Miscellaneous	189,918	98,625		(1,942)			28,618	315,219
Total nonoperating revenues (expenses)	212,167	380,341	10,843	30,115	67,732	21,510	92,306	815,014
Income (loss) before capital contributions and transfers	89,308	(753,913)	90,756	416,995	(1,371,414)	1,643,116	1,690,406	1,805,254
<b>CAPITAL CONTRIBUTIONS</b>								
Capital contributions		2,060,796						2,060,796
<b>TRANSFERS</b>								
Transfers in		1,850,000						1,850,000
Transfers out			(420,000)				(1,053,000)	(1,473,000)
Total transfers		1,850,000	(420,000)				(1,053,000)	377,000

(Continued)

**CITY OF HENDERSON, NEVADA**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2018**

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
CHANGE IN NET POSITION	89,308	3,156,883	(329,244)	416,995	(1,371,414)	1,643,116	637,406	4,243,050
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(4,637,830)	24,811,109	3,292,124	3,612,416	2,649,177	4,109,035	8,885,705	42,721,736
Adjustment	(1,254,631)	(155,231)		(184,964)	(569,453)	(73,292)	(272,290)	(2,509,861)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	(5,892,461)	24,655,878	3,292,124	3,427,452	2,079,724	4,035,743	8,613,415	40,211,875
NET POSITION, END 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

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	Engineering	City Shop	Revolving	Self-Insurance	Worker's		Citywide Services	Total Internal Service Funds
					Compensation Self-Insurance	Health Insurance Self-Insurance		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash received from customers	\$ 2,342,252	\$	\$	\$	\$	\$	\$ 3,423	\$ 4,150,790
Cash received from other sources	189,918	113,742		(1,942)			28,618	330,336
Cash payments for goods and services	(4,936,063)	(4,423,025)		(2,221,074)	(4,763,298)		(10,064,700)	(44,203,623)
Cash payments for employee services	(4,374,828)	(1,598,596)		(364,324)	(804,768)		(355,143)	(7,621,591)
Cash payments for interfund services	6,709,664	8,402,406	79,913	3,040,986	5,276,685		12,053,437	53,530,339
Net cash provided by (used in) operating activities	<u>(69,057)</u>	<u>2,494,527</u>	<u>79,913</u>	<u>453,646</u>	<u>(291,381)</u>		<u>1,665,635</u>	<u>6,186,251</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers in								
Transfers out		1,850,000	(420,000)				(1,053,000)	1,850,000
Repayments of advances from other funds			122,623					(1,473,000)
Interest payments on claims					(20,460)			122,623
Net cash provided by noncapital financing activities		<u>1,850,000</u>	<u>(297,377)</u>		<u>(20,460)</u>		<u>(1,053,000)</u>	<u>(20,460)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets		(4,768,955)						(4,768,955)
Proceeds received from disposal of capital assets		263,186						263,186
Net cash used in capital financing activities		<u>(4,505,769)</u>						<u>(4,505,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Investment income	19,067	34,802	10,477	26,353	79,599		49,824	235,428
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(49,990)</u>	<u>(126,440)</u>	<u>(206,987)</u>	<u>479,999</u>	<u>(232,242)</u>		<u>662,459</u>	<u>2,395,073</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>4,394,844</u>	<u>9,959,575</u>	<u>1,913,636</u>	<u>6,395,905</u>	<u>17,967,689</u>		<u>10,568,930</u>	<u>58,707,866</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>4,344,854</u>	<u>9,833,135</u>	<u>1,706,649</u>	<u>6,875,904</u>	<u>17,735,447</u>		<u>11,231,389</u>	<u>59,474,043</u>
Cash and cash equivalents, unrestricted	<u>4,344,854</u>	<u>9,833,135</u>	<u>1,706,649</u>	<u>6,875,904</u>	<u>17,735,447</u>		<u>11,231,389</u>	<u>59,474,043</u>
Cash and cash equivalents, restricted								<u>1,628,896</u>
								<u>61,102,939</u>

(Continued)

**CITY OF HENDERSON, NEVADA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating income (loss)	\$ (122,859)	\$ (1,134,254)	\$ 79,913	\$ 386,880	\$ (1,439,146)	\$ 1,621,606	\$ 1,598,100	\$ 990,240
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation		3,338,767						3,338,767
Other	189,918	98,625		(1,942)			28,618	315,219
(Increase) decrease in operating assets								
Accounts receivable	(8,532)	15,117		2,100	178,160	(5,725)	3,422	184,542
Prepaid items							87,484	87,484
Due from other funds	(106,672)	2,803					(5,577)	(109,446)
Inventories		(71,182)						(71,182)
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	21,620	329,353		(109,772)	(18,590)	(3,914)	(44,889)	173,808
Compensated absences	(105,478)	(89,809)		(46,723)	(176,999)	10,254	(1,795)	(410,550)
Claims and judgments				214,585	1,140,890	20,000		1,375,475
Other postemployment benefits	64,221	5,526		8,630	24,547	209,422	11,537	323,883
Net pension liability	(1,275)	(419)		(112)	(243)	(40)	(111)	(2,200)
Deposits					1,365		(11,154)	(9,789)
Total adjustments	53,802	3,628,781		66,766	1,147,765	231,362	67,535	5,196,011
Net cash provided by (used in) operating activities	\$ (69,057)	\$ 2,494,527	\$ 79,913	\$ 453,646	\$ (291,381)	\$ 1,852,968	\$ 1,665,635	\$ 6,186,251
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>								
Contribution of capital assets		\$ 2,060,796						\$ 2,060,796

**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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 8,759,072	\$ 9,167,120	\$ 408,048
OPERATING EXPENSES			
Salaries and wages	4,854,483	4,287,561	566,922
Employee benefits	2,313,050	1,948,230	364,820
Services and supplies	<u>2,506,515</u>	<u>3,054,188</u>	<u>(547,673)</u>
Total operating expenses	<u>9,674,048</u>	<u>9,289,979</u>	<u>384,069</u>
Operating loss	<u>(914,976)</u>	<u>(122,859)</u>	<u>792,117</u>
NONOPERATING REVENUES			
Investment income	44,000	22,249	(21,751)
Miscellaneous		<u>189,918</u>	<u>189,918</u>
Total nonoperating revenues	<u>44,000</u>	<u>212,167</u>	<u>168,167</u>
CHANGE IN NET POSITION	<u>\$ (870,976)</u>	<u>89,308</u>	<u>\$ 960,284</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		(4,637,830)	
Adjustment		<u>(1,254,631)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		<u>(5,892,461)</u>	
NET POSITION, END OF YEAR		<u>\$ (5,803,153)</u>	

# 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, 2018

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 8,402,406	\$ 8,402,406	\$ _____
OPERATING EXPENSES			
Salaries and wages	1,797,976	1,517,758	280,218
Employee benefits	779,147	665,852	113,295
Services and supplies	5,386,050	4,014,283	1,371,767
Depreciation and amortization	3,433,451	3,338,767	94,684
Total operating expenses	11,396,624	9,536,660	1,859,964
Operating loss	(2,994,218)	(1,134,254)	1,859,964
NONOPERATING REVENUES			
Investment income	91,000	45,288	(45,712)
Gain (loss) on capital asset disposition		236,428	236,428
Miscellaneous		98,625	98,625
Total nonoperating revenues	91,000	380,341	289,341
Loss before capital contributions and transfers	(2,903,218)	(753,913)	2,149,305
CAPITAL CONTRIBUTIONS			
Capital contributions		2,060,796	2,060,796
TRANSFERS			
Transfers in		1,850,000	1,850,000
CHANGE IN NET POSITION	\$ (2,903,218)	3,156,883	\$ 6,060,101
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		24,811,109	
Adjustment		(155,231)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		24,655,878	
NET POSITION, END OF YEAR		\$ 27,812,761	

# 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, 2018

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>10,000</u>	\$ <u>79,913</u>	\$ <u>69,913</u>
NONOPERATING REVENUES			
Investment income	<u>19,000</u>	<u>10,843</u>	<u>(8,157)</u>
Income before transfers	<u>29,000</u>	<u>90,756</u>	<u>61,756</u>
TRANSFERS			
Transfers out	<u>(420,000)</u>	<u>(420,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>(391,000)</u></u>	(329,244)	\$ <u><u>61,756</u></u>
NET POSITION, BEGINNING OF YEAR		<u>3,292,124</u>	
NET POSITION, END OF YEAR		\$ <u><u>2,962,880</u></u>	

## CITY OF HENDERSON, NEVADA

### SELF-INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 3,040,987	\$ 3,040,986	\$ (1)
OPERATING EXPENSES			
Salaries and wages	368,177	316,054	52,123
Employee benefits	177,561	160,086	17,475
Services and supplies	1,901,537	1,368,926	532,611
Claims and judgments	1,950,000	809,040	1,140,960
Legal fees	75,000	75,000	-
Total operating expenses	4,472,275	2,654,106	1,818,169
Operating income (loss)	(1,431,288)	386,880	1,818,168
NONOPERATING REVENUES (EXPENSES)			
Investment income	68,000	32,057	(35,943)
Miscellaneous	-	(1,942)	(1,942)
Total nonoperating revenues (expenses)	68,000	30,115	(37,885)
CHANGE IN NET POSITION	\$ (1,363,288)	416,995	\$ 1,780,283
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		3,612,416	
Adjustment		(184,964)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		3,427,452	
NET POSITION, END OF YEAR		\$ 3,844,447	

## 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, 2018

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 4,601,695	\$ 5,276,685	\$ 674,990
OPERATING EXPENSES			
Salaries and wages	1,093,282	602,805	490,477
Employee benefits	602,289	372,076	230,213
Services and supplies	1,723,666	1,694,618	29,048
Claims and judgments	4,570,000	4,030,028	539,972
Legal fees	18,000	16,304	1,696
Total operating expenses	8,007,237	6,715,831	1,291,406
Operating loss	(3,405,542)	(1,439,146)	1,966,396
NONOPERATING REVENUES (EXPENSES)			
Investment income	171,000	88,192	(82,808)
Interest expense		(20,460)	(20,460)
Total nonoperating revenues (expenses)	171,000	67,732	(103,268)
CHANGE IN NET POSITION	\$ (3,234,542)	(1,371,414)	\$ 1,863,128
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		2,649,177	
Adjustment		(569,453)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		2,079,724	
NET POSITION, END OF YEAR		\$ 708,310	

## 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, 2018

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 19,325,000	\$ 19,770,998	\$ 445,998
OPERATING EXPENSES			
Salaries and wages	172,899	136,754	36,145
Employee benefits	91,345	73,195	18,150
Services and supplies	2,777,400	2,686,550	90,850
Claims and judgments	17,143,458	15,252,893	1,890,565
Total operating expenses	20,185,102	18,149,392	2,035,710
Operating income (loss)	(860,102)	1,621,606	2,481,708
NONOPERATING REVENUES			
Investment income	75,000	21,510	(53,490)
CHANGE IN NET POSITION	\$ (785,102)	1,643,116	\$ 2,428,218
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		4,109,035	
Adjustment		(73,292)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		4,035,743	
NET POSITION, END OF YEAR		\$ 5,678,859	

# 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, 2018

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 12,067,295	\$ 12,070,169	\$ 2,874
OPERATING EXPENSES			
Salaries and wages	387,479	353,405	34,074
Employee benefits	191,139	173,610	17,529
Services and supplies	14,387,626	9,945,054	4,442,572
Total operating expenses	14,966,244	10,472,069	4,494,175
Operating income (loss)	(2,898,949)	1,598,100	4,497,049
NONOPERATING REVENUES			
Investment income	111,000	63,688	(47,312)
Miscellaneous		28,618	28,618
Total nonoperating revenues	111,000	92,306	(18,694)
Income (loss) before transfers	(2,787,949)	1,690,406	4,478,355
TRANSFERS			
Transfers out	(1,053,000)	(1,053,000)	
CHANGE IN NET POSITION	\$ (3,840,949)	637,406	\$ 4,478,355
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		8,885,705	
Adjustment		(272,290)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		8,613,415	
NET POSITION, END OF YEAR		\$ 9,250,821	

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# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2018

	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
<b>ASSETS</b>			
Current assets			
Cash, cash equivalents and investments, unrestricted	\$ 8,982,861	\$ 87,592	\$ 9,070,453
Cash and cash equivalents, restricted		79,933	79,933
Accounts receivable, net	12,959	181,783	194,742
Interest receivable	23,616	522	24,138
Due from other governments	80,383		80,383
Total current assets	9,099,819	349,830	9,449,649
Noncurrent assets			
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	68,445		68,445
Land		13,802,929	13,802,929
Buildings and building improvements	3,835,536	5,660,600	9,496,136
Improvements other than buildings	1,398,259	23,922,059	25,320,318
Machinery and equipment	215,993	2,318,911	2,534,904
Accumulated depreciation and amortization	(3,524,662)	(19,120,787)	(22,645,449)
Total capital assets, net of accumulated depreciation and amortization	1,993,571	26,583,712	28,577,283
Total noncurrent assets	1,993,571	26,583,712	28,577,283
Total assets	11,093,390	26,933,542	38,026,932
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	436,259		436,259
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and other accrued liabilities	93,109	33,684	126,793
Accrued wages	51,578		51,578
Due to other governments	3,438		3,438
Construction contracts and retentions	1,073		1,073
Unearned revenue	20,687		20,687
Deposits	9,520		9,520
Compensated absences	36,051		36,051
Total current liabilities	215,456	33,684	249,140
Noncurrent liabilities			
Compensated absences	386,360		386,360
Other postemployment benefits	512,055		512,055
Net pension liability	2,935,005		2,935,005
Total noncurrent liabilities	3,833,420		3,833,420
Total liabilities	4,048,876	33,684	4,082,560
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	325,164		325,164
Deferred amounts related to other postemployment benefits	20,212		20,212
Total deferred inflows of resources	345,376		345,376

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2018

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	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
NET POSITION			
Net investment in capital assets	1,993,571	26,583,712	28,577,283
Restricted			
Capital projects and system development		79,933	79,933
Unrestricted	<u>5,141,826</u>	<u>236,213</u>	<u>5,378,039</u>
Total net position	<u>\$ 7,135,397</u>	<u>\$ 26,899,858</u>	<u>\$ 34,035,255</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, 2018

	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 613,789	\$ 2,177,143	\$ 2,790,932
Licenses and permits	539,787		539,787
Rental fees	291,820		291,820
Miscellaneous	27,775	40,187	67,962
Total operating revenues	<u>1,473,171</u>	<u>2,217,330</u>	<u>3,690,501</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	1,572,729		1,572,729
Employee benefits	610,475		610,475
Services and supplies	1,437,859	2,206,689	3,644,548
Depreciation and amortization	116,432	322,299	438,731
Total operating expenses	<u>3,737,495</u>	<u>2,528,988</u>	<u>6,266,483</u>
Operating loss	<u>(2,264,324)</u>	<u>(311,658)</u>	<u>(2,575,982)</u>
<b>NONOPERATING REVENUES</b>			
Investment income	32,362	1,320	33,682
Room tax revenue	2,405,064		2,405,064
Other intergovernmental revenue	1,645,532		1,645,532
Total nonoperating revenues	<u>4,082,958</u>	<u>1,320</u>	<u>4,084,278</u>
CHANGE IN NET POSITION	<u>1,818,634</u>	<u>(310,338)</u>	<u>1,508,296</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	5,752,304	27,210,196	32,962,500
Adjustment	(435,541)		(435,541)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>5,316,763</u>	<u>27,210,196</u>	<u>32,526,959</u>
NET POSITION, END OF YEAR	<u>\$ 7,135,397</u>	<u>\$ 26,899,858</u>	<u>\$ 34,035,255</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,510,973	\$ 2,198,033	\$ 3,709,006
Cash received from other sources	4,050,596		4,050,596
Cash payments for goods and services	(1,970,368)	(2,200,911)	(4,171,279)
Cash payments for employee services	(1,595,824)		(1,595,824)
Net cash provided by (used in) operating activities	<u>1,995,377</u>	<u>(2,878)</u>	<u>1,992,499</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>(67,372)</u>	<u>(40,417)</u>	<u>(107,789)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>21,982</u>	<u>1,202</u>	<u>23,184</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,949,987</b>	<b>(42,093)</b>	<b>1,907,894</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>7,032,874</u></b>	<b><u>209,618</u></b>	<b><u>7,242,492</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 8,982,861</u></b>	<b><u>\$ 167,525</u></b>	<b><u>\$ 9,150,386</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating loss	\$ (2,264,324)	\$ (311,658)	\$ (2,575,982)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation	116,432	322,299	438,731
Other	4,050,596		4,050,596
(Increase) decrease in operating assets			
Accounts receivable	(9,240)	(19,297)	(28,537)
Due from other governments	39,276		39,276
Increase (decrease) in operating liabilities			
Accounts payable and other accrued liabilities	46,188	5,778	51,966
Accrued wages	8,981		8,981
Compensated absences	(29,555)		(29,555)
Other postemployment benefits	25,870		25,870
Net pension liability	(383)		(383)
Deposits	3,770		3,770
Unearned revenue	7,766		7,766
Total adjustments	<u>4,259,701</u>	<u>308,780</u>	<u>4,568,481</u>
Net cash provided by (used in) operating activities	<u>\$ 1,995,377</u>	<u>\$ (2,878)</u>	<u>\$ 1,992,499</u>

# CITY OF HENDERSON, NEVADA

## WATER ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Utilities fees	\$ 73,650,000	\$ 74,176,270	\$ 526,270
Connection fees	1,250,000	1,582,661	332,661
Late charges	1,300,000	1,331,352	31,352
Miscellaneous	80,000	122,756	42,756
Total operating revenues	76,280,000	77,213,039	933,039
<b>OPERATING EXPENSES</b>			
Salaries and wages	13,046,616	12,181,645	864,971
Employee benefits	6,103,719	5,497,532	606,187
Water purchases	24,434,800	26,928,264	(2,493,464)
Services and supplies	23,029,270	21,173,531	1,855,739
Depreciation and amortization	12,500,000	11,790,107	709,893
Total operating expenses	79,114,405	77,571,079	1,543,326
Operating loss	(2,834,405)	(358,040)	2,476,365
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,100,000	533,709	(566,291)
Gain (loss) on capital asset disposition		(247,294)	(247,294)
Interest expense	(366,185)		366,185
Total nonoperating revenues (expenses)	733,815	286,415	(447,400)
Loss before capital contributions and transfers	(2,100,590)	(71,625)	2,028,965
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions	4,500,000	10,050,750	5,550,750
<b>TRANSFERS</b>			
Transfers out	(1,100,000)	(1,125,000)	(25,000)
CHANGE IN NET POSITION	\$ 1,299,410	8,854,125	\$ 7,554,715
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		474,966,457	
Adjustment		(2,318,218)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		472,648,239	
NET POSITION, END OF YEAR		\$ 481,502,364	

# 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, 2018

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Utilities fees	\$ 46,147,000	\$ 46,513,330	\$ 366,330
Connection fees	60,000	176,481	116,481
Late charges	600,000	615,089	15,089
Intergovernmental	300,000	610,528	310,528
Miscellaneous	50,000	131,363	81,363
Total operating revenues	47,157,000	48,046,791	889,791
<b>OPERATING EXPENSES</b>			
Salaries and wages	11,514,661	10,680,460	834,201
Employee benefits	5,306,168	4,837,602	468,566
Services and supplies	20,966,472	18,658,689	2,307,783
Depreciation and amortization	12,650,000	12,622,733	27,267
Total operating expenses	50,437,301	46,799,484	3,637,817
Operating income (loss)	(3,280,301)	1,247,307	4,527,608
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,100,000	541,316	(558,684)
Gain (loss) on capital asset disposition		(422,076)	(422,076)
Interest expense	(4,071,419)	(3,544,092)	527,327
Sales tax revenue	5,400,000	5,435,994	35,994
Miscellaneous		3,308	3,308
Total nonoperating revenues (expenses)	2,428,581	2,014,450	(414,131)
Income (loss) before capital contributions and transfers	(851,720)	3,261,757	4,113,477
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions	7,000,000	20,619,431	13,619,431
<b>TRANSFERS</b>			
Transfers out	(1,100,000)	(1,100,000)	
CHANGE IN NET POSITION	\$ 5,048,280	22,781,188	\$ 17,732,908
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		524,637,160	
Adjustment		(2,276,172)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		522,360,988	
NET POSITION, END OF YEAR		\$ 545,142,176	

# 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, 2018

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 12,758,136	\$ 11,677,436	\$ (1,080,700)
Licenses and permits	5,213,848	4,905,531	(308,317)
Intergovernmental		39,248	39,248
Miscellaneous	3,356	3,058	(298)
Total operating revenues	17,975,340	16,625,273	(1,350,067)
<b>OPERATING EXPENSES</b>			
Salaries and wages	7,748,617	7,214,038	534,579
Employee benefits	3,602,963	3,217,870	385,093
Services and supplies	8,022,202	7,190,955	831,247
Depreciation and amortization	15,000	14,131	869
Total operating expenses	19,388,782	17,636,994	1,751,788
Operating loss	(1,413,442)	(1,011,721)	401,721
<b>NONOPERATING REVENUES</b>			
Investment income	140,000	63,203	(76,797)
Miscellaneous		729	729
Total nonoperating revenues	140,000	63,932	(76,068)
Loss before transfers	(1,273,442)	(947,789)	325,653
<b>TRANSFERS</b>			
Transfers in	450,000	450,000	
CHANGE IN NET POSITION	\$ (823,442)	(497,789)	\$ 325,653
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		(3,544,391)	
Adjustment		(1,194,417)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		(4,738,808)	
NET POSITION, END OF YEAR		\$ (5,236,597)	

# 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, 2018

	Final Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 342,400	\$ 613,789	\$ 271,389
Licenses and permits	1,703,409	539,787	(1,163,622)
Rental fees	245,800	291,820	46,020
Miscellaneous	18,000	27,775	9,775
Total operating revenues	2,309,609	1,473,171	(836,438)
<b>OPERATING EXPENSES</b>			
Salaries and wages	1,998,204	1,572,729	425,475
Employee benefits	821,055	610,475	210,580
Services and supplies	2,629,028	1,437,859	1,191,169
Depreciation and amortization	124,000	116,432	7,568
Total operating expenses	5,572,287	3,737,495	1,834,792
Operating loss	(3,262,678)	(2,264,324)	998,354
<b>NONOPERATING REVENUES</b>			
Investment income	79,100	32,362	(46,738)
Room tax revenue	2,000,000	2,405,064	405,064
Other intergovernmental revenue	450,000	1,645,532	1,195,532
Total nonoperating revenues	2,529,100	4,082,958	1,553,858
<b>CHANGE IN NET POSITION</b>	<b>\$ (733,578)</b>	<b>1,818,634</b>	<b>\$ 2,552,212</b>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED		5,752,304	
Adjustment		(435,541)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED		5,316,763	
NET POSITION, END OF YEAR		<b>\$ 7,135,397</b>	

**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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 2,318,088	\$ 2,177,143	\$ (140,945)
Miscellaneous		40,187	40,187
Total operating revenues	<u>2,318,088</u>	<u>2,217,330</u>	<u>(100,758)</u>
OPERATING EXPENSES			
Services and supplies	2,173,633	2,206,689	(33,056)
Depreciation and amortization	350,000	322,299	27,701
Total operating expenses	<u>2,523,633</u>	<u>2,528,988</u>	<u>(5,355)</u>
Operating loss	<u>(205,545)</u>	<u>(311,658)</u>	<u>(106,113)</u>
NONOPERATING REVENUES			
Investment income	2,000	1,320	(680)
CHANGE IN NET POSITION	<u>\$ (203,545)</u>	(310,338)	<u>\$ (106,793)</u>
NET POSITION, BEGINNING OF YEAR		<u>27,210,196</u>	
NET POSITION, END OF YEAR		<u>\$ 26,899,858</u>	

# 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.



# 2018

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2018

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# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2018

	Section 125 Plan	Traffic Signal	Forfeited Assets	Paving Frontage	Special Assessment Districts	Total Agency Funds
<b>ASSETS</b>						
Cash, cash equivalents and investments, unrestricted	\$ 186,264	\$ 9,440,414	\$ 237,336	\$ 80,226	\$ 28,247,274	\$ 38,191,514
Special assessments receivable					497,616	497,616
Total assets	\$ 186,264	\$ 9,440,414	\$ 237,336	\$ 80,226	\$ 28,744,890	\$ 38,689,130
<b>LIABILITIES</b>						
Due to developers	\$	\$ 9,440,414	\$	\$ 80,226	\$	\$ 9,520,640
Due to employees	186,264					186,264
Due to others			237,336		28,744,890	28,982,226
Total liabilities	\$ 186,264	\$ 9,440,414	\$ 237,336	\$ 80,226	\$ 28,744,890	\$ 38,689,130

# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b>SECTION 125 PLAN</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 172,430	\$ 833,150	\$ 819,316	\$ 186,264
<b>LIABILITIES</b>				
Due to employees	\$ 172,430	\$ 833,150	\$ 819,316	\$ 186,264
<b>TRAFFIC SIGNAL</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 8,556,371	\$ 1,916,408	\$ 1,032,365	\$ 9,440,414
<b>LIABILITIES</b>				
Due to developers	\$ 8,556,371	\$ 1,916,408	\$ 1,032,365	\$ 9,440,414
<b>FORFEITED ASSETS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 721,964	\$ 934,671	\$ 1,419,299	\$ 237,336
<b>LIABILITIES</b>				
Due to others	\$ 721,964	\$ 934,671	\$ 1,419,299	\$ 237,336
<b>PAVING FRONTAGE</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 79,305	\$ 921	\$	\$ 80,226
<b>LIABILITIES</b>				
Due to developers	\$ 79,305	\$ 1,020	\$ 99	\$ 80,226
<b>SPECIAL ASSESSMENT DISTRICTS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 30,590,186	\$ 57,788,086	\$ 60,130,998	\$ 28,247,274
Special assessments receivable	344,472	155,369	2,225	497,616
Total assets	\$ 30,934,658	\$ 57,943,455	\$ 60,133,223	\$ 28,744,890
<b>LIABILITIES</b>				
Due to others	\$ 30,934,658	\$ 57,940,888	\$ 60,130,656	\$ 28,744,890
Due to other governments		2,567	2,567	
Total liabilities	\$ 30,934,658	\$ 57,943,455	\$ 60,133,223	\$ 28,744,890
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments, unrestricted	\$ 40,120,256	\$ 61,473,236	\$ 63,401,978	\$ 38,191,514
Special assessments receivable	344,472	155,369	2,225	497,616
Total assets	\$ 40,464,728	\$ 61,628,605	\$ 63,404,203	\$ 38,689,130
<b>LIABILITIES</b>				
Due to developers	\$ 8,635,676	\$ 1,917,428	\$ 1,032,464	\$ 9,520,640
Due to employees	172,430	833,150	819,316	186,264
Due to others	31,656,622	58,875,559	61,549,955	28,982,226
Due to other governments		2,567	2,567	
Total liabilities	\$ 40,464,728	\$ 61,628,704	\$ 63,404,302	\$ 38,689,130

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