Financial Statements
June 30, 2023

City of Henderson Redevelopment Agency

(A Component Unit of the City of Henderson, Nevada)

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Financial Section
June 30, 2023

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(A Component Unit of the City of Henderson, Nevada)

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Independent Auditor's Report

Members of the City of Henderson Redevelopment Agency Board
City of Henderson, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of the City of Henderson Redevelopment Agency (the Agency), a component unit of the City of Henderson, Nevada, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial information of the governmental activities and major fund of the City of Henderson Redevelopment Agency, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Notes 1 and 14 to the financial statements, the Agency has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, for the year ended June 30, 2023. Accordingly, the presentation and disclosure of the accounting change in the financial statements conform to the requirements of the new standard for the year ended June 30, 2023, to restate beginning net position. Our opinions are not modified with respect to this matter.

As discussed in Notes 1 and 14 to the financial statements, the Agency has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the Governmental Activities net position as of July 01, 2022, to restate beginning net position. Statement No. 100, *Accounting Changes and Error Corrections* was implemented in conjunction with Statement No 101 as required by GASB. Our opinions are not modified with respect to this matter.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Agency are intended to present the financial position, the changes in financial position, and budgetary comparison that is attributable to the transactions of Agency. They do not purport to, and do not present fairly the financial position of the City of Henderson, Nevada as of June 30, 2023, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Total OPEB liability, schedule of proportionate share of the collective net pension liability, schedule of proportionate share of statutorily required contribution, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The general fund combining balance sheet by project area and the general fund statement of revenues, expenditures, and changes in fund balance by project area are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023 on our consideration of the Agency'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 solely 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 the effectiveness of the Agency's 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 Agency's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 29, 2023

As management of the finances of the City of Henderson Redevelopment Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2023.

Financial Highlights

The assets and deferred outflows of resources of the Agency's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $58,287,608 (net position).

The Agency's total net position increased by $17,788,876 (44%) during the current fiscal year. The increase was mainly due to a larger than anticipated increase in appraised real property values, which increased the Agency's incremental property tax revenue by $5,986,864 (excluding deferred property taxes), a capital contribution of $2,000,000 and investment income of $1,282,890. Total revenues were $36,951,017 and total expenditures were $19,162,141.

As of the close of the current fiscal year, the Agency reported ending fund balance of $56,571,164, an increase of $6,248,218 in comparison with the prior year. The increase is primarily the result of an increase in total revenues of $10,634,069 to $36,766,977 netted with an increase in expenditures of $14,400,093 to $30,518,759.

The increase in revenues is due primarily to an escalation in property tax revenues of $5,785,810, a growth of investment income of $2,549,454, an increase of contributions of $2,000,000 and a rise in gain on sale of land of $279,000. The increase in expenditures from the prior year relates to a capital expenditure of $11,358,468 as well as an increase in certain reimbursements and expenditures that are calculated as a percentage of revenue, which increased program costs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of the following components:

(1) government wide financial statements,
(2) fund financial statements,
(3) notes to financial statements, and
(4) required supplementary information. 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 Agency's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two 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 Agency is improving or deteriorating. The Statement of Activities presents information showing how the Agency'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows or outflows in future fiscal periods.

The government-wide financial statements include all five of the Agency's redevelopment areas (Downtown, Cornerstone, Tuscany, Eastside, and Lakemoor), which are principally supported by tax increment from ad valorem receipts. All redevelopment activity of the Agency, regardless of area, is included in the general government function since the Agency is a single purpose entity.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the activity of the Agency is recorded in the governmental fund category.

Governmental Fund

The governmental fund is 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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental fund 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 Agency's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The Agency maintains only one governmental fund, the General Fund, which accounts for the activity of all five of the Agency's redevelopment areas.

The Agency adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements (and reconciliations to the government-wide financial statements) can be found on pages 15 through 19 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 20 through 46 of this report.

Required Supplementary Information

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

Government-Wide Financial Analysis

The total assets and deferred outflows of resources of the Agency's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $58,287,608 (net position).

Summary Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current, restricted and other	$ 59,204,635	$ 52,416,512
Capital	11,305,491	-
Total Assets	70,510,126	52,416,512
Deferred Outflows of Resources	797,690	652,234
Liabilities		
Current	2,325,897	1,973,657
Long-term	10,589,049	9,582,633
Total Liabilities	12,914,946	11,556,290
Deferred Inflows of Resources	105,262	875,881
Net Position		
Investment in Capital assets	11,358,468	-
Restricted	46,929,140	40,636,575
Total Net Position	$ 58,287,608	$ 40,636,575

Of the Agency's total liabilities, approximately 82% are long term liabilities as of June 30, 2023.

During the current fiscal year, total assets increased by $18,093,614. The increase in current, restricted and other assets is due to the net effect of a decrease in unrestricted cash of $19,291,219 due to a capital expenditure and an increase in restricted cash of $5,379,058 and an increase in assets held for resale and capital assets of $31,469,403. Restricted cash increased due to the accrual of liabilities related to commitments to developers and other governments that were incurred in the current fiscal year but will be paid in fiscal year 2024 or beyond. The increase in capital assets relates to the purchase of the Fiesta Site.

Total liabilities increased by $1,358,656 mainly due to an increase for tax increment due to developers related to the increase in property tax revenue and an increase in net pension liability related to a change in estimate in fiscal year 2023.

Summary of Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues		
Charges for services	$ 1,261	$ 1,185
Contributions	2,019,048	-
General revenues		
Property taxes	33,365,014	27,378,150
Unrestricted investment income	1,282,890	(1,266,564)
Miscellaneous	282,804	3,123
Total revenues	36,951,017	26,115,894
Expenses		
General government	18,862,226	17,922,186
Interest expense and fiscal charges	299,915	312,845
Total expenses	19,162,141	18,235,031
Change in Net Position	17,788,876	7,880,863
Net Position, Beginning of Year, as Previously Presented	40,636,575	32,755,712
Prior Period Adjustment	(137,843)	-
Net Position, Beginning of Year, as Restated	40,498,732	32,755,712
Net Position, End of Year	$ 58,287,608	$ 40,636,575

At the end of the current fiscal year, the Agency is able to report a positive balance in Net Position.

Net position increased by $17,788,876 (44%) during the current fiscal year. The increase was mainly due to a larger than anticipated increase in appraised real property values, which increased the Agency's incremental property tax revenue by $5,986,864 (excluding deferred property taxes), a capital contribution of $2,000,000 and investment income of $1,282,890, as well as less expenditures than budgeted. Total revenues were $36,951,017 and total expenditures were $19,162,141.

Total expenses increased by $927,110 mainly due to the increase in certain reimbursements and expenditures that are calculated as a percentage of property tax revenue.

Financial Analysis of the Governmental Fund

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Agency's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, restricted fund balance for future redevelopment activities may serve as a useful measure of the Agency's net resources available for spending at the end of the fiscal year.

As a measure of the Agency's liquidity, it may be useful to compare the restricted fund balance for future redevelopment activities to fund expenditures. Fund balance restricted for future redevelopment activities represents 67% of total fund expenditures, including debt service. Restricted fund balance for future redevelopment activities is anticipated to provide the Agency's General Fund sufficient cash to meet its near-term operational obligations.

The Agency's fund balance increased by $6,248,218 from the previous year end, mainly due to an increase in appraised real property values, which translated into increased incremental property tax revenue of $5,986,864 (excluding deferred property taxes), a capital contribution of $2,000,000 and investment income of $1,282,890. Total expenses increased by $14,400,093. The increase in expenditures from the prior year relates to a capital expenditure of $11,358,468 as well as an increase in certain reimbursements and expenditures that are calculated as a percentage of revenue, which increased program costs.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget, as well as an explanation of budget-to-actual variances are summarized below:

Revenue estimates increased by $4,945,794, which consisted mainly of an increase in property tax of $2,110,344 due to Eastside, Cornerstone and Downtown redevelopment areas experiencing more growth than originally expected, an increase in investment income of $435,450 and increase in intergovernmental revenues of $2,400,000.

Budgeted expenditures were also increased by $31,289,889, the majority representing an increase in capital outlay budget of $31,943,400 and the net of a decrease in interest cost related to a bond issuance of $5,400,000 as well as in increase in administrative costs for the bond issuance of $1,120,000.

Total revenues were greater than budgeted due to a greater than anticipated investment gain and greater than anticipated property tax revenues. Expenditures were lower than budget mainly due to the bond issuance and related expenses being delayed.

Capital Asset and Debt Administration

Capital Assets

During the year ended June 30, 2023, the Agency purchased an approximately 35.3 acre parcel. The parcel is raw land and a parking garage. Additional information on the Agency's capital assets can be found in Note 6 of the notes to the financial statements.

Long-Term Liabilities

At the end of the fiscal year, the majority of long-term liabilities consist of total bonded debt outstanding of $7,590,000 plus the unamortized bond premium of $284,346 for a total of $7,874,346. The remainder of long-term liabilities includes bond premiums, compensated absences (revised for GASB 101 early adoption), net pension and post-employment benefits (both revised for changes in estimates).

Outstanding Long-Term Debt

	Governmental Activities	
	2023	2022
Long-term debt, due within one year		
Bonds and notes payable	$ 305,000	$ 290,000
Compensated absences	165,125	93,615
Long-term debt, due in more than one year		
Bonds and notes payable	7,569,345	7,906,448
Compensated absences	309,778	217,385
Total long-term debt	$ 8,349,248	$ 8,507,448

In October 2015, Standard & Poor's Ratings Services assigned its "A" rating to the Agency's series 2015 refunding bonds, with a "stable outlook."

Additional information on the Agency's long-term debt can be found in Note 8 of the notes to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The primary funding source for Nevada's redevelopment agencies is tax increment, which consists of the incremental value of ad valorem tax and personal property tax above the base year in a particular redevelopment area. In Henderson, redevelopment areas total assessed values have increased each year since 2013.

In the 2005 legislative session, the Nevada State Legislature passed a law to provide property tax relief to citizens. Assembly Bill 489, signed into law on April 6, 2005, provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence (single family house, townhouse, condominium or manufactured home). Only one property may be selected in the State of Nevada as a primary residence. Some rental dwellings that meet the low income rent limits may also qualify for a 3% cap on the tax bill. An 8% cap on the tax bill will be applied to residences that are not the owner's primary residence. The 8% cap also applies to land, commercial buildings, business personal property, aircraft, etc. New construction or property that has a change of use (zoning change or manufactured home conversion) in the current year will not qualify for any cap until the following fiscal year.

In the 2013 legislative session, the Nevada State Legislature passed a law allowing a redevelopment agency to complete a reset of the base year if in any year the assessed value of the taxable property in a redevelopment area located in a city in a county whose population is 700,000 or more, as shown by the assessment roll most recently equalized has decreased by 10% or more from the assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan. If such an ordinance is adopted, the bill requires that 18% of the revenues received from taxes on the taxable property located in the redevelopment area affected by the ordinance on or after the effective date of the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. The obligation to set aside such revenues is subordinate to any existing obligation of the Agency. In December 2013, the Redevelopment Agency Board adopted a resolution approving a reset for the Eastside redevelopment project area beginning July 1, 2014.

In the 2015 legislative session, the Nevada State Legislature passed a law allowing a redevelopment agency to extend to a maximum of 45 years the date of termination of a redevelopment plan, and any amendments to the plan, adopted by a city whose population is 220,000 or more but less than 500,000 located in a county whose population is 700,000 or more if the city council adopts the extension of the plan by ordinance. If such an ordinance is adopted, the bill requires that 18% of the revenues received from taxes on the taxable property located in the redevelopment area affected by the ordinance on or after the effective date of the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area or which serve pupils who reside within the redevelopment area. The obligation to set aside such revenues is subordinate to any existing obligation of the Agency. In August 2015, the Redevelopment Agency Board adopted a resolution approving the extension of the Downtown redevelopment project area extending the life of the area from October 2025 to October 2040.

The Agency anticipates issuing tax allocation bonds in the Eastside Redevelopment Area for the construction of educational, recreational and municipal projects. The Agency also issued tax allocation bonds in the Downtown Redevelopment Area for the construction of recreational and municipal projects. The final amounts and term of the issuances can be found in Note 15 of the notes to the financial statements.

These factors were considered in preparing the Agency budget for the 2023-2024 fiscal year.

Requests for Information

The financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Henderson Redevelopment Agency, Attention: Principal Redevelopment Fiscal Administrator, P.O. Box 95050, MSC 512, Henderson, Nevada 89009-5050.

Basic Financial Statements
June 30, 2023

City of Henderson Redevelopment Agency

(A Component Unit of the City of Henderson, Nevada)

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	Governmental Activities
Assets	
Cash, cash equivalents and investments, unrestricted	$ 21,321,452
Cash, cash equivalents and investments, restricted	13,205,554
Taxes receivable	387,712
Interest receivable	165,160
Due from other governments	486,081
Land held for resale	23,638,676
Capital assets, net of accumulated depreciation	
Land	3,411,884
Building and building improvements	7,893,607
Total assets	70,510,126
Deferred Outflows of Resources	
Deferred charge on refunding	18,947
Deferred amounts related to pensions	702,678
Deferred amounts related to other postemployment benefits	76,065
Total deferred outflows of resources	797,690
Liabilities	
Accounts payable and accrued liabilities	27,380
Accrued wages	27,554
Tax increment payable to developers	2,190,825
Interest payable	80,138
Long-term liabilities, due within one year	470,125
Long-term liabilities, due in more than one year	7,879,123
Net pension liability	1,947,200
Other postemployment benefits	292,601
Total liabilities	12,914,946
Deferred Inflows of Resources	
Deferred amounts related to pensions	11,110
Deferred amounts related to other postemployment benefits	94,152
Total deferred inflows of resources	105,262
Net Position	
Investment in capital assets	11,305,491
Restricted for	
Land held for resale	23,638,676
Debt service	617,925
Contractual commitments	10,442,741
Economic stabilization	1,564,240
Redevelopment programs	10,718,535
Total net position	$ 58,287,608

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities: Net (Expenses) Revenues and Change in Net Position
Governmental activities					
General government	$ 18,862,226	$ 1,261	$ 10,408	$ 2,008,640	$ (16,841,917)
Interest expense and fiscal charges	299,915	-	-	-	(299,915)
Total governmental activities	$ 19,162,141	$ 1,261	$ 10,408	$ 2,008,640	(17,141,832)
General revenue					
Property taxes					33,365,014
Unrestricted interest					1,282,890
Miscellaneous					282,804
Total general revenue					34,930,708
Change in Net Position					17,788,876
Net Position, Beginning of Year, as Previously Reported					40,636,575
Adjustment (Note 14)					(137,843)
Net Position, Beginning of Year, as Restated					40,498,732
Net Position, End of Year					$ 58,287,608

	General Fund
Assets	
Cash, cash equivalents, and investments	$ 21,321,452
Restricted cash, cash equivalents, and investments	13,205,554
Taxes receivable	387,712
Interest receivable	165,160
Notes receivable	5,164
Due from other governments	486,081
Land held for resale	23,638,676
Total assets	$ 59,209,799
Liabilities	
Accounts payable	$ 27,380
Accrued wages	27,554
Tax increment payable to developers	2,190,825
Total liabilities	2,245,759
Deferred Inflows of Resources	
Unavailable revenue, property taxes	387,712
Unavailable revenue, notes receivable	5,164
Total deferred inflows of resources	392,876
Total liabilities and deferred inflows of resources	2,638,635
Fund Balances	
Restricted for	
Land held for resale	23,638,676
Debt service	617,925
Contractual commitments	10,442,741
Economic stabilization	1,564,240
Future redevelopment activities	20,307,582
Total fund balance	56,571,164
Total liabilities, deferred inflows of resources and fund balances	$ 59,209,799

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances, governmental fund		$ 56,571,164
Capital assets used in governmental activities are not current financial resources; and therefore are not reported in governmental funds:		
Capital assets	$ 11,358,468	
Less accumulated depreciation	(52,977)	11,305,491
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	702,678	
Deferred outflows related to other postemployment benefits	76,065	
Deferred charges on refunding	18,947	797,690
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in the governmental fund:		
Bonds payable	(7,874,345)	
Compensated absences payable	(474,903)	
Other postemployment benefits liability	(292,601)	
Net pension liability	(1,947,200)	(10,589,049)
Other liabilities are not due and payable in the current period; and therefore, are not reported in the governmental fund:		
Interest payable		(80,138)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds. Deferred inflows of resources related to pensions and other postemployment benefits are associated with long-term obligations; and therefore, are not recognized in the governmental funds:		
Unavailable revenue	387,712	
Deferred inflows related to pensions	(11,110)	
Deferred amounts related to other postemployment benefits	(94,152)	282,450
Total Net Position, Governmental Activities		$ 58,287,608

	General Fund
Revenues	
Property taxes	$ 33,180,974
Intergovernmental shared revenue	2,010,408
Investment income	1,282,890
Gain on sale of land held for resale	279,000
Miscellaneous	13,705
Total revenues	36,766,977
Expenditures	
General government	
Salaries and wages	790,904
Employee benefits	354,469
Services and supplies	685,585
Capital outlay	11,358,468
Program costs	16,711,533
Total general government	29,900,959
Debt service	
Principal payments	290,000
Interest payments	327,800
Total debt service	617,800
Total expenditures	30,518,759
Change in Fund Balance	6,248,218
Fund Balance, Beginning of Year	50,322,946
Fund Balance, End of Year	$ 56,571,164

Amounts reported for governmental activities in the statement of activities are different because:

Total change in fund balance - General Fund		$ 6,248,218
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	11,358,468	
Current year depreciation expense	(52,977)	11,305,491
Revenues in the statement of activities, which do not provide current financial resources, are not reported as revenues in the governmental fund:		
Change in unavailable revenues		184,040
Repayment of debt principal is an expenditure in the governmental fund, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:		
Debt principal payments		290,000
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 the governmental fund:		
Changes in OPEB liabilities and related deferred outflows and inflows of resources	80,085	
Change in compensated absences payable	(26,059)	
Amortization of debt premiums and refunding charge	24,260	
Change in accrued interest	3,625	
Changes in pension liabilities and related deferred outflows and outflows of resources	(320,784)	(238,873)
Change in Net Position of Governmental Activities		$ 17,788,876

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	$ 30,357,256	$ 32,467,600	$ 33,180,974	$ 713,374
Intergovernmental shared revenues	100,000	2,500,000	2,010,408	(489,592)
Investment income	256,350	691,800	1,282,890	591,090
Miscellaneous	-	-	13,705	13,705
Total revenues	30,713,606	35,659,400	36,487,977	828,577
Expenditures				
General government				
General operations				
Salaries and wages	966,869	975,269	790,904	184,365
Employee benefits	465,074	465,074	354,469	110,605
Services and supplies	899,746	837,672	685,585	152,087
Total general operations	2,331,689	2,278,015	1,830,958	447,057
Program costs				
Services and supplies	23,957,933	27,638,096	16,711,533	10,926,563
Capital outlay	84,064,700	116,008,100	11,358,468	104,649,632
Total program costs	108,022,633	143,646,196	28,070,001	115,576,195
Total general government	110,354,322	145,924,211	29,900,959	116,023,252
Debt service				
Principal payments	290,000	290,000	290,000	-
Interest and fiscal charges	5,727,800	327,800	327,800	-
Administrative and other costs	-	1,120,000	-	1,120,000
Total debt service	6,017,800	1,737,800	617,800	1,120,000
Total expenditures	116,372,122	147,662,011	30,518,759	117,143,252
Other Financing Sources				
Bond proceeds	90,000,000	90,000,000	-	(90,000,000)
Gain on sale of asset	279,000	279,000	279,000	-
Total other financing sources	90,279,000	90,279,000	279,000	(90,000,000)
Change in Fund Balance	4,620,484	(21,723,611)	6,248,218	27,971,829
Fund Balance, Beginning of Year	40,341,931	50,322,946	50,322,946	-
Fund Balance, End of Year	$ 44,962,415	$ 28,599,335	$ 56,571,164	$ 27,971,829

Note 1 - Significant Accounting Policies

The financial statements of the City of Henderson Redevelopment Agency (the Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The significant accounting policies are described below.

Reporting Entity

In evaluating how to define the financial reporting entity, management considered all potential component units using standards prescribed under GASB Codification Section 2100: *Defining the Financial Reporting Entity*. Component units include any legally separate organizations for which the Agency Board is financially accountable. Financial accountability would result where the Agency Board appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Agency. Financial accountability may also result where an organization is fiscally dependent on the Agency. Based on these criteria, no component units or reportable organizations were identified.

The Agency is a blended component unit of the City of Henderson, Nevada (the City) and is governed by a five-member board composed of four City Council members and the Mayor of the City. As a component unit of the City, the Agency participates in the City's pooled cash, investments, other postemployment benefits, retirement plan, and risk management programs. Additional information can be obtained regarding these matters from the City's Annual Comprehensive Financial Report, which can be obtained by writing to:

City of Henderson, Finance Department
240 Water Street, Mail Stop Code 121
P.O. Box 95050
Henderson, NV 89009-5050

The financial statements of the Agency are not intended to present fairly the financial position and results of operations of the City of Henderson. Only the accounts of the Agency are included in the reporting entity. Transactions between the City of Henderson and the Agency are presented as intergovernmental revenues and expenditures in the Agency's annual financial report. During the year ended June 30, 2023, the City transferred $2 million to the Agency to assist with the purchase of land and a parking structure, and the Agency transferred approximately $1.1 million to the City under various funding agreements relating to events and construction projects within the redevelopment area. In addition, the Agency transferred another $2.2 million to the City for the medium-term various purpose bonds as described in Note 12.

On December 20, 1994, the City Council, acting pursuant to the provisions of the Nevada Community Redevelopment Law (NRS 279.382 to 279.685, inclusive), created by resolution the Agency. The Agency was established in fiscal year 1996, as a separate and distinct legal entity to provide a diversified and strengthened economy in the central area of the City.

In October 1995, an official Redevelopment Plan was adopted to facilitate redevelopment efforts for the Downtown Redevelopment Area. Subsequently, in November 2005, the Redevelopment Plan was amended to include 73.48 acres of newly annexed land to the Downtown Redevelopment Area. In August 2015, an official Redevelopment Plan amendment was adopted approving the extension of the Downtown redevelopment project area life from October 2025 to October 2040.

In February 2001, an official Redevelopment Plan was adopted to facilitate redevelopment efforts for the Cornerstone Redevelopment Area.

In March 2001, an official Redevelopment Plan was adopted to facilitate redevelopment efforts for the Tuscany Redevelopment Area.

In February 2006, an official Redevelopment Plan was adopted to facilitate redevelopment efforts for the Eastside Redevelopment Area. In December 2013, an official Redevelopment Plan amendment was adopted approving the base-year reset of the Eastside redevelopment project area.

In March 2009, an official Redevelopment Plan was adopted to facilitate redevelopment efforts for the Lakemoor Redevelopment Area.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all the non-fiduciary activities of the Agency. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. The fund financial statements provide information about the governmental activities of the Agency. The Agency reports no business type activities.

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. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of the 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 measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues available if they are collected within sixty days of the end of the 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, pensions and other postemployment benefits are recorded only when payment is due.

Property taxes levied by the City, intergovernmental revenues, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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 Agency reports only one fund (the General Fund), which accounts for all financial resources of the Agency.

Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

The City pools the majority of its cash resources with the cash resources of the Agency in order to facilitate the management of cash and maximize investment earning potential. Cash applicable to the Agency is readily identifiable, and the balances in the pool are available to meet the Agency's 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 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.

Property Taxes

The Agency's main source of revenue is ad valorem property taxes levied by the City. The Nevada Tax Commission must certify all tax rates on June 25, and property is liened on July 1.

Property taxes are levied in July and are payable to the County Treasurer in four installments during August, October, January and March. Apportionment of taxes by Clark County, to the Agency, is made monthly.

The Agency receives that portion of ad valorem tax which is produced by the rate at which the tax is levied each year by all taxing entities in the redevelopment area, applied to that portion of the assessed valuation of all taxable property in the redevelopment area, which is in excess of the base year assessed valuation as certified by the Clark County Tax Assessor.

In the 2005 legislative session, the Nevada State Legislature passed a law to provide property tax relief to citizens. Assembly Bill 489, signed into law on April 6, 2005, provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence (single family house, townhouse, condominium or manufactured home). Only one property may be selected in the State of Nevada as a primary residence. Some rental dwellings that meet the low income rent limits may also qualify for a 3% cap on the tax bill.

An 8% cap on the tax bill will be applied to residences that are not the owner's primary residence. The 8% cap also applies to land, commercial buildings, business personal property, aircraft, etc. New construction or property that has a change of use (zoning change or manufactured home conversion) in the current year will not qualify for any cap until the following fiscal year.

In the 2013 legislative session, the Nevada State Legislature passed a law allowing redevelopment agencies to complete a reset of the base year, if in any year, the assessed value of the taxable property in a redevelopment area has decreased by 10% or more from the assessed value of the taxable property in the redevelopment area before the effective date of the ordinance approving the redevelopment plan. In December 2013, the Redevelopment Agency Board adopted a resolution approving a reset for the Eastside redevelopment project area beginning July 1, 2014.

In the 2015 legislative session, the Nevada State Legislature passed a law allowing redevelopment agencies to extend to a maximum of 45 years the date of termination of a redevelopment plan, and any amendments to the plan. The bill requires that 18% of the revenues received from taxes on the taxable property located in the redevelopment area affected by the ordinance be set aside to improve and preserve existing public educational facilities which are located within the redevelopment area, or which serve pupils who reside within the redevelopment area. The obligation to set aside such revenues is subordinate to any existing obligation of the Agency. In August 2015, the Redevelopment Agency Board adopted a resolution approving the extension of the Downtown redevelopment project area from October 2025 to October 2040.

In October 2020, the Henderson City Council adopted an ordinance to amend the Eastside Redevelopment Plan to extend the termination date of the Plan by 15 years, from February 2036 to February 2051, to amend the time limit on issuing securities or incurring indebtedness to finance the Plan, and to expand the Plan boundary of the Eastside Redevelopment Area by approximately 401 acres.

Land Held for Resale

Land held for resale consists of property obtained by the Agency in a defined redevelopment area with the intent that it will either be transferred to the City or a developer, in accordance with development agreements. Accordingly, land held for resale is not considered a capital asset and is presented as an asset in the Agency's general fund.

The Disposition and Development Agreements provide for transfer of property to developers after certain redevelopment obligations have been fulfilled. The property is accounted for at the lower of cost, assessed value (if a recent appraisal has been obtained) or an agreed upon sales price if a disposition agreement has been made with a developer.

Per GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*, the carrying amount of a real estate project, or parts thereof, held for sale or development and sale should not exceed net realizable value. If costs exceed net realizable value, capitalization of costs associated with development and construction of a property should not cease; rather, an allowance should be provided to reduce the carrying amount to estimated net realizable value, determined on the basis of an evaluation of individual projects. During fiscal year 2023, the Agency did not write down the value of any Agency-owned property.

Capital Assets

Capital assets are defined by the Agency as assets with an initial individual cost of more than $10,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The Agency has nothing in construction in progress at June 30, 2023.

Compensated Absences

It is the Agency's policy to permit employees to accumulate earned but unused paid time off, vacation, banked holidays, compensated time, and sick pay benefits, which are collectively referred to as compensated absences. The liability for compensated absences is calculated under the provisions of GASB Statement No. 101, *Compensated Absences*, which was adopted this fiscal year. Compensated absences are accrued when incurred in the government-wide.

In governmental funds, a liability for these amounts is reported only if they are due and payable as a result of employees who have terminated or retired.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which does not differ materially from the effective interest method. Issuance costs are expensed as incurred.

For governmental fund types, bond premiums and discounts, as well as bond issuance costs, are recognized during the period in which the bonds are issued. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Bond issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures when paid.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The Agency uses the same basis used in the Annual Comprehensive Financial Report of the Public Employees' Retirement System of Nevada (PERS) for reporting its proportionate share of the PERS collective net pension liability, the related deferred outflows and inflows of resources, and pension expense, including information related to the PERS fiduciary net position and related additions to or deductions from. 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.

Other Postemployment Benefits (OPEB)

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net asset that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2023, the Agency has three items which qualify for reporting in this category. A deferred charge on bond refunding is reported in the statement of net position, which results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt. The Agency reports deferred amounts related to pensions for the changes in proportion and differences between actual pension contributions and the Agency's proportionate share of pension contributions and changes in actuarial assumptions, and differences between expected and actual experience. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. Deferred outflows are also recorded for pension contributions made by the Agency subsequent to the pension plan's actuarial measurement date, which are deferred for one year. Finally, the Agency reports deferred amounts related to OPEB for 1) the differences between expected and actual experience and 2) changes in assumptions. This amount is deferred and amortized over the average expected remaining service life of active and inactive plan members.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net asset 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 fund reports unavailable revenues from property taxes and notes receivable. These amounts are deferred and recognized as inflows 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, (2) the net difference between projected and actual investment earnings on pension plan investments, and (3) changes in proportion and differences between actual contributions and the Agency'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, with the exception of investment earnings which are recognized over a closed five-year period. Lastly, under full accrual accounting, the government-wide statement of net position also reports deferred inflows related to (1) the difference between expected and actual experience, and (2) changes in assumptions regarding the estimated OPEB liability, which are deferred and amortized over the average expected remaining service life of active and inactive plan members.

Equity Classifications

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

- *Investment in Capital Assets* – Capital assets, net of accumulated depreciation.
- *Restricted* – Net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted* – All other net position that does not meet the definition of "restricted" or "investment in capital assets."

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

- *Nonspendable* – Includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. This classification includes inventories and prepaid items. The Agency did not have any nonspendable fund balance as of June 30, 2023.
- *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). For the Agency, all fund balance is considered restricted per Nevada Revised Statute 279, Redevelopment of Communities.

The Agency's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. For expenditures of fund balance for which any classification may appropriately be used, the Agency considers restricted fund balance to be spent first.

The Agency Board adopted its Financial Stabilization policy on August 16, 2011, effective June 30, 2011. The policy states that the Agency will accumulate for economic stabilization 1% of tax increment revenue per year with a target balance of 8.3% of the ensuing fiscal year's budgeted tax increment revenue. Accumulated balances maintained for economic stabilization may be made available to compensate for shortfalls in actual revenues of 2.0% or greater, as compared to the final budget filed with the Nevada Department of Taxation, or in the event of a natural disaster or terrorist attack as declared by the Agency Board. None of these circumstances are expected to occur routinely.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Adoption of New Accounting Standards

Effective July 1, 2022, the Agency implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This Statement provides for governments to better meet the informational needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. As of June 30, 2023, the Agency does not have any arrangements that qualify under GASB 96; therefore, there is no effect of the implementation of this standard on beginning net position.

As of June 30, 2023, the Agency adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the accounting changes in the financial statements for the year ended June 30, 2023. The additional disclosures required by this standard are included in Note 14.

As of June 30, 2023, the Agency adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 14.

Note 2 - Stewardship and Accountability

Budgetary Information

An annual budget is legally adopted for the General Fund of the Agency on a basis of accounting consistent with GAAP.

Prior to April 15, the Treasurer of the Agency submits a tentative budget for the Agency for the ensuing fiscal year to the Agency Board, the Nevada Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the Agency whether the budget is in compliance with the appropriate regulations or not. 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 Agency Board adopts the budget prior to June 1 and submits it to the Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the 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 Agency Board. Per Nevada law, the budget officer is authorized to transfer budgeted amounts within functions if the Agency Board is notified at the next regular meeting and the action is noted in the official minutes.

Revisions, which affect the total fund appropriations, are accomplished through formal Agency Board approval. Various supplemental appropriations are approved during the year to adjust resources available and to reflect corresponding changes in spending. Nevada law (NRS 354.626) requires budgetary control to be exercised at the function level in governmental funds.

The Agency uses an encumbrance system as an extension of normal budgetary accounting for the general fund. Under this system, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of applicable appropriations.

Encumbered and unencumbered appropriations may be carried forward in the ensuing year's budget.

Compliance with the Nevada Revised Statutes (NRS) and the Nevada Administrative Code

The Agency augmented its budget to account for the one-time land purchase for the Fiesta site. However, the Agency augmented its budget using $16,363,080 of ending fund balance, rather than other available resources. This is an apparent exception under NAC 354.410. The effect of this augment did not affect the Agency's compliance with NRS 354.626 as the Agency's total expenditures were $117,143,252 under budget for the year ended June 30, 2023.

Note 3 - Cash, Cash Equivalents and Investments

Deposits

The NRS govern the Agency's deposit policies. Agency monies must be deposited in insured banks and savings and loan associations. The Agency is authorized to use demand accounts, time accounts and certificates of deposit. All deposits are covered by federal depository insurance or subject to collateralization.

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. Permissible state investments include obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, bankers' acceptances, commercial paper, negotiable certificates of deposit, and money market mutual funds. Allowable Agency investments are similar except that some state investments are longer- term and include securities issued by municipalities outside of Nevada.

The Agency invests monies on its own and through pooling of monies with the City. The pooling of monies, referred to as an internal investment pool, is theoretically invested overall, as a combination of monies from each fund belonging to the pool. In this manner, the City's Chief Financial Officer can invest the monies at a higher interest rate for a longer period. Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month.

As of June 30, 2023, restricted cash consists of the following commitments:

Restricted for 18% educational set-aside (Note 7)	$ 10,372,447
Restricted for obligations to developers (Note 12)	
Tuscany Redevelopment Area	1,048,011
Eastside Redevelopment Area-Landwell	1,127,609
Eastside Redevelopment Area-Union Village	5,770
Eastside Redevelopment Area-Valley Health System	9,435
Required debt service reserve	642,282
Total restricted cash	$ 13,205,554

Investments

The NRS authorize the Agency to invest in obligations of the U.S. Treasury and U.S. Agencies having maturity dates that do not extend more than ten years from the date of purchase, the state treasurer's investment pool, negotiable notes or short term negotiable bonds issued by other local governments of the State of Nevada, bankers' acceptances not exceeding 180 days maturity and eligible by law for rediscount with the Federal Reserve Banks and commercial paper issued by a corporation organized and operating in the U.S. that is purchased from a registered broker dealer, with a remaining term of less than 270 days rated "A 1", "P 1" or better (purchases of bankers' acceptances or commercial paper may not exceed 20% of the money available for local government investment).

At June 30, 2023, the Agency had the following cash and investments, of which $13,205,554 were restricted:

	Credit Rating	Cost	Fair Value	Maturity (Years)
Pooled cash, cash equivalents and investment held by the City of Henderson, Nevada*	N/A	$ 35,073,923	$ 33,884,724	1.35
Non-pooled cash equivalents and investments RDA Bonds - Morgan Stanley Money Market Fund	N/A	642,282	642,282	N/A
Total investments		$ 35,716,205	$ 34,527,006	

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

Information regarding credit risk, custodial credit risk, concentration of credit risk, interest rate risk and fair value measurement for pooled cash, cash equivalents and investments in accordance with GASB Codification Section 3100, *Fair Value* and Section I50, *Investments* can be found in the City's notes to the financial statements included in the separate City's Annual Comprehensive Financial Report. The City's pool is not registered with the SEC and investments are regulated by NRS 355.170. The City's pool is not rated and has an average maturity of 1.35 years in fiscal 2023.

The Agency's non-pooled investments are reported at estimated fair value based on quoted market prices, which are considered level 1 inputs in generally accepted accounting principles (GAAP). The GAAP fair value hierarchy is based on the inputs used to measure the fair value of an asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City or Agency will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. At year end, the City's investment pool and specific investments had no securities exposed to custodial credit risk. 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 City's investment policy further limits investments in money market mutual funds to those with minimum ratings of AAA and Aaa by Standard and Poor's and Moody's Investors Service, respectively. The Agency's money market fund was rated AAAm by Standard and Poors and Aaa- mf Moody's Investors Service and has a weighted average maturity of 0.07 years.

Note 4 - Notes Receivable

As incentives to accomplish redevelopment efforts, the Agency will sometimes negotiate, and issue low interest notes to provide gap financing to developers; for business recruitment, retention and expansion; and, to owner occupied residents for home improvements.

Due to the economic downturn experienced in prior fiscal years, many homeowners defaulted on their home improvement loans. Although the Agency carries a second position on the property serving as collateral, in most cases, the property value was not sufficient to cover the first deed of trust. In fiscal year 2012, the Agency established policies to mitigate the risk of loan defaults. However, in fiscal 2014, the Agency determined that the likelihood of full payment is uncertain; therefore, all loans have been fully reserved. Future payments, if any, will be recorded as program income in the year received.

The Agency also has a $775,000 note receivable from a developer, which is currently in default and has been fully reserved.

Note 5 - Land Held for Resale

For the fiscal year ended June 30, 2023, land held for resale consists of the following:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Downtown Redevelopment Area				
Water Street Commons	$ 402,348	$ -	$ -	$ 402,348
Lake Mead Project	113,000	-	-	113,000
Lake Mead/Water	134,500	-	-	134,500
Texas/Atlantic Parking	425,181	-	-	425,181
Water Street Plaza	491,000	-	(491,000)	-
Basic/Pacific	644,000	-	-	644,000
Atlantic and Lead	442,735	-	-	442,735
Fiesta Site	-	20,654,912	-	20,654,912
Other	262,000	-	-	262,000
	2,914,764	20,654,912	(491,000)	23,078,676
Eastside Redevelopment Area	560,000	-	-	560,000
	$ 3,474,764	$ 20,654,912	$ (491,000)	$ 23,638,676

Note 6 - Capital Assets

For the year ended June 30, 2023, capital asset activity was as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers and Reclassifications	Balance June 30, 2023
Governmental activities					
Capital assets not being depreciated					
Land	$ -	$ 3,411,884	$ -	$ -	$ 3,411,884
Capital assets being depreciated					
Buildings and building improvements	-	7,946,584	-	-	7,946,584
Accumulated depreciation					
Buildings and building improvements	-	(52,977)	-	-	(52,977)
Total capital assets being depreciated, net	-	7,893,607	-	-	7,893,607
Total governmental activities	$ -	$ 11,305,491	$ -	$ -	$ 11,305,491

Note 7 - 18% Educational Set-aside

On June 6, 2017, the Agency Board approved an amended and restated lnterlocal Agreement (ILA) between the Agency and the Clark County School District (the District) relating to the disbursement of funds received by the Agency for the Eastside and Downtown Redevelopment Areas, to be used for certain qualified public education projects benefitting schools located within or serving students who reside within those redevelopment areas. Such projects are to be identified pursuant to the terms of the agreement. The agreement also provides for the creation of a joint planning group with designated representatives from the District and the Agency to make recommendations regarding the expenditure of the set aside funds on Qualified projects (as defined in the ILA). The Agency Board shall approve or disapprove of the recommendations.

The joint planning group elected to accumulate the funds for construction of a new preschool estimated to cost approximately $20 million to construct.

During fiscal 2023, the Agency received tax increment revenue resulting in an educational set- aside of $4,312,906 at June 30, 2023, of which $3,641,165 relates to Eastside and $671,741 relates to Downtown. The funds have been restricted and added to the previously restricted funds resulting in a total restricted cash balance for educational funds of $10,372,447 at June 30, 2023, of which $8,505,801 relates to Eastside and $1,866,646 relates to Downtown. These amounts are expected to be disbursed for construction of the preschool by the end of fiscal year 2025.

Note 8 - Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2023, was as follows:

	July 1, 2022, as Restated	Increases	Decreases	June 30, 2023	Due Within One Year
Governmental activities					
$9,365,000 Series 2015 Tax Increment Refunding Bonds due annually through October 2039; interest rate varies between 2.0% and 5.0%	$ 7,880,000	$ -	$ (290,000)	$ 7,590,000	$ 305,000
Unamortized bond premiums	316,448	-	(32,103)	284,345	-
Compensated absences, as adjusted*	448,844	26,059	-	474,903	165,125
	$ 8,645,292	$ 26,059	$ (322,103)	$ 8,349,248	$ 470,125

*Due to the implementation of GASB 101, *Compensated Absences,* the July 1, 2022, beginning balance was restated by $137,843 (see Note 14).

The Agency has pledged a portion of future property tax revenue to repay $9,365,000 in tax increments refunding bonds. The bonds are payable solely from the portion of ad valorem property taxes produced by the rate upon which the tax is levied each year by the taxing agencies within or overlapping the downtown redevelopment area. Total principal and interest remaining on the bonds is $10,493,550, payable through October 2039. For the current year, principal and interest paid and total incremental property tax revenues were $617,800 and $3,731,892, respectively.

At June 30, 2023, the annual requirements to pay principal and interest on all bonds outstanding were as follows:

	Principal	Interest
2024	$ 305,000	$ 312,925
2025	320,000	297,300
2026	335,000	280,925
2027	355,000	263,675
2028	370,000	245,550
2029-2033	2,135,000	952,675
2034-2038	2,585,000	502,600
2039-2040	1,185,000	47,900
	$ 7,590,000	$ 2,903,550

Note 9 - Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

Plan Description - The Agency's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The Agency does not exercise any control over PERS.

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 Provided - 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 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, this multiplier is 2.5% for all years of service. Regular members entering 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.

Vesting - Regular members entering the system prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering PERS 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 PERS 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 thirty years of service, or at any age with thirty-three and a third years of 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.

Contributions - 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 PERS 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 and cannot withdraw these contributions. The City elected the EPC plan prior to July 1, 1983.

The PERS 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 years ended on June 30, 2023 and 2022, the required employer/employee match rates increased to 15.50% for regular members, and the EPC rates increased to 29.75% for regular members.

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

The Agency's contributions were $111,390 for the year ended June 30, 2023.

Actuarial Assumptions - PERS collective net pension liability was measured as of June 30, 2022, 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 study for the period from July 1, 2016 through June 30, 2020), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2022
Inflation rate	2.50%
Payroll growth	3.50%, including inflation
Investment rate of return	7.25%, net of pension investment expense, including inflation
Discount rate	7.25%
Productivity pay increase	0.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.20% to 9.10%, depending on service including inflation and productivity pay increases
Other Assumptions	Same as those used in the June 30, 2022 funding actuarial valuation

Pre and post-retirement mortality rates for members were based upon the respective Pub-2010 Amount-Weighted Mortality Tables, adjusted based on gender and projected generationally with the two-dimensional mortality improvement scale MP-2020. The Pub-2010 Amount-Weighted Mortality Tables reasonably reflect the projected mortality experience of the plan as of the measurement date. The generational projection is a provision made for future mortality improvement.

PERS Investment Policy - 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, 2022:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stocks	42.00%	5.50%
International Stocks	18.00%	5.50%
U.S. Bonds	28.00%	0.75%
Private Markets**	12.00%	6.65%

*As of June 30, 2022, PERS' long-term inflation assumption was 2.50%.
**As of June 30, 2022, the Private Markets allocation includes 6.00% private real estate and 6.00% private equity.

Net Pension Liability - The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportionate share (amount) of the collective net pension liability was $1,947,200, which represents .0108% of the collective net pension liability, which is an increase of .00308% from the Agency's proportionate share in the prior year. Contributions for employer pay dates within the fiscal year ending June 30, 2022, 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 employer contributions relative to the total combined employer contributions for all employers for the period ended June 30, 2022.

For the year ended June 30, 2023, the Agency's pension expense was $320,784 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2023, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 252,130	$ (1,391)
Changes of assumptions or other inputs	250,132	-
Net difference between projected and actual earnings on investments	23,757	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	65,269	(9,719)
Contributions made subsequent to the measurement date	111,390	-
	$ 702,678	$ (11,110)

At June 30, 2022 (the actuarial valuation date), the average expected remaining service life is 5.70 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling $111,390 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,		
2024	$	88,999
2025		84,465
2026		75,413
2027		291,794
2028		39,507
	$	580,178

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. Based on that assumption, the PERS fiduciary net position at June 30, 2022, 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 (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

The Agency's proportionate share of the net pension liability at June 30, 2022, calculated using the discount rate of 7.25%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate was as follows:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability	$ 2,989,590	$ 1,947,200	$ 1,087,073

Detailed information about PERS fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from have been determined on the same basis used in the PERS Annual Comprehensive 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.

Note 10 - Other Postemployment Benefits (OPEB)

At June 30, 2023, the Agency's OPEB plan balances were as follows:

	City of Henderson Plan
Total OPEB liability	$ 292,601
Net unamortized deferred outflows of resources related to OPEB	76,065
Net unamortized deferred inflows of resources related to OPEB	94,151
OPEB expense offset	80,085

No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75 to pay related benefits.

Plan Information

In accordance with NRS, the Agency participates with the City to provide other post-employment benefits to eligible retirees through the City of Henderson Plan (City Plan), a single-employer defined benefit plan, administered by City management.

The plan provides healthcare, prescription, dental, vision and life insurance benefits. Eligible pre- Medicare retirees can receive coverage through the City Plan. Medicare eligible retirees must purchase coverage through the Extended Health and will retain their post- 65 term life insurance policy valued at $25,000, with the premiums paid by the City.

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 Water Street
Henderson, Nevada, 89015
(702) 267-1700

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. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates in the City Plan. Effective January 1, 2014, eligible retirees participating in the City Plan receive a graduated benefit of lower monthly premiums based on years of service with the City, with a maximum monthly benefit of $500. This benefit will be reduced by 50% for Medicare eligible retirees, who can no longer participate in the City's Plan. Effective January 1, 2019, this graduated benefit was amended. The amendment modified the definition of years of service, which are now based on enrollment date in the City Plan. Additionally, the post-65 benefit will be received for up to seventeen years based on the retirees' years of service. Previously, there was no cap on the number of years the post-65 benefit could be received, and the years of service were based on years with the City.

The City's Insurance Committee reviews and determines the plan contribution requirements and the plan options. Contribution amounts differ depending on the selected plan and range from $545 to $1,553 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.

The Agency's total OPEB liability represents 0.43% of the City's total OPEB liability for fiscal year 2023 and 0.54% for fiscal year 2022. The Agency's proportionate share is calculated by the percentage of annual benefits paid to the plan by the Agency compared to the annual benefits paid to the plan by the City in total.

At June 30, 2023, employees covered by OPEB benefit terms consisted of:

	City of Henderson Plan
Active members	6
Inactive employees currently receiving benefit payments	1
Inactive employees entitled to, but not yet receiving benefit payments	2
	9

Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement. The actuarial assumptions were based on the results of an experience study dated September 10, 2021, as adopted by PERS.

Actuarial valuation date	June 30, 2022
Measurement date	June 30, 2023
Inflation rate	2.50% per annum
Salary changes	2.00% per annum
Discount rate	3.65% per annum as of June 30, 2023 3.54% per annum as of June 30, 2022
Discount rate source	Bond Buyer 20-Bond GO index
Benefit-related costs share with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of projected salary
Healthcare cost trend rates	6.75% per annum, decreasing 0.25% per year to an ultimate rate of 4.0%

Mortality rates are based on the Pub-2010 weighted mortality table and projected generationally using MP-2021 applied on a gender-specific and job class basis.

Changes in the assumptions and other inputs that affected the measurement of the Agency's total OPEB liability during the period ended June 30, 2023, were as follows:

- The discount rate was updated from 3.54% to 3.65%.
- Change in benefits to reflect the January 1, 2023, amendment to the City's graduated benefit of lower monthly premiums which increase the minimum years of service from 10 years to 15 years. The amendment also limited the number of years the benefit could be received, and now ranges from 7 to 17 based on years of service. Previously, this benefit was unlimited for pre-65 benefits and ranged up to 17 years for post-65 benefits. Lastly, the amendment removed a 10% cost of living increase in benefit amount.

The Agency's total OPEB liability at June 30, 2023, calculated using the discount rate of 3.65%, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (2.65%) or 1.00% higher (4.65%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
City of Henderson Plan	$ 333,564	$ 292,601	$ 260,414

The Agency's total OPEB liability at June 30, 2023, calculated using the healthcare trend rate of 6.75% decreasing to 4.00%, as well as what the Agency's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower (5.75% decreasing to 3.00%) or 1.00% higher (7.75% decreasing to 5.00%) than the current healthcare trend rate was as follows:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
City of Henderson Plan	$ 266,266	$ 292,601	$ 321,860

At June 30, 2023, changes in the Agency's total OPEB liability were as follows:

	City of Henderson Plan
Service cost	$ 10,323
Interest on total OPEB liability	11,052
Changes in benefit terms	(86,027)
Differences between expected and actual experience	1,930
Changes of assumptions or other inputs	(5,604)
Benefit payments	(13,621)
Net Change in Total OPEB Liability	(81,947)
Total OPEB Liability, beginning of year	374,548
Total OPEB Liability, end of year	$ 292,601

For the period ended June 30, 2023, the Agency's OPEB expense offset was $80,085 and its reported deferred inflows and outflows of resources related to OPEB as of June 30, 2023, were as follows:

	City of Henderson Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,575	$ (51,868)
Changes of assumptions and other inputs	42,490	(42,284)
	$ 76,065	$ (94,152)

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in employee benefit expense as follows:

Years Ended June 30,	City of Henderson Plans
2024	$ 2,515
2025	2,515
2026	2,515
2027	3,038
2028	3,473
Thereafter	(32,143)
	$ (18,087)

Note 11 - Risk Management

The Agency is exposed to various risks of loss related to theft, damage and destruction of assets. Liability exposures are also present, including personal injury and errors and omissions. The Agency's employees are covered under the City's health insurance. The Agency is covered under the City's Self-Insured and Excess Coverage Insurance Program, which includes commercial property and general liability insurance policies providing coverage for liability, fire, theft, automobile, contractor's equipment, workers' compensation and Public Official Liability coverage. Settled claims resulting from these risks have not exceeded the commercial insurance limits in any of the past three fiscal years for the Agency.

Note 12 - Commitments and Contingencies

Contingent Obligations Payable to Developers

The Agency has entered into tax increment subordinate lien notes as part of owner participation agreements. The notes varied by amount of indebtedness, interest rate and maturity date and have been allocated to various parcels of land in their respective redevelopment area. The indebtedness is payable solely and exclusively from a predetermined percentage of the site ad valorem tax increment received by the Agency on those specific parcels and is not payable from any other source. The requirements to repay the notes are contingent on the Agency receiving sufficient site tax increment on the specific parcels, as well as the developer incurring approved reimbursable project costs. Accordingly, only certain amounts of these potential future obligations of the Agency have been reflected in the Agency's financial statements to the extent that tax increment revenue has been collected and approved and qualified expenses have been incurred by the developer.

Tuscany Redevelopment Area

Lynn Investments LLC Note

On April 16, 2002, the Agency and Commerce and Associates, LLC (Commerce) entered into an Owner Participation Agreement (the Commerce OPA), which provides that the Agency reimburse Commerce up to $40 million for public improvements, payable from 85% of the tax increment received from the Tuscany redevelopment project area (the Commerce Note). Interest on the Commerce Note was originally 8.5%, but tolls when the accumulated assessed value fails to equal or exceed the minimums per the Commerce Note. The original schedule for completion of all public and private improvements per the Commerce OPA was by December 31, 2006. However, Commerce received four amendments, which extended the time for completion to December 15, 2011.

The amendments also increased the Agency's reimbursement commitment to $60 million, payable from 90% of the tax increment received from the Tuscany redevelopment project area, until such time that the 18% low-income housing set aside is required by NRS. At that time, the Agency's reimbursement commitment increases to 95% of tax increment remaining after the low-income housing set aside. The amendments also modified the Commerce Note interest rate such that interest shall not accrue until the date a certificate of completion is executed by the Agency. The certificate of completion was issued in May 2011, and the interest rate is now 5.25% per annum compounded annually.

During fiscal 2023, the Agency made principal payments on the Tuscany Note of $5,237,638 and at June 30, 2023, the outstanding balance is $39,516,872. However, tax increment revenues, as described above, are not sufficient to pay the entire amount. Therefore, a liability has not been established for the entire Note. All unpaid principal and interest that is payable after March 2031 will be forgiven and deemed paid in full.

As of June 30, 2023, the Agency has a recorded liability in Due to Developer of $1,048,011, which is payable to the developer for its share of the tax increment revenue collected since the last payment.

Eastside Redevelopment Area

LandWell Note

On October 16, 2007, the Agency and LandWell, LLC (LandWell) entered into an Owner Participation Agreement (the LandWell OPA), which provides that the Agency reimburse LandWell up to $170 million for public improvements from 50% of the tax increment received from the project (the LandWell Note) on October 1 and April 1. The LandWell Note bears interest at 8%, but interest will toll when accrued interest reaches $39 million in total.

On May 15, 2012, the Agency and LandWell completed the first amendment to the LandWell OPA, which increases the percentage of tax increment received from the project from 50% to 75% and reduces the interest rate on the LandWell Note from 8% to 6%. It also formalizes LandWell's obligation to reimburse the City of Henderson City Attorney's office for $3,948,896 in legal fees related to environmental work (the City Attorney Note). The Agency will reimburse the City for all funds held to date for LandWell, and up to $500,000 annually from future tax increment proceeds related to the LandWell Note. Interest on the $3.9 million receivable from LandWell accrues at 3%. If on October 1, 2020, there has not been sufficient tax increment collected to pay off the amount remaining to the City Attorney's office, LandWell is required to pay the remaining balance on or before October 15, 2020. Additionally, the amendment includes LandWell's obligation to reimburse the City of Henderson Public Works department of $298,587 for the construction of a sewer main servicing the project.

In February 2020, the City Attorney Note was paid-off in full by LandWell.

As of June 30, 2021, LandWell requested and staff pre-approved all capital improvement projects in the Cadence development.

Through June 30, 2023, LandWell has incurred reimbursable costs of $59,545,348 related to public improvement projects and they have been added to the Note; however, tax increment revenues are not sufficient to pay the entire amounts. Accordingly, no liability has been established. During fiscal 2023, the Agency paid $6,043,167 to LandWell.

At June 30, 2023, the outstanding balance of the LandWell Note is $53,629,068. However, tax increment revenues, as described above, are not sufficient to pay the entire amount. Therefore, a liability has not been established for the entire Note.

As of June 30, 2023, the Agency has a recorded liability in Due to Developer of $1,127,609, which is payable to the developer for its share of the tax increment revenue collected since the last payment.

All unpaid principal and interest on the LandWell Note that is payable after February 2051 will be forgiven and deemed paid in full.

Union Village Note

On December 17, 2013, the Agency and Union Village, LLC (Union Village) entered into an Owner Participation Agreement (the Union Village OPA), which provides that the Agency reimburse Union Village up to $80,200,000 for constructing certain capital improvements in the Eastside Redevelopment Area (the Union Village Note). The Union Village Note will bear interest at 6%, but interest is capped at $14 million in total. Assuming that tax increment revenues are sufficient, outstanding balances on the note will be repaid (principal and interest) in June and December from 90% of Union Village's share of tax increment through 2025, after which the payments will be funded from 80% of Union Village's share of tax increment revenues. On April 20, 2021, the Agency Board approved the 6th Amendment to the OPA which reduces the interest rate of the Union Village Note to 3% and reduces their proportionate share to 75% of Union Village's tax increment, beginning January 1, 2022.

At June 30, 2023, the outstanding balance of the Union Village Note is $18,456,009. However, tax increment revenues, as described above, are not sufficient to pay the entire amount. Therefore, a liability has not been established for the entire Note.

During fiscal 2023, the Agency paid $520,727 to Union Village, and $5,770 has been placed in a restricted cash account, as well as recorded as a program expense and a liability (Tax Increment Payable to Developers), for their share of tax increment that has been received since the last payment date of June 1, 2023.

All unpaid principal and interest on the Union Village Note that is payable as of February 2051 will be forgiven and deemed paid in full.

Valley Health System Note

On December 17, 2013, the Agency and Valley Health System, LLC (VHS) entered into an Owner Participation Agreement, which provides that the Agency reimburse VHS up to $33,000,000 for constructing certain capital improvements in the Eastside Redevelopment Area (the VHS Note). The VHS Note will bear interest at 6%, but interest is capped at $6.5 million in total. Assuming that tax increment revenues are sufficient, outstanding balances on the note will be repaid (principal and interest) in June and December from 90% of VHS's share of tax increment through 2025, after which the payments will be funded from 80% of VHS's share of tax increment revenues.

At June 30, 2023, the outstanding balance of the Valley Health System Redevelopment Note is $17,720,612. However, tax increment revenues, as described above, are not sufficient to pay the entire amount. Therefore, a liability has not been established for the entire Note.

During fiscal 2023, the Agency paid $851,174 to VHS, and $9,435 has been placed in a restricted cash account, as well as recorded as a program expense and a liability (Tax Increment Payable to Developers), for their share of tax increment that has been received since the last payment date of June 1, 2023.

All unpaid principal and interest on the VHS Note that is payable after February 2051 will be forgiven and deemed paid in full.

The total tax increment payable to developers at June 30, 2023, is as follows:

Tuscany Redevelopment Area	$ 1,048,011
Eastside Redevelopment Area-Landwell	1,127,609
Eastside Redevelopment Area-Union Village	5,770
Eastside Redevelopment Area-Valley Health System	9,435
	$ 2,190,825

Medium Term Bonds–- Funding Agreement

On May 19, 2020, the Agency and the City entered into a funding agreement, which provides that the Agency reimburse the City up to $25,000,000 toward the cost and expenses associated with bonds issued by the City related to certain capital projects of the City. The Agency reimbursements are contingently payable to the City in ten annual installments not to exceed $2,500,000. The current interest rate of the bonds is 2.00% and the actual debt service is approximately $2.2 million per year.

The Agency's funding obligation is contingent upon receiving sufficient tax increment revenue for the Cornerstone Redevelopment Area in the fiscal year period immediately preceding the installment due date. In case of a shortfall in tax increment revenue, the Agency will only be obligated to pay the available tax increment monies to the City and shall be released from any further obligation to pay for that year's installment.

The reimbursement is due within five (5) days of the date that the debt service on the Bonds is due. The installments are due December 1 and June 1. As such, no liability is recorded on the financial statements at June 30, 2023. For the year ended June 30, 2023, the Agency paid the City $1,900,000 towards principal and $325,800 toward interest.

Other Contractual Commitments

As of June 30, 2023, the Agency had $10,442,741 in outstanding encumbrances in the General Fund mainly due to the public education 18% set-aside funds that have been put in a restricted cash account but not disbursed as of June 30, 2023 as well as other contractual commitments.

Note 13 - Recently Issued Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, Omnibus 2022, effective dates vary from immediate implementation to implementation effective fiscal years beginning after June 15, 2023. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. Management has not yet completed its assessment of this statement.

Note 14 - Restatement

Change in Accounting Principle

Effective July 1, 2022, the Agency implemented GASB Statement No. 101, *Compensated Absences.* This Statement provides for more consistent reporting of compensated absence liabilities and related expenses. A liability for compensated absences is recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Therefore, compensated absences were increased by $137,843 as of July 1, 2022.

During fiscal year ended June 30, 2023, the change in accounting principle resulting from the implementation of new accounting pronouncements resulted in a restatement of beginning net position, as follows:

Net position as of July 1, 2022, has been retroactively adjusted as follows:

	Governmental Activities
Net position, as previously reported	$ 40,636,575
Adjustments	
Change in accounting principle for adoption of GASB 101	(137,843)
Net position, as restated	$ 40,498,732

Note 15 - Subsequent Events

Site A Repurchase

A developer purchased 6 South Water Street (Site A) from the Agency on June 18, 2019, for $1,155,211. On February 9, 2022, an involuntary bankruptcy case was filed by creditors against the developer. On June 30, 2023, a Purchase Agreement was executed between the Bankruptcy Estate and the Agency allowing the Agency to repurchase the property for the original sales price of $1,155,211, plus one-half of the closing fees. On August 31, 2023, the Bankruptcy Court entered its “Order (A) Approving the Purchase Agreement by and Between the City of Henderson Redevelopment Agency and the Chapter 7 Trustee of the Estate, (B) Authorizing the Sale of Assets, (C) Approving Compromise and Settlement Pursuant to Bankruptcy Rule 9019” approving the repurchase. On September 18, 2023, the transaction closed for a total cost of $1,159,354.

Bond Issuance - Downtown

On November 21, 2023, the Agency issued tax-exempt bonds, Series 2023A, in the amount of $14,725,000, and taxable bonds, Series 2023B, in the amount of $6,785,000, for a total bond issuance amount of $21,510,000, for the Downtown Redevelopment Area. The issuance was approved by the Agency Board on October 17, 2023.

The proceeds of the 2023A Tax Exempt Bonds will be used for: (i) the addition of shade structures on the Water Street Events Plaza; (ii) a downtown park project; (iii) renovations to the City Hall Annex Building where the Redevelopment Agency is housed; (iv) construct a parking structure in the Water Street District; (v) funding a debt service reserve fund; and (vi) paying costs of issuance on the 2023A Bonds (collectively, the “Improvement Project”). The proceeds of the 2023B Taxable Bonds will be used for: (i) refunding and defeasing the Series 2015 Bonds and (ii) funding a debt service reserve fund and (iii) paying costs of issuance on the 2023B Bonds (collectively, the “Refunding Project”).

The Agency's Series 2023A Bonds bear interest at the rate of 5.00% to 5.25% which is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2024, and continuing through maturity in fiscal year 2039. Principal is due in annual installments beginning October 2030 through October 2039.

The Agency's Series 2023B Bonds bear interest at the rate of 5.62% to 6.05% which is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2024, and continuing through maturity in fiscal year 2031. Principal is due in annual installments beginning October 2024 through October 2030.

Required Supplementary Information
June 30, 2023

City of Henderson Redevelopment Agency

City of Henderson Plan**	2023	2022	2021	2020	2019	2018
Service cost	$ 10,323	$ 17,939	$ 18,202	$ 18,225	$ 15,305	$ 16,347
Interest	11,052	10,275	10,581	10,757	14,105	15,469
Changes in benefit terms	(86,027)	(72,897)	(651)	(1,315)	(105,712)	-
Differences between expected and actual experience	1,930	-	-	61,436	-	-
Changes in assumptions or other inputs	(5,604)	(46,526)	3,024	71,479	12,430	(16,928)
Benefit payments	(13,621)	(12,690)	(11,577)	(11,140)	(11,000)	(10,641)
Net change in total OPEB liability	(81,947)	(103,899)	19,579	149,442	(74,872)	4,247
Total OPEB liability - beginning	374,548	478,447	458,868	309,426	384,298	380,051
Total OPEB liability - ending	$ 292,601	$ 374,548	$ 478,447	$ 458,868	$ 309,426	$ 384,298
Covered employee payroll	$ 699,653	$ 796,719	$ 725,730	$ 665,518	$ 599,777	$ 700,986
Total OPEB liability as a percentage of covered employee payroll	41.82%	47.01%	65.93%	68.95%	51.59%	54.82%

Notes to Schedule:

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the Agency will present information only for th years for which information is available.

** No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75 to pay related benefits.

*** For the fiscal year ended June 30, 2023, the Agency corrected an error in the reporting of the covered payroll for Other Post Employment Benefits to include only payroll related to employees eligible for the plan.

City of Henderson Redevelopment Agency

Schedule of Proportionate Share of the Collective Net Pension Liability Information

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

Last Ten Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the collective net pension liability	0.01078%	0.00768%	0.00844%	0.00850%	0.00853%	0.00847%	0.00868%	0.00870%	0.00862%
Proportionate share of the collective net pension liability	$ 1,947,200	$ 700,637	$ 1,175,960	$ 1,159,518	$ 1,162,810	$ 1,126,513	$ 1,168,364	$ 1,001,154	$ 898,176
Covered payroll	$ 785,130	$ 788,171	$ 712,502	$ 655,221	$ 712,512	$ 596,834	$ 571,388	$ 534,637	$ 553,144
Proportionate share of the collective net pension liability as a percentage of its covered payroll	248.01%	88.89%	165.05%	176.97%	163.20%	188.75%	204.48%	187.26%	162.38%
PERS fiduciary net position as a percentage of the total pension liability	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.31%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the Agency will present information only for those years for which information is available.

City of Henderson Redevelopment Agency
Schedule of Proportionate Share of Statutorily Required Contributions
Multiple-Employer Cost-Sharing Defined Benefit Pension Plan (PERS)
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 111,390	$ 115,070	$ 113,727	$ 103,816	$ 90,323	$ 99,158	$ 83,557	$ 79,105	$ 67,414
Contributions in relation to the statutorily required contribution	111,390	115,070	113,727	103,816	90,323	99,158	83,557	79,105	67,414
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 790,904	$ 785,130	$ 788,171	$ 712,502	$ 655,221	$ 712,512	$ 596,834	$ 571,388	$ 534,637
Contributions as a percentage of covered payroll	14.08%	14.66%	14.43%	14.57%	13.79%	13.92%	14.00%	13.84%	12.61%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the Agency will present information only for those years for which information is available.

** During fiscal year 2023, an error correction resulted in a restatement of contributions for all years presented.

Note 1 - Schedule of Proportionate Share of the Net Pension Liability

For the year ended June 30, 2023, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2022. 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 9 to the basic financial statements.

Note 2 - Schedule of Changes in Total Other Post-Employment Benefit Liabilities

For the City Plan, changes in the assumptions and other inputs that affected the measurement of the Agency's Total OPEB liability during the period ended June 30, 2023, were as follows:

- The discount rate was updated from 3.54% to 3.65%.
- Change in benefits terms to reflect the January 1, 2023, amendment to the City's graduated benefit of lower monthly premiums which increase the minimum years of service from 10 years to 15 years. The amendment also limited the number of years the benefit could be received, and now ranges from 7 to 17 years based on years of service. Previously, this benefit was unlimited for pre-65 benefits and ranged up to 17 years for post-65 benefits. Lastly, the amendment removed a 10% cost of living increase in the benefit amount.

At June 30, 2023, no assets were accumulated in a qualifying trust for the City Plan 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 1 and Note 10 to the basic financial statements.

Note 3 - Restatements

For the fiscal year ended June 30, 2023, the Agency corrected an error in the reporting of the covered payroll for Other Post Employment Benefits to include only payroll related to employees eligible for the plan. The Agency also corrected an error in the reporting of statutorily required contributions to the Multiple Employer Cost Sharing Defined Benefit Pension Plan (PERS) to include only the employer portion.

Supplementary Information
June 30, 2023

City of Henderson Redevelopment Agency

Combining Balance Sheet by Project Area – General Fund

Year Ended June 30, 2023

	Grants	Downtown	Tuscany	Cornerstone	Eastside	Lakemoor	Revolving	Administration	Elimination	Total General Fund
Assets										
Cash, cash equivalents, and investments	$ -	$ 8,319,538	$ 825,126	$ 6,540,932	$ 5,439,590	$ 82,026	$ 70,799	$ 43,441	$ -	$ 21,321,452
Restricted cash, cash equivalents, and investments	-	2,508,928	1,048,011	-	9,648,615	-	-	-	-	13,205,554
Taxes receivable	-	181,915	25,698	14,653	165,446	-	-	-	-	387,712
Interest receivable	-	49,456	8,741	31,689	74,525	402	347	-	-	165,160
Notes receivable	-	5,164	-	-	-	-	-	-	-	5,164
Due from other project area	-	-	-	-	798	-	-	-	(798)	-
Due from other government	10,408	58,055	72,299	43,056	302,030	233	-	-	-	486,081
Land held for resale	-	23,078,676	-	-	560,000	-	-	-	-	23,638,676
Total assets	$ 10,408	$ 34,201,732	$ 1,979,875	$ 6,630,330	$ 16,191,004	$ 82,661	$ 71,146	$ 43,441	$ (798)	$ 59,209,799
Liabilities										
Accounts payable	$ 9,610	$ 2,770	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ -	$ 27,380
Accrued wages	-	-	-	-	-	-	-	27,554	-	27,554
Due to other project area	798	-	-	-	-	-	-	-	(798)	-
Tax increment payable to developers	-	-	1,048,011	-	1,142,814	-	-	-	-	2,190,825
Total liabilities	10,408	2,770	1,048,011	-	1,142,814	-	-	42,554	(798)	2,245,759
Deferred Inflows of Resources										
Unavailable revenue, property taxes	-	181,915	25,698	14,653	165,446	-	-	-	-	387,712
Unavailable revenue, notes receivable	-	5,164	-	-	-	-	-	-	-	5,164
Total deferred inflows of resources	-	187,079	25,698	14,653	165,446	-	-	-	-	392,876
Total Liabilities and Deferred Inflows	10,408	189,849	1,073,709	14,653	1,308,260	-	-	42,554	(798)	2,638,635
Fund Balance										
Restricted for										
Land held for development	-	23,078,676	-	-	560,000	-	-	-	-	23,638,676
Debt service	-	617,925	-	-	-	-	-	-	-	617,925
Contractual commitments	-	1,936,940	-	-	8,505,801	-	-	-	-	10,442,741
Economic stabilization	-	303,703	-	281,635	978,838	64	-	-	-	1,564,240
Future redevelopment activities	-	8,074,639	906,166	6,334,042	4,838,105	82,597	71,146	887	887	20,307,582
Total fund balance	-	34,011,883	906,166	6,615,677	14,882,744	82,661	71,146	887	887	56,571,164
Total Liabilities and Fund Balance	$ 10,408	$ 34,201,732	$ 1,979,875	$ 6,630,330	$ 16,191,004	$ 82,661	$ 71,146	$ 43,441	$ 89	$ 59,209,799

	Grants	Downtown	Tuscany	Cornerstone	Eastside	Lakemoor	Revolving	Administration	Total General Fund
Revenues									
Property taxes	$ -	$ 3,731,892	$ 5,948,966	$ 3,268,498	$ 20,228,694	$ 2,924	$ -	$ -	$ 33,180,974
Intergovernmental shared revenue	10,408	2,000,000	-	-	-	-	-	-	2,010,408
Investment income	-	209,304	33,591	96,634	940,713	1,413	1,235	-	1,282,890
Gain on sale of land held for sale	-	279,000	-	-	-	-	-	-	279,000
Miscellaneous	-	3,804	-	-	8,640	-	1,261	-	13,705
Total revenues	10,408	6,224,000	5,982,557	3,365,132	21,178,047	4,337	2,496	-	36,766,977
Expenditures									
General government									
Salaries and wages	-	-	-	-	-	-	-	790,904	790,904
Employee benefits	-	-	-	-	-	-	-	354,469	354,469
Services and supplies	10,408	87,081	-	-	85,639	-	-	502,457	685,585
Capital outlay	-	11,358,468	-	-	-	-	-	-	11,358,468
Program costs	-	402,351	5,354,069	2,225,800	8,724,389	-	-	4,924	16,711,533
Total general governments	10,408	11,847,900	5,354,069	2,225,800	8,810,028	-	-	1,652,754	29,900,959
Debt service									
Principal payments	-	290,000	-	-	-	-	-	-	290,000
Interest payments	-	327,800	-	-	-	-	-	-	327,800
Total debt service	-	617,800	-	-	-	-	-	-	617,800
Total expenditures	10,408	12,465,700	5,354,069	2,225,800	8,810,028	-	-	1,652,754	30,518,759
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,241,700)	628,488	1,139,332	12,368,019	4,337	2,496	(1,652,754)	6,248,218
Other Financing Sources (Uses)									
Transfers between project areas	-	27,000,000	(379,138)	(346,168)	(27,928,335)	-	-	1,653,641	-
Transfers in	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	27,000,000	(379,138)	(346,168)	(27,928,335)	-	-	1,653,641	-
Change in Fund Balances	-	20,758,300	249,350	793,164	(15,560,316)	4,337	2,496	887	6,248,218
Fund Balance, Beginning of Year	-	13,253,583	656,816	5,822,513	30,443,060	78,324	68,650	-	50,322,946
Total Liabilities and Fund Balance	$ -	$ 34,011,883	$ 906,166	$ 6,615,677	$ 14,882,744	$ 82,661	$ 71,146	$ 887	$ 56,571,164

Compliance Section
June 30, 2023

City of Henderson Redevelopment Agency

(A Component Unit of the City of Henderson, Nevada)

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members of the City of Henderson Redevelopment Agency Board
City of Henderson, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the City of Henderson Redevelopment Agency (the Agency), a component unit of the City of Henderson, Nevada, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated November 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Eide Bailly LLP

Reno, Nevada
November 29, 2023

Auditor's Comments

Members of the City of Henderson Redevelopment Agency Board
City of Henderson, Nevada

In connection with our audit of the financial statements of the City of Henderson Redevelopment Agency (Agency) as of and for the year ended June 30, 2023, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Agency failed to comply with the specific requirements of Nevada Revised Statutes cited below other than the violations reported in Note 2 to the financial statements. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Statute Compliance

The Agency conformed to all significant statutory constraints on its financial administration during the year except for the item identified in Note 2 of the accompanying financial statements.

Progress on Prior Year Statute Compliance

The Authority conformed to all significant statutory constraints on its financial administration during the prior year.

Prior Year Recommendations

Finding 2022-001 reported for the year ended June 30, 2022, was resolved during the year ended June 30, 2023.

Current Year Recommendations

The Agency needs to implement procedures to ensure future budget augmentations do not use ending fund balance.

Eide Bailly LLP

Reno, Nevada
November 29, 2023