



# 2014

## Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014



*A Place To Call Home*



**CITY OF HENDERSON, NEVADA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Prepared by:  
Department of Finance**

**Richard A. Derrick  
Chief Financial Officer**

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# CITY OF HENDERSON, NEVADA

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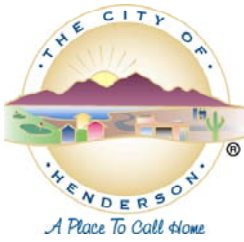
## INTRODUCTORY SECTION

# 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014







**City of Henderson, Nevada**  
240 Water Street

**Henderson, Nevada 89105**

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October 30, 2014

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

The comprehensive annual financial report for the City of Henderson for the fiscal year ended June 30, 2014 is hereby submitted. State law requires that a local government provide for an annual audit by independent certified public accountants of its financial statements in accordance with generally accepted auditing standards.

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

The City's financial statements have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Henderson's financial statements for fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

#### Profile of the Government

Henderson is located in the southeastern part of Clark County, Nevada. With a population of approximately 285,000, Henderson is the second largest city in the State of Nevada. The City Charter was approved in its present form by the Nevada Legislature in 1971, and has been amended subsequent thereto.

The City operates under a council-manager form of government, with elective offices consisting of the Mayor, four City Council members, and three municipal court judges. The Mayor and all Council members are elected for four-year terms. Elections for City Council members are held every other year with either three City Council seats or one City Council seat and the position of Mayor being voted upon in any one election year. All City Council seats and the position of Mayor are elected at large on a nonpartisan basis, although no two Council members can be from the same ward of the City's four wards. City Council meetings are presided over by the Mayor, or by the Mayor pro tempore (a Councilman appointed to that position by the City Council), in the absence of the Mayor.

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

The City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, as augmented, that was approved by the City Council and the State of Nevada's Department of Taxation. Prior to April 15th, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council if the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May.

The City Council adopts the budget prior to June 1 and submits it to the Department of Taxation for final approval. All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (General Fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available.

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

### Local Economy

Henderson continues to be ranked as one of the most tax-friendly cities as well as one of the best cities to "live and play," having been able to maintain property taxes at the same low rate for 24 years.

Located just seven miles from the famous Las Vegas Strip, Henderson is known throughout the nation for its premiere master planned residential communities, outstanding parks and recreational facilities, cultural activities, and business community. Some of the nation's best known and most respected corporations have established major operations in Henderson, including Ocean Spray Cranberries, Inc., Ethel M. Chocolates, Titanium Metals Corporation of America, and Good-Humor-Breyers Ice Cream. Henderson also has defined gaming districts which include casino/resort development such as the M Resort, Sunset Station, Fiesta Henderson, and Green Valley Ranch Station.

An ongoing challenge for the public entities in Nevada has been the slow economic recovery from the recession. Sales tax revenue continued to recover in Fiscal Year 2014, and there was an increase in sales tax revenues of 9.1% during the 12 month period ended June 2014, compared to the same 12 month period from the prior year.

Dr. Stephen P.A. Brown, an economist from CBER (UNLV's Center for Business and Economic Research), projected in the CBER 2014 Mid-Year Economic Outlook that virtually all economic indicators will rise during the coming two years. Dr. Brown also pointed to strong employment numbers in Nevada and the Las Vegas Metropolitan Statistical Area (MSA), noting that Nevada's job growth rate had improved to second in the nation in 2013, and that it was expected to remain strong into the foreseeable future. His overall prognosis for the state and local, as well as national, economies was optimistic.



Population estimates made by the Nevada state demographer indicate that the population of Clark County rose to 2,031,723 in 2013. This reflects an increase of 2.2% over the 2012 figure of 1,988,195. The current year population increase is double that of the prior year.

The real estate market, particularly the residential sector, is also showing solid signs of strength. The S&P Case-Shiller Home Price Index shows a record of growth over the past two years in the Las Vegas MSA that only Los Angeles and San Francisco can match. With sales improving, construction activity consequently has increased, as demonstrated by the housing permit activity. Since 2011, Clark County housing permits have increased by 85.3% and Henderson permits are up 67.6% with much of this growth attributable to the most recent two year period. This recent growth is a positive sign, not only because of its strength, but also because it is more modest, and therefore more sustainable, than the rampant growth experienced during the housing boom of the prior decade.

The national unemployment rate decreased from 7.2% in August 2013 to 6.1% in August 2014, reflecting a continued stabilization in the U.S. job market. Further, the local unemployment rates, both statewide and in the Las Vegas MSA, continued to show strong signs of improvement during the first half of 2014, with Nevada's unemployment rate dropping to 8.0% in July, down from 10.1% a year ago. Further, the Las Vegas MSA unemployment also fell substantially, dropping from 10.4% in July of 2013 to 8.2% in July of 2014.

Employment growth in the Las Vegas MSA increased by 1.0%, a fairly modest improvement. However, the first seven months of 2014 have been substantially better. The annualized employment growth rate for 2014 currently stands at 3.8% with the local economy adding an average of 2,851 jobs per month versus only 540 per month for the first seven months of 2013. If this rate of employment growth can be sustained, 2014 would become the third strongest employment growth year since 2000. CBER is forecasting employment growth of 3.9% and 4.1% for 2014 and 2015 respectively.

Henderson has a tax rate of \$.7108 per \$100 in assessed valuation. This property tax rate has remained consistent for the past 24 years and continues to be one of the lowest in the State of Nevada.

The City is highly reliant on consolidated tax, which consists of liquor taxes, cigarette taxes, the Government Services tax, the Real Property Transfer tax, the Basic City County Relief tax (BCCRT), and the Supplemental City County Relief tax (SCCRT). The BCCRT and SCCRT are strictly sales tax based, and generally make up in excess of 85% of consolidated tax. Once compiled at the state level, these funds are then distributed to municipalities according to a formula outlined in NRS 360. Because consolidated tax is so closely tied to sales tax, economic indicators which affect sales tax, such as visitor volume, can have a critical impact on the City. After experiencing a period of stagnation, visitor volume is again increasing, with the 12-month running total exceeding 40 million for the first time ever in early 2014, along with a record high month in March 2014 of 3,688,357 visitors. With national and local employment figures improving and consumer confidence advancing convention attendance, occupancy rates and average daily room rates are both expected to be positively impacted as well.

The City is projected to experience limited population and revenue growth in the coming years, unlike the dramatic growth and rapid increases experienced through 2008. However, even though population and revenue growth is expected to stabilize, Henderson's population is expected to remain affluent as the median household income in Henderson continues to outpace both the county and state averages. The high quality of life continues to attract new citizens.

#### Long Term Financial Planning

The City continues to update the Capital Improvement Plan, a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. Some of these capital projects for fiscal year 2015, contingent upon available funding, include:

Grants, park taxes, and contributions to fund various parks and recreation projects, including Union Pacific Rail Road Right of Way Acquisition, Union Pacific Railroad Trail Phase III, McCullough Vista Park, and Paradise Pointe Park.

Water Fund to fund Sites 17 and 18 Pump Station and Reservoir Upgrades and various other smaller independent projects with expenditures under \$1 million each totaling \$6.1 million.

Sewer fund to fund various smaller independent projects with expenditures under \$1 million each totaling \$3.6 million.

The City will continue to partner with the Clark County Regional Flood Control District, the Regional Transportation Commission, Nevada Department of Transportation, and developers to fund projects to include flood channels and street projects, including replacing Pittman Wash with approximately 1,729 linear feet of concrete channel, widening of Stephanie Street from Galleria Drive to Patrick Lane, improvements to Volunteer Boulevard from Las Vegas Blvd. to Executive Airport Drive, Warm Springs Road improvements from Arroyo Grande Parkway to Boulder Highway, and various other downtown Henderson streets.

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

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

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

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

### Major Initiatives

In 2008, the City began to prepare a 5-year plan to address the significant economic downturn that the country was facing. A 5-year plan committee was formed which continues to meet on a bi-weekly basis to assess current revenues and expenditures, and discuss options. Since 2008, several cost cutting strategies have been implemented. Employment compensation reductions included: a hiring freeze, an employee buyout program, overtime restrictions, suspension of the City's deferred compensation match, suspension of car allowance benefits, compensatory time off in-lieu of paid overtime, suspension of cost-of-living pay raises, modifications to paid holidays, and concessions from all employees equivalent to 2% of pay for fiscal year 2013 and fiscal year 2014. Other expenditure reductions included prohibition of non-essential travel, reduction to base operating budgets, consolidation of service contracts, surrendering of one-time funds, reduction of non-essential services, extension of vehicle life, reduction to the city vehicle fleet, the closing of City Hall on Fridays, deferring of capital projects, and right sizing of staffing in areas where service demand is down. Each department maintains a contingency plan that is periodically updated for possible implementation if needed. In addition, the City is looking into revenue enhancement opportunities that could be presented to the City Council for approval.

A Special Budget Ad Hoc Committee (SBAHC) was established during fiscal year 2014. This committee, comprised of business and community leaders in Henderson, provided several recommendations for the City Council to consider. These recommendations included methods to address the capital reinvestment needs of the city. The SBAHC presented its recommendations to the City Council on February 18, 2014. Some of the short term recommendations have already been implemented including non-core program reductions and a comprehensive rate study for Parks and Recreation programs. Other long-term strategies including a ballot questions for a property tax increase are still being considered.

Fiscal Year 2014 was the first time since 2007 the City closed out the General Operating Fund without a transfer in from reserves. Management is committed to controlling growth of the General Fund budget as provided for by revenue increases. During the economic downturn the City maintained its ability to provide quality municipal services to the community. With the strategies that have been implemented and those being planned or considered for the future, we are confident in our ability to grow and prosper as our community continues to grow and change over time.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Henderson for its comprehensive annual financial report for the fiscal year ended June 30, 2013.

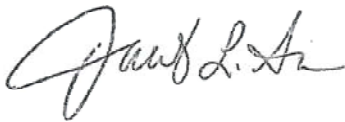
This was the 32nd consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Jacob L. Snow  
City Manager



Richard A. Derrick  
Chief Financial Officer





Government Finance Officers Association

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

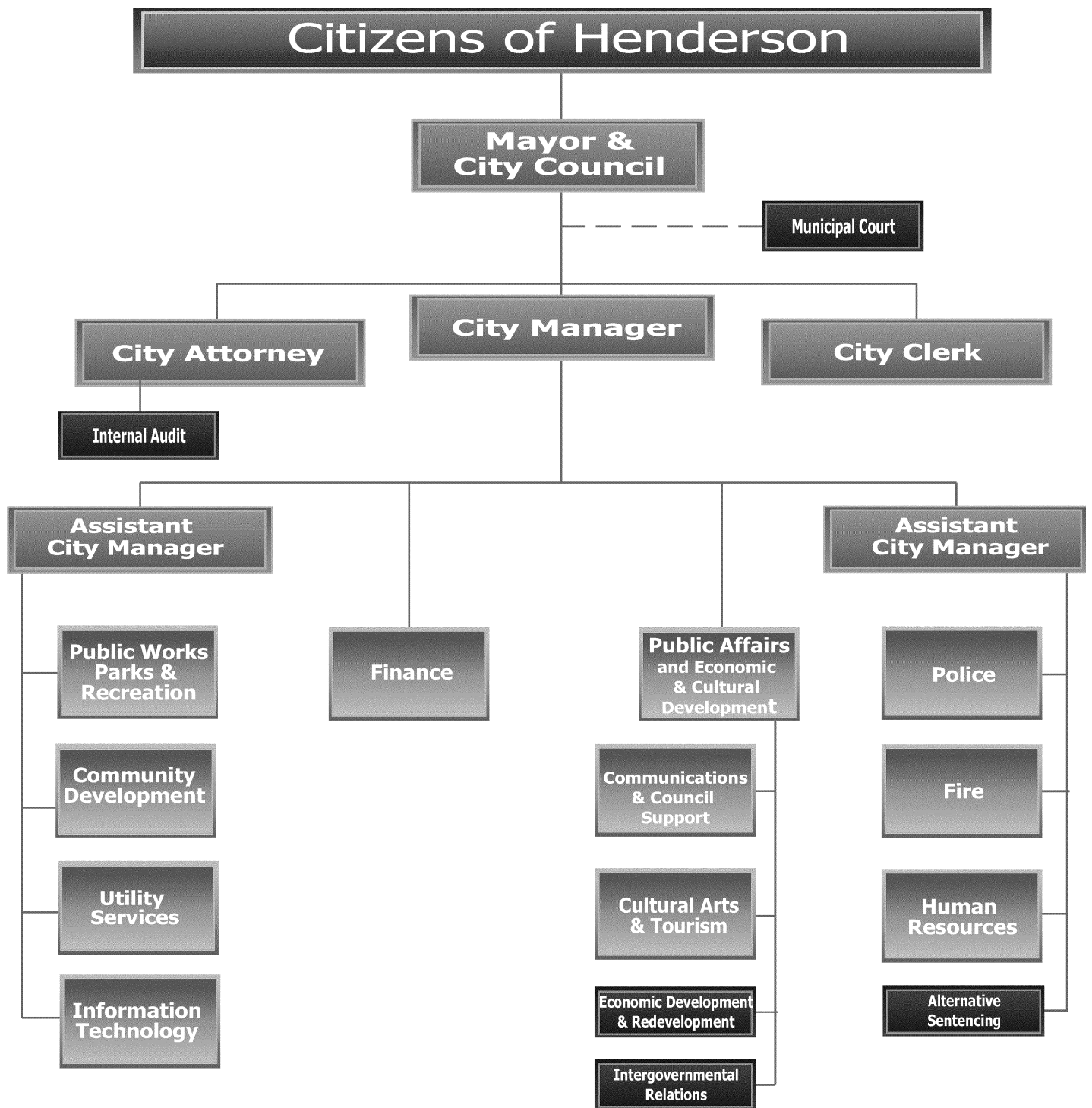
Presented to

**City of Henderson  
Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



# **CITY OF HENDERSON, NEVADA**

## **List of Principal Officers**

**FOR THE YEAR ENDED JUNE 30, 2014**

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### **MAYOR AND COUNCIL**

**Andy Hafen, Mayor**  
**Gerri Schroder, Councilwoman**  
**John F. Marz, Councilman**  
**Debra March, Councilwoman**  
**Sam Bateman, Councilman**

### **CITY OFFICIALS**

**Jacob L. Snow, City Manager**  
**Josh Reid, City Attorney**  
**Sabrina Mercadante, City Clerk**



## FINANCIAL SECTION

# 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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

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

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund and each major special revenue fund, as listed in the table of contents for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other post employment benefits - schedule of funding progress on pages 11-23 and 70-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the

required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Las Vegas, Nevada  
October 30, 2014

# **CITY OF HENDERSON, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 30, 2014**

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As management of the City of Henderson, Nevada (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. Please read this in conjunction with the transmittal letter at the beginning of this report and the City's financial statements following this section.

### Financial Highlights

The assets of the City exceeded its liabilities at June 30, 2014 by \$2,546,700,054 (net position). Of this amount, \$197,545,792 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

During fiscal year 2014, the City's total net position decreased by \$75,574,285. See the sections on Governmental Activities and Business-type Activities below for explanations of the decrease.

As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$205,660,919, a decrease of \$29,827,771 in comparison with the prior year. See the governmental fund analysis below for explanations of the decrease. Approximately 8.6% of ending fund balances, or \$17,606,056, is available for spending at the City's discretion (unassigned fund balance).

As of June 30, 2014, unassigned fund balance in the general fund was 8.4% of fiscal year 2014 expenditures in the general fund.

### Financial Statement Overview

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net of these items reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and community support. The business-type activities of the City include Water and Sewer operations, the Development Services Center, Cultural Arts and Tourism, and a Municipal Golf Course.

(Continued)



# **CITY OF HENDERSON, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds as of June 30, 2014. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Grants Special Revenue Fund, General Obligation Debt Service Fund, Special Assessment Districts Capital Projects Fund, and the Municipal Facilities Acquisition and Construction Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison for the City's General Fund and the Grants Special Revenue Fund has been provided as a component of the basic financial statements to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

### Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds (i.e. enterprise funds and internal service funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer activities, both of which are considered major funds. Data from the three non-major enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in the report.

(Continued)



# **CITY OF HENDERSON, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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Internal service funds are used by the City to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its engineering services, its City vehicles, its self-insurance activities, to account for loan activities to other funds for special assessment districts and to account for general citywide services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### Other Information

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the notes to the financial statements. Internal service funds are presented after the governmental fund statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2014, the City is reporting net position of \$2,546,700,054.

The largest portion of the City's net position (84.8%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, etc.), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets						
Current, restricted and other	\$ 361,525,365	\$ 373,005,741	\$ 159,324,680	\$ 154,068,609	\$ 520,850,045	\$ 527,074,350
Capital	<u>1,454,644,873</u>	<u>1,507,830,951</u>	<u>972,456,208</u>	<u>1,001,616,803</u>	<u>2,427,101,081</u>	<u>2,509,447,754</u>
Total assets	<u>1,816,170,238</u>	<u>1,880,836,692</u>	<u>1,131,780,888</u>	<u>1,155,685,412</u>	<u>2,947,951,126</u>	<u>3,036,522,104</u>
Deferred outflows of resources	<u>8,516,392</u>	<u>10,112,557</u>	<u>6,709,878</u>	<u>7,203,429</u>	<u>15,226,270</u>	<u>17,315,986</u>
Liabilities						
Current	28,014,259	30,414,266	19,275,208	14,984,508	47,289,467	45,398,774
Other	<u>208,392,550</u>	<u>210,245,577</u>	<u>160,795,325</u>	<u>175,919,400</u>	<u>369,187,875</u>	<u>386,164,977</u>
Total liabilities	<u>236,406,809</u>	<u>240,659,843</u>	<u>180,070,533</u>	<u>190,903,908</u>	<u>416,477,342</u>	<u>431,563,751</u>
Net position						
Net investment in capital assets	1,327,111,404	1,377,259,345	831,640,345	846,172,666	2,158,751,749	2,223,432,011
Restricted	179,220,120	210,529,977	11,182,393	13,987,769	190,402,513	224,517,746
Unrestricted	<u>81,948,297</u>	<u>62,500,084</u>	<u>115,597,495</u>	<u>111,824,498</u>	<u>197,545,792</u>	<u>174,324,582</u>
Total net position	<u>\$ 1,588,279,821</u>	<u>\$ 1,650,289,406</u>	<u>\$ 958,420,233</u>	<u>\$ 971,984,933</u>	<u>\$ 2,546,700,054</u>	<u>\$ 2,622,274,339</u>

A portion of the City's net position (7.5%) is subject to external restrictions on how it may be used. The remaining balance of \$197,545,792 is considered unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

As of June 30, 2014, the City is able to report positive balances in all three categories of net position, both for government as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year.

The \$31.3 million decrease in restricted net position for governmental activities was mainly due to approximately \$23.2 million used to call bonds as part of the Inspirada special assessment district restructure. Some projects that were originally planned for this district were deleted, bonds were called, and assessments were reduced. Also, there were payments for special assessment infrastructure of \$8.6 million during fiscal year 2014.

The decrease of \$2.8 million in restricted net position for business type activities is due to the use of system development fees for applicable projects.

The City's total net position decreased by \$75,574,285 during the current fiscal year, comprised of a decrease in governmental net position of \$62,009,585 and a decrease in business-type activities of \$13,564,700. See explanations for the decreases in the sections for Governmental Activities and Business-type Activities, immediately following the table below.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 41,833,338	\$ 44,877,495	\$ 121,586,072	\$ 115,195,718	\$ 163,419,410	\$ 160,073,213
Operating grants and contributions	12,891,586	10,625,816		20,000	12,891,586	10,645,816
Capital grants and contributions	39,008,389	58,672,921	19,717,458	10,187,969	58,725,847	68,860,890
General revenues						
Property taxes	63,982,175	63,320,080			63,982,175	63,320,080
Room taxes	901,887	823,290	1,801,825	1,644,032	2,703,712	2,467,322
Intergovernmental revenues - consolidated tax	88,013,859	81,088,044			88,013,859	81,088,044
Motor vehicle fuel tax	4,163,200	3,933,820			4,163,200	3,933,820
Sales tax	11,436,957	10,704,017	4,358,347	4,025,507	15,795,304	14,729,524
Franchise fees, based on gross receipts	31,481,739	30,011,869			31,481,739	30,011,869
Unrestricted investment income	3,115,696	2,231,741	2,271,148	1,710,311	5,386,844	3,942,052
Increase (decrease) in fair value of investments		(3,569,677)		(3,045,590)		(6,615,267)
Gain on disposal of capital assets	185,299	4,011,053	1,995		187,294	4,011,053
Miscellaneous	812,423	632,593	484,042	496,494	1,296,465	1,129,087
Total revenues	<u>297,826,548</u>	<u>307,363,062</u>	<u>150,220,887</u>	<u>130,234,441</u>	<u>448,047,435</u>	<u>437,597,503</u>
Expenses						
General government	47,826,017	60,686,477			47,826,017	60,686,477
Judicial	13,089,666	14,002,003			13,089,666	14,002,003
Public safety	138,652,346	138,260,143			138,652,346	138,260,143
Public works	104,652,659	75,900,091			104,652,659	75,900,091
Culture and recreation	44,259,523	46,200,390			44,259,523	46,200,390
Community support	7,686,894	4,952,021			7,686,894	4,952,021
Interest expense and fiscal charges	6,184,656	5,465,068			6,184,656	5,465,068
Administrative and other costs	21,363	591,649			21,363	591,649
Water			83,097,653	83,514,646	83,097,653	83,514,646
Sewer			58,692,077	53,979,377	58,692,077	53,979,377
Development services			11,851,220	9,358,144	11,851,220	9,358,144
Cultural arts and tourism			4,213,275	4,444,192	4,213,275	4,444,192
Municipal golf course			3,394,371	3,455,105	3,394,371	3,455,105
Total expenses	<u>362,373,124</u>	<u>346,057,842</u>	<u>161,248,596</u>	<u>154,751,464</u>	<u>523,621,720</u>	<u>500,809,306</u>
Transfers	<u>2,536,991</u>	<u>(4,794,708)</u>	<u>(2,536,991)</u>	<u>4,794,708</u>		
Change in net position	(62,009,585)	(43,489,488)	(13,564,700)	(19,722,315)	(75,574,285)	(63,211,803)
Net position, beginning of year	<u>1,650,289,406</u>	<u>1,693,778,894</u>	<u>971,984,933</u>	<u>991,707,248</u>	<u>2,622,274,339</u>	<u>2,685,486,142</u>
Net position, end of year	<u>\$ 1,588,279,821</u>	<u>\$ 1,650,289,406</u>	<u>\$ 958,420,233</u>	<u>\$ 971,984,933</u>	<u>\$ 2,546,700,054</u>	<u>\$ 2,622,274,339</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Governmental Activities

Governmental activities decreased the City's net position by \$62,009,585. Significant changes are as follows:

Operating grants and contributions increased by \$2.3 million. This is due primarily to grants related to community support from the U.S. Department of Housing and Urban Development (HUD). See additional discussion regarding activity in the grant fund in the "Governmental Funds" section of the MD&A below.

Capital grants and contributions decreased by \$19.7 million. There was a decrease in grants for the Southern Nevada Public Land Management Act of approximately \$17.5 million. There was also a large donated piece of land in fiscal year 2013 with no similar donation in fiscal year 2014.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 31) requires that the City's investments be reported at market value. The value of investments decreased by \$3.6 million in fiscal year 2013, which was more than total interest income for the year and therefore was presented separately. In fiscal year 2014 the decrease in market value of the City's investments was \$0.2 million, which is included in interest income.

Interest income increased \$0.9 million due to increased rates of return, with an average rate of return of 2.44% as compared to 1.23% in fiscal year 2013.

There was a \$3.8 million decrease in gain on sale of assets. In fiscal year 2013, there was a large sale and an exchange of appreciated land.

General Government expenses decreased by \$12.9 million due in large part to losses on three significant land sales in fiscal year 2013 amounting to \$8.8 million. The remainder of the decrease is due to lower salary expenses including severance pay.

Public Works expenses increased by \$28.8 million due to approximately \$23.2 million used to call bonds as part of the Inspirada special assessment district restructure. Some projects that were originally planned for this district were deleted, bonds were called, and assessments were reduced.

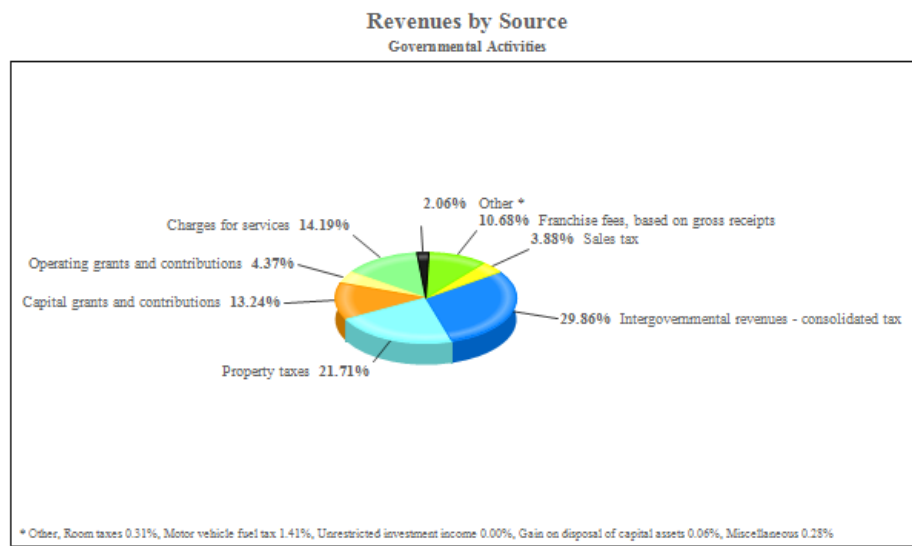
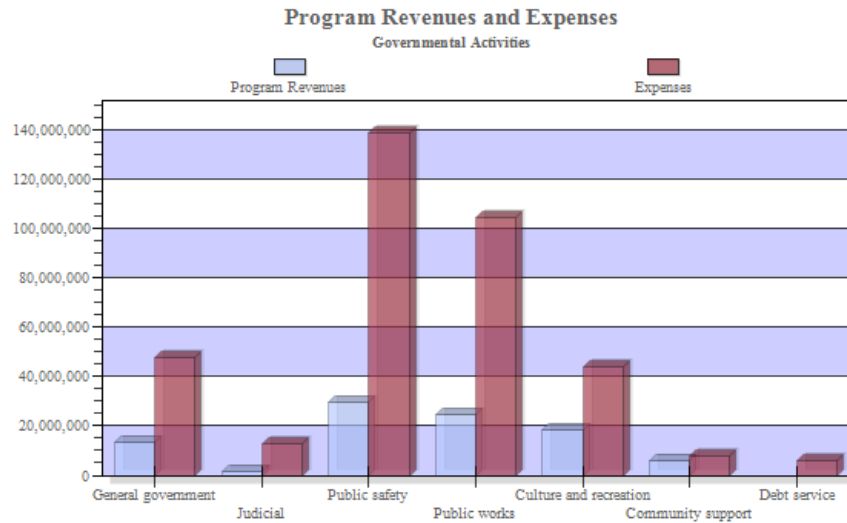
Community Support expenses increased by \$2.7 million due primarily to increase in grants from the HUD. See additional discussion regarding activity in the grant fund in the "Governmental Funds" section of the MD&A.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014



### Business-type Activities

Business-type activities decreased the City's net position by \$13,564,700. Significant changes are as follows:

Capital grants and contributions increased by \$9.5 million due to an increase in developer utility contributed assets.

(Continued)

# CITY OF HENDERSON, NEVADA

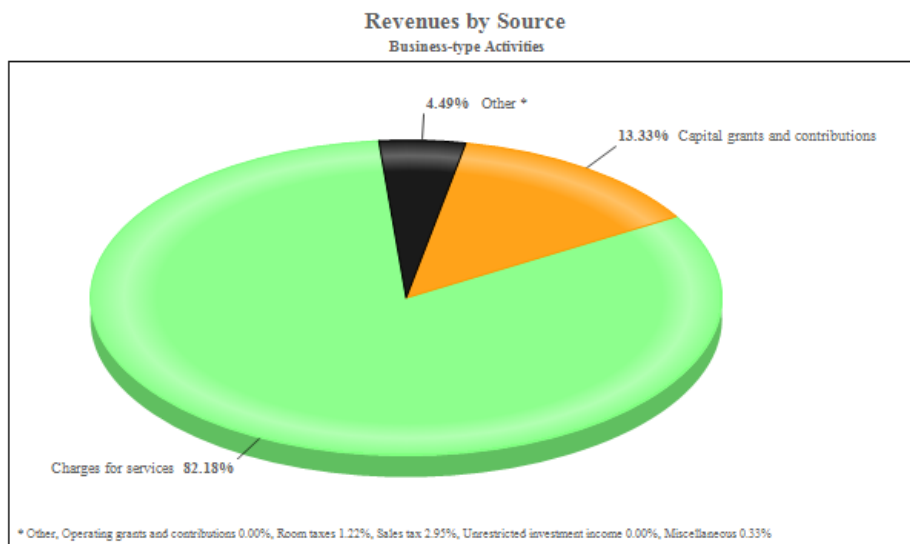
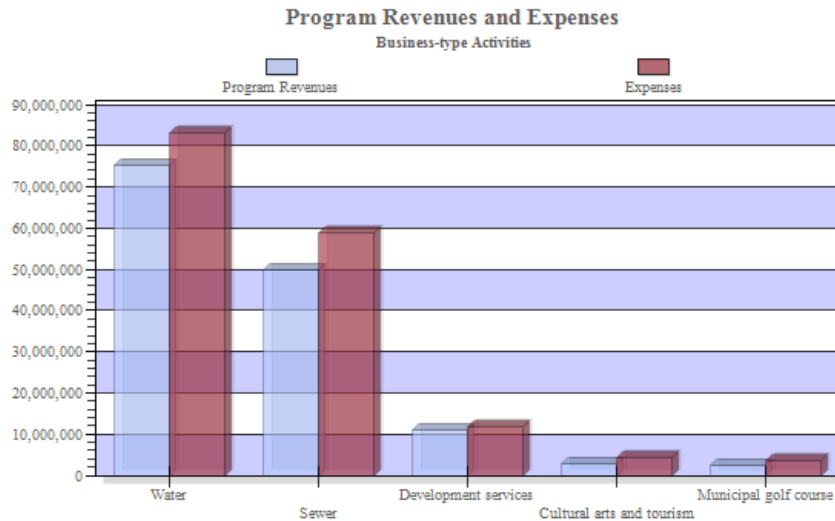
## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

GASB 31 requires that the City's investments be reported at market value. The value of investments decreased by \$3 million in fiscal year 2013, which was more than total interest income, and therefore was presented separately. In fiscal year 2014, the decrease in market value of the City's investments was \$0.3 million, which is included in interest income.

There was an increase in investment income of \$0.6 million due to higher rates of return of 2.44% as compared to 1.23% in fiscal year 2013.

Development services expenses increased by \$2.5 million due to higher expenses in the development center services for salaries and other costs. Development in the City increased in fiscal year 2014.



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# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$205,660,919, a decrease of \$29,827,771, in comparison with the prior year. Approximately 8.6% of this balance (\$17,606,056) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either restricted or assigned to indicate that it is not available for new spending because it has already been restricted by State law or outside entities (\$160,194,848) or assigned for specific uses by the City (\$27,860,015).

### General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,606,056, while total fund balance was \$18,250,450. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of and for the fiscal year ended June 30, 2014, unassigned fund balance represents 8.4% of total general fund expenditures, while total fund balance represents 8.7% of that same amount.

The fund balance of the general fund increased by \$922,229 during the current fiscal year. Key factors for this net increase are as follows:

Intergovernmental revenues increased by \$7.6 million due to an increase in Consolidated Tax revenue (a composite tax based on a statutory formula, which is comprised of certain sales, cigarette, motor vehicle privilege and liquor taxes). The formula changed affecting fiscal year 2014, which was favorable to the City and increases are also due to general economy improvement in Southern Nevada.

Charges for services decreased by \$2 million due in large part to lower prisoner detention revenue in fiscal year 2014. The average daily contract prisoner population (housing for other entities' prisoners) decreased from 300 in fiscal year 2013 to 261 in fiscal year 2014.

Current general government expenditures decreased by \$4.4 million due to lower salary expenditures, including severance pay, and also a decrease in expenditures for information technology equipment.

Other general fund expenditures increased by total by \$2.2 million, but no one category increased significantly over the previous fiscal year.

Transfers out to other funds were \$4.6 million.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Grants Special Revenue Fund

As of June 30, 2014, the grants special revenue fund has a total fund balance of \$575,959, all of which is restricted by granting agencies. There was a decrease in intergovernmental revenues over the prior year of \$15.5 million due primarily to a decrease in grant monies for the Southern Nevada Public Land Management Act (SNPLMA), which is used for parks and trails. Expenditures for public safety decreased by \$1.2 million due to expenditures related to police radio equipment, training, and other safety equipment purchased in fiscal year 2013, with no similar purchases in fiscal year 2014. Additionally, there were fewer expenditures for a grant from the Division of Emergency Management used for the purchase of equipment regarding the Urban Area Security Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) initiative. Public works expenditures increased by \$1.8 million due to several Nevada Department of Transportation agreements and grants, which cover multiple years and will extend into fiscal year 2015. Culture and recreation expenditures decreased by \$18.6 million due to the SNPLMA grants described above. Community support expenditures increased by \$2.8 million due to expenditures from the U.S. Department of Housing and Urban Development (HUD) to assist in the identification and removal of lead hazards from homes in a targeted area located in the City. Additionally, expenditures increased for another HUD grant related to sustainable communities.

### General Obligation Debt Service Fund

The general obligation debt service fund has a total fund balance of \$4,107,409, all of which is restricted for payment of debt service. The \$1.9 million net increase in fund balance during fiscal year 2014 is due to an increase of \$0.4 million in property taxes due to a rate change from .15 in fiscal year 2013 to .1554 in fiscal year 2014. There was also a decrease in debt service payments and an increase in other financing sources, but none significant over the previous fiscal year.

### Special Assessment Districts Capital Projects Fund

The special assessment districts capital projects fund has a total fund balance of \$57,295,870, all of which is restricted for capital projects funded by special assessments. In fiscal year 2014, the net decrease in fund balance was \$32.5 million. Approximately \$23.2 million of the decrease in fund balance relates to calling bonds as part of the Inspirada special assessment district restructure. \$8.6 million was also spent on special assessment infrastructure improvement projects, which was a decrease of approximately \$8 million under fiscal year 2013 as fewer projects were completed in the current fiscal year than the previous fiscal year.

### Municipal Facilities Acquisition and Construction Capital Projects Fund

The municipal facilities acquisition and construction capital projects fund has a fund balance of \$10,591,530, all of which is assigned for capital projects within the City. During fiscal year 2014, fund balance increased by \$0.9 million.

This increase was a combination of a \$1.7 million contribution from a developer for a new fire station and expenditure reductions from the previous fiscal year of approximately \$0.8 million, due in large part to expenditures for the detention facility in fiscal year 2013.

### Proprietary Funds

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

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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Unrestricted net position of the water fund at the end of fiscal year 2014 amounted to \$94,503,267 and the total decline in net position was \$6,522,310. Unrestricted net position of the sewer fund at the end of the fiscal year 2014 was \$52,925,467 and the total decrease in net position was \$2,719,115. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations decreased by \$4.7 million, or 2.1% under the original budget. This decrease was due to budgetary reductions approved by City Council during the fiscal year.

Actual expenditures were 97.3% of appropriations, or \$5.7 million lower than the final budget. All functions are well within appropriation authority. The savings can be attributed to several factors, of which were vacancy savings, reduced operating expenditures due to Special Budget Ad Hoc Committee recommendations, savings resulting from the Henderson Innovation Plan (HIP), and incomplete projects that will be re-appropriated to the next fiscal year. The main areas of savings are summarized below:

Actual General Government expenditures were \$3 million below the final budget. The majority of the positive variance from budget is due to reduced operating expenditures, approximately \$725,000 of which related to ongoing projects that will be re-appropriated in fiscal year 2015.

There were other functional reductions of \$2.7 million in the aggregate, but none significant in any one category.

### Capital Assets and Debt Administration

#### Capital Assets

As of June 30, 2014, the City's investment in capital assets for its governmental and business-type activities is \$2,427,101,081 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and a municipal golf course. During fiscal year 2014, the City's investment in capital assets decreased by \$82.3 million (approximately \$53.2 million decrease for governmental activities and approximately \$29.1 million decrease for business-type activities).

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

Improvements other than buildings increased by \$26.7 million for governmental activities, due in large part to \$16 million for Cornerstone Lake Community Park; \$4.6 million for Mission View Park; \$3.6 million for Amargosa Trail; and \$2 million for Lake Mead Parkway (Lake Las Vegas) Pedestrian Trail.

Construction in progress for governmental activities decreased by \$14.5 million, due to the \$26.7 million described above for completed projects which was partially offset by \$11.9 million of additional capitalized expenditures. Construction in progress projects include \$4.9 million for Galleria Drive; \$2 million in trails; street landscaping of \$1.7 million; \$0.9 million for Water Street improvements; Community Development Block Grant trailer estates in the amount of \$0.9 million and various other smaller projects.

(Continued)

# CITY OF HENDERSON, NEVADA

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

Construction in progress for business-type activities increased by \$9.2 million, mainly due to \$4 million in a utility system which monitors and controls water, reclaimed water and wastewater systems; \$4.1 million for construction and improvements to three pump stations; \$0.4 million for Galleria Drive waterline; \$0.7 million for various other smaller projects.

Capital Assets, Net of Accumulated Depreciation and Amortization						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Construction in progress	\$ 76,861,235	\$ 91,343,140	\$ 18,152,243	\$ 8,923,067	\$ 95,013,478	\$ 100,266,207
Land	196,147,343	209,061,075	28,208,674	28,208,674	224,356,017	237,269,749
Building and building improvements	249,189,917	258,336,955	117,946,251	120,286,376	367,136,168	378,623,331
Improvements other than buildings	234,045,287	207,314,890	781,618,178	816,233,560	1,015,663,465	1,023,548,450
Infrastructure	678,333,222	720,514,290			678,333,222	720,514,290
Machinery and equipment	20,067,869	21,260,601	26,530,862	27,965,126	46,598,731	49,225,727
	<u>\$ 1,454,644,873</u>	<u>\$ 1,507,830,951</u>	<u>\$ 972,456,208</u>	<u>\$ 1,001,616,803</u>	<u>\$ 2,427,101,081</u>	<u>\$ 2,509,447,754</u>

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

### Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$255,490,407. Of this amount, \$104,386,000 is considered general obligation debt and \$11,680,000 is tax allocation debt. The remainder of the City's bonded debt represents bonds to be paid from the City's Water and Sewer activities.

Summary of Bonds Outstanding						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 104,386,000	\$ 106,969,000	\$	\$	\$ 104,386,000	\$ 106,969,000
Tax allocation bonds	11,680,000	12,360,000			11,680,000	12,360,000
Water and sewer bonds			139,424,407	153,559,659	139,424,407	153,559,659
	<u>\$ 116,066,000</u>	<u>\$ 119,329,000</u>	<u>\$ 139,424,407</u>	<u>\$ 153,559,659</u>	<u>\$ 255,490,407</u>	<u>\$ 272,888,659</u>

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

As of June 30, 2014, the City's net general obligation bonded debt subject to the legal debt margin of \$243,810,407 was below the legal limit of \$1,255,952,486.

Additional information on the City's long-term debt can be found in note 6 to the financial statements.

Other factors considered in preparing the City's budget for the 2014/2015 fiscal year:

The City will maintain the property tax rate of \$.7108 per \$100 in assessed valuation, one of the lowest in the state of Nevada.

(Continued)

# **CITY OF HENDERSON, NEVADA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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

Partial implementation of the Special Budget Ad Hoc Committee (SBAHC) recommendations of approximately \$2 million including in the culture and recreation function, consisting of rate increases of \$0.6 million, service reductions saving \$0.9 million and limited facility hours saving \$0.5 million.

Full year savings from department consolidation

Employee Benefit reform

During the current fiscal year fund balance in the general fund increased to \$18,250,450. The City has appropriated approximately \$0.6 million of this amount for spending in the 2014/2015 fiscal year budget. It is intended that this use of available fund balance will pay for one time capital purchases.

### Requests for Information

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



# BASIC FINANCIAL STATEMENTS

## 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





# CITY OF HENDERSON, NEVADA

## STATEMENT OF NET POSITION

**JUNE 30, 2014**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments, unrestricted	\$ 242,086,657	\$ 166,515,134	\$ 408,601,791
Cash, cash equivalents and investments, restricted	5,436,846	12,024,541	17,461,387
Accounts receivable, net	10,654,815	14,198,352	24,853,167
Taxes receivable	1,537,340		1,537,340
Special assessments receivable	1,740,400		1,740,400
Notes receivable, net	19,840,035	277,594	20,117,629
Interest receivable	633,747	373,926	1,007,673
Due from other governments	30,246,048	1,195,910	31,441,958
Land held for resale	13,287,487		13,287,487
Other assets	118,042	683,171	801,213
Internal balances	35,943,948	(35,943,948)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	76,861,235	18,152,243	95,013,478
Land	196,147,343	28,208,674	224,356,017
Building and building improvements	249,189,917	117,946,251	367,136,168
Improvements other than buildings	234,045,287	781,618,178	1,015,663,465
Infrastructure	678,333,222		678,333,222
Machinery and equipment	20,067,869	26,530,862	46,598,731
Total assets	<u>1,816,170,238</u>	<u>1,131,780,888</u>	<u>2,947,951,126</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	<u>8,516,392</u>	<u>6,709,878</u>	<u>15,226,270</u>
<b>LIABILITIES</b>			
Accounts payable and other accrued liabilities	13,204,890	6,911,772	20,116,662
Accrued wages	3,094,869	571,649	3,666,518
Contracts and retentions payable	386,607	461,882	848,489
Due to other governments	1,608,662	3,453,399	5,062,061
Tax increment payable to developers	793,543		793,543
Unearned revenue	86,060	5,370,483	5,456,543
Interest payable	756,199		756,199
Deposits	8,083,429	105,277	8,188,706
Other current liabilities, payable from restricted assets		2,400,746	2,400,746
Noncurrent liabilities, due within one year	23,379,146	676,594	24,055,740
Noncurrent liabilities, partially payable from restricted assets, due within one year		14,921,403	14,921,403
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	<u>185,013,404</u>	<u>145,197,328</u>	<u>330,210,732</u>
Total liabilities	<u>236,406,809</u>	<u>180,070,533</u>	<u>416,477,342</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,327,111,404	831,640,345	2,158,751,749
Restricted for			
Stabilization and other general programs	17,980,663		17,980,663
Courts and other judicial programs	1,033,088		1,033,088
Fire, police and other public safety programs	3,654,044		3,654,044
Streets and other public works projects	90,026,548		90,026,548
Parks, cultural and recreational programs	12,593,450		12,593,450
Community assistance and support programs	228,377		228,377
Debt service	4,260,369	9,623,795	13,884,164
Redevelopment programs	29,662,110		29,662,110
Claims	19,781,471		19,781,471
System development		1,558,598	1,558,598
Unrestricted	<u>81,948,297</u>	<u>115,597,495</u>	<u>197,545,792</u>
Total net position	<u>\$ 1,588,279,821</u>	<u>\$ 958,420,233</u>	<u>\$ 2,546,700,054</u>

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



# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	\$ 47,826,017	\$ 11,044,740	\$ 1,507,062	\$ 783,084	\$ (34,491,131)	\$ (34,491,131)
Judicial	13,089,666	1,735,409	27,766		(11,326,491)	(11,326,491)
Public safety	138,652,346	20,964,266	1,293,624	7,138,510	(109,255,946)	(109,255,946)
Culture and recreation	104,652,659	679,181	270,659	23,886,836	(79,815,983)	(79,815,983)
Community support	44,259,523	7,409,742	3,611,125	7,199,959	(26,038,697)	(26,038,697)
Debt service	7,686,894		6,181,350		(1,505,544)	(1,505,544)
Interest expense and fiscal charges	6,184,656				(6,184,656)	(6,184,656)
Administrative and other costs	21,363				(21,363)	(21,363)
Total governmental activities	362,373,124	41,833,338	12,891,586	39,008,389	(268,639,811)	(268,639,811)
Business-type activities						
Water	83,097,653	65,174,318		9,987,512	(7,935,823)	(7,935,823)
Sewer	58,692,077	40,083,332		9,729,946	(8,878,799)	(8,878,799)
Development services	11,851,220	11,112,908			(738,312)	(738,312)
Cultural arts and tourism	4,213,275	2,801,407			(1,411,868)	(1,411,868)
Municipal golf course	3,394,371	2,414,107			(980,264)	(980,264)
Total business-type activities	161,248,596	121,586,072		19,717,458	(19,945,066)	(19,945,066)
Total function/program	\$ 523,621,720	\$ 163,419,410	\$ 12,891,586	\$ 58,725,847	\$ (268,639,811)	\$ (288,584,877)

(Continued)

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

# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expenses) Revenues and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
GENERAL REVENUES					
Property taxes				63,982,175	63,982,175
Room taxes				901,887	2,703,712
Intergovernmental revenues - consolidated tax				88,013,859	88,013,859
Motor vehicle fuel tax				4,163,200	4,163,200
Sales tax				11,436,957	15,795,304
Franchise fees, based on gross receipts				31,481,739	31,481,739
Unrestricted investment income				3,115,696	5,386,844
Gain on disposal of capital assets				185,299	187,294
Miscellaneous				812,423	1,296,465
Total general revenues				204,093,235	213,010,592
Transfers				2,536,991	(2,536,991)
CHANGE IN NET POSITION				(62,009,585)	(75,574,285)
NET POSITION, BEGINNING OF YEAR				1,650,289,406	2,622,274,339
NET POSITION, END OF YEAR				\$ 1,588,279,821	\$ 2,546,700,054

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

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2014

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds				Total Governmental Funds
	General Fund	Grants	General Obligation	Special Assessment Districts	Municipal		Aggregate Other Governmental Funds		
					Facilities Acquisition and Construction				
ASSETS									
Cash, cash equivalents and investments	\$ 3,991,500	\$	\$ 4,028,817	\$ 60,232,419	\$ 8,725,378	\$	\$ 98,466,866	\$	175,444,980
Restricted cash and cash equivalents	2,747,151				1,659,609		1,030,086		5,436,846
Accounts receivable, net	9,752,548	6,181			195,502		253,259		10,207,490
Interest receivable	37,842		11,473	1,154	17,498		212,693		280,660
Taxes receivable	1,109,647		345,156				82,537		1,537,340
Special assessments receivable							1,740,400		1,740,400
Notes receivable, net	3,283,436	10,236,731			4,907,001		11,804,111		30,231,279
Due from other funds	2,240,893								2,240,893
Due from other governments	19,956,632	5,010,353	67,119				4,928,879		29,962,983
Advances to other funds							621,261		621,261
Land held for resale							13,287,487		13,287,487
Total assets	<u>\$ 43,119,649</u>	<u>\$ 15,253,265</u>	<u>\$ 4,452,565</u>	<u>\$ 60,233,573</u>	<u>\$ 15,504,988</u>	<u>\$</u>	<u>\$ 132,427,579</u>	<u>\$</u>	<u>270,991,619</u>
LIABILITIES									
Accounts payable and other accrued liabilities	\$ 6,728,257	\$ 2,298,010	\$	\$ 1,191,381	\$ 5,445	\$	\$ 1,772,983	\$	11,996,076
Accrued wages	2,762,252	37,107		857	1,012		147,613		2,948,841
Tax increment payable to developers							793,543		793,543
Due to other governments							300,032		1,608,662
Due to other funds	1,308,630						135,435		2,240,893
Advances from other funds		2,105,458		1,745,465			621,261		2,366,726
Unearned revenue	86,060								86,060
Deposits	7,995,007						28,625		8,023,632
Compensated absences	<u>79,276</u>								<u>79,276</u>
Total liabilities	18,959,482	4,440,575		2,937,703	6,457		3,799,492		30,143,709

(Continued)

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

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds				Total Governmental Funds
			Special Assessment Districts	Municipal Facilities Acquisition and Construction	Aggregate Other Governmental Funds		
	General Fund	Grants	General Obligation				
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue, property taxes	1,109,647		345,156			82,537	1,537,340
Unavailable revenue, special assessments	3,283,436	10,236,731			4,907,001	1,740,400	1,740,400
Unavailable revenue, notes receivable	1,516,634					11,804,111	30,231,279
Unavailable revenue, other receivables						161,338	1,677,972
Total deferred inflows of resources	5,909,717	10,236,731	345,156		4,907,001	13,788,386	35,186,991
Total liabilities and deferred inflows of resources	24,869,199	14,677,306	345,156	2,937,703	4,913,458	17,587,878	65,330,700
FUND BALANCES							
Restricted		575,959	4,107,409	57,295,870		98,215,610	160,194,848
Assigned	644,394				10,591,530	16,624,091	27,860,015
Unassigned	17,606,056						17,606,056
Total fund balances	18,250,450	575,959	4,107,409	57,295,870	10,591,530	114,839,701	205,660,919
Total liabilities, deferred inflows of resources and fund balances	\$ 43,119,649	\$ 15,253,265	\$ 4,452,565	\$ 60,233,573	\$ 15,504,988	\$ 132,427,579	\$ 270,991,619

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

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2014

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 205,660,919
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$ 2,371,547,593	
Less accumulated depreciation	<u>(929,945,615)</u>	
		1,441,601,978
Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Interest receivable	<u>219,928</u>	
		219,928
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred charges on refunding	<u>8,516,392</u>	
		8,516,392
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Debt obligations payable, net of unamortized premiums and discounts	(136,049,861)	
Construction contracts payable	(386,607)	
Other postemployment benefits	(16,771,928)	
Compensated absences payable	<u>(36,989,089)</u>	
		(190,197,485)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(756,199)</u>	
		(756,199)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	<u>24,795,747</u>	
		24,795,747
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	62,494,593	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	32,048,320	
Internal service fund balance receivable from business-type activities from current year activity	<u>3,895,628</u>	
		<u>98,438,541</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,588,279,821</u>

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



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# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds			
	General Fund	Grants	General Obligation	Special Assessment Districts	Facilities Acquisition and Construction	Aggregate Other Governmental Funds	Total Governmental Funds	
REVENUES								
Property taxes	\$ 54,993,388	\$	\$ 2,882,601	\$	\$	\$ 6,095,528	\$ 63,971,517	
Franchise fees	31,481,739						31,481,739	
Licenses and permits	8,079,773					17,457,081	8,079,773	
Intergovernmental	91,584,835	17,990,178				329,060	127,032,094	
Charges for services	23,064,070					1,305,420	23,393,130	
Fines and forfeitures	4,353,572				778,084	612,612	5,658,992	
Impact fees						130,820	1,390,696	
Special assessments						130,820	130,820	
Investment income	184,834		46,445	23,782	109,707	1,649,487	2,014,255	
Developer contributions				29,914	1,659,609	2,175,512	3,865,035	
Rental fees						547,580	547,580	
Miscellaneous	494,123	312,465	10			539,723	1,346,321	
Total revenues	<u>214,236,334</u>	<u>18,302,643</u>	<u>2,929,056</u>	<u>53,696</u>	<u>2,547,400</u>	<u>30,842,823</u>	<u>268,911,952</u>	
EXPENDITURES								
Current								
General government	37,202,718	1,494,384			280	4,166,382	42,863,764	
Judicial	11,290,399					768,556	12,058,955	
Public safety	118,596,507	827,887			11,859	11,272,393	130,708,646	
Public works	6,396,438	257,722		24,149,071	218,091	2,487,878	33,509,200	
Culture and recreation	33,600,392	2,729,826			4,563	2,588,820	38,923,601	
Community support	1,512,649	6,091,505					7,604,154	
Total current	<u>208,599,103</u>	<u>11,401,324</u>		<u>24,149,071</u>	<u>234,793</u>	<u>21,284,029</u>	<u>265,668,320</u>	
Capital outlay								
General government						713,262	713,262	
Public safety	85,003	440,712			261,938	140,387	928,040	
Public works		1,741,868		8,596,431	201,697	8,998,896	19,538,892	
Culture and recreation	25,027	4,724,740				632,636	5,382,403	
Total capital outlay	<u>110,030</u>	<u>6,907,320</u>		<u>8,596,431</u>	<u>463,635</u>	<u>10,485,181</u>	<u>26,562,597</u>	

(Continued)

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

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		Debt Service Funds		Capital Projects Funds			
	General Fund	Grants	General Obligation	Special Assessment Districts	Municipal Facilities Acquisition and Construction	Aggregate Other Governmental Funds	Total Governmental Funds	
Debt service								
Principal payments			3,528,565			680,000	4,208,565	
Interest and fiscal charges			4,544,765	109,565		669,121	5,323,451	
Administrative and other costs			16,350			5,013	21,363	
Total debt service			8,089,680	109,565		1,354,134	9,553,379	
Total expenditures	208,709,133	18,308,644	8,089,680	32,855,067	698,428	33,123,344	301,784,296	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,527,201	(6,001)	(5,160,624)	(32,801,371)	1,848,972	(2,280,521)	(32,872,344)	
OTHER FINANCING SOURCES (USES)								
Proceeds from land sales			7,052,393	272,671		3,444,629	3,444,629	
Transfers in	(4,604,972)	(1,000,000)			(900,000)	711,259	8,036,323	
Transfers out			7,052,393		(900,000)	(1,931,407)	(8,436,379)	
Total other financing sources (uses)	(4,604,972)	(1,000,000)		272,671	(900,000)	2,224,481	3,044,573	
CHANGE IN FUND BALANCE	922,229	(1,006,001)	1,891,769	(32,528,700)	948,972	(56,040)	(29,827,771)	
FUND BALANCE, BEGINNING OF YEAR	17,328,221	1,581,960	2,215,640	89,824,570	9,642,558	114,895,741	235,488,690	
FUND BALANCE, END OF YEAR	<u>\$ 18,250,450</u>	<u>\$ 575,959</u>	<u>\$ 4,107,409</u>	<u>\$ 57,295,870</u>	<u>\$ 10,591,530</u>	<u>\$ 114,839,701</u>	<u>\$ 205,660,919</u>	

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

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ (29,827,771)
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital assets	\$ 26,016,043	
Less current year depreciation	(82,818,696)	
Proceeds from land sales	(3,444,629)	
Net loss on disposition of capital assets	(1,828,398)	
Internal service fund activity	<u>(185,299)</u>	
		(62,260,979)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds:		
Change in unavailable property tax and miscellaneous revenues from current year activity	1,760,509	
Change in unavailable revenue related to notes receivable from current year activity	63,636	
Change in unavailable revenue from cumulative prior years' activity	(498,687)	
Capital asset contributions	25,077,974	
Change in accrued interest receivable on notes receivable	<u>219,928</u>	
		26,623,360
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:		
Debt principal repayments	<u>4,208,565</u>	
		4,208,565
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:		
Change in other postemployment benefits	(1,298,291)	
Change in compensated absences payable	(1,429,993)	
Change in termination benefits payable	604,888	
Amortization of debt premiums, discounts and refunding charges	(1,170,428)	
Change in accrued interest	<u>317,956</u>	
		(2,975,868)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	(1,672,520)	
The internal service funds change in net position related to business-type activities	<u>3,895,628</u>	
		<u>2,223,108</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ (62,009,585)</u>

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

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 55,620,183	\$ 55,620,183	\$ 54,993,388	\$ (626,795)
Franchise fees	31,000,000	31,000,000	31,481,739	481,739
Licenses and permits	8,078,000	8,078,000	8,079,773	1,773
Intergovernmental	89,621,584	90,466,588	91,584,835	1,118,247
Charges for services	25,749,558	23,792,507	23,064,070	(728,437)
Fines and forfeitures	5,005,464	4,005,464	4,353,572	348,108
Investment income	125,000	125,000	184,834	59,834
Developer contributions	75,000	75,000		(75,000)
Miscellaneous	456,871	629,442	494,123	(135,319)
Total revenues	<u>215,731,660</u>	<u>213,792,184</u>	<u>214,236,334</u>	<u>444,150</u>
<b>EXPENDITURES</b>				
Current				
General government	42,135,681	40,210,199	37,202,718	3,007,481
Judicial	11,881,932	11,625,716	11,290,399	335,317
Public safety	119,984,207	119,253,924	118,596,507	657,417
Public works	6,549,907	6,576,538	6,396,438	180,100
Culture and recreation	36,637,020	34,819,486	33,600,392	1,219,094
Community support	1,897,224	1,784,244	1,512,649	271,595
Total current	<u>219,085,971</u>	<u>214,270,107</u>	<u>208,599,103</u>	<u>5,671,004</u>
Capital outlay				
Public safety		104,150	85,003	19,147
Culture and recreation		50,020	25,027	24,993
Total capital outlay		<u>154,170</u>	<u>110,030</u>	<u>44,140</u>
Total expenditures	<u>219,085,971</u>	<u>214,424,277</u>	<u>208,709,133</u>	<u>5,715,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,354,311)</u>	<u>(632,093)</u>	<u>5,527,201</u>	<u>6,159,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,300,000	4,000,000		(4,000,000)
Transfers out	(4,193,272)	(2,910,371)	(4,604,972)	(1,694,601)
Total other financing sources (uses)	<u>3,106,728</u>	<u>1,089,629</u>	<u>(4,604,972)</u>	<u>(5,694,601)</u>
CHANGE IN FUND BALANCE	(247,583)	457,536	922,229	464,693
FUND BALANCE, BEGINNING OF YEAR	<u>18,172,109</u>	<u>17,328,221</u>	<u>17,328,221</u>	
FUND BALANCE, END OF YEAR	<u>\$ 17,924,526</u>	<u>\$ 17,785,757</u>	<u>\$ 18,250,450</u>	<u>\$ 464,693</u>

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

# CITY OF HENDERSON, NEVADA

## GRANTS SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 5,752,178	\$ 20,362,336	\$ 17,990,178	\$ (2,372,158)
Miscellaneous	224,970	240,825	312,465	71,640
Total revenues	<u>5,977,148</u>	<u>20,603,161</u>	<u>18,302,643</u>	<u>(2,300,518)</u>
EXPENDITURES				
Current				
General government	631,648	1,272,861	1,494,384	(221,523)
Judicial	200,000	200,000		200,000
Public safety	617,966	690,118	827,887	(137,769)
Public works		224,374	257,722	(33,348)
Culture and recreation	964,649	3,342,516	2,729,826	612,690
Community support	2,587,987	7,897,713	6,091,505	1,806,208
Total current	<u>5,002,250</u>	<u>13,627,582</u>	<u>11,401,324</u>	<u>2,226,258</u>
Capital outlay				
Public safety	586,583	617,520	440,712	176,808
Public works		1,406,350	1,741,868	(335,518)
Culture and recreation		4,815,244	4,724,740	90,504
Total capital outlay	<u>586,583</u>	<u>6,839,114</u>	<u>6,907,320</u>	<u>(68,206)</u>
Total expenditures	<u>5,588,833</u>	<u>20,466,696</u>	<u>18,308,644</u>	<u>2,158,052</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>388,315</u>	<u>136,465</u>	<u>(6,001)</u>	<u>(142,466)</u>
OTHER FINANCING USES				
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	
CHANGE IN FUND BALANCE	(611,685)	(863,535)	(1,006,001)	(142,466)
FUND BALANCE, BEGINNING OF YEAR	<u>1,365,405</u>	<u>1,581,960</u>	<u>1,581,960</u>	
FUND BALANCE, END OF YEAR	<u>\$ 753,720</u>	<u>\$ 718,425</u>	<u>\$ 575,959</u>	<u>\$ (142,466)</u>

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



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# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
<b>ASSETS</b>					
Current assets					
Cash, cash equivalents and investments	\$ 98,630,409	\$ 55,494,892	\$ 12,389,833	\$ 166,515,134	\$ 66,641,677
Restricted cash and cash equivalents	7,012,070	5,012,471		12,024,541	
Accounts receivable, net	9,766,171	4,231,608	200,573	14,198,352	447,325
Interest receivable	217,432	128,243	28,251	373,926	133,159
Notes receivable, net	277,594			277,594	
Inventories					118,042
Due from other governments		825,500	370,410	1,195,910	283,065
Total current assets	115,903,676	65,692,714	12,989,067	194,585,457	67,623,268
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	15,051,853	3,100,390		18,152,243	642,933
Land	2,726,245	11,679,500	13,802,929	28,208,674	
Buildings and building improvements	13,001,579	110,884,763	9,496,136	133,382,478	744,560
Improvements other than buildings	685,465,685	618,027,764	26,039,847	1,329,533,296	555,663
Machinery and equipment	11,871,271	26,283,753	5,417,895	43,572,919	48,966,183
Accumulated depreciation and amortization	(334,636,412)	(221,286,353)	(24,470,637)	(580,393,402)	(37,866,444)
Total capital assets, net of accumulated depreciation and amortization	393,480,221	548,689,817	30,286,170	972,456,208	13,042,895
Other assets					
Advances to other funds					1,745,465
Deposits	683,171			683,171	
Total other assets	683,171			683,171	1,745,465
Total noncurrent assets	394,163,392	548,689,817	30,286,170	973,139,379	14,788,360
Total assets	510,067,068	614,382,531	43,275,237	1,167,724,836	82,411,628
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	268,234	6,441,644		6,709,878	
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and other accrued liabilities	5,883,911	895,793	132,068	6,911,772	1,208,814
Accrued wages	229,576	200,913	141,160	571,649	146,028
Due to other governments	3,453,399			3,453,399	
Construction contracts and retentions	409,899	51,983		461,882	
Unearned revenue			5,370,483	5,370,483	
Customer deposits payable from restricted assets	1,312,060			1,312,060	
Deposits			105,277	105,277	59,797
Compensated absences	227,427	262,810	186,357	676,594	222,066
Claims and judgments					15,178,322
Interest payable from restricted assets	400,905	687,781		1,088,686	
Debt obligations partially payable from restricted assets	6,474,113	8,447,290		14,921,403	
Total current liabilities	18,391,290	10,546,570	5,935,345	34,873,205	16,815,027

(Continued)

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

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Business-type Activities				Governmental Activities
			Aggregate Other	Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Enterprise Funds		
Noncurrent liabilities					
Debt obligations payable	18,729,936	116,134,520		134,864,456	
Compensated absences	2,027,576	2,343,026	1,661,425	6,032,027	2,123,106
Other post employment benefits	1,477,956	1,205,511	1,279,588	3,963,055	978,902
Provisional credits and refunding agreements	336,039	1,751		337,790	
Total noncurrent liabilities	<u>22,571,507</u>	<u>119,684,808</u>	<u>2,941,013</u>	<u>145,197,328</u>	<u>3,102,008</u>
Total liabilities	<u>40,962,797</u>	<u>130,231,378</u>	<u>8,876,358</u>	<u>180,070,533</u>	<u>19,917,035</u>
NET POSITION					
Net investment in capital assets	368,544,406	432,809,769	30,286,170	831,640,345	13,042,895
Restricted					
Debt service	5,299,105	4,324,690		9,623,795	
Claims					19,781,471
System development	1,025,727	532,871		1,558,598	
Unrestricted	<u>94,503,267</u>	<u>52,925,467</u>	<u>4,112,709</u>	<u>151,541,443</u>	<u>29,670,227</u>
Total net position	<u>\$ 469,372,505</u>	<u>\$ 490,592,797</u>	<u>\$ 34,398,879</u>	994,364,181	<u>\$ 62,494,593</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				<u>(35,943,948)</u>	
Net position of business-type activities				<u>\$ 958,420,233</u>	

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

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental Activities
			Aggregate Other	Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Enterprise Funds		
<b>OPERATING REVENUES</b>					
Utilities fees	\$ 63,068,388	\$ 39,379,653	\$	\$ 102,448,041	\$
Connection fees	859,323	86,915		946,238	
Late charges	1,246,607	616,764		1,863,371	
Charges for services			10,534,120	10,534,120	38,060,880
Licenses and permits			3,777,930	3,777,930	
Intergovernmental		333,507		333,507	
Rental fees			277,120	277,120	
Miscellaneous	120,986	2,160	22,399	145,545	
Total operating revenues	<u>65,295,304</u>	<u>40,418,999</u>	<u>14,611,569</u>	<u>120,325,872</u>	<u>38,060,880</u>
<b>OPERATING EXPENSES</b>					
Salaries and wages	10,505,683	9,115,173	6,512,989	26,133,845	6,657,231
Employee benefits	4,515,804	3,881,807	2,403,511	10,801,122	2,624,468
Water purchases	23,434,038			23,434,038	
Services and supplies	16,747,770	15,386,750	8,120,276	40,254,796	18,015,104
Claims and judgments					13,071,983
Legal fees					21,271
Depreciation and amortization	26,177,882	24,372,917	1,043,503	51,594,302	3,543,650
Total operating expenses	<u>81,381,177</u>	<u>52,756,647</u>	<u>18,080,279</u>	<u>152,218,103</u>	<u>43,933,707</u>
Operating loss	<u>(16,085,873)</u>	<u>(12,337,648)</u>	<u>(3,468,710)</u>	<u>(31,892,231)</u>	<u>(5,872,827)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	1,359,872	758,392	152,884	2,271,148	964,230
Gain (loss) on capital asset disposition	(76,920)	1,995		(74,925)	185,299
Interest expense	(916,156)	(4,826,789)		(5,742,945)	(8,733)
Room tax revenue			1,801,825	1,801,825	
Sales tax revenue		4,358,347		4,358,347	
Other intergovernmental revenue	2,280		1,739,252	1,741,532	
Miscellaneous		2,710		2,710	205,724
Total nonoperating revenues (expenses)	<u>369,076</u>	<u>294,655</u>	<u>3,693,961</u>	<u>4,357,692</u>	<u>1,346,520</u>
Income (loss) before capital contributions and transfers	<u>(15,716,797)</u>	<u>(12,042,993)</u>	<u>225,251</u>	<u>(27,534,539)</u>	<u>(4,526,307)</u>
<b>CAPITAL CONTRIBUTIONS</b>					
Capital contributions	<u>10,267,097</u>	<u>9,925,830</u>		<u>20,192,927</u>	<u>126,271</u>
<b>TRANSFERS</b>					
Transfers in					2,747,516
Transfers out	<u>(1,072,610)</u>	<u>(601,952)</u>	<u>(652,898)</u>	<u>(2,327,460)</u>	<u>(20,000)</u>
Total transfers	<u>(1,072,610)</u>	<u>(601,952)</u>	<u>(652,898)</u>	<u>(2,327,460)</u>	<u>2,727,516</u>
<b>CHANGE IN NET POSITION</b>	<u>(6,522,310)</u>	<u>(2,719,115)</u>	<u>(427,647)</u>	<u>(9,669,072)</u>	<u>(1,672,520)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>475,894,815</u>	<u>493,311,912</u>	<u>34,826,526</u>		<u>64,167,113</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 469,372,505</u>	<u>\$ 490,592,797</u>	<u>\$ 34,398,879</u>		<u>\$ 62,494,593</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(3,895,628)</u>	
<b>CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES</b>				<u>\$ (13,564,700)</u>	

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

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# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 65,044,742	\$ 40,308,075	\$ 16,135,694	\$ 121,488,511	\$ 1,511,382
Cash received from other sources	2,280	4,361,057	3,541,077	7,904,414	308,113
Cash payments for goods and services	(41,485,399)	(19,416,700)	(10,504,042)	(71,406,141)	(33,755,619)
Cash payments for employee services	(10,541,798)	(9,150,422)	(6,368,496)	(26,060,716)	(6,181,695)
Cash payments for interfund services					36,439,897
Net cash provided by (used in) operating activities	<u>13,019,825</u>	<u>16,102,010</u>	<u>2,804,233</u>	<u>31,926,068</u>	<u>(1,677,922)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in					2,747,516
Transfers out	(1,072,610)	(601,952)	(652,898)	(2,327,460)	(20,000)
Repayments of advances from other funds					163,106
Net cash provided by (used in) noncapital financing activities	<u>(1,072,610)</u>	<u>(601,952)</u>	<u>(652,898)</u>	<u>(2,327,460)</u>	<u>2,890,622</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(7,225,624)	(1,837,654)	(17,618)	(9,080,896)	(3,689,704)
Proceeds received from disposal of capital assets		1,995		1,995	915,952
Principal payments on debt	(6,189,020)	(8,269,106)		(14,458,126)	
Interest payments on debt	(1,285,273)	(5,415,660)		(6,700,933)	(8,733)
Increase in deposits	653,166			653,166	
Increase (decrease) in provisional credits	86,682	(10,590)		76,092	
Capital contributions	2,644,896	4,363,013		7,007,909	
Net cash used in capital financing activities	<u>(11,315,173)</u>	<u>(11,168,002)</u>	<u>(17,618)</u>	<u>(22,500,793)</u>	<u>(2,782,485)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	<u>1,338,650</u>	<u>732,053</u>	<u>145,573</u>	<u>2,216,276</u>	<u>958,568</u>
Net cash provided by investing activities	<u>1,338,650</u>	<u>732,053</u>	<u>145,573</u>	<u>2,216,276</u>	<u>958,568</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,970,692	5,064,109	2,279,290	9,314,091	(611,217)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>103,671,787</u>	<u>55,443,254</u>	<u>10,110,543</u>	<u>169,225,584</u>	<u>67,252,894</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>					
Cash and cash equivalents, unrestricted	98,630,409	55,494,892	12,389,833	166,515,134	66,641,677
Cash and cash equivalents, restricted	<u>7,012,070</u>	<u>5,012,471</u>	<u></u>	<u>12,024,541</u>	<u></u>
	<u>\$ 105,642,479</u>	<u>\$ 60,507,363</u>	<u>\$ 12,389,833</u>	<u>\$ 178,539,675</u>	<u>\$ 66,641,677</u>

(Continued)

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

# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental Activities
			Aggregate Other		
	Water	Sewer	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating loss	\$ (16,085,873)	\$ (12,337,648)	\$ (3,468,710)	\$ (31,892,231)	\$ (5,872,827)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities					
Depreciation	26,177,882	24,372,917	1,043,503	51,594,302	3,543,650
Other	2,280	4,361,057	3,541,077	7,904,414	205,724
(Increase) decrease in operating assets					
Accounts receivable	(250,562)	(106,634)	(28,336)	(385,532)	(227,210)
Due from other governments		(4,290)	(46,080)	(50,370)	(172,147)
Due from other funds					23,516
Inventories					(12,917)
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	3,143,395	(213,529)	41,321	2,971,187	91,354
Compensated absences	21,982	70,437	214,789	307,208	445,014
Termination benefits	(91,516)	(136,039)	(104,008)	(331,563)	(911)
Claims and judgements					301,150
Other post employment benefits	111,777	95,739	61,371	268,887	69,390
Deposits	(9,540)		(49,235)	(58,775)	(13,524)
Unearned revenue			1,598,541	1,598,541	(58,184)
Total adjustments	<u>29,105,698</u>	<u>28,439,658</u>	<u>6,272,943</u>	<u>63,818,299</u>	<u>4,194,905</u>
Net cash provided by (used in) operating activities	<u>\$ 13,019,825</u>	<u>\$ 16,102,010</u>	<u>\$ 2,804,233</u>	<u>\$ 31,926,068</u>	<u>\$ (1,677,922)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contribution of capital assets	<u>\$ 7,622,201</u>	<u>\$ 5,562,817</u>	<u>\$</u>	<u>\$ 13,185,018</u>	<u>\$ 126,271</u>

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



# CITY OF HENDERSON, NEVADA

## FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

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	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 56,327,761
Special assessments receivable	<u>468,451</u>
Total assets	<u>56,796,212</u>
LIABILITIES	
Due to developers	14,284,189
Due to employees	157,737
Due to others	<u>42,354,286</u>
Total liabilities	<u>56,796,212</u>
NET POSITION	\$ <u><u>          </u></u>

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

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

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### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

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

As required by GAAP, the accompanying financial statements present the City and the City of Henderson Redevelopment Agency (the Agency), which is presented as a blended component unit. The City is considered to be financially accountable for the Agency, as defined in the following paragraph. The Agency was established to provide a diversified and strengthened economy by planning and financing revitalization projects in the central area of the City. Although the Agency is a legally separate entity, it is governed by a five-member board composed of the City's mayor and Council, and City management oversees Agency activities in essentially the same manner as the City's. Stand-alone financial statements for the Agency can be obtained from the Henderson Redevelopment Agency, 240 Water Street, Henderson, Nevada 89015.

In evaluating how to define the financial reporting entity, management considered all potential component units using standards prescribed under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Component units would include any legally separate organizations for which the Council is financially accountable. Financial accountability would result where the Council 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 City. Financial accountability may also result where an organization is fiscally dependent on the City. Based on these criteria, no component units or other reportable organizations other than the Agency were identified.

#### Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its blended component unit. Eliminations have been made to minimize the double counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. For example, the effect of interfund services provided and used between functions (*e.g.*, the sale of water from a utility to the general government) is not eliminated in the statement of activities. To do so would misstate both the expenses of the purchasing function and the program revenues of the selling function.

Services provided by the general fund to other funds are reported as expenditures or expenses, as appropriate, in the funds receiving the services and as reductions of expenditures in the general fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are specifically associated with a function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category, governmental, proprietary and fiduciary, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, and operating expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings and nonoperating expenses result from nonexchange transactions or ancillary activities.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, sales taxes, consolidated tax revenue (a composite tax, based on a statutory formula, which is comprised of certain sales, cigarette, motor vehicle privilege and liquor taxes, and is collected and distributed by the State of Nevada as a taxing authority), gaming taxes, gasoline taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services, and fines and forfeits are not susceptible to accrual because generally they are not measurable until received.

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

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

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

(Continued)

# **CITY OF HENDERSON, NEVADA**

## **NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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The City reports the following major governmental funds:

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

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

The general obligation debt service fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The special assessment districts capital projects fund accounts for the cost of public improvements such as street lighting, streets, curbs, gutters, water and sewer benefiting certain property owners. Funding is provided by the issuance of special assessment district bonds.

The municipal facilities acquisition and construction capital projects fund accounts for costs associated with the acquisition, construction and improvement of public building facilities.

The City reports the following major enterprise funds:

The water fund accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service; and, billing and collection.

The sewer fund accounts for the provision of sanitary sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service; and, billing and collection.

Additionally, the City reports the following fund types:

Internal service funds account for operations such as engineering; vehicle acquisition and maintenance; insurance; lending; and general technology that provide services or resources to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

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

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

#### Cash, Cash Equivalents and Investments

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

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

### Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (*i.e.*, the current portion of interfund loans) or advances to/from other funds (*i.e.*, the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

### Property Taxes

The Clark County Assessor assesses all real property by December 31 of each year. The Clark County Treasurer bills and collects the City's share of property taxes. The Clark County Treasurer remits, on a monthly basis, current and delinquent property tax collections to the City.

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is lienied on July 1. Taxes on real property are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August, and the first Mondays in October, January, and March. In the event of nonpayment, the Clark County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 15% per year from the date the taxes were due, if four or more installments were delinquent, until paid.

If delinquent taxes are not paid within the two-year redemption period, the Clark County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the Clark County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

### Restricted Assets

Bond covenants of the City's water and sewer enterprise funds require portions of the debt proceeds, as well as other resources, to be set aside for various purposes. These amounts are reported as restricted cash, cash equivalents and investments.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

The City maintains funds in a construction control account, which is to be used for certain construction improvements in the Lake Las Vegas development, as required by the Lake Las Vegas Master Plan Improvement Funding Agreement between the developer and the City. The cash in this account is maintained in a separate bank account in the City's general fund, and is reported as restricted cash, cash equivalents and investments.

The City is maintaining funds in a separate bank account for a road widening project. Under the terms of a deposit agreement with certain Inspirada developers, the funds will be released for use when the City advertises requests for bids.

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

In addition, the Agency maintains funds, which under applicable State statutes are to be used for specified purposes. These amounts are reported as restricted cash, cash equivalents and investments.

### Capital Assets

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

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

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

Road Network		Storm Drain Network
Asphalt	Sidewalks	Storm drain drop inlets
Curbs and gutters	Street Lights	Other storm drain infrastructure
Traffic signals		

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

	Years
Buildings and building improvements	15-40
Improvements other than buildings	10-50
Infrastructure	15-50
Machinery and equipment	3-10

(Continued)



# **CITY OF HENDERSON, NEVADA**

## **NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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### Water Delivery Deposit

On May 22, 1990, the City and Basic Management, Inc. (BMI) executed a water delivery contract, pursuant to which BMI agreed to deliver water entitlements from Lake Mead to the City for payment under the terms of the agreement. Mutual review of the contract by the City and BMI resulted in modifications to the terms of the agreement. As a result of the mutual review, on September 21, 2005, the City and BMI amended the original agreement and the City agreed to take an additional 4,000 acre feet of water per year. The amended agreement also required the City to place a refundable deposit of \$5,515,782 with BMI on October 1, 2005, which would pay for the additional water to be delivered. The refundable deposit accrues interest at 4.5% annually and is applied monthly. As of June 30, 2014, the balance of the refundable deposit is \$683,171.

### Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are collectively referred to as compensated absences. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements.

In governmental funds, the current portion of compensated absences actually paid or accrued as a result of employees who have terminated is recorded as a payroll expenditure.

### Provisional Credits and Refunding Agreements

The City has entered into refunding agreements whereby developers construct water and sewage transmission lines from their property to existing City lines at the expense of the developers. The developers are to be reimbursed by the City from the collection of connection fees or user charges. These agreements are principally for the term of ten years with all liability canceled either by reimbursement to the developers from subsequent connection fee assessments in the related areas or upon expiration of the term of the agreements.

### Long-term Debt

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs are recognized as an expense in the period incurred.

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Deferred Outflows/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, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government wide and the proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, notes receivable and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### Equity Classifications

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

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) by law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

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

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

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

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

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

In accordance with NRS 354.6115, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the non-major financial stabilization special revenue fund. This fund will maintain a balance of 8.3% of general fund revenue. Balances in this fund may be made available to the general fund 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 City Council. None of these circumstances are expected to occur routinely. By policy, unrestricted fund balance in the general fund is to be maintained at no less than 8.3% of general fund revenue. A corrective action plan will be developed in the ensuing fiscal year should the ending unrestricted fund balance fall below this minimum.

### Use of Estimates

The preparation of these financial statements includes estimates and assumptions made by management that affect the reported amounts. Actual results could differ from those estimates.

## **Note 2. Stewardship and Accountability**

### Budgetary Information

Annual budgets are legally adopted for all funds except agency funds and use a basis of accounting consistent with GAAP.

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (in the general fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. State statutes require budgetary control to be exercised at the function level. The most significant change (\$96,171,503) occurred in the capital projects funds.

### Excess of Expenditures over Appropriations

For the year ended June 30, 2014, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of NRS 354.626:

Grant special revenue fund (general government function)	\$	221,523
Grant special revenue fund (public works function)		368,866

The excess expenditures over appropriated amounts were funded by available assets in excess of liabilities as represented by fund balance in the grant special revenue fund.

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

### **Note 3. Cash, Cash Equivalents and Investments**

The following is a reconciliation of the City's cash, cash equivalents and investment balances (including restricted amounts) as of June 30, 2014:

Cash on hand	\$	46,946
Cash on deposit		156,033,327
Cash equivalents		101,947,489
Investments		<u>224,363,177</u>
Total cash, cash equivalents and investments	\$	<u>482,390,939</u>

At June 30, 2014, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

	Unrestricted	Restricted	Total
Governmental activities	\$ 242,086,657	\$ 5,436,846	\$ 247,523,503
Business-type activities	166,515,134	12,024,541	178,539,675
Fiduciary Funds	<u>56,327,761</u>		<u>56,327,761</u>
Total cash, cash equivalents and investments	<u>\$ 464,929,552</u>	<u>\$ 17,461,387</u>	<u>\$ 482,390,939</u>

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

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

As of June 30, 2014, the recorded amount of the City's deposits was \$156,033,327 and the bank balance was \$156,336,531. Of the bank statement balance, \$1,000,000 was covered by federal depository insurance and the remainder was subject to collateralization.

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as an internal investment pool, is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the City's Chief Financial Officer is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month. The City investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Chief Financial Officer are regulated by NRS 355.170.

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

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

At June 30, 2014, the City had the following cash equivalents and investments:

	Cost	Fair Value	Weighted Average Maturity (Years)
Pooled cash equivalents and investments			
State of Nevada, Local Government Investment Pool	\$ 128,030	\$ 128,030	N/A
Money Market Funds	177,104	177,104	N/A
U.S. Agency securities*			
Federal Farm Credit Bank	24,998,735	24,834,320	5.74
Federal Home Loan Bank	64,020,377	62,691,211	6.37
Federal Home Loan Mortgage Corporation	33,938,697	33,883,120	2.06
Federal National Mortgage	50,044,317	50,191,215	3.33

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

	Cost	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury notes	\$ 44,614,801	\$ 45,376,379	3.80
US Treasury notes - inflationary	3,865,329	3,877,513	7.05
Corporate bonds	4,994,700	5,001,400	3.46
Total pooled cash equivalents and investments	<u>226,782,090</u>	<u>226,160,292</u>	4.42
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Invesco Money Market Fund	97,895,435	97,895,435	N/A
Federal Home Loan Bank Discount Note	799,059	817,984	0.08
Other bond proceeds investments			
Redevelopment bonds - Invesco Money Market Fund	1,349,231	1,349,231	N/A
Utility bonds - State of Nevada, Local Government Investment Pool	87,724	87,724	N/A
Total non-pooled cash equivalents and investments	<u>100,131,449</u>	<u>100,150,374</u>	0.08
Total cash equivalents and investments	<u>\$ 326,913,539</u>	<u>\$ 326,310,666</u>	3.06

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

The State of Nevada, Local Government Investment Pool is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance. The fair value of the City's position in the pool is the same as the value of pool shares.

The City manages its exposure to declines in fair values (interest rate risk) by limiting the weighted-average maturity of its investment portfolio to five years or less in accordance with its investment policy.

At June 30, 2014, in accordance with the NRS as previously defined, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

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

	Standard & Poor's	Moody's	Percentage of Portfolio
Pooled cash equivalents and investments			
Money Market Funds	AAA	Aaa	0.05 %
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	7.61 %
Federal Home Loan Bank	AA+	Aaa	19.21 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	10.39 %
Federal National Mortgage	AA+	Aaa	15.39 %
U.S. Treasury notes	*	*	13.90 %
US Treasury notes - inflationary	*	*	1.19 %
State of Nevada, Local Government Investment Pool	N/A	N/A	0.04 %
Corporate bonds	A+	A1	1.53 %
Total pooled cash equivalents and investments			<u>69.31 %</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

	Standard & Poor's	Moody's	Percentage of Portfolio
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Invesco Money Market Fund	AAA	Aaa	30.00 %
Federal Home Loan Bank Discount Note	N/A	N/A	0.25 %
Other bond proceeds investments			
Redevelopment bonds - Invesco Money Market Fund	AAA	Aaa	0.41 %
Utility bonds - State of Nevada, Local Government			
Investment Pool	N/A	N/A	0.03 %
Total non-pooled cash equivalents and investments			<u>30.69 %</u>
Total cash equivalents and investments			<u>100.00 %</u>

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

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

### Note 4. Interfund Balances and Activity

At June 30, 2014, the composition of interfund balances was as follows:

#### Due To and From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 2,105,458
	Aggregate Other Governmental Funds	<u>135,435</u>
		<u>\$ 2,240,893</u>

The amount due to the general fund is a temporary loan to cover deficit cash in the grants special revenue fund and the sales and use tax special revenue fund.

#### Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Aggregate Other Governmental Funds	Aggregate Other Governmental Funds	\$ 621,261
Internal Service Funds	Special Assessment Districts Capital Projects Fund	<u>1,745,465</u>
		<u>\$ 2,366,726</u>

The amounts owed to the internal service funds represent loans to the special assessment districts to be repaid from special assessments. The \$621,261 is comprised of a note receivable from the Redevelopment Agency special revenue fund to the Land Sales capital projects fund for land purchases in prior years.

(Continued)



# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

### Internal Balances

Effect of prior years' internal service activity on business-type activities	\$ (32,048,320)
Effect of current year internal service activity on business-type activities	<u>(3,895,628)</u>
	<u>\$ (35,943,948)</u>

### Interfund Transfers

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Obligation Debt Service Fund	General Fund	\$ 1,796,197
	Grants Special Revenue Fund	1,000,000
	Municipal Facilities Acquisition and Construction Capital Projects Fund	900,000
	Aggregate Other Governmental Funds	1,658,736
	Water Enterprise Fund	1,072,610
	Sewer Enterprise Fund	601,952
	Aggregate Other Enterprise Funds	2,898
	Internal Service Funds	20,000
Special Assessment Districts Capital Projects Fund	Aggregate Other Governmental Funds	272,671
Aggregate Other Governmental Funds	General Fund	711,259
Internal Service Funds	General Fund	2,097,516
	Aggregate Other Enterprise Funds	<u>650,000</u>
		<u>\$ 10,783,839</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### Note 5. Capital Assets

For the year ended June 30, 2014, capital asset activity was as follows:

	Balance July 1, 2013	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2014
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 91,343,140	\$ 19,013,691	\$ (19,419)	\$ (33,476,177)	\$ 76,861,235
Land	<u>209,061,075</u>	<u>2,755,600</u>	<u>(15,669,332)</u>		<u>196,147,343</u>
Total capital assets not being depreciated or amortized	<u>300,404,215</u>	<u>21,769,291</u>	<u>(15,688,751)</u>	<u>(33,476,177)</u>	<u>273,008,578</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	338,005,395	203,629	(51,021)	325,259	338,483,262
Improvements other than buildings	250,914,490	1,577,625	(45,413)	31,720,128	284,166,830
Infrastructure	1,417,016,587	21,886,947		888,696	1,439,792,230
Machinery and equipment	<u>86,120,608</u>	<u>3,547,409</u>	<u>(3,204,079)</u>	<u>542,094</u>	<u>87,006,032</u>
Total capital assets being depreciated or amortized	<u>2,092,057,080</u>	<u>27,215,610</u>	<u>(3,300,513)</u>	<u>33,476,177</u>	<u>2,149,448,354</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(79,668,440)	(9,624,905)			(89,293,345)
Improvements other than buildings	(43,599,600)	(6,567,356)	45,413		(50,121,543)
Infrastructure	(696,502,297)	(64,956,711)			(761,459,008)
Machinery and equipment	<u>(64,860,007)</u>	<u>(5,213,374)</u>	<u>3,135,218</u>		<u>(66,938,163)</u>
Total accumulated depreciation and amortization	<u>(884,630,344)</u>	<u>(86,362,346)</u>	<u>3,180,631</u>		<u>(967,812,059)</u>
Total capital assets being depreciated or amortized, net	<u>1,207,426,736</u>	<u>(59,146,736)</u>	<u>(119,882)</u>	<u>33,476,177</u>	<u>1,181,636,295</u>
Total governmental activities	<u>\$ 1,507,830,951</u>	<u>\$ (37,377,445)</u>	<u>\$ (15,808,633)</u>	<u>\$</u>	<u>\$ 1,454,644,873</u>

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2014
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 8,923,067	\$ 9,726,430	\$ (262,331)	\$ (234,923)	\$ 18,152,243
Land	<u>28,208,674</u>				<u>28,208,674</u>
Total capital assets not being depreciated or amortized	<u>37,131,741</u>	<u>9,726,430</u>	<u>(262,331)</u>	<u>(234,923)</u>	<u>46,360,917</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	132,782,478	600,000			133,382,478
Improvements other than buildings	1,317,509,790	11,894,183	(105,600)	234,923	1,329,533,296
Machinery and equipment	<u>43,064,800</u>	<u>552,345</u>	<u>(44,226)</u>		<u>43,572,919</u>
Total capital assets being depreciated or amortized	<u>1,493,357,068</u>	<u>13,046,528</u>	<u>(149,826)</u>	<u>234,923</u>	<u>1,506,488,693</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(12,496,102)	(2,940,125)			(15,436,227)
Improvements other than buildings	(501,276,230)	(46,667,568)	28,680		(547,915,118)
Machinery and equipment	<u>(15,099,674)</u>	<u>(1,986,609)</u>	<u>44,226</u>		<u>(17,042,057)</u>
Total accumulated depreciation and amortization	<u>(528,872,006)</u>	<u>(51,594,302)</u>	<u>72,906</u>		<u>(580,393,402)</u>
Total capital assets being depreciated or amortized, net	<u>964,485,062</u>	<u>(38,547,774)</u>	<u>(76,920)</u>	<u>234,923</u>	<u>926,095,291</u>
Total business-type activities	<u>\$ 1,001,616,803</u>	<u>\$ (28,821,344)</u>	<u>\$ (339,251)</u>	<u>\$</u>	<u>\$ 972,456,208</u>

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

For the year ended June 30, 2014, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 3,725,078
Judicial	798,612
Public safety	4,053,698
Public works	67,510,683
Culture and recreation	6,730,625
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>3,543,650</u>
Total depreciation expense, governmental activities	<u>\$ 86,362,346</u>
Business-type activities	
Water	\$ 26,177,882
Sewer	24,372,917
Development services	48,775
Cultural arts and tourism	184,181
Municipal golf course	<u>810,547</u>
Total depreciation expense, business-type activities	<u>\$ 51,594,302</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

### **Note 6. Long-term Liabilities**

#### Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities					
General obligation bonds					
\$34,505,000 2004A Park and Recreation Refunding Bonds due annually through June 2015; interest varies between 2.25% and 5.0%	\$ 4,000,000		\$ (2,000,000)	\$ 2,000,000	\$ 2,000,000
\$2,065,000 2006 Medium-term Bonds (Energy Retrofit Project) due annually through September 2016; interest fixed at 3.79%	921,000		(217,000)	704,000	226,000
\$1,162,000 2008 Medium Term Bonds due annually through March 2015; interest fixed at 3.24%	358,000		(176,000)	182,000	182,000
\$565,000 2011 Medium Term Bonds (Police Communications Equipment) due annually through August 2014; interest fixed at 1.96%	380,000		(190,000)	190,000	190,000
\$18,245,000 2011A General Obligation Refunding Bonds; principal due annually beginning June 2016 through June 2020; interest varies between 2.0% and 3.15%	18,245,000			18,245,000	
\$2,710,000 2011B General Obligation Refunding Bonds; principal due annually beginning June 2016 through June 2020; interest fixed at 3.0%	2,710,000			2,710,000	
\$13,605,000 2011C General Obligation Refunding Bonds; principal due annually beginning June 2021 through June 2025; interest varies between 3.125% and 4.0%	13,605,000			13,605,000	
\$39,995,000 2013B General Obligation Refunding Bonds; principal due annually beginning June 2020 through June 2035; interest varies between 1.7% and 3.5%	39,955,000			39,955,000	

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
\$26,795,000 2013C General Obligation Refunding Bonds; principal due annually beginning June 2015 through June 2020; interest varies between 0.8% and 2.2%	\$ 26,795,000	\$	\$	\$ 26,795,000	\$ 1,145,000
Total general obligation bonds	<u>106,969,000</u>	<u></u>	<u>(2,583,000)</u>	<u>104,386,000</u>	<u>3,743,000</u>
Tax allocation bonds					
\$12,045,000 Henderson Redevelopment Tax Allocation Bond due annually through October 2025; interest varies between 3.5% and 5.25%	9,005,000		(515,000)	8,490,000	535,000
\$4,295,000 2002 Henderson Redevelopment Tax Allocation Bond due annually through October 2025; interest varies between 5.1% and 7.2%	<u>3,355,000</u>	<u></u>	<u>(165,000)</u>	<u>3,190,000</u>	<u>180,000</u>
Total tax allocation bonds	<u>12,360,000</u>	<u></u>	<u>(680,000)</u>	<u>11,680,000</u>	<u>715,000</u>
Other long-term obligations					
\$17,960,000 2009 Installment Purchase Agreement due annually beginning in February 2010 through 2024; interest fixed at 4.97%	15,384,000		(838,000)	14,546,000	930,000
\$322,695 capital lease payable to Dell Financial Services, due in annual installments of \$107,565 through November 2013; interest fixed at 0.00%	<u>107,565</u>	<u></u>	<u>(107,565)</u>	<u></u>	<u></u>
Total other long-term obligations	<u>15,491,565</u>	<u></u>	<u>(945,565)</u>	<u>14,546,000</u>	<u>930,000</u>
Unamortized bond premiums	5,863,598		(425,737)	5,437,861	
Claims and judgments	14,877,172	12,603,208	(12,302,058)	15,178,322	15,178,322
Termination benefits	816,113	108,092	(924,205)		
Compensated absences	37,484,980	3,982,899	(2,054,342)	39,413,537	2,812,824
Other post employment benefits	<u>16,383,149</u>	<u>2,407,113</u>	<u>(1,039,432)</u>	<u>17,750,830</u>	<u></u>
Total governmental activities	<u>210,245,577</u>	<u>19,101,312</u>	<u>(20,954,339)</u>	<u>208,392,550</u>	<u>23,379,146</u>
Business-type activities					
Revenue bonds					
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest fixed at 4.0%	1,300,180		(858,176)	442,004	442,004
	(Continued)				

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 2015; interest fixed at 3.825%	\$ 1,622,758	\$	\$ (630,719)	\$ 992,039	\$ 655,075
\$5,500,000 2000 Water Bonds due in annual installments through January 2021; interest fixed at 3.65%	3,241,998		(274,020)	2,967,978	284,113
\$110,000,000 2004 Sewer Bonds due in annual installments through June 2034; interest varies between 3.0% and 5.25%	2,640,000		(2,640,000)		
\$22,618,000 2005 Water Bonds due in annual installments beginning September 2009 through 2018; interest fixed at 5.0%	14,862,000		(2,180,000)	12,682,000	2,290,000
\$33,927,000 2005 Sewer Bonds due in annual installments beginning September 2009 through 2018; interest fixed at 5.0%	22,293,000		(3,270,000)	19,023,000	3,435,000
\$29,815,000 Water and Sewer Refunding Bonds due in annual installments through September 2017; interest varies between 4.0% and 5.0%	13,855,000		(4,195,000)	9,660,000	4,380,000
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments beginning July 2011 through January 2030; interest fixed at 0.0%	1,484,723		(87,337)	1,397,386	87,337
\$72,550,000 Sewer Refunding Bonds (Series 2012A) due in annual installments beginning in June 2016 through June 2034; interest varies between 4.0% and 5.0%	72,550,000			72,550,000	
\$19,710,000 Sewer Refunding Bonds (Series 2013A) due in periodic installments beginning in June 2015 through June 2030; interest varies between 3.0% and 5.0%	<u>19,710,000</u>			<u>19,710,000</u>	<u>3,025,000</u>
Total revenue bonds	<u>153,559,659</u>		<u>(14,135,252)</u>	<u>139,424,407</u>	<u>14,598,529</u>
Other					
Provisional credits and refunding agreements	261,698	107,521	(31,429)	337,790	
Intergovernmental payable to the City of Las Vegas	<u>2,582,992</u>		<u>(322,874)</u>	<u>2,260,118</u>	<u>322,874</u>
Total other	<u>2,844,690</u>	<u>107,521</u>	<u>(354,303)</u>	<u>2,597,908</u>	<u>322,874</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Unamortized bond premiums	\$ 9,087,907	\$	\$ (986,573)	\$ 8,101,334	\$
Termination benefits	331,563	53,884	(385,447)		
Compensated absences	6,401,413	700,031	(392,823)	6,708,621	676,594
Other post employment benefits	<u>3,694,168</u>	<u>268,887</u>	<u></u>	<u>3,963,055</u>	<u></u>
Total business-type activities	<u>175,919,400</u>	<u>1,130,323</u>	<u>(16,254,398)</u>	<u>160,795,325</u>	<u>15,597,997</u>
Total long-term debt obligations	<u>\$ 386,164,977</u>	<u>\$ 20,231,635</u>	<u>\$ (37,208,737)</u>	<u>\$ 369,187,875</u>	<u>\$ 38,977,143</u>

Compensated absences, other post employment benefits and termination benefits payable typically have been liquidated by the general, internal service, and enterprise funds. Claims payable typically have been liquidated by the internal service funds.

#### Unamortized deferred refunding charges

Pursuant to GASB 65, for current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred inflow or outflow of resources, and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Prior to the adoption of GASB 65, unamortized deferred refunding gains/losses were reported as a component of debt.

For the year ended June 30, 2014, activity related to the City's unamortized deferred refunding charges was as follows:

	Government Activities	Business-type Activities	Total
Balance June 30, 2013	\$ 10,112,557	\$ 7,203,429	\$ 17,315,986
Reductions	<u>(1,596,165)</u>	<u>(493,551)</u>	<u>(2,089,716)</u>
Balance June 30, 2014	<u>\$ 8,516,392</u>	<u>\$ 6,709,878</u>	<u>\$ 15,226,270</u>

(Continued)



# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

#### Future Debt Service Requirements

At June 30, 2014, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations, were as follows:

<u>For the Year Ended June 30,</u>	<u>Revenue bonds</u>		<u>General obligation bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 14,598,529	\$ 5,950,793	\$ 3,743,000	\$ 3,384,383
2016	11,428,878	5,389,520	8,354,000	3,258,834
2017	11,607,765	4,866,966	9,999,000	3,119,232
2018	12,154,014	4,325,104	9,950,000	2,935,729
2019	10,855,678	3,767,403	10,160,000	2,729,529
2020 - 2024	21,745,526	15,025,502	28,950,000	10,171,610
2025 - 2029	25,761,680	9,423,094	14,895,000	5,893,476
2030 - 2034	31,272,337	3,797,675	14,955,000	2,904,863
2035 - 2039			3,380,000	169,000
	<u>\$ 139,424,407</u>	<u>\$ 52,546,057</u>	<u>\$ 104,386,000</u>	<u>\$ 34,566,656</u>

<u>For the Year Ended June 30,</u>	<u>Tax allocation bonds</u>		<u>Other Long-term Debt Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 715,000	\$ 633,882	\$ 930,000	\$ 722,936
2016	755,000	595,851	1,027,000	676,715
2017	790,000	555,099	1,132,000	625,673
2018	835,000	511,432	1,242,000	569,412
2019	880,000	464,805	1,361,000	507,686
2020 - 2024	5,190,000	1,505,892	8,854,000	1,393,042
2025 - 2029	2,515,000	148,534		
	<u>\$ 11,680,000</u>	<u>\$ 4,415,495</u>	<u>\$ 14,546,000</u>	<u>\$ 4,495,464</u>

#### Special Assessment Bonds

The City has issued special assessment bonds with an aggregate outstanding principal balance of \$159,810,000 at June 30, 2014. The City is only acting as an agent for these bonds and is not liable for the debt. Principal and interest are payable from the special assessments levied. During fiscal 2014, certain special assessment bonds were called resulting in bond redemption expenditures of \$23,265,651, which is reported as services and supplies in the Special Assessment Districts capital projects fund.

#### Defeased Debt

In prior years, debt was defeased in connection with advance refundings. At June 30, 2014, the remaining outstanding principal balance of the defeased debt is \$136,575,000.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

### Note 7. Retirement Plan

The City is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer defined benefit plan administered by PERS. All full-time employees are covered under the system. In addition, part-time employees working at least twenty hours per week are covered. The City has no liability for unfunded PERS obligations, as provided by NRS 286.110(4).

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits and death benefits.

Monthly benefit allowances for regular members with an effective date prior to January 1, 2010, are computed at 2.50% for service earned through June 30, 2001, and 2.67 % for service earned on or after July 1, 2001, with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). Monthly benefit allowances for regular members with an effective date on or after January 1, 2010, are computed at 2.50% of average compensation for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly for life and various optional monthly payments to a named beneficiary after death. Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service or any age with 30 years of service.

Police and firemen with an effective date of membership prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 25 years of accredited police and fire service. Police and firemen with an effective date of membership on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 60 with 10 years of accredited police and fire service and age 50 with 20 years of accredited police and fire service, or at any age with 30 or more years of service. A member who retired on or after July 1, 1977, or is an active member whose effective date of membership is before July 1, 1985, and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

Member contribution rates are established by NRS 286.450, which requires adjustments on each odd numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation. The City is enrolled in the employer pay contribution plan of PERS and is, therefore, required to contribute all amounts due under the PERS plan.

Contribution rates and amounts contributed for the previous three years were as follows:

For the Year Ended June 30,	Contribution Rate		Required Contribution and Amount Contributed
	Police and Fire Employees	Other Employees	
2012	39.75 %	23.75 %	\$ 45,827,522
2013	39.75 %	23.75 %	44,726,037
2014	40.50 %	25.75 %	46,663,858

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599 or by calling (775) 687-4200.

### **Note 8. Other Post Employment Benefits (OPEB)**

#### Plan Description

Eligible retirees who are not eligible for Medicare can purchase health care coverage through two plans offered by the City: a self-funded PPO and a fully-insured medical plan (Health Plan of Nevada). The City also offers its retirees dental, vision and life insurance benefits as mandated by Nevada Revised Statutes.

Medicare eligible retirees may join Extend Health for their medical, dental and vision coverage. Medicare eligible retirees will retain their post-65 term life insurance policy valued at \$25,000, and the premium is paid by the City.

Effective January 1, 2014, eligible retirees participating in the City Self Funded Health Plan will receive a graduated benefit of lower monthly premiums based on years of full time service, with a maximum monthly benefit of \$500. This benefit will be reduced by 50% for Medicare eligible retirees, who can no longer participate in the City's plan.

In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEBP). Retirees who receive coverage through the PEBP receive a direct subsidy from the City. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing Public Employee Benefits Plan, 901 South Stewart Street, Suite 101, Carson City, Nevada 89701, or by calling (800) 326-5496.

#### Funding Policy

The City has an eight member Insurance Committee that reviews and determines the funding requirements and plan options as noted above. A closed group of current retirees is eligible for premium subsidy from the City for PEBP insurance. The City is required to pay PEBP a monthly subsidy on behalf of these retirees, ranging from \$116 to \$636, based on the number of years of service with the City at retirement. These retirees met the retirement eligibility requirements for the Nevada Public Employees' Retirement System (NVPERS) and retired prior to December 1, 2008. No future retirees are eligible for this benefit. As of June 30, 2014, the City had 233 retirees receiving benefits and 1,148 active employees. Contributions are required for both retiree and dependent coverage and range from \$397 to \$1,363 per month depending on the plan and the number of participants in the plan. The City's current funding policy for its OPEB liability is pay as you go.

#### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Public Employee Benefit Program	City of Henderson Plans	Total
Annual required contribution (ARC)	\$ 460,000	\$ 2,316,000	\$ 2,776,000
Interest on net OPEB obligation	165,000	738,000	903,000
Adjustment to ARC	(243,000)	(760,000)	(1,003,000)
Annual OPEB cost	382,000	2,294,000	2,676,000
OPEB contributions made	(470,643)	(568,789)	(1,039,432)
Increase (decrease) in net OPEB obligation	(88,643)	1,725,211	1,636,568
Net OPEB obligation, beginning of year	3,667,445	16,409,872	20,077,317
Net OPEB obligation, end of year	\$ 3,578,802	\$ 18,135,083	\$ 21,713,885

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plans and the net OPEB obligations fiscal years ended June 29, 2012, 2013 and 2014, were as follows:

For the Year Ended June 30,	Annual OPEB Cost	OPEB Contributions Made	Percentage Contributed	Net OPEB Obligation
Public Employee Benefit Program				
2012	\$ 422,000	\$ 541,414	128.3 %	\$ 3,707,858
2013	470,280	510,693	108.6 %	3,667,445
2014	382,000	470,643	123.2 %	3,578,802
City of Henderson Plans				
2012	4,243,000	36,913	0.9 %	15,014,318
2013	2,059,668	664,114	32.2 %	16,409,872
2014	2,294,000	568,789	24.8 %	18,135,083

### Funded Status and Funding Progress

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2013	N/A <sup>1</sup>	\$ 7,303,000	\$ 7,303,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
City of Henderson Plans						
July 1, 2013	N/A <sup>1</sup>	20,652,000	20,652,000	0.0 %	142,409,404	14.5 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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

In the July 1, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate, a projected annual salary increase of 2.0%, a 3.5% inflation rate and a health care cost trend rate assumption ranging from 8.0% to 9.0% which is reduced annually by 0.5% to 1.0% for the City Plan and PEBP, respectively, until an ultimate health care cost trend rate of 5.0% is reached. The unfunded actuarial accrued liability for the City Plan is being amortized on an open basis over the maximum acceptable period of 30 years. The unfunded actuarial accrued liability for the PEBP Plan is being amortized on a closed basis over 21 years for PEBP retirees.

The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### Note 9. Risk Management

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

In addition, there are also situations in which incidents occur before the date of the financial statements, but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's past experience adjusted for current trends. The claims are included in the appropriate liability accounts.

The City maintains three self-insurance internal service funds for the following types of risk exposures:

Liability Insurance - The City has obtained \$15,000,000 in excess Public Entity Excess Liability insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$943 million blanket property insurance policy on all buildings, building contents and Boiler and Machinery with a \$100,000 deductible; \$12.4 million Contractors' Equipment coverage on a scheduled basis for heavy equipment with a \$50,000 deductible; a \$250,000 Commercial Crime policy with a \$2,500 deductible that covers employee dishonesty, forgery and alteration; and a \$12.3 million Emergency Response Unit Physical Damage policy with a \$10,000 deductible.

The City maintains its self-insurance fund to cover all claims made or occurring prior to the effective date of the excess liability policy and all claims that fall under the \$1,000,000 SIR. The City's Risk Management division works with the City Attorney's office; an outside claims adjustment firm; the excess insurance company and its administrator; and, applicable departments in handling claims filed against the City. In addition, the City obtains an actuarial analysis on a biannual basis. No current claims are expected to be settled in a manner which would adversely affect the fund's financial condition.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED JUNE 30, 2014

Group Health Insurance - The City is self insured for employee health benefits, providing medical dental and vision care. The City maintains a specific stop loss policy of \$175,000 per participant. A third party administrator is used to pay claims.

Worker's Compensation - The City is self insured for workers' compensation claims. A third party administrator is utilized for claim adjusting and payment. The City has a \$3,000,000 SIR for all public safety employees and a \$1,000,000 SIR for all other employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from July 1, 2013 through July 1, 2014.

For the fiscal years ended June 30, 2013 and 2014, changes in claims liability amounts were as follows:

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
For the year ended June 30, 2013				
Liability insurance	\$ 1,800,220	\$ 993,918	\$ (867,824)	\$ 1,926,314
Workmen's compensation insurance	9,674,571	2,933,445	(1,687,158)	10,920,858
Health Insurance	<u>1,399,000</u>	<u>12,698,286</u>	<u>(12,067,286)</u>	<u>2,030,000</u>
	<u>\$ 12,873,791</u>	<u>\$ 16,625,649</u>	<u>\$ (14,622,268)</u>	<u>\$ 14,877,172</u>
For the year ended June 30, 2014				
Liability insurance	\$ 1,926,314	\$ 686,738	\$ (694,969)	\$ 1,918,083
Workmen's compensation insurance	10,920,858	1,885,255	(1,115,874)	11,690,239
Health Insurance	<u>2,030,000</u>	<u>10,031,215</u>	<u>(10,491,215)</u>	<u>1,570,000</u>
	<u>\$ 14,877,172</u>	<u>\$ 12,603,208</u>	<u>\$ (12,302,058)</u>	<u>\$ 15,178,322</u>

## Note 10. Other Information

### Construction in Progress

As of June 30, 2014, construction in progress of \$95,013,478 was reflected in the government-wide statements. Management estimates it will require an additional outlay of approximately \$37,197,188 to complete these projects.

### Litigation

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

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

### Lake Las Vegas

The City and the developers of Lake Las Vegas have established a fund for the accumulation of \$30,000,000 to be used for storm water treatment and/or conveyance in the event that the Federal Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection determine that more stringent storm water treatment standards are required solely as a result of the creation of Lake Las Vegas. This fund will be maintained for a period of thirty years commencing in 1989, after which the City will be allowed to utilize the fund proceeds, if any, for any appropriate municipal purpose. Developer contributions with accumulated interest were expected to constitute \$4,500,000 of the total; however, the actual amount of developer contributions is uncertain at this time.

### City of Henderson Redevelopment Agency (the Agency)

The Agency has entered into several Owner Participation Agreements (OPAs) with various developers whereby the developers are to construct public improvements on behalf of the Agency in connection with its redevelopment efforts. These OPAs could potentially obligate the Agency to reimburse the developers approximately \$319.7 million, plus accrued interest, for the costs incurred by the developers in connection with the construction of the public improvements. However, the financial commitment to each developer is contingent upon there being sufficient tax increment available to fund the payments, as well as the developer actually incurring costs related to the public improvements. As of June 30, 2014, the current amount of the contingent obligation is approximately \$71.6 million.

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

### Operating Leases

The City has entered into various noncancelable managed service agreements (effectively leases) for copier equipment and related services. For the year ended June 30, 2014, total costs under such agreements were \$1,280,756.

At June 30, 2014, the future minimum operating lease payments were as follows:

#### For the Year Ended June 30,

2015	\$ 1,228,804
2016	1,228,804
2017	626,805
2018	31,214
2019	26,580
	<u>\$ 3,142,207</u>

### Encumbrances

At June 30, 2014, outstanding encumbrances were as follows:

General Fund	\$ 644,394
Grants Special Revenue Fund	12,280,581
General Obligation Debt Service Fund	4,150
Municipal Facilities Acquisition and Construction Capital Projects Fund	261,919
Aggregate Other Governmental Funds	<u>5,216,269</u>
	<u>\$ 18,407,313</u>

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# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

The general fund encumbrances are classified as assigned fund balance and grant fund encumbrances primarily represent contracts for which grant awards are collected as periodic reimbursements of actual expenditures.

### **Note 11. Components of Fund Balances**

At June 30, 2014, the components of governmental fund balances were as follows:

	General Fund	Grants Special Revenue Fund	General Obligation Debt Service Fund	Special Assessment Districts Capital Projects Fund	Municipal Facilities Acquisition and Construction Capital Projects Fund
<b>Restricted</b>					
Stabilization and other general programs	\$	\$ 28,579	\$	\$	\$
Courts and other judicial programs					
Fire, police and other public safety programs		211,853			
Streets and other public works projects				57,295,870	
Parks, cultural and recreational programs		107,150			
Community assistance and support programs		228,377			
Debt service			4,107,409		
Redevelopment programs					
<b>Assigned</b>					
Stabilization and other general programs	341,632				
Courts and other judicial programs	37,245				
Fire, police and other public safety programs	104,172				
Streets and other public works projects	43,869				10,591,530
Parks, cultural and recreational programs	117,223				
Community assistance and support programs	253				
<b>Unassigned</b>	<u>17,606,056</u>				
	<u>\$ 18,250,450</u>	<u>\$ 575,959</u>	<u>\$ 4,107,409</u>	<u>\$ 57,295,870</u>	<u>\$ 10,591,530</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2014**

	Aggregate Other Governmental Funds	Total Governmental Funds
Restricted		
Stabilization and other general programs	\$ 17,952,084	\$ 17,980,663
Courts and other judicial programs	1,033,088	1,033,088
Fire, police and other public safety programs	3,442,191	3,654,044
Streets and other public works projects	32,730,678	90,026,548
Parks, cultural and recreational programs	12,486,300	12,593,450
Community assistance and support programs		228,377
Debt service	909,159	5,016,568
Redevelopment programs	29,662,110	29,662,110
Assigned		
Stabilization and other general programs		341,632
Courts and other judicial programs		37,245
Fire, police and other public safety programs		104,172
Streets and other public works projects	16,624,091	27,259,490
Parks, cultural and recreational programs		117,223
Community assistance and support programs		253
Unassigned	<u>                    </u>	<u>17,606,056</u>
	<u>\$ 114,839,701</u>	<u>\$ 205,660,919</u>

Governmental fund balance restricted for debt service differs from government-wide net position restricted for debt service due to interest payable in governmental activities.

### **Note 12. Recently Issued Accounting Pronouncements**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management is currently awaiting the completed evaluation from the Public Employees Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

(Continued)

# CITY OF HENDERSON, NEVADA

## NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. Management has completed its assessment of this statement and determined that it will not have a material effect on the City's net position, results of operations or cash flows.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68*, to be applied simultaneously with the provisions of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Management is currently awaiting the completed evaluation from the Public Employees Retirement System to complete its evaluation and determine the effect on the City's basic financial statements.

### Note 13. Subsequent Event

On September 25, 2014, the City issued \$24,305,000 General Obligation (Limited Tax) Various Purpose Refunding Bonds (Additionally Secured by Pledged Revenue), Series 2014, to refund \$26,795,000 aggregate principal amount of the General Obligation (Limited Tax) Various Purpose Refunding Bonds, Series 2013C (Taxable) and pay the related costs of issuing the Series 2014 Bonds. The interest rate on the bonds is 5% and the maturity date is June 1, 2035.



## REQUIRED SUPPLEMENTARY INFORMATION

# 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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# CITY OF HENDERSON, NEVADA

## REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2014

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2009	\$ N/A <sup>1</sup>	\$ 14,601,450	\$ 14,601,450	0.0 %	\$ N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2011	N/A <sup>1</sup>	7,931,000	7,931,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
July 1, 2013	N/A <sup>1</sup>	7,303,000	7,303,000	0.0 %	N/A <sup>2</sup>	N/A <sup>2</sup>
City of Henderson Plans						
July 1, 2009	\$ N/A <sup>1</sup>	\$ 24,605,550	\$ 24,605,550	0.0 %	\$ 144,050,046	17.1 %
July 1, 2011	N/A <sup>1</sup>	34,427,000	34,427,000	0.0 %	143,530,451	24.0 %
July 1, 2013	N/A <sup>1</sup>	20,652,000	20,652,000	0.0 %	142,409,404	14.5 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.



# **CITY OF HENDERSON, NEVADA**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2014**

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### **Note 1. Other Post Employment Benefits**

Effective January 1, 2014, eligible retirees participating in the City Self Funded Health Plan will receive a graduated benefit of lower monthly premiums based on years of full time service, with a maximum monthly benefit of \$500. This benefit will be reduced by 50% for Medicare eligible retirees, who can no longer participate in the City's plan.

Except as discussed above, for the year ended June 30, 2014, no other significant events occurred that would have affected the information presented in the accompanying schedule of funding progress.

Additional information related to postemployment benefits other than pensions can be found in Note 8 to the basic financial statements.

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# GOVERNMENTAL FUNDS

## Non-major Special Revenue Funds

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

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

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

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

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

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

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

**Code Enforcement Special Revenue** - to account for proceeds received from penalties and fines collected in conjunction with the enforcement of Henderson Municipal Code 15.12. Activity for this fund will be recorded in the General Fund after this fiscal year.

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

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

## Non-major Debt Service Fund

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

## Non-major Capital Projects Funds

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

**Land Sales** - to account for the purchase and sale of City owned property. The City has traditionally used proceeds from these sales for miscellaneous capital projects.

**Special Recreation** - to account for costs of recreational equipment and other recreational purposes. Funds for these purposes are provided by revenues received from the Las Vegas Convention and Visitors Authority.

**Park Development** - to account for fees that are collected upon application for building permits. The revenues produced by these fees are to be used for the acquisition, development, improvement and expansion of public parks, playground and recreational facilities within the City.

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

**RTC/County Funded** - to account for costs of improving streets within the City that are funded by the Regional Transportation Commission and Clark County Grants.

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

**Capital Replacement** - to account for charges for services, developer contributions, and transfers from other funds to be used for various capital replacement projects throughout the City.

**Lake Las Vegas** - to account for resources to be used solely to fund costs of storm water treatment and/or conveyance in the event that Federal and/or State agencies determine that more stringent treatment standards are required as a result of the creation of Lake Las Vegas.

## 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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# CITY OF HENDERSON, NEVADA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Special Revenue Funds	Special Assessments Debt Service Fund	Capital Project Funds	Aggregate Other Governmental Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 42,865,118	\$ 907,650	\$ 54,694,098	\$ 98,466,866
Restricted cash and cash equivalents	793,543		236,543	1,030,086
Accounts receivable, net	216,798		36,461	253,259
Interest receivable	88,378	1,874	122,441	212,693
Taxes receivable	82,537			82,537
Special assessments receivable		1,740,400		1,740,400
Notes receivable, net	154,513		11,649,598	11,804,111
Due from other governments	3,813,731		1,115,148	4,928,879
Advances to other funds			621,261	621,261
Land held for resale	<u>13,287,487</u>			<u>13,287,487</u>
Total assets	<u>\$ 61,302,105</u>	<u>\$ 2,649,924</u>	<u>\$ 68,475,550</u>	<u>\$ 132,427,579</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 421,979	\$ 333	\$ 1,350,671	\$ 1,772,983
Accrued wages	139,222		8,391	147,613
Tax increment payable to developers	793,543			793,543
Due to other governments		32	300,000	300,032
Due to other funds	135,435			135,435
Advances from other funds	621,261			621,261
Deposits			<u>28,625</u>	<u>28,625</u>
Total liabilities	<u>2,111,440</u>	<u>365</u>	<u>1,687,687</u>	<u>3,799,492</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes	82,537			82,537
Unavailable revenue, special assessments		1,740,400		1,740,400
Unavailable revenue, notes receivable	154,513		11,649,598	11,804,111
Unavailable revenue, other receivables	<u>150,000</u>		<u>11,338</u>	<u>161,338</u>
Total deferred inflows of resources	<u>387,050</u>	<u>1,740,400</u>	<u>11,660,936</u>	<u>13,788,386</u>
Total liabilities and deferred inflows of resources	<u>2,498,490</u>	<u>1,740,765</u>	<u>13,348,623</u>	<u>17,587,878</u>
<b>FUND BALANCES</b>				
Restricted	58,803,615	909,159	38,502,836	98,215,610
Assigned			<u>16,624,091</u>	<u>16,624,091</u>
Total fund balances	<u>58,803,615</u>	<u>909,159</u>	<u>55,126,927</u>	<u>114,839,701</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 61,302,105</u>	<u>\$ 2,649,924</u>	<u>\$ 68,475,550</u>	<u>\$ 132,427,579</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Special Assessments Debt Service Fund	Capital Project Funds	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 4,967,964	\$	\$ 1,127,564	\$ 6,095,528
Intergovernmental	14,486,352		2,970,729	17,457,081
Charges for services	78,615		250,445	329,060
Fines and forfeitures	1,305,420			1,305,420
Impact fees			612,612	612,612
Special assessments		130,820		130,820
Investment income	574,190	141,428	933,869	1,649,487
Developer contributions			2,175,512	2,175,512
Rental fees			547,580	547,580
Miscellaneous	176,136	47,628	315,959	539,723
Total revenues	<u>21,588,677</u>	<u>319,876</u>	<u>8,934,270</u>	<u>30,842,823</u>
EXPENDITURES				
Current				
General government	3,762,234		404,148	4,166,382
Judicial	768,556			768,556
Public safety	11,209,096		63,297	11,272,393
Public works	1,221,692		1,266,186	2,487,878
Culture and recreation			2,588,820	2,588,820
Total current	<u>16,961,578</u>		<u>4,322,451</u>	<u>21,284,029</u>
Capital outlay				
General government			713,262	713,262
Public safety	90,017		50,370	140,387
Public works	4,936,208		4,062,688	8,998,896
Culture and recreation			632,636	632,636
Total capital outlay	<u>5,026,225</u>		<u>5,458,956</u>	<u>10,485,181</u>
Debt service				
Principal payments	680,000			680,000
Interest and fiscal charges	669,121			669,121
Administrative and other costs		5,013		5,013
Total debt service	<u>1,349,121</u>	<u>5,013</u>		<u>1,354,134</u>
Total expenditures	<u>23,336,924</u>	<u>5,013</u>	<u>9,781,407</u>	<u>33,123,344</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,748,247)</u>	<u>314,863</u>	<u>(847,137)</u>	<u>(2,280,521)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			3,444,629	3,444,629
Transfers in	711,259			711,259
Transfers out	(80,264)	(272,671)	(1,578,472)	(1,931,407)
Total other financing sources (uses)	<u>630,995</u>	<u>(272,671)</u>	<u>1,866,157</u>	<u>2,224,481</u>
CHANGE IN FUND BALANCE	(1,117,252)	42,192	1,019,020	(56,040)
FUND BALANCE, BEGINNING OF YEAR	<u>59,920,867</u>	<u>866,967</u>	<u>54,107,907</u>	<u>114,895,741</u>
FUND BALANCE, END OF YEAR	<u>\$ 58,803,615</u>	<u>\$ 909,159</u>	<u>\$ 55,126,927</u>	<u>\$ 114,839,701</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 16,726,645	\$ 6,358,124	\$ 615,212	\$ 1,020,358	\$ 17,913,953
Restricted cash and cash equivalents	793,543				
Accounts receivable, net	150,000			62,414	
Interest receivable	35,014	13,732	1,312		37,813
Taxes receivable	82,537				
Notes receivable, net	154,513				
Due from other governments	313,299	526,014			318
Land held for resale	13,287,487				
Total assets	<u>\$ 31,543,038</u>	<u>\$ 6,897,870</u>	<u>\$ 616,524</u>	<u>\$ 1,082,772</u>	<u>\$ 17,952,084</u>
<b>LIABILITIES</b>					
Accounts payable and other accrued liabilities	\$ 66,948	\$ 179,548	\$ 21,579	\$ 48,010	\$
Accrued wages	12,126	4,180		1,674	
Tax increment payable to developers	793,543				
Due to other funds					
Advances from other funds	621,261				
Total liabilities	<u>1,493,878</u>	<u>183,728</u>	<u>21,579</u>	<u>49,684</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue, property taxes	82,537				
Unavailable revenue, notes receivable	154,513				
Unavailable revenue, other receivables	150,000				
Total deferred inflows of resources	<u>387,050</u>				
Total liabilities and deferred inflows of resources	<u>1,880,928</u>	<u>183,728</u>	<u>21,579</u>	<u>49,684</u>	
<b>FUND BALANCES</b>					
Restricted	<u>29,662,110</u>	<u>6,714,142</u>	<u>594,945</u>	<u>1,033,088</u>	<u>17,952,084</u>
Total fund balances	<u>29,662,110</u>	<u>6,714,142</u>	<u>594,945</u>	<u>1,033,088</u>	<u>17,952,084</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,543,038</u>	<u>\$ 6,897,870</u>	<u>\$ 616,524</u>	<u>\$ 1,082,772</u>	<u>\$ 17,952,084</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Total Special Revenue Funds
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$	\$ 218,237	\$ 12,589	\$ 42,865,118
Restricted cash and cash equivalents				793,543
Accounts receivable, net	4,384			216,798
Interest receivable		507		88,378
Taxes receivable				82,537
Notes receivable, net				154,513
Due from other governments	2,974,100			3,813,731
Land held for resale				13,287,487
	<u>2,978,484</u>	<u>218,744</u>	<u>12,589</u>	<u>61,302,105</u>
Total assets	<u>\$ 2,978,484</u>	<u>\$ 218,744</u>	<u>\$ 12,589</u>	<u>\$ 61,302,105</u>
<b>LIABILITIES</b>				
Accounts payable and other accrued liabilities	\$ 59,692	\$ 44,872	\$ 1,330	\$ 421,979
Accrued wages	121,242			139,222
Tax increment payable to developers				793,543
Due to other funds	135,435			135,435
Advances from other funds				621,261
	<u>316,369</u>	<u>44,872</u>	<u>1,330</u>	<u>2,111,440</u>
Total liabilities	<u>316,369</u>	<u>44,872</u>	<u>1,330</u>	<u>2,111,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue, property taxes				82,537
Unavailable revenue, notes receivable				154,513
Unavailable revenue, other receivables				150,000
	<u></u>	<u></u>	<u></u>	<u>387,050</u>
Total deferred inflows of resources	<u></u>	<u></u>	<u></u>	<u>387,050</u>
Total liabilities and deferred inflows of resources	<u>316,369</u>	<u>44,872</u>	<u>1,330</u>	<u>2,498,490</u>
<b>FUND BALANCES</b>				
Restricted	<u>2,662,115</u>	<u>173,872</u>	<u>11,259</u>	<u>58,803,615</u>
Total fund balances	<u>2,662,115</u>	<u>173,872</u>	<u>11,259</u>	<u>58,803,615</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,978,484</u>	<u>\$ 218,744</u>	<u>\$ 12,589</u>	<u>\$ 61,302,105</u>



# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	\$ 4,954,393	\$	\$	\$	\$ 13,571
Intergovernmental	15,584	3,033,811			
Charges for services					
Fines and forfeitures			595,228	710,192	
Investment income	219,631	111,757	6,540		230,949
Miscellaneous	165,218		8,185		
Total revenues	<u>5,354,826</u>	<u>3,145,568</u>	<u>609,953</u>	<u>710,192</u>	<u>244,520</u>
EXPENDITURES					
Current					
General government	3,762,234				
Judicial				768,556	
Public safety			312,716		
Public works		1,221,692			
Total current	<u>3,762,234</u>	<u>1,221,692</u>	<u>312,716</u>	<u>768,556</u>	
Capital outlay					
Public safety			55,868		
Public works		4,936,208			
Total capital outlay		<u>4,936,208</u>	<u>55,868</u>		
Debt service					
Principal payments	680,000				
Interest and fiscal charges	669,121				
Total debt service	<u>1,349,121</u>				
Total expenditures	<u>5,111,355</u>	<u>6,157,900</u>	<u>368,584</u>	<u>768,556</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>243,471</u>	<u>(3,012,332)</u>	<u>241,369</u>	<u>(58,364)</u>	<u>244,520</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					700,000
Transfers out		(80,264)			
Total other financing sources (uses)		<u>(80,264)</u>			<u>700,000</u>
CHANGE IN FUND BALANCE	243,471	(3,092,596)	241,369	(58,364)	944,520
FUND BALANCE, BEGINNING OF YEAR	<u>29,418,639</u>	<u>9,806,738</u>	<u>353,576</u>	<u>1,091,452</u>	<u>17,007,564</u>
FUND BALANCE, END OF YEAR	<u>\$ 29,662,110</u>	<u>\$ 6,714,142</u>	<u>\$ 594,945</u>	<u>\$ 1,033,088</u>	<u>\$ 17,952,084</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Sales and Use Tax	Code Enforcement	Commissary	Eldorado Valley Training Facility	Total Special Revenue Funds
REVENUES					
Property taxes	\$	\$	\$	\$	\$ 4,967,964
Intergovernmental	11,436,957				14,486,352
Charges for services	5,967		72,648		78,615
Fines and forfeitures					1,305,420
Investment income	2,482	33	2,798		574,190
Miscellaneous	2,733				176,136
Total revenues	<u>11,448,139</u>	<u>33</u>	<u>75,446</u>		<u>21,588,677</u>
EXPENDITURES					
Current					
General government					3,762,234
Judicial					768,556
Public safety	10,841,279	4,912	50,189		11,209,096
Public works					1,221,692
Total current	<u>10,841,279</u>	<u>4,912</u>	<u>50,189</u>		<u>16,961,578</u>
Capital outlay					
Public safety			34,149		90,017
Public works					4,936,208
Total capital outlay			<u>34,149</u>		<u>5,026,225</u>
Debt service					
Principal payments					680,000
Interest and fiscal charges					669,121
Total debt service					<u>1,349,121</u>
Total expenditures	<u>10,841,279</u>	<u>4,912</u>	<u>84,338</u>		<u>23,336,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>606,860</u>	<u>(4,879)</u>	<u>(8,892)</u>		<u>(1,748,247)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in				11,259	711,259
Transfers out					(80,264)
Total other financing sources (uses)				<u>11,259</u>	<u>630,995</u>
CHANGE IN FUND BALANCE	606,860	(4,879)	(8,892)	11,259	(1,117,252)
FUND BALANCE, BEGINNING OF YEAR	<u>2,055,255</u>	<u>4,879</u>	<u>182,764</u>		<u>59,920,867</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,662,115</u>	<u>\$</u>	<u>\$ 173,872</u>	<u>\$ 11,259</u>	<u>\$ 58,803,615</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas	Total Capital Project Funds
<b>ASSETS</b>									
Cash, cash equivalents and investments	\$ 24,604,666	\$ 3,798,969	\$ 7,965,422	\$ 484,314	\$ 451,657	\$ 10,097	\$ 11,701,364	\$ 5,677,609	\$ 54,694,098
Restricted cash and cash equivalents	51,274		185,269						236,543
Accounts receivable, net							36,461		36,461
Interest receivable	53,648	8,500	17,698	976		476	28,794	12,349	122,441
Notes receivable, net	11,649,598								11,649,598
Due from other governments	89,690	742,562			83,896	199,000			1,115,148
Advances to other funds	621,261								621,261
Total assets	<u>\$ 37,070,137</u>	<u>\$ 4,550,031</u>	<u>\$ 8,168,389</u>	<u>\$ 485,290</u>	<u>\$ 535,553</u>	<u>\$ 209,573</u>	<u>\$ 11,766,619</u>	<u>\$ 5,689,958</u>	<u>\$ 68,475,550</u>
<b>LIABILITIES</b>									
Accounts payable and other accrued liabilities	\$ 300,026	\$ 196,474	\$ 35,563	\$	\$	\$	\$ 818,608	\$	\$ 1,350,671
Accrued wages	5,768		83				2,540		8,391
Due to other governments				300,000					300,000
Deposits	28,625								28,625
Total liabilities	<u>334,419</u>	<u>196,474</u>	<u>35,646</u>	<u>300,000</u>			<u>821,148</u>		<u>1,687,687</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue, notes receivable	11,649,598						11,338		11,649,598
Unavailable revenue, other receivables									11,338
Total deferred inflows of resources	<u>11,649,598</u>						<u>11,338</u>		<u>11,660,936</u>
Total liabilities and deferred inflows of resources	<u>11,984,017</u>	<u>196,474</u>	<u>35,646</u>	<u>300,000</u>			<u>832,486</u>		<u>13,348,623</u>
<b>FUND BALANCES</b>									
Restricted	25,086,120	4,353,557	8,132,743	185,290	535,553	209,573	10,934,133	5,689,958	38,502,836
Assigned									16,624,091
Total fund balances	<u>25,086,120</u>	<u>4,353,557</u>	<u>8,132,743</u>	<u>185,290</u>	<u>535,553</u>	<u>209,573</u>	<u>10,934,133</u>	<u>5,689,958</u>	<u>55,126,927</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,070,137</u>	<u>\$ 4,550,031</u>	<u>\$ 8,168,389</u>	<u>\$ 485,290</u>	<u>\$ 535,553</u>	<u>\$ 209,573</u>	<u>\$ 11,766,619</u>	<u>\$ 5,689,958</u>	<u>\$ 68,475,550</u>

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# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas	Total Capital Project Funds
<b>REVENUES</b>									
Property taxes	\$ 89,690	\$ 2,758,525		\$	\$ 83,896	\$ 1,127,564	\$ 38,618	\$	\$ 1,127,564
Intergovernmental		248,858					1,587		2,970,729
Charges for services									250,445
Impact fees			612,612						612,612
Investment income	521,839	47,338	112,877	3,210		1,555	170,883	76,167	933,869
Developer contributions							2,175,512		2,175,512
Rental fees	547,580								547,580
Miscellaneous		14,892	32				301,035		315,959
Total revenues	<u>1,159,109</u>	<u>3,069,613</u>	<u>725,521</u>	<u>3,210</u>	<u>83,896</u>	<u>1,129,119</u>	<u>2,687,635</u>	<u>76,167</u>	<u>8,934,270</u>
<b>EXPENDITURES</b>									
Current									
General government							404,148		404,148
Public safety							63,297		63,297
Public works	604,750				83,896		577,540		1,266,186
Culture and recreation		2,209,271	325,752				53,797		2,588,820
Total current	<u>604,750</u>	<u>2,209,271</u>	<u>325,752</u>		<u>83,896</u>		<u>1,098,782</u>		<u>4,322,451</u>
Capital outlay									
General government							713,262		713,262
Public safety							50,370		50,370
Public works	2,572,002						1,490,686		4,062,688
Culture and recreation		189,090	408,546				35,000		632,636
Total capital outlay	<u>2,572,002</u>	<u>189,090</u>	<u>408,546</u>				<u>2,289,318</u>		<u>5,458,956</u>
Total expenditures	<u>3,176,752</u>	<u>2,398,361</u>	<u>734,298</u>		<u>83,896</u>		<u>3,388,100</u>		<u>9,781,407</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,017,643)</u>	<u>671,252</u>	<u>(8,777)</u>	<u>3,210</u>		<u>1,129,119</u>	<u>(700,465)</u>	<u>76,167</u>	<u>(847,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from land sales	3,444,629								3,444,629
Transfers out	(527)	(274,794)				(1,000,000)	(303,151)		(1,578,472)
Total other financing sources (uses)	<u>3,444,102</u>	<u>(274,794)</u>				<u>(1,000,000)</u>	<u>(303,151)</u>		<u>1,866,157</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas	Total Capital Project Funds
CHANGE IN FUND BALANCE	1,426,459	396,458	(8,777)	3,210		129,119	(1,003,616)	76,167	1,019,020
FUND BALANCE, BEGINNING OF YEAR	23,659,661	3,957,099	8,141,520	182,080	535,553	80,454	11,937,749	5,613,791	54,107,907
FUND BALANCE, END OF YEAR	<u>\$ 25,086,120</u>	<u>\$ 4,353,557</u>	<u>\$ 8,132,743</u>	<u>\$ 185,290</u>	<u>\$ 535,553</u>	<u>\$ 209,573</u>	<u>\$ 10,934,133</u>	<u>\$ 5,689,958</u>	<u>\$ 55,126,927</u>

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 55,620,183	\$ 54,993,388	\$ (626,795)
Franchise fees	31,000,000	31,481,739	481,739
Licenses and permits	8,078,000	8,079,773	1,773
Intergovernmental	90,466,588	91,584,835	1,118,247
Charges for services	23,792,507	23,064,070	(728,437)
Fines and forfeitures	4,005,464	4,353,572	348,108
Investment income	125,000	184,834	59,834
Developer contributions	75,000		(75,000)
Miscellaneous	629,442	494,123	(135,319)
Total revenues	<u>213,792,184</u>	<u>214,236,334</u>	<u>444,150</u>
<b>EXPENDITURES</b>			
General government			
Mayor and council			
Salaries and wages	320,718	317,073	3,645
Employee benefits	182,082	182,892	(810)
Services and supplies	164,732	132,497	32,235
Total mayor and council	<u>667,532</u>	<u>632,462</u>	<u>35,070</u>
City manager			
Salaries and wages	607,944	598,882	9,062
Employee benefits	224,514	222,850	1,664
Services and supplies	80,418	44,799	35,619
Total city manager	<u>912,876</u>	<u>866,531</u>	<u>46,345</u>
Finance			
Salaries and wages	3,656,138	3,618,581	37,557
Employee benefits	1,481,109	1,453,711	27,398
Services and supplies	395,552	272,211	123,341
Total finance	<u>5,532,799</u>	<u>5,344,503</u>	<u>188,296</u>
Information technology			
Salaries and wages	4,996,278	4,922,927	73,351
Employee benefits	1,992,707	1,954,814	37,893
Services and supplies	980,537	587,997	392,540
Total information technology	<u>7,969,522</u>	<u>7,465,738</u>	<u>503,784</u>
City clerk			
Salaries and wages	1,149,610	1,122,017	27,593
Employee benefits	493,719	482,861	10,858
Services and supplies	229,743	228,376	1,367
Total city clerk	<u>1,873,072</u>	<u>1,833,254</u>	<u>39,818</u>
Human resources			
Salaries and wages	1,478,632	1,435,163	43,469
Employee benefits	609,201	598,420	10,781
Services and supplies	565,783	466,455	99,328
Total human resources	<u>2,653,616</u>	<u>2,500,038</u>	<u>153,578</u>
City attorney			
Salaries and wages	1,484,001	1,501,702	(17,701)
Employee benefits	674,134	660,003	14,131
Services and supplies	1,167,564	335,386	832,178
Total city attorney	<u>3,325,699</u>	<u>2,497,091</u>	<u>828,608</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
Community development			
Salaries and wages	2,133,583	2,104,292	29,291
Employee benefits	864,499	844,418	20,081
Services and supplies	459,251	268,830	190,421
Total community development	<u>3,457,333</u>	<u>3,217,540</u>	<u>239,793</u>
Building maintenance			
Salaries and wages	2,285,618	2,281,326	4,292
Employee benefits	1,099,784	1,074,851	24,933
Services and supplies	4,739,288	4,187,953	551,335
Total building maintenance	<u>8,124,690</u>	<u>7,544,130</u>	<u>580,560</u>
Public affairs			
Salaries and wages	1,168,216	1,145,314	22,902
Employee benefits	476,054	461,197	14,857
Services and supplies	620,073	541,392	78,681
Total public affairs	<u>2,264,343</u>	<u>2,147,903</u>	<u>116,440</u>
Internal audit			
Salaries and wages	136,865	135,465	1,400
Employee benefits	50,378	49,271	1,107
Services and supplies	19,989	11,247	8,742
Total internal audit	<u>207,232</u>	<u>195,983</u>	<u>11,249</u>
Miscellaneous			
Salaries and wages	1,861,950	2,000,558	(138,608)
Employee benefits	580,501	538,130	42,371
Services and supplies	779,034	418,857	360,177
Total miscellaneous	<u>3,221,485</u>	<u>2,957,545</u>	<u>263,940</u>
Total general government	<u>40,210,199</u>	<u>37,202,718</u>	<u>3,007,481</u>
Judicial			
Municipal court			
Salaries and wages	4,005,078	3,947,852	57,226
Employee benefits	1,929,815	1,914,573	15,242
Services and supplies	528,719	517,892	10,827
Total municipal court	<u>6,463,612</u>	<u>6,380,317</u>	<u>83,295</u>
City attorney- criminal			
Salaries and wages	2,130,837	2,087,800	43,037
Employee benefits	933,578	919,980	13,598
Services and supplies	256,566	197,113	59,453
Total city attorney- criminal	<u>3,320,981</u>	<u>3,204,893</u>	<u>116,088</u>
City attorney- court programs			
Salaries and wages	1,164,379	1,117,842	46,537
Employee benefits	428,380	416,499	11,881
Services and supplies	248,364	170,848	77,516
Total city attorney- court programs	<u>1,841,123</u>	<u>1,705,189</u>	<u>135,934</u>
Total judicial	<u>11,625,716</u>	<u>11,290,399</u>	<u>335,317</u>

(Continued)



# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
Public safety			
Fire			
Salaries and wages	25,764,140	25,542,780	221,360
Employee benefits	11,377,808	11,292,359	85,449
Services and supplies	1,972,837	2,183,174	(210,337)
Capital outlay	20,000	14,443	5,557
Total fire	<u>39,134,785</u>	<u>39,032,756</u>	<u>102,029</u>
Police			
Salaries and wages	46,023,895	46,098,844	(74,949)
Employee benefits	23,760,926	23,637,170	123,756
Services and supplies	8,796,561	8,363,806	432,755
Capital outlay	24,150	14,599	9,551
Total police	<u>78,605,532</u>	<u>78,114,419</u>	<u>491,113</u>
Building inspection			
Salaries and wages	992,578	940,102	52,476
Employee benefits	428,405	413,657	14,748
Services and supplies	136,774	124,615	12,159
Capital outlay	60,000	55,961	4,039
Total building inspection	<u>1,617,757</u>	<u>1,534,335</u>	<u>83,422</u>
Total public safety	<u>119,358,074</u>	<u>118,681,510</u>	<u>676,564</u>
Public works			
Streets			
Salaries and wages	591,646	541,639	50,007
Employee benefits	269,021	247,002	22,019
Services and supplies	145,777	214,960	(69,183)
Total streets	<u>1,006,444</u>	<u>1,003,601</u>	<u>2,843</u>
Street lighting			
Salaries and wages	937,878	883,164	54,714
Employee benefits	372,672	372,288	384
Services and supplies	1,638,491	1,555,322	83,169
Total street lighting	<u>2,949,041</u>	<u>2,810,774</u>	<u>138,267</u>
Public works general services			
Salaries and wages	1,681,264	1,643,860	37,404
Employee benefits	696,623	677,843	18,780
Services and supplies	243,166	260,360	(17,194)
Total public works general services	<u>2,621,053</u>	<u>2,582,063</u>	<u>38,990</u>
Total public works	<u>6,576,538</u>	<u>6,396,438</u>	<u>180,100</u>
Culture and recreation			
Parks			
Salaries and wages	7,187,546	7,102,010	85,536
Employee benefits	3,186,615	3,149,453	37,162
Services and supplies	4,977,324	4,600,341	376,983
Capital outlay	30,000	6,320	23,680
Total parks	<u>15,381,485</u>	<u>14,858,124</u>	<u>523,361</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
Recreation			
Salaries and wages	11,774,384	11,502,233	272,151
Employee benefits	3,192,514	3,073,086	119,428
Services and supplies	4,501,103	4,173,269	327,834
Capital outlay	20,020	18,707	1,313
Total recreation	<u>19,488,021</u>	<u>18,767,295</u>	<u>720,726</u>
Total culture and recreation	<u>34,869,506</u>	<u>33,625,419</u>	<u>1,244,087</u>
Community support			
Economic development			
Salaries and wages	441,067	440,148	919
Employee benefits	179,162	170,419	8,743
Services and supplies	228,906	230,588	(1,682)
Total economic development	<u>849,135</u>	<u>841,155</u>	<u>7,980</u>
Neighborhood services			
Salaries and wages	326,687	318,469	8,218
Employee benefits	130,008	126,845	3,163
Services and supplies	478,414	226,180	252,234
Total neighborhood services	<u>935,109</u>	<u>671,494</u>	<u>263,615</u>
Total community support	<u>1,784,244</u>	<u>1,512,649</u>	<u>271,595</u>
Total expenditures	<u>214,424,277</u>	<u>208,709,133</u>	<u>5,715,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(632,093)</u>	<u>5,527,201</u>	<u>6,159,294</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,000,000		(4,000,000)
Transfers out	(2,910,371)	(4,604,972)	(1,694,601)
Total other financing sources (uses)	<u>1,089,629</u>	<u>(4,604,972)</u>	<u>(5,694,601)</u>
CHANGE IN FUND BALANCE	457,536	922,229	464,693
FUND BALANCE, BEGINNING OF YEAR	<u>17,328,221</u>	<u>17,328,221</u>	
FUND BALANCE, END OF YEAR	<u>\$ 17,785,757</u>	<u>\$ 18,250,450</u>	<u>\$ 464,693</u>

# CITY OF HENDERSON, NEVADA

## GRANTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 20,362,336	\$ 17,990,178	\$ (2,372,158)
Miscellaneous	240,825	312,465	71,640
Total revenues	<u>20,603,161</u>	<u>18,302,643</u>	<u>(2,300,518)</u>
EXPENDITURES			
General government			
Salaries and wages	402,078	332,111	69,967
Employee benefits	170,149	139,395	30,754
Services and supplies	700,634	1,022,878	(322,244)
Total general government	<u>1,272,861</u>	<u>1,494,384</u>	<u>(221,523)</u>
Judicial			
Services and supplies	200,000		200,000
Total judicial	<u>200,000</u>	<u></u>	<u>200,000</u>
Public safety			
Salaries and wages	292,981	364,598	(71,617)
Employee benefits	37,397	56,554	(19,157)
Services and supplies	359,740	406,735	(46,995)
Capital outlay	617,520	440,712	176,808
Total public safety	<u>1,307,638</u>	<u>1,268,599</u>	<u>39,039</u>
Public works			
Services and supplies	224,374	257,722	(33,348)
Capital outlay	1,406,350	1,741,868	(335,518)
Total public works	<u>1,630,724</u>	<u>1,999,590</u>	<u>(368,866)</u>
Culture and recreation			
Salaries and wages	48,503	175,344	(126,841)
Employee benefits	12,452	48,031	(35,579)
Services and supplies	3,281,561	2,506,451	775,110
Capital outlay	4,815,244	4,724,740	90,504
Total culture and recreation	<u>8,157,760</u>	<u>7,454,566</u>	<u>703,194</u>
Community support			
Salaries and wages	555,474	546,916	8,558
Employee benefits	231,287	234,641	(3,354)
Services and supplies	7,110,952	5,309,948	1,801,004
Total community support	<u>7,897,713</u>	<u>6,091,505</u>	<u>1,806,208</u>
Total expenditures	<u>20,466,696</u>	<u>18,308,644</u>	<u>2,158,052</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>136,465</u>	<u>(6,001)</u>	<u>(142,466)</u>
OTHER FINANCING USES			
Transfers out	(1,000,000)	(1,000,000)	
CHANGE IN FUND BALANCE	(863,535)	(1,006,001)	(142,466)
FUND BALANCE, BEGINNING OF YEAR	<u>1,581,960</u>	<u>1,581,960</u>	
FUND BALANCE, END OF YEAR	<u>\$ 718,425</u>	<u>\$ 575,959</u>	<u>\$ (142,466)</u>

# CITY OF HENDERSON, NEVADA

## REDEVELOPMENT AGENCY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 3,946,537	\$ 4,954,393	\$ 1,007,856
Intergovernmental		15,584	15,584
Investment income	110,000	219,631	109,631
Miscellaneous	217,584	165,218	(52,366)
Total revenues	<u>4,274,121</u>	<u>5,354,826</u>	<u>1,080,705</u>
EXPENDITURES			
General government			
Salaries and wages	565,727	553,145	12,582
Employee benefits	242,464	226,673	15,791
Services and supplies	3,021,192	2,982,416	38,776
Total general government	<u>3,829,383</u>	<u>3,762,234</u>	<u>67,149</u>
Debt service			
Principal payments	680,000	680,000	
Interest and fiscal charges	669,121	669,121	
Total debt service	<u>1,349,121</u>	<u>1,349,121</u>	
Total expenditures	<u>5,178,504</u>	<u>5,111,355</u>	<u>67,149</u>
CHANGE IN FUND BALANCE	(904,383)	243,471	1,147,854
FUND BALANCE, BEGINNING OF YEAR	<u>29,418,640</u>	<u>29,418,639</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 28,514,257</u>	<u>\$ 29,662,110</u>	<u>\$ 1,147,853</u>

# CITY OF HENDERSON, NEVADA

## GAS TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 2,834,675	\$ 3,033,811	\$ 199,136
Investment income	<u>105,000</u>	<u>111,757</u>	<u>6,757</u>
Total revenues	<u>2,939,675</u>	<u>3,145,568</u>	<u>205,893</u>
EXPENDITURES			
Public works			
Salaries and wages	515,268	496,155	19,113
Employee benefits	236,956	207,326	29,630
Services and supplies	767,560	518,211	249,349
Capital outlay	<u>7,428,619</u>	<u>4,936,208</u>	<u>2,492,411</u>
Total public works	<u>8,948,403</u>	<u>6,157,900</u>	<u>2,790,503</u>
Total expenditures	<u>8,948,403</u>	<u>6,157,900</u>	<u>2,790,503</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,008,728)</u>	<u>(3,012,332)</u>	<u>2,996,396</u>
OTHER FINANCING USES			
Transfers out	<u>(105,000)</u>	<u>(80,264)</u>	<u>24,736</u>
CHANGE IN FUND BALANCE	(6,113,728)	(3,092,596)	3,021,132
FUND BALANCE, BEGINNING OF YEAR	<u>9,806,738</u>	<u>9,806,738</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,693,010</u>	<u>\$ 6,714,142</u>	<u>\$ 3,021,132</u>

# CITY OF HENDERSON, NEVADA

## FORFEITED ASSETS SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 604,272	\$ 595,228	\$ (9,044)
Investment income	1,000	6,540	5,540
Miscellaneous		8,185	8,185
Total revenues	<u>605,272</u>	<u>609,953</u>	<u>4,681</u>
EXPENDITURES			
Public safety			
Services and supplies	505,180	312,716	192,464
Capital outlay	195,554	55,868	139,686
Total public safety	<u>700,734</u>	<u>368,584</u>	<u>332,150</u>
Total expenditures	<u>700,734</u>	<u>368,584</u>	<u>332,150</u>
CHANGE IN FUND BALANCE	(95,462)	241,369	336,831
FUND BALANCE, BEGINNING OF YEAR	<u>353,576</u>	<u>353,576</u>	
FUND BALANCE, END OF YEAR	<u>\$ 258,114</u>	<u>\$ 594,945</u>	<u>\$ 336,831</u>

# CITY OF HENDERSON, NEVADA

## MUNICIPAL COURT ADMINISTRATIVE FEE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ <u>732,043</u>	\$ <u>710,192</u>	\$ <u>(21,851)</u>
EXPENDITURES			
Judicial			
Salaries and wages	203,574	85,509	118,065
Employee benefits	64,204	26,443	37,761
Services and supplies	<u>789,796</u>	<u>656,604</u>	<u>133,192</u>
Total judicial	<u>1,057,574</u>	<u>768,556</u>	<u>289,018</u>
Total expenditures	<u>1,057,574</u>	<u>768,556</u>	<u>289,018</u>
CHANGE IN FUND BALANCE	(325,531)	(58,364)	267,167
FUND BALANCE, BEGINNING OF YEAR	<u>1,091,452</u>	<u>1,091,452</u>	
FUND BALANCE, END OF YEAR	<u>\$ 765,921</u>	<u>\$ 1,033,088</u>	<u>\$ 267,167</u>

# CITY OF HENDERSON, NEVADA

## FINANCIAL STABILIZATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 10,873	\$ 13,571	\$ 2,698
Investment income	<u>175,000</u>	<u>230,949</u>	<u>55,949</u>
Total revenues	<u>185,873</u>	<u>244,520</u>	<u>58,647</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>185,873</u>	<u>244,520</u>	<u>58,647</u>
OTHER FINANCING SOURCES			
Transfers in	<u>570,000</u>	<u>700,000</u>	<u>130,000</u>
CHANGE IN FUND BALANCE	755,873	944,520	188,647
FUND BALANCE, BEGINNING OF YEAR	<u>17,007,564</u>	<u>17,007,564</u>	
FUND BALANCE, END OF YEAR	<u>\$ 17,763,437</u>	<u>\$ 17,952,084</u>	<u>\$ 188,647</u>



# CITY OF HENDERSON, NEVADA

## SALES AND USE TAX SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 11,200,000	\$ 11,436,957	\$ 236,957
Charges for services		5,967	5,967
Investment income	5,000	2,482	(2,518)
Miscellaneous		2,733	2,733
Total revenues	<u>11,205,000</u>	<u>11,448,139</u>	<u>243,139</u>
EXPENDITURES			
Public safety			
Salaries and wages	6,171,644	6,049,886	121,758
Employee benefits	3,509,490	3,347,350	162,140
Services and supplies	1,465,196	1,444,043	21,153
Total public safety	<u>11,146,330</u>	<u>10,841,279</u>	<u>305,051</u>
Total expenditures	<u>11,146,330</u>	<u>10,841,279</u>	<u>305,051</u>
CHANGE IN FUND BALANCE	58,670	606,860	548,190
FUND BALANCE, BEGINNING OF YEAR	<u>2,055,255</u>	<u>2,055,255</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,113,925</u>	<u>\$ 2,662,115</u>	<u>\$ 548,190</u>

# CITY OF HENDERSON, NEVADA

## CODE ENFORCEMENT SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 6,000	\$	\$ (6,000)
Investment income		33	33
Total revenues	<u>6,000</u>	<u>33</u>	<u>(5,967)</u>
EXPENDITURES			
Public safety			
Services and supplies	<u>6,000</u>	<u>4,912</u>	<u>1,088</u>
CHANGE IN FUND BALANCE		(4,879)	(4,879)
FUND BALANCE, BEGINNING OF YEAR	<u>4,879</u>	<u>4,879</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,879</u>	<u>\$</u>	<u>\$ (4,879)</u>

# CITY OF HENDERSON, NEVADA

## COMMISSARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 78,000	\$ 72,648	\$ (5,352)
Investment income	<u>1,000</u>	<u>2,798</u>	<u>1,798</u>
Total revenues	<u>79,000</u>	<u>75,446</u>	<u>(3,554)</u>
EXPENDITURES			
Public safety			
Salaries and wages	4,000	3,308	692
Employee benefits	1,011	581	430
Services and supplies	62,490	46,300	16,190
Capital outlay	<u>33,499</u>	<u>34,149</u>	<u>(650)</u>
Total expenditures	<u>101,000</u>	<u>84,338</u>	<u>16,662</u>
CHANGE IN FUND BALANCE	(22,000)	(8,892)	13,108
FUND BALANCE, BEGINNING OF YEAR	<u>182,764</u>	<u>182,764</u>	
FUND BALANCE, END OF YEAR	<u>\$ 160,764</u>	<u>\$ 173,872</u>	<u>\$ 13,108</u>

# CITY OF HENDERSON, NEVADA

## ELDORADO VALLEY TRAINING FACILITY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES			
Transfers in	\$ <u>16,658</u>	\$ <u>11,259</u>	\$ <u>(5,399)</u>
CHANGE IN FUND BALANCE	16,658	11,259	(5,399)
FUND BALANCE, BEGINNING OF YEAR	<u>          </u>	<u>          </u>	<u>          </u>
FUND BALANCE, END OF YEAR	\$ <u><u>16,658</u></u>	\$ <u><u>11,259</u></u>	\$ <u><u>(5,399)</u></u>

# CITY OF HENDERSON, NEVADA

## GENERAL OBLIGATION DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 2,915,812	\$ 2,882,601	\$ (33,211)
Investment income	21,500	46,445	24,945
Miscellaneous		10	10
Total revenues	<u>2,937,312</u>	<u>2,929,056</u>	<u>(8,256)</u>
EXPENDITURES			
Debt service			
Principal payments	3,528,565	3,528,565	
Interest and fiscal charges	4,544,764	4,544,765	(1)
Administrative and other costs	91,222	16,350	74,872
Total debt service	<u>8,164,551</u>	<u>8,089,680</u>	<u>74,871</u>
Total expenditures	<u>8,164,551</u>	<u>8,089,680</u>	<u>74,871</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,227,239)</u>	<u>(5,160,624)</u>	<u>66,615</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>6,089,670</u>	<u>7,052,393</u>	<u>962,723</u>
CHANGE IN FUND BALANCE	862,431	1,891,769	1,029,338
FUND BALANCE, BEGINNING OF YEAR	<u>2,215,640</u>	<u>2,215,640</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,078,071</u>	<u>\$ 4,107,409</u>	<u>\$ 1,029,338</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 76,155	\$ 130,820	\$ 54,665
Investment income	123,749	141,428	17,679
Miscellaneous		47,628	47,628
Total revenues	<u>199,904</u>	<u>319,876</u>	<u>119,972</u>
EXPENDITURES			
Debt service			
Administrative and other costs		5,013	(5,013)
EXCESS OF REVENUES OVER EXPENDITURES	<u>199,904</u>	<u>314,863</u>	<u>114,959</u>
OTHER FINANCING USES			
Transfers out		(272,671)	(272,671)
CHANGE IN FUND BALANCE	199,904	42,192	(157,712)
FUND BALANCE, BEGINNING OF YEAR	<u>866,967</u>	<u>866,967</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,066,871</u>	<u>\$ 909,159</u>	<u>\$ (157,712)</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ 25,000	\$ 23,782	\$ (1,218)
Developer contributions	<u>162,495</u>	<u>29,914</u>	<u>(132,581)</u>
Total revenues	<u>187,495</u>	<u>53,696</u>	<u>(133,799)</u>
EXPENDITURES			
Public works			
Salaries and wages		37,238	(37,238)
Employee benefits		12,878	(12,878)
Services and supplies	58,841,687	24,098,955	34,742,732
Capital outlay	<u>18,760,506</u>	<u>8,596,431</u>	<u>10,164,075</u>
Total public works	<u>77,602,193</u>	<u>32,745,502</u>	<u>44,856,691</u>
Debt service			
Interest and fiscal charges	<u>114,789</u>	<u>109,565</u>	<u>5,224</u>
Total expenditures	<u>77,716,982</u>	<u>32,855,067</u>	<u>44,861,915</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(77,529,487)</u>	<u>(32,801,371)</u>	<u>44,728,116</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		<u>272,671</u>	<u>272,671</u>
CHANGE IN FUND BALANCE	(77,529,487)	(32,528,700)	45,000,787
FUND BALANCE, BEGINNING OF YEAR	<u>89,824,570</u>	<u>89,824,570</u>	
FUND BALANCE, END OF YEAR	<u>\$ 12,295,083</u>	<u>\$ 57,295,870</u>	<u>\$ 45,000,787</u>

# CITY OF HENDERSON, NEVADA

## MUNICIPAL FACILITIES ACQUISITION AND CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
REVENUES			
Impact fees	\$ 650,000	\$ 778,084	\$ 128,084
Investment income	100,000	109,707	9,707
Developer contributions		1,659,609	1,659,609
Total revenues	<u>750,000</u>	<u>2,547,400</u>	<u>1,797,400</u>
EXPENDITURES			
General government			
Services and supplies	67,128	280	66,848
Capital outlay	84,709		84,709
Total general government	<u>151,837</u>	<u>280</u>	<u>151,557</u>
Public safety			
Services and supplies	50,385	11,859	38,526
Capital outlay	314,708	261,938	52,770
Total public safety	<u>365,093</u>	<u>273,797</u>	<u>91,296</u>
Public works			
Salaries and wages	62,021	22,308	39,713
Employee benefits	2,460	769	1,691
Services and supplies	1,330,121	195,014	1,135,107
Capital outlay	373,664	201,697	171,967
Total public works	<u>1,768,266</u>	<u>419,788</u>	<u>1,348,478</u>
Culture and recreation			
Services and supplies	4,563	4,563	
Total expenditures	<u>2,289,759</u>	<u>698,428</u>	<u>1,591,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,539,759)</u>	<u>1,848,972</u>	<u>3,388,731</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,900,000)</u>	<u>(900,000)</u>	<u>4,000,000</u>
CHANGE IN FUND BALANCE	(6,439,759)	948,972	7,388,731
FUND BALANCE, BEGINNING OF YEAR	<u>9,642,558</u>	<u>9,642,558</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,202,799</u>	<u>\$ 10,591,530</u>	<u>\$ 7,388,731</u>



# CITY OF HENDERSON, NEVADA

## LAND SALES CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 89,690	\$ 89,690
Investment income	311,310	521,839	210,529
Rental fees	538,902	547,580	8,678
Total revenues	<u>850,212</u>	<u>1,159,109</u>	<u>308,897</u>
EXPENDITURES			
General government			
Salaries and wages	20,000		20,000
Services and supplies	292,781		292,781
Total general government	<u>312,781</u>		<u>312,781</u>
Public safety			
Capital outlay	<u>779,000</u>		<u>779,000</u>
Public works			
Salaries and wages	5,000	7,571	(2,571)
Employee benefits	1,500	2,484	(984)
Services and supplies	2,270,146	594,695	1,675,451
Capital outlay	3,388,663	2,572,002	816,661
Total public works	<u>5,665,309</u>	<u>3,176,752</u>	<u>2,488,557</u>
Community support			
Services and supplies	<u>21,103</u>		<u>21,103</u>
Total expenditures	<u>6,778,193</u>	<u>3,176,752</u>	<u>3,601,441</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,927,981)</u>	<u>(2,017,643)</u>	<u>3,910,338</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales	3,250,000	3,444,629	194,629
Transfers out	(527)	(527)	
Total other financing sources (uses)	<u>3,249,473</u>	<u>3,444,102</u>	<u>194,629</u>
CHANGE IN FUND BALANCE	(2,678,508)	1,426,459	4,104,967
FUND BALANCE, BEGINNING OF YEAR	<u>23,659,661</u>	<u>23,659,661</u>	
FUND BALANCE, END OF YEAR	<u>\$ 20,981,153</u>	<u>\$ 25,086,120</u>	<u>\$ 4,104,967</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL RECREATION CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 2,500,000	\$ 2,758,525	\$ 258,525
Charges for services	250,000	248,858	(1,142)
Investment income	30,000	47,338	17,338
Miscellaneous	15,000	14,892	(108)
Total revenues	<u>2,795,000</u>	<u>3,069,613</u>	<u>274,613</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	63,195	19,345	43,850
Employee benefits	2,830	2,618	212
Services and supplies	2,527,422	2,187,308	340,114
Capital outlay	<u>602,537</u>	<u>189,090</u>	<u>413,447</u>
Total expenditures	<u>3,195,984</u>	<u>2,398,361</u>	<u>797,623</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(400,984)</u>	<u>671,252</u>	<u>1,072,236</u>
OTHER FINANCING USES			
Transfers out	<u>(274,794)</u>	<u>(274,794)</u>	
CHANGE IN FUND BALANCE	(675,778)	396,458	1,072,236
FUND BALANCE, BEGINNING OF YEAR	<u>3,957,099</u>	<u>3,957,099</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,281,321</u>	<u>\$ 4,353,557</u>	<u>\$ 1,072,236</u>

# CITY OF HENDERSON, NEVADA

## PARK DEVELOPMENT CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Impact fees	\$ 495,000	\$ 612,612	\$ 117,612
Investment income	77,000	112,877	35,877
Miscellaneous		32	32
Total revenues	<u>572,000</u>	<u>725,521</u>	<u>153,521</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages		83	(83)
Employee benefits		25	(25)
Services and supplies	872,949	325,644	547,305
Capital outlay	<u>4,714,180</u>	<u>408,546</u>	<u>4,305,634</u>
Total expenditures	<u>5,587,129</u>	<u>734,298</u>	<u>4,852,831</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,015,129)</u>	<u>(8,777)</u>	<u>5,006,352</u>
CHANGE IN FUND BALANCE	(5,015,129)	(8,777)	5,006,352
FUND BALANCE, BEGINNING OF YEAR	<u>8,141,520</u>	<u>8,141,520</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,126,391</u>	<u>\$ 8,132,743</u>	<u>\$ 5,006,352</u>

# CITY OF HENDERSON, NEVADA

## FLOOD CONTROL CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>1,000</u>	\$ <u>3,210</u>	\$ <u>2,210</u>
CHANGE IN FUND BALANCE	1,000	3,210	2,210
FUND BALANCE, BEGINNING OF YEAR	<u>182,080</u>	<u>182,080</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>183,080</u></u>	\$ <u><u>185,290</u></u>	\$ <u><u>2,210</u></u>

# CITY OF HENDERSON, NEVADA

## RTC/COUNTY FUNDED CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ <u>          </u>	\$ <u>83,896</u>	\$ <u>83,896</u>
EXPENDITURES			
Public works			
Services and supplies	115,534	83,896	31,638
Capital outlay	<u>109,749</u>	<u>          </u>	<u>109,749</u>
Total expenditures	<u>225,283</u>	<u>83,896</u>	<u>141,387</u>
CHANGE IN FUND BALANCE	(225,283)		225,283
FUND BALANCE, BEGINNING OF YEAR	<u>535,553</u>	<u>535,553</u>	<u>          </u>
FUND BALANCE, END OF YEAR	\$ <u><u>310,270</u></u>	\$ <u><u>535,553</u></u>	\$ <u><u>225,283</u></u>

# CITY OF HENDERSON, NEVADA

## SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,112,071	\$ 1,127,564	\$ 15,493
Investment income		<u>1,555</u>	<u>1,555</u>
Total revenues	<u>1,112,071</u>	<u>1,129,119</u>	<u>17,048</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,112,071</u>	<u>1,129,119</u>	<u>17,048</u>
OTHER FINANCING USES			
Transfers out	<u>(1,100,000)</u>	<u>(1,000,000)</u>	<u>100,000</u>
CHANGE IN FUND BALANCE	12,071	129,119	117,048
FUND BALANCE, BEGINNING OF YEAR	<u>80,454</u>	<u>80,454</u>	
FUND BALANCE, END OF YEAR	<u>\$ 92,525</u>	<u>\$ 209,573</u>	<u>\$ 117,048</u>

# CITY OF HENDERSON, NEVADA

## CAPITAL REPLACEMENT CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 38,618	\$ 38,618	\$
Charges for services	2,000,000	1,587	(1,998,413)
Investment income	135,000	170,883	35,883
Developer contributions	2,177,620	2,175,512	(2,108)
Miscellaneous	94,989	301,035	206,046
Total revenues	<u>4,446,227</u>	<u>2,687,635</u>	<u>(1,758,592)</u>
EXPENDITURES			
General government			
Salaries and wages	92,881	86,488	6,393
Employee benefits	29,691	32,457	(2,766)
Services and supplies	284,527	285,203	(676)
Capital outlay	1,636,444	713,262	923,182
Total general government	<u>2,043,543</u>	<u>1,117,410</u>	<u>926,133</u>
Judicial			
Capital outlay	<u>52,715</u>	<u></u>	<u>52,715</u>
Public safety			
Services and supplies	127,820	63,297	64,523
Capital outlay	119,893	50,370	69,523
Total public safety	<u>247,713</u>	<u>113,667</u>	<u>134,046</u>
Public works			
Salaries and wages	7,951	15,885	(7,934)
Employee benefits	2,671	5,388	(2,717)
Services and supplies	3,119,619	556,267	2,563,352
Capital outlay	5,122,297	1,490,686	3,631,611
Total public works	<u>8,252,538</u>	<u>2,068,226</u>	<u>6,184,312</u>
Culture and recreation			
Services and supplies	59,981	53,797	6,184
Capital outlay	2,126,207	35,000	2,091,207
Total culture and recreation	<u>2,186,188</u>	<u>88,797</u>	<u>2,097,391</u>
Total expenditures	<u>12,782,697</u>	<u>3,388,100</u>	<u>9,394,597</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(8,336,470)</u>	<u>(700,465)</u>	<u>7,636,005</u>
OTHER FINANCING USES			
Transfers out	<u>(303,151)</u>	<u>(303,151)</u>	<u></u>
CHANGE IN FUND BALANCE	(8,639,621)	(1,003,616)	7,636,005
FUND BALANCE, BEGINNING OF YEAR	<u>11,937,749</u>	<u>11,937,749</u>	<u></u>
FUND BALANCE, END OF YEAR	<u>\$ 3,298,128</u>	<u>\$ 10,934,133</u>	<u>\$ 7,636,005</u>

# CITY OF HENDERSON, NEVADA

## LAKE LAS VEGAS CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>60,000</u>	\$ <u>76,167</u>	\$ <u>16,167</u>
CHANGE IN FUND BALANCE	60,000	76,167	16,167
FUND BALANCE, BEGINNING OF YEAR	<u>5,613,791</u>	<u>5,613,791</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>5,673,791</u></u>	\$ <u><u>5,689,958</u></u>	\$ <u><u>16,167</u></u>



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## PROPRIETARY FUNDS

### Internal Service Funds

**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other department or agencies of the government and to other governmental units, on a cost reimbursement basis.

**Engineering** - to account for the financing of engineering services provided by City engineers to other departments or to other governmental units such as Federal (Environmental Protection Agency and Housing and Urban Development) or State. Charges are made on a cost-reimbursement basis.

**City Shop** - to account for the costs of acquisition, maintenance (including fuel) and replacement of all City vehicles. Charges are billed to the user departments on a cost-reimbursement basis including depreciation.

**Revolving Fund** - to account for the resources and revenues of a fund that is restricted to the provision of loans to special assessment districts.

**Self Insurance** - to account for monies collected from various City departments and funds that are to be expended for payment of claims, to certain limits, for casualty and accident losses.

**Workmen's Compensation Self Insurance** - to account for and accumulate funds collected from various City departments and funds to be expended for payments of employees' work related injury claims, to certain limits, including disability payments.

**Health Insurance Self Insurance** - to account for and accumulate funds collected from various City

departments and funds to be expended for payments of employees' health claims, to certain limits, and related insurance premiums including life and travel insurance for employees.

**Citywide Services** - to account for the costs of common services such as telephone, copy and print services, and certain information technology services provided by one department to other departments and funds on a cost reimbursement basis.

### Enterprise Funds

#### Non-major Enterprise Funds

**Cultural Arts & Tourism Enterprise Fund** - to account for costs of operating the Henderson Convention Center, the Henderson Events Plaza, and the Pavilion at Liberty Pointe. Resources for the operation of these activities are derived from a room tax imposed by the City, a percentage of the total Gaming License Revenue received by the City designated for the support of the convention center and the promotion of tourism, and user fees.

**Municipal Golf Course Enterprise Fund** - to account for the operations related to the City's municipal golf course known as the Wildhorse Golf Course.

**Development Services Fund** - to account for activities and transactions related to the building permit processing function. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, permit processing, issuance, monitoring, building inspection, plan checking, certain development reviews and related administrative expenses.

## 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2014

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
<b>ASSETS</b>								
Current assets								
Cash, cash equivalents and investments	\$ 5,289,097	\$ 14,271,857	\$ 2,555,937	\$ 6,249,455	\$ 22,079,947	\$ 7,051,293	\$ 9,144,091	\$ 66,641,677
Accounts receivable, net	16,956	4,906		38,160	257,548	129,755		447,325
Interest receivable	11,280	29,757	5,517	13,331	43,323	15,203	14,748	133,159
Inventories		118,042						118,042
Due from other governments	213,987				69,078			283,065
Total current assets	<u>5,531,320</u>	<u>14,424,562</u>	<u>2,561,454</u>	<u>6,300,946</u>	<u>22,449,896</u>	<u>7,196,251</u>	<u>9,158,839</u>	<u>67,623,268</u>
Noncurrent assets								
Capital assets, net of accumulated depreciation and amortization								
Construction in progress		642,933						642,933
Buildings and building improvements		744,560						744,560
Improvements other than buildings		555,663						555,663
Machinery and equipment	53,386	48,912,797						48,966,183
Accumulated depreciation and amortization	(53,386)	(37,813,058)						(37,866,444)
Total capital assets, net of accumulated depreciation and amortization		<u>13,042,895</u>						<u>13,042,895</u>
Other assets								
Advances to other funds			1,745,465					1,745,465
Total noncurrent assets		<u>13,042,895</u>	<u>1,745,465</u>					<u>14,788,360</u>
Total assets	<u>5,531,320</u>	<u>27,467,457</u>	<u>4,306,919</u>	<u>6,300,946</u>	<u>22,449,896</u>	<u>7,196,251</u>	<u>9,158,839</u>	<u>82,411,628</u>
<b>LIABILITIES</b>								
Current liabilities								
Accounts payable and other accrued liabilities	42,012	323,145		17,623	62,936	352,226	410,872	1,208,814
Accrued wages	84,107	25,873		10,263	18,348	1,971	5,466	146,028
Deposits							59,797	59,797
Compensated absences	138,300	40,843		15,382	16,727	6,266	4,548	222,066
Claims and judgments				1,918,083	11,690,239	1,570,000		15,178,322
Total current liabilities	<u>264,419</u>	<u>389,861</u>		<u>1,961,351</u>	<u>11,788,250</u>	<u>1,930,463</u>	<u>480,683</u>	<u>16,815,027</u>

(Continued)

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
Noncurrent liabilities								
Compensated absences	1,322,245	390,490		147,064	159,924	59,904	43,479	2,123,106
Other post employment benefits	635,917	183,616		56,587	50,514	11,565	40,703	978,902
Total noncurrent liabilities	<u>1,958,162</u>	<u>574,106</u>		<u>203,651</u>	<u>210,438</u>	<u>71,469</u>	<u>84,182</u>	<u>3,102,008</u>
Total liabilities	<u>2,222,581</u>	<u>963,967</u>		<u>2,165,002</u>	<u>11,998,688</u>	<u>2,001,932</u>	<u>564,865</u>	<u>19,917,035</u>
NET POSITION								
Net investment in capital assets		13,042,895						13,042,895
Restricted				4,135,944	10,451,208	5,194,319		19,781,471
Claims	3,308,739	13,460,595	4,306,919				8,593,974	29,670,227
Unrestricted	<u>3,308,739</u>	<u>26,503,490</u>	<u>4,306,919</u>	<u>4,135,944</u>	<u>10,451,208</u>	<u>5,194,319</u>	<u>8,593,974</u>	<u>62,494,593</u>
Total net position	<u>\$ 3,308,739</u>	<u>\$ 26,503,490</u>	<u>\$ 4,306,919</u>	<u>\$ 4,135,944</u>	<u>\$ 10,451,208</u>	<u>\$ 5,194,319</u>	<u>\$ 8,593,974</u>	<u>\$ 62,494,593</u>

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
<b>OPERATING REVENUES</b>								
Charges for services	\$ 4,451,085	\$ 5,434,146	\$	\$ 2,201,837	\$ 3,362,830	\$ 13,494,016	\$ 9,116,966	\$ 38,060,880
<b>OPERATING EXPENSES</b>								
Salaries and wages	3,739,231	1,236,378		487,349	849,921	91,325	253,027	6,657,231
Employee benefits	1,424,618	533,083		185,368	335,416	35,920	110,063	2,624,468
Services and supplies	1,503,558	4,108,089	86,248	1,148,565	1,350,427	2,841,329	6,976,888	18,015,104
Claims and judgments				694,969	1,885,799	10,491,215		13,071,983
Legal fees				2,759	18,512			21,271
Depreciation and amortization		3,543,650						3,543,650
Total operating expenses	6,667,407	9,421,200	86,248	2,519,010	4,440,075	13,459,789	7,339,978	43,933,707
Operating income (loss)	(2,216,322)	(3,987,054)	(86,248)	(317,173)	(1,077,245)	34,227	1,776,988	(5,872,827)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment income	67,546	214,596	141,500	84,954	277,837	96,210	81,587	964,230
Gain (loss) on capital asset disposition		185,299						185,299
Interest expense					(8,733)			(8,733)
Miscellaneous	137,749	14,342		38,109		15,524		205,724
Total nonoperating revenues (expenses)	205,295	414,237		123,063	269,104	111,734	81,587	1,346,520
Income (loss) before capital contributions and transfers	(2,011,027)	(3,572,817)	55,252	(194,110)	(808,141)	145,961	1,858,575	(4,526,307)
<b>CAPITAL CONTRIBUTIONS</b>								
Capital contributions		126,271						126,271
<b>TRANSFERS</b>								
Transfers in	2,097,516						650,000	2,747,516
Transfers out			(20,000)					(20,000)
Total transfers	2,097,516		(20,000)				650,000	2,727,516
<b>CHANGE IN NET POSITION</b>	86,489	(3,446,546)	35,252	(194,110)	(808,141)	145,961	2,508,575	(1,672,520)
<b>NET POSITION, BEGINNING OF YEAR</b>	3,222,250	29,950,036	4,271,667	4,330,054	11,259,349	5,048,358	6,085,399	64,167,113
<b>NET POSITION, END OF YEAR</b>	3,308,739	26,503,490	4,306,919	4,135,944	10,451,208	5,194,319	8,593,974	62,494,593

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# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash received from customers	\$ 573,129	\$ 16,957	\$ 86,250	\$ 38,109	\$ 938,253	\$ 15,524	\$ 13,524	\$ 1,511,382
Cash received from other sources	137,749	(4,829,067)	(86,248)	(2,059,450)	(3,122,842)	(13,615,625)	(7,151,665)	308,113
Cash payments for goods and services	(2,890,722)	(1,208,400)	(466,980)	(760,920)	(81,517)	(253,063)	(6,181,695)	(33,755,619)
Cash payments for employee services	(3,410,815)	5,434,146	2,201,837	(3,362,830)	12,555,763	9,103,442		36,439,897
Cash payments for interfund services	3,781,879	(586,364)	2	(286,484)	(187,602)	1,712,238		(1,677,922)
Net cash provided by (used in) operating activities	(1,808,780)							
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers in	2,097,516							2,747,516
Transfers out			(20,000)				650,000	(20,000)
Repayments of advances from other funds			163,106					163,106
Net cash provided by noncapital financing activities	2,097,516		143,106				650,000	2,890,622
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets		(3,689,704)						(3,689,704)
Proceeds received from disposal of capital assets		915,952						915,952
Interest payments on debt		(2,773,752)			(8,733)			(8,733)
Net cash used in capital financing activities					(8,733)			(2,782,485)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Investment income received	65,931	220,916	140,376	84,194	275,441	96,335	75,375	958,568
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	354,667	(3,139,200)	283,484	(202,290)	(254,224)	(91,267)	2,437,613	(611,217)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	4,934,430	17,411,057	2,272,453	6,451,745	22,334,171	7,142,560	6,706,478	67,252,894
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 5,289,097</u>	<u>\$ 14,271,857</u>	<u>\$ 2,555,937</u>	<u>\$ 6,249,455</u>	<u>\$ 22,079,947</u>	<u>\$ 7,051,293</u>	<u>\$ 9,144,091</u>	<u>\$ 66,641,677</u>

(Continued)



# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ (2,216,322)	\$ (3,987,054)	\$ (86,248)	\$ (317,173)	\$ (1,077,245)	\$ 34,227	\$ 1,776,988	\$ (5,872,827)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation		3,543,650				15,524		3,543,650
Other	137,749	14,342		38,109				205,724
(Increase) decrease in operating assets								
Accounts receivable	(16,524)	2,615	86,250	(37,898)	(203,159)	(58,494)		(227,210)
Due from other governments	(103,069)				(69,078)			(172,147)
Due from other funds	23,516							23,516
Inventories		(12,917)						(12,917)
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	19,503	(185,093)		14,222	(32,764)	328,938	(53,452)	91,354
Compensated absences	309,310	25,001		19,086	82,932	9,405	(720)	445,014
Termination benefits	(911)							(911)
Claims and judgements				(8,231)	769,381	(460,000)		301,150
Other post employment benefits	37,968	13,092		5,401	9,001	982	2,946	69,390
Deposits							(13,524)	(13,524)
Unearned revenue						(58,184)		(58,184)
Total adjustments	407,542	3,400,690	86,250	30,689	556,313	(221,829)	(64,750)	4,194,905
Net cash provided by (used in) operating activities	\$ (1,808,780)	\$ (586,364)	\$ 2	\$ (286,484)	\$ (520,932)	\$ (187,602)	\$ 1,712,238	\$ (1,677,922)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	\$	\$ 126,271	\$	\$	\$	\$	\$	\$ 126,271

# CITY OF HENDERSON, NEVADA

## ENGINEERING INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 3,853,016	\$ 4,451,085	\$ 598,069
OPERATING EXPENSES			
Salaries and wages	3,525,886	3,739,231	(213,345)
Employee benefits	1,393,800	1,424,618	(30,818)
Services and supplies	1,633,838	1,503,558	130,280
Total operating expenses	<u>6,553,524</u>	<u>6,667,407</u>	<u>(113,883)</u>
Operating loss	<u>(2,700,508)</u>	<u>(2,216,322)</u>	<u>484,186</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	30,000	67,546	37,546
Miscellaneous	<u>30,000</u>	<u>137,749</u>	<u>137,749</u>
Total nonoperating revenues (expenses)	<u>30,000</u>	<u>205,295</u>	<u>175,295</u>
Loss before transfers	<u>(2,670,508)</u>	<u>(2,011,027)</u>	<u>659,481</u>
TRANSFERS			
Transfers in	<u>2,097,516</u>	<u>2,097,516</u>	<u>          </u>
CHANGE IN NET POSITION	<u>\$ (572,992)</u>	86,489	<u>\$ 659,481</u>
NET POSITION, BEGINNING OF YEAR		<u>3,222,250</u>	
NET POSITION, END OF YEAR		<u>\$ 3,308,739</u>	

# CITY OF HENDERSON, NEVADA

## CITY SHOP INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 4,557,002	\$ 5,434,146	\$ 877,144
OPERATING EXPENSES			
Salaries and wages	1,447,371	1,236,378	210,993
Employee benefits	579,199	533,083	46,116
Services and supplies	4,318,388	4,108,089	210,299
Depreciation and amortization	4,084,000	3,543,650	540,350
Total operating expenses	<u>10,428,958</u>	<u>9,421,200</u>	<u>1,007,758</u>
Operating loss	<u>(5,871,956)</u>	<u>(3,987,054)</u>	<u>1,884,902</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	100,000	214,596	114,596
Gain (loss) on capital asset disposition	185,000	185,299	299
Miscellaneous	<u>                    </u>	<u>14,342</u>	<u>14,342</u>
Total nonoperating revenues (expenses)	<u>285,000</u>	<u>414,237</u>	<u>129,237</u>
Loss before capital contributions	<u>(5,586,956)</u>	<u>(3,572,817)</u>	<u>2,014,139</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>100,000</u>	<u>126,271</u>	<u>26,271</u>
TRANSFERS			
Transfers out	<u>(570,000)</u>	<u>                    </u>	<u>570,000</u>
CHANGE IN NET POSITION	<u>\$ (6,056,956)</u>	<u>(3,446,546)</u>	<u>\$ 2,610,410</u>
NET POSITION, BEGINNING OF YEAR		<u>29,950,036</u>	
NET POSITION, END OF YEAR		<u>\$ 26,503,490</u>	

# CITY OF HENDERSON, NEVADA

## REVOLVING INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>86,250</u>	\$ <u></u>	\$ <u>(86,250)</u>
OPERATING EXPENSES			
Services and supplies	<u>86,250</u>	<u>86,248</u>	<u>2</u>
Operating income	<u></u>	<u>(86,248)</u>	<u>(86,248)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	<u>20,000</u>	<u>141,500</u>	<u>121,500</u>
Income before transfers	<u>20,000</u>	<u>55,252</u>	<u>35,252</u>
TRANSFERS			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u></u>
CHANGE IN NET POSITION	\$ <u><u></u></u>	35,252	\$ <u><u>35,252</u></u>
NET POSITION, BEGINNING OF YEAR		<u>4,271,667</u>	
NET POSITION, END OF YEAR		\$ <u><u>4,306,919</u></u>	

# CITY OF HENDERSON, NEVADA

## SELF INSURANCE INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>2,201,837</u>	\$ <u>2,201,837</u>	\$ <u></u>
OPERATING EXPENSES			
Salaries and wages	448,438	487,349	(38,911)
Employee benefits	177,354	185,368	(8,014)
Services and supplies	1,184,357	1,148,565	35,792
Claims and judgments	1,340,000	694,969	645,031
Legal fees	<u>50,000</u>	<u>2,759</u>	<u>47,241</u>
Total operating expenses	<u>3,200,149</u>	<u>2,519,010</u>	<u>681,139</u>
Operating loss	<u>(998,312)</u>	<u>(317,173)</u>	<u>681,139</u>
NONOPERATING REVENUES			
Investment income	50,000	84,954	34,954
Miscellaneous	<u></u>	<u>38,109</u>	<u>38,109</u>
Total nonoperating revenues	<u>50,000</u>	<u>123,063</u>	<u>73,063</u>
CHANGE IN NET POSITION	\$ <u>(948,312)</u>	(194,110)	\$ <u>754,202</u>
NET POSITION, BEGINNING OF YEAR		<u>4,330,054</u>	
NET POSITION, END OF YEAR		\$ <u>4,135,944</u>	

# CITY OF HENDERSON, NEVADA

## WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 3,551,111	\$ 3,362,830	\$ (188,281)
OPERATING EXPENSES			
Salaries and wages	885,000	849,921	35,079
Employee benefits	494,343	335,416	158,927
Services and supplies	1,454,702	1,350,427	104,275
Claims and judgments	3,687,692	1,885,799	1,801,893
Legal fees	20,400	18,512	1,888
Total operating expenses	<u>6,542,137</u>	<u>4,440,075</u>	<u>2,102,062</u>
Operating loss	<u>(2,991,026)</u>	<u>(1,077,245)</u>	<u>1,913,781</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	75,000	277,837	202,837
Interest expense	<u>(5,000)</u>	<u>(8,733)</u>	<u>(3,733)</u>
Total nonoperating revenues (expenses)	<u>70,000</u>	<u>269,104</u>	<u>199,104</u>
CHANGE IN NET POSITION	<u>\$ (2,921,026)</u>	(808,141)	<u>\$ 2,112,885</u>
NET POSITION, BEGINNING OF YEAR		<u>11,259,349</u>	
NET POSITION, END OF YEAR		<u>\$ 10,451,208</u>	

# CITY OF HENDERSON, NEVADA

## HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>13,270,413</u>	\$ <u>13,494,016</u>	\$ <u>223,603</u>
OPERATING EXPENSES			
Salaries and wages	81,832	91,325	(9,493)
Employee benefits	34,910	35,920	(1,010)
Services and supplies	2,474,840	2,841,329	(366,489)
Claims and judgments	<u>14,564,000</u>	<u>10,491,215</u>	<u>4,072,785</u>
Total operating expenses	<u>17,155,582</u>	<u>13,459,789</u>	<u>3,695,793</u>
Operating income (loss)	<u>(3,885,169)</u>	<u>34,227</u>	<u>3,919,396</u>
NONOPERATING REVENUES			
Investment income	50,000	96,210	46,210
Miscellaneous	<u>50,000</u>	<u>15,524</u>	<u>15,524</u>
Total nonoperating revenues	<u>50,000</u>	<u>111,734</u>	<u>61,734</u>
CHANGE IN NET POSITION	\$ <u>(3,835,169)</u>	145,961	\$ <u>3,981,130</u>
NET POSITION, BEGINNING OF YEAR		<u>5,048,358</u>	
NET POSITION, END OF YEAR		\$ <u>5,194,319</u>	

# CITY OF HENDERSON, NEVADA

## CITYWIDE SERVICES INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 6,963,226	\$ 9,116,966	\$ 2,153,740
OPERATING EXPENSES			
Salaries and wages	281,310	253,027	28,283
Employee benefits	111,204	110,063	1,141
Services and supplies	7,065,052	6,976,888	88,164
Depreciation and amortization	17,000	17,000	17,000
Total operating expenses	<u>7,474,566</u>	<u>7,339,978</u>	<u>134,588</u>
Operating income (loss)	<u>(511,340)</u>	<u>1,776,988</u>	<u>2,288,328</u>
NONOPERATING REVENUES			
Investment income	<u>35,000</u>	<u>81,587</u>	<u>46,587</u>
Income (loss) before transfers	<u>(476,340)</u>	<u>1,858,575</u>	<u>2,334,915</u>
TRANSFERS			
Transfers in	<u>650,000</u>	<u>650,000</u>	<u></u>
CHANGE IN NET POSITION	<u>\$ 173,660</u>	<u>2,508,575</u>	<u>\$ 2,334,915</u>
NET POSITION, BEGINNING OF YEAR		<u>6,085,399</u>	
NET POSITION, END OF YEAR		<u>\$ 8,593,974</u>	



# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2014

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
<b>ASSETS</b>				
Current assets				
Cash, cash equivalents and investments	\$ 2,920,637	\$ 35,447	\$ 9,433,749	\$ 12,389,833
Accounts receivable, net	3,800	196,773		200,573
Interest receivable	5,841	141	22,269	28,251
Due from other governments	370,410			370,410
Total current assets	<u>3,300,688</u>	<u>232,361</u>	<u>9,456,018</u>	<u>12,989,067</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Land		13,802,929		13,802,929
Buildings and building improvements	3,835,536	5,660,600		9,496,136
Improvements other than buildings	1,398,259	23,435,472	1,206,116	26,039,847
Machinery and equipment	254,249	2,261,672	2,901,974	5,417,895
Accumulated depreciation and amortization	(3,082,846)	(17,875,661)	(3,512,130)	(24,470,637)
Total capital assets, net of accumulated depreciation and amortization	<u>2,405,198</u>	<u>27,285,012</u>	<u>595,960</u>	<u>30,286,170</u>
Total noncurrent assets	<u>2,405,198</u>	<u>27,285,012</u>	<u>595,960</u>	<u>30,286,170</u>
Total assets	<u>5,705,886</u>	<u>27,517,373</u>	<u>10,051,978</u>	<u>43,275,237</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and other accrued liabilities	60,116		71,952	132,068
Accrued wages	40,050		101,110	141,160
Unearned revenue			5,370,483	5,370,483
Deposits	4,480		100,797	105,277
Compensated absences	60,802		125,555	186,357
Total current liabilities	<u>165,448</u>		<u>5,769,897</u>	<u>5,935,345</u>
Noncurrent liabilities				
Compensated absences	542,068		1,119,357	1,661,425
Other post employment benefits	263,216		1,016,372	1,279,588
Total noncurrent liabilities	<u>805,284</u>		<u>2,135,729</u>	<u>2,941,013</u>
Total liabilities	<u>970,732</u>		<u>7,905,626</u>	<u>8,876,358</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,405,198	27,285,012	595,960	30,286,170
Unrestricted	<u>2,329,956</u>	<u>232,361</u>	<u>1,550,392</u>	<u>4,112,709</u>
Total net position	<u>\$ 4,735,154</u>	<u>\$ 27,517,373</u>	<u>\$ 2,146,352</u>	<u>\$ 34,398,879</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 268,217	\$ 2,414,107	\$ 7,851,796	\$ 10,534,120
Licenses and permits	516,818		3,261,112	3,777,930
Rental fees	277,120			277,120
Miscellaneous	16,086		6,313	22,399
Total operating revenues	<u>1,078,241</u>	<u>2,414,107</u>	<u>11,119,221</u>	<u>14,611,569</u>
OPERATING EXPENSES				
Salaries and wages	1,929,502		4,583,487	6,512,989
Employee benefits	657,670		1,745,841	2,403,511
Services and supplies	1,400,140	2,583,824	4,136,312	8,120,276
Depreciation and amortization	184,181	810,547	48,775	1,043,503
Total operating expenses	<u>4,171,493</u>	<u>3,394,371</u>	<u>10,514,415</u>	<u>18,080,279</u>
Operating income (loss)	<u>(3,093,252)</u>	<u>(980,264)</u>	<u>604,806</u>	<u>(3,468,710)</u>
NONOPERATING REVENUES				
Investment income	32,074	3,100	117,710	152,884
Room tax revenue	1,801,825			1,801,825
Other intergovernmental revenue	1,739,252			1,739,252
Total nonoperating revenues	<u>3,573,151</u>	<u>3,100</u>	<u>117,710</u>	<u>3,693,961</u>
Income (loss) before transfers	<u>479,899</u>	<u>(977,164)</u>	<u>722,516</u>	<u>225,251</u>
TRANSFERS				
Transfers out	<u>(527)</u>	<u></u>	<u>(652,371)</u>	<u>(652,898)</u>
CHANGE IN NET POSITION	479,372	(977,164)	70,145	(427,647)
NET POSITION, BEGINNING OF YEAR	<u>4,255,782</u>	<u>28,494,537</u>	<u>2,076,207</u>	<u>34,826,526</u>
NET POSITION, END OF YEAR	<u>\$ 4,735,154</u>	<u>\$ 27,517,373</u>	<u>\$ 2,146,352</u>	<u>\$ 34,398,879</u>

# CITY OF HENDERSON, NEVADA

## NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Aggregate Other Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,030,361	\$ 2,387,571	\$ 12,717,762	\$ 16,135,694
Cash received from other sources	3,541,077			3,541,077
Cash payments for goods and services	(2,046,950)	(2,652,495)	(5,804,597)	(10,504,042)
Cash payments for employee services	(1,853,180)		(4,515,316)	(6,368,496)
Net cash provided by (used in) operating activities	<u>671,308</u>	<u>(264,924)</u>	<u>2,397,849</u>	<u>2,804,233</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	<u>(527)</u>		<u>(652,371)</u>	<u>(652,898)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets			<u>(17,618)</u>	<u>(17,618)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	<u>30,342</u>	<u>3,773</u>	<u>111,458</u>	<u>145,573</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>701,123</u>	<u>(261,151)</u>	<u>1,839,318</u>	<u>2,279,290</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,219,514</u>	<u>296,598</u>	<u>7,594,431</u>	<u>10,110,543</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>				
Cash and cash equivalents, unrestricted	<u>2,920,637</u>	<u>35,447</u>	<u>9,433,749</u>	<u>12,389,833</u>
	<u>\$ 2,920,637</u>	<u>\$ 35,447</u>	<u>\$ 9,433,749</u>	<u>\$ 12,389,833</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (3,093,252)	\$ (980,264)	\$ 604,806	\$ (3,468,710)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	184,181	810,547	48,775	1,043,503
Other	3,541,077			3,541,077
Increase in operating assets				
Accounts receivable	(1,800)	(26,536)		(28,336)
Due from other governments	(46,080)			(46,080)
Increase (decrease) in operating liabilities				
Accounts payable and other accrued liabilities	1,224	(17,844)	57,941	41,321
Compensated absences	70,467		144,322	214,789
Termination benefits			(104,008)	(104,008)
Other post employment benefits	15,711		45,660	61,371
Deposits	(220)	(50,827)	1,812	(49,235)
Unearned revenue			1,598,541	1,598,541
Total adjustments	<u>3,764,560</u>	<u>715,340</u>	<u>1,793,043</u>	<u>6,272,943</u>
Net cash provided by (used in) operating activities	<u>\$ 671,308</u>	<u>\$ (264,924)</u>	<u>\$ 2,397,849</u>	<u>\$ 2,804,233</u>

# CITY OF HENDERSON, NEVADA

## WATER ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Utilities fees	\$ 64,297,824	\$ 63,068,388	\$ (1,229,436)
Connection fees	300,000	859,323	559,323
Late charges	1,400,000	1,246,607	(153,393)
Miscellaneous	350,000	120,986	(229,014)
Total operating revenues	<u>66,347,824</u>	<u>65,295,304</u>	<u>(1,052,520)</u>
OPERATING EXPENSES			
Salaries and wages	11,002,577	10,505,683	496,894
Employee benefits	4,650,026	4,515,804	134,222
Water purchases	24,139,832	23,434,038	705,794
Services and supplies	19,100,048	16,747,770	2,352,278
Depreciation and amortization	28,185,340	26,177,882	2,007,458
Total operating expenses	<u>87,077,823</u>	<u>81,381,177</u>	<u>5,696,646</u>
Operating loss	<u>(20,729,999)</u>	<u>(16,085,873)</u>	<u>4,644,126</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,023,987	1,359,872	335,885
Gain (loss) on capital asset disposition		(76,920)	(76,920)
Interest expense	(968,425)	(916,156)	52,269
Other intergovernmental revenue		2,280	2,280
Miscellaneous	199,705		(199,705)
Total nonoperating revenues (expenses)	<u>255,267</u>	<u>369,076</u>	<u>113,809</u>
Loss before capital contributions and transfers	<u>(20,474,732)</u>	<u>(15,716,797)</u>	<u>4,757,935</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>2,220,000</u>	<u>10,267,097</u>	<u>8,047,097</u>
TRANSFERS			
Transfers out	<u>(1,023,987)</u>	<u>(1,072,610)</u>	<u>(48,623)</u>
CHANGE IN NET POSITION	<u>\$ (19,278,719)</u>	<u>(6,522,310)</u>	<u>\$ 12,756,409</u>
NET POSITION, BEGINNING OF YEAR		<u>475,894,815</u>	
NET POSITION, END OF YEAR		<u>\$ 469,372,505</u>	

# CITY OF HENDERSON, NEVADA

## SEWER ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utilities fees	\$ 38,264,385	\$ 39,379,653	\$ 1,115,268
Connection fees	25,000	86,915	61,915
Late charges	500,000	616,764	116,764
Intergovernmental		333,507	333,507
Miscellaneous	25,000	2,160	(22,840)
Total operating revenues	<u>38,814,385</u>	<u>40,418,999</u>	<u>1,604,614</u>
OPERATING EXPENSES			
Salaries and wages	9,761,327	9,115,173	646,154
Employee benefits	4,105,715	3,881,807	223,908
Services and supplies	16,525,771	15,386,750	1,139,021
Depreciation and amortization	26,876,264	24,372,917	2,503,347
Total operating expenses	<u>57,269,077</u>	<u>52,756,647</u>	<u>4,512,430</u>
Operating loss	<u>(18,454,692)</u>	<u>(12,337,648)</u>	<u>6,117,044</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	563,116	758,392	195,276
Intergovernmental	167,501		(167,501)
Gain (loss) on capital asset disposition		1,995	1,995
Interest expense	(4,922,953)	(4,826,789)	96,164
Sales tax revenue	3,000,000	4,358,347	1,358,347
Miscellaneous	69,981	2,710	(67,271)
Total nonoperating revenues (expenses)	<u>(1,122,355)</u>	<u>294,655</u>	<u>1,417,010</u>
Loss before capital contributions and transfers	<u>(19,577,047)</u>	<u>(12,042,993)</u>	<u>7,534,054</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>3,880,000</u>	<u>9,925,830</u>	<u>6,045,830</u>
TRANSFERS			
Transfers out	<u>(563,116)</u>	<u>(601,952)</u>	<u>(38,836)</u>
CHANGE IN NET POSITION	<u>\$ (16,260,163)</u>	<u>(2,719,115)</u>	<u>\$ 13,541,048</u>
NET POSITION, BEGINNING OF YEAR		<u>493,311,912</u>	
NET POSITION, END OF YEAR		<u>\$ 490,592,797</u>	

# CITY OF HENDERSON, NEVADA

## CULTURAL ARTS AND TOURISM ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 229,700	\$ 268,217	\$ 38,517
Licenses and permits	630,000	516,818	(113,182)
Rental fees	260,000	277,120	17,120
Miscellaneous	52,000	16,086	(35,914)
Total operating revenues	<u>1,171,700</u>	<u>1,078,241</u>	<u>(93,459)</u>
OPERATING EXPENSES			
Salaries and wages	2,243,998	1,929,502	314,496
Employee benefits	917,104	657,670	259,434
Services and supplies	1,592,078	1,400,140	191,938
Depreciation and amortization	200,000	184,181	15,819
Total operating expenses	<u>4,953,180</u>	<u>4,171,493</u>	<u>781,687</u>
Operating loss	<u>(3,781,480)</u>	<u>(3,093,252)</u>	<u>688,228</u>
NONOPERATING REVENUES			
Investment income	20,000	32,074	12,074
Room tax revenue	1,600,000	1,801,825	201,825
Other intergovernmental revenue	1,883,000	1,739,252	(143,748)
Total nonoperating revenues	<u>3,503,000</u>	<u>3,573,151</u>	<u>70,151</u>
Income (loss) before transfers	<u>(278,480)</u>	<u>479,899</u>	<u>758,379</u>
TRANSFERS			
Transfers out	<u>(527)</u>	<u>(527)</u>	
CHANGE IN NET POSITION	<u>\$ (279,007)</u>	479,372	<u>\$ 758,379</u>
NET POSITION, BEGINNING OF YEAR		<u>4,255,782</u>	
NET POSITION, END OF YEAR		<u>\$ 4,735,154</u>	

# CITY OF HENDERSON, NEVADA

## MUNICIPAL GOLF COURSE ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>2,395,298</u>	\$ <u>2,414,107</u>	\$ <u>18,809</u>
OPERATING EXPENSES			
Services and supplies	2,387,090	2,583,824	(196,734)
Depreciation and amortization	<u>825,000</u>	<u>810,547</u>	<u>14,453</u>
Total operating expenses	<u>3,212,090</u>	<u>3,394,371</u>	<u>(182,281)</u>
Operating loss	<u>(816,792)</u>	<u>(980,264)</u>	<u>(163,472)</u>
NONOPERATING REVENUES			
Investment income	<u>2,000</u>	<u>3,100</u>	<u>1,100</u>
CHANGE IN NET POSITION	\$ <u>(814,792)</u>	(977,164)	\$ <u>(162,372)</u>
NET POSITION, BEGINNING OF YEAR		<u>28,494,537</u>	
NET POSITION, END OF YEAR		\$ <u><u>27,517,373</u></u>	

# CITY OF HENDERSON, NEVADA

## DEVELOPMENT SERVICES ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 8,143,444	\$ 7,851,796	\$ (291,648)
Licenses and permits	3,351,314	3,261,112	(90,202)
Miscellaneous	5,242	6,313	1,071
Total operating revenues	<u>11,500,000</u>	<u>11,119,221</u>	<u>(380,779)</u>
OPERATING EXPENSES			
Salaries and wages	4,563,659	4,583,487	(19,828)
Employee benefits	1,735,715	1,745,841	(10,126)
Services and supplies	4,543,402	4,136,312	407,090
Depreciation and amortization	50,000	48,775	1,225
Total operating expenses	<u>10,892,776</u>	<u>10,514,415</u>	<u>378,361</u>
Operating income	<u>607,224</u>	<u>604,806</u>	<u>(2,418)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	<u>80,000</u>	<u>117,710</u>	<u>37,710</u>
Income before transfers	<u>687,224</u>	<u>722,516</u>	<u>35,292</u>
TRANSFERS			
Transfers out	<u>(652,371)</u>	<u>(652,371)</u>	
CHANGE IN NET POSITION	<u>\$ 34,853</u>	70,145	<u>\$ 35,292</u>
NET POSITION, BEGINNING OF YEAR		<u>2,076,207</u>	
NET POSITION, END OF YEAR		<u>\$ 2,146,352</u>	



## FIDUCIARY FUNDS

**Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.**

**Section 125 Agency Fund** - to account for City employee contributions to an employee benefits plan enacted under Section 125 of the Internal Revenue Code. The plan is administered by an independent plan administrator.

**Traffic Signal Agency Fund** - to account for contributions by developers for the construction of traffic signals at intersections throughout the City of Henderson. These contributions are held by the City in an agency capacity to be used toward the construction of designated traffic signals or to be refunded to developers.

**Forfeited Assets Fund** - to account for monies impounded under applicable racketeering and/or controlled substance laws pending court adjudication.

**Paving Frontage Agency Fund** - to account for assessments accumulated for use as the land-owner portion of street frontage paving costs in defined areas.

**Special Assessment Districts Agency Fund** - to account for the repayment of special assessment district debt for which no assets or revenues of the City have been pledged.

## 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2014

	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Special Assessment Districts</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 157,737	\$ 14,211,937	\$ 277,674	\$ 72,252	\$ 41,608,161	\$ 56,327,761
Special assessments receivable					468,451	468,451
Total assets	<u>\$ 157,737</u>	<u>\$ 14,211,937</u>	<u>\$ 277,674</u>	<u>\$ 72,252</u>	<u>\$ 42,076,612</u>	<u>\$ 56,796,212</u>
<b>LIABILITIES</b>						
Due to developers	\$	\$ 14,211,937	\$	\$ 72,252	\$	\$ 14,284,189
Due to employees	157,737					157,737
Due to others			277,674		42,076,612	42,354,286
Total liabilities	<u>\$ 157,737</u>	<u>\$ 14,211,937</u>	<u>\$ 277,674</u>	<u>\$ 72,252</u>	<u>\$ 42,076,612</u>	<u>\$ 56,796,212</u>

# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<b>SECTION 125 PLAN</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 144,118	\$ 766,649	\$ 753,030	\$ 157,737
<b>LIABILITIES</b>				
Due to employees	\$ 144,118	\$ 766,649	\$ 753,030	\$ 157,737
<b>TRAFFIC SIGNAL</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 13,058,298	\$ 2,224,524	\$ 1,070,885	\$ 14,211,937
<b>LIABILITIES</b>				
Due to developers	\$ 13,058,298	\$ 2,224,524	\$ 1,070,885	\$ 14,211,937
<b>FORFEITED ASSETS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 109,328	\$ 541,062	\$ 372,716	\$ 277,674
<b>LIABILITIES</b>				
Due to others	\$ 109,328	\$ 541,062	\$ 372,716	\$ 277,674
<b>PAVING FRONTAGE</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 71,490	\$ 762		\$ 72,252
<b>LIABILITIES</b>				
Due to developers	\$ 71,490	\$ 762		\$ 72,252
<b>SPECIAL ASSESSMENT DISTRICTS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 53,893,142	\$ 54,847,822	\$ 67,132,803	\$ 41,608,161
Special assessments receivable	469,647	16,821	18,017	468,451
Total assets	\$ 54,362,789	\$ 54,864,643	\$ 67,150,820	\$ 42,076,612
<b>LIABILITIES</b>				
Due to others	\$ 54,362,789	\$ 54,864,643	\$ 67,150,820	\$ 42,076,612
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 67,276,376	\$ 58,380,819	\$ 69,329,434	\$ 56,327,761
Special assessments receivable	469,647	16,821	18,017	468,451
Total assets	\$ 67,746,023	\$ 58,397,640	\$ 69,347,451	\$ 56,796,212
<b>LIABILITIES</b>				
Due to developers	\$ 13,129,788	\$ 2,225,286	\$ 1,070,885	\$ 14,284,189
Due to employees	144,118	766,649	753,030	157,737
Due to others	54,472,117	55,405,705	67,523,536	42,354,286
Total liabilities	\$ 67,746,023	\$ 58,397,640	\$ 69,347,451	\$ 56,796,212

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## STATISTICAL SECTION

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

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

## 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 766,135,825	\$ 789,780,000	\$ 887,712,904	\$ 1,005,171,173	\$ 1,125,613,020	\$ 1,284,908,783	\$ 1,334,875,084	\$ 1,391,457,251	\$ 1,377,259,345	\$ 1,327,111,404
Restricted	159,497,376	314,016,644	348,850,390	358,318,888	351,250,098	314,860,901	273,915,622	235,191,764	210,529,977	179,220,120
Unrestricted	60,409,781	76,195,754	93,080,483	90,195,891	82,400,184	77,704,211	77,453,363	69,583,399	62,500,084	81,948,297
Total governmental activities	986,042,982	1,179,996,398	1,329,643,777	1,453,689,952	1,559,263,302	1,677,473,895	1,686,244,069	1,696,232,414	1,650,289,406	1,588,279,821
<b>Business-type activities</b>										
Net investment in capital assets	520,410,406	580,518,856	627,392,350	714,572,047	787,891,869	862,809,319	880,946,820	873,340,088	846,172,666	831,640,345
Restricted	202,113,468	205,732,209	212,998,953	214,753,110	144,168,298	93,754,763	52,357,776	48,462,130	13,987,769	11,182,393
Unrestricted	90,303,104	111,683,345	129,311,385	111,123,474	118,362,826	98,897,518	95,130,847	88,282,105	111,824,498	115,597,495
Total business-type activities	812,826,978	897,934,410	969,702,688	1,040,448,631	1,050,422,993	1,055,461,600	1,028,435,443	1,010,084,323	971,984,933	958,420,233
<b>Primary government</b>										
Net investment in capital assets	1,286,546,231	1,370,298,856	1,515,105,254	1,719,743,220	1,913,504,889	2,147,718,102	2,215,821,904	2,264,797,339	2,223,432,011	2,158,751,749
Restricted	361,610,844	519,748,853	561,849,343	573,071,998	495,418,396	408,615,664	326,273,398	283,653,894	224,517,746	190,402,513
Unrestricted	150,712,885	187,883,099	222,391,868	201,323,365	200,763,010	176,601,729	172,584,210	157,865,504	174,324,582	197,545,792
Total primary government	\$ 1,798,869,960	\$ 2,077,930,808	\$ 2,299,346,465	\$ 2,494,138,583	\$ 2,609,686,295	\$ 2,732,935,495	\$ 2,714,679,512	\$ 2,706,316,737	\$ 2,622,274,339	\$ 2,546,700,054

# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>Expenses</b>										
Governmental activities										
General government	\$ 48,028,276	\$ 54,340,091	\$ 50,374,073	\$ 61,804,917	\$ 58,435,823	\$ 56,692,760	\$ 52,900,058	\$ 54,671,522	\$ 60,686,477	\$ 47,826,017 <sup>16</sup>
Judicial	4,071,409	8,213,691	9,109,288	10,493,174	11,822,052	11,535,842	12,979,313	12,710,426	14,002,003	13,089,666
Public safety	85,409,518	96,526,544	104,481,376	120,255,700	130,688,497	128,874,376	129,840,963	136,086,182	138,260,143	138,652,346
Public works	47,890,227	52,313,279	58,704,749	62,305,206	67,681,146	73,247,603	74,665,903	77,151,783	75,900,091	104,652,659 <sup>17</sup>
Culture and recreation	34,451,551	34,842,692	39,819,367	45,459,685	42,439,125	42,085,811	44,729,292	47,012,306	46,200,390	44,259,523
Community support	4,139,404	4,629,662	4,865,916	5,457,316	6,678,845	7,176,141	8,601,886	6,542,584	4,952,021	7,686,894 <sup>18</sup>
Interest on long-term debt	8,223,235	8,256,103	9,681,974	8,921,624	8,558,064	8,607,438	8,358,181	6,313,732	6,056,717	6,206,019
Total governmental activities	232,213,620	259,122,062	277,036,743	314,697,622	326,303,552	328,219,971	332,075,600	340,488,535	346,057,842	362,373,124
Business-type activities										
Water	64,469,362	67,434,942	73,406,312	76,910,784	79,665,871	79,669,396	84,611,740	85,564,061	83,514,646	83,097,653
Sewer	33,345,399	35,457,292	42,732,326	46,917,885	47,967,454	49,498,225	52,306,007	53,996,011	53,979,377	58,692,077
Other	25,565,210	30,440,130	35,091,350	38,393,393	29,848,811	19,490,239 <sup>9</sup>	18,392,183	16,763,572	17,257,441	19,458,866
Total business-type activities	123,379,971	133,332,364	151,229,988	162,222,062	157,482,136	148,657,860	155,309,930	156,323,644	154,751,464	161,248,596
Total primary government expenses	\$ 355,593,591	\$ 392,454,426	\$ 428,266,731	\$ 476,919,684	\$ 483,785,688	\$ 476,877,831	\$ 487,385,530	\$ 496,812,179	\$ 500,809,306	\$ 523,621,720
<b>Program revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 11,580,621	\$ 11,951,567	\$ 12,244,183	\$ 12,950,767	\$ 12,745,977	\$ 12,364,344	\$ 12,755,255	\$ 13,313,837 <sup>11</sup>	\$ 12,352,918	\$ 11,044,740
Public safety	9,597,481	9,251,604	10,277,019	11,232,187	13,280,891	15,501,879	16,781,182	23,261,773 <sup>11</sup>	22,577,786	20,964,266
Culture and recreation	6,813,310	7,465,133	7,586,970	7,476,274	7,437,937	7,437,937	7,159,485	7,364,419	7,409,742	7,409,742
Other	1,385,210	771,394	1,004,103	1,370,287	1,606,973	1,958,860	2,162,404	2,764,981	2,582,372	2,414,590
Operating grants and contributions	7,021,016	8,755,233	8,665,051	10,612,335	10,864,690	14,981,464	14,981,464	10,108,605	10,625,816	12,891,586
Capital grants and contributions	100,639,769	193,814,750 <sup>1</sup>	123,717,507	155,138,614	148,125,739	186,667,654	90,276,209 <sup>7</sup>	97,763,977	58,672,921 <sup>14</sup>	39,008,389 <sup>14</sup>
Total governmental activities	137,037,407	232,009,681	163,494,833	197,103,127	193,848,189	234,795,364	144,115,999	154,644,560	114,176,232	93,733,313
Business-type activities										
Charges for services										
Water	48,069,761	54,441,921	59,189,399	57,802,864	57,153,017	57,032,464	60,343,146	61,939,043	63,425,581	65,174,318
Sewer	25,406,890	27,303,279	29,584,283	28,928,294	30,691,222	31,321,424	33,408,659	33,023,243	37,434,262	40,083,332
Other	19,910,500	24,887,497	30,087,396	25,265,757	15,551,293	9,461,451 <sup>7</sup>	9,539,537	10,576,098	14,335,875	16,328,422
Operating grants and contributions		79,574	56,134	77,098	203,810	439,769	252,284	88,378	20,000	
Capital grants and contributions	104,082,490	77,036,081	66,134,052	95,819,296	52,362,486 <sup>7</sup>	46,258,599	16,454,579 <sup>7</sup>	14,658,033	10,187,969	19,717,458 <sup>19</sup>
Total business-type activities	197,469,641	183,748,352	185,051,264	207,893,309	155,961,828	144,513,707	119,998,205	122,284,795	125,403,687	141,303,530
Total primary government program revenues	\$ 334,507,048	\$ 415,758,033	\$ 348,546,097	\$ 404,996,436	\$ 349,810,017	\$ 379,309,071	\$ 264,114,204	\$ 276,929,355	\$ 239,579,919	\$ 235,036,843
<b>Net (expenses) program revenues</b>										
Governmental activities	\$ (95,176,213)	\$ (27,112,381)	\$ (113,541,910)	\$ (117,594,495)	\$ (132,455,363)	\$ (93,424,607)	\$ (187,959,601)	\$ (185,843,975)	\$ (231,881,610)	\$ (268,639,811)
Business-type activities	74,089,670	50,415,988	33,821,276	45,671,247	(1,520,308)	(4,144,153)	(35,311,725)	(34,038,849)	(29,347,777)	(19,945,066)
Primary government	\$ (21,086,543)	\$ 23,303,607	\$ (79,720,634)	\$ (71,923,248)	\$ (133,975,671)	\$ (97,568,760)	\$ (223,271,326)	\$ (219,882,824)	\$ (261,229,387)	\$ (288,584,877)

(Continued)



# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 58,498,497	\$ 68,017,019	\$ 84,670,413	<sup>3</sup> \$ 94,998,902	\$ 99,811,843	\$ 94,879,894	\$ 74,856,808	\$ 67,805,008	\$ 63,320,080	\$ 63,982,175
Intergovernmental revenues - consolidated tax	96,687,531	102,988,098	99,587,194	92,537,034	77,752,314	<sup>8</sup> 70,110,772	73,965,376	77,115,178	81,088,044	88,013,859
Other taxes	28,899,364	41,156,213	<sup>2</sup> 46,983,771	48,591,040	45,366,226	43,968,045	43,534,106	45,310,894	45,472,996	47,983,783
Increase (decrease) in fair value of investments	3,486,212	6,421,835	13,885,771	<sup>4</sup> 18,584,119	14,103,960	<sup>10</sup> 7,187,788	3,211,723	3,807,539	(3,569,677)	<sup>15</sup> 3,115,696
Unrestricted investment income	7,660,298	2,499,938	25,902,150	<sup>5</sup> 709,299	401,596	660,264	4,782	505,220	2,231,741	2,231,741
Gain on disposal of capital assets	1,034,919	1,268,340	1,083,413	1,532,688	1,505,326	1,641,563	1,377,894	4,509,623	4,011,053	185,299
Miscellaneous				<sup>6</sup> (13,888,499)					632,593	812,423
Special item - land donation				(1,423,913)	(912,552)	2,317,722	(220,914)	(3,221,142)	(4,794,708)	2,536,991
Transfers	(3,570,382)	(13,285,666)	(8,923,423)	241,640,670	238,028,713	220,766,048	196,729,775	193,832,320	188,392,122	206,630,226
Total governmental activities	<u>192,696,439</u>	<u>209,065,797</u>	<u>263,189,289</u>	<u>241,640,670</u>	<u>238,028,713</u>	<u>220,766,048</u>	<u>196,729,775</u>	<u>193,832,320</u>	<u>188,392,122</u>	<u>206,630,226</u>
Business-type activities										
Other taxes	6,374,248	7,024,049	7,285,311	7,221,693	6,062,248	5,250,092	4,878,184	5,354,081	5,669,539	6,160,172
Increase (decrease) in fair value of investments									(3,045,590)	<sup>15</sup> 1,710,311
Unrestricted investment income	9,922,035	12,808,610	20,441,004	<sup>4</sup> 20,942,193	13,236,639	5,383,141	2,252,165	3,055,567	3,055,567	2,271,148
Gain on disposal of capital assets	369,085	1,204,034	1,297,264	816,127	901,151	6,080	934,305	4,056,939	496,494	1,995
Miscellaneous	401,898	1,204,034	8,923,423	1,423,913	912,552	(2,317,722)	220,914	3,221,142	4,794,708	484,042
Transfers	3,570,382	13,285,666	8,923,423	30,475,521	21,112,590	9,182,760	8,285,568	15,687,729	9,625,462	(2,536,991)
Total business-type activities	<u>20,268,563</u>	<u>34,691,444</u>	<u>37,947,002</u>	<u>30,475,521</u>	<u>21,112,590</u>	<u>9,182,760</u>	<u>8,285,568</u>	<u>15,687,729</u>	<u>9,625,462</u>	<u>6,380,366</u>
Total primary government general revenues and other changes in net position	<u>\$ 212,965,002</u>	<u>\$ 243,757,241</u>	<u>\$ 301,136,291</u>	<u>\$ 272,116,191</u>	<u>\$ 259,141,303</u>	<u>\$ 229,948,808</u>	<u>\$ 205,015,343</u>	<u>\$ 211,520,049</u>	<u>\$ 198,017,584</u>	<u>\$ 213,010,592</u>
Change in net position										
Governmental activities	\$ 97,520,226	\$ 181,953,416	\$ 149,647,379	\$ 124,046,175	\$ 105,573,350	\$ 127,341,441	\$ 8,770,174	\$ 9,988,345	\$ (43,489,488)	\$ (62,009,585)
Business-type activities	94,358,233	85,107,452	71,768,278	76,146,768	19,592,282	5,038,607	(27,026,157)	(18,351,120)	(19,722,315)	(13,564,700)
Primary government	<u>\$ 191,878,459</u>	<u>\$ 267,060,868</u>	<u>\$ 221,415,657</u>	<u>\$ 200,192,943</u>	<u>\$ 125,165,632</u>	<u>\$ 132,380,048</u>	<u>\$ (18,255,983)</u>	<u>\$ (8,362,775)</u>	<u>\$ (63,211,803)</u>	<u>\$ (75,574,285)</u>

1. Increase due mainly to property owner contributions for two special assessment districts for which the City is not liable.

2. Increase due to new police sales tax.

3. Increase mainly due to increases in redevelopment property taxes. These increases were due to a new redevelopment area and also a significant number of homes built in another redevelopment area. Other increases are due to growth in assessed valuation.

4. Increase due to higher cash and investment balances, higher interest rates, and market value increases.

5. Increase due to a significant land sale to Cashman Equipment for which the City gave up land with a minimal value.

6. Land donation to the Nevada System of Higher Education for the development of the Nevada State College campus.

7. Decrease due to construction slowdown.

8. Decrease due to economic slowdown.

9. Decrease due to employee reductions.

10. Decrease due to lower cash balances and interest rates.

11. Other revenues increased due in large part to fees charged to Department of Homeland Security for housing of prisoners.

12. Other revenues increased due to a refund from the Clean Water Coalition of the City's initial contribution.

13. Other revenues increased due to a refund from the Southern Nevada Public Land Management Act.

14. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.

(Continued)

# CITY OF HENDERSON, NEVADA

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

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15. Due to an adjustment for GASB 31, which requires investments be adjusted to market value. There was a significant decrease in fair value in fiscal 2013. Previously, this adjustment was included in investment income.
16. Decrease due to losses on three significant land sales in fiscal year 2013 and lower salary expenses, including severance pay
17. Increase due in large part to money used to call bonds as part of the Inspirada special assessment district restructure.
18. Increase due primarily to increase in grants from HUD.
19. Increase due to developer utility contributed assets.

# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General fund										
Reserved	\$ 2,441,612	\$ 1,824,112	\$ 2,805,128	\$ 2,711,026	\$ 1,493,517	\$ 1,482,401	\$	\$	\$	\$
Unreserved	25,935,187	29,690,577	30,921,060	28,459,480	23,495,121	19,337,267			936,460	644,394
Assigned							792,071 <sup>2</sup>	1,165,902	16,391,761	17,606,056
Unassigned							15,703,300 <sup>2</sup>	15,686,060		
Total general fund	\$ 28,376,799	\$ 31,514,689	\$ 33,726,188	\$ 31,170,506	\$ 24,988,638	\$ 20,819,668	\$ 16,495,371	\$ 16,851,962	\$ 17,328,221	\$ 18,250,450
Other governmental funds										
Reserved	\$ 18,474,423	\$ 18,664,267	\$ 26,723,103	\$ 97,960,369 <sup>1</sup>	\$ 104,818,510	\$ 76,127,137	\$	\$	\$	\$
Unreserved										
Special revenue funds	24,619,959	35,745,946	46,242,339	47,320,144	48,293,562	36,765,723				
Capital projects funds	138,584,152	271,278,449	299,700,799	225,539,042	206,567,512	208,832,619	245,234,860 <sup>2</sup>	211,098,881	190,966,371	160,194,848
Restricted							46,616,449 <sup>2</sup>	38,417,701	27,194,098	27,215,621
Assigned										
Total other governmental funds	\$ 181,678,514	\$ 325,688,662	\$ 372,666,241	\$ 370,819,555	\$ 359,679,584	\$ 321,725,479	\$ 291,851,309	\$ 249,516,582	\$ 218,160,469	\$ 187,410,469

1. Increase in reserved fund balance is due to reserve for encumbrances being reported in all funds that have encumbrances beginning in fiscal year 2008. Previously only the General Fund reported reserve for encumbrances

2. With GASB 54 becoming effective in fiscal year 2011, there are new fund balance classifications which are being applied prospectively

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>REVENUES</b>										
Property taxes	\$ 58,586,097	\$ 67,975,114	\$ 84,254,727	\$ 93,860,687	\$ 99,278,964	\$ 95,260,527	\$ 75,550,577	\$ 67,884,894	\$ 63,273,661	\$ 63,971,517
Franchise fees	24,044,878	26,926,859	29,625,623	31,468,210	30,586,472	30,110,422	29,210,827	30,372,912	30,011,869	31,481,739
Licenses and permits	7,305,463	7,576,403	8,307,293	8,425,573	8,137,847	7,501,281	7,682,535	7,462,017	8,063,081	8,079,773
Intergovernmental	113,330,062	134,872,918	135,650,905	131,086,100	141,007,416	118,971,843	130,024,108	180,950,806	133,680,893	127,032,094
Charges for services	14,177,088	14,101,639	14,235,157	14,951,513	16,005,572	17,852,260	19,380,975	27,099,129	27,552,577	23,393,130
Fines and forfeitures	3,488,205	3,882,563	5,063,104	5,805,668	6,832,522	7,249,522	7,173,923	7,515,637	6,611,577	5,658,992
Impact fees	1,740,202	1,682,336	1,822,171	1,106,267	1,043,733	932,256	1,093,287	1,265,402	1,469,452	1,390,696
Special assessments	327,861	119,197	167,366	569,805	341,924	190,674	179,582	130,380	146,928	130,820
Investment income	4,077,673	10,323,301	20,303,238	20,091,695	12,200,118	5,442,945	2,347,817	2,675,229	1,653,726	2,014,255
Decrease in fair value of investments									(2,278,714)	
Developer contributions	32,766,222	104,223,589	13,059,728	935,266	2,054,291	2,956,906	2,070,192	423,063	767,836	3,865,035
Rental fees		1,555,784	1,537,220	1,570,018	3,036,573	2,285,723	3,728,592	2,691,313	603,767	547,580
Miscellaneous	1,716,700								1,181,952	1,346,321
<b>Total revenues</b>	<b>261,560,951</b>	<b>373,239,703</b>	<b>314,026,532</b>	<b>309,870,802</b>	<b>320,525,432</b>	<b>288,754,359</b>	<b>278,442,415</b>	<b>329,057,610</b>	<b>272,738,605</b>	<b>268,911,952</b>
<b>EXPENDITURES</b>										
Current										
General government	43,830,786	49,357,693	46,801,843	50,337,021	50,021,747	50,514,742	48,445,028	49,528,424	47,245,654	42,863,764
Judicial	3,925,781	7,968,743	8,944,032	10,064,915	11,260,921	11,203,113	11,433,646	11,614,816	12,087,601	12,058,955
Public safety	83,802,164	92,794,238	102,635,703	116,405,664	123,164,766	122,936,668	124,107,748	126,721,032	129,203,173	130,708,646
Public works	9,724,823	10,836,921	15,147,356	16,114,452	14,737,766	15,018,064	10,451,455	10,871,321	9,680,018	33,509,200
Culture and recreation	29,145,097	32,704,002	35,164,827	41,240,791	41,929,949	38,430,999	41,245,449	43,861,086	40,374,416	38,923,601
Community support	3,934,384	4,336,894	4,827,210	5,319,549	7,458,893	7,897,333	8,492,678	6,411,155	5,152,419	7,604,154
<b>Total current</b>	<b>174,363,035</b>	<b>197,998,491</b>	<b>213,520,971</b>	<b>239,482,392</b>	<b>248,574,102</b>	<b>246,000,919</b>	<b>244,176,004</b>	<b>249,007,834</b>	<b>243,743,281</b>	<b>265,668,320</b>
Capital outlay										
General government	2,183,786	4,069,183	4,200,063	12,711,239	4,430,713	1,715,063	2,541,115	1,060,444	1,445,582	713,262
Judicial	423,691	83,877	244,586	228,469	106,517	22,337	22,141		284,878	
Public safety	3,569,721	2,831,162	3,454,662	1,849,100	3,266,977	13,171,077	23,149,251	1,699,246	1,917,272	928,040
Public works	19,477,102	51,342,238	37,982,680	32,325,572	47,406,966	22,632,042	9,770,785	32,819,205	19,274,299	19,538,892
Culture and recreation	2,552,555	6,430,666	8,017,239	4,783,396	26,383,672	16,653,363	16,218,930	69,700,415	23,456,629	5,382,403
Community support	232,570	285,161	242,515	4,971	100,000					
<b>Total capital outlay</b>	<b>28,439,425</b>	<b>65,042,287</b>	<b>54,141,745</b>	<b>51,902,747</b>	<b>81,694,845</b>	<b>54,193,882</b>	<b>51,702,222</b>	<b>105,279,310</b>	<b>46,378,660</b>	<b>26,562,597</b>
Debt service										
Principal payments	13,732,019	13,983,377	16,222,606	12,883,000	12,897,000	13,152,963	13,603,963	10,019,533	5,114,565	4,208,565
Payment to current bond refunding agent								2,803,072		
Interest and fiscal charges	7,661,944	7,765,721	8,791,399	8,079,540	7,687,975	7,938,796	7,592,048	5,863,454	4,293,471	5,323,451
Administrative and other costs	45,184	85,635	12,858	46,941	35,718	27,329	20,959	809,634	591,649	21,363
<b>Total debt service</b>	<b>21,439,147</b>	<b>21,834,733</b>	<b>25,026,863</b>	<b>21,009,481</b>	<b>20,620,693</b>	<b>21,119,088</b>	<b>21,216,970</b>	<b>19,495,693</b>	<b>9,999,685</b>	<b>9,553,379</b>
<b>Total expenditures</b>	<b>224,241,607</b>	<b>284,875,511</b>	<b>292,689,579</b>	<b>312,394,620</b>	<b>350,889,640</b>	<b>321,313,889</b>	<b>317,095,196</b>	<b>373,782,837</b>	<b>300,121,626</b>	<b>301,784,296</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>37,319,344</b>	<b>88,364,192</b>	<b>21,336,953</b>	<b>(2,523,818)</b>	<b>(30,364,208)</b>	<b>(32,559,530)</b>	<b>(38,652,781)</b>	<b>(44,725,227)</b>	<b>(27,383,021)</b>	<b>(32,872,344)</b>

(Continued)

# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from land sales	9,076,990	1,507,242	29,346,542 <sup>7</sup>	212,637	326,968	546,145	52,493	572,981	1,827,493	3,444,629
Loss on sale of land held for development	1,634,354								(3,426,519)	
Capital leases										
Issuance of refunding bonds		3,885,000				446,894		322,695	66,750,000	
Debt issuance proceeds		56,000,000						34,560,000		
Premium on refunding bonds issued								565,000		
Payment to advance refunding bond agent		(2,509,555)						639,842	5,055,658	
Sale of capital assets		1,221,917						(31,591,875)	(71,194,329)	
Debt issuance premium		2,050			5,425	1,558	4,782			
Transfers in	43,284,979	48,947,686	47,525,919	37,529,016	51,655,773	59,932,273	57,142,122	25,459,998	16,774,827	8,036,323
Transfers out	(50,342,524)	(50,270,494)	(51,094,426)	(40,782,203)	(56,905,797)	(61,359,567)	(52,745,083)	(27,781,550)	(18,899,893)	(8,436,379)
			27,852,125	(1,878,550)	13,042,369	(432,697)	4,454,314	2,747,091	(3,112,763)	3,044,573
Total other financing sources (uses)	3,653,799	58,783,846								
	\$ 40,973,143	\$ 147,148,038	\$ 49,189,078	\$ (4,402,368)	\$ (17,321,839)	\$ (32,992,227)	\$ (34,198,467)	\$ (41,978,136)	\$ (30,495,784)	\$ (29,827,771)
CHANGE IN FUND BALANCE										
Debt service as a percentage of noncapital expenditures <sup>3</sup>	10.5 %	9.1 %	10.0 %	7.8 %	7.8 %	8.0 %	8.2 %	6.0 %	3.6 %	3.5 %

1. In fiscal year 2005 and 2006 there were large property owner contributions related to special assessment bonds for which the City is not liable

2. Increase in expenditures for parks and trails related to the Southern Nevada Public Land Management Act.

3. This ratio is computed by dividing principal and interest by total expenditures less amounts that are capitalized on the accrual basis government-wide statement of net position. This amount can be found on the reconciliation between the statement of revenues, expenditures, and changes in fund balance to the statement of activities for governmental funds.

4. Increase due mainly to construction of special assessment infrastructure.

5. Increase due to increases in redevelopment property taxes. These increases were due to a new redevelopment area and also a significant number of homes built in another redevelopment area. Other increases are due to growth in assessed valuations

6. Increase due to higher cash and investment balances, higher interest rates, and market value increases.

7. Increase due to a significant land sale to Cashman Equipment for which the City gave up land with minimal value.

8. Due to decreased return on investments.

9. Increase due to construction for Heritage Park and Aquatics Center.

10. Installment purchase agreement for energy conservation projects.

11. Due to decrease in consolidated tax and decrease in intergovernmental contributions for the justice facility expansion.

12. Increase in grants related to the Southern Nevada Public Lands Management Act.

13. Decrease due to detention facility expansion. Expenditures for this occurred in fiscal years 2010 and 2011.

14. Increase due primarily to increased development activity in special assessment districts.

15. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act

16. Due an adjustment for GASB 31, which requires investments be adjusted to market value. There was a significant decrease in fair value in fiscal 2013. Previously, this adjustment was included in investment income.

17. Fiscal year 2012 debt refunding projects reduced fiscal year 2013 total debt service requirements by approximately \$6.5 million, of which approximately \$4.9 million pertains to principal and \$1.6 million to interest

18. Increase due in large part to funds used to call bonds as part of the Inspiraada special assessment district restructure.

# CITY OF HENDERSON, NEVADA

**TABLE 5 - ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY<sup>1</sup>**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

For the Year Ended June 30,	Real Property			Personal Property			Total			Ratio of Total Assessed to Total Estimated Actual Value
	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Direct Tax Rate		Estimated Actual Value	
	Assessed Value									
2005	\$ 7,350,381,130	\$ 21,001,088,943	\$ 515,315,133	\$ 1,472,328,951	\$ 7,865,696,263	0.7108	\$ 22,473,417,894	35.0 %		
2006	9,866,711,823	28,190,605,209	572,046,058	1,634,417,309	10,438,757,881	0.7108	29,825,022,518	35.0 %		
2007	14,049,539,660	40,141,541,886	730,618,857	2,087,482,449	14,780,158,517	0.7108	42,229,024,335	35.0 %		
2008	15,947,429,061	45,564,083,031	695,030,105	1,985,800,300	16,642,459,166	0.7108	47,549,883,331	35.0 %		
2009	16,304,394,985	46,583,985,671	584,783,077	1,670,808,791	16,889,178,062	0.7108	48,254,794,462	35.0 %		
2010	12,995,450,318	37,129,858,051	482,709,443	1,379,169,837	13,478,159,761	0.7108	38,509,027,888	35.0 %		
2011	9,497,480,081	27,135,657,374	400,059,544	1,143,027,269	9,897,539,625	0.7108	28,278,684,643	35.0 %		
2012	8,532,382,809	24,378,236,597	338,969,942	968,485,549	8,871,352,515	0.7108	25,346,722,146	35.0 %		
2013	7,808,141,879	22,308,976,797	398,927,794	1,139,793,697	8,207,069,673	0.7108	23,448,770,494	35.0 %		
2014	8,020,000,967	22,914,288,477	353,015,606	1,008,616,017	8,373,016,573	0.7108	23,922,904,494	35.0 %		

1. Source - Clark County Assessor's Office.

# CITY OF HENDERSON, NEVADA

**TABLE 6 - PROPERTY TAX RATES<sup>1</sup> - DIRECT AND OVERLAPPING<sup>2</sup> GOVERNMENTS  
(PER \$100 OF ASSESSED VALUE<sup>3</sup>)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For the Year Ended June 30,	City of Henderson, Nevada			Overlapping Rates			Total Overlapping		Total Direct and Overlapping Rates
	Total Tax Levy	Debt Service Fund	Total City Tax Rate	Clark County		Special District	Rates		
				School District	Clark County				
								State of Nevada	
2005	0.4880	0.2228	0.7108	0.1700	1.3034	0.6652	0.0974	2.2360	2.9468
2006	0.4880	0.2228	0.7108	0.1700	1.3034	0.6575	0.0669	2.1978	2.9086
2007	0.4880	0.2228	0.7108	0.1700	1.3034	0.6566	0.0665	2.1965	2.9073
2008	0.4880	0.2228	0.7108	0.1700	1.3034	0.6541	0.0713	2.1988	2.9096
2009	0.4880	0.2228	0.7108	0.1700	1.3034	0.6541	0.0684	2.1959	2.9067
2010	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0692	2.1967	2.9075
2011	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0662	2.1937	2.9045
2012	0.5508	0.1600	0.7108	0.1700	1.3034	0.6541	0.0575	2.1850	2.8958
2013	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0586	2.1861	2.8969
2014	0.5554	0.1554	0.7108	0.1700	1.3034	0.6541	0.0585	2.1860	2.8968

1. Source - State of Nevada, Department of Taxation's "Local Government Finance Redbook."

2. Overlapping rates are those of local and county governments that apply to property owners within the City of Henderson. Not all overlapping rates apply to all City of Henderson property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

3. The State of Nevada Constitution has a maximum rate limit of \$5 per \$100 assessed value and Nevada Revised Statutes further lower the limit to a total combined tax rate of 3.64.

# CITY OF HENDERSON, NEVADA

**TABLE 7 - PRINCIPAL PROPERTY TAXPAYERS<sup>1</sup>**  
**CURRENT AND NINE YEARS AGO**  
**(UNAUDITED)**

Taxpayer	2014			2005		
	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assessed Valuation <sup>3</sup>	Taxable Assessed Value <sup>2</sup>	Rank	Approximate Percentage of Taxable Assessed Valuation <sup>3</sup>
Green Valley Ranch Gaming, LLC	\$ 92,985,073	1	1.11 %	\$ 67,715,725	5	0.86 %
Station Casinos Incorporated	90,676,461	2	1.08 %			%
Basic Management Incorporated	60,312,094	3	0.72 %	26,962,512	10	0.34 %
W.L. Nevada Incorporated	48,401,640	4	0.58 %			%
Greenspun Incorporated	43,735,991	5	0.52 %	114,377,962	2	1.45 %
M Resort	42,007,197	6	0.50 %			%
Picerne Real Estate Group	33,544,366	7	0.40 %			%
Harsch Investment Properties	30,742,381	8	0.37 %	31,415,543	6	0.40 %
Ranch Center Associates Limited Partnership	29,949,663	9	0.36 %	27,377,233	9	0.35 %
K.B. Homes	26,503,140	10	0.32 %			%
Pulte Homes				132,692,356	1	1.69 %
Lake Las Vegas Joint Venture				100,543,769	3	1.28 %
Foothill Partners						%
Sentinel Realty Partners III Limited Partnership				31,129,497	7	0.40 %
Sierra Nevada Multifamily Investments				30,689,859	8	0.39 %
Lake Mead Horizon, LLC						%
Station Casinos Incorporated				89,319,940	4	1.14 %
	<u>\$ 498,858,006</u>		<u>5.96 %</u>	<u>\$ 652,224,396</u>		<u>8.30 %</u>

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



# CITY OF HENDERSON, NEVADA

**TABLE 8 - PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

For the Year Ended June 30,	Tax Levy	Current Tax Levy Collections	Percent of Tax Levy Collected	Delinquent Tax Levy Collections	Total Tax Levy Collected	Percent of Total Tax Levy Collected to Tax Levy
2005	\$ 54,280,325	\$ 54,065,416	99.60 %	\$ 214,840	\$ 54,280,256	99.99 %
2006	62,713,038	62,408,721	99.51 %	301,488	62,710,209	99.99 %
2007	78,833,318	78,138,203	99.12 %	692,030	78,830,233	99.99 %
2008	88,876,480	87,304,802	98.23 %	1,536,088	88,840,890	99.96 %
2009	94,637,231	92,160,401	97.38 %	2,318,103	94,478,504	99.83 %
2010	91,489,119	89,058,480	97.34 %	2,273,875	91,332,355	99.83 %
2011	70,958,969	69,557,584	98.03 %	1,353,925	70,911,509	99.93 %
2012	63,363,703	62,318,519	98.35 %	972,689	63,291,208	99.89 %
2013	58,115,146	57,611,241	99.13 %	374,894	57,986,135	99.78 %
2014	58,817,332	58,410,072	99.31 %		58,410,072	99.31 %

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

# CITY OF HENDERSON, NEVADA

**TABLE 9 - RATIOS OF OUTSTANDING DEBT<sup>1</sup> BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For the Year Ended June 30,	Governmental Activities							Business-type Activities		Total Primary Government	Percentage of		Per Capita														
	General Obligation Bonds			Tax Allocation Bonds		Special Assessment Bonds		Notes and Loans			Capital Leases			Total	Revenue Bonds												
	Bonds			Bonds			Bonds				Bonds																
2005	\$	125,240,000		\$	16,340,000		\$	1,215,000		\$	120,985		\$	4,175,309		\$	147,091,294		\$	253,896,193		\$	400,987,487		% <sup>3</sup>	\$	1,663
2006		171,795,000			16,340,000			585,000			97,608			56,007			188,873,615			241,864,554			430,738,169		4.87		1,714
2007		158,455,000			15,840,000			365,000						10,614			174,670,614			229,959,046			404,629,660		4.61		1,555
2008		147,314,000			15,320,000			305,000									162,939,000			217,507,507			380,446,507		3.96		1,411
2009		135,027,000			14,780,000			235,000									168,002,000			204,454,978			372,456,978		3.86		1,391
2010		123,215,000			14,215,000			165,000									17,960,000			17,403,000			192,056,192		3.47		1,300
2011		111,111,000			13,625,000												155,295,931			297,931			347,352,123		3.63		1,212
2012		112,364,000			13,010,000												148,968			179,323,139			321,015,107		3.47		1,150
2013		106,969,000			12,360,000												16,136,000			165,218,258			306,943,388		3.32		1,051
2014		104,386,000			11,680,000												15,384,000			134,820,565			288,380,224		2.99		948

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

2. See the "Demographic and Economic Statistics" table for personal income and population data. Personal income data for 2006 forward is from Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or [www.appliedanalysis.com](http://www.appliedanalysis.com)

3. Personal income data was not kept prior to fiscal year 2006.

# CITY OF HENDERSON, NEVADA

**TABLE 10 - RATIOS OF GENERAL BONDED DEBT<sup>1</sup> OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For the Year Ended June 30,	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net General Obligation Bonds	Percentage of Estimated Actual Taxable Property Value	Per Capita
				<sup>2</sup>	<sup>3</sup>
2005	\$ 125,240,000	\$ 846,962	\$ 124,393,038	0.55 %	\$ 516
2006	171,795,000	4,352,167	167,442,833	0.56 %	666
2007	158,455,000	6,740,546	151,714,454	0.36 %	583
2008	147,314,000	6,072,215	141,241,785	0.30 %	524
2009	135,027,000	9,708,219	125,318,781	0.26 %	468
2010	123,215,000	6,964,868	116,250,132	0.30 %	435
2011	111,111,000	2,901,962	108,209,038	0.38 %	409
2012	112,364,000	1,658,689	110,705,311	0.44 %	415
2013	106,969,000	1,313,003	105,655,997	0.45 %	385
2014	104,386,000	3,514,253	100,871,747	0.42 %	354

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

# CITY OF HENDERSON, NEVADA

**TABLE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT<sup>1, 2</sup>**  
**JUNE 30, 2014**  
**(UNAUDITED)**

	Total General Obligation Debt	Less Debt Service Fund Balance	Net General Obligation Debt	Percent Applicable	Applicable Net General Obligation Debt
City of Henderson, Nevada	\$ 130,612,000	\$ 4,107,409	\$ 126,504,591	100.00 %	\$ <u>126,504,591</u>
Overlapping governments					
Henderson District Public					
Libraries	1,517,900	1,517,900		100.00 %	
Clark County	429,376,848	146,537,869	282,838,979	15.42 %	43,613,771
Clark County School District	2,894,120,000	78,420,424	2,815,699,576	15.42 %	434,180,875
Las Vegas-Clark County Library District	33,090,000	4,957,781	28,132,219	18.62 %	<u>5,238,219</u>
Total overlapping governments					<u>483,032,865</u>
Total direct and overlapping debt					<u>\$ 609,537,456</u>

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

# CITY OF HENDERSON, NEVADA

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

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Assessed value	\$ 7,865,696,263	\$ 10,438,757,881	\$ 14,780,158,517	\$ 16,642,459,166	\$ 16,889,178,062	\$ 13,478,159,761	\$ 9,897,539,625	\$ 8,871,352,751	\$ 8,207,069,673	\$ 8,373,016,573
Legal debt margin	\$ 1,179,854,439	\$ 1,565,813,682	\$ 2,217,023,778	\$ 2,496,368,875	\$ 2,533,376,709	\$ 2,021,723,964	\$ 1,484,630,944	\$ 1,330,702,913	\$ 1,231,060,451	\$ 1,255,952,486
Debt applicable to debt limit										
Total bonded debt, including special assessment bonds	396,691,193	430,584,554	404,619,046	380,446,507	354,496,978	329,651,192	304,059,139	290,592,258	272,888,659	255,490,407
Less										
Special assessment bonds	<sup>1</sup> (1,215,000)	(585,000)	(365,000)	(305,000)	(235,000)	(165,000)	(13,625,000)	(13,010,000)	(12,360,000)	(11,680,000)
Tax allocation bonds	<sup>2</sup> (16,340,000)	(16,340,000)	(15,840,000)	(15,320,000)	(14,780,000)	(14,215,000)				
Total bonded debt, applicable to debt limit	379,136,193	413,659,554	388,414,046	364,821,507	339,481,978	315,271,192	290,434,139	277,582,258	260,528,659	243,810,407
Legal debt margin	\$ 800,718,246	\$ 1,152,154,128	\$ 1,828,609,732	\$ 2,131,547,368	\$ 2,193,894,731	\$ 1,706,452,772	\$ 1,194,196,805	\$ 1,053,120,655	\$ 970,531,792	\$ 1,012,142,079
Total bonded debt applicable to limit as a percentage of debt limit	32.13 %	26.42 %	17.52 %	14.61 %	13.40 %	15.59 %	19.56 %	20.86 %	21.16 %	19.41 %

1. Does not include matured and unredeemed bonds.

2. Tax allocation bonds issued by the City of Henderson Redevelopment Agency do not constitute indebtedness within the meaning of the statutory debt limitations.

# CITY OF HENDERSON, NEVADA

**TABLE 13 - PLEDGED REVENUE BOND<sup>1</sup> COVERAGE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

For the Year Ended June 30,	Water and Sewer Bonds						Special Assessment Bonds					
	Charges for Services			Debt Service			Special Assessment Collections			Debt Service		
				Operating Expenses <sup>2</sup>	Net Available Revenue	Coverage				Principal	Interest	Coverage
2005	\$ 73,476,651	\$ 62,765,675	\$ 10,710,976	\$ 9,835,026	\$ 8,232,075	59.28 %	\$ 327,861 <sup>3</sup>	\$ 1,285,000	\$ 186,436	22.28 %		
2006	81,777,436	65,388,482	16,388,954	12,213,868	12,031,251	67.60 %	119,197	630,000	93,575	16.47 %		
2007	88,773,681	74,799,486	13,974,195	11,966,440	11,543,004	59.44 %	167,366	220,000	52,013	61.53 %		
2008	86,731,158	80,547,344	6,183,814	12,472,896	10,923,574	26.43 %	69,440	60,000	31,825	75.62 %		
2009	87,844,239	81,881,425	5,962,814	13,088,390	10,176,709	25.63 %	341,924	70,000	25,650	357.47 %		
2010	88,353,887	78,934,746	9,419,141	13,128,082	9,593,468	41.45 %	190,674	70,000	19,000	214.24 %		
2011	93,751,805	79,778,387	13,973,418	13,742,139	8,970,572	61.52 %	179,582	165,000	11,875	101.53 %		
2012	96,962,286	82,367,031	14,595,255	14,148,317	8,332,420	64.92 %				N/A %		
2013	100,859,843	80,469,835	20,390,008	14,017,434	6,472,556	99.51 %				N/A %		
2014	105,257,650	83,587,025	21,670,625	14,135,252	6,700,933	104.00 %				N/A %		
For the Year Ended June 30,	Tax Allocation Bonds						Special Assessment Bonds					
	Tax Increment			Debt Service			Special Assessment Collections			Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage
2005	\$ 2,441,067	\$ 869,304	280.81 %				\$ 327,861 <sup>3</sup>	\$ 1,285,000	\$ 186,436	22.28 %		
2006	3,255,300	869,304	374.47 %				119,197	630,000	93,575	16.47 %		
2007	10,651,636	859,634	783.42 %	500,000			167,366	220,000	52,013	61.53 %		
2008	13,033,976	839,724	958.58 %	520,000			69,440	60,000	31,825	75.62 %		
2009	13,623,262	865,314	969.41 %	540,000			341,924	70,000	25,650	357.47 %		
2010	12,934,879	793,176	952.37 %	565,000			190,674	70,000	19,000	214.24 %		
2011	8,206,796	765,672	605.37 %	590,000			179,582	165,000	11,875	101.53 %		
2012	5,124,360	735,128	379.55 %	615,000						N/A %		
2013	4,648,687	702,789	343.64 %	650,000						N/A %		
2014	4,954,393	669,121	367.23 %	680,000						N/A %		

1. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
2. Total operating expenses, excluding depreciation.
3. Includes payoff of assessments used for debt service in the following fiscal year.

# CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income	Unemployment Rate <sup>3</sup>
2005	241,134	\$ <sup>4</sup>		4.20 %
2006	251,321	8,836,009,011	35,158	4.00 %
2007	260,161	8,783,653,632	33,762	4.20 %
2008	269,538	9,606,345,252	35,640	5.00 %
2009	267,687	9,653,025,150	36,061	9.60 %
2010	267,270	10,003,816,464	37,430	13.80 %
2011	264,839	8,841,491,222	33,384	12.70 %
2012	266,846	8,846,208,756	33,151	11.30 %
2013	274,270	8,690,214,958	31,685	9.60 %
2014	284,946	9,039,623,004	31,724	8.50 %

1. Source - City of Henderson, Community Development Department.

2. Source - Personal income data for 2006 forward is from Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or [www.appliedanalysis.com](http://www.appliedanalysis.com)

3. Source - State of Nevada, Department of Employment, Training and Rehabilitation.

4. Personal income data was not kept prior to fiscal year 2006.

# CITY OF HENDERSON, NEVADA

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

Employer	2014			2005		
	Employees <sup>1</sup>	Rank	Percentage of Total City of Henderson, Nevada Employment	Employees <sup>1</sup>	Rank	Percentage of Total City of Henderson, Nevada Employment <sup>2</sup>
City of Henderson	3138 <sup>3</sup>	1	2.36 %	2583 <sup>4</sup>	1	%
Green Valley Ranch Station Casino	1500-1999 <sup>5</sup>	2	1.13 - 1.50 %	1000-1499	4	%
St. Rose Dominican Hospital - Siena	1500-1999 <sup>5</sup>	3	1.13 - 1.50 %			%
M Resort Spa and Casino	1000-1499 <sup>5</sup>	4	0.75 - 1.13 %			%
Sunset Station Hotel and Casino	1000-1499 <sup>5</sup>	5	0.75 - 1.13 %	1500-1999	3	%
St Rose Dominican Hospital	700-799 <sup>5</sup>	6	0.53 - 0.60 %	2000-2499	2	%
Fiesta Henderson Casino Hotel	600-699 <sup>5</sup>	7	0.45 - 0.53 %	500-999	5	%
Titanium Metals Corp. of America	500-599 <sup>5</sup>	8	0.38 - 0.45 %			%
Wal-Mart Stores, Inc.	400-499 <sup>5</sup>	9	0.30 - 0.38 %	500-599	8	%
Unilever Manufacturing, Inc.	400-499 <sup>5</sup>	10	0.30 - 0.38 %			%
Medco Health, LLC				500-999	6	%
Ford Motor Credit Co.				500-999	7	%
Ritz Carlton Hotel Company				250-499	9	%
Hyatt Regency Lake Las Vegas				250-499	10	%

1. For privacy purposes, exact employment numbers are unavailable.

2. This information was not available for 2005.

3. Source - City of Henderson, Finance Department

4. Source - City of Henderson Economic and Demographic Overview

5. Source - Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or [www.appliedanalysis.com](http://www.appliedanalysis.com).



# CITY OF HENDERSON, NEVADA

**TABLE 16 - FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM<sup>1</sup>**  
**LAST TEN FISCAL YEARS<sup>2</sup>**  
**(UNAUDITED)**

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities									
General government									
Judicial	331	347	352	363	352	347	347	347	331
Public safety	78	84	90	96	94	95	96	93	103
Public works	678	774	817	824	827	862	867	865	866
Culture and recreation	102	111	118	141	140	145	134	103	112
Community support	182	182	191	204	190	190	189	182	189
Community support	19	19	19	19	22	23	23	17	19
Total governmental activities	<u>1,390</u>	<u>1,517</u>	<u>1,587</u>	<u>1,647</u>	<u>1,625</u>	<u>1,662</u>	<u>1,656</u>	<u>1,607</u>	<u>1,620</u>
Business-type activities									
Water	137	148	150	157	147	152	149	141	143
Sewer	91	111	119	122	116	115	114	126	126
Development services	149	155	156	133	62	55	40	44	54
Other	17	28	32	35	30	31	31	33	31
Total business-type activities	<u>394</u>	<u>442</u>	<u>457</u>	<u>447</u>	<u>355</u>	<u>353</u>	<u>334</u>	<u>344</u>	<u>354</u>
Total full-time equivalent employees	<u>1,784</u>	<u>1,959</u>	<u>2,044</u>	<u>2,094</u>	<u>1,980</u>	<u>2,015</u>	<u>1,990</u>	<u>1,951</u>	<u>1,974</u>

1. Source - City of Henderson, Finance Department

2. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.

# CITY OF HENDERSON, NEVADA

**TABLE 17 - OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup>  
LAST TEN FISCAL YEARS<sup>2</sup>  
(UNAUDITED)**

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities									
Judicial									
Average warrants cleared per day	11	14	14	20	20	23	25	23	22
Public safety									
Police reports	28,961	28,103	27,417	26,761	26,466	24,419	24,767	22,320	22,037
Police calls for service	135,772	144,452	159,821	162,184	160,594	154,392	140,775	141,677	135,678
Number of emergency medical response incidents	14,885	14,823	15,185	15,079	16,164	17,115	18,513	18,953	19,227
Number of emergency medical response transports	9,975	9,887	10,276	10,593	11,333	11,969	12,951	13,199	13,050
Number of fire responses	940	834	723	611	552	570	599	544	555
Public works									
Lane miles of street maintenance	338	142	14	179	340	227	122 <sup>6</sup>	12 <sup>12</sup>	241 <sup>12</sup>
Lane miles of existing street reconstruction	16	74	24	43	34	95	4 <sup>7</sup>	20 <sup>13</sup>	4
Number of scheduled inspections (off-site improvements)	41,994	39,320	33,194	30,151	20,658	17,347	24,665	20,421	23,116
Number of off-site (non-building) projects	206	155	157	55	288	105	51 <sup>8</sup>	79	43
Culture and recreation									
Parks and recreation class registrations	323,193	341,139	344,766	478,357	267,008	316,490	304,492	388,038	464,722
Community support									
Number of requests for information on business relocations	103	109	136	129	160	101	91	233 <sup>14</sup>	154
Number of local business requests for information, assistance or outreach	342	447	414	659	746	573	569	688	661
Number of jobs created	1,034	770	1,190	425	411	250	390	269	1,920 <sup>17</sup>
Business-type activities									
Water									
Average daily water consumption (MGD)	68	71	69	68	67	68	68	68	67
Number of requests for line location	37,110	31,684	40,534	26,638	31,633	34,620	46,017 <sup>9</sup>	51,662	52,315
Number of hydrant major repairs	258	248	198	220	227	255	201	127 <sup>15</sup>	139
Number of line repairs	243	360	283	257	464	423	418	483	397
Sewer									
Lines video inspected (feet)	180,239	90,002	150,129	157,609	172,267	133,271	489,488 <sup>10</sup>	552,244	619,118
Lines cleaned (feet)	1,106,675	1,252,317	1,568,312	1,951,831	2,224,640	2,314,701	1,717,800 <sup>11</sup>	1,626,459	2,417,309
Development services									
Number of plan review activities	28,097	23,424	18,463	11,939	11,808	12,401	12,664	12,660	14,220
Building permits issued	19,075	15,704	12,402	9,794	10,814 <sup>5</sup>	9,684	10,106	11,729 <sup>16</sup>	12,439

1. Source - Various City of Henderson departments.
2. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
3. Indicators are not available for the general government function.

(Continued)

# CITY OF HENDERSON, NEVADA

**TABLE 17 - OPERATING INDICATORS BY FUNCTION/PROGRAM<sup>1</sup> (CONTINUED)**  
**LAST TEN FISCAL YEARS<sup>2</sup>**  
**(UNAUDITED)**

4.	Millions of gallons per day.
5.	Increase due to increase in small dollar permits (e.g. residential remodels), while large commercial/residential development permits decreased resulting in an overall decrease in Development Services Center revenue
6.	Maintenance technique used was more expensive in fiscal year 2012 because the streets maintained in this fiscal year were in worse shape than in the previous year; therefore because of funding, fewer lane miles were maintained
7.	Funding sources decreased significantly, which included ARRA monies.
8.	Private projects slowed down due to the economic downturn.
9.	Increase due to increase for line locations from contractors/excavators. Data also includes re-mark requests.
10.	Increase due to second closed circuit television truck and implementation of a formal assessment program to meet objectives of a new law requiring tracking of the location of private sewer lateral connections to public sewer mains
11.	Decrease due to reassignment of staff to assist in line inspections.
12.	Projects were delayed and not awarded until July 2013
13.	Fiscal year 2011 was largest year in history due to ARRA funding. Projects significantly slowed down subsequently, although increased slightly in 2013, as there was not a need for reconstruction after large reconstruction projects in FY 2011.
14.	Due to increased confidence in the economy and marketing initiatives.
15.	Substantial hydrant repairs were made in previous years, negating the need for future repairs. This in addition to construction slowdown accounts for the decrease
16.	Increase due to significant increase in single family residence permits.
17.	Barclay Card U. S. opened a new customer contact center and announced this will create approximately 1,000 jobs.

# CITY OF HENDERSON, NEVADA

**TABLE 18 - CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM<sup>1</sup>  
LAST TEN FISCAL YEARS<sup>2</sup>  
(UNAUDITED)**

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities									
Public safety									
Number of police stations	2	2	2	3	3	3	3	3	3
Number of fire stations	9	9	9	9	9	9	9	9	9
Number of patrol units	117	154	149	140	148	144	144	137	132
Public works									
Streets (miles)	737	788	804	804	812	817	819	822	829
Traffic signals	131	135	141	144	149	152	152	158	160
Culture and recreation									
Park acreage	1,029	1,067	1,109	1,131	1,155	1,249	1,279	1,805 <sup>5</sup>	1,866
Number of parks	39	41	43	44	44	45	52	57	58
Number of swimming pools	9	9	9	13	15	15	15	15	15
Number of tennis courts	42	42	43	43	43	44	46	61 <sup>5</sup>	61
Number of recreation centers	6	6	6	6	7	7	7	8	8
Business-type activities									
Water									
Water mains (miles)	1,080	1,124	1,280	1,384	1,462	1,462	1,175 <sup>4</sup>	1,200	1,222
Number of treatment plants	1	1	1	1	1	1	1	1	1
Number of water pump stations	27	27	27	31	31	31	32	32	32
Sewer									
Number of sewage treatment plants	2	2	2	2	2	2	2	2	2
Number of sewer lift stations	12	12	12	13	13	13	16	16	16
Miles of sanitary sewer lines	920	953	958	1,029	1,080	1,082	935 <sup>4</sup>	935	943

1. Source - Various City of Henderson departments.
2. Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
3. Indicators are not available for the general government, judicial, community support, or development services functions.
4. Method of calculation now excludes private lines and lines proposed for construction.
5. Increase due to opening of five new parks.



## COMPLIANCE SECTION

# 2014 Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2014





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P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 30, 2014.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 may exist that have not been identified.

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

We noted certain matters that we reported to management of the City in a separate letter dated October 30, 2014.

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

*Perry Bowler Taylor & Lane*

Las Vegas, Nevada  
October 30, 2014



P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

We have audited the compliance of the City of Henderson, Nevada (the City) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

**Auditors' Responsibility.** Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program.** In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014.

**Other Matters.** The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014 - 001 through 2014 - 003. Our opinion on each major federal program is not modified with respect to these matters.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**Report on Internal Control Over Compliance.** The City's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of

expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.** We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 30, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada  
October 30, 2014

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
<i>Food and Nutrition Service</i>			
Passed through State of Nevada Department of Education:			
<i>Child Nutrition Cluster:</i>			
Special Milk Program for Children			
Safekey Milk Grant FY14	10.556	M-102375.10	\$ 33,463
Total U.S. Department of Agriculture			33,463
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct programs			
<i>Community Planning and Development</i>			
Community Development Block Grants/Entitlement Grants			
Entitlement Funds	14.218		932,191
NSP HERA Entitlement	14.218		936,484
Program Income	14.218		581,923
Amount Provided to Subrecipients	14.218		478,671
Total Community Development Block Grants/Entitlement Grants			2,929,269
<i>Office of Sustainable Housing and Community</i>			
Sustainable Communities Regional Planning Grant Program			
HUD Sustainable Communities Grant	14.103*	FR-5500-N-30FA	1,431,478
Total Direct Programs			4,360,747
<i>Office of Community Planning and Development</i>			
Passed through State of Nevada, Housing Division			
HOME Investment Partnerships Program			
HOME Grant - Program Income/Projects	14.239*		935,773
HOME Grant - Administration	14.239*		82,197
Total HOME Investment Partnerships Program			1,017,970
<i>Office of Healthy Homes and Lead Hazard Control</i>			
Lead Hazard Control	14.900	NVLHB0558-13	326,764
Total Department of Housing and Urban Development			5,705,481

\* Major Program



# CITY OF HENDERSON, NEVADA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Expenditures
<b><u>U.S. Department of the Interior</u></b>			
<i>Bureau of Land Management</i>			
Southern Nevada Public Land Management			
Amargosa Trail	15.235	HN10, L04AC13519	148,451
Cornerstone Lake Park	15.235	HN16, L05AC14906	836,401
UPRR Right of Way	15.235	HN22, L05AC14427	43,029
UPRR Phase III	15.235	HN23, L05AC14404	437,715
UPRR Phase II	15.235	HN07, L05AC14553	11,837
Mission View Park	15.235	HN25, L05AC12983	89,899
McCullough Hills Trail	15.235	HN04, L07AC13260	526,056
Arroyo Grande Project Green	15.235	HN26, L07AC13812	696,894
Whitney Mesa Trailhead	15.235	HN27, L07AC12954	248,858
Wetlands Trail Phase II	15.235	HN28, L07AC14291	911,601
Southeast Valley Acquisition	15.235	HN34, L08AC14797	114
Reunion Trails Park	15.235	HN32, L07AC14644	588,111
Lake Mead Parkway Trail	15.235	HN31, L07AC14400	21,213
McCullough Vista Park	15.235	HN33, L08AC14130	730,370
Green Valley Flood Control Panel	15.235	HN35, L08AC13389	565,202
Whitney Mesa Nature Preserve Phase II	15.235	HN36, L09AC15525	3,318
Paradise Point Park	15.235	HN38, L11AC20013	230,647
RMLT Safety & Education	15.235	HN37, L11AC20011	250,031
Fox Ridge Improvements	15.235	HN39, L12AC20355	6,928
I-215 Regional Trail	15.235	HN40, L12AC20494	4,693
Boulder Creek Park	15.235	HN41, L13AC20070	168,560
Total U.S. Department of the Interior			6,519,928
<b><u>U.S. Department of Justice</u></b>			
Direct Programs			
<i>Bureau of Justice Assistance</i>			
Byrne 2010 Congressional Mandate - ARRA	16.710	2010-CK-WX-0322	190,419
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DD-BX-0561	6,571
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1134	26,040
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DD-3X-0724	246,170
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1055	18,599
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0920	36,961
Edward Byrne Memorial Competitive Grant Program	16.808	2009-SB-B9-1637-HPD	212
American Recovery and Reinvestment Act (ARRA)			
<i>Office of Juvenile Justice and Delinquency Prevention</i>			
Missing Children's Assistance	16.543	2011-MC-CX-K002	25,184

\* Major Program

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Expenditures
<b><u>U.S. Department of Justice (continued)</u></b>			
Direct Programs (continued)			
<i>Office of Drug Enforcement Administration</i>			
Domestic Cannabis Eradication	n/a	2012-90, 2013-94	18,732
Domestic Cannabis Eradication	n/a	2014-91	4,329
Total Direct Programs			573,217
<i>Bureau of Justice Assistance</i>			
Passed through State of Nevada Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-JAG-12	8,257
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3449	50,328
<i>Office of Juvenile Justice and Delinquency Prevention</i>			
Passed through State of Nevada Juvenile Justice Commission:			
Enforcing Underage Drinking Laws Program	16.727		27,290
<i>Office on Violence Against Women</i>			
Passed through State of Nevada Office of Attorney General			
Violence Against Women Formula Grants - ARRA	16.588	2009-WF-AX-0029	21,470
Violence Against Women Formula Grants - ARRA	16.588	2012-WF-AX-0041	20,881
Total U.S. Department of Justice			701,443
<b><u>U.S. Department of Transportation</u></b>			
Direct Programs			
<i>Federal Motor Carrier Safety Administration</i>			
National Motor Carrier Safety	20.218	FM-MHP-0077-12-01-00	38,605
<i>Federal Highway Administration</i>			
Highway Planning and Construction - American Recovery and Reinvestment Act (ARRA)			
I-515 Sunset Interchange Landscape	20.205*	P222-10-063	962,737
NDOT Water St Enhancement	20.205*	PR249-12-063	842,865
NDOT Lake Mead Bus Turnouts	20.205*	P350-12-063	31,386
NDOT Sunset Td ITS Ph 1	20.205*	P349-12-063	19,316
NDOT Sunset Td ITS Ph 2	20.205*	P352-12-063	19,116
NDOT Valley Verde ITS	20.205*	P347-12-063	4,507
NDOT Pecos Rd ITS	20.205*	P346-12-063	24,050
NDOT St Rose Intersection Improvements	20.205*	P348-12-063	3,446
NDOT Boulder Hwy Trail	20.205*	PR-177-13-063	14,508
NDOT Horizon Rdg I515 Op Improvements	20.205*	PR-121-13-015	566
NDOT Volunteer-Via Firenze Signal	20.205*	PR-277-13-063	2,134
NDOT Boulder-Majic Signal	20.205*	PR-309-13-063	3,550

\* Major Program

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Expenditures
<b><u>U.S. Department of Transportation (continued)</u></b>			
Direct Programs (continued)			
NDOT School Walking Route Maps	20.205*	PR-129-13-802	15,916
Total Direct Programs			1,982,702
<i>Federal Highway Administration</i>			
Passed through State of Nevada, Division of Parks			
Office of Federal Highway Administration			
River Mountain Loop Trail Repaving	20.219*	2013-02	78,062
<i>National Highway Traffic Safety Administration</i>			
Passed through State of Nevada, Department of Motor Vehicles and Public			
Safety - Office of Traffic Safety:			
State and Community Highway Safety			
Joining Forces 2012	20.600	22-JF-1.08	(14)
Joining Forces Incentive 2010	20.600	23-JF-1.08	28,497
Joining Forces 2014	20.600		130,744
Impaired Driving Reduction Program	20.600	23-AL-9	3,683
Total U.S. Department of Transportation			2,223,674
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Administration for Community Living</i>			
Passed through State of Nevada, Division of Aging Services:			
<i>Aging Cluster:</i>			
Special Programs for the Aging: Title III, Part C: Nutrition Services			
Senior Nutrition Congregate 2013	93.045*	03-031-07-1X-13	118,998
Senior Nutrition Homebound 2013	93.045*	03-031-04-2X-13	92,609
Sr Nutrition Equipment	93.045*	03-031-07-04	3,078
Senior Nutrition Congregate 2014	93.045*	03-031-07-1X-14	179,625
Senior Nutrition Homebound 2014	93.045*	03-031-04-2X-14	184,311

\* Major Program

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Expenditures
Nutrition Services Incentive Program			
Sr. Nutrition NSIP 2013	93.053*	03-031-57-NX-13	57
Sr. Nutrition NSIP 2014	93.053*	03-031-57-NX-14	34,815
Sr. Nutrition NSIP 2013 SI	93.053*	03-031-66-1X-13	58,564
			<u>672,057</u>
<i>Centers for Disease Control and Prevention</i>			
Affordable Care Act (ACA)			
CATCH Kids Program	93.520		24,696
<i>Administration For Children and Families</i>			
Passed through State of Nevada, Department of Business and Industry-Housing Division, Weatherization Assistance Program			
Low Income Home Energy Assistance	93.568	LIHEA/2013/4	10,928
			<u>707,681</u>
<b><u>Department of Homeland Security</u></b>			
<i>Emergency Management Performance Grants</i>			
Passed through the State of Nevada, Department of Motor Vehicles and Public Safety, Division of Emergency Management:			
Emergency Management FY13	97.042	9704211	153,716
SHSP FFY11 - Hazmat	97.073		80,035
Homeland Security Grant Program			
FFY 09 SHSP Grant	97.067		103,050
DEM-UASI-FFY2011	97.067	11-U11	433
Business Impact Analysis	97.067	HL3	58,000
Homeland Security 2010 - Gas Masks	97.067		22,440
			<u>417,674</u>
Total Department of Homeland Security			<u>417,674</u>
Total Expenditures of Federal Awards			<u><u>\$ 16,309,344</u></u>

\* Major Program

# CITY OF HENDERSON, NEVADA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

### Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the City of Henderson, Nevada (the City), except for those activities of the Redevelopment Agency for which a separate report is issued. The reporting entity is defined in Note 1 to the basic financial statements. The schedule includes federal financial assistance received directly from federal agencies as well as passed through other government agencies.

### Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City. Expenditures passed through to subrecipients are presented on the cash basis of accounting and all other expenditures are presented on the accrual basis of accounting.

The information in the schedule of expenditures of federal awards is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The amounts reported in the schedule of expenditures of federal awards agree, in all material respects, to the amounts reported within the City's basic financial statements. Federal grant award revenue is reported as intergovernmental revenues principally in the City's grants special revenue fund.

### Note 3. Subrecipients

During the year ended June 30, 2014, the City provided \$478,671 of federal awards to subrecipients related to the Community Development Block Grants/Entitlement Grants (CFDA number 14.218).

### Note 4. Outstanding Loan Balances

Certain loan programs related to home ownership and improvements are administered directly by the City and balances and transactions relating to these programs are included in the City's basic financial statements as notes receivable. In addition, the City received a loan to fund the Pittman Wash relocation project, which was completed during fiscal 2011. The outstanding loan payable is included in the City's basic financial statements, does not bear interest, and is scheduled to be repaid by 2030.

Expenditures of loaned funds and loans made during the year are included in federal expenditures.

At June 30, 2014, outstanding loan balances were as follows:

Federal CFDA Number	Program Title	Loan Balance Receivable
14.218	Community Development Block Grants/Entitlement Grants	\$ 490,431
14.239	Home Investment Partnerships Program	1,860,898
		<u>\$ 2,351,329</u>
Federal CFDA Number	Federal CFDA Number	Loan Balance Payable
66.458	Capitalization Grants for Clean Water State Revolving Funds	\$ <u>1,397,386</u>



# CITY OF HENDERSON, NEVADA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

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### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements	No

#### Federal Awards

Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes

#### Identification of major programs

CFDA number	14.103
Name of federal program or cluster	Interest Reduction Payments_Rental and Cooperative Housing for Lower Income Families
CFDA number	14.239
Name of federal program or cluster	Sustainable Communities Regional Planning Grant Program
CFDA number	20.205, 20.219
Name of federal program or cluster	Highway Planning and Construction, Recreational Trails Program (Highway Planning and Construction Cluster)
CFDA number	93.045, 93.053
Name of federal program or cluster	Special Programs for the Aging_Title III, Part C_Nutrition Services, Nutrition Services Incentive Program (Aging Cluster)
Name of federal program or cluster	
Dollar threshold used to distinguish between Type A and Type B programs	\$489,280
Auditee qualified as low-risk auditee	Yes

(Continued)

# **CITY OF HENDERSON, NEVADA**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2014**

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

None reported

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2014 - 001	
Program	CFDA #14.703 - HUD Sustainable Communities Grant CFDA #93.045, 93.053 - Special Programs for the Aging Title III, Part C Nutrition Services, Nutrition Services Incentive Program (Aging cluster)
Specific requirements	The information included in Federal Financial Reports (FFRs) filed with granting agencies is complete and accurate.
Condition and context	CFDA #14.703 - For the semi-annual period ended December 31, 2013, the matching expenditures reported on the FFR (\$687,185) were overstated by \$429 as compared to the detailed supporting schedules examined.  CFDA #93.045, 93.053 - For the quarterly period ended June 30, 2014, the program income reported on the FFR for the Black Mountain Senior Nutrition Program (\$175,619) were overstated by \$985 when compared to the detailed supporting schedules examined.
Questioned costs	None
Effect	The information included in the foregoing FFRs was not complete and accurate.
Cause	The review of FFRs did not identify improperly reported amounts, and program income / matching detail is tracked manually in Excel documents, which are sometimes modified subsequent to the filing of FFRs.
Recommendation	Policies and procedures regarding the review of FFRs should be reviewed and updated, if necessary, to ensure the FFRs are complete and accurate prior to being filed. In addition, modifications to the Excel spreadsheets used to support matching expenditures and program income should be documented to provide an audit trail to the amounts reported on FFRs.
Management's response	Management informed us that FFRs will be reviewed by Finance staff before they are submitted to ascertain supporting documentation agrees and will be reconciled to the general ledger.

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 002	
Program	CFDA #14.218 - Community Development Block Grants / Entitlement Grants (CDBG) CFDA #20.205 - Highway Planning and Construction
Specific requirements	The information included in the schedule of expenditures of federal awards (SEFA) is complete and accurate.
Condition and context	We noted that expenditures reported on the SEFA for CFDA #14.218 and CFDA #20.205 were overstated by \$98,029 and \$32,578, respectively.
Questioned costs	None
Effect	Expenditures reported on the unaudited SEFA were overstated by \$130,607.
Cause	CFDA #14.218 - Duplicate expenditure detail was included within the SEFA reconciliation which went undetected during the preparation of the SEFA and not noted when preparing the final SEFA.  CFDA #20.205 - The granting agency modified its reimbursement process during the fiscal year; however, the change was not communicated by the City's grant administrator to the finance department.
Recommendation	The completeness and accuracy of the SEFA should be reviewed to verify that no duplicative information is included, and grant administrators should timely communicate any changes in grant reimbursement protocols and billing to the finance department to ensure that accounting records can be appropriately updated.
Management's response	Management informed us that the \$98,029 was a clerical error (the amount was included twice during the preparation of the SEFA), and that going forward, the SEFA and supporting schedules will be reviewed by Finance staff, other than the preparer, to reduce the risk of clerical error. We were also informed that departmental grant administrators will be reminded to communicate any changes in grant procedures to Finance staff.

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2014 - 003 Program	CFDA #93.045, 93.053 - Special Programs for the Aging Title III, Part C_Nutrition Services, Nutrition Services Incentive Program (Aging cluster)
Specific requirements	Expenditures subject to grant requirements should be review and approved timely to ensure compliance with applicable grant requirements. The review and approval should be adequately documented and maintained.
Condition and context	We were unable to examine supporting documentation for one of the expenditures selected for testing. Although we were able to perform alternative procedures to determine that the expenditures incurred were allowable and within the period of availability, we were unable to determine if the expenditure was properly reviewed and approved.
Questioned costs	None
Effect	We were unable to determine if the expenditure was properly reviewed and approved.
Cause	Supporting documentation (in this case a journal entry) for expenditures is maintained manually, and due to the volume of documentation, information can easily be misplaced.
Recommendation	Electronic document storage options should be considered, depending on the results of a cost / benefit analysis.
Management's response	Management informed us that journal entry documentation will be attached electronically in the general ledger system, and that procedures will be performed to ascertain that review and approval history is maintained.

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2013

---

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

2013 - 001	
Criteria	Donated assets recorded in the financial statements represent assets owned by the City for which the City is responsible to maintain.
Condition	Prior to July 1, 2012, the City recorded donated assets that it did not own, nor did it have the responsibility to maintain.
Effect	In the City's water and sewer funds, capital assets (infrastructure) and net position were materially overstated, which led to a restatement of previously reported balances.
Cause	Prior to fiscal 2013, the review of donated assets did not identify that certain capital assets recorded in the City's financial statements did not belong to the City.
Current status	Corrected

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

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

2013 - 002

Criteria	Contracts and agreements with provisions that could have a financial impact on the City are communicated to the finance department to ensure that they are accounted for properly and timely in the City's financial statements.
Condition	The finance department was not notified timely of an executed interlocal agreement involving a \$2.6 million obligation; consequently, the obligation was not recorded in the accounting records of the City.
Effect	In the City's sewer fund, liabilities were materially understated and net position was materially overstated as of the beginning of the current period.
Cause	The policies and procedure in place that require notification of the finance department with regard to any financial and accounting related documents that come to the attention of City personnel, did not function as intended.
Current status	Corrected

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2013 - 003	
Program	CFDA #14.703 - HUD Sustainable Communities Grant
Specific requirements	The information included in Federal Financial Reports (FFRs) filed with granting agencies is complete and accurate.
Condition and context	<p>For the semi-annual period ended December 31, 2012, the City's matching expenditures reported on the FFR (\$186,678) were overstated by \$7,828.</p> <p>For the semi-annual period ended December 31, 2012, the City's expenditures reported on the FFR for (\$428,484) were overstated by \$65,097.</p>
Questioned costs	None
Effect	The information included in the foregoing FFRs was not complete and accurate.
Cause	The review of FFRs did not identify improperly reported amounts, and matching detail is tracked manually in an excel document, which is sometimes modified subsequent to the FFR being filed.
Current status	See finding 2014-001.

(Continued)



# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

---

### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 004	
Program	CFDA #14.218 - Community Development Block Grants / Entitlement Grants
Specific requirements	The Federal Funding Accountability and Transparency Act (Transparency Act) requires specific information to be reported using the OMB website ( <a href="http://www.USAspending.gov">www.USAspending.gov</a> ) for "first-tier" subawards. First-tier subawards are defined as Non-Recovery Act funding received directly from a federal agency in excess of \$25,000) that are passed through to a subrecipient.
Condition and context	During fiscal 2013, there were thirteen first-tier subawards approved by City Council that were not reported on the <a href="http://www.USAspending.gov">www.USAspending.gov</a> web site.
Questioned costs	None
Effect	The City is not in compliance with the reporting requirements of the Transparency Act.
Cause	Management was not aware of the additional reporting requirements required by the Transparency Act.
Current status	Corrected

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 005	
Program	CFDA #15.235 Southern Nevada Public Land Management Act (SNPLMA)
Specific requirements	The information included in the schedule of expenditures of federal awards (SEFA) is complete and accurate.
Condition and context	In the audited SEFA, \$30,980 of expenditures pertaining to fiscal year 2012 and \$692 of expenditures pertaining to fiscal year 2014 were included.
Questioned costs	None
Effect	The unaudited fiscal year 2013 SEFA was overstated by \$31,672.
Cause	Accounts payable cut-off errors were not detected in the SEFA preparation and review process.
Current status	See finding 2014-002.

(Continued)

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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### Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2013 - 006	
Program	CFDA #15.235 Southern Nevada Public Land Management Act (SNPLMA)
Specific requirements	<p>§ 12.830 Buy American Act—Construction materials.</p> <p>As prescribed in § 12.825, insert the following clause in solicitations for procurement contracts awarded under a grant or cooperative agreement for construction inside the United States:</p> <p><b>BUY AMERICAN ACT—CONSTRUCTION MATERIALS</b></p> <p>(a) The Buy American Act (41 U.S.C. 10) provides that the Government give preference to domestic construction material. Components, used in this clause, means those articles, materials, and supplies incorporated directly into construction materials.</p> <p>Construction material, as used in this clause, means an article, material, or supply brought to the construction site for incorporation into the building or work. Construction material also includes an item brought to the site pre-assembled from articles, materials or supplies. However, emergency life safety systems, such as emergency lighting, fire alarm, and audio evacuation systems, which are discrete systems incorporated into a public building or work and which are produced as a complete system, shall be evaluated as a single and distinct construction material regardless of when or how the individual parts or components of such systems are delivered to the construction site.</p> <p>Domestic construction material, as used in this clause, means (a) an unmanufactured construction material mined or produced in the United States, or (b) a construction material manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as the construction materials determined to be unavailable pursuant to § 12.810(a)(3) of 43 CFR part 12, subpart E shall be treated as domestic.</p> <p>(b) The contractor agrees that only domestic construction material will be used by the contractor, subcontractors, materialmen, and suppliers in the performance of this agreement, except for foreign construction materials, if any, listed in this agreement.</p>
Condition and context	Per examination of contracts and discussion with management, we noted that provisions pertaining to the Buy American Act are not included in SNPLMA contracts, and no other information or documentation is available for examination regarding the City's compliance with the provisions of the Buy American Act.
Questioned costs	None
Effect	We are unable to determine if the City is in compliance with the provisions of the Buy American Act.
Cause	The existing City policies and procedures designed to reasonably assure that construction contracts contain the clause required by the Buy American Act did not function as intended, due to ineffective monitoring for compliance therewith.
Current status	Corrected

# CITY OF HENDERSON, NEVADA

## SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2014

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

### FEES CALCULATED AS A PERCENTAGE OF GROSS REVENUE

Business license revenue for the year ended June 30, 2014	\$	3,499,248
Business license revenue for the year ended June 30, 2013 (base year)	\$	3,278,270
Adjustment to base year		
Percentage change in Consumer Price Index		2.10 %
Total adjustment to base year		<u>68,844</u>
Adjusted business license revenue base for the year ended June 30, 2014		<u>3,347,114</u>
Amount over allowable maximum	\$	<u><u>152,134</u></u>

### FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2014	\$	2,249,022
Business license revenue for the year ended June 30, 2013 (base year)	\$	2,168,461
Adjustment to base year		
Percentage change in local government population		3.89 %
Percentage change in Consumer Price Index		<u>2.10 %</u>
		<u>5.99 %</u>
Total adjustment to base year		<u>129,891</u>
Adjusted business license revenue base for the year ended June 30, 2014		<u>2,298,352</u>
Amount under allowable maximum	\$	<u><u>(49,330)</u></u>

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*A Place To Call Home*

## MAYOR AND COUNCIL

Andy Hafen, Mayor

Gerri Schroder, Council Ward I

Debra March, Council Ward II

John F. Marz, Council Ward III

Sam Bateman, Council Ward IV

## CITY MANAGER'S OFFICE

Jacob L. Snow, City Manager

Bristol S. Ellington, Assistant City Manager

Fred Horvath, Assistant City Manager

## FINANCE DEPARTMENT

Richard A. Derrick, Chief Financial Officer