



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020



CITY OF HENDERSON, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2020

Prepared by: Finance Department

Jim McIntosh

Chief Financial Officer

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CITY OF HENDERSON, NEVADA

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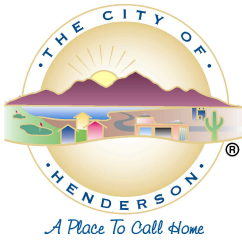
Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

INTRODUCTORY SECTION





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

November 30, 2020

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, 2020 is hereby submitted in accordance with Nevada Revised Statutes (NRS) 354.624. State law requires that a local government provide for an annual audit by independent certified public accountants of its financial statements in accordance with generally accepted auditing standards.

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

The City's financial statements have been audited by BDO USA, LLP, 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, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for fiscal year ended June 30, 2020, 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 is 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. An independent auditor's report on compliance for each major federal program as well as the report on internal control over compliance with applicable laws and regulations and the report on schedule of expenditures of federal awards will be included in a separately issued audit.

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

Profile of the Government

The City of Henderson is located in the southeastern portion of Clark County, Nevada. With a population of approximately 325,000, Henderson is the second largest city in the State of Nevada. The City Charter was approved in its present form by the Nevada Legislature in 1971 and has been amended subsequent thereto.

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

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

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

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council if the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted no sooner than the third Monday in May and no later than the last day in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval.

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

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

Local Economy

Henderson continues to be ranked as one of America's most livable and tax-friendly cities, having been able to maintain property taxes at the same low rate for 30 years.

Located just seven miles from the famous Las Vegas Strip, Henderson is known throughout the nation for its premier master planned residential communities, outstanding parks and recreational facilities, cultural activities, and business community. Some of the nation's best known and most respected corporations have established major operations in Henderson, including the National Football League Las Vegas Raiders corporate headquarters, Google LLC., Amazon Inc., HAAS Automation, Inc., Medco Health Solutions, Ford Motor Credit, and Core-Mark Distributors Inc. Henderson also has defined gaming districts which include casino/resort developments such as the M Resort, Sunset Station, and Green Valley Ranch Station. In addition, the City's historic Water Street District is set to undergo a revitalization with the addition of several new businesses along with the construction of Lifeguard Arena which will serve as a community ice rink as well as the practice facility for the Henderson Silver Knights, an American Hockey League team. In addition to the team's practice facility/community ice rink on Water Street, the City has entered into a public/ private partnership with the Las Vegas Golden Knights to replace the currently closed 6,500 seat Henderson Pavilion with a new 6,000 seat indoor events center. Currently known as the Henderson Events Center, the facility will not only host 34 annual home games for

the Henderson Silver Knights, but will also be designed to accommodate a variety of events year-round, including but not limited to festivals, concerts, performing arts productions, high school and higher education graduations and events, community and civic events, and sporting events of all kinds.

In late January 2020, the World Health Organization (WHO) announced a global health emergency regarding a new strain of virus called Novel Coronavirus (COVID-19). Further, in March 2020, the WHO classified COVID-19 as a pandemic (COVID-19 pandemic). On March 17, 2020, the Governor of Nevada announced that all casinos and gaming machines, devices, tables, games, and any equipment related to gaming activity was to be shut down. Since March 17, 2020, the Governor has issued several directives intended to maintain social distancing, including directing that all non-essential services be closed with phased re-openings of certain businesses occurring on May 8, 2020, subject to capacity restrictions. Gaming was allowed to re-open with restrictions and new protocols on June 4, 2020. Gaming operators have taken a phased approach, announcing that some properties are opening immediately, others are remaining closed for up to a year, with still others closing indefinitely.

As a result of the COVID-19 pandemic, cancellations and postponements of events at the Las Vegas Convention Center and other major venues within the County have occurred, and travel through McCarran International Airport has declined significantly.

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

The outlook for Nevada's economy is negative and is projected to experience a slower recovery than the rest of the country due to its relatively large dependence on tourism which supports 38% of the workforce in Southern Nevada. As a result, it is estimated that the economy in Southern Nevada will continue to struggle with depressed demand for domestic and international travel which has remained largely halted until a long-term solution to the pandemic can be reached. This will have a prolonged impact on unemployment which is expected to stay elevated, although reduced from the record-breaking levels reached shortly after the pandemic's outset.

The national employment picture has taken a drastic downward trend due to the economic impact of the pandemic. The official unemployment rate increased from 3.7% in June 2019 to 11.1% in June 2020, as the pandemic led to widespread layoffs and temporary furloughs.

Like the national employment market, unemployment within the local market has also increased considerably given the economic impact of the pandemic, with Nevada's unemployment rate peaking at 30.1% in April 2020, the highest unemployment rate on record. In comparison, prior to the pandemic in February 2020, the unemployment rate in the state was 3.6%. The unemployment rate subsequently declined in June 2020 to 15.2% as businesses began to reopen in May.

Nevada has suffered with the highest unemployment rates in the country. As of April 2020, the pandemic had already caused a reduction in employment much larger than the Great Recession, over a much shorter time span. From February 2020 to June 2020, a total of 229,701 jobs were lost in Nevada.

Though Nevada continues to recover, with its unemployment rate falling to 12.6% in September 2020, there remains a long road ahead to full recovery.

The City continues to maintain a tax rate of \$.7108 per \$100 in assessed valuation. This property tax rate has remained consistent for 30 years and continues to be one of the lowest in the State of Nevada.

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

The degree of impact from the COVID-19 pandemic to the City's finances and operations is difficult to predict due to the evolving nature, including uncertainties relating to (i) the duration of the outbreak, (ii) the severity of the outbreak (iii) the ultimate geographic spread of the outbreak, and (iv) what additional actions may be taken by state, local, and federal governmental authorities to contain or mitigate its impact.

According to population projections by the Nevada state demographer, the population in Clark County rose from 2,251,175 to 2,293,391, a modest 1.9% increase during the year ended July 1, 2019. It is estimated that the population growth will continue to gradually increase in Clark County in the coming years.

Long-Term Financial Planning

The City continues to update the Capital Improvement Plan, a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. Some of these capital projects for fiscal year 2021, contingent upon available funding, include:

Grants, park taxes, and contributions to fund various parks and recreation projects, including continuing construction of the Union Pacific Railroad trail.

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

Sewer Fund to fund the Lake Las Vegas lift station pump replacement. This project will replace two existing water cooled pumps with fan cooled pumps.

The City to fund a West Henderson Police facility which will include a substation and training center. Additionally, the City to fund construction of the new Henderson Events center in place of the existing Henderson Pavilion.

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

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

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

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

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

Major Initiatives

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

The City declared a State of Emergency and activated the Emergency Operations Center (EOC) on March 15, 2020 in response to the COVID-19 pandemic. Doing so, allowed the City to establish clear priorities and more effectively manage the coordination of information and resources. Through the implementation of the Emergency Operations Plan, the EOC was able to meet and exceed the immediate and ongoing needs of the community. Some specific accomplishments of this group included procuring and distributing over half a million pieces of personal protective equipment to front line staff (i.e., police/fire) and partner agencies, the establishment of free 24/7 childcare services for families of first responders within 12 hours of EOC activation, which was utilized by hundreds from across Clark County over a period of 8 weeks, and the collection of donated food valued in excess of \$90,000 which was then delivered to City residents. While this was occurring, the EOC was also able to coordinate anti-body testing for City staff and provide community-based testing in partnership with the Fiesta Henderson Hotel & Casino. Long-term efforts are ongoing and focused on grant administration, COVID-19 testing, business outreach, compliance, mental health, education, and lessening the needs of vulnerable population groups.

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

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, 2019.

This was the 38th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Richard A. Derrick
City Manager/CEO



Jim McIntosh
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Henderson
Nevada**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

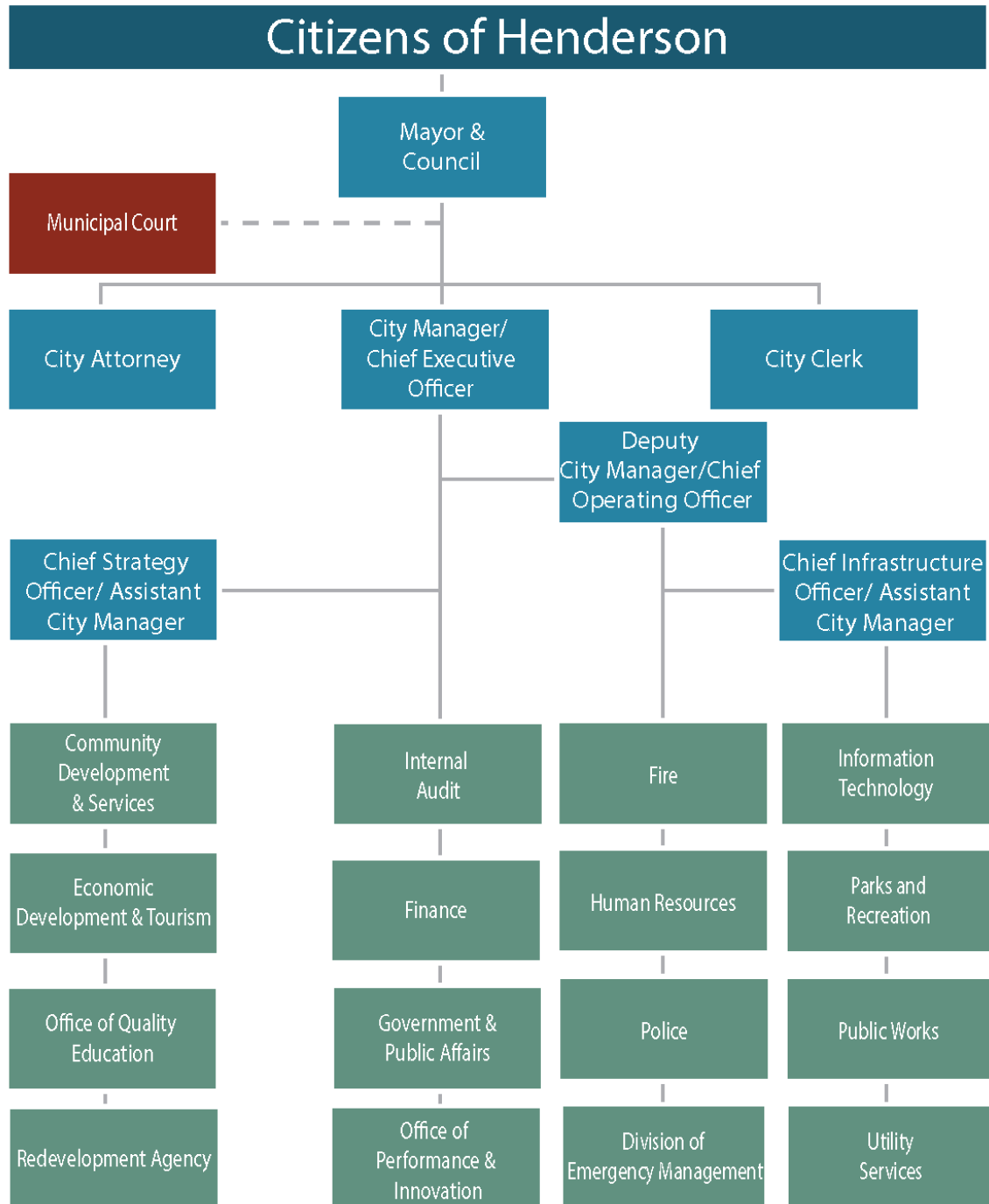
Christopher P. Morill

Executive Director/CEO

CITY OF HENDERSON, NEVADA

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2020



CITY OF HENDERSON, NEVADA

List of Principal Officers

FOR THE YEAR ENDED JUNE 30, 2020

MAYOR AND COUNCIL

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

CITY OFFICIALS

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



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

FINANCIAL SECTION





Independent Auditor's Report

Members of the City Council
City of Henderson, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the City may be adversely impacted by the outbreak of a novel strain of the coronavirus, known as COVID-19, which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions - schedule of changes in total OPEB liability, multiple-employer cost-sharing defined benefit pension plan - proportionate share of the collective net pension liability information, multiple-employer cost-sharing defined benefit pension plan - proportionate share of statutorily required contribution information, agent multiple-employer defined benefit pension plan - schedule of changes in net pension liability, agent multiple-employer defined benefit pension plan - pension plan information, and agent multiple-employer defined benefit pension plan - pension plan - actuarially determined contribution information on pages 12-26 and 88-94 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 opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, 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 combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

BDO USA, LLP

Las Vegas, Nevada
November 30, 2020

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2020

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, 2020. This should be read in conjunction with the transmittal letter in the Introduction Section and the City's financial statements following this section.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows on June 30, 2020 by \$2,597,055,552 (net position). However, due to the recognition of estimated liabilities and deferred resources related to pension and other post-employment benefits (OPEB) totaling \$395,693,923 as of June 30, 2020, the City's governmental activities have negative unrestricted net position of \$298,805,643.

During fiscal year 2020, the City's total net position increased by \$13,099,554. See the sections on governmental activities and business-type activities below for explanations of the increase.

As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$339,809,860, an increase of \$75,792,945 over the prior year. See the governmental fund analysis below for explanations of the increase. Approximately 5.9% of ending fund balances, or \$20,106,447, is available for spending at the City's discretion (*i.e.*, unassigned fund balance).

As of June 30, 2020, unassigned fund balance in the General fund was 7.6% of fiscal year 2020 expenditures in the general fund.

COVID-19 Pandemic

The spread of the novel strain of coronavirus called COVID-19 (COVID-19) is having significant negative impacts throughout the world, including within Southern Nevada and the City of Henderson. On March 12, 2020, the Governor of the State of Nevada (the Governor) issued an emergency declaration (the Declaration) pursuant to State law in response to the outbreak of COVID-19. Following the Governor's Declaration, the City also declared a State of Emergency and activated the Emergency Operations Center (EOC) on March 15, 2020. Through the implementation of the Emergency Operations plan, the EOC was able to meet and exceed the immediate and ongoing needs of the community, including procurement and distribution of over half a million pieces of personal protective equipment to front line staff (*i.e.*, police and fire) and partner agencies, the establishment of free 24/7 childcare services for the families of first responders, and the distribution of donated food to residents.

After the original Declaration, the Governor issued several directives intended to maintain social distancing, including that all non-essential businesses and public services remain closed with phased re-openings of certain businesses beginning May 8, 2020, subject to capacity restrictions. As a result, cancellations and postponement of events within Clark County have occurred and travel through McCarran International Airport has declined significantly. Gaming was allowed to re-open with restrictions and new protocols on June 4, 2020. Gaming operators have taken a phased approach with some properties opening immediately, others opting to remain closed for up to a year, and still others closing indefinitely.

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The County's and the City's economies are heavily dependent on tourism, and the foregoing impacts of the spread of COVID-19 and its continued adverse effects on the level of Commercial activity within the County have negatively impacted the City's financial operations. The City is highly reliant on consolidated tax, which consists of liquor taxes, cigarette taxes, the Government Services tax, the Real Property Transfer tax, The Basic City County Relief tax (BCCRT), and the Supplemental City County Relief tax (SCCRT). The BCCRT and SCCRT are strictly sales tax based, and generally make up in excess of 85% of consolidated tax. Compiled at the state level, these funds are then distributed to municipalities according to a formula outlined in 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.

The degree of impact from the COVID-19 pandemic to the City's finances and operations is difficult to predict due to the evolving nature of the COVID-19 transmission.

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 the following components: 1) government-wide financial statements, 2) fund financial statements, 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, development services, cultural arts and tourism, and a municipal golf course.

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains twenty-five individual governmental funds as of June 30, 2020. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual, appropriated budget for all governmental funds. A budgetary comparison for the City's General Fund 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 fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds (i.e., enterprise funds and internal service funds).

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

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning changes to the City's proportionate share of and actuarially determined contribution to the City's pension and OPEB provided to the City's employees, which is presented immediately following the notes to the 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 required supplementary information on net pension and total OPEB liabilities. Internal service funds are presented after the governmental funds combining 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, 2020, the City is reporting net position of \$2,597,055,552. The following table provides a summary of the City's net position for the years ended June 30, 2020 and 2019.

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current, restricted and other	\$ 515,015,842	\$ 427,204,945	\$ 349,457,046	\$ 213,840,371	\$ 864,472,888	\$ 641,045,316
Capital	<u>1,698,920,811</u>	<u>1,700,094,725</u>	<u>1,021,642,619</u>	<u>999,594,769</u>	<u>2,720,563,430</u>	<u>2,699,689,494</u>
Total assets	<u>2,213,936,653</u>	<u>2,127,299,670</u>	<u>1,371,099,665</u>	<u>1,213,435,140</u>	<u>3,585,036,318</u>	<u>3,340,734,810</u>
Deferred outflows of resources	<u>87,294,564</u>	<u>64,213,377</u>	<u>15,858,880</u>	<u>13,229,817</u>	<u>103,153,444</u>	<u>77,443,194</u>
Liabilities						
Current	35,754,524	35,495,341	31,922,406	25,488,280	67,676,930	60,983,621
Other	<u>692,307,993</u>	<u>590,195,072</u>	<u>288,725,626</u>	<u>150,314,431</u>	<u>981,033,619</u>	<u>740,509,503</u>
Total liabilities	<u>728,062,517</u>	<u>625,690,413</u>	<u>320,648,032</u>	<u>175,802,711</u>	<u>1,048,710,549</u>	<u>801,493,124</u>
Deferred inflows of resources	<u>37,330,358</u>	<u>28,969,425</u>	<u>5,093,303</u>	<u>3,759,457</u>	<u>42,423,661</u>	<u>32,728,882</u>
Net position						
Net investment in capital assets	1,599,479,735	1,603,799,207	937,997,632	919,833,177	2,537,477,367	2,523,632,384
Restricted	235,164,250	178,123,014	10,330,257	16,349,684	245,494,507	194,472,698
Unrestricted	<u>(298,805,643)</u>	<u>(245,069,012)</u>	<u>112,889,321</u>	<u>110,919,928</u>	<u>(185,916,322)</u>	<u>(134,149,084)</u>
Total net position	<u>\$ 1,535,838,342</u>	<u>\$ 1,536,853,209</u>	<u>\$ 1,061,217,210</u>	<u>\$ 1,047,102,789</u>	<u>\$ 2,597,055,552</u>	<u>\$ 2,583,955,998</u>

The City's total net position increased by \$13,099,554 during the current fiscal year, comprised of a decrease in governmental activities net position of \$1,014,867 and an increase in business-type activities net position of \$14,114,421.

At June 30, 2020, the largest portion of the City's net position, \$2,537,477,367, is its investment in capital assets (e.g., land, buildings, machinery and equipment, etc.), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2020, 9.5% of the City's net position is subject to external restrictions on how it may be used. The remaining balance is a negative \$185,916,332 primarily resulting from the estimated liabilities and deferred resources related to pension and OPEB. As of June 30, 2020, the City's long-term liabilities include a net pension liability of \$412.0 million, which was actuarially determined to be the City's proportionate share of the collective net pension liability of the Public Employees' Retirement System of Nevada (PERS). Additionally, as of June 30, 2020, the City has recorded an estimated long-term liability of \$85.6 million for its actuarially determined total OPEB liability.

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 55,193,491	\$ 60,680,785	\$ 148,791,534	\$ 150,689,727	\$ 203,985,025	\$ 211,370,512
Operating grants and contributions	9,272,182	6,514,970			9,272,182	6,514,970
Capital grants and contributions	44,216,932	53,181,128	26,100,088	27,595,157	70,317,020	80,776,285
General revenues						
Property taxes	99,987,792	91,134,869			99,987,792	91,134,869
Room taxes	3,315,953	1,390,043		2,356,678	3,315,953	3,746,721
Intergovernmental revenues - consolidated tax	114,624,938	118,869,105			114,624,938	118,869,105
Motor vehicle fuel tax	5,657,650	6,129,774			5,657,650	6,129,774
Sales tax	22,116,184	22,892,225	5,666,777	5,908,827	27,782,961	28,801,052
Residential Construction Tax	817,894	1,001,620			817,894	1,001,620
Franchise fees, based on gross receipts	33,741,224	33,766,078			33,741,224	33,766,078
Unrestricted investment income	7,811,589	8,377,585	6,250,221	6,978,694	14,061,810	15,356,279
Gain on disposal of capital assets	1,359,393	8,106,733		3,420	1,359,393	8,110,153
Miscellaneous	897,226	1,819,297	801,193	2,852,155	1,698,419	4,671,452
Total revenues	<u>399,012,448</u>	<u>413,864,212</u>	<u>187,609,813</u>	<u>196,384,658</u>	<u>586,622,261</u>	<u>610,248,870</u>
Expenses						
General government	98,478,110	62,997,651			98,478,110	62,997,651
Judicial	12,873,164	11,176,164			12,873,164	11,176,164
Public safety	190,601,343	163,724,635			190,601,343	163,724,635
Public works	39,100,865	34,616,021			39,100,865	34,616,021
Culture and recreation	56,901,997	50,752,764			56,901,997	50,752,764
Community support	4,271,665	3,098,245			4,271,665	3,098,245
Interest expense and fiscal charges	4,910,377	4,966,704			4,910,377	4,966,704
Water			83,590,931	78,149,917	83,590,931	78,149,917
Sewer			54,114,028	51,560,957	54,114,028	51,560,957
Development services			19,923,886	18,186,927	19,923,886	18,186,927
Cultural arts and tourism			6,407,662	7,075,750	6,407,662	7,075,750
Municipal golf course			2,348,679	2,515,947	2,348,679	2,515,947
Total expenses	<u>407,137,521</u>	<u>331,332,184</u>	<u>166,385,186</u>	<u>157,489,498</u>	<u>573,522,707</u>	<u>488,821,682</u>
Change in net position before transfers	(8,125,073)	82,532,028	21,224,627	38,895,160	13,099,554	121,427,188
Transfers	<u>7,110,206</u>	<u>(1,783,244)</u>	<u>(7,110,206)</u>	<u>1,783,244</u>		
Change in net position	(1,014,867)	80,748,784	14,114,421	40,678,404	13,099,554	121,427,188
Net position, beginning of year	<u>1,536,853,209</u>	<u>1,456,104,425</u>	<u>1,047,102,789</u>	<u>1,006,424,385</u>	<u>2,583,955,998</u>	<u>2,462,528,810</u>
Net position, end of year	<u>\$ 1,535,838,342</u>	<u>\$ 1,536,853,209</u>	<u>\$ 1,061,217,210</u>	<u>\$ 1,047,102,789</u>	<u>\$ 2,597,055,552</u>	<u>\$ 2,583,955,998</u>

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Governmental Activities

Governmental activities decreased the City's net position by \$1,014,867. Revenues came in at \$399.0 million supported by less than anticipated levels of consolidated taxes (\$114.6 million), and sales taxes (\$22.1 million), offset slightly by increased property taxes (\$100.0 million). Total expenses finished the year at \$407,137,521, less than originally budgeted due to cost mitigation steps taken by the City as a result of the COVID-19 pandemic, which will be discussed further under General Fund Budgetary Highlights. Significant year-over-year changes are as follows:

Charges for services decreased by \$5.5 million primarily due to: a decrease in prisoner detention revenue of \$1.5 million as a result of the opening of a new detention facility by another local jurisdiction, a decrease in parks and recreation fees in the amount of \$3.1 million resulting from the closure of recreation facilities and reduction in programs offered throughout the summer as a consequence of the COVID-19 pandemic lockdown and subsequent restrictions, and a decrease in court and traffic fines of \$2.1 million due to a decrease in case numbers and traffic violations, again because of the COVID-19 pandemic lockdown.

Operating grants and contributions increased \$2.8 million due to a state grant for one large project that was approved during the year.

Capital grants and contributions decreased \$9.0 million resulting from a decrease in developer contributions of \$14.7 million due to a significant contribution of LID assets in the prior year that did not reoccur in this fiscal year. This decrease was offset by an increase in federal grants of \$4.8 million related to the UPRR Trails project.

Property tax revenue increased by \$8.9 million due to an increase in assessed value and new properties coming onto the tax rolls, which is a byproduct of continued growth in the local housing market.

Intergovernmental revenue and sales tax revenue decreased by \$4.2 million and \$0.8 million, respectively, as a consequence of the adverse effect of the COVID-19 pandemic on the local economy.

Gain on disposal of capital assets decreased by \$6.7 million. During the year ended June 30, 2019, the City sold property located at St. Rose and Spencer that resulted in a gain of \$7.6 million. In the current fiscal year, the largest gain on sale of land was \$0.9 million.

General government expense increased by \$35.5 million primarily due to the following. First, related to compensation, full time salaries and wages expense increased \$2.4 million as a result of the addition of 21 full time positions, along with the impact of annual wage and salary increases. Benefits expense increased \$7.4 million as a result of an increase in pension and OPEB expense of \$2.9 and \$4.2 million, respectively. Additionally, the City contributed \$0.5 million each to the College of Southern Nevada Foundation and the Nevada State College Foundation to assist with the construction of two new buildings on the Henderson campuses. Also, losses on disposal of capital assets increased by \$23.4 million due to a \$9.4 million loss on the disposal of the Henderson Pavilion, along with a \$12.9 million loss on sale of LTA land, requiring the proceeds from the sale be remitted to the Bureau of Land Management.

Public Safety expense increased by \$26.9 million primarily due to increased salaries and wages and benefits of \$1.0 million and \$23.7 million, respectively, as a result of the addition of 43 full time position, including 19 in the fire department due to the opening of the Hidden Falls Fire station, 16 in the police department, 7 in building & fire safety and 1 in emergency management. In addition, pension expense increased by \$9.3 million and OPEB expense increased by \$14.0 million.

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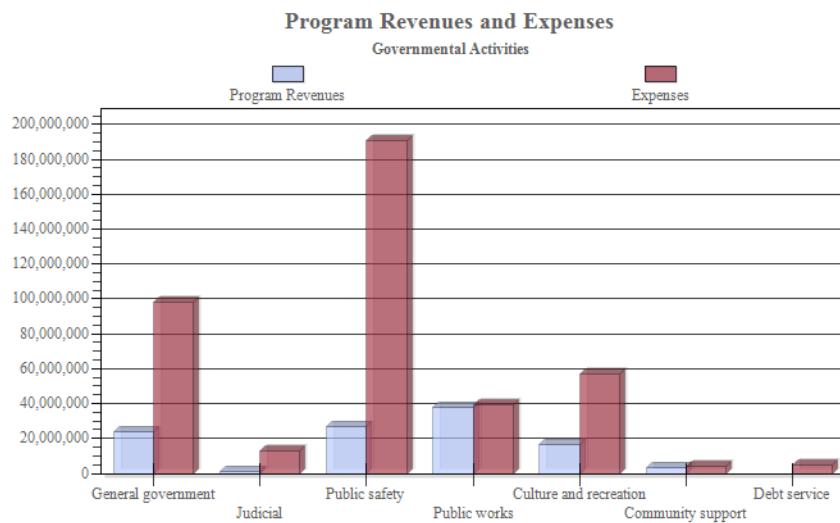
CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Culture and recreation expense increased by \$6.1 million primarily due to increases in pension and OPEB expense of \$1.5 million and \$1.6 million, respectively. In addition, full-time salaries increased by \$1.6 million as a result of as a result of the transfer of employees from the Cultural Arts and Tourism enterprise fund to culture and recreation following the closing of the conventions center and Henderson Pavilion.

Transfers increased by \$8.9 million due primarily to an increase in transfers in of \$2.8 million of assets from the Cultural Arts and Tourism enterprise fund and a decrease in transfers out of \$2.6 million of convention center and Henderson Pavilion liabilities from the Cultural Arts and Tourism enterprise fund to governmental activities, resulting from the closing of the convention center and Henderson Pavilion. In addition, a decrease in transfers out was experienced due to a non-recurring transfer in fiscal year 2019 of \$4.0 million from the Agency for the Lifeguard Arena.

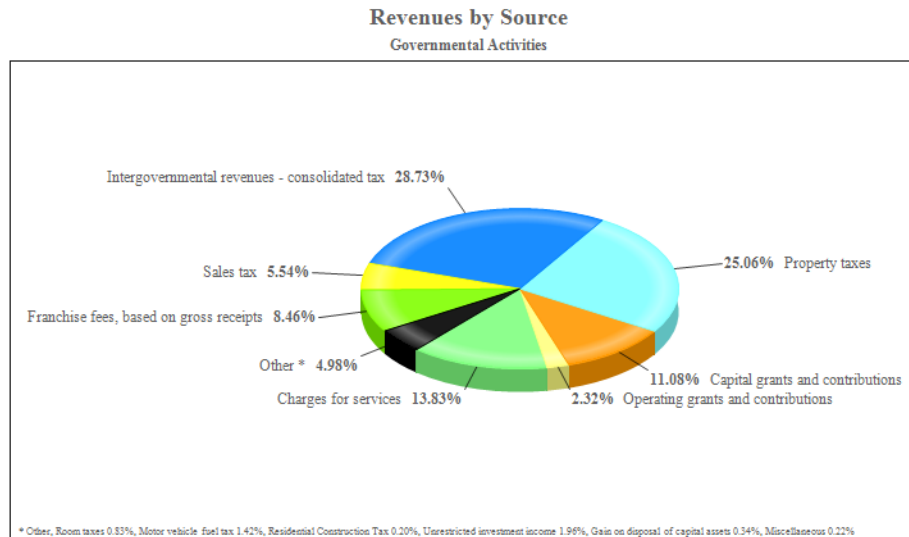


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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020



Business-type Activities

Business-type activities increased the City's net position by \$14,114,421. Charges for services account for \$148.8 million of the total revenues of \$187.6 million. The largest increase was in Water Fund expenses (\$5.4 million), mainly resulting from an increase in pension and OPEB expense of \$1.7 million due to cost savings recognized in the prior year by virtue of plan design changes, compared to an increase in current year expense resulting from the change in discount rates as a consequence of declining interest rates related to the COVID-19 pandemic. Additional changes include an increase of \$1.3 million in infrastructure repairs and maintenance resulting primarily from a catch-up in pavement patching for the year, and an increase in water costs of \$1.0 million related to higher consumption of raw water due to operational requirements and increases of 3.2% and 2.0% in the costs of potable and raw water, respectively. Lastly, the City incurred bond issuance costs in fiscal year 2020 of \$0.9 million.

Significant year-over-year changes are as follows:

Charges for services decreased by \$1.9 million, due primarily to a \$1.8 million reduction in the Cultural Arts and Tourism fund as a result of the closure of the convention center and the Henderson Pavilion.

Capital grants and contributions decreased by \$1.5 million due to a \$6.0 million decrease in Sewer fund development fees, resulting from developer concerns regarding the impact of COVID-19 on development, sales and related economic uncertainty, offset by an increase of \$4.3 million in utility assets contributed by developers.

General revenues decreased by \$5.4 million due primarily to a decrease of \$2.4 million in room taxes along with a decrease of \$1.1 million in the LVCVA allocation of certain license taxes on gaming, hotel, and motel rooms by cause of the closure of the convention center and the Henderson Pavilion. These revenues are now reported as part of the Recreation, Cultural Events, and Tourism special revenue funds. In addition, unrestricted investment income decreased by \$0.7 million as a consequence of declining interest rates related to the COVID-19 pandemic.

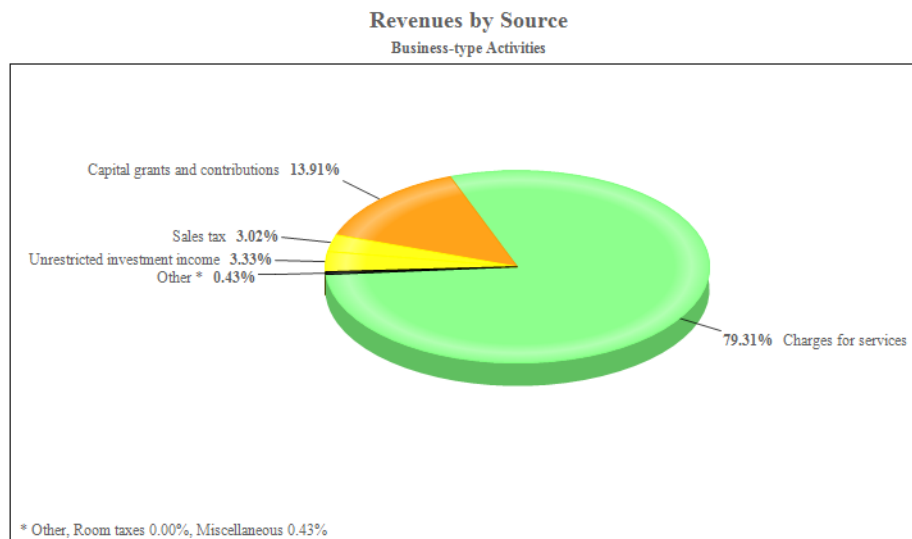
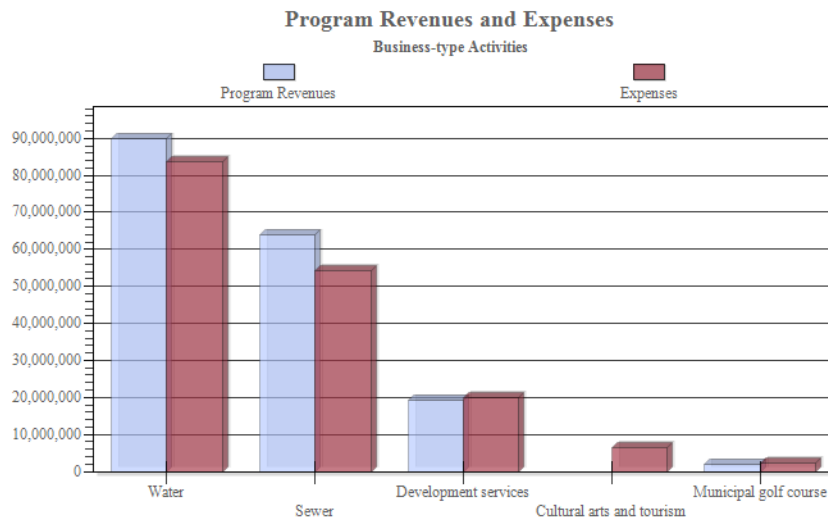
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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Transfers decreased \$8.9 million primarily due to an increase in transfers out of \$2.8 million of assets to the Recreation, Cultural Events and Tourism, and Special Recreation funds and a decrease in transfers out of \$2.6 million of the convention center and Henderson Pavilion liabilities from the Cultural Arts and Tourism enterprise fund to governmental activities resulting from the closing of the convention center and Henderson Pavilion. In addition, a decrease in transfers in was experienced due to a non-recurring transfer in fiscal year 2019 of \$4.0 million from the Agency for the Lifeguard Arena.



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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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 \$339,809,860, an increase of \$75,792,945 in comparison with the prior fiscal year. The increase is due primarily to the issuance of bonds in the current fiscal year. Approximately 5.9% of fund balance (\$20,106,447) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either nonspendable (\$34,310), restricted by State law or external entities (\$235,825,634), committed for specific uses by the City Council (\$35,721,066), or assigned for specific uses by the City (\$48,122,403).

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 \$20,106,447, while total fund balance was \$27,165,660. 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 June 30, 2020, unassigned fund balance represents 7.6% of total General Fund expenditures, while total fund balance represents 10.2% of that same amount.

The fund balance of the general fund decreased by \$6,816,015 during the current fiscal year. Significant year-over-year changes are as follows:

Property taxes increased by \$4.8 million by virtue of an increase in assessed value and new properties coming onto the tax rolls, both resulting from continued growth in the local housing market.

Intergovernmental revenues decreased by \$7.1 million, due primarily to a \$4.2 million decrease in Consolidated Tax revenue and a \$0.4 million decrease in other intergovernmental revenues as a consequence of the adverse effect of the COVID-19 pandemic on State and local economies. Also, the motor vehicle fuel tax is now being recorded in the Gas Tax special revenue fund rather than the general fund, resulting in an additional decrease of \$2.7 million from the prior year.

Charges for services decreased by \$6.6 million due to a decrease in prisoner detention revenue of \$1.5 million as a result of the opening of a new detention facility by another local jurisdiction, a decrease in parks and recreation fees in the amount of \$3.1 million due to the closure of recreation facilities and reduction in programming offered following the commencement of the COVID-19 pandemic lockdown and subsequent restrictions, and a decrease of \$1.6 million in ambulance related revenue because of a lower Ground Emergency Medical Transportation payment of \$3.0 million. These reductions were offset by an increase of \$1.7 million in ambulance charges, due to a rate increase of 8.7% in February of 2020 and increase in collections.

Fines and forfeitures decreased by \$2.2 million primarily due to a decrease in court and traffic fines in the amount of \$2.1 million resulting from a reduction in case filings from the Henderson Police Department and City Attorney's office, and a reduction in fines collected in the last four months of the fiscal year, both attributable to the COVID-19 pandemic. In addition, legislative directives from the State of Nevada became effective October 1, 2019 (AB434) which redirected several fines that had been previously retained as revenue by the City to the state permanent school fund.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Miscellaneous revenues increased \$1.6 million due to a note payoff received from the Landwell Company.

General government current expenditures increased by \$2.2 million, primarily due in part to a \$1.5 million increase in salaries and wages and a \$1.4 million increase in benefits resulting from an increase in the PERS contribution rate of 1.25% and increase in the overall contribution base. Partially offsetting these increases was a \$0.7 million reduction in services and supplies.

Public safety current expenditures increased by \$6.2 million, primarily due to an increase in salaries and wages and benefits of \$1.6 million and \$2.4 million, respectively, as a result of the addition of 43 full-time positions and an increase in the PERS contribution rate of 1.25% for regular members and 2.0% for public safety members. Services and supplies expenditures increased by \$2.3 million, primarily due to an increase in City Shop charges and computer licenses charges of \$1.1 million and \$0.7 million, respectively, to cover operational costs for fleet maintenance and licensing, and an increase in costs for first aid supplies of \$0.7 million due to a surge in demand for personal protective equipment as a result of the COVID-19 pandemic.

Public Works current expenditures decreased by \$2.2 million primarily due to the breakout of employees in the streets division from the General fund to the Gas Tax fund, resulting in a reduction of \$2.4 million in salaries and wages, benefits, and services and supplies in the General Fund.

Culture and Recreation current expenditures decreased by \$1.5 million, due primarily to a reduction in the engineering assessment in the amount of \$1.1 million, as well as a reduction of \$0.1 million in food costs due to an increase in grant funding for the senior nutrition program. Capital expenditures increased by \$1.0 million primarily resulting from construction costs related to landscape renovation in various parts of the City.

Transfers to other funds were \$15 million and were primarily to fund capital acquisition and city shop operations.

Proprietary Funds

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

Unrestricted net position of the Water Fund at the end of fiscal year 2020 amounted to \$80,794,720 and the total increase in net position was \$6,449,613. Unrestricted net position of the Sewer Fund at the end of the fiscal year 2020 was \$87,076,253 and the total increase in net position was \$16,986,844. 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 approximately \$2.0 million, or 0.7% under the original budget, which is not considered significant.

Actual expenditures were 93.6% of appropriations, or \$18.2 million lower than the final budget. All functions are well within appropriation authority. With the declaration of the COVID-19 pandemic the City took steps to minimize costs in the anticipation of lost revenue due to the shutdowns imposed by the Governor. This included a hiring freeze for non-public safety positions, travel and training restrictions, and an overall effort to reduce spending wherever possible. In addition, some incomplete projects will be re-appropriated to the next fiscal year. The main areas of savings are summarized below:

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Actual general government expenditures were \$6.5 million below the final budget. The majority of the positive variance from budget is due to lower than expected operating expenditures of approximately \$4.3 million which primarily relate to ongoing projects that will be re-appropriated in fiscal year 2021. The remainder of the positive variances results from steps taken to reduce spending as a result of the COVID-19 pandemic and employment position vacancy savings.

Actual public safety expenditures were \$6.9 million below the final budget. Most of the positive variance results from lower than anticipated salaries and wages and related benefits expenditures of \$4.3 million resulting from position vacancies. The remainder was from operating efficiencies and ongoing projects that will be re-appropriated in fiscal year 2021.

There were other functional savings of \$4.8 million in the aggregate, but none that were significant in any one category.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2020, the City's total carrying value of capital assets is \$2,720,563,430 (net of accumulated depreciation). The City's capital assets include land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and a municipal golf course. During fiscal year 2020, the City's capital assets increased by approximately \$20.9 million (which reflects a \$1.2 million decrease for governmental activities and a \$22.1 million increase for business-type activities).

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

Land decreased \$11.9 million in governmental activities, primarily due to the sale of land valued at \$12.9 million to PEGH/HAAS Automation, the sale of land valued at \$1.9 million for the West Henderson Substation, and the sale of Site D land valued at \$1.6 million. Partially offsetting these sales was the purchase of the UPRR trail land easement for \$4.6 million.

Building and building improvements decreased \$9.9 million in governmental activities, primarily due to the disposal of the Henderson Pavilion which had a net book value of \$9.1 million.

Improvements other than buildings decreased \$7.7 million in governmental activities, primarily due to current year depreciation of existing improvements in the amount of \$9.3 million. This was offset by the addition of completed projects including playground resurfacing and installation of shade structures at various park locations totaling \$1.1 million.

Infrastructure increased \$7.7 million in governmental activities, primarily due to the addition of donated roadway improvement projects in the Cadence community totaling \$8.6 million.

Construction in progress increased \$17.9 million in governmental activities, primarily due to project costs incurred at the following projects: the Hidden Falls Fire Station 85 for \$9.5 million, Galleria Fleet Maintenance Building for \$3.2 million, Fire Station 83 Renovation and Expansion for \$2.3 million, Valley View Recreation Center Preschool Renovations for \$1.7 million, and O'Callaghan Park Landscaping and Renovation for \$1.2 million.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Construction in progress increased \$20.5 million in business-type activities, resulting from additional costs incurred for large water and sewer construction projects including Townsite Phase I for \$12.0 million, Townsite Phase II for \$4.1 million, and Via Nobila Utilities for \$4.0 million.

Capital Assets, Net of Accumulated Depreciation and Amortization						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Construction in progress	\$ 52,406,406	\$ 34,496,061	\$ 36,140,831	\$ 15,710,324	\$ 88,547,237	\$ 50,206,385
Land	181,126,280	193,004,710	40,452,702	35,909,213	221,578,982	228,913,923
Building and building improvements	233,149,020	243,098,561	125,875,872	129,196,158	359,024,892	372,294,719
Improvements other than buildings	296,820,170	304,482,022	774,950,272	771,745,011	1,071,770,442	1,076,227,033
Infrastructure	896,609,649	888,865,276			896,609,649	888,865,276
Machinery and equipment	38,809,286	36,148,095	44,222,942	47,034,063	83,032,228	83,182,158
	<u>\$ 1,698,920,811</u>	<u>\$ 1,700,094,725</u>	<u>\$ 1,021,642,619</u>	<u>\$ 999,594,769</u>	<u>\$ 2,720,563,430</u>	<u>\$ 2,699,689,494</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 \$408,647,646. Of this amount, \$177,690,467 is considered general obligation debt and \$8,804,740 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 177,690,467	\$ 102,332,016	\$	\$	\$ 177,690,467	\$ 102,332,016
Tax allocation bonds	8,804,740	9,074,555			8,804,740	9,074,555
Water and sewer bonds			222,152,439	84,289,654	222,152,439	84,289,654
	<u>\$ 186,495,207</u>	<u>\$ 111,406,571</u>	<u>\$ 222,152,439</u>	<u>\$ 84,289,654</u>	<u>\$ 408,647,646</u>	<u>\$ 195,696,225</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, 2020, the City's net general obligation bonded debt subject to the legal debt limit was \$399.8 million, which is significantly below the legal limit of \$2.3 billion.

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

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Economic Factors and Other Significant Matters

Other factors considered in preparing the City's budget for fiscal year 2021 include the following:

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

Providing no additional funding for programs or services and no additions to the staff complement as the City manages the fiscal impact from the COVID-19 pandemic.

Commitment to Public Safety with 58.7% of General Fund expenditures dedicated to Police and Fire services.

During the current fiscal year, fund balance in the general fund decreased to \$27,165,660. The City has appropriated approximately \$5.1 million of this amount for spending in the fiscal year 2021 budget. It is intended that this use of available fund balance will pay for one-time services and capital expenditures.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund (CRF) to be used to make payments for specified uses to States and certain local governments. To date, the City has been awarded \$35.2 million in CARES Act funds, including \$29.6 million in CRF funding passed through Clark County, Nevada. The City expects to use those funds to help defray the costs of emergency response to the pandemic, as well as provide support to individuals, agencies and businesses affected by the COVID-19 emergency, as directed by the US Treasury Department.

The above factors were considered in preparing the City's budget for fiscal year 2021.

Requests for Information

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

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

BASIC FINANCIAL STATEMENTS



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CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 320,573,157	\$ 234,928,909	\$ 555,502,066
Cash, cash equivalents and investments, restricted	81,092,486	140,891,096	221,983,582
Accounts receivable, net	11,352,681	16,943,538	28,296,219
Taxes receivable	1,640,628		1,640,628
Special assessments receivable	868,849		868,849
Notes receivable, net	501,181	146,751	647,932
Interest receivable	778,650	624,163	1,402,813
Due from other governments	32,776,712	918,639	33,695,351
Prepaid items	132,374		132,374
Land held for resale	3,032,029		3,032,029
Other assets	10,760,078	6,510,967	17,271,045
Internal balances	51,507,017	(51,507,017)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	52,406,406	36,140,831	88,547,237
Land	181,126,280	40,452,702	221,578,982
Building and building improvements	233,149,020	125,875,872	359,024,892
Improvements other than buildings	296,820,170	774,950,272	1,071,770,442
Infrastructure	896,609,649		896,609,649
Machinery and equipment	38,809,286	44,222,942	83,032,228
Total assets	<u>2,213,936,653</u>	<u>1,371,099,665</u>	<u>3,585,036,318</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	6,990,414	5,607,576	12,597,990
Deferred amounts related to pensions	56,840,580	8,317,124	65,157,704
Deferred amounts related to other postemployment benefits	23,463,570	1,934,180	25,397,750
Total deferred outflows of resources	<u>87,294,564</u>	<u>15,858,880</u>	<u>103,153,444</u>
LIABILITIES			
Accounts payable and other accrued liabilities	19,707,350	12,641,642	32,348,992
Accrued wages	7,428,963	1,419,237	8,848,200
Contracts and retentions payable	409,177	1,443,312	1,852,489
Due to other governments	2,599,499	3,751,162	6,350,661
Tax increment payable to developers	1,141,138		1,141,138
Unearned revenue	451,027	6,666,427	7,117,454
Interest payable	661,384		661,384
Deposits	3,355,986	356,970	3,712,956
Other current liabilities, payable from restricted assets		5,643,656	5,643,656
Noncurrent liabilities, due within one year	23,565,506	951,542	24,517,048
Noncurrent liabilities, partially payable from restricted assets, due within one year		4,900,310	4,900,310
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	668,742,487	282,873,774	951,616,261
Total liabilities	<u>728,062,517</u>	<u>320,648,032</u>	<u>1,048,710,549</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	34,982,298	4,905,921	39,888,219
Deferred amounts related to other postemployment benefits	2,348,060	187,382	2,535,442
Total deferred inflows of resources	<u>37,330,358</u>	<u>5,093,303</u>	<u>42,423,661</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,599,479,735	937,997,632	2,537,477,367
Restricted for			
Stabilization and other general programs	24,060,456		24,060,456
Courts and other judicial programs	1,536,090		1,536,090
Fire, police and other public safety programs	41,842,357		41,842,357
Streets and other public works projects	50,229,748		50,229,748
Parks, cultural and recreational programs	75,632,726	4,652,693	80,285,419
Community assistance and support programs	423,223		423,223
Debt service	8,188,533	677,564	8,866,097
Water charge reserve		5,000,000	5,000,000
Redevelopment programs	33,251,117		33,251,117
Unrestricted	<u>(298,805,643)</u>	<u>112,889,321</u>	<u>(185,916,322)</u>
Total net position	<u>\$ 1,535,838,342</u>	<u>\$ 1,061,217,210</u>	<u>\$ 2,597,055,552</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, 2020

FUNCTION/PROGRAM	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
						Total
FUNCTION/PROGRAM						
Governmental activities						
General government	\$ 98,478,110	\$ 21,249,067	\$ 533,426	\$ 1,831,958	\$ (74,863,659)	\$ (74,863,659)
Judicial	12,873,164	929,896	130,491		(11,812,777)	(11,812,777)
Public safety	190,601,343	24,531,017	916,244	1,024,201	(164,129,881)	(164,129,881)
Public works	39,100,865	2,283,009	46,775	35,611,387	(1,159,694)	(1,159,694)
Culture and recreation	56,901,997	6,200,502	4,343,459	5,749,386	(40,608,650)	(40,608,650)
Community support	4,271,665		3,301,787		(969,878)	(969,878)
Debt service						
Interest expense and fiscal charges	4,910,377				(4,910,377)	(4,910,377)
Total governmental activities	407,137,521	55,193,491	9,272,182	44,216,932	(298,454,916)	(298,454,916)
Business-type activities						
Water	83,590,931	78,983,996		10,781,929		6,174,994
Sewer	54,114,028	48,755,921		15,318,159		9,960,052
Development services	19,923,886	19,056,513			(867,373)	(867,373)
Cultural arts and tourism	6,407,662				(6,407,662)	(6,407,662)
Municipal golf course	2,348,679	1,995,104			(353,575)	(353,575)
Total business-type activities	166,385,186	148,791,534		26,100,088		8,506,436
Total function/program	\$ 573,522,707	\$ 203,985,025	\$ 9,272,182	\$ 70,317,020	\$ (298,454,916)	8,506,436

(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, 2020

	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Expenses						
GENERAL REVENUES						
Property taxes				99,987,792		99,987,792
Room taxes				3,315,953		3,315,953
Intergovernmental revenues - consolidated tax				114,624,938		114,624,938
Motor vehicle fuel tax				5,657,650		5,657,650
Sales tax				22,116,184	5,666,777	27,782,961
Residential Construction Tax				817,894		817,894
Franchise fees, based on gross receipts				33,741,224		33,741,224
Unrestricted investment income				7,811,589	6,250,221	14,061,810
Gain on disposal of capital assets				1,359,393		1,359,393
Miscellaneous				897,226	801,193	1,698,419
Total general revenues				290,329,843	12,718,191	303,048,034
Transfers				7,110,206	(7,110,206)	
CHANGE IN NET POSITION				(1,014,867)	14,114,421	13,099,554
NET POSITION, BEGINNING OF YEAR				1,536,853,209	1,047,102,789	2,583,955,998
NET POSITION, END OF YEAR				\$ 1,535,838,342	\$ 1,061,217,210	\$ 2,597,055,552

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2020

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 17,875,449	\$ 222,591,705	\$ 240,467,154
Cash, cash equivalents and investments, restricted	219,374	78,307,112	78,526,486
Accounts receivable, net	11,189,406	36,676	11,226,082
Interest receivable	91,461	508,862	600,323
Taxes receivable	1,094,957	545,671	1,640,628
Special assessments receivable		868,849	868,849
Notes receivable, net	300,558	13,562,925	13,863,483
Prepaid items	34,310		34,310
Due from other funds	273,935	398,542	672,477
Due from other governments	22,212,482	10,055,007	32,267,489
Deposits		10,702,192	10,702,192
Land held for resale		3,032,029	3,032,029
Total assets	<u>\$ 53,291,932</u>	<u>\$ 340,609,570</u>	<u>\$ 393,901,502</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 9,990,128	\$ 7,937,577	\$ 17,927,705
Accrued wages	6,429,866	686,042	7,115,908
Tax increment payable to developers		1,141,138	1,141,138
Due to other governments	1,148,066	1,436,380	2,584,446
Due to other funds		664,581	664,581
Advances from other funds		884,359	884,359
Unearned revenue	221,542	229,485	451,027
Deposits	3,351,057	4,549	3,355,606
Compensated absences	6,434		6,434
Total liabilities	<u>21,147,093</u>	<u>12,984,111</u>	<u>34,131,204</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes	1,094,957	545,671	1,640,628
Unavailable revenue, special assessments		868,849	868,849
Unavailable revenue, notes receivable	300,558	13,562,925	13,863,483
Unavailable revenue, other receivables	3,583,664	3,814	3,587,478
Total deferred inflows of resources	<u>4,979,179</u>	<u>14,981,259</u>	<u>19,960,438</u>
Total liabilities and deferred inflows of resources	<u>26,126,272</u>	<u>27,965,370</u>	<u>54,091,642</u>
FUND BALANCES			
Nonspendable	34,310		34,310
Restricted	219,374	235,606,260	235,825,634
Committed	3,701,011	32,020,055	35,721,066
Assigned	3,104,518	45,017,885	48,122,403
Unassigned	20,106,447		20,106,447
Total fund balances	<u>27,165,660</u>	<u>312,644,200</u>	<u>339,809,860</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,291,932</u>	<u>\$ 340,609,570</u>	<u>\$ 393,901,502</u>

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

CITY OF HENDERSON, NEVADA

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2020

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 339,809,860
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	\$ 2,805,834,477	
Less accumulated depreciation	<u>(1,137,326,174)</u>	1,668,508,303
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	54,485,221	
Deferred outflows related to other postemployment benefits	22,820,814	
Deferred charges on refunding	<u>6,990,414</u>	84,296,449
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	(186,930,636)	
Construction contracts payable	(409,177)	
Other postemployment benefits liability	(74,676,967)	
Compensated absences payable	(41,348,173)	
Net pension liability	<u>(344,356,335)</u>	(647,721,288)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(661,384)</u>	(661,384)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	6,598,136	
Deferred inflows related to pensions	(33,661,982)	
Deferred inflows related to other postemployment benefits	<u>(2,262,187)</u>	(29,326,033)
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	69,425,418	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	50,516,802	
Internal service fund balance receivable from business-type activities from current year activity	<u>990,215</u>	120,932,435
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,535,838,342</u>

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 73,136,498	\$ 26,689,527	\$ 99,826,025
Franchise fees	33,741,224		33,741,224
Licenses and permits	12,806,382		12,806,382
Intergovernmental	117,307,632	46,286,903	163,594,535
Charges for services	26,713,716	531,850	27,245,566
Fines and forfeitures	3,755,908	744,873	4,500,781
Impact fees	1,831,958		1,831,958
Special assessments		242,966	242,966
Investment income	779,015	5,724,122	6,503,137
Developer contributions		1,560,220	1,560,220
Rental fees		4,000	4,000
Residential Construction Tax		817,894	817,894
Miscellaneous	3,077,593	3,007,890	6,085,483
Total revenues	<u>273,149,926</u>	<u>85,610,245</u>	<u>358,760,171</u>
EXPENDITURES			
Current			
General government	49,818,147	20,826,534	70,644,681
Judicial	11,453,584	558,098	12,011,682
Public safety	157,172,405	22,234,293	179,406,698
Public works	7,075,026	6,406,717	13,481,743
Culture and recreation	36,895,938	6,094,107	42,990,045
Community support	1,232,442	3,286,372	4,518,814
Total current	<u>263,647,542</u>	<u>59,406,121</u>	<u>323,053,663</u>
Capital outlay			
General government	272,921	1,958,063	2,230,984
Public safety	186,301	13,257,092	13,443,393
Public works		5,039,537	5,039,537
Culture and recreation	982,423	8,973,170	9,955,593
Total capital outlay	<u>1,441,645</u>	<u>29,227,862</u>	<u>30,669,507</u>
Debt service			
Principal payments		8,376,058	8,376,058
Interest charges		4,554,754	4,554,754
Administrative and other costs		392,961	392,961
Total debt service		<u>13,323,773</u>	<u>13,323,773</u>
Total expenditures	<u>265,089,187</u>	<u>101,957,756</u>	<u>367,046,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,060,739</u>	<u>(16,347,511)</u>	<u>(8,286,772)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales		3,367,490	3,367,490
Capital leases	151,556		151,556
Issuance of refunding bonds		68,702,106	68,702,106
Issuance of bonds		74,512,894	74,512,894
Premium on bonds issued		5,675,415	5,675,415
Payment to advance refunding bond agent		(68,340,655)	(68,340,655)
Transfers in		24,292,313	24,292,313
Transfers out	(15,028,310)	(9,253,092)	(24,281,402)
Total other financing sources (uses)	<u>(14,876,754)</u>	<u>98,956,471</u>	<u>84,079,717</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, 2020

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
CHANGE IN FUND BALANCE	(6,816,015)	82,608,960	75,792,945
FUND BALANCE, BEGINNING OF YEAR	<u>33,981,675</u>	<u>230,035,240</u>	<u>264,016,915</u>
FUND BALANCE, END OF YEAR	<u>\$ 27,165,660</u>	<u>\$ 312,644,200</u>	<u>\$ 339,809,860</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, 2020

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS	\$ 75,792,945
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	\$ 28,349,268
Less current year depreciation	(42,084,685)
Proceeds from land sales	(3,364,640)
Net gain (loss) on disposition of capital assets	<u>(23,557,884)</u>
	(40,657,941)
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	1,890,323
Change in unavailable revenue related to notes receivable from current year activity	(46,860)
Change in unavailable revenue from cumulative prior years' activity	(2,179,710)
Capital asset contributions	<u>32,730,837</u>
	32,394,590
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:	
Debt issuance proceeds	(143,215,000)
Premium on refunding bonds issued	(5,675,415)
Capital leases	(151,556)
Payment to refunded bonds escrow agent	68,340,655
Debt principal repayments	<u>8,376,058</u>
	(72,325,258)
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds:	
Change in liability for other postemployment benefits and related	(5,096,758)
Change in compensated absences payable	(781,208)
Amortization of debt premiums, discounts and refunding charges	(382,594)
Change in accrued interest	(20,710)
Change in net pension liability and related	(7,877,568)
Transfer of proprietary fund liabilities to general long-term liabilities	<u>(488,896)</u>
	(14,647,734)
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	17,438,316
The internal service funds change in net position related to business-type activities	<u>990,215</u>
	<u>18,428,531</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES	\$ <u><u>(1,014,867)</u></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, 2020

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 71,732,579	\$ 71,732,579	\$ 73,136,498	\$ 1,403,919
Franchise fees	34,143,442	33,543,442	33,741,224	197,782
Licenses and permits	13,209,858	11,496,858	12,806,382	1,309,524
Intergovernmental	127,979,600	117,479,600	117,307,632	(171,968)
Charges for services	32,272,331	30,985,533	26,713,716	(4,271,817)
Fines and forfeitures	5,571,000	4,340,657	3,755,908	(584,749)
Impact fees	1,700,000	1,700,000	1,831,958	131,958
Investment income	366,000	366,000	779,015	413,015
Developer contributions	100,000	100,000		(100,000)
Residential Construction Tax	705,850	752,091		(752,091)
Miscellaneous			3,077,593	3,077,593
Total revenues	<u>287,780,660</u>	<u>272,496,760</u>	<u>273,149,926</u>	<u>653,166</u>
EXPENDITURES				
Current				
General government	56,165,460	56,327,158	49,818,147	6,509,011
Judicial	12,532,689	12,370,291	11,453,584	916,707
Public safety	165,828,860	164,052,330	157,172,405	6,879,925
Public works	7,622,362	7,549,290	7,075,026	474,264
Culture and recreation	41,303,982	39,209,217	36,895,938	2,313,279
Community support	1,877,920	1,768,187	1,232,442	535,745
Total current	<u>285,331,273</u>	<u>281,276,473</u>	<u>263,647,542</u>	<u>17,628,931</u>
Capital outlay				
General government		217,695	272,921	(55,226)
Public safety		181,929	186,301	(4,372)
Public works		659,392		659,392
Culture and recreation		973,563	982,423	(8,860)
Total capital outlay		<u>2,032,579</u>	<u>1,441,645</u>	<u>590,934</u>
Total expenditures	<u>285,331,273</u>	<u>283,309,052</u>	<u>265,089,187</u>	<u>18,219,865</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,449,387</u>	<u>(10,812,292)</u>	<u>8,060,739</u>	<u>18,873,031</u>
OTHER FINANCING SOURCES (USES)				
Capital leases			151,556	151,556
Transfers out	(1,528,310)	(528,310)	(15,028,310)	(14,500,000)
Total other financing sources (uses)	<u>(1,528,310)</u>	<u>(528,310)</u>	<u>(14,876,754)</u>	<u>(14,348,444)</u>
CHANGE IN FUND BALANCE	921,077	(11,340,602)	(6,816,015)	4,524,587
FUND BALANCE, BEGINNING OF YEAR	<u>29,743,586</u>	<u>33,981,675</u>	<u>33,981,675</u>	
FUND BALANCE, END OF YEAR	<u>\$ 30,664,663</u>	<u>\$ 22,641,073</u>	<u>\$ 27,165,660</u>	<u>\$ 4,524,587</u>

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
ASSETS					
Current assets					
Cash, cash equivalents and investments, unrestricted	\$ 108,933,089	\$ 109,658,435	\$ 16,337,385	\$ 234,928,909	\$ 80,106,003
Cash, cash equivalents and investments, restricted	5,785,424	698,519		6,483,943	2,566,000
Accounts receivable, net	11,803,606	5,002,202	137,730	16,943,538	126,599
Interest receivable	279,611	302,421	42,131	624,163	178,327
Notes receivable, net	146,751			146,751	
Inventories	660,348	1,197,926		1,858,274	57,886
Prepaid items					98,064
Due from other governments		917,755	884	918,639	509,223
Deposits			4,652,693	4,652,693	
Total current assets	127,608,829	117,777,258	21,170,823	266,556,910	83,642,102
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	15,986,082	20,154,749		36,140,831	3,627,667
Land	7,691,134	18,961,639	13,799,929	40,452,702	
Buildings and building improvements	39,011,093	131,447,799	5,676,020	176,134,912	1,012,330
Improvements other than buildings	728,494,555	647,034,357	25,128,175	1,400,657,087	1,342,515
Machinery and equipment	22,647,392	39,954,958	3,024,327	65,626,677	69,828,697
Accumulated depreciation and amortization	(390,179,242)	(286,075,811)	(21,114,537)	(697,369,590)	(45,398,701)
Total capital assets, net of accumulated depreciation and amortization	423,651,014	571,477,691	26,513,914	1,021,642,619	30,412,508
Other assets					
Cash, cash equivalents and investments, restricted	134,319,816	87,337		134,407,153	
Advances to other funds					884,359
Total other assets	134,319,816	87,337		134,407,153	884,359
Total noncurrent assets	557,970,830	571,565,028	26,513,914	1,156,049,772	31,296,867
Total assets	685,579,659	689,342,286	47,684,737	1,422,606,682	114,938,969
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	3,563,938	3,091,416	1,661,770	8,317,124	2,355,359
Deferred charges on refunding		5,607,576		5,607,576	
Deferred amounts related to other postemployment benefits	798,922	730,303	404,955	1,934,180	642,756
Total deferred outflows of resources	4,362,860	9,429,295	2,066,725	15,858,880	2,998,115

(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, 2020

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	7,034,808	5,384,401	222,433	12,641,642	1,779,645
Accrued wages	588,486	506,460	324,291	1,419,237	313,055
Due to other governments	3,751,162			3,751,162	15,053
Due to other funds					7,896
Construction contracts and retentions	607,541	835,771		1,443,312	
Unearned revenue			6,666,427	6,666,427	
Deposits			356,970	356,970	380
Compensated absences	240,978	247,077	140,613	628,668	184,890
Claims and judgments					11,345,252
Debt obligations partially payable from restricted assets	352,974	4,870,210		5,223,184	
Other current liabilities, payable from restricted assets	5,455,005	188,651		5,643,656	
Total current liabilities	<u>18,030,954</u>	<u>12,032,570</u>	<u>7,710,734</u>	<u>37,774,258</u>	<u>13,646,171</u>
Noncurrent liabilities					
Debt obligations payable	141,298,562	75,953,567		217,252,129	
Compensated absences	2,477,384	2,540,080	1,445,573	6,463,037	1,880,042
Other postemployment benefits	2,445,306	2,374,172	1,424,252	6,243,730	4,704,908
Net pension liability	22,462,891	19,593,045	10,617,543	52,673,479	14,929,505
Claims and judgments					11,944,851
Provisional credits and refunding agreements	204,412	36,987		241,399	
Total noncurrent liabilities	<u>168,888,555</u>	<u>100,497,851</u>	<u>13,487,368</u>	<u>282,873,774</u>	<u>33,459,306</u>
Total liabilities	<u>186,919,509</u>	<u>112,530,421</u>	<u>21,198,102</u>	<u>320,648,032</u>	<u>47,105,477</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	2,176,274	1,912,388	817,259	4,905,921	1,320,316
Deferred amounts related to other postemployment benefits	72,303	70,950	44,129	187,382	85,873
Total deferred inflows of resources	<u>2,248,577</u>	<u>1,983,338</u>	<u>861,388</u>	<u>5,093,303</u>	<u>1,406,189</u>
NET POSITION					
Net investment in capital assets	414,804,821	496,678,897	26,513,914	937,997,632	30,412,508
Restricted					
Debt service	174,892	415,335		590,227	
Capital projects and system development			4,652,693	4,652,693	
Water charge reserve	5,000,000			5,000,000	
Other		87,337		87,337	
Unrestricted	<u>80,794,720</u>	<u>87,076,253</u>	<u>(3,474,635)</u>	<u>164,396,338</u>	<u>39,012,910</u>
Total net position	<u>\$ 500,774,433</u>	<u>\$ 584,257,822</u>	<u>\$ 27,691,972</u>	1,112,724,227	<u>\$ 69,425,418</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				(51,507,017)	
Net position of business-type activities				<u>\$ 1,061,217,210</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, 2020

	Business-type Activities				Governmental Activities
			Aggregate Other	Total Enterprise Funds	Internal Service Funds
	Water	Sewer	Enterprise Funds		
OPERATING REVENUES					
Utilities fees	\$ 76,811,647	\$ 48,097,620	\$	\$ 124,909,267	\$
Connection fees	1,313,879	290,132		1,604,011	
Late charges	857,270	354,460		1,211,730	
Charges for services			14,861,156	14,861,156	61,871,071
Licenses and permits			6,190,461	6,190,461	
Intergovernmental		507,377	19,836	527,213	
Miscellaneous	69,480	144,191	56,008	269,679	
Total operating revenues	<u>79,052,276</u>	<u>49,393,780</u>	<u>21,127,461</u>	<u>149,573,517</u>	<u>61,871,071</u>
OPERATING EXPENSES					
Salaries and wages	13,803,495	11,586,184	7,249,783	32,639,462	7,429,076
Employee benefits	7,117,994	6,080,714	3,904,754	17,103,462	3,879,566
Water purchases	27,725,838			27,725,838	
Services and supplies	22,783,517	19,181,362	16,447,296	58,412,175	23,529,445
Claims and judgments					19,492,680
Legal fees					31,240
Depreciation and amortization	11,433,989	13,893,886	318,385	25,646,260	4,232,535
Total operating expenses	<u>82,864,833</u>	<u>50,742,146</u>	<u>27,920,218</u>	<u>161,527,197</u>	<u>58,594,542</u>
Operating income (loss)	<u>(3,812,557)</u>	<u>(1,348,366)</u>	<u>(6,792,757)</u>	<u>(11,953,680)</u>	<u>3,276,529</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,846,494	2,908,248	495,479	6,250,221	1,915,353
Intergovernmental		7,709		7,709	
Gain (loss) on capital asset disposition	(369,690)	(31,144)		(400,834)	343,919
Interest expense	(357,479)	(3,237,045)		(3,594,524)	(13,400)
Bond issuance costs	(647,844)	(300,235)		(948,079)	
Sales tax revenue		5,666,777		5,666,777	
Gain on transfer of noncurrent liabilities			488,896	488,896	
Miscellaneous	8,760	2,741		11,501	338,458
Total nonoperating revenues (expenses)	<u>1,480,241</u>	<u>5,017,051</u>	<u>984,375</u>	<u>7,481,667</u>	<u>2,584,330</u>
Income (loss) before capital contributions and transfers	<u>(2,332,316)</u>	<u>3,668,685</u>	<u>(5,808,382)</u>	<u>(4,472,013)</u>	<u>5,860,859</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	<u>10,781,929</u>	<u>15,318,159</u>		<u>26,100,088</u>	<u>5,064,929</u>
TRANSFERS					
Transfers in			415,946	415,946	7,000,000
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,939,385)</u>	<u>(6,939,385)</u>	<u>(487,472)</u>
Total transfers	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,523,439)</u>	<u>(6,523,439)</u>	<u>6,512,528</u>
CHANGE IN NET POSITION	6,449,613	16,986,844	(8,331,821)	15,104,636	17,438,316
NET POSITION, BEGINNING OF YEAR	<u>494,324,820</u>	<u>567,270,978</u>	<u>36,023,793</u>		<u>51,987,102</u>
NET POSITION, END OF YEAR	<u>\$ 500,774,433</u>	<u>\$ 584,257,822</u>	<u>\$ 27,691,972</u>		<u>\$ 69,425,418</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(990,215)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 14,114,421</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, 2020

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 79,222,666	\$ 49,663,582	\$ 21,154,889	\$ 150,041,137	\$ 4,099,730
Cash received from other sources	8,760	5,677,227		5,685,987	314,793
Cash payments for goods and services	(54,025,948)	(21,515,260)	(20,784,336)	(96,325,544)	(46,460,077)
Cash payments for employee services	(13,937,928)	(11,256,266)	(7,451,414)	(32,645,608)	(7,509,619)
Cash payments for interfund services					57,828,402
Net cash provided by (used in) operating activities	<u>11,267,550</u>	<u>22,569,283</u>	<u>(7,080,861)</u>	<u>26,755,972</u>	<u>8,273,229</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			415,946	415,946	7,000,000
Transfers out	(2,000,000)	(2,000,000)	(2,939,385)	(6,939,385)	(487,472)
Repayments of advances from other funds					264,326
Interest payments on claims					(13,400)
Net cash provided by (used in) noncapital financing activities	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,523,439)</u>	<u>(6,523,439)</u>	<u>6,763,454</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(14,378,283)	(16,643,398)		(31,021,681)	(6,405,558)
Proceeds received from disposal of capital assets					377,001
Principal payments on debt	(340,436)	(4,010,211)		(4,350,647)	
Interest payments on debt	(49,439)	(3,359,118)		(3,408,557)	
Bond issuance costs	(647,844)	(300,235)		(948,079)	
Increase in deposits			(4,652,693)	(4,652,693)	
Payments from other funds					7,896
Decrease in provisional credits	(552,588)	29,289		(523,299)	
Capital contributions	3,506,273	6,505,044		10,011,317	750,000
Proceeds from debt issuance	140,616,783	288,712		140,905,495	
Net cash provided by (used in) capital financing activities	<u>128,154,466</u>	<u>(17,489,917)</u>	<u>(4,652,693)</u>	<u>106,011,856</u>	<u>(5,270,661)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	<u>2,917,387</u>	<u>2,962,111</u>	<u>541,343</u>	<u>6,420,841</u>	<u>1,939,998</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>140,339,403</u>	<u>6,041,477</u>	<u>(13,715,650)</u>	<u>132,665,230</u>	<u>11,706,020</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>108,698,926</u>	<u>104,402,814</u>	<u>30,053,035</u>	<u>243,154,775</u>	<u>70,965,983</u>
CASH AND CASH EQUIVALENTS, END OF YEAR					
Unrestricted	108,933,089	109,658,435	16,337,385	234,928,909	80,106,003
Restricted	140,105,240	785,856		140,891,096	2,566,000
	<u>\$ 249,038,329</u>	<u>\$ 110,444,291</u>	<u>\$ 16,337,385</u>	<u>\$ 375,820,005</u>	<u>\$ 82,672,003</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, 2020

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (3,812,557)	\$ (1,348,366)	\$ (6,792,757)	\$ (11,953,680)	\$ 3,276,529
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	11,433,989	13,893,886	318,385	25,646,260	4,232,535
Other	8,760	5,677,227		5,685,987	338,458
Gain on transfer of noncurrent liabilities			488,896	488,896	
(Increase) decrease in operating assets					
Accounts receivable	170,390	118,061	(3,779)	284,672	11,848
Due from other governments		151,741	115,299	267,040	(77,472)
Prepaid items					(57,609)
Inventories	50,626	(61,925)		(11,299)	60,634
Deferred outflows – other postemployment benefits	(729,436)	(670,505)	(357,102)	(1,757,043)	(581,401)
Deferred outflows - pensions	43,683	37,509	126,302	207,494	24,662
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	3,331,198	3,140,679	(962,760)	5,509,117	(96,108)
Accrued wages	99,033	155,684	35,967	290,684	38,538
Compensated absences	(200,551)	214,811	(223,522)	(209,262)	(119,081)
Due to other governments					15,053
Claims and judgments					(36,425)
Other postemployment benefits	905,221	832,090	193,611	1,930,922	974,052
Net pension liability	(56,682)	(48,669)	(221,726)	(327,077)	(32,000)
Deposits	(531,513)		(14,980)	(546,493)	(5,771)
Unearned revenue			(84,092)	(84,092)	(7,444)
Deferred inflows - pensions	552,420	474,332	311,727	1,338,479	311,867
Deferred inflows - other postemployment benefits	2,969	2,728	(10,330)	(4,633)	2,364
Total adjustments	15,080,107	23,917,649	(288,104)	38,709,652	4,996,700
Net cash provided by (used in) operating activities	\$ 11,267,550	\$ 22,569,283	\$ (7,080,861)	\$ 26,755,972	\$ 8,273,229
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	\$ 7,275,656	\$ 8,813,115		\$ 16,088,771	\$ 4,314,929
Transfer of capital assets			\$ 1,892,601	\$ 1,892,601	
Refunding proceeds to escrow for defeasance		\$ 50,081,288		\$ 50,081,288	

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

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments, unrestricted	\$ 37,701,657
Special assessments receivable	<u>233,856</u>
Total assets	<u>37,935,513</u>
LIABILITIES	
Due to developers	11,494,925
Due to employees	206,819
Due to others	<u>26,233,769</u>
Total liabilities	<u>37,935,513</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, 2020

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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.

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

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

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

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

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

The City reports the following major governmental fund:

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 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

Cash, Cash Equivalents and Investments

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

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, certain bonds, notes or other obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the International Finance Corporations or the Inter-American Development Bank, and money market mutual funds. All investments are recorded at estimated fair value in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*.

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 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

Assets restricted for specific uses by bond covenants, grant provisions or other requirements are classified as restricted assets. Bond covenants of the City's water and sewer enterprise funds require resources to be set aside for annual debt service payments. In addition, the City maintains remaining unspent bond proceeds related to several bond issuances, which are restricted as follows:

The Series 2016 bond issuance, which funds are to be utilized to develop and acquire police communications systems.

The Series 2020A1 bond issuance, which funds are to be used to finance certain costs of improvements to the City's municipal utility system. Such improvements consist of infrastructure replacements, pump station replacements, water reservoirs, transmission mains, and new water lines and pressure zones.

The Series 2020B1 and 2020B2 bond issuances, which funds are to be used to finance the costs of acquiring, constructing, improving, and equipping various City projects.

The Series 2020C bond issuance, which funds are to be used to finance all or a portion of the costs of improvements to the City's Pavilion and Cornerstone Park.

These amounts are reported as restricted cash and cash equivalents.

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets, including intangibles, with an initial cost of \$10,000 or more and an estimated useful life of more than one year. For governmental fund types, outlays for capital assets are expensed during the current period. Capital assets are valued at the cost of purchase or internal development, while donated assets are recorded at the acquisition value as of the date donated. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the assets' lives are not capitalized.

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

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

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

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

	<u>Years</u>
Buildings and building improvements	25-75
Improvements other than buildings	10-100
Infrastructure	30-100
Machinery and equipment	5-40

Compensated Absences

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

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

Provisional Credits and Refunding Agreements

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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, which was determined to not be materially different than the effective interest rate method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs are recognized as an expense in the period incurred.

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

Other Postemployment Benefits (OPEB)

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

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The City uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

Agent Multiple-Employer Defined Benefit Pension Plan

The City uses the same basis used in the Judicial Retirement System of Nevada's (JRS) Annual Financial Report for reporting its proportionate share of the JRS net pension liability, deferred outflows and inflows of resources related to pension, and pension expense, including information related to JRS fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized by JRS when due and payable in accordance with the benefit terms. JRS investments are reported at fair value.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Under full accrual accounting, a deferred charge on refunding is reported in the government-wide and the proprietary funds statement of net position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports deferred outflows of resources related to pensions and OPEB. The deferred outflows of resources related to pensions are amortized over the average expected remaining service life of all employees that are provided with pension benefits, with the exception of investment earnings which are recognized over a closed five-year period. Deferred amounts related to pensions also include pension contributions made by the City subsequent to the pension plan's actuarial valuation measurement date, which are deferred for one year. The deferred outflows of resources related to OPEB are amortized over the average expected remaining service life of active and inactive plan members, with the exception of investment earnings which are recognized over a closed five-year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Under a modified accrual basis of accounting, the governmental funds report unavailable revenues from the following sources: property taxes, special assessments, notes receivable and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under full accrual accounting, the government-wide statement of net position and the proprietary funds statement of net position also report deferred inflows related to pensions and OPEB. The deferred inflows of resources related to pensions are amortized over the average expected remaining service life of all employees that are provided with pension benefits, with the exception of investment earnings, which are recognized over a closed five-year period. The deferred inflows of resources related to OPEB are amortized over the average expected remaining service life of active and inactive plan members, with the exception of investment earnings, which are recognized over a closed five-year period.

Equity Classifications

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

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

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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 amounts with constraints that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments, or are imposed by law (through constitutional provisions or enabling legislation).

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

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

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

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

In accordance with NRS 354.6115, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the non-major financial stabilization special revenue fund. This fund is designed to maintain a balance of 8.3% of general fund revenue. If the fund balance falls short of this 8.3%, City Council can approve funding from other revenue sources. Monies from this fund can be made available for city-wide costs incurred to mitigate the effects of a natural disaster or terrorist attack if declared by City Council. Pursuant to the NRS, a natural disaster is defined as a fire, flood, earthquake, drought or any other occurrence that results in widespread or severe damage to property or injury to or the death of persons within the City that requires immediate action to protect the health, safety and welfare of the residents of the City as determined by the governing board. In addition, balances in this fund can be made available to the general fund to compensate for shortfalls of actual revenues of 2.0% or greater, as compared to the final budget filed with the Nevada Department of Taxation. Per the NRS, the money in the fund at the end of the fiscal year may not revert to any other fund or be a surplus for any purpose other than a purpose specified above. None of these circumstances are expected to occur routinely and have not occurred since fiscal year 2009. Due to the COVID-19 pandemic, it is anticipated that some funds from the financial stabilization fund may be required in fiscal year 2020-2021. The fund balance in the financial stabilization special revenue fund was \$24,054,904 at June 30, 2020.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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. Significant estimates include the valuation of the net pension liability, OPEB liability, valuation of risk management and other self-insurance liabilities, estimated useful lives of depreciable capital assets and the allowance for uncollectible accounts and notes receivable.

Note 2. Stewardship and Accountability

Budgetary Information

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

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation, and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council if the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted no sooner than the third Monday in May and no later than the last day in May. The City Council adopts the budget prior to June 1 and submits it to the Nevada Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the fund financial statements are those prescribed by the Nevada Department of Taxation.

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

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. State statutes require budgetary control to be exercised at the function level. The most significant change (\$71,203,895) occurred in the special revenue funds.

Deficit Net Position

The Development Services Enterprise Fund and the Engineering Internal Service Fund have deficit net positions of \$3,193,551 and \$4,721,611 respectively, at June 30, 2020.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Tax Abatements

At June 30, 2020, the City determined that individual tax abatement agreements entered into by the City for which the gross, accrual basis reduction of the City's taxes exceeded \$350,000 were as follows:

Agreement description – Redevelopment Area Owner Participation Agreement with Lynn Investments, LLC

Amount abated during the year ended June 30, 2020 – \$4,386,197

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

Specific tax being abated – Real and personal property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

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

Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes being remitted to Lynn Investments, LLC

Recipient commitments – Construct approved capital improvements

Agreement description – Redevelopment Area Owner Participation Agreement with Union Village, LLC

Amount abated during the year ended June 30, 2020 – \$570,461

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

Specific tax being abated – Real property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

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

Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes for the first 10 years after the effective date, and then 80% being remitted to Valley Health System, LLC after 18% Clark County School District set-aside and 15% administration fee

Recipient commitments – Construct approved capital improvements

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

Amount abated during the year ended June 30, 2020 – \$2,314,563

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

Specific tax being abated – Real property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

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

Abatement mechanism – Receipt of incremental tax revenue by RDA with 75% of incremental taxes being remitted to Landwell, LP after 18% Clark County School District (CCSD) set-aside and 10% RDA administration fee

Recipient commitments – Construct approved capital improvements

Agreement description – Redevelopment Area Owner Participation Agreement with Hanson Aggregates Inc.

Amount abated during the year ended June 30, 2020 – \$421,049

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

Specific tax being abated – Real property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

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

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

Recipient commitments – Construct approved capital improvements

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

Amount abated during the year ended June 30, 2020 – \$367,582

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

Specific tax being abated – Real property taxes

Authority for agreement – NRS 279 – Redevelopment of communities

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Abatement mechanism – Receipt of incremental tax revenue by RDA with 90% of incremental taxes for the first 10 years after the effective date, and then 80% being remitted to Valley Health System, LLC after 18% Clark County School District set-aside and 15% administration fee

Recipient commitments – Construct approved capital improvements

All tax abatement agreements/programs entered into by the State of Nevada have been summarized, by type of agreement/program. For the year ended June 30, 2020, the aggregate gross, accrual basis reduction of the City's taxes is as follows:

Agreement/program description – NRS 360.753 - Partial abatement of certain taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircraft

Amount abated during the year ended June 30, 2020 – \$22,227

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

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

Amount abated during the year ended June 30, 2020 – \$498,495

Specific tax being abated – Property taxes and/or sales and use taxes

Agreement/program description – NRS 701A - Energy-related tax incentives (NRS 701A.110 Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System, NRS 701A.200 Exemption from certain property taxes for qualified energy systems, NRS 701A.210 Partial abatement of certain property taxes for businesses and facilities using recycled material)

Amount abated during the year ended June 30, 2020 – \$335,368

Specific tax being abated – Property taxes and/or sales and use taxes

Agreement/program description – NRS 374.357 - Abatement for eligible machinery or equipment used by certain new or expanded businesses

Amount abated during the year ended June 30, 2020 – \$310,526

Specific tax being abated – Sales and use taxes

Note 3. Cash, Cash Equivalents and Investments

The following is a reconciliation of the City's cash, cash equivalents and investments balances (including restricted amounts) as of June 30, 2020:

Cash on hand	\$ 43,017
Cash on deposit	67,286,913
Cash equivalents	457,483,186
Investments	<u>290,374,189</u>
Total cash, cash equivalents and investments	<u><u>\$ 815,187,305</u></u>

At June 30, 2020, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 320,573,157	\$ 81,092,486	\$ 401,665,643
Business-type activities	234,928,909	140,891,096	375,820,005
Fiduciary Funds	<u>37,701,657</u>	<u> </u>	<u>37,701,657</u>
Total cash, cash equivalents and investments	<u><u>\$ 593,203,723</u></u>	<u><u>\$ 221,983,582</u></u>	<u><u>\$ 815,187,305</u></u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

As of June 30, 2020, the recorded amount of the City's deposits was \$67,286,913 and the bank balance was \$67,323,549. The City's bank balance was either insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized in accordance with the NRS.

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

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as an internal investment pool, is 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	25%	5%	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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating	
				Standard & Poor's	Moody's
Notes, bonds and other obligations of IBRD, IFC, IADB	5 years	15%	None	AA	Aa2
Notes, bonds and other obligations issued in the U.S. by foreign financial institutions, corporation or government	5 years	10%	None	AA	Aa2
Local government investment pool	None	None	None	N/A	N/A
Notes, bonds and other obligations issued by U.S. Corporations	5 years	25%	5%	A	N/A
Collateralized mortgage obligations	None	None	None	AAA	N/A
Asset-backed securities	None	None	None	AAA	N/A

At June 30, 2020, 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	\$ 144,648,305	\$ 145,024,521	.36
Wells Fargo Government Money Market	55,765,967	55,765,967	.27
U.S. Agency securities			
Federal Farm Credit Bank	62,406,162	63,432,192	2.04
Federal Home Loan Bank	83,424,526	84,127,553	1.57
Federal Home Loan Mortgage Corporation	44,518,925	44,577,714	2.85
Federal National Mortgage	49,697,387	50,687,124	2.79
U.S. Treasury notes	37,873,277	40,099,858	3.43
U.S. Treasury notes - inflationary	1,844,010	2,025,772	1.04
Corporate bonds	5,111,290	5,047,760	.59
Total pooled cash equivalents and investments	485,289,849	490,788,461	1.50
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	56,480,340	56,480,340	.31
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	623,327	623,327	.31
Utility bonds - State of Nevada, Local Government Investment Pool	93,897	93,897	.36
Utility bonds - Morgan Stanley Money Market Fund	140,000,000	140,000,000	.31
Various purpose bonds - Morgan Stanley Money Market Fund	59,871,350	59,871,350	.31
Total non-pooled cash equivalents and investments	257,068,914	257,068,914	.31
Total cash equivalents and investments	\$ 742,358,763	\$ 747,857,375	1.08

The City's investments are reported at fair value based on quoted market prices, which are considered level 1 inputs under GAAP, except for U.S. Agency securities which are based on level 2 inputs. The estimated fair value of the U.S. Agency securities is based on a matrix pricing model that maximizes the use of observable inputs from similar securities as provided by recognized broker dealers. The GAAP fair value hierarchy is based on the inputs used to measure the fair value of an asset or liability. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City manages its exposure to declines in fair values (e.g., interest rate risk) by limiting the weighted-average maturity of its investment portfolio to five years or less in accordance with its investment policy.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The State of Nevada Local Government Investment Pool (LGIP) is an external investment pool administered by the Treasurer of the State of Nevada, with oversight provided by the Board of Finance. The LGIP operates in accordance with all applicable NRS. The fair value of the City's investments in the pool as reported is based upon the City's pro-rata share of the fair value provided by LGIP. As of June 30, 2020, the City held \$145,024,521, in the LGIP. The LGIP fair value factor of 1.0026009 was used to calculate the fair value of the investments in the LGIP and has an average maturity of 130 days.

At June 30, 2020, in accordance with the NRS as previously defined, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

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

	Standard & Poor's	Moody's	Percentage of Portfolio
Pooled cash equivalents and investments			
State of Nevada, Local Government Investment Pool	N/A	N/A	19.39 %
Wells Fargo Government Money Market	AAAm	Aaa-mf	7.46 %
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	8.48 %
Federal Home Loan Bank	AA+	Aaa	11.25 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	5.96 %
Federal National Mortgage	AA+	Aaa	6.78 %
U.S. Treasury notes	*	*	5.36 %
U.S. Treasury notes - inflationary	*	*	0.27 %
Corporate bonds			
Apple	AA+	Aa1	0.14 %
Intel	A+	A1	0.13 %
Microsoft	AAA	Aaa	0.13 %
Oracle	A	A3	0.13 %
Wells Fargo & Company	A-	A2	0.14 %
Total pooled cash equivalents and investments			<u>65.62 %</u>
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	AAAm	Aaa-mf	7.55 %
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	0.08 %
Utility bonds - State of Nevada, Local Government Investment Pool	N/A	N/A	0.01 %
Utility bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	18.73 %
Various purpose bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	8.01 %
Total non-pooled cash equivalents and investments			<u>34.38 %</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 the outside party. At year end, the City's investment pool and specific investments had no securities exposed to custodial credit risk.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Note 4. Interfund Balances and Activity

At June 30, 2020, the composition of interfund balances was as follows:

Due To and From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Aggregate Other Governmental Funds	\$ 266,039
	Internal Service Funds	7,896
Aggregate Other Governmental Funds	Aggregate Other Governmental Funds	398,542
		<u>\$ 672,477</u>

The amounts due to the General Fund are temporary loans to cover deficit cash balances in the Grants special revenue and Citywide Services internal service funds. The amounts due to the Land Sales capital project fund result from the sale of land to the Agency.

Advances To and From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service Funds	Aggregate Other Governmental Funds	<u>\$ 884,359</u>

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

Internal Balances

Effect of prior years' internal service activity on business-type activities	\$ (50,516,802)
Effect of current year internal service activity on business-type activities	<u>(990,215)</u>
	<u>\$ (51,507,017)</u>

Interfund Transfers

Interfund transfers are authorized transfers from a fund where revenues are received to the fund where they are to be expended, per statute or budgetary requirements. During the year, transfers were used to fund programs or capital expenditures, make debt service principal and interest payments, and for reserves per the City's Financial Management Policies.

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Aggregate Other Governmental Funds	General Fund	\$ 8,028,310
	Aggregate Other Governmental Funds	8,904,618
	Water Enterprise Fund	2,000,000
	Sewer Enterprise Fund	2,000,000
	Aggregate Other Enterprise Funds	2,939,385
	Internal Service Funds	420,000
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	348,474
	Internal Service Funds	67,472
Internal Service Funds	General Fund	7,000,000
		<u>\$ 31,708,259</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Note 5. Capital Assets

For the year ended June 30, 2020, capital asset activity was as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2020
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 34,496,061	\$ 26,345,588	\$ (826,232)	\$ (7,609,011)	\$ 52,406,406
Land	<u>193,004,710</u>	<u>4,552,123</u>	<u>(16,430,553)</u>		<u>181,126,280</u>
Total capital assets not being depreciated or amortized	<u>227,500,771</u>	<u>30,897,711</u>	<u>(17,256,785)</u>	<u>(7,609,011)</u>	<u>233,532,686</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	352,640,445	14,850	(13,398,293)	3,545,932	342,802,934
Improvements other than buildings	397,424,239	250,345	(240,313)	1,600,611	399,034,882
Infrastructure	1,752,947,812	31,687,612		1,092,114	1,785,727,538
Machinery and equipment	<u>114,700,429</u>	<u>9,201,232</u>	<u>(4,724,369)</u>	<u>1,370,354</u>	<u>120,547,646</u>
Total capital assets being depreciated or amortized	<u>2,617,712,925</u>	<u>41,154,039</u>	<u>(18,362,975)</u>	<u>7,609,011</u>	<u>2,648,113,000</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(109,541,884)	(4,404,986)	4,292,956		(109,653,914)
Improvements other than buildings	(92,942,217)	(9,309,289)	32,042	4,752	(102,214,712)
Infrastructure	(864,082,536)	(25,030,601)		(4,752)	(889,117,889)
Machinery and equipment	<u>(78,552,334)</u>	<u>(7,572,344)</u>	<u>4,386,318</u>		<u>(81,738,360)</u>
Total accumulated depreciation and amortization	<u>(1,145,118,971)</u>	<u>(46,317,220)</u>	<u>8,711,316</u>		<u>(1,182,724,875)</u>
Total capital assets being depreciated or amortized, net	<u>1,472,593,954</u>	<u>(5,163,181)</u>	<u>(9,651,659)</u>	<u>7,609,011</u>	<u>1,465,388,125</u>
Total governmental activities	<u>\$ 1,700,094,725</u>	<u>\$ 25,734,530</u>	<u>\$ (26,908,444)</u>	<u>\$</u>	<u>\$ 1,698,920,811</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, 2020

	Balance July 1, 2019	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2020
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 15,710,324	\$ 31,280,342	\$ (65,742)	\$ (10,784,093)	\$ 36,140,831
Land	<u>35,909,213</u>	<u>4,543,489</u>			<u>40,452,702</u>
Total capital assets not being depreciated or amortized	<u>51,619,537</u>	<u>35,823,831</u>	<u>(65,742)</u>	<u>(10,784,093)</u>	<u>76,593,533</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	176,057,612	77,300			176,134,912
Improvements other than buildings	1,379,908,248	11,580,282	(1,615,536)	10,784,093	1,400,657,087
Machinery and equipment	<u>64,947,404</u>	<u>679,273</u>			<u>65,626,677</u>
Total capital assets being depreciated or amortized	<u>1,620,913,264</u>	<u>12,336,855</u>	<u>(1,615,536)</u>	<u>10,784,093</u>	<u>1,642,418,676</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(46,861,454)	(3,397,586)			(50,259,040)
Improvements other than buildings	(608,163,237)	(18,758,280)	1,214,702		(625,706,815)
Machinery and equipment	<u>(17,913,341)</u>	<u>(3,490,394)</u>			<u>(21,403,735)</u>
Total accumulated depreciation and amortization	<u>(672,938,032)</u>	<u>(25,646,260)</u>	<u>1,214,702</u>		<u>(697,369,590)</u>
Total capital assets being depreciated or amortized, net	<u>947,975,232</u>	<u>(13,309,405)</u>	<u>(400,834)</u>	<u>10,784,093</u>	<u>945,049,086</u>
Total business-type activities	<u>\$ 999,594,769</u>	<u>\$ 22,514,426</u>	<u>\$ (466,576)</u>		<u>\$ 1,021,642,619</u>

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

For the year ended June 30, 2020, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 3,642,503
Judicial	388,272
Public safety	2,319,122
Public works	24,884,869
Culture and recreation	10,849,919
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>4,232,535</u>
Total depreciation expense, governmental activities	<u>\$ 46,317,220</u>
Business-type activities	
Water	\$ 11,433,989
Sewer	13,893,886
Development services	10,811
Municipal golf course	<u>307,574</u>
Total depreciation expense, business-type activities	<u>\$ 25,646,260</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Note 6. Long-term Liabilities

Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
Governmental activities					
General obligation bonds					
\$18,245,000 Series 2011A General Obligation Refunding Bonds; principal due annually through June 2020; interest varies between 2.0% and 3.15%	\$ 3,840,000		\$ (3,840,000)		\$
\$2,710,000 Series 2011B General Obligation Refunding Bonds; principal due annually through June 2020; interest fixed at 3.0%	575,000		(575,000)		
\$13,605,000 Series 2011C General Obligation Refunding Bonds; principal due annually beginning June 2021 through June 2025; interest varies between 3.125% and 4.0%	13,605,000		(11,080,000)	2,525,000	2,525,000
\$39,955,000 Series 2013B General Obligation Refunding Bonds; principal due annually beginning June 2020 through June 2035; interest varies between 3.25% and 5.0%	39,955,000		(29,230,000)	10,725,000	1,855,000
\$24,305,000 Series 2014 General Obligation Refunding Bonds; principal due annually beginning June 2026 through June 2035; interest varies between 3.5% and 5.0%	24,305,000		(21,705,000)	2,600,000	
\$12,700,000 Series 2016 General Obligation (Limited Tax) Medium- Term Various Purpose and Refunding Bonds; principal due annually beginning August 2017 through August 2026. Interest varies between 2.0% and 5.0%	11,985,000		(1,765,000)	10,220,000	1,920,000
\$29,510,000 Series 2020B-1 General Obligation (Limited Tax) Various Purpose Bonds; principal due annually beginning June 2025 through June 2040; interest varies between 4.0% and 5.0%		29,510,000		29,510,000	

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
\$95,705,000 Series 2020B-2 General Obligation (Limited Tax) Various Purpose and Refunding Bonds; principal due annually beginning June 2022 through June 2036; interest varies between 1.3% and 2.9%	\$ _____	\$ 93,705,000	\$ _____	\$ 93,705,000	\$ _____
Total general obligation bonds	<u>94,265,000</u>	<u>123,215,000</u>	<u>(68,195,000)</u>	<u>149,285,000</u>	<u>6,300,000</u>
General obligation bonds - direct placement					
\$20,000,000 Series 2020C General Obligation (Limited Tax) Various Purpose Bonds; principal due annually beginning June 2021 through June 2030; interest fixed at 2.0%	_____	20,000,000	_____	20,000,000	1,850,000
Tax allocation bonds					
\$9,365,000 Series 2015 Henderson Redevelopment Tax Increment Refunding Bonds due annually through October 2039; interest varies between 2.0% and 5.0%	8,670,000	_____	(250,000)	8,420,000	265,000
Other long-term obligations					
Capital lease	_____	151,556	(12,748)	138,808	29,880
Other long-term obligations - direct borrowing					
\$684,108 Installment Purchase Agreement due annually through December 2021; Non-interest-bearing	444,931	_____	(148,310)	296,621	148,310
Unamortized bond premiums	8,471,571	5,675,415	(5,356,779)	8,790,207	
Claims and judgments	23,326,528	19,433,326	(19,469,751)	23,290,103	11,345,252
Compensated absences	42,724,414	4,049,068	(3,353,943)	43,419,539	3,627,064
Total other postemployment benefits	52,333,638	28,769,641	(1,721,404)	79,381,875	
Net pension liability	<u>359,958,990</u>	<u>35,485,665</u>	<u>(36,158,815)</u>	<u>359,285,840</u>	_____
Total governmental activities	<u>590,195,072</u>	<u>236,779,671</u>	<u>(134,666,750)</u>	<u>692,307,993</u>	<u>23,565,506</u>
Business-type activities					
Revenue bonds					
\$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2034; interest varies between 4.0% and 5.0%	59,695,000		(43,425,000)	16,270,000	3,775,000

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Due Within One Year
\$19,710,000 Series 2013A Sewer Refunding Bonds due in periodic installments through June 2030; interest varies between 3.0% and 5.0%	\$ 16,685,000		\$ (5,340,000)	\$ 11,345,000	
\$125,340,000 Series 2020A-1 Water Bonds due in annual installments beginning June 2035 through June 2050; interest varies between 3.0% and 4.0%		125,340,000		125,340,000	
\$50,370,000 Series 2020A-2 Sewer Refunding Bonds due in annual installments beginning June 2021 through June 2031; interest varies 1.2% and 2.7%		50,370,000		50,370,000	685,000
Total revenue bonds	<u>76,380,000</u>	<u>175,710,000</u>	<u>(48,765,000)</u>	<u>203,325,000</u>	<u>4,460,000</u>
Revenue bonds - direct borrowings					
\$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	1,438,842		(340,436)	1,098,406	352,974
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; Non-interest-bearing	<u>960,703</u>		<u>(87,337)</u>	<u>873,366</u>	<u>87,336</u>
Total revenue bonds - direct borrowings	<u>2,399,545</u>		<u>(427,773)</u>	<u>1,971,772</u>	<u>440,310</u>
Other long-term obligations					
Intergovernmental payable to the Southern Nevada Water Authority	<u>645,748</u>		<u>(322,874)</u>	<u>322,874</u>	<u>322,874</u>
Total other long-term obligations	<u>645,748</u>		<u>(322,874)</u>	<u>322,874</u>	<u>322,874</u>
Unamortized bond premiums	5,510,109	15,276,783	(3,931,225)	16,855,667	
Compensated absences	7,300,967	511,049	(720,311)	7,091,705	628,668
Total other postemployment benefits	4,312,808	2,350,911	(419,989)	6,243,730	
Net pension liability	53,000,556	5,639,780	(5,966,857)	52,673,479	
Provisional credits and refunding agreements	<u>764,698</u>	<u>337,191</u>	<u>(860,490)</u>	<u>241,399</u>	
Total business-type activities	<u>150,314,431</u>	<u>199,825,714</u>	<u>(61,414,519)</u>	<u>288,725,626</u>	<u>5,851,852</u>
Total long-term debt obligations	<u>\$ 740,509,503</u>	<u>\$ 436,605,385</u>	<u>\$ (196,081,269)</u>	<u>\$ 981,033,619</u>	<u>\$ 29,417,358</u>

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Unamortized deferred refunding charges

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

For the year ended June 30, 2020, activity related to the City's unamortized deferred refunding charges was as follows:

	Governmental Activities	Business-type Activities	Total
Balance June 30, 2019	\$ 4,619,132	\$ 4,528,062	\$ 9,147,194
Additions	3,440,250	1,426,536	4,866,786
Reductions	<u>(1,068,968)</u>	<u>(347,022)</u>	<u>(1,415,990)</u>
Balance June 30, 2020	<u>\$ 6,990,414</u>	<u>\$ 5,607,576</u>	<u>\$ 12,597,990</u>

Future Debt Service Requirements

At June 30, 2020, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations (excluding capital leases), were as follows:

For the Year Ending June 30,	Governmental Activities			
	General obligation bonds		General obligation bonds - direct placement	
	Principal	Interest	Principal	Interest
2021	\$ 6,300,000	\$ 4,484,884	\$ 1,850,000	\$ 375,556
2022	6,340,000	4,296,501	1,860,000	363,000
2023	6,555,000	4,081,916	1,900,000	325,800
2024	6,805,000	3,831,562	1,935,000	287,800
2025	7,000,000	3,638,168	1,975,000	249,100
2026 - 2030	38,625,000	15,811,370	10,480,000	637,000
2031 - 2035	43,755,000	10,675,654		
2036 - 2040	<u>33,905,000</u>	<u>4,276,106</u>		
	<u>\$ 149,285,000</u>	<u>\$ 51,096,161</u>	<u>\$ 20,000,000</u>	<u>\$ 2,238,256</u>

For the Year Ending June 30,	Governmental Activities			
	Tax allocation bonds		Other long-term obligations - direct borrowing	
	Principal	Interest	Principal	Interest
2021	\$ 265,000	\$ 355,425	\$ 148,310	\$
2022	275,000	341,925	148,311	
2023	290,000	327,800		
2024	305,000	312,925		
2025	320,000	297,300		
2026 - 2030	1,860,000	1,223,250		
2031 - 2035	2,310,000	781,576		
2036 - 2040	<u>2,795,000</u>	<u>288,500</u>		
	<u>\$ 8,420,000</u>	<u>\$ 3,928,701</u>	<u>\$ 296,621</u>	<u>\$</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

For the Year Ending June 30,	Business-type Activities					
	Revenue bonds		Revenue bonds - direct borrowings		Other long-term obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,460,000	\$ 6,929,469	\$ 440,310	\$ 36,900	\$ 322,874	\$
2022	4,625,000	6,863,154	453,312	23,899		
2023	4,830,000	6,656,205	466,792	10,419		
2024	5,055,000	6,438,443	87,337			
2025	5,290,000	6,208,853	87,337			
2026 - 2030	28,085,000	29,414,518	436,684			
2031 - 2035	31,555,000	25,437,612				
2036 - 2040	32,935,000	20,385,800				
2041 - 2045	39,015,000	14,299,000				
2046 - 2050	47,475,000	5,846,000				
	<u>\$ 203,325,000</u>	<u>\$ 128,479,054</u>	<u>\$ 1,971,772</u>	<u>\$ 71,218</u>	<u>\$ 322,874</u>	<u>\$</u>

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

The City's outstanding Series 2000 Water Revenue Bonds and Series 2009 Clean Water State Revolving Loan Fund borrowings related to business-type activities of \$1,098,406 and \$873,366, respectively, contain provisions that 1) 10 days following the payment due date, if payment has not been made, penalty interest of 0.1% per day shall accrue on the principal amount due; and 2) in the event of termination by lender due to failure by borrower to cure material default after having received notice of same, the entire balances then due, including accrued interest and penalties, shall be due on demand by lender.

Special Assessment Bonds

The City had issued special assessment bonds with an aggregate outstanding principal balance of \$88,465,000 at June 30, 2020. 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.

New Debt Issuances

On June 9, 2020, the City issued \$125,340,000 in General Obligation (Limited Tax) Tax-Exempt Utility System Bonds, Series 2020A1 for the purpose of financing certain costs of improvements to the City's Municipal Utility System. The City's Series 2020A1 Bonds bear interest at rates from 3% to 4%, which is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2020 and continuing through maturity in fiscal year 2050. Principal is due in annual installments beginning June 2035 through June 2050.

On June 9, 2020, the City issued \$29,510,000 in General Obligation (Limited Tax) Tax-Exempt Various Purpose Bonds, Series 2020B1 for the purpose of financing the costs of acquiring, constructing, improving and equipping various City projects. The City's Series 2020B1 Bonds bear interest at rates from 4% to 5%, which is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2020 and continuing through maturity in fiscal year 2040. Principal is due in periodic installments beginning June 2025 through June 2040.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

On June 23, 2020, the City issued \$20,000,000 in General Obligation (Limited Tax) Taxable Medium-Term Various Purpose Bonds, Series 2020C for the purpose of financing all or a portion of the costs of construction of the Henderson Events Center to replace the Henderson Pavilion and Cornerstone Park. The City's Series 2020C Bonds bear interest at a rate 2%, which is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2020 and continuing through maturity in fiscal year 2030. Principal is due in annual installments beginning June 2021 through June 2030.

Advance Refundings

On June 9, 2020, the City issued \$50,370,000 in General Obligation (Limited Tax) Taxable Refunding Bonds, Series 2020A2. The refunding proceeds were placed in an irrevocable trust to provide funds for the partial advance refunding of \$39,825,000 principal of the City's Series 2012A Sewer Refunding Bonds and \$5,340,000 of the City's Series 2013A Sewer Refunding Bonds. The City's Series 2020A2 Bonds bear interest at rates from 1.218% to 2.730%, which is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2020 and continuing through maturity in fiscal year 2034. Principal is due annually beginning June 1, 2021 through 2034. Over the life of the bonds, the refunding will reduce total debt service by \$2,694,777, and will result in a net present value benefit of \$2,324,669.

On June 9, 2020, the City issued \$93,705,000 in General Obligation (Limited Tax) Taxable Various Purpose and Refunding Bonds, Series 2020B2. The refunding proceeds were placed in an irrevocable trust to provide funds for the partial advance refunding of \$11,080,000 principal of the City's Series 2011C Refunding Bonds, \$27,445,000 principal of the City's Series 2013B Bonds, and \$21,705,000 principal of the City's Series 2014 Refunding Bonds. The City's Series 2020B2 Bonds bear interest at rates from 1.268% to 2.880%, which is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2020 and continuing through maturity in fiscal year 2035. Over the life of the bonds, the refunding will reduce total debt service by \$4,477,191, and will result in a net present value benefit of \$3,288,738. The remainder of the bond issue was undertaken to provide funding for the acquiring, constructing, improving and equipping of various City projects.

Defeased Debt

The City defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the City's financial statements. At June 30, 2020, the remaining outstanding principal balance of the defeased debt is \$105,395,000.

Capital Leases

During the current fiscal year, the City capitalized two leases for \$61,218 and \$90,338, respectively. Both were for print shop equipment leased from Pitney Bowes. Quarterly payments of \$3,704 and \$4,971 are due until the expiration of each lease, which is December 2023 and June 2025, respectively. Depreciation expense of \$15,899 was incurred on the equipment during the current fiscal year.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The following table details the annual capitalized lease payments to be made under these leases:

<u>For the Year Ended June 30,</u>	<u>Minimum lease payment</u>	<u>Less amount representing interest</u>	<u>Present value of minimum lease payment</u>
2021	\$ 34,700	\$ (4,820)	\$ 29,880
2022	34,700	(3,556)	31,144
2023	34,700	(2,402)	32,298
2024	27,292	(1,244)	26,048
2025	<u>19,884</u>	<u>(446)</u>	<u>19,438</u>
	<u>\$ 151,276</u>	<u>\$ (12,468)</u>	<u>\$ 138,808</u>

Pledged Revenue Bonds

The City issues revenue bonds to finance the improvement, acquisition or construction of capital assets and in connection with the ownership and operation of the City's water and sewer utility systems. The City has pledged specific revenues to repay these bonds as follows:

Governmental activities

Pledged revenue – Up to 15% of consolidated tax revenues

Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 188,824,911
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 5,214,969
Total pledged revenue for the year ended June 30, 2020	\$ 17,193,741
Revenue bonds issued and revenue pledge maturity	
2011C Capital Improvement Revenue Refunding Bonds	June 1, 2021
2013B Capital Improvement Revenue Refunding Bonds	June 1, 2031
2014 Capital Improvement Revenue Refunding Bonds	June 1, 2032
2020B1 Various Purpose Bonds	June 1, 2040
2020B2 Various Purpose and Revenue Refunding Bonds ¹	June 1, 2036

1. Bond proceeds were also used to partially advance refund the 2011C, 2013B, and 2014 Capital Improvement Refunding Bonds

Pledged revenue – Incremental property tax revenue, less 18% education set aside

Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 12,348,701
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 618,300
Total pledged revenue for the year ended June 30, 2020	\$ 2,314,350
Revenue bond issued and revenue pledge maturity	
2015 Henderson Redevelopment Tax Increment Refunding Bonds	October 1, 2033

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Business-type activities

Pledged revenue – Future water and sewer utility customer revenues and connection fees	
Total revenue bond principal and interest remaining to be paid at June 30, 2020	\$ 333,847,045
Total revenue bond principal and interest paid during the year ended June 30, 2020	\$ 7,436,330
Total pledged revenue for the year ended June 30, 2020	\$ 34,189,767
Revenue bonds issued and revenue pledge maturity	
Series 2000 Water Revenue Bonds ¹	January 1, 2023
Series 2010 Sewer Revenue Bonds ¹	January 1, 2030
Series 2012A Sewer Revenue Refunding Bonds ¹	June 1, 2024
'Series 2013A Sewer Revenue Refunding Bonds ¹	June 1, 2030
'Series 2020A1 Water Revenue Capital Improvement Bonds ¹	June 1, 2050
Series 2020A2 Sewer Revenue Refunding Bonds ¹	June 1, 2034

1. Intended to be repaid solely from utility customer net revenues although the bonds constitute direct and general obligations of the City, and the full faith and credit of the City is also pledged for the principal and interest payments.

Note 7. Defined Benefit Pension Plans

Aggregate Balances

At June 30, 2020, the City's aggregate pension plan balances were as follows:

	Public Employees' Retirement System of Nevada	Judicial Retirement System of Nevada	Aggregate Total
Net unamortized deferred outflows of resources related to pensions	\$ 65,133,587	\$ 24,117	\$ 65,157,704
Net pension liability	411,906,360	52,959	411,959,319
Net unamortized deferred inflows of resources related to pensions	39,814,967	73,252	39,888,219
Pension expense	40,906,965	28,740	40,935,705

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

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

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, this multiplier is 2.5% for all years of service. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

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

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

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

For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, and the lesser of 3% or the CPI for the preceding calendar year following the ninth anniversary.

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

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at age 50 with twenty years of service, or at any age with thirty years of service. Police/fire members entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with 33 1/3 years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

For the fiscal years ended June 30, 2019 and 2018, the required employer/employee matching rate was 14.50% for regular and 20.75% for police/fire members. The EPC rate was 28.00% for regular and 40.50% for police/fire members.

Effective July 1, 2019, the required employer/employee match rates increased to 15.25% for regular and 22.00% for police/fire members. The EPC rates also increase to 29.25% for regular and 42.50% for police/fire members.

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

PERS collective net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience review completed in October 2017), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases

At June 30, 2019, assumed healthy retiree mortality rates and projected life expectancies for selected ages were as follows:

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

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

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The policies of PERS that determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Geometric Expected Real Rate of Return *</u>
U.S. stocks	42.0 %	5.50 %
International stocks	18.0 %	5.50 %
U.S. bonds	28.0 %	0.75 %
Private Markets	12.0 %	6.65 %

* As of June 30, 2019, PERS' long-term inflation assumption was 2.75%.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, the PERS fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

The City's proportionate share of the net pension liability at June 30, 2019, calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Net pension liability	\$ 637,787,147	\$ 411,906,360	\$ 224,142,109

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share (amount) of the collective net pension liability was \$411,906,360, which represents 3.02074% of the collective net pension liability, and a decrease of 0.00691% from the City's proportionate share as of June 30, 2018. Contributions for employer pay dates within the fiscal year ended June 30, 2019, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2019.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020, the City's pension expense was \$40,906,965 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,446,018	\$ 11,880,915
Changes of assumptions or other inputs	16,762,885	
Net difference between projected and actual earnings on investments		20,490,863
Changes in proportion and differences between actual contributions and proportionate share of contributions	1,500,514	7,443,189
Contributions made subsequent to the measurement date	<u>31,424,170</u>	
	<u>\$ 65,133,587</u>	<u>\$ 39,814,967</u>

At June 30, 2019, the average expected remaining service life was 6.18 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$31,424,170 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ending June 30,</u>	
2021	\$ 43,485,377
2022	(292,983,321)
2023	80,489,744
2024	99,707,673
2025	56,665,278
Thereafter	<u>6,529,699</u>
	<u>\$ (6,105,550)</u>

Changes in the City's net pension liability related to PERS is as follows:

Net pension liability, beginning of year	\$ 412,902,805
Pension expense	40,906,964
Employer contributions	(29,148,250)
Change in net deferred inflows and outflows of resources	<u>(12,755,159)</u>
Net pension liability, end of year	<u>\$ 411,906,360</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, \$7,609,155 is payable to PERS for the June 2020 required contribution and is included in accounts payable.

Agent Multiple-Employer Defined Benefit Pension Plan

The City's municipal court judges, in certain circumstances, can elect to be covered by the Judicial Retirement System of Nevada (JRS), an agent multiple-employers defined benefit pension plan. The JRS was established by the Nevada Legislature in July 2001, effective January 1, 2003, to provide a reasonable base retirement income to justices of the Supreme Court and district judges. In 2005 the Nevada Legislature amended the retirement statutes to allow municipal court judges and justices of the peace to participate in JRS, upon the election of the local government employing the municipal court judges and justices of the peace. JRS is administered and governed by the Nevada Public Employees' Retirement Board (the JRS Board) whose seven members are appointed by the governor. The City does not exercise any control over the JRS.

Benefits are paid according to various options contained in the NRS, dependent upon whether a member was serving as a Supreme Court Justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002, may select one of the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002, are only eligible for the first option below.

Option 1 - 2003 Benefit Plan: Benefits, as required by NRS, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Option 2 - Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, may select benefit payments computed at 4.1666% for each year of service, up to a total maximum of 22 years, times the member's compensation for their last year of service.

Members who retired under the Previous Benefit Plan (in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit.

Members enrolled in the JRS on or after July 1, 2015, will receive 3.1591% for each year of service. Each member is entitled to a benefit of not more than 75% and must contribute 50% of the contribution rate through payroll deductions.

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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

At June 30, 2019, the City's JRS membership consisted of:

Active members	1
Inactive members (and beneficiaries) currently receiving benefits	<u>1</u>
	<u><u>2</u></u>

The amount of annual contribution required to fund JRS is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, the UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace. The payment to amortize the UAAL is paid annually for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace.

In addition, effective with the January 1, 2009 valuation, assets are valued using five-year smoothing. The Actuarial Value of Assets (AVA) is further limited to not less than 70% or greater than 130% of market value.

For the fiscal years ended June 30, 2019 and 2018, the required employer/employee matching rate was 14.25%.

The JRS net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using May 31, 2019 census data, except for member status, which is as of June 30, 2019.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

Actuarial valuation date	June 30, 2019
Inflation rate	2.75%
Payroll growth	3.00% to 8.00%, varying by service
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Discount rate	7.50%, including inflation
Consumer price index	2.75%
Asset valuation method	The actuarial value of assets is equal to the prior year's actuarial value of assets plus contributions and net transfers, less benefit payments and expenses, plus expected investment return, and 20% of each of the previous five years' gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 70% or greater than 130% of the market value of assets.
Actuarial cost method	Entry age normal
Amortization method	Year-by-year closed, level percent of payroll (3% payroll growth assumed) over a declining amortization period of 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace
Mortality rates	Post-retirement: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Tables, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables listed above. The mortality rates are then projected to 2020 with Scale MP-2016. Pre-retirement: Headcount-Weighted RP- 2014 Employee Mortality Tables projected to 2020 with Scale MP-2016

JRS policies which determine the investment portfolio target asset allocation are established by the JRS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of JRS. The following target asset allocation policy was adopted as of June 30, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>
Domestic equity	49.0 %	6.60 %
International equity	21.0 %	7.37 %
Domestic fixed income	30.0 %	0.36 %

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the actuarially determined contribution rates and the payment to amortize the unfunded actuarial liability is assumed to be paid annually, at the end of the year, for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace. Based on those assumptions, JRS's fiduciary net position at June 30, 2019, was projected to be available to make all projected future benefit payments of current active and inactive JRS members. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The City's JRS net pension liability at June 30, 2019, calculated using the discount rate of 7.50%, as well as what the City's JRS net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 122,106	\$ 52,959	\$ (5,730)

JRS issues a publicly available Annual Financial Report that includes financial statements and required supplemental information. This report is available by writing to JRS at 693 West Nye Lane, Carson City, Nevada 89703. In addition, JRS is classified as a component unit of the State of Nevada, and as such JRS financial information is available at <http://controller.nv.gov> under Financial Reports and is included in the State of Nevada's Comprehensive Annual Financial Report. JRS fiduciary net position and related additions to/deductions from it have been determined on the same basis used in the JRS Annual Financial Report. JRS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2019, the City reported a liability of \$52,959 for its net pension liability for the JRS plan. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the period ended June 30, 2020, the City's JRS pension expense was \$28,740 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2019, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,554	\$ 15,261
Changes of assumptions or other inputs	109	
Net difference between projected and actual earnings on investments		5,629
Changes in proportion and differences between actual contributions and proportionate share of contributions		52,362
Contributions made subsequent to the measurement date	22,454	
	<u>\$ 24,117</u>	<u>\$ 73,252</u>

At June 30, 2019, the average expected remaining service life was 4.55 years.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$22,454 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended June 30,</u>	
2021	\$ (21,680)
2022	(32,816)
2023	(16,312)
2024	<u>(781)</u>
	<u>\$ (71,589)</u>

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

Net pension liability, beginning of year	\$ 56,741
Pension expense	28,740
Employer contributions	(22,052)
Change in net deferred inflows and outflows of resources	<u>(10,470)</u>
Net pension liability, end of year	<u>\$ 52,959</u>

At June 30, 2020, \$1,728 is payable to JRS for the June 2020 required contribution and is included in accounts payable.

Note 8. Other Postemployment Benefits

Aggregate Balances

At June 30, 2020, the City's aggregate OPEB plan balances were as follows:

	<u>Public Employee Benefit Program</u>	<u>City of Henderson Plans</u>	<u>Aggregate Total</u>
Net OPEB assets administered through a qualifying trust	None	None	None
Total OPEB liability	\$ 6,090,878	\$ 79,534,727	\$ 85,625,605
Net unamortized deferred outflows of resources related to OPEB	850,659	24,547,091	25,397,750
Net unamortized deferred inflows of resources related to OPEB	549,868	1,985,574	2,535,442
OPEB expense	234,674	7,831,889	8,066,563

Plan Information

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

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. Detailed information about the PEBP plan's fiduciary net position is available in the separately issued financial report, which may be obtained by writing or calling the following:

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

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

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

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

The City is required to provide a subsidy based on years of service for a closed group of its retirees that have enrolled in PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. The City portion of the monthly subsidies ranged from \$1 to \$1,795 for the year ended June 30, 2020.

Benefit provisions for the City Plan are established pursuant to NRS 287 and amended by the City's eight-member Insurance Committee, which includes representation from the various participating employee groups. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates in the City Plan. Effective January 1, 2014, eligible retirees participating in the City Plan receive a graduated benefit of lower monthly premiums based on years of service with the City, with a maximum monthly benefit of \$500. This benefit will be reduced by 50% for Medicare eligible retirees, who can no longer participate in the City's Plan. Effective January 1, 2019, this graduated benefit was amended. The amendment modified the definition of years of service, which are now based on enrollment date in the City Plan. Additionally, the post-65 benefit will be received for up to seventeen years based on the retirees' years of service. Previously, there was no cap on the number of years the post-65 benefit could be received, and the years of service were based on years with the City.

The City's Insurance Committee reviews and determines the plan contribution requirements and the plan options. Contribution amounts differ depending on the selected plan and range from \$545 to \$1,553 per month. Retiree loss experience is pooled with active employee loss experience for the purpose of setting rates, and the difference between the true claims cost and the blended rate creates an implicit rate subsidy from the City.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020, employees covered by OPEB benefit terms consisted of:

	<u>Public Employee Benefit Program</u>	<u>City of Henderson Plans</u>	<u>Aggregate Total</u>
Active members		1,331	1,331
Inactive employees currently receiving benefit payments	106	290	396
Inactive employees entitled to, but not yet receiving benefit payments		392	392
	<u>106</u>	<u>2,013</u>	<u>2,119</u>

Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions, which apply to both the City Plan and PEBP unless otherwise indicated, for all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2020
Inflation rate	3.00% per annum
Salary changes	City Plan - 2.00% per annum (PEBP is a closed plan)
Discount rate	2.21% per annum as of June 30, 2020
	3.50% per annum as of June 30, 2019
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of projected salary
Healthcare cost trend rates	City Plan - 6.50% per annum, decreasing 0.50% per year to an ultimate rate of 4.5%
	PEBP - 6.50% per annum, decreasing 1.0% per year to an ultimate rate of 4.5%

Mortality rates are based on the Pub-2010 mortality table with generational MP-2019 to reflect the Society of Actuaries' rent mortality study.

Changes in the assumptions and other inputs that affected the measurement of the City's total OPEB liability during the period ended June 30, 2020, were as follows:

The discount rate was updated from 3.50% to 2.21%.

The termination and retirement rates were updated based on the PERS Actuarial Valuation for the fiscal year ended June 30, 2019.

Trend rates were updated with an initial rate of 6.50% grading down until reaching the ultimate rate of 4.50%, to reflect higher than anticipated increasing cost environment.

The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

The City's total OPEB liability at June 30, 2020, calculated using the discount rate of 2.21%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current discount rate, was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Public Employee Benefit Program	\$ 6,920,753	\$ 6,090,878	\$ 5,394,506
City of Henderson Plans	\$ 90,371,247	\$ 79,534,727	\$ 70,441,494

The City's total OPEB liability at June 30, 2020, calculated using the healthcare trend rate of 6.50% decreasing to 4.50%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower (5.50% decreasing to 3.50%) or 1.00% higher (7.50% decreasing to 5.50%) than the current healthcare trend rate was as follows:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Public Employee Benefit Program	\$ 5,555,197	\$ 6,090,878	\$ 6,730,399
City of Henderson Plans	\$ 72,539,803	\$ 79,534,727	\$ 87,885,601

At June 30, 2020, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
Service cost	\$ 203,167	\$ 3,503,218	\$ 3,503,218
Interest on total OPEB liability		1,864,597	2,067,764
Changes in benefit terms			
Differences between expected and actual experience	(460,516)	12,270,082	11,809,566
Changes of assumptions or other inputs	752,224	12,987,780	13,740,004
Benefit payments	(417,565)	(1,723,828)	(2,141,393)
Net change in total OPEB liability	77,310	28,901,849	28,979,159
Total OPEB liability, beginning of year	6,013,568	50,632,878	56,646,446
Total OPEB liability, end of year	<u>\$ 6,090,878</u>	<u>\$ 79,534,727</u>	<u>\$ 85,625,605</u>

For the period ended June 30, 2020, the City recorded an OPEB expense of \$8,066,563 and its reported deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2020 were as follows:

	Public Employee Benefit Program		City of Henderson Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 850,659	\$ (414,464)	\$ 11,043,073	\$ (1,985,574)
Changes of assumptions and other inputs		(135,404)	13,504,018	
	<u>\$ 850,659</u>	<u>\$ (549,868)</u>	<u>\$ 24,547,091</u>	<u>\$ (1,985,574)</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

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

<u>For the Year Ended June 30,</u>	<u>Public Employee Benefit Program</u>	<u>City of Henderson Plans</u>
2021	\$ 31,507	\$ 2,464,074
2022	31,507	2,464,074
2023	31,507	2,464,074
2024	31,507	2,464,074
2025	31,507	2,464,074
Thereafter	<u>143,256</u>	<u>10,241,147</u>
	<u>\$ 300,791</u>	<u>\$ 22,561,517</u>

Note 9. Risk Management

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

In addition, there are also situations in which incidents occur before the date of the financial statements, but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's experience adjusted for current trends using a discount rate of 2.0%. The claims are included in the appropriate liability accounts.

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

Liability Insurance - The City has obtained \$15.0 million in Public Entity Excess Liability insurance with a \$750,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$1.0 billion blanket Property insurance policy on all buildings, building contents and Boiler and Machinery with a \$100,000 deductible; a \$10.0 million Inland Marine policy covering Contractors' Equipment and Auto Physical Damage with a \$10,000 deductible; a \$1.0 million Commercial Crime policy with a \$10,000 deductible that covers employee dishonesty, forgery and alteration; a \$50.0 million Terrorism policy with a \$1.0 million sublimit for Active Shooter with varying deductibles; a \$1.0 million Unmanned Aircraft System policy with no deductible; a \$5.00 million Environment Site Liability policy with a \$50,000 deductible; and a Cyber Liability policy with a \$5.0 million limit and \$25,000 retention. No settled claims exceeded insurance coverage for 2020, 2019 and 2018.

The City maintains its self-insurance fund to cover all claims that fall outside of the City's commercial insurance policies, including those claims within the excess liability policy's \$750,000 SIR. The City's Risk Management division works with the City Attorney's office, an outside claims adjustment firm, the excess insurance company and its administrator, and applicable departments in handling claims filed against the City. In addition, the City obtains an actuarial analysis on a biannual basis. No current claims are expected to be settled in a manner which would adversely affect the fund's financial condition.

Group Health Insurance - The City is self-insured for employee health benefits, providing medical, dental and vision care. The specific stop loss is \$525,000 per participant, and a third-party administrator is used to pay claims.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Worker's Compensation - The City is self-insured for workers' compensation claims. A third-party administrator is utilized for claim adjusting and payment. The City has a \$4.0 million SIR for all public safety employees and a \$1.0 million SIR for all other employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from July 1, 2019 through July 1, 2020.

For the fiscal years ended June 30, 2019 and 2020, 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, 2019				
Liability insurance	\$ 1,761,073	\$ 3,725,173	\$ (608,005)	\$ 4,878,241
Workmen's compensation insurance	15,069,371	3,714,976	(2,110,060)	16,674,287
Health Insurance	<u>1,650,000</u>	<u>16,188,285</u>	<u>(16,064,285)</u>	<u>1,774,000</u>
	<u>\$ 18,480,444</u>	<u>\$ 23,628,434</u>	<u>\$ (18,782,350)</u>	<u>\$ 23,326,528</u>
For the year ended June 30, 2020				
Liability insurance	\$ 4,878,241	\$ 132,081	\$ (1,078,984)	\$ 3,931,338
Workmen's compensation insurance	16,674,287	4,524,968	(3,083,490)	18,115,765
Health Insurance	<u>1,774,000</u>	<u>14,776,277</u>	<u>(15,307,277)</u>	<u>1,243,000</u>
	<u>\$ 23,326,528</u>	<u>\$ 19,433,326</u>	<u>\$ (19,469,751)</u>	<u>\$ 23,290,103</u>

Note 10. Other Information

COVID-19 and CARES Act

In late January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 pandemic) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. In addition, on March 12, 2020, the Governor of Nevada declared a state of emergency to protect and preserve public health and safety, which resulted in the closure of substantially all civic, cultural, and recreational facilities in the City effective March 17, 2020.

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity, and future results of operations. The City's management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 pandemic on its results of operations, financial condition, or liquidity for fiscal year 2021 and future years.

In subsequent months, the administrations of the City and the State of Nevada extended emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the City and the state. Municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with some restrictions and new measures designed to preserve the health of patrons and the public.

The City was deliberate in revising projections between the Tentative and Final Budgets filed with the State of Nevada for fiscal year 2021. The revised projections took the following into consideration:

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Room tax is expected to be down significantly from previous years' levels due to fewer tourists and lower room rate because of lower demand.

Consolidated Tax collections are down due to reductions in tourism and increased unemployment although stimulus dollars are helping to bolster collections more than originally anticipated.

Motor vehicle fuel tax collections are expected to be down due to less driving by residents and tourists.

Parks and recreation fee revenues are down and expected to remain lower than previous years due to facility closures, restrictions on use of facilities and cancellations of programs and rentals.

Reduction in real property tax collections are not anticipated for fiscal year 2021. Business and homeowners may make appeals to the Board of Equalization for property tax bills beginning in fiscal year 2022.

The full effects of the COVID-19 pandemic on utility revenues in the City's Water and Sewer funds cannot be quantified at this time, however revenues from developer and connection fees have decreased. Also, fees for delinquent payments have been waived during the pandemic.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions appropriating funds from programs of the United States Department of the Treasury and Department of Education to be used to make payments for specified uses to states and certain local governments. To date, the City has been awarded \$35.2 million in CARES Act funds, including \$29.6 million in Coronavirus Relief Funding passed through to the City from Clark County, Nevada. The City expects to use those funds to help defray the costs of emergency response to the pandemic, as well as provide support to individuals, agencies and businesses affected by the COVID-19 emergency, as directed by the US Treasury Department.

Construction in Progress

As of June 30, 2020, construction in progress of \$88,547,237 was reflected in the government-wide financial statements. Management estimates it will require an additional outlay of approximately \$131,156,784 to complete these projects.

Litigation

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

City of Henderson Redevelopment Agency (the Agency)

The Agency has entered into several Owner Participation Agreements (OPAs) with various developers whereby the developers are to construct public improvements on behalf of the Agency in connection with its redevelopment efforts. These OPAs could potentially obligate the Agency to reimburse the developers approximately \$346.3 million, plus accrued interest, for the costs incurred by the developers in connection with the construction of the public improvements. However, the City's financial commitment to each developer is contingent upon there being sufficient tax increment available to fund the payments, as well as the developer actually incurring costs related to the public improvements. As of June 30, 2020, the contingent obligation is approximately \$113.1 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 for copier equipment and related services. For the year ended June 30, 2020, total costs under such agreements were \$853,353.

At June 30, 2020, the future minimum operating lease payments were as follows:

For the Year Ending June 30,

2021	\$ 663,822
2022	<u>31,650</u>
	<u>\$ 695,472</u>

Encumbrances

At June 30, 2020, outstanding encumbrances were as follows:

General Fund	\$ 2,833,595
Aggregate Other Governmental Funds	<u>39,859,776</u>
	<u>\$ 42,693,371</u>

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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

Note 11. Components of Fund Balances

At June 30, 2020, the components of governmental fund balances were as follows:

	General Fund	Aggregate Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid items	\$ 34,310	\$	\$ 34,310
Restricted			
General government programs		5,552	5,552
Courts and other judicial programs	219,374	1,316,716	1,536,090
Fire, police and other public safety programs		41,842,357	41,842,357
Streets and other public works projects		50,229,748	50,229,748
Parks, cultural and recreational programs		75,632,726	75,632,726
Community assistance and support programs		423,223	423,223
Debt service		8,849,917	8,849,917
Redevelopment programs		33,251,117	33,251,117
Stabilization program		24,054,904	24,054,904
Committed			
Streets and other public works projects	2,070,663	32,020,055	34,090,718
Community assistance and support programs	1,630,348		1,630,348
Assigned			
General government programs	1,863,487	4,206,363	6,069,850
Courts and other judicial programs	3,378		3,378
Fire, police and other public safety programs	764,814	851,832	1,616,646
Streets and other public works projects	10,697	37,078,523	37,089,220
Parks, cultural and recreational programs	437,566	2,881,167	3,318,733
Community assistance and support programs	24,576		24,576
Unassigned	<u>20,106,447</u>		<u>20,106,447</u>
Total governmental fund balances	<u>\$ 27,165,660</u>	<u>\$ 312,644,200</u>	<u>\$ 339,809,860</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 May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was effective immediately. The objective of this Statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 Pandemic. For the statements below that were impacted by this Statement, the postponed dates are reflected.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has not yet completed its assessment of this statement.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. The objective of this Statement is to better meet the informational needs of financial statement users by requiring recognition, for leases that previously were classified as operating leases, of certain lease assets, lease liabilities and inflows or outflows of resources based on the payment provisions of the contract. Management has not yet completed its assessment of this statement.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, which is effective for reporting periods beginning after June 15, 2019. The objective of this statement is to improve the information that is disclosed in the notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The City adopted Statement No. 88 and it did not affect the City's financial position, result of operations or cash flows.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, effective for reporting periods beginning after December 15, 2019. This statement addresses the reporting of majority equity interests in a legally separate organizations and requires that such majority equity interests be reported as investments. Management has not yet completed its assessment of this statement.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021. This statement addresses the method to be used for reporting conduit debt obligations by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management has not yet completed its assessment of this statement.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The requirements related to the effective dates of Statement No 87 and Implementation Guide 2019-3, reinsurance recoveries were effective immediately. The requirements related to intra-entity transfers of assets and those related to the application of Statement No. 73 and 74 are effective for fiscal years beginning after June 15, 2021. Additionally, the requirements related to the application of Statement No. 84 are effective for reporting periods beginning after June 15, 2021. Lastly, the requirements related to the measurement of liabilities associated with asset retirement obligations are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. The objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by address practice issues that have been identified during implementation and application of certain GASB statements. Management has not yet completed its assessment of this statement.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for reporting periods beginning after June 15, 2020, with the exception of the provisions related to lease contracts which are effective for fiscal years beginning after June 15, 2021 and the provisions related to the removal of London Interbank Offered Rate as an appropriate benchmark interest rate which is effective for reporting periods ending after December 31, 2021. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. Management has not yet completed its assessment of this statement.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2020

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2022. This objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership agreements (PPPs). Management has not yet completed its assessment of this statement.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for governments and users. Management has not yet completed its assessment of this statement.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for periods beginning after June 15, 2021, with the exception of limited sections that were effective immediately. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF HENDERSON, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS¹

	Service Cost	Interest on Total OPEB Liability	Changes in Benefit Terms	Differences Between Expected and Actual Experience	Changes in Assumptions or Other Inputs	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability, Beginning of Year	Total OPEB Liability, End of Year	Covered Payroll	Total OPEB Liability, End of Year as a Percentage of Covered Payroll
Public Employee Benefit Program ³											
2018	\$	\$ 223,745	\$	\$	\$ (196,744)	\$ (401,917)	\$ (374,916)	\$ 6,357,432	\$ 5,982,516	2	2
2019		209,915			219,223	(398,086)	31,052	5,982,516	6,013,568	2	2
2020		203,167		(460,516)	752,224	(417,565)	77,310	6,013,568	6,090,878	2	2
City of Henderson Plans ³											
2018	2,976,012	2,592,355			(2,885,064)	(1,329,370)	1,353,933	64,299,818	65,653,751	169,647,531	38.70 %
2019	3,091,184	2,639,049	(21,218,784)		2,291,254	(1,823,576)	(15,020,873)	65,653,751	50,632,878	176,053,321	28.76 %
2020	3,503,218	1,864,597		12,270,082	12,987,780	(1,723,828)	28,901,849	50,632,878	79,534,727	180,930,796	43.96 %

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

CITY OF HENDERSON, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION

MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN (PERS) PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	3.11371 %	\$ 324,509,868	\$ 149,487,119	217.08 %	76.31 %
2015	3.12987 %	358,665,969	153,186,312	234.14 %	75.13 %
2016	3.06940 %	413,086,137	157,972,248	261.49 %	72.23 %
2017	3.01650 %	401,189,368	163,656,523	245.14 %	74.42 %
2018	3.02765 %	412,902,805	169,647,531	243.39 %	75.21 %
2019	3.02074 %	411,906,360	175,898,573	234.17 %	76.46 %

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

CITY OF HENDERSON, NEVADA

REQUIRED SUPPLEMENTARY INFORMATION MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN (PERS) PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 48,713,121	\$ 48,713,121	\$	\$ 153,186,312	31.80 %
2016	52,475,582	52,475,582		157,972,248	33.22 %
2017	54,354,873	54,354,873		163,656,523	33.21 %
2018	56,373,722	56,373,722		169,647,531	33.23 %
2019	58,296,499	58,296,499		175,898,573	33.11 %
2020	62,848,340	62,848,340		180,930,796	34.74 %

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

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (JRS) SCHEDULE OF CHANGES IN NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹

For the Year Ended June 30,	Net Pension Liability, Beginning of Year	Pension Expense	Employer Contributions	Change in Net Deferred Outflows and Inflows	Net Pension Liability, End of Year
2016	\$	\$ 196,562	\$ (65,321)	\$ 97,210	\$ 228,451
2017	228,451	46,970	(33,920)	(129,676)	111,825
2018	111,825	29,137	(22,552)	(61,669)	56,741
2019	56,741	28,740	(22,051)	(10,471)	52,959

1. Information for the agent multiple-employer defined benefit pension plan is not available for years prior to the year ended June 30, 2016. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (JRS) PENSION PLAN INFORMATION FOR THE YEAR ENDED JUNE 30, 2019 AND LAST NINE FISCAL YEARS¹

For the Year Ended June 30,	Total Pension Plan Liability	Pension Plan Fiduciary Net Position	Net Pension Plan Liability	Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability	Pension Plan Covered Payroll	Net Pension Plan Liability as a Percentage of Pension Plan Covered Payroll
2014	\$ 108,630,337	\$ 92,113,212	\$ 16,517,125	84.79511 %	\$ 17,186,300	96.10635 %
2015	119,810,260	98,944,699	20,865,561	82.58450 %	18,933,500	110.20446 %
2016	123,753,035	101,101,940	22,651,095	81.69653 %	19,929,944	113.65358 %
2017	133,560,566	114,498,900	19,061,666	85.72807 %	20,995,038	90.79129 %
2018	137,726,452	124,374,024	13,352,428	90.30511 %	20,451,176	65.28929 %
2019	146,303,813	133,658,066	12,645,747	91.35652 %	20,353,313	62.13115 %

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

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (JRS) ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Actuarially Required Contribution</u>	<u>Contributions Made</u>	<u>Contribution (Deficiency) Excess</u>	<u>Covered Payroll</u>	<u>Contributions Made as a Percentage of Covered Payroll</u>
2017	\$ 33,943	\$ 33,920	\$ (23)	\$ 147,579	22.98430 %
2018	22,552	22,552		151,121	14.92314 %
2019	22,052	22,052		154,748	14.25026 %
2020	22,454	22,454		157,575	14.24972 %

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

CITY OF HENDERSON, NEVADA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

Note 1. Other Postemployment Benefits

For both the City Plan and PEBP, changes in the assumptions and other inputs that affected the measurement of the City's total OPEB liability during the period ended June 30, 2020, were as follows:

The discount rate was updated from 3.50% to 2.21%.

The termination and retirement rates were updated based on the PERS Actuarial Valuation for the fiscal year ended 2019.

Trend rates were updated with an initial rate of 6.50% grading down until reaching the ultimate rate of 4.50%, to reflect higher than anticipated increasing cost environment.

The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.

At June 30, 2020, no assets were accumulated in a qualifying trust for PEBP or the City Plan in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

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

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

Note 2. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2020, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2019. The actuarial valuation report dated June 30, 2014, was the first valuation of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained, these schedules will ultimately present information from the ten most recent valuations.

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

Note 3. Agent Multiple-Employer Defined Benefit Pension Plan

For the year ended June 30, 2020, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2019. The actuarial valuation reports dated June 30, 2014, was the first valuation to date of the agent multiple-employer defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

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

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

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 areas.

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

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

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

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

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

Grants Special Revenue - to account for the revenues and other activities related to grant awards received by the City.

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

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

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

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

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

GOVERNMENTAL FUNDS

Non-major Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

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

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

Non-major Capital Projects Funds

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

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

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

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

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

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

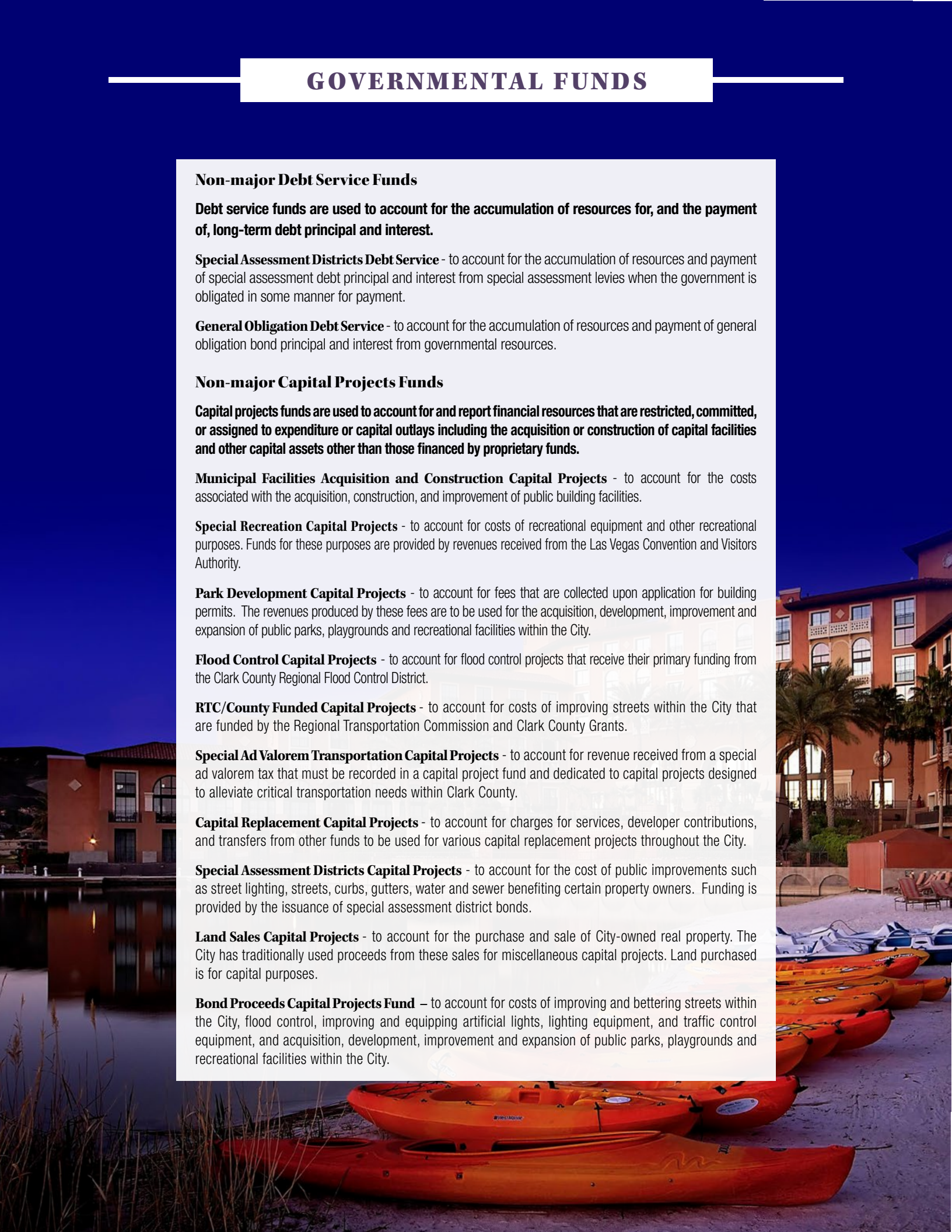
Special Ad Valorem Transportation Capital Projects - to account for revenue received from a special ad valorem tax that must be recorded in a capital project fund and dedicated to capital projects designed to alleviate critical transportation needs within Clark County.

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

Special Assessment Districts Capital Projects - to account for the cost of public improvements such as street lighting, streets, curbs, gutters, water and sewer benefiting certain property owners. Funding is provided by the issuance of special assessment district bonds.

Land Sales Capital Projects - to account for the purchase and sale of City-owned real property. The City has traditionally used proceeds from these sales for miscellaneous capital projects. Land purchased is for capital purposes.

Bond Proceeds Capital Projects Fund - to account for costs of improving and bettering streets within the City, flood control, improving and equipping artificial lights, lighting equipment, and traffic control equipment, and acquisition, development, improvement and expansion of public parks, playgrounds and recreational facilities within the City.



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CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 83,961,975	\$ 8,795,632	\$ 129,834,098	\$ 222,591,705
Cash, cash equivalents and investments, restricted	2,586,461	81,867	75,638,784	78,307,112
Accounts receivable, net	25,268		11,408	36,676
Interest receivable	217,739	35,555	255,568	508,862
Taxes receivable	199,377	346,294		545,671
Special assessments receivable	2,952	865,897		868,849
Notes receivable, net	13,362,302		200,623	13,562,925
Due from other funds			398,542	398,542
Due from other governments	9,345,811	50,815	658,381	10,055,007
Deposits			10,702,192	10,702,192
Land held for resale	3,032,029			3,032,029
Total assets	<u>\$ 112,733,914</u>	<u>\$ 10,176,060</u>	<u>\$ 217,699,596</u>	<u>\$ 340,609,570</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 4,863,396	\$ 113,762	\$ 2,960,419	\$ 7,937,577
Accrued wages	666,877		19,165	686,042
Tax increment payable to developers	1,141,138			1,141,138
Due to other governments	1,436,190	190		1,436,380
Due to other funds	664,581			664,581
Advances from other funds			884,359	884,359
Unearned revenue	229,485			229,485
Deposits	4,549			4,549
Total liabilities	<u>9,006,216</u>	<u>113,952</u>	<u>3,863,943</u>	<u>12,984,111</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	199,377	346,294		545,671
Unavailable revenue, special assessments	2,952	865,897		868,849
Unavailable revenue, notes receivable	13,362,302		200,623	13,562,925
Unavailable revenue, other receivables			3,814	3,814
Total deferred inflows of resources	<u>13,564,631</u>	<u>1,212,191</u>	<u>204,437</u>	<u>14,981,259</u>
Total liabilities and deferred inflows of resources	<u>22,570,847</u>	<u>1,326,143</u>	<u>4,068,380</u>	<u>27,965,370</u>
FUND BALANCES				
Restricted	90,163,067	8,849,917	136,593,276	235,606,260
Committed			32,020,055	32,020,055
Assigned			45,017,885	45,017,885
Total fund balances	<u>90,163,067</u>	<u>8,849,917</u>	<u>213,631,216</u>	<u>312,644,200</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 112,733,914</u>	<u>\$ 10,176,060</u>	<u>\$ 217,699,596</u>	<u>\$ 340,609,570</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, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 19,895,350	\$ 5,261,745	\$ 1,532,432	\$ 26,689,527
Intergovernmental	46,217,789		69,114	46,286,903
Charges for services	485,442		46,408	531,850
Fines and forfeitures	744,873			744,873
Special assessments		242,966		242,966
Investment income	2,074,642	363,394	3,286,086	5,724,122
Developer contributions			1,560,220	1,560,220
Rental fees	765		3,235	4,000
Residential Construction Tax			817,894	817,894
Miscellaneous	1,158,990	1,808	1,847,092	3,007,890
Total revenues	<u>70,577,851</u>	<u>5,869,913</u>	<u>9,162,481</u>	<u>85,610,245</u>
EXPENDITURES				
Current				
General government	15,807,830	10,451	5,008,253	20,826,534
Judicial	558,098			558,098
Public safety	20,816,239		1,418,054	22,234,293
Public works	4,633,580	8,660	1,764,477	6,406,717
Culture and recreation	5,487,108		606,999	6,094,107
Community support	3,286,372			3,286,372
Total current	<u>50,589,227</u>	<u>19,111</u>	<u>8,797,783</u>	<u>59,406,121</u>
Capital outlay				
General government			1,958,063	1,958,063
Public safety	451,429		12,805,663	13,257,092
Public works	2,277,372		2,762,165	5,039,537
Culture and recreation	5,481,827		3,491,343	8,973,170
Total capital outlay	<u>8,210,628</u>		<u>21,017,234</u>	<u>29,227,862</u>
Debt service				
Principal payments	250,000	8,126,058		8,376,058
Interest charges	368,300	4,125,373	61,081	4,554,754
Administrative and other costs		392,961		392,961
Total debt service	<u>618,300</u>	<u>12,644,392</u>	<u>61,081</u>	<u>13,323,773</u>
Total expenditures	<u>59,418,155</u>	<u>12,663,503</u>	<u>29,876,098</u>	<u>101,957,756</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,159,696</u>	<u>(6,793,590)</u>	<u>(20,713,617)</u>	<u>(16,347,511)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			3,367,490	3,367,490
Issuance of refunding bonds		68,702,106		68,702,106
Issuance of bonds			74,512,894	74,512,894
Premium on bonds issued			5,675,415	5,675,415
Payment to advance refunding bond agent		(68,340,655)		(68,340,655)
Transfers in	355,475	6,247,404	17,689,434	24,292,313
Transfers out	(27,000)	(325,407)	(8,900,685)	(9,253,092)
Total other financing sources (uses)	<u>328,475</u>	<u>6,283,448</u>	<u>92,344,548</u>	<u>98,956,471</u>
CHANGE IN FUND BALANCE	11,488,171	(510,142)	71,630,931	82,608,960
FUND BALANCE, BEGINNING OF YEAR	<u>78,674,896</u>	<u>9,360,059</u>	<u>142,000,285</u>	<u>230,035,240</u>
FUND BALANCE, END OF YEAR	<u>\$ 90,163,067</u>	<u>\$ 8,849,917</u>	<u>\$ 213,631,216</u>	<u>\$ 312,644,200</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
ASSETS					
Cash, cash equivalents and investments, unrestricted	\$ 31,155,075	\$ 14,127,682	\$ 196,651	\$ 1,340,457	\$ 23,992,588
Cash, cash equivalents and investments, restricted	2,586,461				
Accounts receivable, net					
Interest receivable	88,134	36,176	592		62,157
Taxes receivable	199,377				
Special assessments receivable					
Notes receivable, net	15,402				
Due from other governments	184,356	860,388			159
Land held for resale	3,032,029				
Total assets	<u>\$ 37,260,834</u>	<u>\$ 15,024,246</u>	<u>\$ 197,243</u>	<u>\$ 1,340,457</u>	<u>\$ 24,054,904</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 775,948	\$ 488,075	\$ 13,235	\$ 17,179	\$
Accrued wages	33,987	76,980		6,574	
Tax increment payable to developers	1,141,138				
Due to other governments	1,445,323				
Due to other funds	398,542				
Unearned revenue					
Deposits					
Total liabilities	<u>3,794,938</u>	<u>565,055</u>	<u>13,235</u>	<u>23,753</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	199,377				
Unavailable revenue, special assessments					
Unavailable revenue, notes receivable	15,402				
Total deferred inflows of resources	<u>214,779</u>				
Total liabilities and deferred inflows of resources	<u>4,009,717</u>	<u>565,055</u>	<u>13,235</u>	<u>23,753</u>	
FUND BALANCES					
Restricted	<u>33,251,117</u>	<u>14,459,191</u>	<u>184,008</u>	<u>1,316,704</u>	<u>24,054,904</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,260,834</u>	<u>\$ 15,024,246</u>	<u>\$ 197,243</u>	<u>\$ 1,340,457</u>	<u>\$ 24,054,904</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2020

	Sales and Use Tax	Grants	Commissary	Eldorado Valley Training Facility	Crime Prevention
ASSETS					
Cash, cash equivalents and investments, unrestricted	\$ 4,178,976	\$ 508,874	\$ 631,519	\$ 426,625	\$ 4,229,831
Cash, cash equivalents and investments, restricted					
Accounts receivable, net	12,798				12,470
Interest receivable	10,105		1,499	1,118	10,601
Taxes receivable					
Special assessments receivable					
Notes receivable, net		13,346,900			
Due from other governments	3,575,150	3,775,115			950,643
Land held for resale					
Total assets	<u>\$ 7,777,029</u>	<u>\$ 17,630,889</u>	<u>\$ 633,018</u>	<u>\$ 427,743</u>	<u>\$ 5,203,545</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 174,356	\$ 2,927,277	\$ 115,984	\$ 933	\$ 139,458
Accrued wages	380,127	33,904			86,857
Tax increment payable to developers					
Due to other governments					
Due to other funds		266,039			
Unearned revenue		146,588			
Deposits					
Total liabilities	<u>554,483</u>	<u>3,373,808</u>	<u>115,984</u>	<u>933</u>	<u>226,315</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes					
Unavailable revenue, special assessments					
Unavailable revenue, notes receivable		13,346,900			
Total deferred inflows of resources		<u>13,346,900</u>			
Total liabilities and deferred inflows of resources	<u>554,483</u>	<u>16,720,708</u>	<u>115,984</u>	<u>933</u>	<u>226,315</u>
FUND BALANCES					
Restricted	<u>7,222,546</u>	<u>910,181</u>	<u>517,034</u>	<u>426,810</u>	<u>4,977,230</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,777,029</u>	<u>\$ 17,630,889</u>	<u>\$ 633,018</u>	<u>\$ 427,743</u>	<u>\$ 5,203,545</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2020

	Neighborhood Improvement District	Recreation, Cultural Events & Tourism	Total Non-Major Special Revenue Funds
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 60,517	\$ 3,113,180	\$ 83,961,975
Cash, cash equivalents and investments, restricted			2,586,461
Accounts receivable, net			25,268
Interest receivable	206	7,151	217,739
Taxes receivable			199,377
Special assessments receivable	2,952		2,952
Notes receivable, net			13,362,302
Due from other governments			9,345,811
Land held for resale			3,032,029
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 63,675</u>	<u>\$ 3,120,331</u>	<u>\$ 112,733,914</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 666	\$ 210,285	\$ 4,863,396
Accrued wages	95	48,353	666,877
Tax increment payable to developers			1,141,138
Due to other governments		(9,133)	1,436,190
Due to other funds			664,581
Unearned revenue	2,706	80,191	229,485
Deposits		4,549	4,549
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,467</u>	<u>334,245</u>	<u>9,006,216</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes			199,377
Unavailable revenue, special assessments	2,952		2,952
Unavailable revenue, notes receivable			13,362,302
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>2,952</u>	<u> </u>	<u>13,564,631</u>
Total liabilities and deferred inflows of resources	<u>6,419</u>	<u>334,245</u>	<u>22,570,847</u>
FUND BALANCES			
Restricted	<u>57,256</u>	<u>2,786,086</u>	<u>90,163,067</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,675</u>	<u>\$ 3,120,331</u>	<u>\$ 112,733,914</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, 2020

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	\$ 19,883,140	\$	\$	\$	\$ 12,210
Intergovernmental		6,810,229			
Charges for services					
Fines and forfeitures			147,963	596,910	
Investment income	862,122	347,473	5,069		614,672
Rental fees	765				
Miscellaneous	523,881		30		
Total revenues	<u>21,269,908</u>	<u>7,157,702</u>	<u>153,062</u>	<u>596,910</u>	<u>626,882</u>
EXPENDITURES					
Current					
General government	15,696,704				
Judicial				429,438	
Public safety			151,836		
Public works		4,421,150			
Culture and recreation					
Community support					
Total current	<u>15,696,704</u>	<u>4,421,150</u>	<u>151,836</u>	<u>429,438</u>	
Capital outlay					
Public safety			26,255		
Public works		1,728,197			
Culture and recreation					
Total capital outlay	<u></u>	<u>1,728,197</u>	<u>26,255</u>	<u></u>	<u></u>
Debt service					
Principal payments	250,000				
Interest charges	368,300				
Total debt service	<u>618,300</u>	<u></u>	<u></u>	<u></u>	<u></u>
Total expenditures	<u>16,315,004</u>	<u>6,149,347</u>	<u>178,091</u>	<u>429,438</u>	<u></u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,954,904</u>	<u>1,008,355</u>	<u>(25,029)</u>	<u>167,472</u>	<u>626,882</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	21,090				
Transfers out					
Total other financing sources (uses)	<u>21,090</u>	<u></u>	<u></u>	<u></u>	<u></u>
CHANGE IN FUND BALANCE	4,975,994	1,008,355	(25,029)	167,472	626,882
FUND BALANCE, BEGINNING OF YEAR	<u>28,275,123</u>	<u>13,450,836</u>	<u>209,037</u>	<u>1,149,232</u>	<u>23,428,022</u>
FUND BALANCE, END OF YEAR	<u>\$ 33,251,117</u>	<u>\$ 14,459,191</u>	<u>\$ 184,008</u>	<u>\$ 1,316,704</u>	<u>\$ 24,054,904</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, 2020

	Sales and Use Tax	Grants	Commissary	Eldorado Valley Training Facility	Crime Prevention
REVENUES					
Property taxes	\$ 17,472,151	\$ 12,267,216	\$	\$ 55,000	\$ 4,644,033
Intergovernmental	94,172		70,136		89,579
Charges for services					
Fines and forfeitures					
Investment income	94,740		14,694	11,152	101,164
Rental fees					
Miscellaneous	32,666	380,567		3,103	2,005
Total revenues	<u>17,693,729</u>	<u>12,647,783</u>	<u>84,830</u>	<u>69,255</u>	<u>4,836,781</u>
EXPENDITURES					
Current					
General government		111,126			
Judicial		128,660			
Public safety	16,195,440	657,184	18,324	51,928	3,741,527
Public works		197,061			
Culture and recreation		1,784,545			
Community support		3,286,372			
Total current	<u>16,195,440</u>	<u>6,164,948</u>	<u>18,324</u>	<u>51,928</u>	<u>3,741,527</u>
Capital outlay					
Public safety	148,507	127,256			149,411
Public works		549,175			
Culture and recreation		5,470,451			
Total capital outlay	<u>148,507</u>	<u>6,146,882</u>			<u>149,411</u>
Debt service					
Principal payments					
Interest charges					
Total debt service					
Total expenditures	<u>16,343,947</u>	<u>12,311,830</u>	<u>18,324</u>	<u>51,928</u>	<u>3,890,938</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,349,782</u>	<u>335,953</u>	<u>66,506</u>	<u>17,327</u>	<u>945,843</u>
OTHER FINANCING SOURCES (USES)					
Transfers in				55,000	
Transfers out	(27,000)				
Total other financing sources (uses)	<u>(27,000)</u>			<u>55,000</u>	
CHANGE IN FUND BALANCE	1,322,782	335,953	66,506	72,327	945,843
FUND BALANCE, BEGINNING OF YEAR	<u>5,899,764</u>	<u>574,228</u>	<u>450,528</u>	<u>354,483</u>	<u>4,031,387</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,222,546</u>	<u>\$ 910,181</u>	<u>\$ 517,034</u>	<u>\$ 426,810</u>	<u>\$ 4,977,230</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, 2020

	Neighborhood Improvement District	Recreation, Cultural Events & Tourism	Total Non-Major Special Revenue Funds
REVENUES			
Property taxes	\$	\$	\$ 19,895,350
Intergovernmental		4,969,160	46,217,789
Charges for services	57,628	173,927	485,442
Fines and forfeitures			744,873
Investment income	1,686	21,870	2,074,642
Rental fees			765
Miscellaneous	731	216,007	1,158,990
Total revenues	<u>60,045</u>	<u>5,380,964</u>	<u>70,577,851</u>
EXPENDITURES			
Current			
General government			15,807,830
Judicial			558,098
Public safety			20,816,239
Public works	15,369		4,633,580
Culture and recreation		3,702,563	5,487,108
Community support			3,286,372
Total current	<u>15,369</u>	<u>3,702,563</u>	<u>50,589,227</u>
Capital outlay			
Public safety			451,429
Public works			2,277,372
Culture and recreation		11,376	5,481,827
Total capital outlay		<u>11,376</u>	<u>8,210,628</u>
Debt service			
Principal payments			250,000
Interest charges			368,300
Total debt service			<u>618,300</u>
Total expenditures	<u>15,369</u>	<u>3,713,939</u>	<u>59,418,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>44,676</u>	<u>1,667,025</u>	<u>11,159,696</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		279,385	355,475
Transfers out			(27,000)
Total other financing sources (uses)		<u>279,385</u>	<u>328,475</u>
CHANGE IN FUND BALANCE	44,676	1,946,410	11,488,171
FUND BALANCE, BEGINNING OF YEAR	<u>12,580</u>	<u>839,676</u>	<u>78,674,896</u>
FUND BALANCE, END OF YEAR	<u>\$ 57,256</u>	<u>\$ 2,786,086</u>	<u>\$ 90,163,067</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 1,243,545	\$ 7,552,087	\$ 8,795,632
Cash, cash equivalents and investments, restricted		81,867	81,867
Interest receivable	3,301	32,254	35,555
Taxes receivable		346,294	346,294
Special assessments receivable	865,897		865,897
Due from other governments		50,815	50,815
	<u>2,112,743</u>	<u>8,063,317</u>	<u>10,176,060</u>
Total assets	<u>\$ 2,112,743</u>	<u>\$ 8,063,317</u>	<u>\$ 10,176,060</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 386	\$ 113,376	\$ 113,762
Due to other governments	190		190
	<u>576</u>	<u>113,376</u>	<u>113,952</u>
Total liabilities	<u>576</u>	<u>113,376</u>	<u>113,952</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		346,294	346,294
Unavailable revenue, special assessments	865,897		865,897
	<u>865,897</u>	<u>346,294</u>	<u>1,212,191</u>
Total deferred inflows of resources	<u>865,897</u>	<u>346,294</u>	<u>1,212,191</u>
Total liabilities and deferred inflows of resources	<u>866,473</u>	<u>459,670</u>	<u>1,326,143</u>
FUND BALANCES			
Restricted	1,246,270	7,603,647	8,849,917
	<u>1,246,270</u>	<u>7,603,647</u>	<u>8,849,917</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,112,743</u>	<u>\$ 8,063,317</u>	<u>\$ 10,176,060</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
REVENUES			
Property taxes	\$	\$ 5,261,745	\$ 5,261,745
Special assessments	242,966		242,966
Investment income	108,103	255,291	363,394
Miscellaneous	1,808		1,808
Total revenues	<u>352,877</u>	<u>5,517,036</u>	<u>5,869,913</u>
EXPENDITURES			
Current			
General government		10,451	10,451
Public works	8,660		8,660
Total current	<u>8,660</u>	<u>10,451</u>	<u>19,111</u>
Debt service			
Principal payments		8,126,058	8,126,058
Interest charges		4,125,373	4,125,373
Administrative and other costs		392,961	392,961
Total debt service		<u>12,644,392</u>	<u>12,644,392</u>
Total expenditures	<u>8,660</u>	<u>12,654,843</u>	<u>12,663,503</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>344,217</u>	<u>(7,137,807)</u>	<u>(6,793,590)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds		68,702,106	68,702,106
Payment to advance refunding bond agent		(68,340,655)	(68,340,655)
Transfers in		6,247,404	6,247,404
Transfers out	(325,407)		(325,407)
Total other financing sources (uses)	<u>(325,407)</u>	<u>6,608,855</u>	<u>6,283,448</u>
CHANGE IN FUND BALANCE	18,810	(528,952)	(510,142)
FUND BALANCE, BEGINNING OF YEAR	<u>1,227,460</u>	<u>8,132,599</u>	<u>9,360,059</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,246,270</u>	<u>\$ 7,603,647</u>	<u>\$ 8,849,917</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2020

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 19,727,314	\$ 7,162,408	\$ 5,351,562	\$ 229,121
Cash, cash equivalents and investments, restricted	3,366,505			
Accounts receivable, net				
Interest receivable	51,105	21,997	14,171	1,823
Notes receivable, net				
Due from other funds				
Due from other governments				
Deposits		700,000		
Total assets	<u>\$ 23,144,924</u>	<u>\$ 7,884,405</u>	<u>\$ 5,365,733</u>	<u>\$ 230,944</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 786,283	\$ 60,848	\$ 21,572	\$
Accrued wages	98			
Advances from other funds				
Total liabilities	<u>786,381</u>	<u>60,848</u>	<u>21,572</u>	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, notes receivable				
Unavailable revenue, other receivables				
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	<u>786,381</u>	<u>60,848</u>	<u>21,572</u>	
FUND BALANCES				
Restricted	3,366,505	7,823,557	5,344,161	230,944
Committed				
Assigned	<u>18,992,038</u>			
Total fund balances	<u>22,358,543</u>	<u>7,823,557</u>	<u>5,344,161</u>	<u>230,944</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,144,924</u>	<u>\$ 7,884,405</u>	<u>\$ 5,365,733</u>	<u>\$ 230,944</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2020

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 560,120	\$ 7,299	\$ 28,420,602
Cash, cash equivalents and investments, restricted			2,319,257
Accounts receivable, net			11,408
Interest receivable		822	73,886
Notes receivable, net			
Due from other funds			
Due from other governments		658,381	
Deposits			
Total assets	<u>\$ 560,120</u>	<u>\$ 666,502</u>	<u>\$ 30,825,153</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 24,789		\$ 1,780,765
Accrued wages			5,972
Advances from other funds			
Total liabilities	<u>24,789</u>		<u>1,786,737</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, notes receivable			
Unavailable revenue, other receivables			3,814
Total deferred inflows of resources			<u>3,814</u>
Total liabilities and deferred inflows of resources	<u>24,789</u>		<u>1,790,551</u>
FUND BALANCES			
Restricted	535,331	666,502	4,609,755
Committed			
Assigned			24,424,847
Total fund balances	<u>535,331</u>	<u>666,502</u>	<u>29,034,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 560,120</u>	<u>\$ 666,502</u>	<u>\$ 30,825,153</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2020

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 35,196,315	\$ 31,578,357	\$ 1,601,000	\$ 129,834,098
Cash, cash equivalents and investments, restricted			69,953,022	75,638,784
Accounts receivable, net				11,408
Interest receivable	1,450	85,588	4,726	255,568
Notes receivable, net		200,623		200,623
Due from other funds		398,542		398,542
Due from other governments				658,381
Deposits			10,002,192	10,702,192
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 35,197,765</u>	<u>\$ 32,263,110</u>	<u>\$ 81,560,940</u>	<u>\$ 217,699,596</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$	\$ 29,337	\$ 256,825	\$ 2,960,419
Accrued wages		13,095		19,165
Advances from other funds	884,359			884,359
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>884,359</u>	<u>42,432</u>	<u>256,825</u>	<u>3,863,943</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, notes receivable		200,623		200,623
Unavailable revenue, other receivables				3,814
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u> </u>	<u>200,623</u>	<u> </u>	<u>204,437</u>
Total liabilities and deferred inflows of resources	<u>884,359</u>	<u>243,055</u>	<u>256,825</u>	<u>4,068,380</u>
FUND BALANCES				
Restricted	34,313,406		79,703,115	136,593,276
Committed		32,020,055		32,020,055
Assigned			1,601,000	45,017,885
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>34,313,406</u>	<u>32,020,055</u>	<u>81,304,115</u>	<u>213,631,216</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,197,765</u>	<u>\$ 32,263,110</u>	<u>\$ 81,560,940</u>	<u>\$ 217,699,596</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2020

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
REVENUES				
Property taxes	\$	\$	\$	\$
Intergovernmental				
Charges for services		968		
Investment income	614,755	171,791	148,077	15,145
Developer contributions	1,288,945			
Rental fees				
Residential Construction Tax			817,894	
Miscellaneous	500,000			
Total revenues	<u>2,403,700</u>	<u>172,759</u>	<u>965,971</u>	<u>15,145</u>
EXPENDITURES				
Current				
General government	198,267			
Public safety	581,517			
Public works	493,522			
Culture and recreation		504,973	67,001	
Total current	<u>1,273,306</u>	<u>504,973</u>	<u>67,001</u>	
Capital outlay				
General government	177,599			
Public safety	11,536,651			
Public works				
Culture and recreation		484,601	1,701,237	
Total capital outlay	<u>11,714,250</u>	<u>484,601</u>	<u>1,701,237</u>	
Debt service				
Interest charges				
Total expenditures	<u>12,987,556</u>	<u>989,574</u>	<u>1,768,238</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,583,856)</u>	<u>(816,815)</u>	<u>(802,267)</u>	<u>15,145</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Issuance of bonds				
Premium on bonds issued				
Transfers in	7,500,000	5,500,000		
Transfers out	(4,571,102)	(1,753,809)		
Total other financing sources (uses)	<u>2,928,898</u>	<u>3,746,191</u>		
CHANGE IN FUND BALANCE	(7,654,958)	2,929,376	(802,267)	15,145
FUND BALANCE, BEGINNING OF YEAR	<u>30,013,501</u>	<u>4,894,181</u>	<u>6,146,428</u>	<u>215,799</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,358,543</u>	<u>\$ 7,823,557</u>	<u>\$ 5,344,161</u>	<u>\$ 230,944</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, 2020

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
REVENUES			
Property taxes	\$	\$ 1,532,432	\$
Intergovernmental			69,114
Charges for services			45,440
Investment income		5,481	761,855
Developer contributions			271,275
Rental fees			
Residential Construction Tax			
Miscellaneous			284,168
Total revenues	<u> </u>	<u>1,537,913</u>	<u>1,431,852</u>
EXPENDITURES			
Current			
General government			3,457,879
Public safety			836,537
Public works			831,113
Culture and recreation			35,025
Total current	<u> </u>	<u> </u>	<u>5,160,554</u>
Capital outlay			
General government			1,780,464
Public safety			1,269,012
Public works			1,880,357
Culture and recreation			1,305,505
Total capital outlay	<u> </u>	<u> </u>	<u>6,235,338</u>
Debt service			
Interest charges	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u> </u>	<u> </u>	<u>11,395,892</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u> </u>	<u>1,537,913</u>	<u>(9,964,040)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales			
Issuance of bonds			
Premium on bonds issued			
Transfers in			2,485,012
Transfers out		(1,250,000)	(371,474)
Total other financing sources (uses)	<u> </u>	<u>(1,250,000)</u>	<u>2,113,538</u>
CHANGE IN FUND BALANCE		287,913	(7,850,502)
FUND BALANCE, BEGINNING OF YEAR	<u>535,331</u>	<u>378,589</u>	<u>36,885,104</u>
FUND BALANCE, END OF YEAR	<u>\$ 535,331</u>	<u>\$ 666,502</u>	<u>\$ 29,034,602</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, 2020

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
REVENUES				
Property taxes	\$	\$	\$	\$ 1,532,432
Intergovernmental				69,114
Charges for services				46,408
Investment income	530,337	910,242	128,403	3,286,086
Developer contributions				1,560,220
Rental fees		3,235		3,235
Residential Construction Tax				817,894
Miscellaneous		1,062,924		1,847,092
Total revenues	<u>530,337</u>	<u>1,976,401</u>	<u>128,403</u>	<u>9,162,481</u>
EXPENDITURES				
Current				
General government		860,495	491,612	5,008,253
Public safety				1,418,054
Public works		439,842		1,764,477
Culture and recreation				606,999
Total current		<u>1,300,337</u>	<u>491,612</u>	<u>8,797,783</u>
Capital outlay				
General government				1,958,063
Public safety				12,805,663
Public works	338,245	543,563		2,762,165
Culture and recreation				3,491,343
Total capital outlay	<u>338,245</u>	<u>543,563</u>		<u>21,017,234</u>
Debt service				
Interest charges	<u>61,081</u>			<u>61,081</u>
Total expenditures	<u>399,326</u>	<u>1,843,900</u>	<u>491,612</u>	<u>29,876,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>131,011</u>	<u>132,501</u>	<u>(363,209)</u>	<u>(20,713,617)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales		3,367,490		3,367,490
Issuance of bonds			74,512,894	74,512,894
Premium on bonds issued			5,675,415	5,675,415
Transfers in	325,407	400,000	1,479,015	17,689,434
Transfers out		(954,300)		(8,900,685)
Total other financing sources (uses)	<u>325,407</u>	<u>2,813,190</u>	<u>81,667,324</u>	<u>92,344,548</u>
CHANGE IN FUND BALANCE	456,418	2,945,691	81,304,115	71,630,931
FUND BALANCE, BEGINNING OF YEAR	<u>33,856,988</u>	<u>29,074,364</u>		<u>142,000,285</u>
FUND BALANCE, END OF YEAR	<u>\$ 34,313,406</u>	<u>\$ 32,020,055</u>	<u>\$ 81,304,115</u>	<u>\$ 213,631,216</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 71,732,579	\$ 73,136,498	\$ 1,403,919
Franchise fees	33,543,442	33,741,224	197,782
Licenses and permits	11,496,858	12,806,382	1,309,524
Intergovernmental	117,479,600	117,307,632	(171,968)
Charges for services	30,985,533	26,713,716	(4,271,817)
Fines and forfeitures	4,340,657	3,755,908	(584,749)
Impact fees	1,700,000	1,831,958	131,958
Investment income	366,000	779,015	413,015
Miscellaneous	852,091	3,077,593	2,225,502
Total revenues	<u>272,496,760</u>	<u>273,149,926</u>	<u>653,166</u>
EXPENDITURES			
General government			
Mayor and council			
Salaries and wages	474,468	460,228	14,240
Employee benefits	262,078	235,546	26,532
Services and supplies	222,612	136,767	85,845
Total mayor and council	<u>959,158</u>	<u>832,541</u>	<u>126,617</u>
City manager			
Salaries and wages	1,478,016	1,467,414	10,602
Employee benefits	626,635	611,279	15,356
Services and supplies	109,959	107,661	2,298
Total city manager	<u>2,214,610</u>	<u>2,186,354</u>	<u>28,256</u>
Finance			
Salaries and wages	3,748,087	3,660,260	87,827
Employee benefits	1,850,588	1,753,338	97,250
Services and supplies	593,742	527,209	66,533
Total finance	<u>6,192,417</u>	<u>5,940,807</u>	<u>251,610</u>
Information technology			
Salaries and wages	5,665,131	5,413,897	251,234
Employee benefits	2,574,032	2,456,311	117,721
Services and supplies	1,927,457	1,236,412	691,045
Total information technology	<u>10,166,620</u>	<u>9,106,620</u>	<u>1,060,000</u>
City clerk			
Salaries and wages	1,508,586	1,372,498	136,088
Employee benefits	690,908	643,900	47,008
Services and supplies	371,921	300,778	71,143
Capital outlay	35,995	30,993	5,002
Total city clerk	<u>2,607,410</u>	<u>2,348,169</u>	<u>259,241</u>
Human resources			
Salaries and wages	2,020,041	1,962,193	57,848
Employee benefits	952,746	926,447	26,299
Services and supplies	794,213	645,895	148,318
Capital outlay	43,546	50	43,496
Total human resources	<u>3,810,546</u>	<u>3,534,585</u>	<u>275,961</u>
City attorney			
Salaries and wages	1,989,671	1,952,973	36,698
Employee benefits	841,622	815,777	25,845
Services and supplies	926,875	383,958	542,917
Total city attorney	<u>3,758,168</u>	<u>3,152,708</u>	<u>605,460</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, 2020

	Final Budget	Actual	Variance
Community development			
Salaries and wages	2,440,235	2,332,905	107,330
Employee benefits	1,150,694	1,108,776	41,918
Services and supplies	676,052	535,610	140,442
Total community development	<u>4,266,981</u>	<u>3,977,291</u>	<u>289,690</u>
Building maintenance			
Salaries and wages	4,261,017	4,030,684	230,333
Employee benefits	2,123,409	2,053,508	69,901
Services and supplies	4,733,753	4,311,974	421,779
Capital outlay	128,954	81,695	47,259
Total building maintenance	<u>11,247,133</u>	<u>10,477,861</u>	<u>769,272</u>
Public affairs			
Salaries and wages	1,511,333	1,424,556	86,777
Employee benefits	674,241	630,863	43,378
Services and supplies	1,831,878	1,249,769	582,109
Capital outlay		151,556	(151,556)
Total public affairs	<u>4,017,452</u>	<u>3,456,744</u>	<u>560,708</u>
Internal audit			
Salaries and wages	389,651	353,844	35,807
Employee benefits	154,582	152,233	2,349
Services and supplies	38,050	36,241	1,809
Total internal audit	<u>582,283</u>	<u>542,318</u>	<u>39,965</u>
Miscellaneous			
Salaries and wages	3,139,620	3,020,787	118,833
Employee benefits	604,947	551,086	53,861
Services and supplies	2,968,308	954,570	2,013,738
Capital outlay	9,200	8,627	573
Total miscellaneous	<u>6,722,075</u>	<u>4,535,070</u>	<u>2,187,005</u>
Total general government	<u>56,544,853</u>	<u>50,091,068</u>	<u>6,453,785</u>
Judicial			
Municipal court			
Salaries and wages	4,602,562	4,301,455	301,107
Employee benefits	2,476,199	2,316,711	159,488
Services and supplies	1,191,287	1,126,670	64,617
Total municipal court	<u>8,270,048</u>	<u>7,744,836</u>	<u>525,212</u>
City attorney- criminal			
Salaries and wages	2,615,505	2,303,211	312,294
Employee benefits	1,184,671	1,135,213	49,458
Services and supplies	300,067	270,324	29,743
Total city attorney- criminal	<u>4,100,243</u>	<u>3,708,748</u>	<u>391,495</u>
Total judicial	<u>12,370,291</u>	<u>11,453,584</u>	<u>916,707</u>
Public safety			
Fire			
Salaries and wages	35,238,472	34,702,053	536,419
Employee benefits	17,351,809	17,035,877	315,932
Services and supplies	6,517,150	5,851,149	666,001
Capital outlay	118,909	117,283	1,626
Total fire	<u>59,226,340</u>	<u>57,706,362</u>	<u>1,519,978</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, 2020

	Final Budget	Actual	Variance
Police			
Salaries and wages	55,791,159	53,067,265	2,723,894
Employee benefits	29,479,471	28,711,150	768,321
Services and supplies	15,396,944	13,901,823	1,495,121
Capital outlay	10,301	16,300	(5,999)
Total police	<u>100,677,875</u>	<u>95,696,538</u>	<u>4,981,337</u>
Building inspection			
Salaries and wages	1,195,903	1,198,756	(2,853)
Employee benefits	620,033	609,367	10,666
Services and supplies	447,872	258,430	189,442
Capital outlay	26,255	26,255	
Total building inspection	<u>2,290,063</u>	<u>2,092,808</u>	<u>197,255</u>
Emergency management			
Salaries and wages	946,346	929,626	16,720
Employee benefits	423,729	435,529	(11,800)
Services and supplies	643,443	471,380	172,063
Capital outlay	26,464	26,463	1
Total emergency management	<u>2,039,982</u>	<u>1,862,998</u>	<u>176,984</u>
Total public safety	<u>164,234,260</u>	<u>157,358,706</u>	<u>6,875,554</u>
Public works			
Street lighting			
Salaries and wages	472,646	468,587	4,059
Employee benefits	246,749	242,896	3,853
Services and supplies	1,341,540	1,282,852	58,688
Total street lighting	<u>2,060,935</u>	<u>1,994,335</u>	<u>66,600</u>
Public works general services			
Salaries and wages	2,211,906	2,132,050	79,856
Employee benefits	1,053,581	1,015,612	37,969
Services and supplies	2,222,868	1,933,029	289,839
Capital outlay	659,392		659,392
Total public works general services	<u>6,147,747</u>	<u>5,080,691</u>	<u>1,067,056</u>
Total public works	<u>8,208,682</u>	<u>7,075,026</u>	<u>1,133,656</u>
Culture and recreation			
Parks			
Salaries and wages	7,987,093	7,845,642	141,451
Employee benefits	4,313,072	4,190,813	122,259
Services and supplies	7,177,039	6,551,919	625,120
Capital outlay	973,563	982,423	(8,860)
Total parks	<u>20,450,767</u>	<u>19,570,797</u>	<u>879,970</u>
Recreation			
Salaries and wages	11,474,555	11,052,966	421,589
Employee benefits	4,030,125	3,825,343	204,782
Services and supplies	4,227,333	3,429,255	798,078
Total recreation	<u>19,732,013</u>	<u>18,307,564</u>	<u>1,424,449</u>
Total culture and recreation	<u>40,182,780</u>	<u>37,878,361</u>	<u>2,304,419</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community support			
Economic development			
Salaries and wages	462,104	308,133	153,971
Employee benefits	162,879	154,600	8,279
Services and supplies	297,458	258,629	38,829
Total economic development	<u>922,441</u>	<u>721,362</u>	<u>201,079</u>
Neighborhood services			
Salaries and wages	354,902	204,866	150,036
Employee benefits	118,744	103,578	15,166
Services and supplies	372,100	202,636	169,464
Total neighborhood services	<u>845,746</u>	<u>511,080</u>	<u>334,666</u>
Total community support	<u>1,768,187</u>	<u>1,232,442</u>	<u>535,745</u>
Total expenditures	<u>283,309,053</u>	<u>265,089,187</u>	<u>18,219,866</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,812,293)</u>	<u>8,060,739</u>	<u>18,873,032</u>
OTHER FINANCING SOURCES (USES)			
Capital leases		151,556	151,556
Transfers out	<u>(528,310)</u>	<u>(15,028,310)</u>	<u>(14,500,000)</u>
Total other financing sources (uses)	<u>(528,310)</u>	<u>(14,876,754)</u>	<u>(14,348,444)</u>
CHANGE IN FUND BALANCE	(11,340,603)	(6,816,015)	4,524,588
FUND BALANCE, BEGINNING OF YEAR	<u>33,981,675</u>	<u>33,981,675</u>	
FUND BALANCE, END OF YEAR	\$ <u>22,641,072</u>	\$ <u>27,165,660</u>	\$ <u>4,524,588</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 19,208,845	\$ 19,883,140	\$ 674,295
Investment income	459,135	862,122	402,987
Rental fees		765	765
Miscellaneous	518,486	523,881	5,395
Total revenues	<u>20,186,466</u>	<u>21,269,908</u>	<u>1,083,442</u>
EXPENDITURES			
General government			
Salaries and wages	792,043	729,762	62,281
Employee benefits	382,982	340,510	42,472
Services and supplies	21,788,746	14,626,432	7,162,314
Total general government	<u>22,963,771</u>	<u>15,696,704</u>	<u>7,267,067</u>
Debt service			
Principal payments	250,000	250,000	
Interest charges	368,300	368,300	
Total debt service	<u>618,300</u>	<u>618,300</u>	
Total expenditures	<u>23,582,071</u>	<u>16,315,004</u>	<u>7,267,067</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,395,605)</u>	<u>4,954,904</u>	<u>8,350,509</u>
OTHER FINANCING SOURCES			
Transfers in		21,090	21,090
CHANGE IN FUND BALANCE	(3,395,605)	4,975,994	8,371,599
FUND BALANCE, BEGINNING OF YEAR	<u>28,275,123</u>	<u>28,275,123</u>	
FUND BALANCE, END OF YEAR	<u>\$ 24,879,518</u>	<u>\$ 33,251,117</u>	<u>\$ 8,371,599</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 7,506,000	\$ 6,810,229	\$ (695,771)
Investment income	<u>200,000</u>	<u>347,473</u>	<u>147,473</u>
Total revenues	<u>7,706,000</u>	<u>7,157,702</u>	<u>(548,298)</u>
EXPENDITURES			
Public works			
Salaries and wages	1,809,132	1,807,873	1,259
Employee benefits	905,063	880,606	24,457
Services and supplies	3,314,179	1,732,671	1,581,508
Capital outlay	<u>12,313,896</u>	<u>1,728,197</u>	<u>10,585,699</u>
Total public works	<u>18,342,270</u>	<u>6,149,347</u>	<u>12,192,923</u>
CHANGE IN FUND BALANCE	(10,636,270)	1,008,355	11,644,625
FUND BALANCE, BEGINNING OF YEAR	<u>13,450,836</u>	<u>13,450,836</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,814,566</u>	<u>\$ 14,459,191</u>	<u>\$ 11,644,625</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 147,008	\$ 147,963	\$ 955
Investment income	6,060	5,069	(991)
Miscellaneous	<u>30</u>	<u>30</u>	
Total revenues	<u>153,098</u>	<u>153,062</u>	<u>(36)</u>
EXPENDITURES			
Public safety			
Services and supplies	292,936	151,836	141,100
Capital outlay	<u>26,700</u>	<u>26,255</u>	<u>445</u>
Total public safety	<u>319,636</u>	<u>178,091</u>	<u>141,545</u>
CHANGE IN FUND BALANCE	(166,538)	(25,029)	141,509
FUND BALANCE, BEGINNING OF YEAR	<u>209,037</u>	<u>209,037</u>	
FUND BALANCE, END OF YEAR	<u>\$ 42,499</u>	<u>\$ 184,008</u>	<u>\$ 141,509</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ <u>595,000</u>	\$ <u>596,910</u>	\$ <u>1,910</u>
EXPENDITURES			
Judicial			
Salaries and wages	176,199	153,517	22,682
Employee benefits	87,800	72,874	14,926
Services and supplies	431,987	203,047	228,940
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total judicial	<u>795,986</u>	<u>429,438</u>	<u>366,548</u>
CHANGE IN FUND BALANCE	(200,986)	167,472	368,458
FUND BALANCE, BEGINNING OF YEAR	<u>1,149,232</u>	<u>1,149,232</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>948,246</u></u>	\$ <u><u>1,316,704</u></u>	\$ <u><u>368,458</u></u>

CITY OF HENDERSON, NEVADA

FINANCIAL STABILIZATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 11,986	\$ 12,210	\$ 224
Investment income	<u>375,000</u>	<u>614,672</u>	<u>239,672</u>
Total revenues	<u>386,986</u>	<u>626,882</u>	<u>239,896</u>
CHANGE IN FUND BALANCE	386,986	626,882	239,896
FUND BALANCE, BEGINNING OF YEAR	<u>23,428,022</u>	<u>23,428,022</u>	
FUND BALANCE, END OF YEAR	<u>\$ 23,815,008</u>	<u>\$ 24,054,904</u>	<u>\$ 239,896</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 16,900,000	\$ 17,472,151	\$ 572,151
Charges for services		94,172	94,172
Investment income	25,000	94,740	69,740
Miscellaneous	20,428	32,666	12,238
Total revenues	<u>16,945,428</u>	<u>17,693,729</u>	<u>748,301</u>
EXPENDITURES			
Public safety			
Salaries and wages	9,442,699	9,200,585	242,114
Employee benefits	5,979,393	5,455,216	524,177
Services and supplies	1,998,607	1,539,639	458,968
Capital outlay	298,507	148,507	150,000
Total public safety	<u>17,719,206</u>	<u>16,343,947</u>	<u>1,375,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(773,778)</u>	<u>1,349,782</u>	<u>2,123,560</u>
OTHER FINANCING USES			
Transfers out	<u>(27,000)</u>	<u>(27,000)</u>	
CHANGE IN FUND BALANCE	(800,778)	1,322,782	2,123,560
FUND BALANCE, BEGINNING OF YEAR	<u>5,899,764</u>	<u>5,899,764</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,098,986</u>	<u>\$ 7,222,546</u>	<u>\$ 2,123,560</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 26,106,726	\$ 12,267,216	\$ (13,839,510)
Miscellaneous	400,000	380,567	(19,433)
Total revenues	<u>26,506,726</u>	<u>12,647,783</u>	<u>(13,858,943)</u>
EXPENDITURES			
General government			
Services and supplies	170,954	111,126	59,828
Total general government	<u>170,954</u>	<u>111,126</u>	<u>59,828</u>
Judicial			
Salaries and wages	3,000	707	2,293
Employee benefits	300	31	269
Services and supplies	146,075	127,922	18,153
Total judicial	<u>149,375</u>	<u>128,660</u>	<u>20,715</u>
Public safety			
Salaries and wages	855,781	308,936	546,845
Employee benefits	317,705	57,825	259,880
Services and supplies	2,180,999	290,423	1,890,576
Capital outlay	300,000	127,256	172,744
Total public safety	<u>3,654,485</u>	<u>784,440</u>	<u>2,870,045</u>
Public works			
Services and supplies	300,000	197,061	102,939
Capital outlay	4,753,500	549,175	4,204,325
Total public works	<u>5,053,500</u>	<u>746,236</u>	<u>4,307,264</u>
Culture and recreation			
Salaries and wages	500,000	288,290	211,710
Employee benefits	200,000	82,401	117,599
Services and supplies	2,414,419	1,413,854	1,000,565
Capital outlay	11,000,000	5,470,451	5,529,549
Total culture and recreation	<u>14,114,419</u>	<u>7,254,996</u>	<u>6,859,423</u>
Community support			
Salaries and wages	508,494	179,169	329,325
Employee benefits	280,906	94,779	186,127
Services and supplies	2,574,593	3,012,424	(437,831)
Total community support	<u>3,363,993</u>	<u>3,286,372</u>	<u>77,621</u>
Total expenditures	<u>26,506,726</u>	<u>12,311,830</u>	<u>14,194,896</u>
CHANGE IN FUND BALANCE		335,953	335,953
FUND BALANCE, BEGINNING OF YEAR	<u>574,228</u>	<u>574,228</u>	
FUND BALANCE, END OF YEAR	<u>\$ 574,228</u>	<u>\$ 910,181</u>	<u>\$ 335,953</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 70,000	\$ 70,136	\$ 136
Investment income	<u>9,500</u>	<u>14,694</u>	<u>5,194</u>
Total revenues	<u>79,500</u>	<u>84,830</u>	<u>5,330</u>
EXPENDITURES			
Public safety			
Services and supplies	<u>360,000</u>	<u>18,324</u>	<u>341,676</u>
CHANGE IN FUND BALANCE	(280,500)	66,506	347,006
FUND BALANCE, BEGINNING OF YEAR	<u>450,528</u>	<u>450,528</u>	
FUND BALANCE, END OF YEAR	<u>\$ 170,028</u>	<u>\$ 517,034</u>	<u>\$ 347,006</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 55,000	\$ 55,000	\$
Investment income	6,500	11,152	4,652
Miscellaneous	3,500	3,103	(397)
Total revenues	<u>65,000</u>	<u>69,255</u>	<u>4,255</u>
EXPENDITURES			
Public safety			
Salaries and wages	7,496	4,414	3,082
Employee benefits	6,714	2,711	4,003
Services and supplies	427,935	44,803	383,132
Total public safety	<u>442,145</u>	<u>51,928</u>	<u>390,217</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(377,145)</u>	<u>17,327</u>	<u>394,472</u>
OTHER FINANCING SOURCES			
Transfers in	<u>55,000</u>	<u>55,000</u>	
CHANGE IN FUND BALANCE	(322,145)	72,327	394,472
FUND BALANCE, BEGINNING OF YEAR	<u>354,483</u>	<u>354,483</u>	
FUND BALANCE, END OF YEAR	<u>\$ 32,338</u>	<u>\$ 426,810</u>	<u>\$ 394,472</u>

CITY OF HENDERSON, NEVADA

CRIME PREVENTION SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 4,500,000	\$ 4,644,033	\$ 144,033
Charges for services		89,579	89,579
Investment income	30,000	101,164	71,164
Miscellaneous		2,005	2,005
Total revenues	<u>4,530,000</u>	<u>4,836,781</u>	<u>306,781</u>
EXPENDITURES			
Public safety			
Salaries and wages	2,174,301	2,035,587	138,714
Employee benefits	1,448,013	1,331,625	116,388
Services and supplies	1,005,426	374,315	631,111
Capital outlay	299,412	149,411	150,001
Total public safety	<u>4,927,152</u>	<u>3,890,938</u>	<u>1,036,214</u>
CHANGE IN FUND BALANCE	(397,152)	945,843	1,342,995
FUND BALANCE, BEGINNING OF YEAR	<u>4,031,387</u>	<u>4,031,387</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,634,235</u>	<u>\$ 4,977,230</u>	<u>\$ 1,342,995</u>

CITY OF HENDERSON, NEVADA

NEIGHBORHOOD IMPROVEMENT DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 51,792	\$ 57,628	\$ 5,836
Investment income	575	1,686	1,111
Miscellaneous		731	731
Total revenues	<u>52,367</u>	<u>60,045</u>	<u>7,678</u>
EXPENDITURES			
Public works			
Salaries and wages	1,089	2,004	(915)
Employee benefits	1,323	996	327
Services and supplies	55,893	12,369	43,524
Total public works	<u>58,305</u>	<u>15,369</u>	<u>42,936</u>
CHANGE IN FUND BALANCE	(5,938)	44,676	50,614
FUND BALANCE, BEGINNING OF YEAR	<u>12,580</u>	<u>12,580</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,642</u>	<u>\$ 57,256</u>	<u>\$ 50,614</u>

CITY OF HENDERSON, NEVADA

RECREATION, CULTURAL EVENTS & TOURISM SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 4,750,000	\$ 4,969,160	\$ 219,160
Charges for services	327,429	173,927	(153,502)
Investment income	20,000	21,870	1,870
Miscellaneous	180,000	216,007	36,007
Total revenues	<u>5,277,429</u>	<u>5,380,964</u>	<u>103,535</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	1,515,550	1,248,831	266,719
Employee benefits	654,536	566,324	88,212
Services and supplies	3,316,137	1,887,408	1,428,729
Capital outlay	11,378	11,376	2
Total culture and recreation	<u>5,497,601</u>	<u>3,713,939</u>	<u>1,783,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(220,172)</u>	<u>1,667,025</u>	<u>1,887,197</u>
OTHER FINANCING SOURCES			
Transfers in	<u>279,385</u>	<u>279,385</u>	
CHANGE IN FUND BALANCE	59,213	1,946,410	1,887,197
FUND BALANCE, BEGINNING OF YEAR	<u>839,676</u>	<u>839,676</u>	
FUND BALANCE, END OF YEAR	<u>\$ 898,889</u>	<u>\$ 2,786,086</u>	<u>\$ 1,887,197</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 95,476	\$ 242,966	\$ 147,490
Investment income	109,031	108,103	(928)
Miscellaneous		1,808	1,808
Total revenues	<u>204,507</u>	<u>352,877</u>	<u>148,370</u>
EXPENDITURES			
Public works			
Services and supplies	<u>9,992</u>	<u>8,660</u>	<u>1,332</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>194,515</u>	<u>344,217</u>	<u>149,702</u>
OTHER FINANCING USES			
Transfers out	<u>(325,407)</u>	<u>(325,407)</u>	
CHANGE IN FUND BALANCE	(130,892)	18,810	149,702
FUND BALANCE, BEGINNING OF YEAR	<u>1,227,460</u>	<u>1,227,460</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,096,568</u>	<u>\$ 1,246,270</u>	<u>\$ 149,702</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 5,184,137	\$ 5,261,745	\$ 77,608
Investment income	125,000	255,291	130,291
Total revenues	<u>5,309,137</u>	<u>5,517,036</u>	<u>207,899</u>
EXPENDITURES			
General government			
Services and supplies	<u>100,000</u>	<u>10,451</u>	<u>89,549</u>
Debt service			
Principal payments	8,113,310	8,126,058	(12,748)
Interest charges	4,123,304	4,125,373	(2,069)
Administrative and other costs	<u>596,249</u>	<u>392,961</u>	<u>203,288</u>
Total debt service	<u>12,832,863</u>	<u>12,644,392</u>	<u>188,471</u>
Total expenditures	<u>12,932,863</u>	<u>12,654,843</u>	<u>278,020</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(7,623,726)</u>	<u>(7,137,807)</u>	<u>485,919</u>
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds	73,925,000	68,702,106	(5,222,894)
Payment to advance refunding bond agent	(73,403,751)	(68,340,655)	5,063,096
Transfers in	<u>5,647,404</u>	<u>6,247,404</u>	<u>600,000</u>
Total other financing sources (uses)	<u>6,168,653</u>	<u>6,608,855</u>	<u>440,202</u>
CHANGE IN FUND BALANCE	(1,455,073)	(528,952)	926,121
FUND BALANCE, BEGINNING OF YEAR	<u>8,132,599</u>	<u>8,132,599</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,677,526</u>	<u>\$ 7,603,647</u>	<u>\$ 926,121</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Investment income	\$ 319,000	\$ 614,755	\$ 295,755
Developer contributions	500,000	1,288,945	788,945
Miscellaneous		500,000	500,000
Total revenues	<u>819,000</u>	<u>2,403,700</u>	<u>1,584,700</u>
EXPENDITURES			
General government			
Services and supplies	306,187	198,267	107,920
Capital outlay	179,793	177,599	2,194
Total general government	<u>485,980</u>	<u>375,866</u>	<u>110,114</u>
Public safety			
Services and supplies	1,616,222	581,517	1,034,705
Capital outlay	12,860,070	11,536,651	1,323,419
Total public safety	<u>14,476,292</u>	<u>12,118,168</u>	<u>2,358,124</u>
Public works			
Salaries and wages	50,000	26,054	23,946
Employee benefits	992	1,160	(168)
Services and supplies	1,103,964	466,308	637,656
Capital outlay	12,226		12,226
Total public works	<u>1,167,182</u>	<u>493,522</u>	<u>673,660</u>
Total expenditures	<u>16,129,454</u>	<u>12,987,556</u>	<u>3,141,898</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(15,310,454)</u>	<u>(10,583,856)</u>	<u>4,726,598</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		7,500,000	7,500,000
Transfers out	(3,800,012)	(4,571,102)	(771,090)
Total other financing sources (uses)	<u>(3,800,012)</u>	<u>2,928,898</u>	<u>6,728,910</u>
CHANGE IN FUND BALANCE	(19,110,466)	(7,654,958)	11,455,508
FUND BALANCE, BEGINNING OF YEAR	<u>30,013,501</u>	<u>30,013,501</u>	
FUND BALANCE, END OF YEAR	<u>\$ 10,903,035</u>	<u>\$ 22,358,543</u>	<u>\$ 11,455,508</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$	\$ 968	\$ 968
Investment income	<u>25,000</u>	<u>171,791</u>	<u>146,791</u>
Total revenues	<u>25,000</u>	<u>172,759</u>	<u>147,759</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	1,600	7,568	(5,968)
Employee benefits		339	(339)
Services and supplies	1,115,668	497,066	618,602
Capital outlay	<u>7,390,807</u>	<u>484,601</u>	<u>6,906,206</u>
Total culture and recreation	<u>8,508,075</u>	<u>989,574</u>	<u>7,518,501</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(8,483,075)</u>	<u>(816,815)</u>	<u>7,666,260</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,500,000	5,500,000	
Transfers out	<u>(274,794)</u>	<u>(1,753,809)</u>	<u>(1,479,015)</u>
Total other financing sources (uses)	<u>5,225,206</u>	<u>3,746,191</u>	<u>(1,479,015)</u>
CHANGE IN FUND BALANCE	(3,257,869)	2,929,376	6,187,245
FUND BALANCE, BEGINNING OF YEAR	<u>4,894,181</u>	<u>4,894,181</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,636,312</u>	<u>\$ 7,823,557</u>	<u>\$ 6,187,245</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Impact fees	\$ 1,050,000	\$	\$ (1,050,000)
Investment income	89,500	148,077	58,577
Residential Construction Tax		817,894	817,894
Total revenues	<u>1,139,500</u>	<u>965,971</u>	<u>(173,529)</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages		2,538	(2,538)
Employee benefits		114	(114)
Services and supplies	163,991	64,349	99,642
Capital outlay	3,161,078	1,701,237	1,459,841
Total culture and recreation	<u>3,325,069</u>	<u>1,768,238</u>	<u>1,556,831</u>
CHANGE IN FUND BALANCE	(2,185,569)	(802,267)	1,383,302
FUND BALANCE, BEGINNING OF YEAR	<u>6,146,428</u>	<u>6,146,428</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,960,859</u>	<u>\$ 5,344,161</u>	<u>\$ 1,383,302</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>6,000</u>	\$ <u>15,145</u>	\$ <u>9,145</u>
CHANGE IN FUND BALANCE	6,000	15,145	9,145
FUND BALANCE, BEGINNING OF YEAR	<u>215,799</u>	<u>215,799</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>221,799</u></u>	\$ <u><u>230,944</u></u>	\$ <u><u>9,145</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
FUND BALANCE, BEGINNING OF YEAR	\$ <u>535,331</u>	\$ <u>535,331</u>	\$ <u> </u>
FUND BALANCE, END OF YEAR	\$ <u><u>535,331</u></u>	\$ <u><u>535,331</u></u>	\$ <u><u> </u></u>

CITY OF HENDERSON, NEVADA

SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,532,432	\$ 232,432
Investment income	<u>2,000</u>	<u>5,481</u>	<u>3,481</u>
Total revenues	<u>1,302,000</u>	<u>1,537,913</u>	<u>235,913</u>
 OTHER FINANCING USES			
Transfers out	<u>(1,300,000)</u>	<u>(1,250,000)</u>	<u>50,000</u>
 CHANGE IN FUND BALANCE	2,000	287,913	285,913
 FUND BALANCE, BEGINNING OF YEAR	<u>378,589</u>	<u>378,589</u>	
 FUND BALANCE, END OF YEAR	<u>\$ 380,589</u>	<u>\$ 666,502</u>	<u>\$ 285,913</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, 2020

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 69,114	\$ 69,114
Charges for services	100,000	45,440	(54,560)
Investment income	324,000	761,855	437,855
Developer contributions	453,526	271,275	(182,251)
Miscellaneous	109,182	284,168	174,986
Total revenues	<u>986,708</u>	<u>1,431,852</u>	<u>445,144</u>
EXPENDITURES			
General government			
Salaries and wages	411,196	286,518	124,678
Employee benefits	61,364	18,299	43,065
Services and supplies	5,375,088	3,153,062	2,222,026
Capital outlay	7,365,542	1,780,464	5,585,078
Total general government	<u>13,213,190</u>	<u>5,238,343</u>	<u>7,974,847</u>
Public safety			
Salaries and wages	35,194	80,790	(45,596)
Employee benefits	26,102	20,420	5,682
Services and supplies	939,085	735,327	203,758
Capital outlay	3,855,963	1,269,012	2,586,951
Total public safety	<u>4,856,344</u>	<u>2,105,549</u>	<u>2,750,795</u>
Public works			
Salaries and wages	871	3,151	(2,280)
Employee benefits	164	712	(548)
Services and supplies	4,160,035	827,250	3,332,785
Capital outlay	8,615,894	1,880,357	6,735,537
Total public works	<u>12,776,964</u>	<u>2,711,470</u>	<u>10,065,494</u>
Culture and recreation			
Salaries and wages		227	(227)
Employee benefits		105	(105)
Services and supplies	358,929	34,693	324,236
Capital outlay	2,953,576	1,305,505	1,648,071
Total culture and recreation	<u>3,312,505</u>	<u>1,340,530</u>	<u>1,971,975</u>
Total expenditures	<u>34,159,003</u>	<u>11,395,892</u>	<u>22,763,111</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(33,172,295)</u>	<u>(9,964,040)</u>	<u>23,208,255</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,625,012	2,485,012	860,000
Transfers out	(23,000)	(371,474)	(348,474)
Total other financing sources (uses)	<u>1,602,012</u>	<u>2,113,538</u>	<u>511,526</u>
CHANGE IN FUND BALANCE	(31,570,283)	(7,850,502)	23,719,781
FUND BALANCE, BEGINNING OF YEAR	<u>36,885,104</u>	<u>36,885,104</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,314,821</u>	<u>\$ 29,034,602</u>	<u>\$ 23,719,781</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>409,956</u>	\$ <u>530,337</u>	\$ <u>120,381</u>
EXPENDITURES			
Public works			
Capital outlay	<u>388,246</u>	<u>338,245</u>	<u>50,001</u>
Debt service			
Interest charges	<u>81,836</u>	<u>61,081</u>	<u>20,755</u>
Total expenditures	<u>470,082</u>	<u>399,326</u>	<u>70,756</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,126)</u>	<u>131,011</u>	<u>191,137</u>
OTHER FINANCING SOURCES			
Transfers in	<u>325,407</u>	<u>325,407</u>	
CHANGE IN FUND BALANCE	265,281	456,418	191,137
FUND BALANCE, BEGINNING OF YEAR	<u>33,856,988</u>	<u>33,856,988</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>34,122,269</u></u>	\$ <u><u>34,313,406</u></u>	\$ <u><u>191,137</u></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, 2020

	Final Budget	Actual	Variance
REVENUES			
Investment income	\$ 875,000	\$ 910,242	\$ 35,242
Rental fees	30,000	3,235	(26,765)
Miscellaneous		1,062,924	1,062,924
Total revenues	<u>905,000</u>	<u>1,976,401</u>	<u>1,071,401</u>
EXPENDITURES			
General government			
Salaries and wages	181,172	180,694	478
Employee benefits	73,277	72,948	329
Services and supplies	776,811	606,853	169,958
Total general government	<u>1,031,260</u>	<u>860,495</u>	<u>170,765</u>
Public works			
Salaries and wages	166,229	129,456	36,773
Employee benefits	53,780	55,084	(1,304)
Services and supplies	576,918	255,302	321,616
Capital outlay	963,491	543,563	419,928
Total public works	<u>1,760,418</u>	<u>983,405</u>	<u>777,013</u>
Total expenditures	<u>2,791,678</u>	<u>1,843,900</u>	<u>947,778</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,886,678)</u>	<u>132,501</u>	<u>2,019,179</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales		3,367,490	3,367,490
Transfers in	400,000	400,000	
Transfers out	(954,300)	(954,300)	
Total other financing sources (uses)	<u>(554,300)</u>	<u>2,813,190</u>	<u>3,367,490</u>
CHANGE IN FUND BALANCE	(2,440,978)	2,945,691	5,386,669
FUND BALANCE, BEGINNING OF YEAR	<u>29,074,364</u>	<u>29,074,364</u>	
FUND BALANCE, END OF YEAR	<u>\$ 26,633,386</u>	<u>\$ 32,020,055</u>	<u>\$ 5,386,669</u>

CITY OF HENDERSON, NEVADA

BOND PROCEEDS CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u> </u>	\$ <u>128,403</u>	\$ <u>128,403</u>
EXPENDITURES			
General government			
Services and supplies	<u>767,186</u>	<u>491,612</u>	<u>275,574</u>
Culture and recreation			
Services and supplies	2,000,000		2,000,000
Capital outlay	<u>40,000,000</u>		<u>40,000,000</u>
Total culture and recreation	<u>42,000,000</u>		<u>42,000,000</u>
Total expenditures	<u>42,767,186</u>	<u>491,612</u>	<u>42,275,574</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(42,767,186)</u>	<u>(363,209)</u>	<u>42,403,977</u>
OTHER FINANCING SOURCES			
Issuance of bonds	80,000,000	74,512,894	(5,487,106)
Premium on bonds issued		5,675,415	5,675,415
Transfers in		<u>1,479,015</u>	<u>1,479,015</u>
Total other financing sources	<u>80,000,000</u>	<u>81,667,324</u>	<u>1,667,324</u>
CHANGE IN FUND BALANCE	37,232,814	81,304,115	44,071,301
FUND BALANCE, BEGINNING OF YEAR	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 37,232,814</u>	<u>\$ 81,304,115</u>	<u>\$ 44,071,301</u>

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

PROPRIETARY FUNDS

Internal Service Funds

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

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

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

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

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

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

Health Insurance Self-Insurance Internal Service Fund - to account for and accumulate funds collected from various City departments and funds to be expended for payments of employees' health claims, to certain limits, and related insurance premiums including life and travel insurance for employees.

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

Enterprise Funds

Non-major Enterprise Funds

Development Services Enterprise 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, inspection, plan checking, certain development reviews and related administrative expenses.

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

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

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2020

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
ASSETS								
Current assets								
Cash, cash equivalents and investments, unrestricted	\$ 5,240,065	\$ 17,476,986	\$ 1,401,291	\$ 8,704,302	\$ 19,781,291	\$ 13,924,452	\$ 13,577,616	\$ 80,106,003
Cash, cash equivalents and investments, restricted					2,566,000			2,566,000
Accounts receivable, net	11,259	43,945		522	37,715	33,158		126,599
Interest receivable	13,288	29,663	3,506	21,805	50,652	25,161	34,252	178,327
Inventories		57,886						57,886
Prepaid items							98,064	98,064
Due from other governments	350,459				147,223		11,541	509,223
Total current assets	<u>5,615,071</u>	<u>17,608,480</u>	<u>1,404,797</u>	<u>8,726,629</u>	<u>22,582,881</u>	<u>13,982,771</u>	<u>13,721,473</u>	<u>83,642,102</u>
Noncurrent assets								
Capital assets, net of accumulated depreciation and amortization								
Construction in progress		3,627,667						3,627,667
Buildings and building improvements		1,012,330						1,012,330
Improvements other than buildings		1,342,515						1,342,515
Machinery and equipment	14,385	69,814,312						69,828,697
Accumulated depreciation and amortization	(14,385)	(45,384,316)						(45,398,701)
Total capital assets, net of accumulated depreciation and amortization		<u>30,412,508</u>						<u>30,412,508</u>
Other assets								
Advances to other funds			884,359					884,359
Total noncurrent assets		<u>30,412,508</u>	<u>884,359</u>					<u>31,296,867</u>
Total assets	<u>5,615,071</u>	<u>48,020,988</u>	<u>2,289,156</u>	<u>8,726,629</u>	<u>22,582,881</u>	<u>13,982,771</u>	<u>13,721,473</u>	<u>114,938,969</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amounts related to pensions	1,277,516	422,693		164,317	244,028	33,970	212,835	2,355,359
Deferred amounts related to other postemployment benefits	396,827	21,113		61,010	40,263	42,698	80,845	642,756
Total deferred outflows of resources	<u>1,674,343</u>	<u>443,806</u>		<u>225,327</u>	<u>284,291</u>	<u>76,668</u>	<u>293,680</u>	<u>2,998,115</u>

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2020

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
LIABILITIES								
Current liabilities								
Accounts payable and other accrued liabilities	98,563	452,103		306,955	13,357	81,627	827,040	1,779,645
Accrued wages	193,071	74,686		14,740	5,656	7,965	16,937	313,055
Due to other governments						15,053		15,053
Due to other funds							7,896	7,896
Deposits							380	380
Compensated absences	121,261	33,461		9,134	5,137	4,014	11,883	184,890
Claims and judgments				3,931,338	6,170,914	1,243,000		11,345,252
Total current liabilities	<u>412,895</u>	<u>560,250</u>		<u>4,262,167</u>	<u>6,195,064</u>	<u>1,351,659</u>	<u>864,136</u>	<u>13,646,171</u>
Noncurrent liabilities								
Compensated absences	1,233,038	340,243		92,877	52,238	40,813	120,833	1,880,042
Other postemployment benefits	1,462,068	114,046		200,448	508,368	2,148,719	271,259	4,704,908
Net pension liability	8,086,678	2,660,066		1,028,809	1,631,252	201,462	1,321,238	14,929,505
Claims and judgments					11,944,851			11,944,851
Total noncurrent liabilities	<u>10,781,784</u>	<u>3,114,355</u>		<u>1,322,134</u>	<u>14,136,709</u>	<u>2,390,994</u>	<u>1,713,330</u>	<u>33,459,306</u>
Total liabilities	<u>11,194,679</u>	<u>3,674,605</u>		<u>5,584,301</u>	<u>20,331,773</u>	<u>3,742,653</u>	<u>2,577,466</u>	<u>47,105,477</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred amounts related to pensions	770,103	237,505		93,426	100,066	18,220	100,996	1,320,316
Deferred amounts related to other postemployment benefits	46,243	4,007		6,143	18,836	2,358	8,286	85,873
Total deferred inflows of resources	<u>816,346</u>	<u>241,512</u>		<u>99,569</u>	<u>118,902</u>	<u>20,578</u>	<u>109,282</u>	<u>1,406,189</u>
NET POSITION								
Net investment in capital assets		30,412,508						30,412,508
Unrestricted	<u>(4,721,611)</u>	<u>14,136,169</u>	<u>2,289,156</u>	<u>3,268,086</u>	<u>2,416,497</u>	<u>10,296,208</u>	<u>11,328,405</u>	<u>39,012,910</u>
Total net position (deficit)	<u>\$ (4,721,611)</u>	<u>\$ 44,548,677</u>	<u>\$ 2,289,156</u>	<u>\$ 3,268,086</u>	<u>\$ 2,416,497</u>	<u>\$ 10,296,208</u>	<u>\$ 11,328,405</u>	<u>\$ 69,425,418</u>

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2020

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
OPERATING REVENUES								
Charges for services	\$ 9,058,404	\$ 9,017,328	\$ 61,081	\$ 3,352,690	\$ 6,206,826	\$ 20,941,143	\$ 13,233,599	\$ 61,871,071
OPERATING EXPENSES								
Salaries and wages	4,617,487	1,689,558		344,640	169,821	203,110	404,460	7,429,076
Employee benefits	2,392,574	870,948		182,654	89,284	130,637	213,469	3,879,566
Services and supplies	2,049,804	3,938,178		1,379,978	1,252,055	3,040,962	11,868,468	23,529,445
Claims and judgments				130,260	4,586,143	14,776,277		19,492,680
Legal fees					31,240			31,240
Depreciation and amortization		4,232,535						4,232,535
Total operating expenses	9,059,865	10,731,219		2,037,532	6,128,543	18,150,986	12,486,397	58,594,542
Operating income (loss)	(1,461)	(1,713,891)	61,081	1,315,158	78,283	2,790,157	747,202	3,276,529
NONOPERATING REVENUES (EXPENSES)								
Investment income	130,688	363,705	32,543	217,441	539,544	304,653	326,779	1,915,353
Gain (loss) on capital asset disposition		343,919						343,919
Interest expense					(13,400)			(13,400)
Miscellaneous	136,814	155,306		97			46,241	338,458
Total nonoperating revenues (expenses)	267,502	862,930	32,543	217,538	526,144	304,653	373,020	2,584,330
Income (loss) before capital contributions and transfers	266,041	(850,961)	93,624	1,532,696	604,427	3,094,810	1,120,222	5,860,859
CAPITAL CONTRIBUTIONS								
Capital contributions		5,064,929						5,064,929
TRANSFERS								
Transfers in		7,000,000						7,000,000
Transfers out			(420,000)				(67,472)	(487,472)
Total transfers		7,000,000	(420,000)				(67,472)	6,512,528
CHANGE IN NET POSITION	266,041	11,213,968	(326,376)	1,532,696	604,427	3,094,810	1,052,750	17,438,316
NET POSITION (DEFICIT), BEGINNING OF YEAR	(4,987,652)	33,334,709	2,615,532	1,735,390	1,812,070	7,201,398	10,275,655	51,987,102
NET POSITION (DEFICIT), END OF YEAR	\$ (4,721,611)	\$ 44,548,677	\$ 2,289,156	\$ 3,268,086	\$ 2,416,497	\$ 10,296,208	\$ 11,328,405	\$ 69,425,418

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$ 1,850,459	\$	\$	\$	\$	\$ 2,244,911	\$ 4,360	\$ 4,099,730
Cash received from other sources	136,814	131,641		97			46,241	314,793
Cash payments for goods and services	(4,128,134)	(5,500,833)		(2,324,211)	(4,675,486)	(18,119,625)	(11,711,788)	(46,460,077)
Cash payments for employee services	(4,627,554)	(1,688,709)		(340,472)	(164,483)	(297,135)	(391,266)	(7,509,619)
Cash payments for interfund services	7,290,952	9,017,328	61,081	3,352,690	6,206,826	18,683,238	13,216,287	57,828,402
Net cash provided by operating activities	<u>522,537</u>	<u>1,959,427</u>	<u>61,081</u>	<u>688,104</u>	<u>1,366,857</u>	<u>2,511,389</u>	<u>1,163,834</u>	<u>8,273,229</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in		7,000,000						7,000,000
Transfers out			(420,000)				(67,472)	(487,472)
Repayments of advances from other funds			264,326					264,326
Interest payments on claims					(13,400)			(13,400)
Net cash provided by (used in) noncapital financing activities		<u>7,000,000</u>	<u>(155,674)</u>		<u>(13,400)</u>		<u>(67,472)</u>	<u>6,763,454</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES								
Acquisition and construction of capital assets		(6,405,558)						(6,405,558)
Proceeds received from disposal of capital assets		377,001						377,001
Payments from other funds							7,896	7,896
Capital contributions		750,000						750,000
Net cash provided by (used in) capital financing activities		<u>(5,278,557)</u>					<u>7,896</u>	<u>(5,270,661)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income	<u>132,406</u>	<u>368,246</u>	<u>34,097</u>	<u>220,784</u>	<u>548,253</u>	<u>304,526</u>	<u>331,686</u>	<u>1,939,998</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>654,943</u>	<u>4,049,116</u>	<u>(60,496)</u>	<u>908,888</u>	<u>1,901,710</u>	<u>2,815,915</u>	<u>1,435,944</u>	<u>11,706,020</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,585,122</u>	<u>13,427,870</u>	<u>1,461,787</u>	<u>7,795,414</u>	<u>20,445,581</u>	<u>11,108,537</u>	<u>12,141,672</u>	<u>70,965,983</u>
CASH AND CASH EQUIVALENTS, END OF YEAR								
Unrestricted	5,240,065	17,476,986	1,401,291	8,704,302	19,781,291	13,924,452	13,577,616	80,106,003
Restricted					2,566,000			2,566,000
	<u>\$ 5,240,065</u>	<u>\$ 17,476,986</u>	<u>\$ 1,401,291</u>	<u>\$ 8,704,302</u>	<u>\$ 22,347,291</u>	<u>\$ 13,924,452</u>	<u>\$ 13,577,616</u>	<u>\$ 82,672,003</u>

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2020

	Engineering	City Shop	Revolving	Self-Insurance	Worker's Compensation Self-Insurance	Health Insurance Self-Insurance	Citywide Services	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
Operating income (loss)	\$ (1,461)	\$ (1,713,891)	\$ 61,081	\$ 1,315,158	\$ 78,283	\$ 2,790,157	\$ 747,202	\$ 3,276,529
Adjustments to reconcile operating income (loss) to net cash provided by operating activities								
Depreciation		4,232,535						4,232,535
Other	136,814	155,306		97			46,241	338,458
(Increase) decrease in operating assets								
Accounts receivable	6,075	(23,665)		(522)	2,979	26,981		11,848
Due from other governments	76,932				(147,223)		(7,181)	(77,472)
Prepaid items							(57,609)	(57,609)
Inventories		60,634						60,634
Deferred outflows – other postemployment benefits	(358,965)	(18,409)		(55,226)	(36,817)	(38,351)	(73,633)	(581,401)
Deferred outflows - pensions	15,502	5,497		1,198	494	655	1,316	24,662
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	34,863	(824,725)		287,778	(29,118)	41,631	393,463	(96,108)
Accrued wages	22,734	13,675		2,062	(324)	(2,864)	3,255	38,538
Compensated absences	(32,801)	(12,826)		2,106	5,662	(91,161)	9,939	(119,081)
Due to other governments						15,053		15,053
Claims and judgments				(946,903)	1,441,478	(531,000)		(36,425)
Other postemployment benefits	445,471	22,845		68,534	45,689	300,134	91,379	974,052
Net pension liability	(20,114)	(7,132)		(1,555)	(641)	(851)	(1,707)	(32,000)
Deposits							(5,771)	(5,771)
Unearned revenue						(7,444)		(7,444)
Deferred inflows - pensions	196,027	69,508		15,152	6,245	8,293	16,642	311,867
Deferred inflows - other postemployment benefits	1,460	75		225	150	156	298	2,364
Total adjustments	523,998	3,673,318		(627,054)	1,288,574	(278,768)	416,632	4,996,700
Net cash provided by operating activities	\$ 522,537	\$ 1,959,427	\$ 61,081	\$ 688,104	\$ 1,366,857	\$ 2,511,389	\$ 1,163,834	\$ 8,273,229
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	\$	\$ 4,314,929	\$	\$	\$	\$	\$	\$ 4,314,929

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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 9,000,000	\$ 9,058,404	\$ 58,404
OPERATING EXPENSES			
Salaries and wages	4,994,023	4,617,487	376,536
Employee benefits	2,436,730	2,392,574	44,156
Services and supplies	2,202,617	2,049,804	152,813
Total operating expenses	<u>9,633,370</u>	<u>9,059,865</u>	<u>573,505</u>
Operating loss	<u>(633,370)</u>	<u>(1,461)</u>	<u>631,909</u>
NONOPERATING REVENUES			
Investment income	70,000	130,688	60,688
Miscellaneous	126,000	136,814	10,814
Total nonoperating revenues	<u>196,000</u>	<u>267,502</u>	<u>71,502</u>
CHANGE IN NET POSITION	\$ <u>(437,370)</u>	266,041	\$ <u>703,411</u>
NET POSITION (DEFICIT), BEGINNING OF YEAR		<u>(4,987,652)</u>	
NET POSITION (DEFICIT), END OF YEAR		\$ <u>(4,721,611)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 9,017,328	\$ 9,017,328	\$
OPERATING EXPENSES			
Salaries and wages	1,725,059	1,689,558	35,501
Employee benefits	803,512	870,948	(67,436)
Services and supplies	5,359,875	3,938,178	1,421,697
Depreciation and amortization	4,115,000	4,232,535	(117,535)
Total operating expenses	<u>12,003,446</u>	<u>10,731,219</u>	<u>1,272,227</u>
Operating loss	<u>(2,986,118)</u>	<u>(1,713,891)</u>	<u>1,272,227</u>
NONOPERATING REVENUES			
Investment income	150,000	363,705	213,705
Gain (loss) on capital asset disposition		343,919	343,919
Miscellaneous		<u>155,306</u>	<u>155,306</u>
Total nonoperating revenues	<u>150,000</u>	<u>862,930</u>	<u>712,930</u>
Loss before capital contributions and transfers	<u>(2,836,118)</u>	<u>(850,961)</u>	<u>1,985,157</u>
CAPITAL CONTRIBUTIONS			
Capital contributions		<u>5,064,929</u>	<u>5,064,929</u>
TRANSFERS			
Transfers in		<u>7,000,000</u>	<u>7,000,000</u>
CHANGE IN NET POSITION	<u>\$ (2,836,118)</u>	11,213,968	<u>\$ 14,050,086</u>
NET POSITION, BEGINNING OF YEAR		<u>33,334,709</u>	
NET POSITION, END OF YEAR		<u>\$ 44,548,677</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>50,000</u>	\$ <u>61,081</u>	\$ <u>11,081</u>
NONOPERATING REVENUES			
Investment income	<u>29,000</u>	<u>32,543</u>	<u>3,543</u>
Income before transfers	<u>79,000</u>	<u>93,624</u>	<u>14,624</u>
TRANSFERS			
Transfers out	<u>(420,000)</u>	<u>(420,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>(341,000)</u></u>	(326,376)	\$ <u><u>14,624</u></u>
NET POSITION, BEGINNING OF YEAR		<u>2,615,532</u>	
NET POSITION, END OF YEAR		\$ <u><u>2,289,156</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 3,352,690	\$ 3,352,690	\$
OPERATING EXPENSES			
Salaries and wages	358,951	344,640	14,311
Employee benefits	159,938	182,654	(22,716)
Services and supplies	1,996,446	1,379,978	616,468
Claims and judgments	1,450,000	130,260	1,319,740
Legal fees	75,000		75,000
Total operating expenses	<u>4,040,335</u>	<u>2,037,532</u>	<u>2,002,803</u>
Operating income (loss)	<u>(687,645)</u>	<u>1,315,158</u>	<u>2,002,803</u>
NONOPERATING REVENUES			
Investment income	120,000	217,441	97,441
Miscellaneous	425	97	(328)
Total nonoperating revenues	<u>120,425</u>	<u>217,538</u>	<u>97,113</u>
CHANGE IN NET POSITION	<u>\$ (567,220)</u>	1,532,696	<u>\$ 2,099,916</u>
NET POSITION, BEGINNING OF YEAR		<u>1,735,390</u>	
NET POSITION, END OF YEAR		<u>\$ 3,268,086</u>	

CITY OF HENDERSON, NEVADA

WORKER'S COMPENSATION SELF-INSURANCE INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 6,378,219	\$ 6,206,826	\$ (171,393)
OPERATING EXPENSES			
Salaries and wages	162,280	169,821	(7,541)
Employee benefits	91,245	89,284	1,961
Services and supplies	1,263,462	1,252,055	11,407
Claims and judgments	5,958,004	4,586,143	1,371,861
Legal fees	25,500	31,240	(5,740)
Total operating expenses	<u>7,500,491</u>	<u>6,128,543</u>	<u>1,371,948</u>
Operating income (loss)	<u>(1,122,272)</u>	<u>78,283</u>	<u>1,200,555</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	303,000	539,544	236,544
Interest expense	<u>(13,400)</u>	<u>(13,400)</u>	<u>(13,400)</u>
Total nonoperating revenues (expenses)	<u>303,000</u>	<u>526,144</u>	<u>223,144</u>
CHANGE IN NET POSITION	<u>\$ (819,272)</u>	604,427	<u>\$ 1,423,699</u>
NET POSITION, BEGINNING OF YEAR		<u>1,812,070</u>	
NET POSITION, END OF YEAR		<u>\$ 2,416,497</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>20,800,902</u>	\$ <u>20,941,143</u>	\$ <u>140,241</u>
OPERATING EXPENSES			
Salaries and wages	347,082	203,110	143,972
Employee benefits	114,818	130,637	(15,819)
Services and supplies	2,884,407	3,040,962	(156,555)
Claims and judgments	<u>17,607,795</u>	<u>14,776,277</u>	<u>2,831,518</u>
Total operating expenses	<u>20,954,102</u>	<u>18,150,986</u>	<u>2,803,116</u>
Operating income (loss)	<u>(153,200)</u>	<u>2,790,157</u>	<u>2,943,357</u>
NONOPERATING REVENUES			
Investment income	<u>140,000</u>	<u>304,653</u>	<u>164,653</u>
CHANGE IN NET POSITION	\$ <u>(13,200)</u>	3,094,810	\$ <u>3,108,010</u>
NET POSITION, BEGINNING OF YEAR		<u>7,201,398</u>	
NET POSITION, END OF YEAR		\$ <u>10,296,208</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 13,212,742	\$ 13,233,599	\$ 20,857
OPERATING EXPENSES			
Salaries and wages	417,378	404,460	12,918
Employee benefits	182,909	213,469	(30,560)
Services and supplies	15,469,439	11,868,468	3,600,971
Total operating expenses	<u>16,069,726</u>	<u>12,486,397</u>	<u>3,583,329</u>
Operating income (loss)	<u>(2,856,984)</u>	<u>747,202</u>	<u>3,604,186</u>
NONOPERATING REVENUES			
Investment income	177,000	326,779	149,779
Miscellaneous	46,241	46,241	
Total nonoperating revenues	<u>223,241</u>	<u>373,020</u>	<u>149,779</u>
Income (loss) before transfers	<u>(2,633,743)</u>	<u>1,120,222</u>	<u>3,753,965</u>
TRANSFERS			
Transfers out	<u> </u>	<u>(67,472)</u>	<u>(67,472)</u>
CHANGE IN NET POSITION	<u>\$ (2,633,743)</u>	<u>1,052,750</u>	<u>\$ 3,686,493</u>
NET POSITION, BEGINNING OF YEAR		<u>10,275,655</u>	
NET POSITION, END OF YEAR		<u>\$ 11,328,405</u>	

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CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2020

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments, unrestricted	\$ 16,224,703	\$ 178	\$ 112,504	\$ 16,337,385
Accounts receivable, net			137,730	137,730
Interest receivable	41,854		277	42,131
Due from other governments	884			884
Deposits		4,652,693		4,652,693
Total current assets	<u>16,267,441</u>	<u>4,652,871</u>	<u>250,511</u>	<u>21,170,823</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Land			13,799,929	13,799,929
Buildings and building improvements	15,420		5,660,600	5,676,020
Improvements other than buildings	1,206,116		23,922,059	25,128,175
Machinery and equipment	689,224		2,335,103	3,024,327
Accumulated depreciation and amortization	<u>(1,378,987)</u>		<u>(19,735,550)</u>	<u>(21,114,537)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>531,773</u>		<u>25,982,141</u>	<u>26,513,914</u>
Total noncurrent assets	<u>531,773</u>		<u>25,982,141</u>	<u>26,513,914</u>
Total assets	<u>16,799,214</u>	<u>4,652,871</u>	<u>26,232,652</u>	<u>47,684,737</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	1,661,770			1,661,770
Deferred amounts related to other postemployment benefits	<u>404,955</u>			<u>404,955</u>
Total deferred outflows of resources	<u>2,066,725</u>			<u>2,066,725</u>
LIABILITIES				
Current liabilities				
Accounts payable and other accrued liabilities	222,433			222,433
Accrued wages	324,291			324,291
Unearned revenue	6,666,427			6,666,427
Deposits	356,970			356,970
Compensated absences	<u>140,613</u>			<u>140,613</u>
Total current liabilities	<u>7,710,734</u>			<u>7,710,734</u>
Noncurrent liabilities				
Compensated absences	1,445,573			1,445,573
Other postemployment benefits	1,424,252			1,424,252
Net pension liability	<u>10,617,543</u>			<u>10,617,543</u>
Total noncurrent liabilities	<u>13,487,368</u>			<u>13,487,368</u>
Total liabilities	<u>21,198,102</u>			<u>21,198,102</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	817,259			817,259
Deferred amounts related to other postemployment benefits	<u>44,129</u>			<u>44,129</u>
Total deferred inflows of resources	<u>861,388</u>			<u>861,388</u>
NET POSITION				
Net investment in capital assets	531,773		25,982,141	26,513,914
Restricted				
Capital projects and system development		4,652,693		4,652,693
Unrestricted	<u>(3,725,324)</u>	<u>178</u>	<u>250,511</u>	<u>(3,474,635)</u>
Total net position (deficit)	<u>\$ (3,193,551)</u>	<u>\$ 4,652,871</u>	<u>\$ 26,232,652</u>	<u>\$ 27,691,972</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, 2020

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 12,866,052	\$	\$ 1,995,104	\$ 14,861,156
Licenses and permits	6,190,461			6,190,461
Intergovernmental	19,836			19,836
Miscellaneous	11,654	4,342	40,012	56,008
Total operating revenues	<u>19,088,003</u>	<u>4,342</u>	<u>2,035,116</u>	<u>21,127,461</u>
OPERATING EXPENSES				
Salaries and wages	7,206,705	43,078		7,249,783
Employee benefits	3,897,230	7,524		3,904,754
Services and supplies	8,049,151	6,357,040	2,041,105	16,447,296
Depreciation and amortization	10,811		307,574	318,385
Total operating expenses	<u>19,163,897</u>	<u>6,407,642</u>	<u>2,348,679</u>	<u>27,920,218</u>
Operating loss	<u>(75,894)</u>	<u>(6,403,300)</u>	<u>(313,563)</u>	<u>(6,792,757)</u>
NONOPERATING REVENUES				
Investment income	418,060	74,507	2,912	495,479
Gain on transfer of noncurrent liabilities		488,896		488,896
Total nonoperating revenues	<u>418,060</u>	<u>563,403</u>	<u>2,912</u>	<u>984,375</u>
Income (loss) before transfers	<u>342,166</u>	<u>(5,839,897)</u>	<u>(310,651)</u>	<u>(5,808,382)</u>
TRANSFERS				
Transfers in	415,946			415,946
Transfers out	(160,000)	(2,779,385)		(2,939,385)
Total transfers	<u>255,946</u>	<u>(2,779,385)</u>		<u>(2,523,439)</u>
CHANGE IN NET POSITION	598,112	(8,619,282)	(310,651)	(8,331,821)
NET POSITION (DEFICIT), BEGINNING OF YEAR	<u>(3,791,663)</u>	<u>13,272,153</u>	<u>26,543,303</u>	<u>36,023,793</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (3,193,551)</u>	<u>\$ 4,652,871</u>	<u>\$ 26,232,652</u>	<u>\$ 27,691,972</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 19,003,027	\$ 120,875	\$ 2,030,987	\$ 21,154,889
Cash payments for goods and services	(11,587,263)	(7,136,218)	(2,060,855)	(20,784,336)
Cash payments for employee services	(7,246,923)	(204,491)		(7,451,414)
Net cash provided by (used in) operating activities	<u>168,841</u>	<u>(7,219,834)</u>	<u>(29,868)</u>	<u>(7,080,861)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	415,946			415,946
Transfers out	(160,000)	(2,779,385)		(2,939,385)
Net cash provided by (used in) noncapital financing activities	<u>255,946</u>	<u>(2,779,385)</u>		<u>(2,523,439)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Increase in deposits		(4,652,693)		(4,652,693)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>425,580</u>	<u>112,685</u>	<u>3,078</u>	<u>541,343</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>850,367</u>	<u>(14,539,227)</u>	<u>(26,790)</u>	<u>(13,715,650)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>15,374,336</u>	<u>14,539,405</u>	<u>139,294</u>	<u>30,053,035</u>
CASH AND CASH EQUIVALENTS, END OF YEAR				
Unrestricted	<u>16,224,703</u>	<u>178</u>	<u>112,504</u>	<u>16,337,385</u>
	<u>\$ 16,224,703</u>	<u>\$ 178</u>	<u>\$ 112,504</u>	<u>\$ 16,337,385</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (75,894)	\$ (6,403,300)	\$ (313,563)	\$ (6,792,757)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	10,811		307,574	318,385
Gain on transfer of noncurrent liabilities		488,896		488,896
(Increase) decrease in operating assets				
Accounts receivable		350	(4,129)	(3,779)
Due from other governments	(884)	116,183		115,299
Deferred outflows – other postemployment benefits	(368,618)	11,516		(357,102)
Deferred outflows - pensions	24,650	101,652		126,302
Increase (decrease) in operating liabilities				
Accounts payable and other accrued liabilities	(48,635)	(894,375)	(19,750)	(962,760)
Accrued wages	67,796	(31,829)		35,967
Compensated absences	(86,870)	(136,652)		(223,522)
Other postemployment benefits	457,452	(263,841)		193,611
Net pension liability	(31,985)	(189,741)		(221,726)
Deposits	(8,117)	(6,863)		(14,980)
Unearned revenue	(84,092)			(84,092)
Deferred inflows - pensions	311,727			311,727
Deferred inflows - other postemployment benefits	1,500	(11,830)		(10,330)
Total adjustments	<u>244,735</u>	<u>(816,534)</u>	<u>283,695</u>	<u>(288,104)</u>
Net cash provided by (used in) operating activities	<u>\$ 168,841</u>	<u>\$ (7,219,834)</u>	<u>\$ (29,868)</u>	<u>\$ (7,080,861)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Transfer of capital assets	<u>\$</u>	<u>\$ 1,892,601</u>	<u>\$</u>	<u>\$ 1,892,601</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Utilities fees	\$ 77,607,557	\$ 76,811,647	\$ (795,910)
Connection fees	1,500,000	1,313,879	(186,121)
Late charges	955,390	857,270	(98,120)
Miscellaneous	<u>70,000</u>	<u>69,480</u>	<u>(520)</u>
Total operating revenues	<u>80,132,947</u>	<u>79,052,276</u>	<u>(1,080,671)</u>
OPERATING EXPENSES			
Salaries and wages	14,900,786	13,803,495	1,097,291
Employee benefits	7,277,609	7,117,994	159,615
Water purchases	32,019,900	27,725,838	4,294,062
Services and supplies	31,563,300	22,783,517	8,779,783
Depreciation and amortization	<u>11,500,000</u>	<u>11,433,989</u>	<u>66,011</u>
Total operating expenses	<u>97,261,595</u>	<u>82,864,833</u>	<u>14,396,762</u>
Operating loss	<u>(17,128,648)</u>	<u>(3,812,557)</u>	<u>13,316,091</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,010,000	2,846,494	836,494
Gain (loss) on capital asset disposition		(369,690)	(369,690)
Interest expense	(49,439)	(357,479)	(308,040)
Bond issuance costs		(647,844)	(647,844)
Miscellaneous		<u>8,760</u>	<u>8,760</u>
Total nonoperating revenues (expenses)	<u>1,960,561</u>	<u>1,480,241</u>	<u>(480,320)</u>
Loss before capital contributions and transfers	<u>(15,168,087)</u>	<u>(2,332,316)</u>	<u>12,835,771</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>4,505,370</u>	<u>10,781,929</u>	<u>6,276,559</u>
TRANSFERS			
Transfers out	<u>(1,700,000)</u>	<u>(2,000,000)</u>	<u>(300,000)</u>
CHANGE IN NET POSITION	<u>\$ (12,362,717)</u>	6,449,613	<u>\$ 18,812,330</u>
NET POSITION, BEGINNING OF YEAR		<u>494,324,820</u>	
NET POSITION, END OF YEAR		<u>\$ 500,774,433</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, 2020

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utilities fees	\$ 48,712,966	\$ 48,097,620	\$ (615,346)
Connection fees	160,000	290,132	130,132
Late charges	370,260	354,460	(15,800)
Intergovernmental	500,000	507,377	7,377
Miscellaneous	50,000	144,191	94,191
Total operating revenues	<u>49,793,226</u>	<u>49,393,780</u>	<u>(399,446)</u>
OPERATING EXPENSES			
Salaries and wages	12,042,885	11,586,184	456,701
Employee benefits	5,896,431	6,080,714	(184,283)
Services and supplies	24,056,070	19,181,362	4,874,708
Depreciation and amortization	13,500,000	13,893,886	(393,886)
Total operating expenses	<u>55,495,386</u>	<u>50,742,146</u>	<u>4,753,240</u>
Operating loss	<u>(5,702,160)</u>	<u>(1,348,366)</u>	<u>4,353,794</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	2,000,000	2,908,248	908,248
Intergovernmental		7,709	7,709
Gain (loss) on capital asset disposition		(31,144)	(31,144)
Interest expense	(3,359,119)	(3,237,045)	122,074
Bond issuance costs		(300,235)	(300,235)
Sales tax revenue	5,601,833	5,666,777	64,944
Miscellaneous		2,741	2,741
Total nonoperating revenues (expenses)	<u>4,242,714</u>	<u>5,017,051</u>	<u>774,337</u>
Income (loss) before capital contributions and transfers	<u>(1,459,446)</u>	<u>3,668,685</u>	<u>5,128,131</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>9,034,839</u>	<u>15,318,159</u>	<u>6,283,320</u>
TRANSFERS			
Transfers out	<u>(1,650,000)</u>	<u>(2,000,000)</u>	<u>(350,000)</u>
CHANGE IN NET POSITION	<u>\$ 5,925,393</u>	16,986,844	<u>\$ 11,061,451</u>
NET POSITION, BEGINNING OF YEAR		<u>567,270,978</u>	
NET POSITION, END OF YEAR		<u>\$ 584,257,822</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 12,564,694	\$ 12,866,052	\$ 301,358
Licenses and permits	5,768,628	6,190,461	421,833
Intergovernmental		19,836	19,836
Miscellaneous	4,012	11,654	7,642
Total operating revenues	<u>18,337,334</u>	<u>19,088,003</u>	<u>750,669</u>
OPERATING EXPENSES			
Salaries and wages	8,018,413	7,206,705	811,708
Employee benefits	3,920,703	3,897,230	23,473
Services and supplies	8,398,908	8,049,151	349,757
Depreciation and amortization	20,000	10,811	9,189
Total operating expenses	<u>20,358,024</u>	<u>19,163,897</u>	<u>1,194,127</u>
Operating loss	<u>(2,020,690)</u>	<u>(75,894)</u>	<u>1,944,796</u>
NONOPERATING REVENUES			
Investment income	<u>300,000</u>	<u>418,060</u>	<u>118,060</u>
Income (loss) before transfers	<u>(1,720,690)</u>	<u>342,166</u>	<u>2,062,856</u>
TRANSFERS			
Transfers in		415,946	415,946
Transfers out	<u>(50,000)</u>	<u>(160,000)</u>	<u>(110,000)</u>
Total transfers	<u>(50,000)</u>	<u>255,946</u>	<u>305,946</u>
CHANGE IN NET POSITION	<u>\$ (1,770,690)</u>	598,112	<u>\$ 2,368,802</u>
NET POSITION (DEFICIT), BEGINNING OF YEAR		<u>(3,791,663)</u>	
NET POSITION (DEFICIT), END OF YEAR		<u>\$ (3,193,551)</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Miscellaneous	\$ 114,012	\$ 4,342	\$ (109,670)
OPERATING EXPENSES			
Salaries and wages	67,840	43,078	24,762
Employee benefits	7,528	7,524	4
Services and supplies	11,925,047	6,357,040	5,568,007
Total operating expenses	<u>12,000,415</u>	<u>6,407,642</u>	<u>5,592,773</u>
Operating loss	<u>(11,886,403)</u>	<u>(6,403,300)</u>	<u>5,483,103</u>
NONOPERATING REVENUES			
Investment income	126,383	74,507	(51,876)
Gain on transfer of noncurrent liabilities	488,896	488,896	
Total nonoperating revenues	<u>615,279</u>	<u>563,403</u>	<u>(51,876)</u>
Loss before transfers	<u>(11,271,124)</u>	<u>(5,839,897)</u>	<u>5,431,227</u>
TRANSFERS			
Transfers out	<u>(2,779,385)</u>	<u>(2,779,385)</u>	
CHANGE IN NET POSITION	<u>\$ (14,050,509)</u>	(8,619,282)	<u>\$ 5,431,227</u>
NET POSITION, BEGINNING OF YEAR		<u>13,272,153</u>	
NET POSITION, END OF YEAR		<u>\$ 4,652,871</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 2,332,815	\$ 1,995,104	\$ (337,711)
Miscellaneous		40,012	40,012
Total operating revenues	<u>2,332,815</u>	<u>2,035,116</u>	<u>(297,699)</u>
OPERATING EXPENSES			
Services and supplies	2,313,428	2,041,105	272,323
Depreciation and amortization	325,000	307,574	17,426
Total operating expenses	<u>2,638,428</u>	<u>2,348,679</u>	<u>289,749</u>
Operating loss	<u>(305,613)</u>	<u>(313,563)</u>	<u>(7,950)</u>
NONOPERATING REVENUES			
Investment income	2,200	2,912	712
Miscellaneous	31,800		(31,800)
Total nonoperating revenues	<u>34,000</u>	<u>2,912</u>	<u>(31,088)</u>
CHANGE IN NET POSITION	<u>\$ (271,613)</u>	(310,651)	<u>\$ (39,038)</u>
NET POSITION, BEGINNING OF YEAR		<u>26,543,303</u>	
NET POSITION, END OF YEAR		<u>\$ 26,232,652</u>	

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

FIDUCIARY FUNDS

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

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

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

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

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

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

CITY OF HENDERSON, NEVADA

AGENCY FUNDS COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2020

	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Special Assessment Districts</u>	<u>Total Agency Funds</u>
ASSETS						
Cash, cash equivalents and investments, unrestricted	\$ 206,819	\$ 11,411,676	\$ 572,371	\$ 83,249	\$ 25,427,542	\$ 37,701,657
Special assessments receivable					233,856	233,856
Total assets	<u>\$ 206,819</u>	<u>\$ 11,411,676</u>	<u>\$ 572,371</u>	<u>\$ 83,249</u>	<u>\$ 25,661,398</u>	<u>\$ 37,935,513</u>
LIABILITIES						
Due to developers	\$	\$ 11,411,676	\$	\$ 83,249	\$	\$ 11,494,925
Due to employees	206,819					206,819
Due to others			572,371		25,661,398	26,233,769
Total liabilities	<u>\$ 206,819</u>	<u>\$ 11,411,676</u>	<u>\$ 572,371</u>	<u>\$ 83,249</u>	<u>\$ 25,661,398</u>	<u>\$ 37,935,513</u>

CITY OF HENDERSON, NEVADA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
SECTION 125 PLAN				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 197,796	\$ 863,983	\$ 854,960	\$ 206,819
LIABILITIES				
Due to employees	\$ 197,796	\$ 863,983	\$ 854,960	\$ 206,819
TRAFFIC SIGNAL				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 10,588,121	\$ 1,102,830	\$ 279,275	\$ 11,411,676
LIABILITIES				
Due to developers	\$ 10,588,121	\$ 1,102,830	\$ 279,275	\$ 11,411,676
FORFEITED ASSETS				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 387,508	\$ 644,755	\$ 459,892	\$ 572,371
LIABILITIES				
Due to others	\$ 387,508	\$ 644,755	\$ 459,892	\$ 572,371
PAVING FRONTAGE				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 81,776	\$ 1,473		\$ 83,249
LIABILITIES				
Due to developers	\$ 81,776	\$ 1,473		\$ 83,249
SPECIAL ASSESSMENT DISTRICTS				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 28,696,522	\$ 22,685,401	\$ 25,954,381	\$ 25,427,542
Special assessments receivable	351,239	11,772	129,155	233,856
Total assets	\$ 29,047,761	\$ 22,697,173	\$ 26,083,536	\$ 25,661,398
LIABILITIES				
Due to others	\$ 29,047,761	\$ 22,697,173	\$ 26,083,536	\$ 25,661,398
Total liabilities	\$ 29,047,761	\$ 22,697,173	\$ 26,083,536	\$ 25,661,398
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 39,951,723	\$ 25,298,442	\$ 27,548,508	\$ 37,701,657
Special assessments receivable	351,239	11,772	129,155	233,856
Total assets	\$ 40,302,962	\$ 25,310,214	\$ 27,677,663	\$ 37,935,513
LIABILITIES				
Due to developers	\$ 10,669,897	\$ 1,104,303	\$ 279,275	\$ 11,494,925
Due to employees	197,796	863,983	854,960	206,819
Due to others	29,435,269	23,341,928	26,543,428	26,233,769
Total liabilities	\$ 40,302,962	\$ 25,310,214	\$ 27,677,663	\$ 37,935,513



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

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 indicates about the City's overall financial health.

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

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Governmental activities										
Net investment in capital assets	\$ 1,334,875,084	\$ 1,391,457,251	\$ 1,377,259,345	\$ 1,327,111,404	\$ 1,365,423,723	\$ 1,476,900,561	\$ 1,535,572,974	\$ 1,571,088,765	\$ 1,603,799,207	\$ 1,599,479,735
Restricted	273,915,622	235,191,764	210,529,977	179,220,120	173,216,725	154,848,468	150,368,722	142,073,654	178,123,014	235,164,250
Unrestricted	<u>77,453,363</u>	<u>69,583,399</u>	<u>62,500,084</u>	<u>81,948,297</u>	<u>(215,965,382) ¹</u>	<u>(199,668,677) ¹</u>	<u>(275,016,720) ¹</u>	<u>(257,057,994) ¹</u>	<u>(245,069,012) ¹</u>	<u>(298,805,643) ¹</u>
Total governmental activities	<u>1,686,244,069</u>	<u>1,696,232,414</u>	<u>1,650,289,406</u>	<u>1,588,279,821</u>	<u>1,322,675,066</u>	<u>1,432,080,352</u>	<u>1,410,924,976</u>	<u>1,456,104,425</u>	<u>1,536,853,209</u>	<u>1,535,838,342</u>
Business-type activities										
Net investment in capital assets	880,946,820	873,340,088	846,172,666	831,640,345	835,080,514	856,794,239	878,228,166	905,555,423	919,833,177	937,997,632
Restricted	52,357,776	48,462,130	13,987,769	11,182,393	6,941,323	2,498,955	2,646,316	6,465,320	16,349,684	10,330,257
Unrestricted	<u>95,130,847</u>	<u>88,282,105</u>	<u>111,824,498</u>	<u>115,597,495</u>	<u>81,096,813</u>	<u>100,289,094</u>	<u>94,894,149</u>	<u>94,403,642</u>	<u>110,919,928</u>	<u>112,889,321</u>
Total business-type activities	<u>1,028,435,443</u>	<u>1,010,084,323</u>	<u>971,984,933</u>	<u>958,420,233</u>	<u>923,118,650</u>	<u>959,582,288</u>	<u>975,768,631</u>	<u>1,006,424,385</u>	<u>1,047,102,789</u>	<u>1,061,217,210</u>
Primary government										
Net investment in capital assets	2,215,821,904	2,264,797,339	2,223,432,011	2,158,751,749	2,200,504,237	2,333,694,800	2,413,801,140	2,476,644,188	2,523,632,384	2,537,477,367
Restricted	326,273,398	283,653,894	224,517,746	190,402,513	180,158,048	157,347,423	153,015,038	148,538,974	194,472,698	245,494,507
Unrestricted	<u>172,584,210</u>	<u>157,865,504</u>	<u>174,324,582</u>	<u>197,545,792</u>	<u>(134,868,569) ¹</u>	<u>(99,379,583) ¹</u>	<u>(180,122,571) ¹</u>	<u>(162,654,352) ¹</u>	<u>(134,149,084) ¹</u>	<u>(185,916,322) ¹</u>
Total primary government	<u>\$ 2,714,679,512</u>	<u>\$ 2,706,316,737</u>	<u>\$ 2,622,274,339</u>	<u>\$ 2,546,700,054</u>	<u>\$ 2,245,793,716</u>	<u>\$ 2,391,662,640</u>	<u>\$ 2,386,693,607</u>	<u>\$ 2,462,528,810</u>	<u>\$ 2,583,955,998</u>	<u>\$ 2,597,055,552</u>

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

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Expenses										
Governmental activities										
General government	\$ 52,900,058	\$ 54,671,522	\$ 60,686,477	\$ 47,826,017	¹⁰ \$ 51,514,550	\$ 49,590,212	\$ 51,926,527	\$ 59,933,998	\$ 62,997,651	\$ 98,478,110
Judicial	12,979,313	12,710,426	14,002,003	13,089,666	12,639,795	12,589,050	13,357,418	11,613,257	11,176,164	12,873,164
Public safety	129,840,967	136,086,182	138,260,143	138,652,346	136,718,517	146,672,330	161,673,077	173,233,070	163,724,635	190,601,343
Public works	74,665,903	77,151,783	75,900,091	104,652,659	¹¹ 29,181,216	¹⁴ 31,107,461	37,656,505	35,668,455	34,616,021	39,100,865
Culture and recreation	44,729,292	47,012,306	46,200,390	44,259,523	45,399,004	47,766,606	50,969,703	50,566,579	50,752,764	56,901,997
Community support	8,601,886	6,542,584	4,952,021	7,686,894	¹² 4,601,580	5,482,324	4,229,302	4,983,380	3,098,245	4,271,665
Interest on long-term debt	8,358,181	6,313,732	6,056,717	6,206,019	6,564,502	5,355,076	5,327,171	5,203,461	4,966,704	4,910,377
Total governmental activities	<u>332,075,600</u>	<u>340,488,535</u>	<u>346,057,842</u>	<u>362,373,124</u>	<u>286,619,164</u>	<u>298,563,059</u>	<u>325,139,703</u>	<u>341,202,200</u>	<u>331,332,184</u>	<u>407,137,521</u>
Business-type activities										
Water	84,611,740	85,564,061	83,514,646	83,097,653	74,573,926	¹⁴ 72,092,583	74,717,817	77,037,042	78,149,917	83,590,931
Sewer	52,306,007	53,996,011	53,979,377	58,692,077	46,919,969	¹⁴ 46,729,422	49,348,476	50,641,990	51,560,957	54,114,028
Other	18,392,183	16,763,572	17,257,441	19,458,866	22,739,006	20,734,070	23,889,845	25,397,480	27,778,624	28,680,227
Total business-type activities	<u>155,309,930</u>	<u>156,323,644</u>	<u>154,751,464</u>	<u>161,248,596</u>	<u>144,232,901</u>	<u>139,556,075</u>	<u>147,956,138</u>	<u>153,076,512</u>	<u>157,489,498</u>	<u>166,385,186</u>
Total primary government expenses	<u>\$ 487,385,530</u>	<u>\$ 496,812,179</u>	<u>\$ 500,809,306</u>	<u>\$ 523,621,720</u>	<u>\$ 430,852,065</u>	<u>\$ 438,119,134</u>	<u>\$ 473,095,841</u>	<u>\$ 494,278,712</u>	<u>\$ 488,821,682</u>	<u>\$ 573,522,707</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 12,755,255	\$ 13,313,837	\$ 12,352,918	\$ 11,044,740	\$ 13,292,167	\$ 13,757,049	\$ 14,436,435	\$ 18,853,199	\$ 19,730,688	\$ 21,249,067
Public safety	16,781,182	23,261,773	⁶ 22,577,786	20,964,266	24,610,026	25,340,791	22,031,787	29,740,829	28,816,964	24,531,017
Culture and recreation	7,159,485	7,431,387	7,364,419	7,409,742	7,722,084	8,527,581	8,611,809	8,923,064	9,308,707	6,200,502
Other	2,162,404	2,764,981	2,582,372	2,414,590	2,734,632	3,412,951	3,579,496	2,254,358	2,824,426	3,212,905
Operating grants and contributions	14,981,464	10,108,605	10,625,816	12,891,586	9,081,006	9,395,210	8,053,316	8,130,952	6,514,970	9,272,182
Capital grants and contributions	³ 90,276,209	97,763,977	⁸ 58,672,921	⁸ 39,008,389	¹⁵ 61,258,310	¹³ 116,030,640	72,920,117	55,362,844	54,182,748	44,216,932
Total governmental activities	<u>144,115,999</u>	<u>154,644,560</u>	<u>114,176,232</u>	<u>93,733,313</u>	<u>118,698,225</u>	<u>176,464,222</u>	<u>129,632,960</u>	<u>123,265,246</u>	<u>121,378,503</u>	<u>108,682,605</u>
Business-type activities										
Charges for services										
Water	60,343,146	61,939,043	63,425,581	65,174,318	68,588,979	69,553,882	73,838,739	77,090,283	79,252,277	78,983,996
Sewer	33,408,659	35,023,243	37,434,262	40,083,332	43,019,179	45,196,126	45,975,977	47,305,300	48,619,555	48,755,921
Other	9,539,537	10,576,098	14,335,875	16,328,422	18,933,819	23,017,454	21,567,461	20,606,084	22,817,895	21,051,617
Operating grants and contributions	252,284	88,378	20,000							
Capital grants and contributions	³ 16,454,579	14,658,033	10,187,969	19,717,458	¹³ 15,058,529	¹³ 30,019,342	21,326,556	30,349,483	27,595,157	26,100,088
Total business-type activities	<u>119,998,205</u>	<u>122,284,795</u>	<u>125,403,687</u>	<u>141,303,530</u>	<u>145,600,506</u>	<u>167,786,804</u>	<u>162,708,733</u>	<u>175,351,150</u>	<u>178,284,884</u>	<u>174,891,622</u>
Total primary government program revenues	<u>\$ 264,114,204</u>	<u>\$ 276,929,355</u>	<u>\$ 239,579,919</u>	<u>\$ 235,036,843</u>	<u>\$ 264,298,731</u>	<u>\$ 344,251,026</u>	<u>\$ 292,341,693</u>	<u>\$ 298,616,396</u>	<u>\$ 299,663,387</u>	<u>\$ 283,574,227</u>
Net (expenses) program revenues										
Governmental activities	\$ (187,959,601)	\$ (185,843,975)	\$ (231,881,610)	\$ (268,639,811)	\$ (167,920,939)	\$ (122,098,837)	\$ (195,506,743)	\$ (217,936,954)	\$ (209,953,681)	\$ (298,454,916)
Business-type activities	(35,311,725)	(34,038,849)	(29,347,777)	(19,945,066)	1,367,605	28,230,729	14,752,595	22,274,638	20,795,386	8,506,436
Primary government	<u>\$ (223,271,326)</u>	<u>\$ (219,882,824)</u>	<u>\$ (261,229,387)</u>	<u>\$ (288,584,877)</u>	<u>\$ (166,553,334)</u>	<u>\$ (93,868,108)</u>	<u>\$ (180,754,148)</u>	<u>\$ (195,662,316)</u>	<u>\$ (189,158,295)</u>	<u>\$ (289,948,480)</u>

(Continued)

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 74,856,808	\$ 67,805,008	\$ 63,320,080	\$ 63,982,175	\$ 67,332,544	\$ 72,832,645	\$ 75,820,135	\$ 82,592,579	\$ 91,134,869	\$ 99,987,792
Intergovernmental revenues - consolidated tax	73,965,376	77,115,178	81,088,044	88,013,859	94,093,208	97,764,145	103,694,983	110,094,368	118,869,105	114,624,938
Other taxes	43,534,106	45,310,894	45,472,996	47,983,783	50,837,097	53,270,190	56,379,672	62,149,029	64,178,120	65,648,905
Increase (decrease) in fair value of investments			(3,569,677) ⁹							
Unrestricted investment income	3,211,723 ⁴	3,807,539	2,231,741	3,115,696 ¹	2,942,486	3,598,318	658,995 ⁵	1,804,414 ⁵	8,377,585 ⁵	7,811,589 ⁵
Gain on disposal of capital assets	4,782	505,220	4,011,053	185,299	205,287	341,836	6,257,270 ²	4,402,727	8,106,733 ¹⁶	1,359,393
Miscellaneous	1,377,894	4,509,623 ⁶	632,593	812,423	1,183,010	1,437,835	1,490,441	1,799,429	1,819,297	897,226
Transfers	(220,914)	(3,221,142)	(4,794,708)	2,536,991	1,985,265	2,259,154	(94,253)	2,855,358	(1,783,244)	7,110,206
Total governmental activities	<u>196,729,775</u>	<u>195,832,320</u>	<u>188,392,122</u>	<u>206,630,226</u>	<u>218,578,897</u>	<u>231,504,123</u>	<u>244,207,243</u>	<u>265,697,904</u>	<u>290,702,465</u>	<u>297,440,049</u>
Business-type activities										
Other taxes	4,878,184	5,354,081	5,669,539	6,160,172	6,720,073	7,152,053	7,537,348	7,841,058	8,265,505	5,666,777
Increase (decrease) in fair value of investments			(3,045,590) ⁹							
Unrestricted investment income	2,252,165 ⁴	3,055,567	1,710,311	2,271,148 ¹	1,973,790	2,695,143	26,858 ⁵	1,171,910 ⁵	6,978,694 ⁵	6,250,221 ⁵
Gain on disposal of capital assets			1,995					3,420		
Miscellaneous	934,305	4,056,939 ⁷	496,494	484,042	486,825	644,867	999,487	2,223,506	2,852,155	801,193
Transfers	220,914	3,221,142	4,794,708	(2,536,991)	(1,985,265)	(2,259,154)	94,253	(2,855,358)	1,783,244	(7,110,206)
Total business-type activities	<u>8,285,568</u>	<u>15,687,729</u>	<u>9,625,462</u>	<u>6,380,366</u>	<u>7,195,423</u>	<u>8,232,909</u>	<u>8,657,946</u>	<u>8,381,116</u>	<u>19,883,018</u>	<u>5,607,985</u>
Total primary government general revenues and other changes in net position	<u>\$ 205,015,343</u>	<u>\$ 211,520,049</u>	<u>\$ 198,017,584</u>	<u>\$ 213,010,592</u>	<u>\$ 225,774,320</u>	<u>\$ 239,737,032</u>	<u>\$ 252,865,189</u>	<u>\$ 274,079,020</u>	<u>\$ 310,585,483</u>	<u>\$ 303,048,034</u>
Change in net position										
Governmental activities	\$ 8,770,174	\$ 9,988,345	\$ (43,489,488)	\$ (62,009,585)	\$ 50,657,958	\$ 109,405,286	\$ 48,700,500	\$ 47,760,950	\$ 80,748,784	\$ (1,014,867)
Business-type activities	(27,026,157)	(18,351,120)	(19,722,315)	(13,564,700)	8,563,028	36,463,638	23,410,541	30,655,754	40,678,404	14,114,421
Primary government	<u>\$ (18,255,983)</u>	<u>\$ (8,362,775)</u>	<u>\$ (63,211,803)</u>	<u>\$ (75,574,285)</u>	<u>\$ 59,220,986</u>	<u>\$ 145,868,924</u>	<u>\$ 72,111,041</u>	<u>\$ 78,416,704</u>	<u>\$ 121,427,188</u>	<u>\$ 13,099,554</u>

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

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CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
General fund										
Nonspendable	\$	\$	\$	\$	\$	79	\$	33,723	42,283	34,310
Restricted								223,753	219,374	
Committed								3,024,516	3,701,011	
Assigned	792,071	1,165,902	936,460	644,394	1,235,676	1,274,063	1,189,951	3,569,975	2,574,903	3,104,518
Unassigned	<u>15,703,300</u>	<u>15,686,060</u>	<u>16,391,761</u>	<u>17,606,056</u>	<u>21,505,080</u>	<u>23,617,842</u>	<u>25,212,708</u>	<u>26,659,209</u>	<u>28,116,220</u>	<u>20,106,447</u>
Total general fund	<u>\$ 16,495,371</u>	<u>\$ 16,851,962</u>	<u>\$ 17,328,221</u>	<u>\$ 18,250,450</u>	<u>\$ 22,740,756</u>	<u>\$ 24,891,984</u>	<u>\$ 26,402,659</u>	<u>\$ 30,262,907</u>	<u>\$ 33,981,675</u>	<u>\$ 27,165,660</u>
Other governmental funds										
Nonspendable	\$	\$	\$	\$	31,314	\$	\$	239,705	\$	\$
Restricted	245,234,860	211,098,881	190,966,371	160,194,848	157,563,176	140,437,027	141,553,152	132,510,627	167,509,089	235,606,260
Committed										32,020,055
Assigned	<u>46,616,449</u>	<u>38,417,701</u>	<u>27,194,098</u>	<u>27,215,621</u>	<u>33,727,701</u>	<u>42,864,188</u>	<u>42,147,669</u>	<u>59,041,787</u>	<u>62,286,446</u>	<u>45,017,885</u>
Total other governmental funds	<u>\$ 291,851,309</u>	<u>\$ 249,516,582</u>	<u>\$ 218,160,469</u>	<u>\$ 187,410,469</u>	<u>\$ 191,322,191</u>	<u>\$ 183,301,215</u>	<u>\$ 183,700,821</u>	<u>\$ 191,552,414</u>	<u>\$ 230,035,240</u>	<u>\$ 312,644,200</u>

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
REVENUES										
Property taxes	\$ 75,550,577	\$ 67,884,894	\$ 63,273,661	\$ 63,971,517	\$ 67,552,659	\$ 72,798,983	\$ 75,776,363	\$ 82,598,765	\$ 91,044,482	\$ 99,826,025
Franchise fees	29,210,827	30,372,912	30,011,869	31,481,739	32,677,892	32,656,108	32,323,065	33,662,964	33,766,078	33,741,224
Licenses and permits	7,682,535	7,462,017	8,063,081	8,079,773	9,469,188	9,536,717	10,194,059	11,573,588	13,007,880	12,806,382
Intergovernmental	130,024,108	180,950,806 ³	133,680,893 ⁷	127,032,094	137,490,840	130,520,784	140,150,676	154,225,791	159,969,525	163,594,535
Charges for services	19,380,975	27,099,129	27,552,577	23,393,130	28,562,698	31,159,845	30,198,902	34,685,944	33,786,536	27,245,566
Fines and forfeitures	7,173,923	7,515,637	6,611,577	5,658,992	5,550,637	5,859,243	6,234,757	6,072,479	7,104,638	4,500,781
Impact fees	1,093,287	1,265,402	1,469,452	1,390,696	1,895,401	2,116,467	2,127,249	2,437,240	2,353,777	1,831,958
Special assessments	179,582	130,380	146,928	130,820	130,274	150,382	90,145	111,957	139,347	242,966
Investment income	2,347,817	2,675,229	1,653,726 ²	2,014,255	2,407,753	3,082,242	1,042,645	2,037,931	7,256,725	6,503,137
GASB 31 adjustment			(2,278,714) ⁸							
Developer contributions	2,070,192	423,063	767,836	3,865,035	4,430,009	9,664,234	2,282,571 ¹²	1,829,523	16,235,632 ¹⁵	1,560,220
Rental fees		586,828	603,767	547,580	493,311	531,613	523,060	35,117	19,801	4,000
Residential Construction Tax	3,728,592	2,691,313	1,181,952	1,346,321	1,597,104	1,692,050	1,906,805	2,942,486	3,361,437	817,894
Miscellaneous										6,085,483
Total revenues	278,442,415	329,057,610	272,738,605	268,911,952	292,257,766	299,768,668	302,850,297	332,213,785	368,045,858	358,760,171
EXPENDITURES										
Current										
General government	48,445,028	49,528,424	47,245,654	42,863,764	48,539,745	48,194,160	50,870,932	59,869,631	63,433,175	70,644,681
Judicial	11,433,646	11,614,816	12,087,601	12,058,955	12,325,268	12,673,082	13,012,612	11,254,836	11,843,895	12,011,682
Public safety	124,107,748	126,721,032	129,203,173	130,708,646	135,919,848	146,671,365	153,381,052	165,444,855	173,532,488	179,406,698
Public works	10,451,455	10,871,321	9,680,018	33,509,200 ¹⁰	9,706,622	12,498,653	14,833,880	12,001,015	12,058,080	13,481,743
Culture and recreation	41,245,449	43,861,086	40,374,416	38,923,601	36,623,298	38,024,671	38,891,372	39,858,356	41,432,476	42,990,045
Community support	8,492,678	6,411,155	5,152,419	7,604,154	4,720,684	5,762,377	4,845,323	5,072,265	3,719,877	4,518,814
Total current	244,176,004	249,007,834	243,743,281	265,668,320	247,835,465	263,824,308	275,835,171	293,500,958	306,019,991	323,053,663
Capital outlay										
General government	2,541,115	1,060,444	1,445,582	713,262	239,526	923,225	1,971,632	718,839	2,636,184	2,230,984
Judicial	22,141		284,878			381,627	1,388	10,235		
Public safety	23,149,251	1,699,246 ⁴	1,917,272	928,040	1,837,871	1,319,331	5,317,882	6,038,538	4,683,542	13,443,393
Public works	9,770,785	32,819,205 ⁵	19,274,299	19,538,892	13,826,060	29,670,888 ⁵	19,733,205	12,420,923	12,102,195	5,039,537
Culture and recreation	16,218,930	69,700,415 ⁶	23,456,629 ⁷	5,382,403 ⁷	11,709,733	1,418,344	1,945,370	2,893,393	1,827,947	9,955,593
Community support						65,000			16,247	
Total capital outlay	51,702,222	105,279,310	46,378,660	26,562,597	27,613,190	33,778,415	28,969,477	22,081,928	21,266,115	30,669,507
Debt service										
Principal payments	13,603,963	10,019,533	5,114,565 ⁹	4,208,565	4,243,000	6,011,000	5,676,000	6,087,867	6,409,310	8,376,058
Payment to current bond refunding agent		2,803,072			27,209,998 ¹¹	10,288,415 ¹¹	9,786,906 ¹¹			
Interest charges	7,592,048	5,863,454	4,293,471	5,323,451	5,207,223	5,190,128	5,093,808	5,191,215	4,818,162	4,554,754
Administrative and other costs	20,959	809,634	591,649	21,363	306,322					392,961
Total debt service	21,216,970	19,495,693	9,999,685	9,553,379	36,966,543	21,489,543	20,556,714	11,279,082	11,227,472	13,323,773
Total expenditures	317,095,196	373,782,837	300,121,626	301,784,296	312,415,198	319,092,266	325,361,362	326,861,968	338,513,578	367,046,943
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(38,652,781)	(44,725,227)	(27,383,021)	(32,872,344)	(20,157,432)	(19,323,598)	(22,511,065)	5,351,817	29,532,280	(8,286,772)

(Continued)

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
OTHER FINANCING SOURCES (USES)										
Proceeds from land sales	52,493	572,981	1,827,493	3,444,629	1,118,024	2,696,014	9,242,809 ¹⁴	6,859,417	15,724,314 ¹⁶	3,367,490
Loss on sale of land held for development			(3,426,519)							
Capital leases		322,695								151,556
Issuance of refunding bonds		34,560,000	66,750,000		24,305,000 ¹¹	9,365,000 ¹¹	8,345,000 ¹¹	684,108		68,702,106
Issuance of bonds		565,000					4,355,000 ¹³			74,512,894
Premium on bonds issued		639,842	5,055,658		3,208,334	475,559	2,426,713			5,675,415
Payment to advance refunding bond agent		(31,591,875)	(71,194,329)							(68,340,655)
Gain (loss) on capital asset disposition									103,037	
Sale of capital assets	4,782									
Transfers in	57,142,122	25,459,998	16,774,827	8,036,323	16,673,879	12,597,062	16,876,307	37,169,566	31,044,100	24,292,313
Transfers out	(52,745,083)	(27,781,550)	(18,899,893)	(8,436,379)	(16,745,777)	(11,679,785)	(16,824,483)	(35,771,566)	(34,202,137)	(24,281,402)
Total other financing sources (uses)	4,454,314	2,747,091	(3,112,763)	3,044,573	28,559,460	13,453,850	24,421,346	8,941,525	12,669,314	84,079,717
CHANGE IN FUND BALANCE	<u>\$ (34,198,467)</u>	<u>\$ (41,978,136)</u>	<u>\$ (30,495,784)</u>	<u>\$ (29,827,771)</u>	<u>\$ 8,402,028</u>	<u>\$ (5,869,748)</u>	<u>\$ 1,910,281</u>	<u>\$ 14,293,342</u>	<u>\$ 42,201,594</u>	<u>\$ 75,792,945</u>
Debt service as a percentage of noncapital expenditures	<u>¹ 8.2 %</u>	<u>6.0 %</u>	<u>3.6 %</u>	<u>3.5 %</u>	<u>3.3 %</u>	<u>3.9 %</u>	<u>3.6 %</u>	<u>3.7 %</u>	<u>3.6 %</u>	<u>3.8 %</u>

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Real Property		Personal Property		Total			Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Direct Tax Rate	Estimated Actual Value	
2011	\$ 9,497,480,081	\$ 27,135,657,374	\$ 400,059,544	\$ 1,143,027,269	\$ 9,897,539,625	0.7108	\$ 28,278,684,643	35.0 %
2012	8,532,382,809	24,378,236,597	338,969,942	968,485,549	8,871,352,751	0.7108	25,346,722,146	35.0 %
2013	7,808,141,879	22,308,976,797	398,927,794	1,139,793,697	8,207,069,673	0.7108	23,448,770,494	35.0 %
2014	8,020,000,967	22,914,288,477	353,015,606	1,008,616,017	8,373,016,573	0.7108	23,922,904,494	35.0 %
2015	9,287,875,627	26,536,787,506	357,836,109	1,022,388,883	9,645,711,736	0.7108	27,559,176,389	35.0 %
2016	10,374,179,331	29,640,512,374	583,414,483	1,666,898,523	10,957,593,814	0.7108	31,307,410,897	35.0 %
2017	11,363,112,300	32,466,035,143	616,081,682	1,760,233,377	11,979,193,982	0.7108	34,226,268,520	35.0 %
2018	12,182,829,161	34,808,083,317	730,923,906	2,088,354,017	12,913,753,067	0.7108	36,896,437,334	35.0 %
2019	12,894,918,627	36,842,624,649	817,719,128	2,336,340,366	13,712,637,755	0.7108	39,178,965,015	35.0 %
2020	14,343,170,205	40,980,486,300	814,559,063	2,327,311,609	15,157,729,268	0.7108	43,307,797,909	35.0 %

1. Source - Clark County Assessor's Office.

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	City of Henderson, Nevada			Overlapping Rates				Total Overlapping Rates	Total Direct and Overlapping Rates
	Total Tax Levy	Debt Service Fund	Total City Tax Rate	State of Nevada	Clark County School District	Clark County	Special District		
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
2015	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0593	2.1868	2.8976
2016	0.5533	0.1575	0.7108	0.1700	1.3034	0.6541	0.0594	2.1869	2.8977
2017	0.5508	0.1600	0.7108	0.1700	1.3034	0.6541	0.0602	2.1877	2.8985
2018	0.5508	0.1600	0.7108	0.1700	1.3034	0.6541	0.0604	2.1879	2.8987
2019	0.5483	0.1625	0.7108	0.1700	1.3034	0.6541	0.0606	2.1881	2.8989
2020	0.5483	0.1625	0.7108	0.1700	1.3034	0.6541	0.0607	2.1882	2.8990

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

CITY OF HENDERSON, NEVADA

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

Taxpayer	2020			2011		
	Taxable Assessed Value ²	Rank	Approximate Percentage of Taxable Assessed Valuation ³	Taxable Assessed Value ²	Rank	Approximate Percentage of Taxable Assessed Valuation ³
Station Casinos Incorporated	\$ 191,156,779	1	1.26 %	\$ 98,714,706	3	1.00 %
M Resort	80,097,538	2	0.53 %			
Picerne Real Estate Group	66,344,807	3	0.44 %			
Harsch Investment Properties	59,257,927	4	0.39 %	34,174,547	9	0.35 %
Ascaya Incorporated	56,853,494	5	0.38 %			
Basic Management, Inc.	45,733,652	6	0.30 %	186,432,844	1	1.88 %
Universal Health Services Inc.	44,468,412	7	0.29 %			
Invitation Homes	41,411,685	8	0.27 %			
Ovation Development Corp	39,451,955	9	0.26 %			
Ranch Center Associates Limited Partnership	34,198,444	10	0.23 %	33,438,926	10	0.34 %
Focus Property Group				43,429,062	8	0.44 %
Greenspun Corporation				135,721,423	2	1.37 %
Lake Las Vegas Joint Venture				76,093,407	5	0.77 %
Marnell Corrao Associates				66,158,451	6	0.67 %
Green Valley Ranch Gaming, LLC				89,791,490	4	0.91 %
W.L. Nevada, Inc.				51,122,530	7	0.52 %
	<u>\$ 658,974,693</u>		<u>4.35 %</u>	<u>\$ 815,077,386</u>		<u>8.25 %</u>

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

CITY OF HENDERSON, NEVADA

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

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
2011	\$ 70,954,944	\$ 69,557,584	98.03 %	\$ 1,373,244	\$ 70,930,828	99.97 %
2012	63,346,266	62,318,519	98.38 %	1,010,260	63,328,779	99.97 %
2013	58,111,016	57,611,241	99.14 %	482,554	58,093,795	99.97 %
2014	58,809,487	58,410,072	99.32 %	384,561	58,794,633	99.97 %
2015	62,375,612	62,085,849	99.54 %	273,386	62,359,235	99.97 %
2016	66,753,262	66,377,824	99.44 %	358,913	66,736,737	99.98 %
2017	69,805,630	69,427,671	99.46 %	356,997	69,784,668	99.97 %
2018	75,962,773	75,554,625	99.46 %	365,966	75,920,591	99.94 %
2019	83,527,057	83,035,950	99.41 %	334,679	83,370,629	99.81 %
2020	91,950,789	91,455,104	99.46 %	²	91,455,104	99.46 %

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Governmental Activities					Business-type	Total Primary	Percentage of	Per Capita ²
	General Obligation Bonds	Tax Allocation Bonds	Notes and Loans	Capital Leases	Total	Revenue Bonds			
2011	\$ 110,220,146	\$ 13,625,000	\$ 16,807,000	\$ 148,968	\$ 140,801,114	\$ 183,865,575	\$ 324,666,689	3.67 %	\$ 1,226
2012	103,771,563	13,010,000	16,136,000	215,130	133,132,693	169,348,252	302,480,945	3.42 %	1,134
2013	112,832,598	12,360,000	15,384,000	107,565	140,684,163	162,647,566	303,331,729	3.49 %	1,106
2014	109,823,861	11,680,000	14,546,000		136,049,861	147,525,741	283,575,602	3.14 %	1,009
2015	107,398,145	10,965,000	13,616,000		131,979,145	132,406,583	264,385,728	3.16 %	919
2016	102,722,448	9,829,000	12,680,000		125,231,448	120,020,578	245,252,026	2.79 %	833
2017	112,886,076	9,584,185	2,648,500		125,118,761	107,947,542	233,066,303	2.41 %	775
2018	107,676,546	9,334,370	1,954,241		118,965,157	95,416,756	214,381,913	2.04 %	691
2019	102,332,016	9,074,555	444,931		111,851,502	84,289,654	196,141,156	1.69 %	617
2020	177,690,467	8,804,740	296,621	138,808	186,930,636	222,152,439	409,083,075	3.21 %	1,258

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	General Obligation Bonds	Less Amounts Available in Debt Service Funds	Net General Obligation Bonds	Percentage of Estimated Actual Taxable Property Value	Per Capita
				²	³
2011	\$ 110,220,146	\$ 2,901,962	\$ 107,318,184	0.38 %	\$ 405
2012	103,771,563	1,658,689	102,112,874	0.40 %	383
2013	112,832,598	1,313,003	111,519,595	0.48 %	407
2014	109,823,861	3,514,253	106,309,608	0.44 %	378
2015	107,398,145	6,704,648	100,693,497	0.37 %	350
2016	102,722,448	5,606,693	97,115,755	0.31 %	330
2017	112,886,076	5,538,075	107,348,001	0.31 %	357
2018	107,676,546	6,149,127	101,527,419	0.28 %	327
2019	102,332,016	7,585,563	94,746,453	0.24 %	298
2020	177,690,467	7,032,776	170,657,691	0.39 %	525

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

CITY OF HENDERSON, NEVADA

TABLE 11 - DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2}
JUNE 30, 2020
(UNAUDITED)

	Total General Obligation Debt	Percent Applicable	Applicable Net General Obligation Debt
City of Henderson, Nevada	\$ 186,930,636	100.00 %	\$ <u>186,930,636</u>
Overlapping governments			
Clark County	831,441,000	15.21 %	126,462,176
Clark County School District	3,227,434,770	15.21 %	<u>490,892,829</u>
Total overlapping governments			<u>617,355,005</u>
Total direct and overlapping debt			\$ <u><u>804,285,641</u></u>

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

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

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Assessed value	<u>\$ 9,897,539,625</u>	<u>\$ 8,871,352,751</u>	<u>\$ 8,207,069,673</u>	<u>\$ 8,373,016,573</u>	<u>\$ 9,645,711,736</u>	<u>\$ 10,957,593,814</u>	<u>\$ 11,979,193,982</u>	<u>\$ 12,913,753,067</u>	<u>\$ 13,712,637,755</u>	<u>\$ 15,157,729,268</u>
Legal debt margin										
Legal debt limit (15% of assessed value)	<u>\$ 1,484,630,944</u>	<u>\$ 1,330,702,913</u>	<u>\$ 1,231,060,451</u>	<u>\$ 1,255,952,486</u>	<u>\$ 1,446,856,760</u>	<u>\$ 1,643,639,072</u>	<u>\$ 1,796,879,097</u>	<u>\$ 1,937,062,960</u>	<u>\$ 2,056,895,663</u>	<u>\$ 2,273,659,390</u>
Debt applicable to debt limit										
Total bonded debt, including special assessment bonds	307,710,721	286,129,815	287,840,164	269,029,602	250,769,728	232,572,026	230,417,803	212,427,672	195,696,224	408,647,646
Less										
Tax allocation bonds	¹ (13,625,000)	(13,010,000)	(12,360,000)	(11,680,000)	(10,965,000)	(9,829,000)	(9,584,185)	(9,334,370)	(9,074,555)	(8,804,740)
Total bonded debt, applicable to debt limit	<u>294,085,721</u>	<u>273,119,815</u>	<u>275,480,164</u>	<u>257,349,602</u>	<u>239,804,728</u>	<u>222,743,026</u>	<u>220,833,618</u>	<u>203,093,302</u>	<u>186,621,669</u>	<u>399,842,906</u>
Legal debt margin	<u>\$ 1,190,545,223</u>	<u>\$ 1,057,583,098</u>	<u>\$ 955,580,287</u>	<u>\$ 998,602,884</u>	<u>\$ 1,207,052,032</u>	<u>\$ 1,420,896,046</u>	<u>\$ 1,576,045,479</u>	<u>\$ 1,733,969,658</u>	<u>\$ 1,870,273,994</u>	<u>\$ 1,873,816,484</u>
Total bonded debt applicable to limit as a percentage of debt limit	<u>19.81 %</u>	<u>20.52 %</u>	<u>22.38 %</u>	<u>20.49 %</u>	<u>16.57 %</u>	<u>13.55 %</u>	<u>12.29 %</u>	<u>10.48 %</u>	<u>9.07 %</u>	<u>17.59 %</u>

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Water and Sewer Bonds						Special Assessment Bonds			
	Charges for Services	Operating Expenses ²	Net Available Revenue	Debt Service			Special Assessment Collections	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2011	\$ 93,751,805	\$ 79,778,387	\$ 13,973,418	\$ 13,742,139	\$ 8,970,572	61.52 %	\$ 179,582	\$ 165,000	\$ 11,875	101.53 %
2012	96,962,286	82,367,031	14,595,255	14,148,317	8,332,420	64.92 %				
2013	100,859,843	80,469,835	20,390,008	14,017,434	6,472,556	99.51 %				
2014	105,257,650	83,587,025	21,670,625	14,135,252	6,700,933	104.00 %				
2015	111,608,158	85,701,388	25,906,770	14,598,529	5,950,793	126.07 %				
2016	114,750,008	87,601,625	27,148,383	11,428,878	5,304,838	162.24 %				
2017	119,814,716	93,965,966	25,848,750	11,142,765	4,947,841	160.64 %				
2018	124,395,183	99,957,723	24,437,460	11,644,014	4,437,604	151.96 %				
2019	127,854,332	101,173,526	26,680,806	10,290,679	3,914,402	187.83 %				
2020	127,725,008	108,279,104	19,445,904	4,027,772	3,408,558	261.50 %				

For the Year Ended June 30,	Tax Allocation Bonds			
	Tax Increment	Debt Service		
		Principal	Interest	Coverage
2011	\$ 8,206,796	\$ 590,000	\$ 765,672	605.37 %
2012	5,124,360	615,000	735,128	379.55 %
2013	4,648,687	650,000	702,789	343.64 %
2014	4,954,393	680,000	669,121	367.23 %
2015	6,496,019	715,000	633,882	481.59 %
2016	9,097,750	755,000	453,930	752.55 %
2017	10,111,288	225,000	393,300	1,635.34 %
2018	13,277,137	230,000	387,600	2,149.80 %
2019	16,429,617	240,000	379,350	2,652.72 %
2020	19,883,140	250,000	368,300	3,215.78 %

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
	¹	²		³
2011	264,839	\$ 8,841,491,222	\$ 33,384	13.80 %
2012	266,846	8,846,208,756	33,151	13.40 %
2013	274,270	8,690,214,958	31,685	11.00 %
2014	280,928	9,039,623,004	32,178	9.80 %
2015	287,828	8,355,722,814	29,030	8.10 %
2016	294,359	8,775,373,195	29,812	6.60 %
2017	300,709	9,658,153,376	32,118	5.70 %
2018	310,244	10,501,006,590	33,848	5.00 %
2019	317,661	11,596,051,390	36,504	4.60 %
2020	325,214	12,743,720,359	39,186	14.60 %

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

2. Source - Personal income data is from Applied Analysis, 6385 S. Rainbow Boulevard, Suite 105, Las Vegas, Nevada 89118 or www.appliedanalysis.com.

3. Source - Bureau of Labor Statistics - Local Area Unemployment Statistics.

CITY OF HENDERSON, NEVADA

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

Employer	2020			2011		
	Employees ¹	Rank	Percentage of Total City of Henderson, Nevada Employment	Employees ¹	Rank	Percentage of Total City of Henderson, Nevada Employment
City of Henderson	3019 ²	1	2.88 %	2955 ²	1	2.37%
Barclays Services, LLC	1000-4999 ³	2	0.95 - 4.76 %			
Green Valley Ranch Station Casino	1000-4999 ³	3	0.95 - 4.76 %	1000-1499 ³	5	0.82-1.23%
St. Rose Dominican Hospital-Siena	1000-4999 ³	4	0.95 - 4.76 %	1500-1999 ³	2	1.23-1.64%
Sunset Station Hotel & Casino	1000-4999 ³	5	0.95 - 4.76 %	1000-1499 ³	4	0.82-1.23%
Amazon LAS1 Distribution Center	500-999 ³	6	0.48 - 0.95 %			
CaptionCall, LLC	500-999 ³	7	0.48 - 0.95 %			
Fiesta Henderson Casino Hotel	500-999 ³	8	0.48 - 0.95 %	500-599 ³	8	0.41-0.49%
Henderson Hospital	500-999 ³	9	0.48 - 0.95 %			
St. Rose Dominican Hospital-Rose de Lima	500-999 ³	10	0.48 - 0.95 %	700-799 ³	7	0.57-0.65%
The M Resort				1,000-1,499 ³	3	0.82-1.23%
Medco Health LLC				700-799 ³	6	0.57-0.65%
Good Humor - Breyers Ice Cream				400-499 ³	9	0.40-0.41%
Poly-West Inc				400-499 ³	10	0.40-0.41%

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

2. Source - City of Henderson, Finance Department

3. Source - Applied Analysis, 6385 S. Rainbow Boulevard, Suite 105, Las Vegas, Nevada 89118 or www.appliedanalysis.com.

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Function/program										
Governmental activities										
General government	349	353	354	340	343	353	348	350	368	387
Judicial	99	102	99	108	104	105	103	92	93	94
Public safety	908	911	907	910	877	890	909	985	985	1,025
Public works	145	134	103	113	114	124	123	126	134	131
Culture and recreation	463	460	458	471	438	438	435	443	474	441
Community support	24	24	18	20	20	18	17	16	14	13
Total governmental activities	<u>1,988</u>	<u>1,984</u>	<u>1,939</u>	<u>1,962</u>	<u>1,896</u>	<u>1,928</u>	<u>1,935</u>	<u>2,012</u>	<u>2,068</u>	<u>2,091</u>
Business-type activities										
Water	155	152	145	147	150	152	158	163	169	174
Sewer	117	117	129	128	129	133	134	136	136	144
Development services	55	40	44	56	65	68	75	86	80	86
Other	46	44	44	44	44	36	30	35	15	2
Total business-type activities	<u>373</u>	<u>353</u>	<u>362</u>	<u>375</u>	<u>388</u>	<u>389</u>	<u>397</u>	<u>420</u>	<u>400</u>	<u>404</u>
Total full-time equivalent employees	<u>2,361</u>	<u>2,337</u>	<u>2,301</u>	<u>2,337</u>	<u>2,284</u>	<u>2,317</u>	<u>2,332</u>	<u>2,432</u>	<u>2,468</u>	<u>2,495</u>

1. Source - City of Henderson, Finance Department.

2. As a result of COVID-19 restrictions, summer season programs were cancelled, therefore requiring less part time staffing.

CITY OF HENDERSON, NEVADA

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

Function/program	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Governmental activities ²										
Judicial										
New cases created (criminal and traffic)	55,169	49,165	43,256	37,741	38,257	40,094	37,728	40,407	52,030	30,649
Cases closed (criminal and traffic)	44,004	43,934	39,257	34,582	33,562	37,856	37,963	39,093	45,690	31,723
Scheduled court appearances - defendants	54,693	49,729	45,524	36,608	35,631	39,468	36,298	35,867	46,169	37,189
Public safety										
Police reports	24,419	24,767	22,320	22,037	20,392	24,611	26,875	29,982	31,278	26,554 ²⁹
Police calls for service	154,392	140,775	141,677	135,678	145,903	154,751	179,854	198,185	269,662 ²⁷	214,718 ²⁹
Number of emergency medical response incidents	17,115	18,513	18,953	19,227	20,421	21,487	22,718	24,224	25,387	25,421
Number of emergency medical response transports	11,969	12,951	13,199	13,050	13,671	14,790	15,998	17,628	18,672	18,467
Number of fire incidents	570	599	544	555	529	523	655	645	523	587
Public works										
Lane miles of street maintenance	227	122 ⁵	12 ¹¹	241	54 ¹⁹	68	92	70	66	92
Lane miles of existing street reconstruction	95	4 ⁶	20 ¹²	4	20	36	1	2	5	8
Number of scheduled inspections (off-site improvements)	17,347	24,665	20,421	23,116	30,406	31,165	35,367	33,399	33,846	41,131
Number of off-site (non-building) projects	105	51 ⁷	79	43	51	68	36	43	37	33
Culture and recreation										
Parks and recreation class registrations	316,490	304,492	388,038	464,722	430,863	457,965	409,299	433,807	433,752	342,587 ³⁰
Community support										
Number of requests for information on business relocations	101	91	233 ¹³	154	178	165	414 ²²	123 ²⁴	91	101
Number of local business requests for information, assistance or outreach	573	569	688	661	444	511	744 ²²	2,408 ²⁵	²⁸	599 ²⁸
Number of jobs created ³	250	390	269	1,920 ¹⁶	289	971 ²⁰	1,223 ²³	1,659 ²⁶	685	2,335 ³¹
Business-type activities										
Water										
Average daily water consumption (MGD) ⁴	68	68	68	67	68	68	70	74	74	73
Number of requests for line location	34,620	46,017 ⁸	51,662	52,315	60,681	60,821	73,811 ²¹	85,762	85,725	132,709 ²¹
Number of hydrant major repairs	255	201	127 ¹⁴	139	91 ¹⁷	90	109	155	134	153
Number of line repairs	423	418	483	397	524	633	570	863	862	1,123 ³²
Sewer										
Lines video inspected (feet)	133,271	489,488 ⁹	552,244	619,118	523,884	495,963	371,572	440,809	447,766	533,427
Lines cleaned (feet)	2,314,701	1,717,800 ¹⁰	1,626,459	2,417,309	1,764,059	1,504,376	706,208	1,061,126	1,309,662	1,253,670
Development services										
Number of plan review activities	12,401	12,664	12,660	14,220	21,957 ¹⁸	25,847	29,433	29,263	31,219	32,036
Building permits issued	9,684	10,106	11,729 ¹⁵	12,439	15,999 ¹⁸	16,742	15,721	17,561	19,486	19,049

(Continued)

CITY OF HENDERSON, NEVADA

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

-
1. Source - Various City of Henderson departments.
 2. Indicators are not available for the general government function.
 3. Indicates number of jobs anticipated as a result of new business or relocations/expansions of existing businesses
 4. Millions of gallons per day (MPG).
 5. Maintenance technique used was more expensive in fiscal year 2012 because the streets maintained in this fiscal year were in worse shape than in the previous year; therefore because of funding, fewer lane miles were maintained.
 6. Funding sources decreased significantly, which included ARRA monies.
 7. Private projects slowed down due to the economic downturn.
 8. Increase due to increase for line locations from contractors/excavators. Data also includes re-mark requests.
 9. Increase due to second closed circuit television truck and implementation of a formal assessment program to meet objectives of a new law requiring tracking of the location of private sewer lateral connections to public sewer mains.
 10. Decrease due to reassignment of staff to assist in line inspections.
 11. Projects were delayed and not awarded until July 2013
 12. Fiscal year 2011 was largest year in history due to ARRA funding. Projects significantly slowed down subsequently, although increased slightly in 2013, as there was not a need for reconstruction after large reconstruction projects in FY 2011.
 13. Due to increased confidence in the economy and marketing initiatives.
 14. Substantial hydrant repairs were made in previous years, negating the need for future repairs. This in addition to construction slowdown accounts for the decrease.
 15. Increase due to significant increase in single family residence permits.
 16. Barclay Card U. S. opened a new customer contact center and announced this will create approximately 1,000 jobs.
 17. Decrease due to steady maintenance, leading to fewer problems. Also, a determination was made to adjust maintenance cycles from 1.5 to 3 years.
 18. Increase due in large part to revitalization of two master-planned communities.
 19. The available funding for the maintenance program decreased from the previous year.
 20. CoreMark International, Xtreme Manufacturing, and OnTrac provided 234, 200, and 175 jobs respectively, which accounts for the largest change.
 21. Due to increase in construction activity.
 22. Increase due to rebounding economy in Southern Nevada teamed with businesses seeking refuge from regulations in neighboring states. Additionally, two new Economic Development Officers were hired in late 2016 which has increased the City's capacity to respond.
 23. Henderson Hospital and two Chick-fil-a locations provided 280 and 300 jobs respectively, which accounts for the large change.
 24. Decrease is due to the realigning of categorical data. All outreach events are now included under Local business requests for information/assistance/outreach.
 25. Increase is due to the realigning of categorical data, as well as an increase in outreach efforts including involvement in large panel discussions, association events, local tradeshow, and other local business events. Additionally, they were fully staffed for the entire year, unlike the previous year.
 26. Raiders Corporate, Xtreme Manufacturing and PRA Group locations provided for 250, 204 and 350 jobs respectively, which accounts for the large change.
 27. Increase due to proactive and geographic policing.
 28. Indicator tracking has been discontinued.
 29. Significant reductions in Officer initiated calls for service, police reports and property crimes due to the COVID-19 pandemic
 30. Significant reduction in class registrations due to the COVID-19 pandemic and related mitigation protocols
 31. Significant increase primarily due to Amazon (1,000) and Haas Automation (600)
 32. Increase due to predictive repair of aging lines

CITY OF HENDERSON, NEVADA

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

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Function/program										
Governmental activities ²										
Public safety										
Number of police stations	3	3	3	3	3	3	3	3	3	3
Number of fire stations	9	9	9	9	9	9	9	10	10	11
Number of patrol units	144	144	137	132	136	136	136	143	143	142
Public works										
Streets (miles)	817	819	822	829	835	851	863	862	873	938
Traffic signals	152	152	158	160	166	174	182	182	188	186
Culture and recreation										
Park acreage	791	1,204	1,238	1,263	1,300	1,306	1,306	1,306	1,311	1,315
Number of parks	48	53	57	60	63	64	64	64	65	66
Number of swimming pools	15	15	15	15	13	13	13	13	13	13
Number of tennis courts	44	57	57	62	64	64	58	58	58	58
Number of recreation centers	7	7	8	8	8	8	8	8	8	8
Business-type activities										
Water										
Water mains (miles)	1,462	1,175 ³	1,200	1,222	1,482	1,488	1,505	1,521	1,539	1,555
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water pump stations	31	32	32	32	33	33	33	32	34	32
Sewer										
Number of sewage treatment plants	2	2	2	2	2	2	2	2	2	2
Number of sewer lift stations	13	16	16	16	16	16	15	15	16	15
Miles of sanitary sewer lines	1,082	935 ³	935	943	947	949	956	968	975	1,129

1. Source - Various City of Henderson departments.

2. Indicators are not available for the general government, judicial, community support, or development services functions.

3. Method of calculation now excludes private lines and lines proposed for construction.



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2020

2020

COMPLIANCE SECTION





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

Members of the City Council
City of Henderson, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The City's Response to Findings

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Las Vegas, Nevada
November 30, 2020

CITY OF HENDERSON, NEVADA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2020

Financial Statement Finding - Significant Deficiency in Internal Control Over Financial Reporting

Finding 2020 - 001: Donated Capital Assets

Criteria	Donated capital assets are required to be recorded at their estimated acquisition value at the time of donation.
Condition and context	Certain donated water mains and related assets were valued improperly in the water fund during the current fiscal year.
Effect	Certain donated assets were not valued properly in the fixed asset system. Although management identified and corrected the majority of the errors, we noted that additional immaterial errors still existed.
Cause	Turnover in the accounting department combined with challenges associated with training and onboarding new employees due to remote working because of the COVID-19 pandemic. This led to clerical errors when entering the type of donated assets into the fixed asset system, which was not detected by the reviewer.
Recommendation	New employee training and onboarding procedures should be reviewed in light of the COVID-19 pandemic to determine if additional training is required. In addition, the level of monthly review of donated assets and infrastructure should be increased until new employees have been properly trained.
View of Responsible Officials	Management concurs with the auditor's finding and recommendation. Additional training for new staff is underway and will be completed soon which will mitigate this issue in the future. Further, an additional layer of review for valuation of donated assets has been implemented to gain greater assurance regarding valuation of donated assets.

CITY OF HENDERSON, NEVADA

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2020

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, 2020	\$	4,868,319
Business license revenue for the year ended June 30, 2019 (base year)	\$	4,977,874
Adjustment to base year		
Percentage change in Consumer Price Index		2.29 %
Total adjustment to base year		<u>113,993</u>
Adjusted business license revenue base for the year ended June 30, 2020		<u>5,091,867</u>
Amount over allowable maximum	\$	<u><u>(223,548)</u></u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2020	\$	2,660,471
Business license revenue for the year ended June 30, 2019 (base year)	\$	2,703,719
Adjustment to base year		
Percentage change in local government population		2.38 %
Percentage change in Consumer Price Index		<u>2.29 %</u>
		4.67 %
Total adjustment to base year		<u>126,264</u>
Adjusted business license revenue base for the year ended June 30, 2020		<u>2,829,983</u>
Amount under allowable maximum	\$	<u><u>(169,512)</u></u>



Debra March

Mayor

John F. Marz

Councilman

Michelle Romero

Councilwoman

Dan K. Shaw

Councilman

Dan H. Stewart

Councilman

Richard A. Derrick

City Manager/CEO

Bristol S. Ellington

Deputy City Manager/
Chief Operating Officer

Stephanie Garcia-Vause

Assistant City Manager/
Chief Strategy Officer

Robert Herr

Assistant City Manager/
Chief Infrastructure Officer

Jim McIntosh

Chief Financial Officer

CITY OF HENDERSON

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