



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

INTERMOUNTAIN HEALTHCARE
PERFORMANCE CENTER



CITY OF HENDERSON, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2021

Prepared by: Finance Department

Jim McIntosh

Chief Financial Officer

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CITY OF HENDERSON, NEVADA

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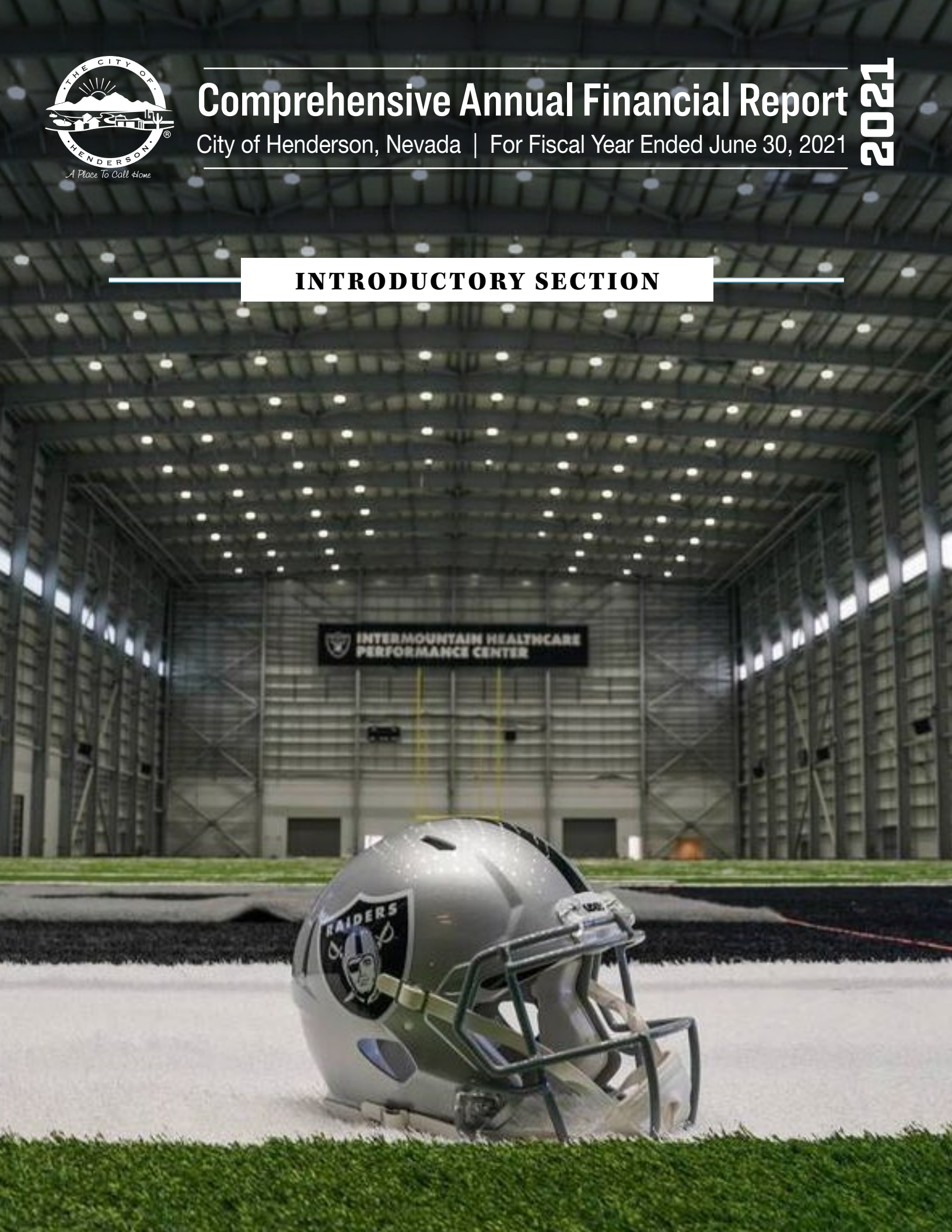


Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

INTRODUCTORY SECTION





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

November 30, 2021

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, 2021 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, 2021 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, 2021, 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 332,000, 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. 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.

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 Residents 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

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 currently undergoing a revitalization with the addition of several new businesses along with the construction of Lifeguard Arena which is serving as a community ice rink as well as the practice facility for the Henderson Silver Knights, an American Hockey League team. In addition, 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 Dollar Loan 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 March 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic (the Pandemic), and states of emergency were declared by the City, the State of Nevada, and the United States. The spread of COVID-19 has had a significant impact throughout the world, including within Southern Nevada and the City of Henderson.

The City of Henderson took extraordinary measures to help slow the spread of the virus and ensure that our residents, healthcare providers, and first responders remained as safe as practical. The steps included adopting recommended best practices and intensive efforts to obtain the resources needed to combat the Pandemic.

The Pandemic resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools and has largely halted international travel. The economic impacts of these restrictions have devastated the economy in Southern Nevada which is largely dependent on tourism. However, with the large-scale vaccination efforts in the United States underway, there is a strong sense of optimism that a return to normalcy is near. In fact, consumer confidence, as rated by the Conference Board, which is a benchmark for economic sentiment, returned to its highest level since prior to the start of the Pandemic in February 2020 in June 2021. The County began a planned reopening from 50% to 80% capacity for business beginning May 1, 2021, along with a reduction of social distancing from 6 feet to 3 feet, and fully reopened on June 1, 2021 with no capacity restrictions.

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 Southern Nevada economy has experienced some of the worst impact of the Pandemic induced recession due its reliance on the hospitality industry. However, there is strong evidence that the recovery has taken hold and a surge in demand for the region's hospitality sector will only intensify and return to pre-pandemic strength with widespread vaccination. A substantial increase in visitation has already begun and with the return of conventions during the summer of 2021, further increase in visitation has been driven. Beginning November 8, 2021, there was a revocation of the country-specific travel bans that had been in place since 2020. This allowed Individuals previously prevented from traveling directly to the United States to enter if they have proof of full vaccination from COVID-19 and proof of pre-departure testing for COVID-19.

The national employment picture saw a dramatic negative swing due to the economic impact of the Pandemic. The official unemployment rate (otherwise known as the U3 rate), which was at 3.5% in February 2020 prior to the start of the Pandemic, reached a peak of 14.8% in April 2020 due to stay-at-home orders. However, many of the job losses proved to be temporary as the unemployment rate stood at 5.9% as of June 2021.

Like the national unemployment, local unemployment also increased considerably during the height of the Pandemic, with Nevada's unemployment rate peaking at 30.1% in April 2020, the highest unemployment rate on record for Nevada. In comparison, prior to the Pandemic in February 2020, the unemployment rate in the state was 3.6%. Unemployment subsequently declined as the impact of the pandemic moderated, and in June 2021, stood at 7.8%.

The City increased its property tax rate to \$0.7408 from \$0.7108 per \$100 in assessed valuation. Prior to this change, the City's property tax rate had remained consistent for over two decades 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 Nevada Revised Statutes (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.

Given recent economic improvements, the City is cautiously optimistic that the worst of the economic impacts of the Pandemic are over. However, the long-term impact from the Pandemic to the City's finances and operations is difficult to predict due to the evolving nature of the COVID-19 transmission, including uncertainties relating to (i) the long-term effectiveness of the vaccine (ii) worldwide transmission/vaccine efforts and its impact on international travel and (iii) the long-term impact on the economy from unprecedented levels of fiscal and monetary stimulus.

Clark County saw a small population increase for the year ended July 1, 2020. According to population estimates made by the Nevada State Demographer, the population in Clark County rose to 2,320,107 as of July 1, 2020. This reflects a population increase of 1.2% over the July 1, 2019 figure of 2,293,391. 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 2022, contingent upon available funding, include:

Grants, park taxes, and contributions to fund the design and construction of various parks and recreation projects, including Union Pacific Railroad right-of-way acquisition.

Water Fund to fund the 2630 42-inch W. Henderson Transmission Main project, which includes the design and construction of two 42-inch water transmission pipelines.

Sewer Fund to fund the Stephanie Lift Station Expansion/Upgrade. This project includes the design and construction modifications to increase capacity from 1.22 to 2.98; replace the existing pump room, wet well and force main; and install odor control equipment improvements.

The City to fund the construction of a new crime lab for the police department. Additionally, the City will complete the construction on the new Dollar Loan Center, which includes the reimagination of the Henderson Pavilion into a more useful and better designed venue, which will accommodate events of all kinds year-round.

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.

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 transitioned from emergency response to recovery support on May 18, 2020. The recovery support efforts focus on action items that seek to ease the long-term impacts of the Pandemic and is ongoing and evolving process that will continue for quite some time.

The City is actively participating in educational advancement in our community. The 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, 2020.

This was the 39th consecutive year that the government has achieved 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, 2020

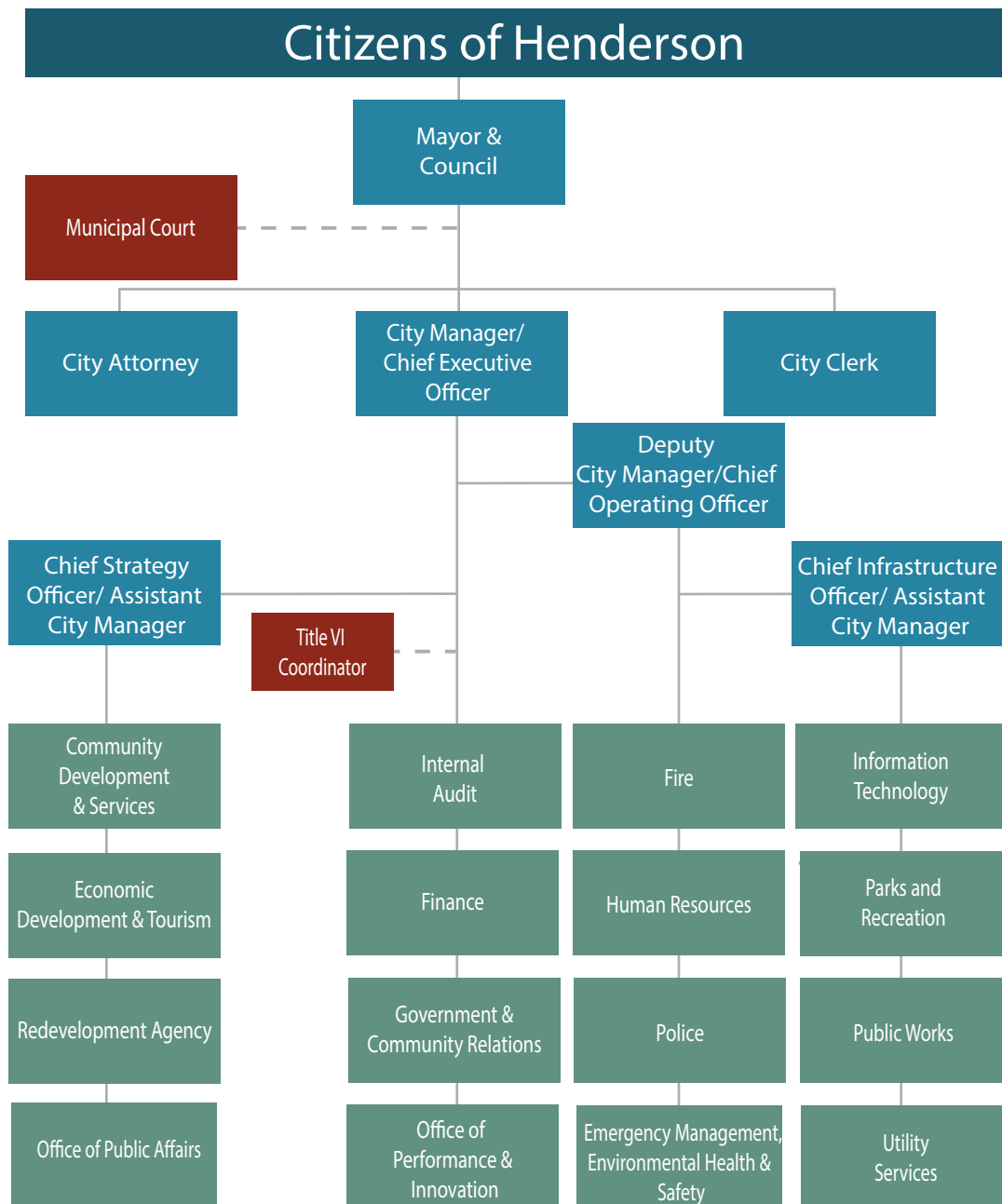
Christopher P. Morill

Executive Director/CEO

CITY OF HENDERSON, NEVADA

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2021



CITY OF HENDERSON, NEVADA

List of Principal Officers

FOR THE YEAR ENDED JUNE 30, 2021

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
Jose Luis Valdez, City Clerk

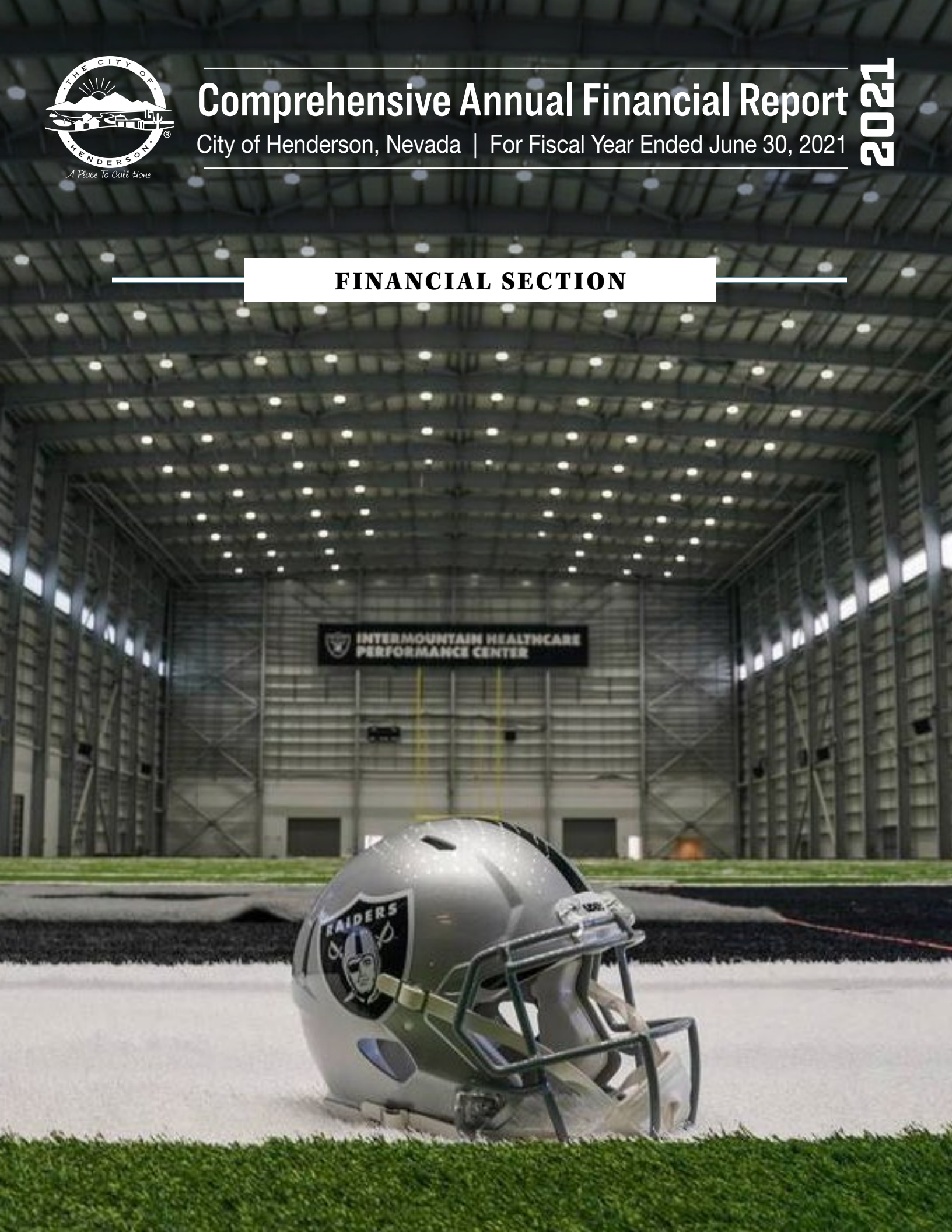


Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 26, and the postemployment benefits other than pensions and pension plan information collectively presented on pages 87 through 93, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Supplementary 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 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 the City's internal control over financial reporting and compliance.

BDO USA, LLP

November 30, 2021

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CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021. 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 resources of the City exceeded its liabilities and deferred inflows of resources on June 30, 2021, by \$2,711,517,005 (net position). However, due to the recognition of estimated liabilities and deferred resources related to pension and other post-employment benefits (OPEB) totaling \$402,735,431 as of June 30, 2021, the City's governmental activities have negative unrestricted net position of \$266,244,718.

During fiscal year 2021, the City's total net position increased by \$114,461,453. See the sections on governmental activities and business-type activities below for explanations of the increase.

As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$322,070,344, a decrease of \$17,739,516 compared to the prior year. See the governmental fund analysis below for explanations of the decrease. Approximately 6.9% of ending fund balances, or \$22,366,139, is available for spending at the City's discretion (i.e., unassigned fund balance).

As of June 30, 2021, unassigned fund balance in the General Fund was 8.2% of fiscal year 2021 expenditures in the General Fund.

Financial Statement Overview

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of 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 the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net of these items reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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.

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, 2021. 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 and the Grants Special Revenue Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual, appropriated budget for all governmental funds. The budgetary comparisons for the City's General Fund and Grants Special Revenue Fund have been provided as a component of the basic financial statements to demonstrate compliance with these budgets. 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).

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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.

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, 2021, the City is reporting net position of \$2,711,517,005. The following table provides a summary of the City's net position for the years ended June 30, 2021 and 2020.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Summary Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets						
Current, restricted and other	\$ 554,002,942	\$ 515,015,842	\$ 343,400,351	\$ 349,457,046	\$ 897,403,293	\$ 864,472,888
Capital	<u>1,795,881,309</u>	<u>1,698,920,811</u>	<u>1,044,548,829</u>	<u>1,021,642,619</u>	<u>2,840,430,138</u>	<u>2,720,563,430</u>
Total assets	<u>2,349,884,251</u>	<u>2,213,936,653</u>	<u>1,387,949,180</u>	<u>1,371,099,665</u>	<u>3,737,833,431</u>	<u>3,585,036,318</u>
Deferred outflows of resources	<u>76,388,636</u>	<u>87,294,564</u>	<u>13,976,375</u>	<u>15,858,880</u>	<u>90,365,011</u>	<u>103,153,444</u>
Liabilities						
Current	73,871,394	35,754,524	30,772,494	31,922,406	104,643,888	67,676,930
Other	<u>696,559,156</u>	<u>692,307,993</u>	<u>283,684,394</u>	<u>288,725,626</u>	<u>980,243,550</u>	<u>981,033,619</u>
Total liabilities	<u>770,430,550</u>	<u>728,062,517</u>	<u>314,456,888</u>	<u>320,648,032</u>	<u>1,084,887,438</u>	<u>1,048,710,549</u>
Deferred inflows of resources	<u>28,153,160</u>	<u>37,330,358</u>	<u>3,640,839</u>	<u>5,093,303</u>	<u>31,793,999</u>	<u>42,423,661</u>
Net position						
Net investment in capital assets	1,682,426,162	1,599,479,735	949,960,187	937,997,632	2,632,386,349	2,537,477,367
Restricted	211,507,733	235,164,250	5,697,756	10,330,257	217,205,489	245,494,507
Unrestricted	<u>(266,244,718)</u>	<u>(298,805,643)</u>	<u>128,169,885</u>	<u>112,889,321</u>	<u>(138,074,833)</u>	<u>(185,916,322)</u>
Total net position	<u>\$ 1,627,689,177</u>	<u>\$ 1,535,838,342</u>	<u>\$ 1,083,827,828</u>	<u>\$ 1,061,217,210</u>	<u>\$ 2,711,517,005</u>	<u>\$ 2,597,055,552</u>

The City's total net position increased by \$114,461,453 during the current fiscal year, comprised of an increase in governmental activities net position of \$91,850,835 and an increase in business-type activities net position of \$22,610,618.

At June 30, 2021, the largest portion of the City's net position, \$2,632,386,349, 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, 2021, 8.0% of the City's net position is subject to external restrictions on how it may be used. The remaining balance is a negative \$138,074,833 primarily resulting from the estimated liabilities and deferred resources related to pension and OPEB. As of June 30, 2021, the City's long-term liabilities include a net pension liability of \$416,549,579, which was actuarially determined to be the City's proportionate share of the collective net pension liabilities of the Public Employees' Retirement System of Nevada (PERS) and Judicial Retirement System of Nevada (JRS). Additionally, as of June 30, 2021, the City has recorded an estimated long-term liability of \$89,339,854 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, 2021

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 53,722,984	\$ 55,193,491	\$ 160,044,070	\$ 148,791,534	\$ 213,767,054	\$ 203,985,025
Operating grants and contributions	47,122,554	9,272,182			47,122,554	9,272,182
Capital grants and contributions	98,852,031	44,216,932	33,141,932	26,100,088	131,993,963	70,317,020
General revenues						
Property taxes	111,303,141	99,987,792			111,303,141	99,987,792
Room taxes	2,698,771	3,315,953			2,698,771	3,315,953
Intergovernmental revenues - consolidated tax	126,166,464	114,624,938			126,166,464	114,624,938
Motor vehicle fuel tax	5,763,696	5,657,650			5,763,696	5,657,650
Sales tax	24,174,321	22,116,184	6,154,189	5,666,777	30,328,510	27,782,961
Residential Construction Tax	1,649,294	817,894			1,649,294	817,894
Franchise fees, based on gross receipts	31,865,215	33,741,224			31,865,215	33,741,224
Unrestricted investment income	236,445	7,811,589	202,681	6,250,221	439,126	14,061,810
Gain on disposal of capital assets	965,010	1,359,393	1,830		966,840	1,359,393
Miscellaneous	3,041,392	897,226	1,426,039	801,193	4,467,431	1,698,419
Total revenues	<u>507,561,318</u>	<u>399,012,448</u>	<u>200,970,741</u>	<u>187,609,813</u>	<u>708,532,059</u>	<u>586,622,261</u>
Expenses						
General government	81,359,866	98,478,110			81,359,866	98,478,110
Judicial	12,596,221	12,873,164			12,596,221	12,873,164
Public safety	199,321,791	190,601,343			199,321,791	190,601,343
Public works	38,432,486	39,100,865			38,432,486	39,100,865
Culture and recreation	62,643,695	56,901,997			62,643,695	56,901,997
Community support	16,566,311	4,271,665			16,566,311	4,271,665
Interest expense and fiscal charges	6,141,897	4,910,377			6,141,897	4,910,377
Water			93,774,071	83,590,931	93,774,071	83,590,931
Sewer			53,797,600	54,114,028	53,797,600	54,114,028
Development services			22,098,443	19,923,886	22,098,443	19,923,886
Cultural arts and tourism			4,652,693	6,407,662	4,652,693	6,407,662
Municipal golf course			2,685,532	2,348,679	2,685,532	2,348,679
Total expenses	<u>417,062,267</u>	<u>407,137,521</u>	<u>177,008,339</u>	<u>166,385,186</u>	<u>594,070,606</u>	<u>573,522,707</u>
Change in net position before transfers	90,499,051	(8,125,073)	23,962,402	21,224,627	114,461,453	13,099,554
Transfers	<u>1,351,784</u>	<u>7,110,206</u>	<u>(1,351,784)</u>	<u>(7,110,206)</u>		
Change in net position	91,850,835	(1,014,867)	22,610,618	14,114,421	114,461,453	13,099,554
Net position, beginning 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>
Net position, end of year	<u>\$ 1,627,689,177</u>	<u>\$ 1,535,838,342</u>	<u>\$ 1,083,827,828</u>	<u>\$ 1,061,217,210</u>	<u>\$ 2,711,517,005</u>	<u>\$ 2,597,055,552</u>

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Governmental Activities

Governmental activities increased the City's net position by \$91,850,835. Revenues came in at \$507.6 million supported by higher than anticipated levels of consolidated taxes (\$126.2 million), and sales taxes (\$24.2 million), along with increased property taxes (\$111.3 million) and capital grants and contributions (\$98.9 million). Total expenses finished the year at \$417,062,267, less than originally budgeted due to cost mitigation steps taken by the City as a result of the pandemic, which will be discussed further under General Fund Budgetary Highlights. Significant year-over-year changes are as follows:

Operating grants and contributions increased \$37.9 million, in large part due to the receipt of Federal funding related to pandemic relief. The City received \$9.6 million in ERAP funds from the Federal Government which was subawarded to Clark County to support emergency rental assistance efforts, and \$28.9 million in CARES funding, which was used for numerous purposes including, but not limited to, support of small business, public safety, resident recovery, childcare programs, educational broadband connectivity, utilities, senior nutrition programs and personal protective equipment (PPE).

Capital grants and contributions increased \$54.6 million resulting from an increase in County donated assets of \$38.5 million related to the completion of several large projects including Pittman North Detention Basin, Basic Road and Bermuda Road improvements, donations of two parks (Capriola Park and Attesa Park) and bird blind structures of \$7.5 million, an increase of \$2.4 million in Public Facilities Needs Assessment (PFNA) funds, which are collected from Developers in West Henderson to cover future infrastructure and public safety needs due to growth, coupled with \$6.4 million from the Southern Nevada Public Lands Management Act (SNPLMA) for the Union Pacific Railroad (UPRR) Trail.

Property tax revenue increased by \$11.3 million by virtue of the increase in assessed valuation driven by not just existing properties, but also new development in West Henderson and large scale commercial projects such as the new Google Data Center. In addition, the City's property tax rate increased from \$0.7108 to \$0.7408 per \$100 of assessed value, the first increase in property tax rates for Henderson in over two decades. The rate will increase another \$0.03 cents in fiscal year 2022.

Consolidated tax revenues increased by \$11.5 million due to an increase in spending from elevated levels of personal incomes resulting from Federal pandemic stimulus programs. These legislative acts resulted in stimulus checks and supplemental/extended unemployment benefits, which along with business re-openings jump started the economic recovery.

Unrestricted Investment Income decreased by \$7.6 million as a result of a decrease in yields due to the effects of the pandemic on the market, coupled with a decrease in the overall market value of the City's investment portfolio.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

General Government expense decreased by \$17.1 million primarily due to the following: First, a decrease in pension expense of \$1.1 million because of the latest actuarial allocation. Additionally, losses on disposal of capital assets decreased from \$24.6 million to \$8.3 million. In the prior year the City incurred losses of \$9.4 million on the disposal of the Henderson Pavilion, along with a \$12.9 million loss on sale of LTA land. In the current fiscal year, the City experienced a loss of \$8.2 million due to the disposal of City Center Plaza. Also, in the prior year, the City incurred costs related to bond issuance of \$0.8 million, of which there was none in the current year. Lastly, facilities repairs decreased \$1.1 million due to one-time maintenance projects that were completed in the prior fiscal year, including fan coils at Black Mountain Recreation Center, Whitney Ranch Recreation Center refurbishment and larger citywide repairs. These decreases were offset by increases in medical and personal injury claims expense of \$4.7 million and \$2.1 million respectively.

Public Safety expense increased by \$8.7 million due to increased salaries and wages of \$3.7 million, primarily as a result of \$1.6 million in full time wage increases for Police per contracted step progressions of roughly 5% among existing officers, and \$1.4 million in Fire overtime, as more employees were out of the office on leave than in the prior year and fewer trainees were available to work shift hours, forcing existing higher paid fire staff to work extra hours. This was coupled with an increase of \$1.2 million in benefits expense due to an increase of \$3.8 million in workman's compensation as a result of an increase in the assessment rate for public safety employees instituted due to an increase in claims, and an increase in health insurance costs of \$0.9 million, offset by a decrease of \$3.6 million in pension expense, and an increase of \$3.1 million in minor equipment due to increased costs for pandemic response which included PPE and durable equipment.

Culture and Recreation expense increased by \$5.7 million primarily due to \$4.8 million in CARES fund expenditures supporting the City's Resident Recovery Grant program which assisted local residents with funding for childcare, educational broadband connectivity, and utilities, coupled with a contribution of \$1.8 million toward the development of Lifeguard Arena. These increases were offset by various cost savings implemented at the outset of the pandemic.

Community Support expense increased by \$12.3 million primarily as a result of \$9.6 million in ERAP funds from the Federal Government which was subawarded to Clark County to support emergency rental assistance efforts, and \$3.3 million in CARES funding for business support grants to support small businesses during the pandemic shut down and subsequent tiered reopening. These increases were offset by a decrease of \$2.0 million in program costs resulting from a significant project that was completed in the prior fiscal year, while no significant projects were completed in the current fiscal year.

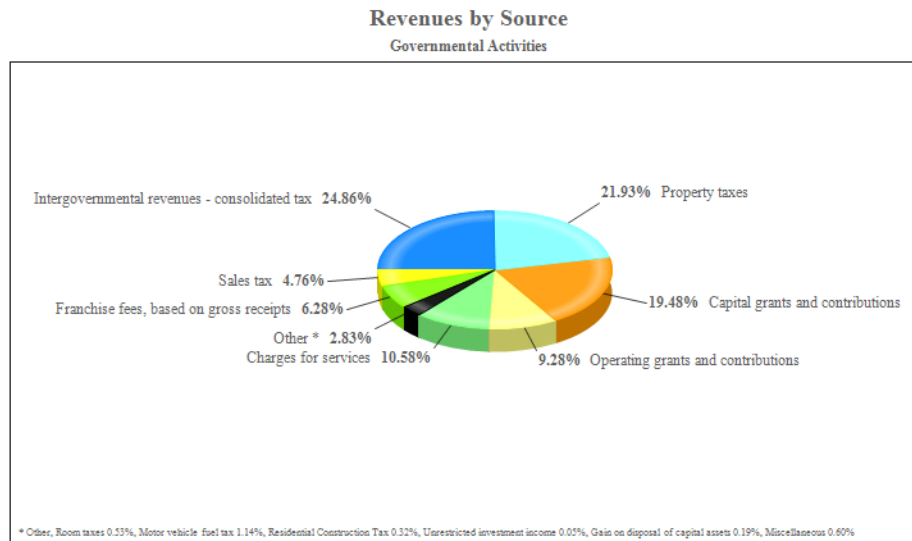
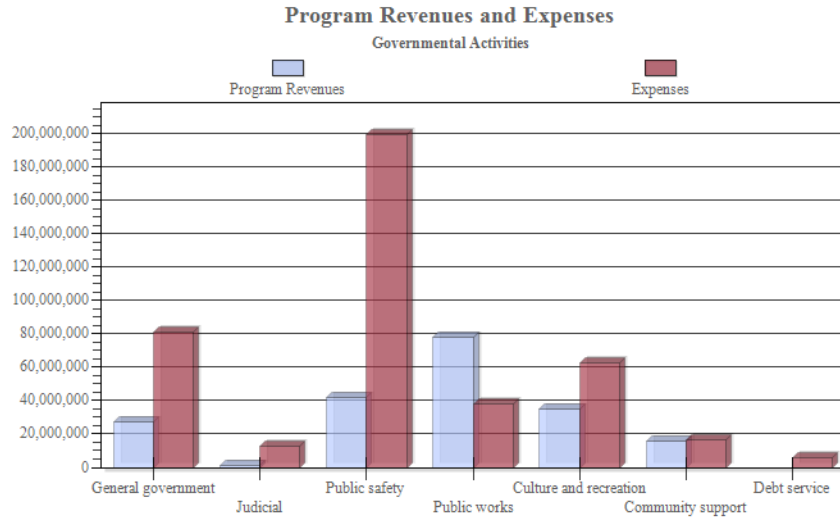
Transfers decreased by \$5.8 million due primarily to a decrease of \$2.8 million in transfers out from the Cultural Arts and Tourism Enterprise Fund as a result of non-recurring transfer in the prior fiscal year from the closing of the convention center, along with a \$1.2 million decrease in transfers in from the Water fund and \$1.2 million decrease in transfers in from the Sewer fund due to decreased transfers.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021



(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Business-type Activities

Business-type activities increased the City's net position by \$22,610,618. Charges for services account for \$160.0 million of the total revenues of \$201.0 million. The largest expense increase was in the Water Fund (\$10.2 million), primarily due to a \$4.2 million increase in water costs, resulting from an increased demand for water due to the following factors: this fiscal year had very little rainfall which increased outdoor water consumption; population growth of approximately 2% coupled with more residents spending time at home due to pandemic restrictions increased residential consumption; and an increase in construction projects citywide resulted in higher commercial demand for water. In addition, an increase in capital improvement project activity resulted in a \$2.0 million increase in professional services, primarily due to residential and commercial growth across the City, coupled with projects that were put on hold or slowed in the fourth quarter of the prior fiscal year due to financial uncertainty. Additionally, there was an increase of \$3.7 million in interest expense in the Water Fund due to new bonds that were issued late last fiscal year.

Significant year-over-year changes are as follows:

Charges for services increased by \$11.3 million, due primarily to an increase of \$7.8 million in water sales as a result of increased potable water usage resulting from the following factors: this fiscal year had very little rainfall which increased outdoor water consumption; population growth of approximately 2% coupled with more residents spending time at home due to pandemic restrictions increased residential consumption, often moving water sales into higher priced tiers; and water usage increased among commercial accounts who pay sewer fees on water consumed. Additionally, there was an increase of \$1.3 million in West Henderson infrastructure surcharge, an increase of \$0.5 million in Main Frontage fees, and an increase of \$0.7 million in construction water sales, all as a result of increased development activity around the City. Lake Las Vegas is the only raw water consumer, utilizing the water to replenish the lake, and those sales increased \$0.4 million due to the lack of rainfall. Finally, golf course revenue increased by \$0.4 million as more people were playing golf during the pandemic, and due to the effects of the golf course being shut down at the onset of the pandemic.

Capital grants and contributions increased by \$7.0 million due to an increase in water and sewer development fees in the amounts of \$1.5 million and \$3.5 million respectively and an increase of \$0.9 million and \$0.6 million in water and sewer asset contributions from developers, respectively, all resulting from increased development activity around the City. In addition, sewer contributions from developers increased \$1.4 million as a result of a cash contribution received from a developer pursuant to an agreement to supplement City construction of the Summer House lift station at Lake Las Vegas.

Unrestricted investment income decreased by \$6.0 million as a result of a decrease in yields due to the effects of the pandemic on the market, coupled with a decrease in the overall market value of the City's investment portfolio.

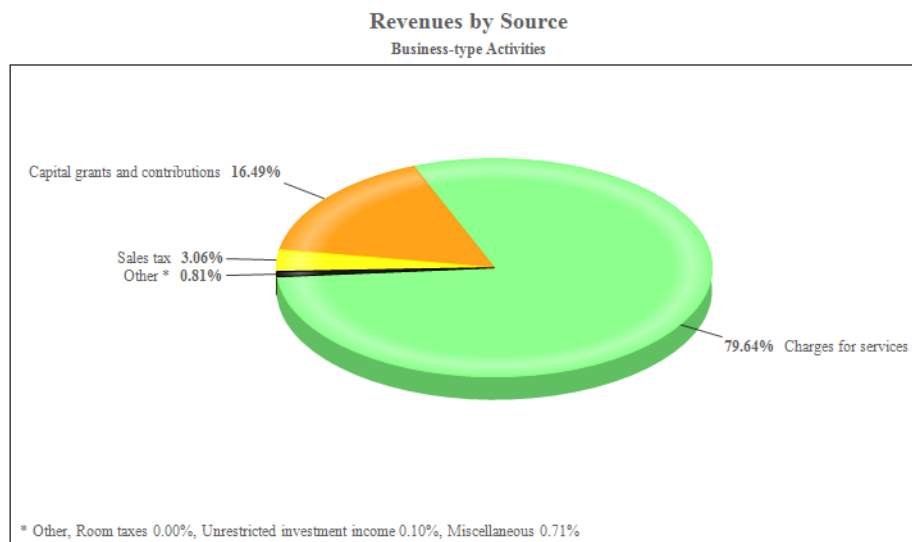
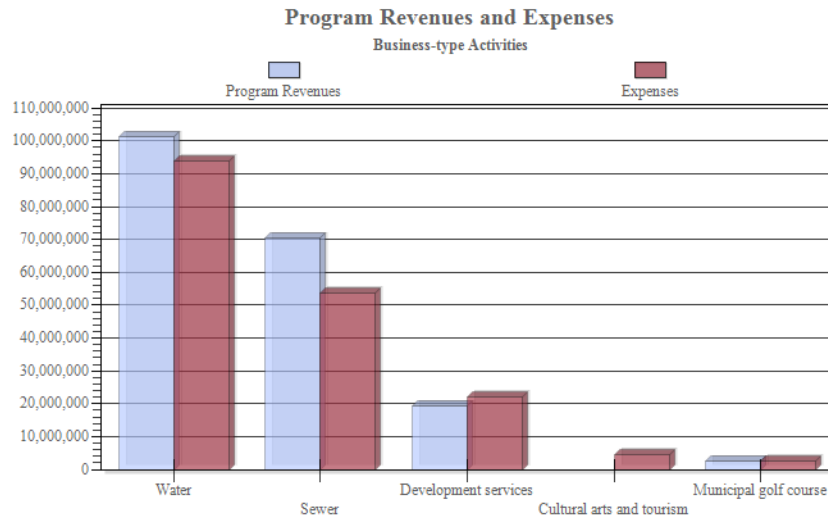
Transfers decreased \$5.8 million primarily due to a decrease in transfers out of the Cultural Events and Tourism fund of \$2.8 million as a result of non-recurring transfers out the prior fiscal year from the closing of the convention center, along with a \$1.2 million decrease in transfers out from the Water fund and \$1.2 million decrease in transfers out from the Sewer fund.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021



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.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$322,070,344, a decrease of \$17,739,516 in comparison with the prior fiscal year. Approximately 6.9% of fund balance (\$22,366,139) is unassigned, meaning it is available for spending at the government's discretion. The remainder of fund balance is either nonspendable (\$85,357), restricted by State law or external entities (\$212,127,412), committed for specific uses by the City Council (\$31,993,637), or assigned for specific uses by the City (\$55,497,799).

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 \$22,366,139, while total fund balance was \$30,215,473. 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, 2021, unassigned fund balance represents 8.2% of total General Fund expenditures, while total fund balance represents 11.1% of that same amount.

The fund balance of the general fund increased by \$3,049,813 during the current fiscal year. Significant year-over-year changes are as follows:

Property taxes increased by \$7.9 million by virtue of an increase in assessed valuation driven by not just existing properties, but also new development in West Henderson and large-scale commercial projects such as the new Google Data Center. In addition, the City's property tax rate increased from \$0.7108 to \$0.7408 per \$100 of assessed value.

Consolidated tax revenues increased by \$11.5 million due to an increase in consumer spending from elevated levels of consumer savings and personal incomes resulting from Federal pandemic stimulus. These legislative acts resulted in stimulus checks and supplemental/extended unemployment benefits, which along with business re-openings jump started the economic recovery.

Intergovernmental revenues, excluding consolidated tax, increased by \$11.7 million, due primarily to the receipt of \$11.5 million in CARES funding from the Federal Government which primarily funded public safety salaries, wages and benefits supporting pandemic response, employee leave time for City closures and childcare services.

Charges for services decreased by \$4.2 million due to a decrease in prisoner detention revenue of \$2.5 million, primarily as a result of arrest and prisoner transport restrictions instituted by the Federal government in response to the pandemic, along with a decrease in parks and recreation fees in the amount of \$2.5 million due to capacity restrictions and limited programming available at recreation facilities as a result of pandemic restrictions and subsequent staff/instructor shortages.

Miscellaneous revenues decreased \$1.9 million for fiscal year 2021 due to a note payoff received from the Landwell Company in fiscal year 2020 that was not present in the current year.

Public safety current expenditures increased by \$7.0 million, primarily due to an increase in salaries and wages of \$3.3 million as a result of \$1.0 million in full time wage increases for Police, along with a \$1.4 million increase in Fire overtime for the reasons noted previously. Benefits increased by \$3.5 million primarily as a result of an increase in workman's compensation expense resulting from an increase in the assessment rate for public safety employees instituted due to an increase in claims.

Transfers to other funds totaled \$22.4 million and were primarily to fund capital acquisition and improvements.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Grants Special Revenue Fund

As of June 30, 2021, the Grants Special Revenue Fund had a total fund balance of \$745,679, which decreased by \$164,502 over the prior fiscal year end balance, all of which is restricted by granting agencies. The Grants Special Revenue Fund experienced significant increases in intergovernmental revenues of \$34.5 million primarily due to the receipt of: \$17.3 million in CRF funding, \$9.6 million in ERAP and \$6.4 million from SNPLMA. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's governmental activities.

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 2021 amounted to \$90,626,709 and the total increase in net position was \$7,415,985. Unrestricted net position of the Sewer Fund at the end of the fiscal year 2021 was \$95,547,755 and the total increase in net position was \$23,083,360. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by approximately \$9.3 million, or 3.3% over the original budget, which is not considered significant.

Actual expenditures were 93.6% of appropriations, or \$18.5 million lower than the final budget. All functions are well within appropriation authority. With the declaration of the 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. The main areas of savings are summarized below:

Actual general government expenditures were \$6.8 million below the final budget. The majority of the positive variance from budget is due to lower-than-expected operating expenditures of \$5.4 million resulting from operating efficiencies and ongoing projects that will be re-appropriated in fiscal year 2022. The remainder of the positive variances results from steps taken to reduce spending as a result of the pandemic and employment position vacancy savings.

Actual public safety expenditures were \$5.4 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 2022.

Actual culture and recreation expenditures were \$3.8 million below the final budget. Most of the positive variance results from lower than anticipated salaries and wages and related benefits expenditures of \$3.1 million resulting from position vacancies. The remainder was from operating efficiencies and ongoing projects that will be re-appropriated in fiscal year 2022.

There were other functional savings of \$2.6 million in the aggregate, but none that were significant in any one category.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the City's total carrying value of capital assets is \$2,840,430,138 (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 2021, the City's capital assets increased by approximately \$119.9 million (which reflects a \$97.0 million increase for governmental activities and a \$22.9 million increase for business-type activities).

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

Building and building improvements increased \$18.9 million in governmental activities, primarily as a result of the addition of the Hidden Falls Fire Station #85 totaling \$9.4 million, the Galleria Fleet Maintenance Building at \$6.9 million, and the Events Plaza remodel (City Hall East Lobby expansion) for \$1.9 million.

Infrastructure increased \$52.4 million in governmental activities, primarily due to the additions of the Pittman North Detention Basin and Outfall Phase III for \$23.5 million, Basic Road improvements totaling \$7.3 million, Water Street and Cadence Drive improvements for \$3.9 million, and Water Street improvements between Major and Lake Mead totaling \$2.2 million. Infrastructure received through donation also added to the increase with the following projects: Inspirada Pod 4-1 Units 1 & 2 for \$5.6 million, Cadence Vista Drive, Sunset Road North and Cadence Crest Avenue for \$3.3 million, and Tuscany Parcel 22 for \$2.5 million.

Construction in progress increased \$25.0 million in governmental activities, primarily due to the addition of project costs for the Dollar Loan Center building of \$28.7 million, the UPRR Trail of \$12.1 million and the Via Inspirada (Far West Henderson) Police Station for \$1.8 million, offset by the completion of the Hidden Falls Fire Station #85 for \$10.9 million and Basic Road improvements for \$7.3 million.

Improvements other than buildings increased \$24.4 million in business-type activities, which includes costs for the following completed projects: Townsite Phase II totaling \$9.6 million, Townsite C1 Mains Phase I for \$5.9 million, Via Nobila Utilities for \$4.1 million, Galleria Reclamation WL Phase II for \$2.3 million, and Bermuda Sewer Phase I for \$2.1 million.

	Capital Assets, Net of Accumulated Depreciation and Amortization					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Construction in progress	\$ 77,406,545	\$ 52,406,406	\$ 39,024,401	\$ 36,140,831	\$ 116,430,946	\$ 88,547,237
Land	181,980,780	181,126,280	40,452,702	40,452,702	222,433,482	221,578,982
Building and building improvements	252,006,941	233,149,020	122,501,293	125,875,872	374,508,234	359,024,892
Improvements other than buildings	298,125,265	296,820,170	799,389,650	774,950,272	1,097,514,915	1,071,770,442
Infrastructure	948,994,287	896,609,649			948,994,287	896,609,649
Machinery and equipment	37,367,491	38,809,286	43,180,783	44,222,942	80,548,274	83,032,228
	<u>\$ 1,795,881,309</u>	<u>\$ 1,698,920,811</u>	<u>\$ 1,044,548,829</u>	<u>\$ 1,021,642,619</u>	<u>\$ 2,840,430,138</u>	<u>\$ 2,720,563,430</u>

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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 \$393,013,796. Of this amount, \$168,443,770 is considered general obligation debt and \$8,504,933 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 168,443,770	\$ 177,690,467	\$	\$	\$ 168,443,770	\$ 177,690,467
Tax allocation bonds	8,504,933	8,804,740			8,504,933	8,804,740
Water and sewer bonds			216,065,093	222,152,439	216,065,093	222,152,439
	<u>\$ 176,948,703</u>	<u>\$ 186,495,207</u>	<u>\$ 216,065,093</u>	<u>\$ 222,152,439</u>	<u>\$ 393,013,796</u>	<u>\$ 408,647,646</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, 2021, the City's net general obligation bonded debt subject to the legal debt limit was \$384.5 million, which is significantly below the legal limit of \$2.5 billion.

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

Economic Factors and Other Significant Matters

Other factors considered in preparing the City's budget for fiscal year 2022 include the following:

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

Commitment to Public Safety with 58.2% of General Fund expenditures dedicated to Police and Fire services. The fiscal year 2022 budget authorizes an additional 15 police officers within the Sales Tax Fund.

During the current fiscal year, fund balance in the general fund increased to \$30,215,473. The City has appropriated approximately \$6.4 million of this amount for spending in the fiscal year 2022 budget. It is intended that this use of available fund balance will pay for one-time services and capital expenditures.

The City anticipated and did issue a general obligation bond in Fiscal Year 2022 to construct a Crime Forensic Lab and a Workforce Training center at an estimated cost of \$25.0 million. Additional information regarding this debt issuance can be found in note 13 to the financial statements.

The City is a recipient of SLFRF program funds resulting in an anticipated total of \$37.3 million to be received in two tranches. The second tranche is anticipated to be received in fiscal year 2022, however, these amounts have not yet been programmed.

(Continued)

CITY OF HENDERSON, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared by the City, the State of Nevada, and the United States. The spread of the novel strain of coronavirus referred to as the COVID-19 pandemic (“the Pandemic”) has had a significant impact throughout the world, including within Southern Nevada and the City of Henderson. The recovery efforts associated with the pandemic are an ongoing and evolving process that will continue for some time.

The Pandemic resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools and has largely halted international travel. The initial economic impacts of these restrictions were devastating to the economy in Southern Nevada which is largely dependent on tourism. However, with the large-scale vaccination efforts in the United States underway and the reopening of businesses, there is a strong sense of optimism that the negative economic impacts will be short-lived. Providing additional optimism has been the unprecedented fiscal stimulus of \$5.4 trillion nationwide provided by the Federal Government over the last year, leading to elevated levels of consumer spending and increased personal incomes. The City has received funding from various portions of this stimulus, including the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Omnibus Appropriations and Coronavirus Relief Package (OMNIBUS), the Coronavirus State and Local Fiscal Recovery Funds Program (SLFRF), and the Emergency Rental Assistance Program (ERAP).

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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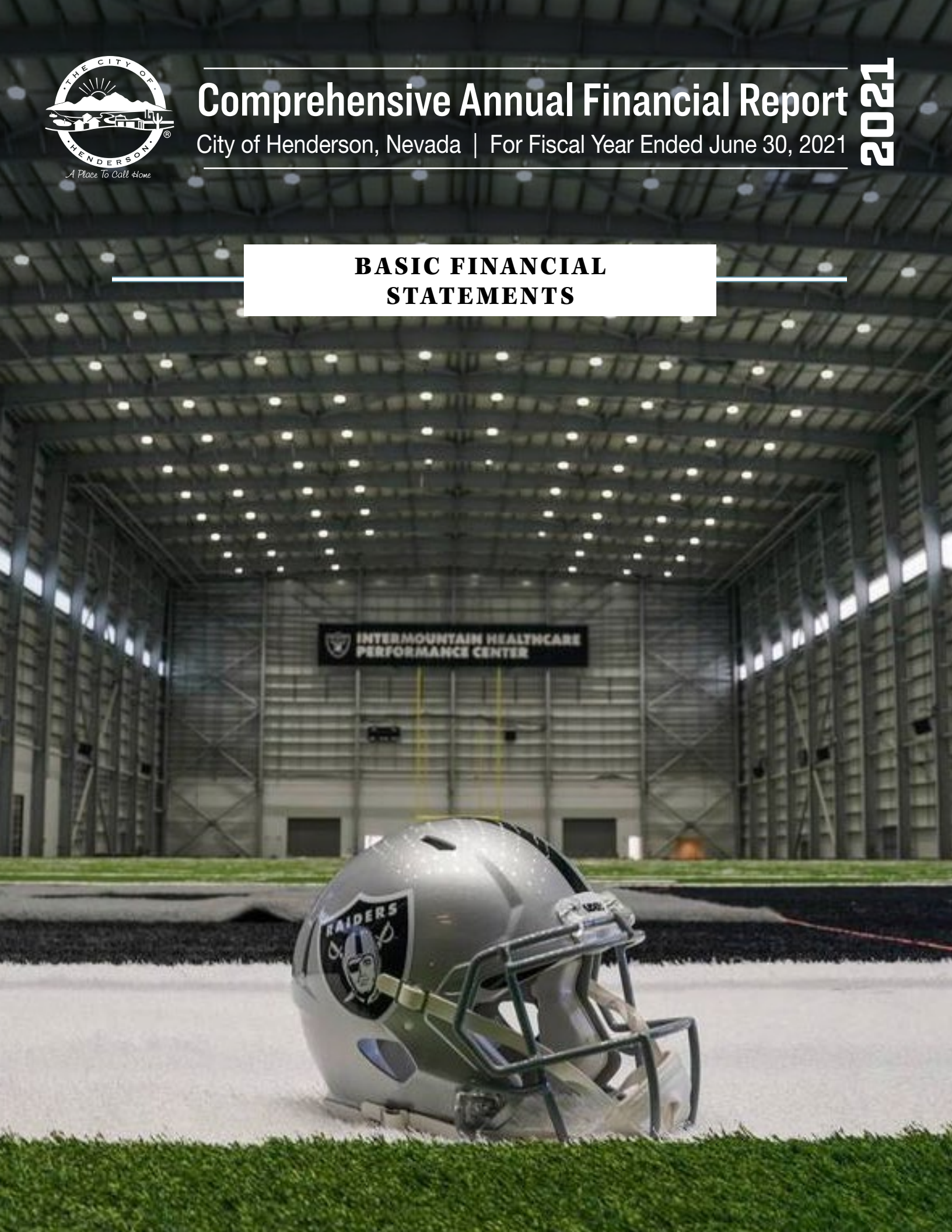


Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

BASIC FINANCIAL STATEMENTS



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CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 336,429,897	\$ 249,706,741	\$ 586,136,638
Cash, cash equivalents and investments, restricted	88,940,543	124,717,466	213,658,009
Accounts receivable, net	14,372,017	18,245,591	32,617,608
Taxes receivable	1,222,989		1,222,989
Special assessments receivable	751,079		751,079
Notes receivable, net	300,600	128,669	429,269
Interest receivable	420,047	336,709	756,756
Due from other governments	46,912,730	1,251,680	48,164,410
Prepaid items	2,197,762		2,197,762
Land held for resale	7,914,313		7,914,313
Other assets	1,479,876	2,074,584	3,554,460
Internal balances	53,061,089	(53,061,089)	
Capital assets, net of accumulated depreciation and amortization			
Construction in progress	77,406,545	39,024,401	116,430,946
Land	181,980,780	40,452,702	222,433,482
Building and building improvements	252,006,941	122,501,293	374,508,234
Improvements other than buildings	298,125,265	799,389,650	1,097,514,915
Infrastructure	948,994,287		948,994,287
Machinery and equipment	37,367,491	43,180,783	80,548,274
Total assets	<u>2,349,884,251</u>	<u>1,387,949,180</u>	<u>3,737,833,431</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	4,920,597	4,986,477	9,907,074
Deferred amounts related to pensions	50,181,535	7,240,914	57,422,449
Deferred amounts related to other postemployment benefits	21,286,504	1,748,984	23,035,488
Total deferred outflows of resources	<u>76,388,636</u>	<u>13,976,375</u>	<u>90,365,011</u>
LIABILITIES			
Accounts payable and other accrued liabilities	18,047,037	9,212,996	27,260,033
Accrued wages	9,017,495	1,700,559	10,718,054
Contracts and retentions payable	989,737	774,915	1,764,652
Due to other governments	5,107,704	6,293,727	11,401,431
Tax increment payable to developers	1,599,688		1,599,688
Unearned revenue	35,057,817	9,415,804	44,473,621
Interest payable	619,679		619,679
Deposits	3,432,237	400,593	3,832,830
Other current liabilities, payable from restricted assets		2,973,900	2,973,900
Noncurrent liabilities, due within one year	45,301,666	3,745,420	49,047,086
Noncurrent liabilities, partially payable from restricted assets, due within one year		5,078,311	5,078,311
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	651,257,490	274,860,663	926,118,153
Total liabilities	<u>770,430,550</u>	<u>314,456,888</u>	<u>1,084,887,438</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	26,142,711	3,482,175	29,624,886
Deferred amounts related to other postemployment benefits	2,010,449	158,664	2,169,113
Total deferred inflows of resources	<u>28,153,160</u>	<u>3,640,839</u>	<u>31,793,999</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,682,426,162	949,960,187	2,632,386,349
Restricted for			
Stabilization and other general programs	24,693,125		24,693,125
Courts and other judicial programs	1,775,627		1,775,627
Fire, police and other public safety programs	44,734,842		44,734,842
Streets and other public works projects	47,521,284		47,521,284
Parks, cultural and recreational programs	47,511,635		47,511,635
Community assistance and support programs	524,328		524,328
Debt service	7,206,589	697,756	7,904,345
Water charge reserve		5,000,000	5,000,000
Redevelopment programs	37,540,303		37,540,303
Unrestricted	<u>(266,244,718)</u>	<u>128,169,885</u>	<u>(138,074,833)</u>
Total net position	<u>\$ 1,627,689,177</u>	<u>\$ 1,083,827,828</u>	<u>\$ 2,711,517,005</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, 2021

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	\$ 81,359,866	\$ 21,434,491	\$ 3,485,959	\$ 2,204,865	\$ (54,234,551)	\$ (54,234,551)
Judicial	12,596,221	924,604	406,764		(11,264,853)	(11,264,853)
Public safety	199,321,791	26,119,447	15,732,701	240,587	(157,229,056)	(157,229,056)
Public works	38,432,486	1,623,354	61,231	76,586,895	39,838,994	39,838,994
Culture and recreation	62,643,695	3,603,453	11,587,503	19,819,684	(27,633,055)	(27,633,055)
Community support	16,566,311	17,635	15,848,396		(700,280)	(700,280)
Debt service						
Interest expense and fiscal charges	6,141,897				(6,141,897)	(6,141,897)
Total governmental activities	417,062,267	53,722,984	47,122,554	98,852,031	(217,364,698)	(217,364,698)
Business-type activities						
Water	93,774,071	88,458,788		12,673,977		7,358,694
Sewer	53,797,600	50,029,272		20,467,955		16,699,627
Development services	22,098,443	19,165,323				(2,933,120)
Cultural arts and tourism	4,652,693					(4,652,693)
Municipal golf course	2,685,532	2,390,687				(294,845)
Total business-type activities	177,008,339	160,044,070		33,141,932		16,177,663
Total function/program	\$ 594,070,606	\$ 213,767,054	\$ 47,122,554	\$ 131,993,963	\$ (217,364,698)	\$ (201,187,035)

(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, 2021

	Program Revenues			Net (Expenses) Revenues and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
GENERAL REVENUES					
Property taxes					111,303,141
Room taxes					2,698,771
Intergovernmental revenues - consolidated tax					126,166,464
Motor vehicle fuel tax					5,763,696
Sales tax					30,328,510
Residential Construction Tax				6,154,189	1,649,294
Franchise fees, based on gross receipts					31,865,215
Unrestricted investment income				202,681	439,126
Gain on disposal of capital assets				1,830	966,840
Miscellaneous				1,426,039	4,467,431
Total general revenues				7,784,739	315,648,488
Transfers				(1,351,784)	
CHANGE IN NET POSITION					
				22,610,618	114,461,453
NET POSITION, BEGINNING OF YEAR				1,061,217,210	2,597,055,552
NET POSITION, END OF YEAR				\$ 1,083,827,828	\$ 2,711,517,005

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

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2021

		Special Revenue Fund		
	General Fund	Grants	Aggregate Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 15,881,878	\$ 130,609	\$ 230,702,312	\$ 246,714,799
Cash, cash equivalents and investments, restricted	231,935	21,457,814	64,117,794	85,807,543
Accounts receivable, net	13,741,226	115,130	172,281	14,028,637
Interest receivable	51,810		255,890	307,700
Taxes receivable	788,642		434,347	1,222,989
Special assessments receivable			751,079	751,079
Notes receivable, net	300,600	13,171,390	12,091	13,484,081
Prepaid items	85,357			85,357
Due from other funds	740,920			740,920
Due from other governments	32,086,602	4,457,576	10,089,086	46,633,264
Deposits			1,332,503	1,332,503
Land held for resale			7,914,313	7,914,313
Total assets	<u>\$ 63,908,970</u>	<u>\$ 39,332,519</u>	<u>\$ 315,781,696</u>	<u>\$ 419,023,185</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 9,842,314	\$ 3,169,647	\$ 3,789,789	\$ 16,801,750
Accrued wages	7,823,174	60,815	729,169	8,613,158
Tax increment payable to developers			1,599,688	1,599,688
Due to other governments	2,312,570		2,793,060	5,105,630
Due to other funds		727,174		727,174
Advances from other funds			751,273	751,273
Unearned revenue	252,064	21,457,814	13,222,200	34,932,078
Deposits	2,870,101		562,136	3,432,237
Compensated absences	85,468			85,468
Total liabilities	<u>23,185,691</u>	<u>25,415,450</u>	<u>23,447,315</u>	<u>72,048,456</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	788,642		434,347	1,222,989
Unavailable revenue, special assessments			751,079	751,079
Unavailable revenue, notes receivable	300,600	13,171,390	12,091	13,484,081
Unavailable revenue, other receivables	9,418,564		27,672	9,446,236
Total deferred inflows of resources	<u>10,507,806</u>	<u>13,171,390</u>	<u>1,225,189</u>	<u>24,904,385</u>
Total liabilities and deferred inflows of resources	<u>33,693,497</u>	<u>38,586,840</u>	<u>24,672,504</u>	<u>96,952,841</u>
FUND BALANCES				
Nonspendable	85,357			85,357
Restricted	231,935	745,679	211,149,798	212,127,412
Committed	4,408,924		27,584,713	31,993,637
Assigned	3,123,118		52,374,681	55,497,799
Unassigned	22,366,139			22,366,139
Total fund balances	<u>30,215,473</u>	<u>745,679</u>	<u>291,109,192</u>	<u>322,070,344</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,908,970</u>	<u>\$ 39,332,519</u>	<u>\$ 315,781,696</u>	<u>\$ 419,023,185</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, 2021

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 322,070,344
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	\$ 2,940,922,501	
Less accumulated depreciation	<u>(1,177,358,008)</u>	1,763,564,493
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	48,072,498	
Deferred outflows related to other postemployment benefits	20,701,721	
Deferred charges on refunding	<u>4,920,597</u>	73,694,816
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	(177,567,517)	
Construction contracts payable	(989,737)	
Other postemployment benefits liability	(77,901,673)	
Compensated absences payable	(41,057,974)	
Net pension liability	<u>(348,159,995)</u>	(645,676,896)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(619,679)</u>	(619,679)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	11,720,904	
Deferred inflows related to pensions	(25,148,262)	
Deferred inflows related to other postemployment benefits	<u>(1,933,567)</u>	(15,360,925)
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	76,955,935	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	51,507,017	
Internal service fund balance receivable from business-type activities from current year activity	<u>1,554,072</u>	130,017,024
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,627,689,177</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, 2021

		Special Revenue Fund		
	General Fund	Grants	Aggregate Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 80,992,884	\$	\$ 30,727,896	\$ 111,720,780
Franchise fees	31,865,215			31,865,215
Licenses and permits	14,588,735			14,588,735
Intergovernmental	140,570,172	46,760,119	32,526,522	219,856,813
Charges for services	22,500,307		293,816	22,794,123
Fines and forfeitures	3,296,133		1,058,680	4,354,813
Impact fees	2,204,865			2,204,865
Special assessments			117,207	117,207
Investment income	107,444		97,800	205,244
Room taxes			1,799,180	1,799,180
Developer contributions			3,991,395	3,991,395
Residential construction tax			1,649,294	1,649,294
Miscellaneous	1,135,452	250,252	1,791,573	3,177,277
Total revenues	<u>297,261,207</u>	<u>47,010,371</u>	<u>74,053,363</u>	<u>418,324,941</u>
EXPENDITURES				
Current				
General government	50,512,008	2,496,603	18,807,514	71,816,125
Judicial	11,584,210	123,624	367,866	12,075,700
Public safety	164,159,549	5,944,887	21,567,201	191,671,637
Public works	6,147,719	124,814	6,510,533	12,783,066
Culture and recreation	37,527,944	8,889,738	4,537,217	50,954,899
Community support	1,577,133	15,552,564	101,175	17,230,872
Total current	<u>271,508,563</u>	<u>33,132,230</u>	<u>51,891,506</u>	<u>356,532,299</u>
Capital outlay				
General government	561,730	94,700	4,664,738	5,321,168
Public safety	3,627	534,461	3,134,228	3,672,316
Public works	216,325	1,427,512	10,696,371	12,340,208
Culture and recreation	22,434	11,985,970	34,377,645	46,386,049
Total capital outlay	<u>804,116</u>	<u>14,042,643</u>	<u>52,872,982</u>	<u>67,719,741</u>
Debt service				
Principal payments			8,690,771	8,690,771
Interest charges			5,285,870	5,285,870
Total debt service			<u>13,976,641</u>	<u>13,976,641</u>
Total expenditures	<u>272,312,679</u>	<u>47,174,873</u>	<u>118,741,129</u>	<u>438,228,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>24,948,528</u>	<u>(164,502)</u>	<u>(44,687,766)</u>	<u>(19,903,740)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			200,623	200,623
Capital leases	459,153			459,153
Proceeds from sale of capital assets	950		21,281	22,231
Transfers in	15,641		31,893,152	31,908,793
Transfers out	(22,374,459)		(8,052,117)	(30,426,576)
Total other financing sources (uses)	<u>(21,898,715)</u>		<u>24,062,939</u>	<u>2,164,224</u>
CHANGE IN FUND BALANCE	3,049,813	(164,502)	(20,624,827)	(17,739,516)
FUND BALANCE, BEGINNING OF YEAR	<u>27,165,660</u>	<u>910,181</u>	<u>311,734,019</u>	<u>339,809,860</u>
FUND BALANCE, END OF YEAR	<u>\$ 30,215,473</u>	<u>\$ 745,679</u>	<u>\$ 291,109,192</u>	<u>\$ 322,070,344</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, 2021

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ (17,739,516)
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	\$ 67,047,509	
Less current year depreciation	(43,207,003)	
Proceeds from land sales	(200,623)	
Net gain (loss) on disposition of capital assets	(8,316,757)	
Transfer of proprietary fund assets to general long-term assets	<u>470,243</u>	
		15,793,369
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	5,441,119	
Change in unavailable revenue related to notes receivable from current year activity	31,604	
Change in unavailable revenue from cumulative prior years' activity	(149,332)	
Capital asset contributions	<u>78,481,638</u>	
		83,805,029
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:		
Capital leases	(459,153)	
Debt principal repayments	<u>8,690,771</u>	
		8,231,618
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	(5,015,179)	
Change in compensated absences payable	290,199	
Amortization of debt premiums, discounts and refunding charges	(938,316)	
Change in accrued interest	41,705	
Change in net pension liability and related	<u>(1,702,663)</u>	
		(7,324,254)
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	7,530,517	
The internal service funds change in net position related to business-type activities	<u>1,554,072</u>	
		<u>9,084,589</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 91,850,835</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, 2021

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 78,690,639	\$ 78,690,639	\$ 80,992,884	\$ 2,302,245
Franchise fees	33,533,584	33,533,584	31,865,215	(1,668,369)
Licenses and permits	11,931,000	11,931,000	14,588,735	2,657,735
Intergovernmental	99,239,613	134,922,128	140,570,172	5,648,044
Charges for services	30,547,005	24,195,261	22,500,307	(1,694,954)
Fines and forfeitures	4,806,000	2,582,248	3,296,133	713,885
Impact fees	2,000,000	2,000,000	2,204,865	204,865
Investment income	445,000	445,000	107,444	(337,556)
Miscellaneous	876,850	1,085,051	1,135,452	50,401
Total revenues	<u>262,069,691</u>	<u>289,384,911</u>	<u>297,261,207</u>	<u>7,876,296</u>
EXPENDITURES				
Current				
General government	54,663,409	57,748,307	50,512,008	7,236,299
Judicial	11,999,709	12,039,448	11,584,210	455,238
Public safety	165,366,708	169,543,157	164,159,549	5,383,608
Public works	6,829,138	7,249,351	6,147,719	1,101,632
Culture and recreation	41,074,701	41,279,626	37,527,944	3,751,682
Community support	1,612,163	2,160,780	1,577,133	583,647
Total current	<u>281,545,828</u>	<u>290,020,669</u>	<u>271,508,563</u>	<u>18,512,106</u>
Capital outlay				
General government		152,556	561,730	(409,174)
Public safety		5,254	3,627	1,627
Public works		659,392	216,325	443,067
Culture and recreation		22,626	22,434	192
Total capital outlay		<u>839,828</u>	<u>804,116</u>	<u>35,712</u>
Total expenditures	<u>281,545,828</u>	<u>290,860,497</u>	<u>272,312,679</u>	<u>18,547,818</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,476,137)</u>	<u>(1,475,586)</u>	<u>24,948,528</u>	<u>26,424,114</u>
OTHER FINANCING SOURCES (USES)				
Capital leases			459,153	459,153
Proceeds from sale of capital assets			950	950
Transfers in	19,000,000	15,641	15,641	
Transfers out	(528,310)	(1,678,310)	(22,374,459)	(20,696,149)
Total other financing sources (uses)	<u>18,471,690</u>	<u>(1,662,669)</u>	<u>(21,898,715)</u>	<u>(20,236,046)</u>
CHANGE IN FUND BALANCE	(1,004,447)	(3,138,255)	3,049,813	6,188,068
FUND BALANCE, BEGINNING OF YEAR	<u>22,756,812</u>	<u>27,165,660</u>	<u>27,165,660</u>	
FUND BALANCE, END OF YEAR	<u>\$ 21,752,365</u>	<u>\$ 24,027,405</u>	<u>\$ 30,215,473</u>	<u>\$ 6,188,068</u>

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

CITY OF HENDERSON, NEVADA

GRANTS SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 18,842,599	\$ 107,336,097	\$ 46,760,119	\$ (60,575,978)
Miscellaneous		350,000	250,252	(99,748)
Total revenues	<u>18,842,599</u>	<u>107,686,097</u>	<u>47,010,371</u>	<u>(60,675,726)</u>
EXPENDITURES				
Current				
General government	30,000	3,639,070	2,496,603	1,142,467
Judicial	78,060	598,168	123,624	474,544
Public safety	4,529,582	11,526,826	5,944,887	5,581,939
Public works	252,500	1,049,966	124,814	925,152
Culture and recreation	10,382,000	26,569,837	8,889,738	17,680,099
Community support	2,930,457	28,144,967	15,552,564	12,592,403
Total current	<u>18,202,599</u>	<u>71,528,834</u>	<u>33,132,230</u>	<u>38,396,604</u>
Capital outlay				
General government		124,860	94,700	30,160
Public safety		1,544,496	534,461	1,010,035
Public works		6,281,859	1,427,512	4,854,347
Culture and recreation		27,566,048	11,985,970	15,580,078
Community support	640,000	640,000		640,000
Total capital outlay	<u>640,000</u>	<u>36,157,263</u>	<u>14,042,643</u>	<u>22,114,620</u>
Total expenditures	<u>18,842,599</u>	<u>107,686,097</u>	<u>47,174,873</u>	<u>60,511,224</u>
CHANGE IN FUND BALANCE			(164,502)	(164,502)
FUND BALANCE, BEGINNING OF YEAR	<u>612,855</u>	<u>910,181</u>	<u>910,181</u>	
FUND BALANCE, END OF YEAR	<u>\$ 612,855</u>	<u>\$ 910,181</u>	<u>\$ 745,679</u>	<u>\$ (164,502)</u>

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2021

	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	\$ 117,502,611	\$ 114,213,109	\$ 17,991,021	\$ 249,706,741	\$ 89,715,098
Cash, cash equivalents and investments, restricted	2,978,788	605,531		3,584,319	3,133,000
Accounts receivable, net	12,944,068	5,098,957	202,566	18,245,591	343,380
Interest receivable	159,552	153,321	23,836	336,709	112,347
Notes receivable, net	128,669			128,669	
Inventories	687,286	1,387,298		2,074,584	147,373
Prepaid items					2,112,405
Due from other governments		1,242,583	9,097	1,251,680	279,466
Total current assets	<u>134,400,974</u>	<u>122,700,799</u>	<u>18,226,520</u>	<u>275,328,293</u>	<u>95,843,069</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	18,151,325	20,873,076		39,024,401	
Land	7,691,134	18,961,639	13,799,929	40,452,702	
Buildings and building improvements	39,011,093	131,472,339	5,676,020	176,159,452	6,864,542
Improvements other than buildings	747,985,080	666,321,038	25,128,175	1,439,434,293	1,506,755
Machinery and equipment	22,679,028	42,253,771	2,481,796	67,414,595	67,921,803
Accumulated depreciation and amortization	(398,959,190)	(298,192,311)	(20,785,113)	(717,936,614)	(43,976,284)
Total capital assets, net of accumulated depreciation and amortization	<u>436,558,470</u>	<u>581,689,552</u>	<u>26,300,807</u>	<u>1,044,548,829</u>	<u>32,316,816</u>
Other assets					
Cash, cash equivalents and investments, restricted	121,045,810	87,337		121,133,147	
Advances to other funds					751,273
Total other assets	<u>121,045,810</u>	<u>87,337</u>		<u>121,133,147</u>	<u>751,273</u>
Total noncurrent assets	<u>557,604,280</u>	<u>581,776,889</u>	<u>26,300,807</u>	<u>1,165,681,976</u>	<u>33,068,089</u>
Total assets	<u>692,005,254</u>	<u>704,477,688</u>	<u>44,527,327</u>	<u>1,441,010,269</u>	<u>128,911,158</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	3,113,945	2,718,650	1,408,319	7,240,914	2,109,037
Deferred charges on refunding		4,986,477		4,986,477	
Deferred amounts related to other postemployment benefits	724,629	658,855	365,500	1,748,984	584,783
Total deferred outflows of resources	<u>3,838,574</u>	<u>8,363,982</u>	<u>1,773,819</u>	<u>13,976,375</u>	<u>2,693,820</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2021

	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	6,889,749	2,545,697	221,714	9,657,160	1,245,287
Accrued wages	717,793	587,030	395,736	1,700,559	404,337
Due to other governments	6,293,727			6,293,727	2,074
Due to other funds					13,746
Construction contracts and retentions	492,538	282,377		774,915	
Unearned revenue			9,415,804	9,415,804	125,739
Customer deposits payable from restricted assets	1,944,203			1,944,203	
Deposits			400,593	400,593	
Compensated absences	1,492,596	1,370,514	882,310	3,745,420	863,388
Claims and judgments					15,523,449
Interest payable from restricted assets	409,087	176,446		585,533	
Debt obligations partially payable from restricted assets	365,975	4,712,336		5,078,311	
Capital Lease Obligations					123,891
Total current liabilities	<u>18,605,668</u>	<u>9,674,400</u>	<u>11,316,157</u>	<u>39,596,225</u>	<u>18,301,911</u>
Noncurrent liabilities					
Debt obligations payable	140,300,094	70,686,688		210,986,782	
Compensated absences	1,446,596	1,328,276	855,119	3,629,991	1,231,538
Other postemployment benefits	2,558,362	2,482,893	1,484,292	6,525,547	4,912,634
Net pension liability	22,730,532	19,814,756	10,768,288	53,313,576	15,076,009
Claims and judgments					13,524,500
Capital lease obligations					531,120
Provisional credits and refunding agreements	<u>370,408</u>	<u>34,359</u>		<u>404,767</u>	
Total noncurrent liabilities	<u>167,405,992</u>	<u>94,346,972</u>	<u>13,107,699</u>	<u>274,860,663</u>	<u>35,275,801</u>
Total liabilities	<u>186,011,660</u>	<u>104,021,372</u>	<u>24,423,856</u>	<u>314,456,888</u>	<u>53,577,712</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	1,580,968	1,419,245	481,962	3,482,175	994,449
Deferred amounts related to other postemployment benefits	<u>60,782</u>	<u>59,871</u>	<u>38,011</u>	<u>158,664</u>	<u>76,882</u>
Total deferred inflows of resources	<u>1,641,750</u>	<u>1,479,116</u>	<u>519,973</u>	<u>3,640,839</u>	<u>1,071,331</u>
NET POSITION					
Net investment in capital assets	412,382,375	511,277,005	26,300,807	949,960,187	31,661,805
Restricted					
Debt service	181,334	429,085		610,419	
Water charge reserve	5,000,000			5,000,000	
Other		87,337		87,337	
Unrestricted	<u>90,626,709</u>	<u>95,547,755</u>	<u>(4,943,490)</u>	<u>181,230,974</u>	<u>45,294,130</u>
Total net position	<u>\$ 508,190,418</u>	<u>\$ 607,341,182</u>	<u>\$ 21,357,317</u>	1,136,888,917	<u>\$ 76,955,935</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				<u>(53,061,089)</u>	
Net position of business-type activities				<u>\$ 1,083,827,828</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, 2021

	Business-type Activities				Governmental Activities
			Aggregate Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Water	Sewer			
OPERATING REVENUES					
Utilities fees	\$ 85,907,952	\$ 49,165,252	\$	\$ 135,073,204	\$
Connection fees	1,778,891	552,048		2,330,939	
Late charges	763,465	302,859		1,066,324	
Charges for services			15,751,594	15,751,594	69,893,697
Licenses and permits			5,804,416	5,804,416	
Intergovernmental		449,893	28,667	478,560	
Miscellaneous	129,640	108,265	46,646	284,551	
Total operating revenues	<u>88,579,948</u>	<u>50,578,317</u>	<u>21,631,323</u>	<u>160,789,588</u>	<u>69,893,697</u>
OPERATING EXPENSES					
Salaries and wages	14,234,548	11,720,632	7,779,472	33,734,652	7,488,438
Employee benefits	6,561,582	5,605,237	3,772,036	15,938,855	3,637,628
Water purchases	31,847,289			31,847,289	
Services and supplies	26,102,484	20,125,151	16,286,760	62,514,395	25,100,585
Claims and judgments					27,070,862
Legal fees					35,312
Depreciation	11,257,948	14,074,592	325,049	25,657,589	4,923,400
Total operating expenses	<u>90,003,851</u>	<u>51,525,612</u>	<u>28,163,317</u>	<u>169,692,780</u>	<u>68,256,225</u>
Operating income (loss)	<u>(1,423,903)</u>	<u>(947,295)</u>	<u>(6,531,994)</u>	<u>(8,903,192)</u>	<u>1,637,472</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	163,100	28,522	11,059	202,681	68,603
Intergovernmental	341,927	288,377	34,628	664,932	625,351
Gain (loss) on capital asset disposition	(29,206)	(87,920)	1,830	(115,296)	457,229
Interest expense	(4,055,879)	(2,343,482)		(6,399,361)	(9,455)
Sales tax revenue		6,154,189		6,154,189	
Miscellaneous	15,589			15,589	331,744
Total nonoperating revenues (expenses)	<u>(3,564,469)</u>	<u>4,039,686</u>	<u>47,517</u>	<u>522,734</u>	<u>1,473,472</u>
Income (loss) before capital contributions and transfers	<u>(4,988,372)</u>	<u>3,092,391</u>	<u>(6,484,477)</u>	<u>(8,380,458)</u>	<u>3,110,944</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	<u>13,191,396</u>	<u>20,765,969</u>		<u>33,957,365</u>	<u>4,489,573</u>
TRANSFERS					
Transfers in			150,000	150,000	150,000
Transfers out	<u>(787,039)</u>	<u>(775,000)</u>	<u>(178)</u>	<u>(1,562,217)</u>	<u>(220,000)</u>
Total transfers	<u>(787,039)</u>	<u>(775,000)</u>	<u>149,822</u>	<u>(1,412,217)</u>	<u>(70,000)</u>
CHANGE IN NET POSITION	7,415,985	23,083,360	(6,334,655)	24,164,690	7,530,517
NET POSITION, BEGINNING OF YEAR	<u>500,774,433</u>	<u>584,257,822</u>	<u>27,691,972</u>		<u>69,425,418</u>
NET POSITION, END OF YEAR	<u>\$ 508,190,418</u>	<u>\$ 607,341,182</u>	<u>\$ 21,357,317</u>		<u>\$ 76,955,935</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(1,554,072)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 22,610,618</u>	

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 87,457,568	\$ 50,156,734	\$ 24,307,651	\$ 161,921,953	\$ 20,775,344
Cash received from other sources	15,589	6,162,802		6,178,391	348,262
Cash payments for goods and services	(64,955,480)	(28,488,040)	(19,853,616)	(113,297,136)	(52,257,002)
Cash payments for employee services	(13,884,411)	(11,728,429)	(7,556,784)	(33,169,624)	(7,367,162)
Cash payments for interfund services					49,321,283
Net cash provided by (used in) operating activities	<u>8,633,266</u>	<u>16,103,067</u>	<u>(3,102,749)</u>	<u>21,633,584</u>	<u>10,820,725</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			150,000	150,000	150,000
Transfers out	(787,039)	(775,000)	(178)	(1,562,217)	(220,000)
Repayments of advances from other funds					133,086
Interest payments on claims					(9,455)
Cash received from grantors	341,927	279,764	34,628	656,319	625,351
Net cash provided by (used in) noncapital financing activities	<u>(445,112)</u>	<u>(495,236)</u>	<u>184,450</u>	<u>(755,898)</u>	<u>678,982</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(16,154,026)	(14,128,044)	(111,942)	(30,394,012)	(2,230,530)
Proceeds received from disposal of capital assets			1,830	1,830	771,993
Principal payments on debt	(352,974)	(4,870,210)		(5,223,184)	(5,508)
Interest payments on debt	(4,677,237)	(2,289,131)		(6,966,368)	
Decrease in deposits			4,652,693	4,652,693	
Payments from other funds					5,850
Decrease in provisional credits	165,996	(2,628)		163,368	
Capital contributions	5,035,808	9,966,246		15,002,054	
Net cash provided by (used in) capital financing activities	<u>(15,982,433)</u>	<u>(11,323,767)</u>	<u>4,542,581</u>	<u>(22,763,619)</u>	<u>(1,458,195)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	283,159	177,622	29,354	490,135	134,583
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(7,511,120)</u>	<u>4,461,686</u>	<u>1,653,636</u>	<u>(1,395,798)</u>	<u>10,176,095</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<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>
CASH AND CASH EQUIVALENTS, END OF YEAR					
Unrestricted	117,502,611	114,213,109	17,991,021	249,706,741	89,715,098
Restricted	124,024,598	692,868		124,717,466	3,133,000
	<u>\$ 241,527,209</u>	<u>\$ 114,905,977</u>	<u>\$ 17,991,021</u>	<u>\$ 374,424,207</u>	<u>\$ 92,848,098</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, 2021

	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)	\$ (1,423,903)	\$ (947,295)	\$ (6,531,994)	\$ (8,903,192)	\$ 1,637,472
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	11,257,948	14,074,592	325,049	25,657,589	4,923,400
Other	15,589	6,162,802		6,178,391	331,744
(Increase) decrease in operating assets					
Accounts receivable	(1,122,380)	(96,755)	(64,836)	(1,283,971)	21,369
Due from other governments		(324,828)	(8,213)	(333,041)	229,757
Prepaid items					(2,014,341)
Inventories	(26,938)	(189,372)		(216,310)	(89,487)
Deferred outflows – other postemployment benefits	74,293	71,448	39,455	185,196	57,973
Deferred outflows - pensions	449,993	372,766	253,451	1,076,210	246,322
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	(957,883)	(2,847,420)	(13,442)	(3,818,745)	(532,284)
Accrued wages	154,697	89,286	84,168	328,151	91,282
Compensated absences	220,830	(88,367)	151,243	283,706	29,994
Due to other governments					(15,053)
Claims and judgments					5,757,846
Other postemployment benefits	113,056	108,721	60,040	281,817	207,726
Net pension liability	267,641	221,711	150,745	640,097	146,504
Deposits	217,150		43,623	260,773	(380)
Unearned revenue			2,749,377	2,749,377	125,739
Deferred inflows - pensions	(595,306)	(493,143)	(335,297)	(1,423,746)	(325,867)
Deferred inflows - other postemployment benefits	(11,521)	(11,079)	(6,118)	(28,718)	(8,991)
Total adjustments	<u>10,057,169</u>	<u>17,050,362</u>	<u>3,429,245</u>	<u>30,536,776</u>	<u>9,183,253</u>
Net cash provided by (used in) operating activities	<u>\$ 8,633,266</u>	<u>\$ 16,103,067</u>	<u>\$ (3,102,749)</u>	<u>\$ 21,633,584</u>	<u>\$ 10,820,725</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$ 8,155,588</u>	<u>\$ 10,799,723</u>	<u>\$</u>	<u>\$ 18,955,311</u>	<u>\$ 4,489,573</u>
Capital assets acquired through capital lease obligations	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 660,519</u>
Transfer of capital assets	<u>\$</u>	<u>\$</u>	<u>\$ 1,892,601</u>	<u>\$ 1,892,601</u>	<u>\$ 470,243</u>

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

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 23,931,925
Interest receivable	14,047
Receivables from others	20,117
Special assessments receivable	<u>76,692,562</u>
Total assets	<u>100,658,651</u>
LIABILITIES	
Accounts payable and accrued liabilities	220,233
Deposits	677,841
Due to developers, employees and others	<u>79,772,196</u>
Total liabilities	<u>80,670,270</u>
NET POSITION	
Restricted for	
Individuals, organizations and other governments	<u>19,988,381</u>
Total net position	<u>\$ 19,988,381</u>

The accompanying notes are in integral part of these financial statements

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	
Plan members	\$ 405,428
Investment income	18,855
Collections from special assessment districts	<u>4,382,282</u>
Total additions	<u>4,806,265</u>
DEDUCTIONS	
Payments to developers and others	801,898
Services and supplies	813,854
Administrative costs	168,079
Interest and fiscal charges	<u>3,415,232</u>
Total deductions	<u>5,199,063</u>
CHANGE IN NET POSITION	(392,978)
NET POSITION, BEGINNING OF YEAR	<u>20,381,179</u>
NET POSITION, END OF YEAR	<u>\$ 19,988,381</u>

The accompanying notes are in integral part of these financial statements

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 nonfiduciary activities of the City and its blended component unit. Eliminations have been made to minimize the double counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation. For example, the effect of interfund services provided and used between functions (*e.g.*, the sale of water from a utility to the general government) is not eliminated in the statement of activities. To do so would 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. Nonoperating revenues, such as subsidies and investment earnings, and nonoperating expenses result from nonexchange transactions or ancillary activities.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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 and fiduciary fund financial statements.

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 funds:

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

The Grants Special Revenue Fund accounts for the revenues and other activities related to grant awards received by the City.

The 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, 2021

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.

Fiduciary funds are used to account for assets held by the City in an agency capacity for individuals, private organizations, other governments or other funds including an employee benefits plan and funds collected and disbursed for special assessment debt for which the City is not liable. These funds cannot be used to support the City's operating activities, and thus are excluded from the government-wide financial statements.

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

At June 30, 2021, Governmental Activities and Business-type Activities accounts receivable are shown net of allowance for uncollectible amounts totaling \$9,199,012 and \$1,471,096, respectively. In addition, Governmental Activities notes receivables are shown net of uncollectible amounts totaling \$13,958,481.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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."

All trade receivables, including those in business-type activities, are shown net of an allowance for uncollectible accounts. Allowance calculations vary depending on the type of receivable.

Property Taxes

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

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

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

Restricted Assets

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 bond issuance, which funds are to be used to finance the costs of acquiring, constructing, improving, and equipping various City projects.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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.

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, Grants Special Revenue Fund, Forfeited Assets Special Revenue 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.

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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Provisional Credits and Refunding Agreements

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

Long-term Debt

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

In governmental funds, bond 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, 2021

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, 2021

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. The City does not currently anticipate that funds from the Financial Stabilization Special Revenue Fund will be required in fiscal year 2022. The fund balance in the Financial Stabilization Special Revenue Fund was \$24,693,125 at June 30, 2021.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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

The City adopts annual budgets, in accordance with Nevada Revised Statutes (NRS) for all governmental and proprietary fund types, and uses 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 appropriations between any function or program within a fund, and may authorize the transfer of appropriations between funds at any time if the City Council is advised of the action at a Council meeting and the action is recorded in the official minutes of the meeting.

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 (\$89,898,671) occurred in the special revenue funds.

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, total operating expenses exceeded appropriations for the Worker's Compensation Self-Insurance Internal Service Fund because of higher than anticipated claims expense. Additionally, total debt service expenditures exceeded appropriations for the General Obligation Debt Service Fund. The excess expenditure resulted from the purchase of equipment under capital leases. These items are not violations of NRS 354.626 pursuant to the exceptions permitted under the NRS.

Deficit Net Position

The Development Services Enterprise Fund and the Engineering Internal Service Fund have deficit net positions of \$4,777,925 and \$5,663,795 respectively, at June 30, 2021.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Tax Abatements

At June 30, 2021, 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, 2021 – \$4,450,553

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 the Agency, a required “gap” or shortfall in project finances and the Agency's Board approval

Abatement mechanism – Receipt of incremental tax revenue by the Agency from the Tuscany Redevelopment Area, 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, 2021 – \$439,068

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 the Agency, a required “gap” or shortfall in project finances and the Agency's Board approval

Abatement mechanism – Receipt of incremental tax revenue by the Agency related to the Union Village Project, with 90% of incremental taxes being remitted to Union Village LLC, after 18% Clark County School District set-aside and 15% administration fee. Effective January 1, 2022, 75% of incremental revenues will be remitted to Union Village, LLC.

Recipient commitments – Construct approved capital improvements

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

Amount abated during the year ended June 30, 2021 – \$3,306,629

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 the Agency, a required “gap” or shortfall in project finances and the Agency's Board approval

Abatement mechanism – Receipt of incremental tax revenue by the Agency related to the Cadence project, with 75% of incremental taxes being remitted to Landwell, LP after 18% Clark County School District set-aside and 10% 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, 2021 – \$440,414

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 the Agency, a required “gap” or shortfall in project finances and the Agency's Board approval

Abatement mechanism – Receipt of incremental tax revenue by the Agency related to the Valley Health System project, 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, 2021, 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, 2021 – \$9,645

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 – \$344,519
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, 2021 – \$832,587
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, 2021 – \$210,161
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, 2021:

Cash on hand	\$ 50,734
Cash on deposit	75,014,552
Cash equivalents	485,232,270
Investments	<u>263,429,016</u>
Total cash, cash equivalents and investments	<u>\$ 823,726,572</u>

At June 30, 2021, 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	\$ 336,429,897	\$ 88,940,543	\$ 425,370,440
Business-type activities	249,706,741	124,717,466	374,424,207
Fiduciary Funds	<u>23,931,925</u>		<u>23,931,925</u>
Total cash, cash equivalents and investments	<u>\$ 610,068,563</u>	<u>\$ 213,658,009</u>	<u>\$ 823,726,572</u>

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

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

As of June 30, 2021, the recorded amount of the City's deposits were \$75,014,552 and the bank balance was \$78,099,567. 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		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
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, corporations or governments	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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, 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	\$ 245,345,922	\$ 245,353,457	.40
Wells Fargo Government Money Market	20,219,413	20,219,413	.09
U.S. Agency securities			
Federal Farm Credit Bank	39,399,183	39,780,607	.81
Federal Home Loan Bank	96,459,426	96,267,892	3.80
Federal Home Loan Mortgage Corporation	21,951,819	21,833,849	3.09
Federal National Mortgage	66,592,481	66,955,497	2.54
U.S. Treasury notes	34,183,953	35,500,436	2.75
U.S. Treasury notes - inflationary	1,844,010	2,081,230	.04
Corporate bonds	1,000,440	1,001,970	.21
Total pooled cash equivalents and investments	<u>526,996,647</u>	<u>528,994,351</u>	1.57
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	52,721,354	52,721,355	.15
Other bond proceeds investments			
Redevelopment bonds - Morgan Stanley Money Market Fund	623,499	623,499	.15
Utility bonds - State of Nevada, Local Government Investment Pool	94,307	94,307	.40
Utility bonds - Morgan Stanley Money Market Fund	116,489,974	116,489,974	.15
Various purpose bonds - Morgan Stanley Money Market Fund	35,009,772	35,009,772	.15
Medium Term Bonds - Morgan Stanley Money Market Fund	14,728,028	14,728,028	.15
Total non-pooled cash equivalents and investments	<u>219,666,934</u>	<u>219,666,935</u>	.15
Total cash equivalents and investments	<u>\$ 746,663,581</u>	<u>\$ 748,661,286</u>	1.15

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.

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, 2021, the City held \$245,447,764, in the LGIP. The LGIP fair value factor of 1.0000307 was used to calculate the fair value of the investments in the LGIP and has an average maturity of 143 days.

At June 30, 2021, 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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	32.77 %
Wells Fargo Government Money Market	AAAm	Aaa-mf	2.70 %
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	5.31 %
Federal Home Loan Bank	AA+	Aaa	12.86 %
Federal Home Loan Mortgage Corporation	AA+	Aaa	2.92 %
Federal National Mortgage	AA+	Aaa	8.94 %
U.S. Treasury notes	*	*	4.74 %
U.S. Treasury notes - inflationary	*	*	0.28 %
Corporate bonds	BBB+	Baa2	0.13 %
Total pooled cash equivalents and investments			<u>70.65 %</u>
Non-pooled cash equivalents and investments			
Special assessment bond proceeds investments			
Morgan Stanley Money Market Fund	AAAm	Aaa-mf	7.04 %
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	15.57 %
Various purpose bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	4.68 %
Medium Term bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	1.97 %
Total non-pooled cash equivalents and investments			<u>29.35 %</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.

Note 4. Interfund Balances and Activity

At June 30, 2021, the composition of interfund balances was as follows:

Due To and From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 727,174
	Internal Service Funds	13,746
		<u>\$ 740,920</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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>751,273</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	\$ (51,507,017)
Effect of current year internal service activity on business-type activities	<u>(1,554,072)</u>
	<u>\$ (53,061,089)</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>
General Fund	Aggregate Other Governmental Funds	\$ 15,641
Aggregate Other Governmental Funds	General Fund	22,224,459
	Aggregate Other Governmental Funds	7,886,476
	Water Enterprise Fund	787,039
	Sewer Enterprise Fund	775,000
	Aggregate Other Enterprise Funds	178
	Internal Service Funds	220,000
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	150,000
Internal Service Funds	General Fund	<u>150,000</u>
		<u>\$ 32,208,793</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Note 5. Capital Assets

For the year ended June 30, 2021, capital asset activity was as follows:

	Balance July 1, 2020	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2021
Governmental activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 52,406,406	\$ 71,633,655	\$ (73,294)	\$ (46,560,222)	\$ 77,406,545
Land	<u>181,126,280</u>	<u>854,500</u>			<u>181,980,780</u>
Total capital assets not being depreciated or amortized	<u>233,532,686</u>	<u>72,488,155</u>	<u>(73,294)</u>	<u>(46,560,222)</u>	<u>259,387,325</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	342,802,934	1,628,462	(116,049)	21,618,220	365,933,567
Improvements other than buildings	399,034,882	7,774,404	(11,045,995)	11,237,322	407,000,613
Infrastructure	1,785,727,538	64,991,194		13,073,082	1,863,791,814
Machinery and equipment	<u>120,547,646</u>	<u>6,608,113</u>	<u>(6,685,075)</u>	<u>631,598</u>	<u>121,102,282</u>
Total capital assets being depreciated or amortized	<u>2,648,113,000</u>	<u>81,002,173</u>	<u>(17,847,119)</u>	<u>46,560,222</u>	<u>2,757,828,276</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(109,653,914)	(4,387,864)	115,152		(113,926,626)
Improvements other than buildings	(102,214,712)	(9,531,821)	2,871,185		(108,875,348)
Infrastructure	(889,117,889)	(25,679,638)			(914,797,527)
Machinery and equipment	<u>(81,738,360)</u>	<u>(8,531,080)</u>	<u>6,534,649</u>		<u>(83,734,791)</u>
Total accumulated depreciation and amortization	<u>(1,182,724,875)</u>	<u>(48,130,403)</u>	<u>9,520,986</u>		<u>(1,221,334,292)</u>
Total capital assets being depreciated or amortized, net	<u>1,465,388,125</u>	<u>32,871,770</u>	<u>(8,326,133)</u>	<u>46,560,222</u>	<u>1,536,493,984</u>
Total governmental activities	<u>\$ 1,698,920,811</u>	<u>\$ 105,359,925</u>	<u>\$ (8,399,427)</u>	<u>\$</u>	<u>\$ 1,795,881,309</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, 2021

	Balance July 1, 2020	Increases	Decreases	Transfers* and Reclassifications	Balance June 30, 2021
Business-type activities					
Capital assets not being depreciated or amortized					
Construction in progress	\$ 36,140,831	\$ 31,439,532	\$ (952,436)	\$ (27,603,526)	\$ 39,024,401
Land	<u>40,452,702</u>				<u>40,452,702</u>
Total capital assets not being depreciated or amortized	<u>76,593,533</u>	<u>31,439,532</u>	<u>(952,436)</u>	<u>(27,603,526)</u>	<u>79,477,103</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	176,134,912	24,540			176,159,452
Improvements other than buildings	1,400,657,087	17,569,291	(4,535,552)	25,743,467	1,439,434,293
Machinery and equipment	<u>65,626,677</u>	<u>599,999</u>	<u>(672,140)</u>	<u>1,860,059</u>	<u>67,414,595</u>
Total capital assets being depreciated or amortized	<u>1,642,418,676</u>	<u>18,193,830</u>	<u>(5,207,692)</u>	<u>27,603,526</u>	<u>1,683,008,340</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(50,259,040)	(3,399,119)			(53,658,159)
Improvements other than buildings	(625,706,815)	(18,766,853)	4,429,025		(640,044,643)
Machinery and equipment	<u>(21,403,735)</u>	<u>(3,491,617)</u>	<u>661,540</u>		<u>(24,233,812)</u>
Total accumulated depreciation and amortization	<u>(697,369,590)</u>	<u>(25,657,589)</u>	<u>5,090,565</u>		<u>(717,936,614)</u>
Total capital assets being depreciated or amortized, net	<u>945,049,086</u>	<u>(7,463,759)</u>	<u>(117,127)</u>	<u>27,603,526</u>	<u>965,071,726</u>
Total business-type activities	<u>\$ 1,021,642,619</u>	<u>\$ 23,975,773</u>	<u>\$ (1,069,563)</u>	<u>\$</u>	<u>\$ 1,044,548,829</u>

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

For the year ended June 30, 2021, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 3,978,749
Judicial	377,076
Public safety	2,623,111
Public works	25,501,576
Culture and recreation	10,726,491
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>4,923,400</u>
Total depreciation expense, governmental activities	<u>\$ 48,130,403</u>
Business-type activities	
Water	\$ 11,257,948
Sewer	14,074,592
Development services	10,811
Municipal golf course	<u>314,238</u>
Total depreciation expense, business-type activities	<u>\$ 25,657,589</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Note 6. Long-term Liabilities

Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Due Within One Year
Governmental activities					
General obligation bonds					
\$13,605,000 Series 2011C General Obligation Refunding Bonds; principal due on June 2021; interest at 4.0%	\$ 2,525,000		\$ (2,525,000)	\$	
\$39,955,000 Series 2013B General Obligation Refunding Bonds; principal due annually beginning June 2020 through June 2031; interest varies between 3.25% and 5.0%	10,725,000		(1,855,000)	8,870,000	1,915,000
\$24,305,000 Series 2014 General Obligation Refunding Bonds; principal due June 2032; interest at 3.5%	2,600,000			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 at 5.0%	10,220,000		(1,920,000)	8,300,000	2,080,000
\$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	
\$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%	<u>93,705,000</u>			<u>93,705,000</u>	<u>2,345,000</u>
Total general obligation bonds	<u>149,285,000</u>		<u>(6,300,000)</u>	<u>142,985,000</u>	<u>6,340,000</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%	<u>20,000,000</u>		<u>(1,850,000)</u>	<u>18,150,000</u>	<u>1,860,000</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Due Within One Year
Tax allocation bonds					
\$9,365,000 Series 2015 Henderson Redevelopment Tax Increment Refunding Bonds due annually through October 2039; interest varies between 2.0% and 5.0%	\$ 8,420,000	\$	\$ (265,000)	\$ 8,155,000	\$ 275,000
Other long-term obligations					
Capital leases	138,808	1,119,672	(132,969)	1,125,511	256,241
Other long-term obligations - direct borrowing					
\$684,108 Installment Purchase Agreement due annually through December 2021; Non-interest-bearing	296,621		(148,310)	148,311	148,311
Unamortized bond premiums	8,790,207		(1,131,504)	7,658,703	
Claims and judgments	23,290,103	27,061,365	(21,303,519)	29,047,949	15,523,449
Compensated absences	43,419,539	19,875,834	(20,057,001)	43,238,372	20,898,665
Total other postemployment benefits	79,381,875	5,402,772	(1,970,340)	82,814,307	
Net pension liability	359,285,840	31,063,993	(27,113,830)	363,236,003	
Total governmental activities	692,307,993	84,523,636	(80,272,473)	696,559,156	45,301,666
Business-type activities					
Revenue bonds					
\$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2024; interest at 5.0%	16,270,000		(3,775,000)	12,495,000	3,965,000
\$19,710,000 Series 2013A Sewer Refunding Bonds due in periodic installments through June 2030; interest varies between 3.1% and 3.3%	11,345,000			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	

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Due Within One Year
\$50,370,000 Series 2020A-2 Sewer Refunding Bonds due in annual installments beginning June 2021 through June 2034; interest varies 1.3% and 2.7%	\$ 50,370,000	\$	\$ (685,000)	\$ 49,685,000	\$ 660,000
Total revenue bonds	<u>203,325,000</u>	<u></u>	<u>(4,460,000)</u>	<u>198,865,000</u>	<u>4,625,000</u>
Revenue bonds - direct borrowings					
\$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	1,098,406		(352,974)	745,432	365,975
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments through January 2030; Non-interest-bearing	<u>873,366</u>	<u></u>	<u>(87,336)</u>	<u>786,030</u>	<u>87,336</u>
Total revenue bonds - direct borrowings	<u>1,971,772</u>	<u></u>	<u>(440,310)</u>	<u>1,531,462</u>	<u>453,311</u>
Other long-term obligations					
Intergovernmental payable to the Southern Nevada Water Authority	<u>322,874</u>	<u></u>	<u>(322,874)</u>	<u></u>	<u></u>
Unamortized bond premiums	16,855,667		(1,187,036)	15,668,631	
Compensated absences	7,091,705	3,731,694	(3,447,988)	7,375,411	3,745,420
Total other postemployment benefits	6,243,730	437,075	(155,258)	6,525,547	
Net pension liability	52,673,479	4,972,891	(4,332,794)	53,313,576	
Provisional credits and refunding agreements	<u>241,399</u>	<u>2,327,760</u>	<u>(2,164,392)</u>	<u>404,767</u>	<u></u>
Total business-type activities	<u>288,725,626</u>	<u>11,469,420</u>	<u>(16,510,652)</u>	<u>283,684,394</u>	<u>8,823,731</u>
Total long-term debt obligations	<u>\$ 981,033,619</u>	<u>\$ 95,993,056</u>	<u>\$ (96,783,125)</u>	<u>\$ 980,243,550</u>	<u>\$ 54,125,397</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, 2021

Unamortized deferred refunding charges

For the year ended June 30, 2021, activity related to the City's unamortized deferred refunding charges was as follows:

	Governmental Activities	Business-type Activities	Total
Balance June 30, 2020	\$ 6,990,414	\$ 5,607,576	\$ 12,597,990
Additions			
Reductions	(2,069,817)	(621,099)	(2,690,916)
Balance June 30, 2021	<u>\$ 4,920,597</u>	<u>\$ 4,986,477</u>	<u>\$ 9,907,074</u>

Future Debt Service Requirements

At June 30, 2021, 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
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	7,390,000	3,498,019	2,015,000	209,600
2027 - 2031	39,510,000	14,924,139	8,465,000	427,400
2032 - 2036	41,730,000	9,452,922		
2037 - 2041	27,655,000	2,888,050		
	<u>\$ 142,985,000</u>	<u>\$ 46,611,277</u>	<u>\$ 18,150,000</u>	<u>\$ 1,862,700</u>

For the Year Ending June 30,	Governmental Activities			
	Tax allocation bonds		Other long-term obligations - direct borrowing	
	Principal	Interest	Principal	Interest
2022	\$ 275,000	\$ 341,925	\$ 148,311	\$
2023	290,000	327,800		
2024	305,000	312,925		
2025	320,000	297,300		
2026	335,000	280,925		
2027 - 2031	1,955,000	1,131,100		
2032 - 2036	2,395,000	694,301		
2037 - 2041	2,280,000	187,000		
	<u>\$ 8,155,000</u>	<u>\$ 3,573,276</u>	<u>\$ 148,311</u>	<u>\$</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

For the Year Ending June 30,	Business-type Activities			
	Revenue bonds		Revenue bonds - direct borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 4,625,000	\$ 6,863,154	\$ 453,311	\$ 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	5,340,000	6,117,918	87,337	
2027 - 2031	28,915,000	28,704,718	349,348	
2032 - 2036	31,540,000	24,538,695		
2037 - 2041	33,985,000	19,336,200		
2042 - 2046	40,575,000	12,738,400		
2047 - 2051	38,710,000	3,947,000		
	<u>\$ 198,865,000</u>	<u>\$ 121,549,586</u>	<u>\$ 1,531,462</u>	<u>\$ 34,318</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 \$745,432 and \$786,030, 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 \$78,690,000 at June 30, 2021. 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.

Defeased Debt

At June 30, 2021, the remaining outstanding principal balance of the defeased debt is \$94,315,000.

Capital Leases

During the current fiscal year, the City capitalized three leases as follows:

A plotter was leased from Advantage Financial Services for five years requiring payments of \$8,386 per annum, including service. This lease commenced in October 2020 and was capitalized in the amount of \$23,920. Its interest rate is approximately 7.6%.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

A Xerox Iridesse Production Press and Xerox Versant 180 Press were leased for 5 years requiring monthly payments of \$22,354, including service and impressions. This lease commenced in December 2019 and was capitalized in the amount of \$459,153. Its interest rate is approximately 3.7%.

216 Xerox 6515 printers and 77 Xerox C8155 copiers were leased for 5 years requiring monthly payments of \$26,778, including service and impressions. This lease was executed in April 2021, but did not commence until July 2021, and was capitalized in the amount of \$636,599. Its interest rate is approximately 3.7%.

The gross amount of equipment under capitalized leases is \$1,271,229 with related accumulated depreciation of \$154,003 through June 30, 2021. Current period depreciation on equipment held under capital leases is \$138,104.

<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>
2022	\$ 292,003	\$ (35,762)	\$ 256,241
2023	292,003	(28,093)	263,910
2024	284,594	(18,161)	266,433
2025	211,429	(8,856)	202,573
2026	<u>139,066</u>	<u>(2,712)</u>	<u>136,354</u>
	<u>\$ 1,219,095</u>	<u>\$ (93,584)</u>	<u>\$ 1,125,511</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 general obligation bond principal and interest remaining to be paid at June 30, 2021	\$ 180,423,027
Total general obligation bond principal and interest paid during the year ended June 30, 2021	\$ 8,401,884
Total pledged revenue for the year ended June 30, 2021	\$ 18,924,970
General obligation bonds issued and revenue pledge maturity	
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 tax allocation bond principal and interest remaining to be paid at June 30, 2021	\$ 11,728,276
Total tax allocation bond principal and interest paid during the year ended June 30, 2021	\$ 620,425
Total pledged revenue for the year ended June 30, 2021	\$ 2,563,652
Tax allocation 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, 2021

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, 2021	\$ 321,980,365
Total revenue bond principal and interest paid during the year ended June 30, 2021	\$ 11,866,680
Total pledged revenue for the year ended June 30, 2021	\$ 39,563,033
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, 2021, 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	\$ 57,399,152	\$ 23,297	\$ 57,422,449
Net pension liability	416,506,569	43,010	416,549,579
Net unamortized deferred inflows of resources related to pensions	29,582,855	42,031	29,624,886
Pension expense	33,921,692	(17,883)	33,903,809

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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) 2.0% per year following the third anniversary of the commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary and 5.0% 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 4.0% per year.

For members with an effective date of membership on or after July 1, 2015, the post-retirement increases are 2.0% per year following the third anniversary of the commencement of benefits, 2.5% per year following the sixth anniversary, and the lesser of 3.0% 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 thirty years of service, or at any age with thirty-three and one-third 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 and at age 50 with twenty years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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

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

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. PERS basic funding policy provides for periodic contributions at a level pattern of costs as a percentage of salary through a member's working lifetime in order to accumulate sufficient assets to pay benefits when due.

For the fiscal year ended June 30, 2020, the required employer/employee match rates increased to 15.25% for regular and 22.00% for police/fire members. The EPC rates also increased to 29.25% for regular and 42.50% for police/fire members.

For the fiscal year ended June 30, 2019, the required employer/employee match rates were 14.50% for regular and 20.75% for police/fire members. The EPC rates were 28.00% for regular and 40.50% for police/fire members.

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

PERS collective net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience study for the period from July 1, 2012 through June 30, 2016), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2020, assumed healthy retiree mortality rates and projected life expectancies for selected ages were as follows:

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

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

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

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

The policies of PERS that determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2020:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
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, 2020, PERS' long-term inflation assumption was 2.75%.

** As of June 30, 2020, the Private Markets allocation includes 6.0% private real estate and 6.0% private equity.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020 and 2019. 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, 2020, 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, 2020.

The City's proportionate share of the net pension liability at June 30, 2020, 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:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 649,589,331	\$ 416,506,569	\$ 222,715,579

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, 2020, 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 \$416,506,569, which represents 2.99035% of the collective net pension liability, and a decrease of 0.03038% from the City's proportionate share as of June 30, 2019. Contributions for employer pay dates within the fiscal year ended June 30, 2020, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on the employer contributions relative to the total combined employers for the period ended June 30, 2020.

For the year ended June 30, 2021, the City's pension expense was \$33,921,692 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2021, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,940,570	\$ 5,378,111
Changes of assumptions or other inputs	11,699,220	
Net difference between projected and actual earnings on investments		15,733,858
Changes in proportion and differences between actual contributions and proportionate share of contributions	940,204	8,470,886
Contributions made subsequent to the measurement date	31,819,158	
	<u>\$ 57,399,152</u>	<u>\$ 29,582,855</u>

At June 30, 2020, the average expected remaining service life was 6.13 years.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2021 totaling \$31,819,158 will be recognized as a reduction of the net pension liability in the subsequent fiscal period. 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>	
2022	\$ 7,472,753
2023	(3,718,073)
2024	(4,293,923)
2025	(3,004,191)
2026	(429,080)
Thereafter	<u>(30,347)</u>
	<u>\$ (4,002,861)</u>

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

Net pension liability, beginning of year	\$ 411,906,360
Pension expense	33,921,692
Employer contributions	(31,424,170)
Change in net deferred inflows and outflows of resources	<u>2,102,687</u>
Net pension liability, end of year	<u>\$ 416,506,569</u>

At June 30, 2021, \$7,830,518 is payable to PERS for the June 2021 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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% total for the combined first five years of service and 4.1666% for each year of service beyond five years, 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 ten years of service, at age 55 with thirty years of service, and at any age with thirty-three and one-third years of service.

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

- 1) 2.0% per year following the third anniversary of the commencement of benefits, 3.0% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4.0% per year following the twelfth anniversary and 5.0% 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 above, except that the increases do not exceed 4.0% per year.

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

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS 1A.312(5). 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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2020, 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 each non-state agency. The payment to amortize the UAAL is paid annually for Supreme Court justices and district judges and monthly for non-state participants.

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, 2020 and 2019, the required employer/employee matching rate was 14.25%.

The JRS net pension liability was measured as of June 30, 2020, 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, 2020 census data, except for member status, which is as of June 30, 2020.

The total JRS pension liability was determined using the following actuarial assumptions (based on the results of an experience study from the period from July 1, 2012 to June 30, 2016):

Actuarial valuation date	June 30, 2020
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 non-state agency

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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, 2020:

Asset Class	Target Allocation	Long-term Expected
		Arithmetic Real Rate of Return
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, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only contributions that are intended to fund benefits for current plan members and their beneficiaries are included, except projected contributions that are intended to fund the service costs for future plan members and their beneficiaries, are not included. Based on those assumptions, the pension Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for 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 both June 30, 2020 and June 30, 2019.

The City's JRS net pension liability at June 30, 2020, 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	\$ 114,092	\$ 43,010	\$ (17,405)

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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, 2020, the City reported a liability of \$43,010 for its net pension liability for the JRS plan. The net pension liability was measured as of June 30, 2020, 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 (\$17,883) and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 507	\$ 18,661
Changes of assumptions or other inputs	35	
Net difference between projected and actual earnings on investments		858
Changes in proportion and differences between actual contributions and proportionate share of contributions	285	22,512
Contributions made subsequent to the measurement date	<u>22,470</u>	
	<u>\$ 23,297</u>	<u>\$ 42,031</u>

At June 30, 2020, the average expected remaining service life was 4.52 years.

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2021, totaling \$22,470 will be recognized as a reduction of the net pension liability in the subsequent fiscal period. 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>	
2022	\$ (23,023)
2023	(13,348)
2024	(4,247)
2025	<u>(586)</u>
	<u>\$ (41,204)</u>

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

Net pension liability, beginning of year	\$ 52,959
Pension expense	(17,883)
Employer contributions	(22,454)
Change in net deferred inflows and outflows of resources	<u>30,388</u>
Net pension liability, end of year	<u>\$ 43,010</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, \$1,728 is payable to JRS for the June 2021 required contribution and is included in accounts payable.

Note 8. Other Postemployment Benefits

Aggregate Balances

At June 30, 2021, the City's aggregate OPEB plan balances were as follows:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
Net OPEB assets administered through a qualifying trust	None	None	None
Total OPEB liability	\$ 5,887,631	\$ 83,452,223	\$ 89,339,854
Net unamortized deferred outflows of resources related to OPEB	781,740	22,253,748	23,035,488
Net unamortized deferred inflows of resources related to OPEB	483,370	1,685,743	2,169,113
OPEB expense	165,301	7,670,477	7,835,778

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.

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

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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 \$1,526 for the year ended June 30, 2021.

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.

At June 30, 2021, employees covered by OPEB benefit terms consisted of:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
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>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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. The actuarial assumptions used in for the City's valuations were based on the results of an experience study dated October 16, 2017, as adopted by PERS.

Actuarial valuation date	June 30, 2021
Measurement date	June 30, 2021
Inflation rate	3.00% per annum
Salary changes	City Plan - 2.00% per annum (PEBP is a closed plan)
Discount rate	2.16% per annum as of June 30, 2021 2.21% per annum as of June 30, 2020
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 - 6.00% per annum, decreasing 0.50% per year to an ultimate rate of 4.5% PEBP - 6.00% 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' 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, 2021, were as follows:

The discount rate was updated from 2.21% to 2.16%.

Trend rates were updated with an initial rate of 6.00% grading down until reaching the ultimate rate of 4.50%, to reflect higher than anticipated increasing cost environment.

The City's total OPEB liability at June 30, 2021, calculated using the discount rate of 2.16%, 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	\$ 6,711,937	\$ 5,887,631	\$ 5,240,027
City of Henderson Plans	\$ 95,136,063	\$ 83,452,223	\$ 74,272,973

The City's total OPEB liability at June 30, 2021, calculated using the healthcare trend rate of 6.00% decreasing to 4.50%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower (5.00% decreasing to 3.50%) or 1.00% higher (7.00% decreasing to 5.50%) than the current healthcare trend rate, was as follows:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Public Employee Benefit Program	\$ 5,357,727	\$ 5,887,631	\$ 6,476,405
City of Henderson Plans	\$ 75,941,273	\$ 83,452,223	\$ 91,797,595

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
Service cost	\$	\$ 3,341,985	\$ 3,341,985
Interest on total OPEB liability	130,563	1,812,133	1,942,696
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions or other inputs	32,318	522,848	555,166
Benefit payments	<u>(366,128)</u>	<u>(1,759,470)</u>	<u>(2,125,598)</u>
Net change in total OPEB liability	(203,247)	3,917,496	3,714,249
Total OPEB liability, beginning of year	6,090,878	79,534,727	85,625,605
Total OPEB liability, end of year	<u>\$ 5,887,631</u>	<u>\$ 83,452,223</u>	<u>\$ 89,339,854</u>

For the period ended June 30, 2021, the City recorded an OPEB expense of \$7,835,778 and its reported deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2021 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	\$	\$ (368,413)	\$ 9,816,065	\$
Changes of assumptions and other inputs	781,740	(114,957)	12,437,683	(1,685,743)
	<u>\$ 781,740</u>	<u>\$ (483,370)</u>	<u>\$ 22,253,748</u>	<u>\$ (1,685,743)</u>

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>	Public Employee Benefit Program	City of Henderson Plans
2022	\$ 34,738	\$ 2,516,359
2023	34,738	2,516,359
2024	34,738	2,516,359
2025	34,738	2,516,359
2026	34,738	2,516,359
Thereafter	<u>124,680</u>	<u>7,986,210</u>
	<u>\$ 298,370</u>	<u>\$ 20,568,005</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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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 1.21%. 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 \$5.0 million Environment Site Liability policy with a \$50,000 deductible; and a Cyber Liability policy with a \$10.0 million limit and \$100,000 retention. No settled claims exceeded insurance coverage for 2021, 2020, and 2019.

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

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

Worker's Compensation - The City is self-insured for workers' compensation claims. A third-party administrator is utilized for claim adjusting and payment. The City has a \$4.0 million SIR for all public safety employees and a \$1.0 million SIR for all other employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from July 1, 2020 through July 1, 2021.

For the fiscal years ended June 30, 2020 and 2021, 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, 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>
For the year ended June 30, 2021				
Liability insurance	\$ 3,931,338	\$ 2,172,072	\$ (671,586)	\$ 5,431,824
Workmen's compensation insurance	18,115,765	8,863,820	(4,980,460)	21,999,125
Health Insurance	<u>1,243,000</u>	<u>16,025,473</u>	<u>(15,651,473)</u>	<u>1,617,000</u>
	<u>\$ 23,290,103</u>	<u>\$ 27,061,365</u>	<u>\$ (21,303,519)</u>	<u>\$ 29,047,949</u>

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

Note 10. Other Information

COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic, and states of emergency were declared by the City, the State of Nevada, and the United States. The spread of the novel strain of coronavirus referred to as the COVID-19 pandemic (“the Pandemic”) has had a significant impact throughout the world, including within Southern Nevada and the City of Henderson.

The full impact of the 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. With the large-scale vaccination efforts in the United States underway and the reopening of businesses, there is a strong sense of optimism that the negative economic impacts will be short-lived. Providing additional optimism has been the unprecedented fiscal stimulus provided by the Federal Government over the last year. The City has received funding from various portions of these stimulus, including the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Omnibus Appropriations and Coronavirus Relief Package (OMNIBUS), the Coronavirus State and Local Fiscal Recovery Funds Program (SLFRF), and the Emergency Rental Assistance Program (ERAP).

Construction in Progress

As of June 30, 2021, construction in progress of \$116,430,946 was reflected in the government-wide financial statements, which relates primarily to a trail project and the Henderson Event Center. Management estimates it will require an additional outlay of approximately \$234,537,682 to complete these projects.

Litigation

The City is a defendant in several legal cases for which Plaintiffs have not identified specific amounts of damages for the causes of action, but are seeking monetary damages in excess of \$50,000. Based on the current progress of the cases to date and facts known at this time, loss contingencies are reasonably possible, but ranges of losses 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.

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 \$343.2 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, 2021, the contingent obligation is approximately \$123.1 million.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, total costs under such agreements were \$1,164,277.

At June 30, 2021, the future minimum operating lease payments were as follows:

<u>For the Year Ending June 30,</u>	
2022	\$ 121,626
2023	92,043
2024	93,190
2025	91,590
2026	38,610
	<u>\$ 437,059</u>

Encumbrances

At June 30, 2021, outstanding encumbrances were as follows:

General Fund	\$ 2,183,896
Aggregate Other Governmental Funds	<u>45,786,264</u>
	<u>\$ 47,970,160</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, 2021

Note 11. Components of Fund Balances

At June 30, 2021, the components of governmental fund balances were as follows:

	General Fund	Grants Special Revenue Fund	Aggregate Other Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid items	\$ 85,357	\$	\$	\$ 85,357
Restricted				
Courts and other judicial programs	231,935	1,821	1,541,871	1,775,627
Fire, police and other public safety programs		18,697	44,716,145	44,734,842
Streets and other public works projects		24,376	47,496,908	47,521,284
Parks, cultural and recreational programs		239,682	47,271,953	47,511,635
Community assistance and support programs		461,103	63,225	524,328
Debt service			7,826,268	7,826,268
Redevelopment programs			37,540,303	37,540,303
Stabilization program			24,693,125	24,693,125
Committed				
Streets and other public works projects	2,447,974		27,584,713	30,032,687
Community assistance and support programs	1,960,950			1,960,950
Assigned				
General government programs	2,368,957		5,740,250	8,109,207
Courts and other judicial programs	3,362			3,362
Fire, police and other public safety programs	430,482		585,660	1,016,142
Streets and other public works projects	8,911		41,540,407	41,549,318
Parks, cultural and recreational programs	311,126		4,508,364	4,819,490
Community assistance and support programs	280			280
Unassigned	<u>22,366,139</u>			<u>22,366,139</u>
Total governmental fund balances	<u>\$ 30,215,473</u>	<u>\$ 745,679</u>	<u>\$ 291,109,192</u>	<u>\$ 322,070,344</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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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. The City adopted Statement No. 84 for the year ended June 30, 2021. As a result of the adopting the statement, the Traffic Signal Agency Fund and Paving Frontage Agency Fund were recharacterized to capital project funds and the Forfeited Assets Fund was recharacterized to a special revenue fund. The Section 125 Fund and Special Assessment District Fund remain as fiduciary activities.

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 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.

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.

(Continued)

CITY OF HENDERSON, NEVADA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

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. Management has not yet completed its assessment of this statement.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, effective for fiscal years ending after December 15, 2021. This statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement will not affect the City's financial position, result of operations or cash flows.

Note 13. Subsequent Event

On September 21, 2021, the City issued \$25,000,000 in General Obligation (Limited Tax) Tax-Exempt Various Purpose Bonds, Series 2021 for the purpose of financing certain costs of improvements, including an approximately 20,000 square foot crime lab and associated office and warehouse space and a multi-purpose City building expected to include a workforce training center. The City's Series 2021 Bonds bear interest at rates from 1.25% to 5%, which is payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2022, and continuing through maturity in fiscal year 2041. Principal is due in annual installments beginning June 2023 through June 2041.

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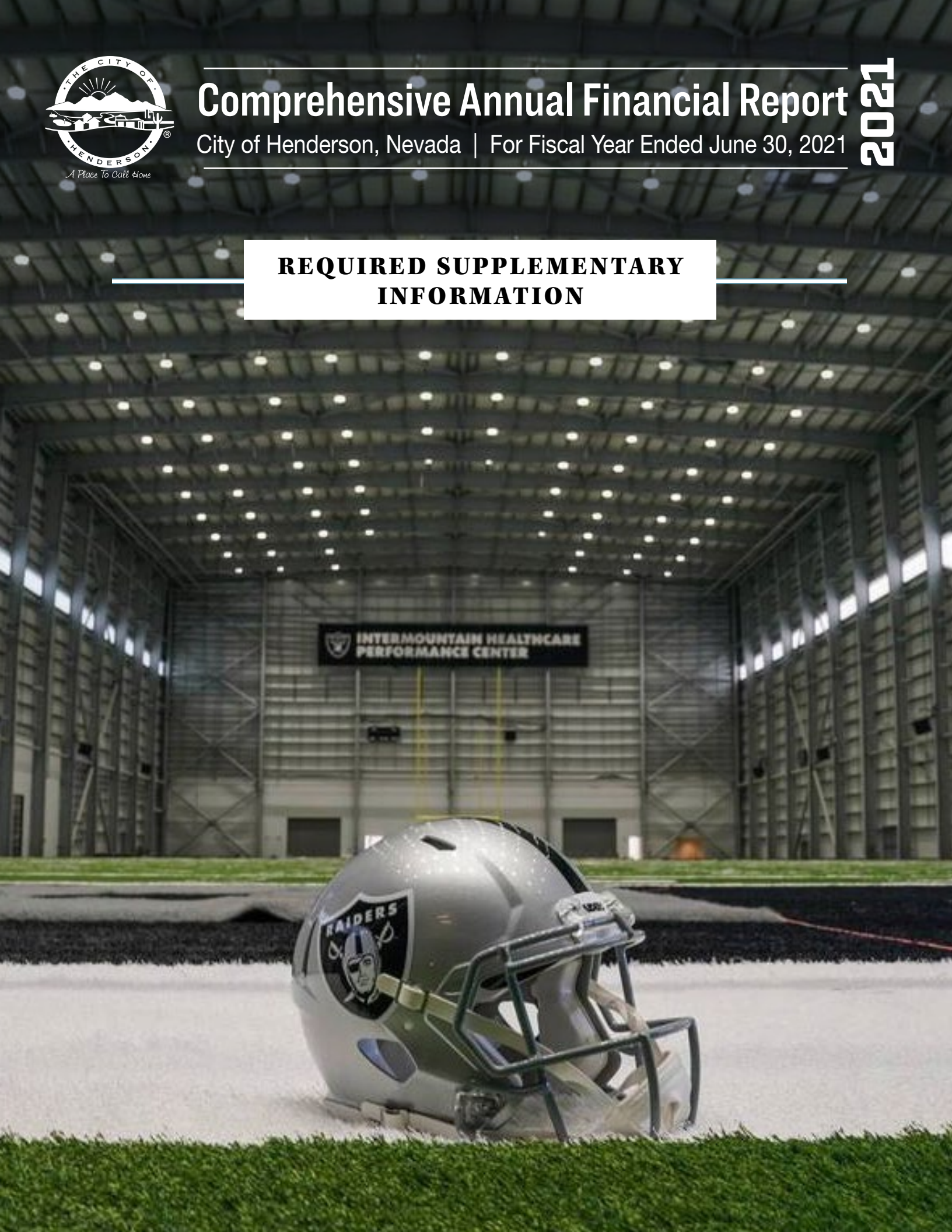


Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

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, 2021 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 Employee Payroll	Total OPEB Liability, End of Year as a Percentage of Covered Employee 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
2021		130,563			32,318	(366,128)	(203,247)	6,090,878	5,887,631	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 %
2021	3,341,985	1,812,133			522,848	(1,759,470)	3,917,496	79,534,727	83,452,223	183,653,980	45.44 %

1. Information for Postemployment Benefits Other Than Pensions 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.

See accompanying notes to required supplementary information

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, 2020 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportionate Share 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 %
2020	2.99035 %	416,506,569	180,930,796	230.20 %	77.04 %

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.

See accompanying notes to required supplementary information

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, 2021 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 %
2021	63,638,315	63,638,315		183,653,980	34.65 %

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.

See accompanying notes to required supplementary information

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, 2020 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)
2018		111,825	29,137	(22,552)	(61,669)
2019		56,741	28,740	(22,051)	(10,471)
2020		52,959	(17,883)	(22,454)	30,388
				43,010	

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.

See accompanying notes to required supplementary information

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (JRS) PENSION PLAN INFORMATION FOR THE YEAR ENDED JUNE 30, 2020 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 %
2020	151,559,874	141,341,677	10,218,197	93.25798 %	20,561,476	49.69583 %

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.

See accompanying notes to required supplementary information

CITY OF HENDERSON, NEVADA

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (JRS) ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2021 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 %
2021	22,471	22,471		157,688	14.25029 %

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.

See accompanying notes to required supplementary information

CITY OF HENDERSON, NEVADA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, were as follows:

The discount rate was updated from 2.21% to 2.16%.

Trend rates were updated with an initial rate of 6.00% grading down until reaching the ultimate rate of 4.50%, to reflect higher than anticipated increasing cost environment.

At June 30, 2021, 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, 2019. 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, 2021, 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, 2020. 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, 2021, 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, 2020. 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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2021

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.

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.



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2021

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, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 87,708,592	\$ 7,765,181	\$ 135,228,539	\$ 230,702,312
Cash, cash equivalents and investments, restricted	5,378,129		58,739,665	64,117,794
Accounts receivable, net	58,075		114,206	172,281
Interest receivable	120,516	14,587	120,787	255,890
Taxes receivable	220,686	213,661		434,347
Special assessments receivable	2,291	748,788		751,079
Notes receivable, net	12,091			12,091
Due from other governments	9,398,625	47,012	643,449	10,089,086
Deposits			1,332,503	1,332,503
Land held for resale	3,474,764		4,439,549	7,914,313
Total assets	\$ 106,373,769	\$ 8,789,229	\$ 200,618,698	\$ 315,781,696
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 2,059,034	\$ 356	\$ 1,730,399	\$ 3,789,789
Accrued wages	700,899		28,270	729,169
Tax increment payable to developers	1,599,688			1,599,688
Due to other governments	2,792,904	156		2,793,060
Advances from other funds			751,273	751,273
Unearned revenue			13,222,200	13,222,200
Deposits	36,250		525,886	562,136
Total liabilities	7,188,775	512	16,258,028	23,447,315
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	220,686	213,661		434,347
Unavailable revenue, special assessments	2,291	748,788		751,079
Unavailable revenue, notes receivable	12,091			12,091
Unavailable revenue, other receivables			27,672	27,672
Total deferred inflows of resources	235,068	962,449	27,672	1,225,189
Total liabilities and deferred inflows of resources	7,423,843	962,961	16,285,700	24,672,504
FUND BALANCES				
Restricted	98,949,926	7,826,268	104,373,604	211,149,798
Committed			27,584,713	27,584,713
Assigned			52,374,681	52,374,681
Total fund balances	98,949,926	7,826,268	184,332,998	291,109,192
Total liabilities, deferred inflows of resources and fund balances	\$ 106,373,769	\$ 8,789,229	\$ 200,618,698	\$ 315,781,696

CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 23,408,887	\$ 5,828,856	\$ 1,490,153	\$ 30,727,896
Intergovernmental	32,508,698		17,824	32,526,522
Charges for services	256,899		36,917	293,816
Fines and forfeitures	1,058,680			1,058,680
Special assessments		117,207		117,207
Investment income	54,622	67,760	(24,582)	97,800
Room taxes	1,799,180			1,799,180
Developer contributions			3,991,395	3,991,395
Residential construction tax			1,649,294	1,649,294
Miscellaneous	28,526	387,833	1,375,214	1,791,573
Total revenues	<u>59,115,492</u>	<u>6,401,656</u>	<u>8,536,215</u>	<u>74,053,363</u>
EXPENDITURES				
Current				
General government	16,306,128	13,194	2,488,192	18,807,514
Judicial	367,866			367,866
Public safety	20,598,899		968,302	21,567,201
Public works	5,561,592	6,507	942,434	6,510,533
Culture and recreation	2,394,989		2,142,228	4,537,217
Community support			101,175	101,175
Total current	<u>45,229,474</u>	<u>19,701</u>	<u>6,642,331</u>	<u>51,891,506</u>
Capital outlay				
General government	19		4,664,719	4,664,738
Public safety	204,732		2,929,496	3,134,228
Public works	1,458,390		9,237,981	10,696,371
Culture and recreation	36,754		34,340,891	34,377,645
Total capital outlay	<u>1,699,895</u>		<u>51,173,087</u>	<u>52,872,982</u>
Debt service				
Principal payments	265,000	8,425,771		8,690,771
Interest charges	355,425	4,880,406	50,039	5,285,870
Total debt service	<u>620,425</u>	<u>13,306,177</u>	<u>50,039</u>	<u>13,976,641</u>
Total expenditures	<u>47,549,794</u>	<u>13,325,878</u>	<u>57,865,457</u>	<u>118,741,129</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,565,698</u>	<u>(6,924,222)</u>	<u>(49,329,242)</u>	<u>(44,687,766)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			200,623	200,623
Proceeds from sale of capital assets	21,281			21,281
Transfers in	653,052	6,083,699	25,156,401	31,893,152
Transfers out	(2,542,991)	(183,126)	(5,326,000)	(8,052,117)
Total other financing sources (uses)	<u>(1,868,658)</u>	<u>5,900,573</u>	<u>20,031,024</u>	<u>24,062,939</u>
CHANGE IN FUND BALANCE	9,697,040	(1,023,649)	(29,298,218)	(20,624,827)
FUND BALANCE, BEGINNING OF YEAR	<u>89,252,886</u>	<u>8,849,917</u>	<u>213,631,216</u>	<u>311,734,019</u>
FUND BALANCE, END OF YEAR	<u>\$ 98,949,926</u>	<u>\$ 7,826,268</u>	<u>\$ 184,332,998</u>	<u>\$ 291,109,192</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2021

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
ASSETS					
Cash, cash equivalents and investments, unrestricted	\$ 33,802,222	\$ 13,442,316	\$ 364,860	\$ 1,553,202	\$ 24,659,780
Cash, cash equivalents and investments, restricted	4,392,592		985,537		
Accounts receivable, net			21,281		
Interest receivable	50,134	18,684	460		33,070
Taxes receivable	220,686				
Special assessments receivable					
Notes receivable, net	12,091				
Due from other governments	330,465	1,331,246			275
Land held for resale	3,474,764				
Total assets	<u>\$ 42,282,954</u>	<u>\$ 14,792,246</u>	<u>\$ 1,372,138</u>	<u>\$ 1,553,202</u>	<u>\$ 24,693,125</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 35,539	\$ 556,502	\$ 1,004,445	\$ 8,533	\$
Accrued wages	46,743	87,392		2,798	
Tax increment payable to developers	1,599,688				
Due to other governments	2,792,904				
Deposits	35,000				
Total liabilities	<u>4,509,874</u>	<u>643,894</u>	<u>1,004,445</u>	<u>11,331</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	220,686				
Unavailable revenue, special assessments					
Unavailable revenue, notes receivable	12,091				
Total deferred inflows of resources	<u>232,777</u>				
Total liabilities and deferred inflows of resources	<u>4,742,651</u>	<u>643,894</u>	<u>1,004,445</u>	<u>11,331</u>	
FUND BALANCES					
Restricted	<u>37,540,303</u>	<u>14,148,352</u>	<u>367,693</u>	<u>1,541,871</u>	<u>24,693,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,282,954</u>	<u>\$ 14,792,246</u>	<u>\$ 1,372,138</u>	<u>\$ 1,553,202</u>	<u>\$ 24,693,125</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2021

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 4,870,745	\$ 656,520	\$ 343,944	\$ 5,012,222
Cash, cash equivalents and investments, restricted				
Accounts receivable, net	22,984			13,810
Interest receivable	5,834	847	647	6,487
Taxes receivable				
Special assessments receivable				
Notes receivable, net				
Due from other governments	5,617,019			1,507,218
Land held for resale				
Total assets	<u>\$ 10,516,582</u>	<u>\$ 657,367</u>	<u>\$ 344,591</u>	<u>\$ 6,539,737</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 231,250	\$ 100,080	\$ 3,621	\$ 41,876
Accrued wages	421,508			88,322
Tax increment payable to developers				
Due to other governments				
Deposits				
Total liabilities	<u>652,758</u>	<u>100,080</u>	<u>3,621</u>	<u>130,198</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes				
Unavailable revenue, special assessments				
Unavailable revenue, notes receivable				
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	<u>652,758</u>	<u>100,080</u>	<u>3,621</u>	<u>130,198</u>
FUND BALANCES				
Restricted	<u>9,863,824</u>	<u>557,287</u>	<u>340,970</u>	<u>6,409,539</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,516,582</u>	<u>\$ 657,367</u>	<u>\$ 344,591</u>	<u>\$ 6,539,737</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2021

	Neighborhood Improvement District	Recreation, Cultural Events & Tourism	Total Non-Major Special Revenue Funds
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 63,175	\$ 2,939,606	\$ 87,708,592
Cash, cash equivalents and investments, restricted			5,378,129
Accounts receivable, net			58,075
Interest receivable	89	4,264	120,516
Taxes receivable			220,686
Special assessments receivable	2,291		2,291
Notes receivable, net			12,091
Due from other governments		612,402	9,398,625
Land held for resale			3,474,764
	<u>65,555</u>	<u>3,556,272</u>	<u>106,373,769</u>
Total assets	<u>\$ 65,555</u>	<u>\$ 3,556,272</u>	<u>\$ 106,373,769</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 39	\$ 77,149	\$ 2,059,034
Accrued wages		54,136	700,899
Tax increment payable to developers			1,599,688
Due to other governments			2,792,904
Deposits		1,250	36,250
	<u>39</u>	<u>132,535</u>	<u>7,188,775</u>
Total liabilities	<u>39</u>	<u>132,535</u>	<u>7,188,775</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes			220,686
Unavailable revenue, special assessments	2,291		2,291
Unavailable revenue, notes receivable			12,091
	<u>2,291</u>	<u></u>	<u>235,068</u>
Total deferred inflows of resources	<u>2,291</u>	<u></u>	<u>235,068</u>
Total liabilities and deferred inflows of resources	<u>2,330</u>	<u>132,535</u>	<u>7,423,843</u>
FUND BALANCES			
Restricted	<u>63,225</u>	<u>3,423,737</u>	<u>98,949,926</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,555</u>	<u>\$ 3,556,272</u>	<u>\$ 106,373,769</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, 2021

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	\$ 23,374,852	\$	\$	\$	\$ 34,035
Intergovernmental	2,730	6,694,081		4,080	
Charges for services					
Fines and forfeitures			454,086	604,594	
Investment income	38,364	(2,485)	970		6,312
Room taxes					
Miscellaneous	25,368	1,182	16,791		
Total revenues	<u>23,441,314</u>	<u>6,692,778</u>	<u>471,847</u>	<u>608,674</u>	<u>40,347</u>
EXPENDITURES					
Current					
General government	16,306,128				
Judicial				367,866	
Public safety			242,192		
Public works		5,545,227			
Culture and recreation					
Total current	<u>16,306,128</u>	<u>5,545,227</u>	<u>242,192</u>	<u>367,866</u>	
Capital outlay					
General government	19				
Public safety			67,251		
Public works		1,458,390			
Culture and recreation					
Total capital outlay	<u>19</u>	<u>1,458,390</u>	<u>67,251</u>		
Debt service					
Principal payments	265,000				
Interest charges	355,425				
Total debt service	<u>620,425</u>				
Total expenditures	<u>16,926,572</u>	<u>7,003,617</u>	<u>309,443</u>	<u>367,866</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,514,742</u>	<u>(310,839)</u>	<u>162,404</u>	<u>240,808</u>	<u>40,347</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets			21,281		
Transfers in					597,874
Transfers out	(2,225,556)			(15,641)	
Total other financing sources (uses)	<u>(2,225,556)</u>		<u>21,281</u>	<u>(15,641)</u>	<u>597,874</u>
CHANGE IN FUND BALANCE	4,289,186	(310,839)	183,685	225,167	638,221
FUND BALANCE, BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 37,540,303</u>	<u>\$ 14,148,352</u>	<u>\$ 367,693</u>	<u>\$ 1,541,871</u>	<u>\$ 24,693,125</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, 2021

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention
REVENUES				
Property taxes	\$	\$	\$	\$
Intergovernmental	19,055,000		55,000	5,119,321
Charges for services	93,272	59,983		69,419
Fines and forfeitures				
Investment income	6,736	180	198	5,587
Room taxes				
Miscellaneous	26,466		964	2,062
Total revenues	<u>19,181,474</u>	<u>60,163</u>	<u>56,162</u>	<u>5,196,389</u>
EXPENDITURES				
Current				
General government				
Judicial				
Public safety	16,511,021	19,910	63,146	3,762,630
Public works				
Culture and recreation				
Total current	<u>16,511,021</u>	<u>19,910</u>	<u>63,146</u>	<u>3,762,630</u>
Capital outlay				
General government				
Public safety	2,175		133,856	1,450
Public works				
Culture and recreation				
Total capital outlay	<u>2,175</u>		<u>133,856</u>	<u>1,450</u>
Debt service				
Principal payments				
Interest charges				
Total debt service				
Total expenditures	<u>16,513,196</u>	<u>19,910</u>	<u>197,002</u>	<u>3,764,080</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,668,278</u>	<u>40,253</u>	<u>(140,840)</u>	<u>1,432,309</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets				
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	2,641,278	40,253	(85,840)	1,432,309
FUND BALANCE, BEGINNING OF YEAR	<u>7,222,546</u>	<u>517,034</u>	<u>426,810</u>	<u>4,977,230</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,863,824</u>	<u>\$ 557,287</u>	<u>\$ 340,970</u>	<u>\$ 6,409,539</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, 2021

	Neighborhood Improvement District	Recreation, Cultural Events & Tourism	Total Non-Major Special Revenue Funds
REVENUES			
Property taxes	\$	\$	\$ 23,408,887
Intergovernmental		1,578,486	32,508,698
Charges for services	21,955	12,270	256,899
Fines and forfeitures			1,058,680
Investment income	45	(1,285)	54,622
Room taxes		1,799,180	1,799,180
Miscellaneous	334	(44,641)	28,526
Total revenues	<u>22,334</u>	<u>3,344,010</u>	<u>59,115,492</u>
EXPENDITURES			
Current			
General government			16,306,128
Judicial			367,866
Public safety			20,598,899
Public works	16,365		5,561,592
Culture and recreation		2,394,989	2,394,989
Total current	<u>16,365</u>	<u>2,394,989</u>	<u>45,229,474</u>
Capital outlay			
General government			19
Public safety			204,732
Public works			1,458,390
Culture and recreation		36,754	36,754
Total capital outlay		<u>36,754</u>	<u>1,699,895</u>
Debt service			
Principal payments			265,000
Interest charges			355,425
Total debt service			<u>620,425</u>
Total expenditures	<u>16,365</u>	<u>2,431,743</u>	<u>47,549,794</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,969</u>	<u>912,267</u>	<u>11,565,698</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets			21,281
Transfers in		178	653,052
Transfers out		(274,794)	(2,542,991)
Total other financing sources (uses)		<u>(274,616)</u>	<u>(1,868,658)</u>
CHANGE IN FUND BALANCE	5,969	637,651	9,697,040
FUND BALANCE, BEGINNING OF YEAR	<u>57,256</u>	<u>2,786,086</u>	<u>89,252,886</u>
FUND BALANCE, END OF YEAR	<u>\$ 63,225</u>	<u>\$ 3,423,737</u>	<u>\$ 98,949,926</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2021

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 1,622,312	\$ 6,142,869	\$ 7,765,181
Interest receivable	2,190	12,397	14,587
Taxes receivable		213,661	213,661
Special assessments receivable	748,788		748,788
Due from other governments		47,012	47,012
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>2,373,290</u>	\$ <u>6,415,939</u>	\$ <u>8,789,229</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 356	\$	\$ 356
Due to other governments	156		156
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	512		512
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		213,661	213,661
Unavailable revenue, special assessments	748,788		748,788
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	748,788	213,661	962,449
Total liabilities and deferred inflows of resources	749,300	213,661	962,961
FUND BALANCES			
Restricted	1,623,990	6,202,278	7,826,268
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>2,373,290</u>	\$ <u>6,415,939</u>	\$ <u>8,789,229</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, 2021

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
REVENUES			
Property taxes	\$	\$ 5,828,856	\$ 5,828,856
Special assessments	117,207		117,207
Investment income	62,313	5,447	67,760
Miscellaneous	387,833		387,833
Total revenues	<u>567,353</u>	<u>5,834,303</u>	<u>6,401,656</u>
EXPENDITURES			
Current			
General government		13,194	13,194
Public works	6,507		6,507
Total current	<u>6,507</u>	<u>13,194</u>	<u>19,701</u>
Debt service			
Principal payments		8,425,771	8,425,771
Interest charges		4,880,406	4,880,406
Total debt service		<u>13,306,177</u>	<u>13,306,177</u>
Total expenditures	<u>6,507</u>	<u>13,319,371</u>	<u>13,325,878</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>560,846</u>	<u>(7,485,068)</u>	<u>(6,924,222)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		6,083,699	6,083,699
Transfers out	(183,126)		(183,126)
Total other financing sources (uses)	<u>(183,126)</u>	<u>6,083,699</u>	<u>5,900,573</u>
CHANGE IN FUND BALANCE	377,720	(1,401,369)	(1,023,649)
FUND BALANCE, BEGINNING OF YEAR	<u>1,246,270</u>	<u>7,603,647</u>	<u>8,849,917</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,623,990</u>	<u>\$ 6,202,278</u>	<u>\$ 7,826,268</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2021

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 28,258,160	\$ 2,682,629	\$ 6,352,380	\$ 230,671
Cash, cash equivalents and investments, restricted	7,050,200			
Accounts receivable, net				
Interest receivable	32,737	4,965	8,566	321
Due from other governments				
Deposits				
Land held for resale				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 35,341,097</u>	<u>\$ 2,687,594</u>	<u>\$ 6,360,946</u>	<u>\$ 230,992</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 109,720	\$ 415,687	\$ 124,612	\$
Accrued wages	2,588	338		
Advances from other funds				
Unearned revenue				
Deposits	<u>499,673</u>			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>611,981</u>	<u>416,025</u>	<u>124,612</u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, other receivables				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>611,981</u>	<u>416,025</u>	<u>124,612</u>	<u> </u>
FUND BALANCES				
Restricted	7,050,200	2,271,569	6,236,334	230,992
Committed				
Assigned	<u>27,678,916</u>			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>34,729,116</u>	<u>2,271,569</u>	<u>6,236,334</u>	<u>230,992</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,341,097</u>	<u>\$ 2,687,594</u>	<u>\$ 6,360,946</u>	<u>\$ 230,992</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2021

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 565,340	\$ 216,613	\$ 37,699,301
Cash, cash equivalents and investments, restricted			1,951,415
Accounts receivable, net			97,992
Interest receivable	768	907	33,791
Due from other governments		643,449	
Deposits			
Land held for resale			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 566,108</u>	<u>\$ 860,969</u>	<u>\$ 39,782,499</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 24,793	\$	\$ 446,561
Accrued wages			7,584
Advances from other funds			
Unearned revenue			13,222,200
Deposits			
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>24,793</u>	<u> </u>	<u>13,676,345</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, other receivables			27,672
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>24,793</u>	<u> </u>	<u>13,704,017</u>
FUND BALANCES			
Restricted	541,315	860,969	4,451,495
Committed			
Assigned			21,626,987
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>541,315</u>	<u>860,969</u>	<u>26,078,482</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 566,108</u>	<u>\$ 860,969</u>	<u>\$ 39,782,499</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2021

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 32,475,785	\$ 23,678,882	\$ 3,068,778	\$ 135,228,539
Cash, cash equivalents and investments, restricted			49,738,050	58,739,665
Accounts receivable, net	16,214			114,206
Interest receivable	767	33,574	4,391	120,787
Due from other governments				643,449
Deposits			1,332,503	1,332,503
Land held for resale		4,439,549		4,439,549
Total assets	<u>\$ 32,492,766</u>	<u>\$ 28,152,005</u>	<u>\$ 54,143,722</u>	<u>\$ 200,618,698</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$	\$ 549,532	\$ 59,494	\$ 1,730,399
Accrued wages		17,760		28,270
Advances from other funds	751,273			751,273
Unearned revenue				13,222,200
Deposits	<u>26,213</u>			<u>525,886</u>
Total liabilities	<u>777,486</u>	<u>567,292</u>	<u>59,494</u>	<u>16,258,028</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, other receivables				<u>27,672</u>
Total liabilities and deferred inflows of resources	<u>777,486</u>	<u>567,292</u>	<u>59,494</u>	<u>16,285,700</u>
FUND BALANCES				
Restricted	31,715,280		51,015,450	104,373,604
Committed		27,584,713		27,584,713
Assigned			<u>3,068,778</u>	<u>52,374,681</u>
Total fund balances	<u>31,715,280</u>	<u>27,584,713</u>	<u>54,084,228</u>	<u>184,332,998</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,492,766</u>	<u>\$ 28,152,005</u>	<u>\$ 54,143,722</u>	<u>\$ 200,618,698</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, 2021

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
REVENUES				
Property taxes	\$	\$	\$	\$
Intergovernmental	327			
Charges for services				
Investment income	41,360	(24,138)	7,193	48
Developer contributions	3,683,694			
Residential construction tax			1,649,294	
Miscellaneous	251,426			
Total revenues	<u>3,976,807</u>	<u>(24,138)</u>	<u>1,656,487</u>	<u>48</u>
EXPENDITURES				
Current				
General government	645,033			
Public safety	130,191			
Public works	34,213			
Culture and recreation		942,417	27,314	
Community support				
Total current	<u>809,437</u>	<u>942,417</u>	<u>27,314</u>	
Capital outlay				
General government	612,368			
Public safety	182,704			
Public works				
Culture and recreation		4,585,433	737,000	
Total capital outlay	<u>795,072</u>	<u>4,585,433</u>	<u>737,000</u>	
Debt service				
Interest charges				
Total expenditures	<u>1,604,509</u>	<u>5,527,850</u>	<u>764,314</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,372,298</u>	<u>(5,551,988)</u>	<u>892,173</u>	<u>48</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Transfers in	13,098,275			
Transfers out	(3,100,000)			
Total other financing sources (uses)	<u>9,998,275</u>			
CHANGE IN FUND BALANCE	12,370,573	(5,551,988)	892,173	48
FUND BALANCE, BEGINNING OF YEAR	<u>22,358,543</u>	<u>7,823,557</u>	<u>5,344,161</u>	<u>230,944</u>
FUND BALANCE, END OF YEAR	<u>\$ 34,729,116</u>	<u>\$ 2,271,569</u>	<u>\$ 6,236,334</u>	<u>\$ 230,992</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, 2021

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
REVENUES			
Property taxes	\$	\$ 1,490,153	\$
Intergovernmental			17,415
Charges for services			36,917
Investment income	5,984	4,314	12,180
Developer contributions			307,701
Residential construction tax			
Miscellaneous			653,739
Total revenues	<u>5,984</u>	<u>1,494,467</u>	<u>1,027,952</u>
EXPENDITURES			
Current			
General government			1,579,857
Public safety			751,048
Public works			425,536
Culture and recreation			2,629
Community support			
Total current			<u>2,759,070</u>
Capital outlay			
General government			4,052,351
Public safety			1,086,053
Public works			4,546,042
Culture and recreation			92,556
Total capital outlay			<u>9,777,002</u>
Debt service			
Interest charges			
Total expenditures			<u>12,536,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,984</u>	<u>1,494,467</u>	<u>(11,508,120)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales			
Transfers in			8,575,000
Transfers out		(1,300,000)	(23,000)
Total other financing sources (uses)		<u>(1,300,000)</u>	<u>8,552,000</u>
CHANGE IN FUND BALANCE	5,984	194,467	(2,956,120)
FUND BALANCE, BEGINNING OF YEAR	<u>535,331</u>	<u>666,502</u>	<u>29,034,602</u>
FUND BALANCE, END OF YEAR	<u>\$ 541,315</u>	<u>\$ 860,969</u>	<u>\$ 26,078,482</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, 2021

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
REVENUES				
Property taxes	\$	\$	\$	\$ 1,490,153
Intergovernmental		82		17,824
Charges for services				36,917
Investment income	10,195	(51,616)	(30,102)	(24,582)
Developer contributions				3,991,395
Residential construction tax				1,649,294
Miscellaneous		152,049	318,000	1,375,214
Total revenues	<u>10,195</u>	<u>100,515</u>	<u>287,898</u>	<u>8,536,215</u>
EXPENDITURES				
Current				
General government		263,302		2,488,192
Public safety			87,063	968,302
Public works	37,175	445,510		942,434
Culture and recreation		1,115,844	54,024	2,142,228
Community support			101,175	101,175
Total current	<u>37,175</u>	<u>1,824,656</u>	<u>242,262</u>	<u>6,642,331</u>
Capital outlay				
General government				4,664,719
Public safety			1,660,739	2,929,496
Public works	2,704,233	1,987,706		9,237,981
Culture and recreation		221,118	28,704,784	34,340,891
Total capital outlay	<u>2,704,233</u>	<u>2,208,824</u>	<u>30,365,523</u>	<u>51,173,087</u>
Debt service				
Interest charges	<u>50,039</u>			<u>50,039</u>
Total expenditures	<u>2,791,447</u>	<u>4,033,480</u>	<u>30,607,785</u>	<u>57,865,457</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,781,252)</u>	<u>(3,932,965)</u>	<u>(30,319,887)</u>	<u>(49,329,242)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales		200,623		200,623
Transfers in	183,126	200,000	3,100,000	25,156,401
Transfers out		(903,000)		(5,326,000)
Total other financing sources (uses)	<u>183,126</u>	<u>(502,377)</u>	<u>3,100,000</u>	<u>20,031,024</u>
CHANGE IN FUND BALANCE	(2,598,126)	(4,435,342)	(27,219,887)	(29,298,218)
FUND BALANCE, BEGINNING OF YEAR	<u>34,313,406</u>	<u>32,020,055</u>	<u>81,304,115</u>	<u>213,631,216</u>
FUND BALANCE, END OF YEAR	<u>\$ 31,715,280</u>	<u>\$ 27,584,713</u>	<u>\$ 54,084,228</u>	<u>\$ 184,332,998</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 78,690,639	\$ 80,992,884	\$ 2,302,245
Franchise fees	33,533,584	31,865,215	(1,668,369)
Licenses and permits	11,931,000	14,588,735	2,657,735
Intergovernmental	134,922,128	140,570,172	5,648,044
Charges for services	24,195,261	22,500,307	(1,694,954)
Fines and forfeitures	2,582,248	3,296,133	713,885
Impact fees	2,000,000	2,204,865	204,865
Investment income	445,000	107,444	(337,556)
Miscellaneous	1,085,051	1,135,452	50,401
Total revenues	<u>289,384,911</u>	<u>297,261,207</u>	<u>7,876,296</u>
EXPENDITURES			
General government			
Mayor and council			
Salaries and wages	475,372	457,389	17,983
Employee benefits	289,652	234,172	55,480
Services and supplies	253,930	94,732	159,198
Total mayor and council	<u>1,018,954</u>	<u>786,293</u>	<u>232,661</u>
City manager			
Salaries and wages	1,542,309	1,559,313	(17,004)
Employee benefits	652,209	649,807	2,402
Services and supplies	290,478	147,990	142,488
Total city manager	<u>2,484,996</u>	<u>2,357,110</u>	<u>127,886</u>
Finance			
Salaries and wages	3,933,484	3,648,041	285,443
Employee benefits	1,847,793	1,703,818	143,975
Services and supplies	837,359	625,429	211,930
Capital outlay	30,000	10,273	19,727
Total finance	<u>6,648,636</u>	<u>5,987,561</u>	<u>661,075</u>
Information technology			
Salaries and wages	5,646,278	5,553,408	92,870
Employee benefits	2,579,981	2,470,370	109,611
Services and supplies	1,591,791	1,251,213	340,578
Total information technology	<u>9,818,050</u>	<u>9,274,991</u>	<u>543,059</u>
City clerk			
Salaries and wages	1,418,800	1,306,775	112,025
Employee benefits	718,475	591,473	127,002
Services and supplies	349,301	236,119	113,182
Capital outlay	2,000	1,749	251
Total city clerk	<u>2,488,576</u>	<u>2,136,116</u>	<u>352,460</u>
Human resources			
Salaries and wages	2,235,784	1,968,927	266,857
Employee benefits	1,054,810	939,208	115,602
Services and supplies	1,050,174	724,772	325,402
Capital outlay	43,296	43,296	
Total human resources	<u>4,384,064</u>	<u>3,676,203</u>	<u>707,861</u>
City attorney			
Salaries and wages	2,002,186	1,984,059	18,127
Employee benefits	841,580	823,232	18,348
Services and supplies	826,536	741,921	84,615
Total city attorney	<u>3,670,302</u>	<u>3,549,212</u>	<u>121,090</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, 2021

	Final Budget	Actual	Variance
Community development			
Salaries and wages	2,428,261	2,374,722	53,539
Employee benefits	1,147,929	1,118,298	29,631
Services and supplies	643,161	444,138	199,023
Total community development	<u>4,219,351</u>	<u>3,937,158</u>	<u>282,193</u>
Building maintenance			
Salaries and wages	4,247,139	4,051,277	195,862
Employee benefits	2,136,838	2,064,024	72,814
Services and supplies	4,435,695	3,957,261	478,434
Capital outlay	77,260	47,259	30,001
Total building maintenance	<u>10,896,932</u>	<u>10,119,821</u>	<u>777,111</u>
Public affairs			
Salaries and wages	1,183,028	866,714	316,314
Employee benefits	541,065	396,553	144,512
Services and supplies	1,471,322	480,994	990,328
Capital outlay		459,153	(459,153)
Total public affairs	<u>3,195,415</u>	<u>2,203,414</u>	<u>992,001</u>
Internal audit			
Salaries and wages	391,461	396,280	(4,819)
Employee benefits	168,024	166,183	1,841
Services and supplies	31,108	26,254	4,854
Total internal audit	<u>590,593</u>	<u>588,717</u>	<u>1,876</u>
Government and Community Relations			
Salaries and wages	504,037	721,605	(217,568)
Employee benefits	209,308	314,990	(105,682)
Services and supplies	867,311	483,050	384,261
Total government and community relations	<u>1,580,656</u>	<u>1,519,645</u>	<u>61,011</u>
Miscellaneous			
Salaries and wages	3,306,330	3,407,709	(101,379)
Employee benefits	648,000	524,891	123,109
Services and supplies	2,950,008	1,004,897	1,945,111
Total miscellaneous	<u>6,904,338</u>	<u>4,937,497</u>	<u>1,966,841</u>
Total general government	<u>57,900,863</u>	<u>51,073,738</u>	<u>6,827,125</u>
Judicial			
Municipal court			
Salaries and wages	4,444,745	4,317,929	126,816
Employee benefits	2,329,581	2,308,231	21,350
Services and supplies	1,399,788	1,186,237	213,551
Total municipal court	<u>8,174,114</u>	<u>7,812,397</u>	<u>361,717</u>
City attorney- criminal			
Salaries and wages	2,374,233	2,341,543	32,690
Employee benefits	1,150,473	1,145,798	4,675
Services and supplies	340,628	284,472	56,156
Total city attorney- criminal	<u>3,865,334</u>	<u>3,771,813</u>	<u>93,521</u>
Total judicial	<u>12,039,448</u>	<u>11,584,210</u>	<u>455,238</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, 2021

	Final Budget	Actual	Variance
Public safety			
Fire			
Salaries and wages	37,595,286	36,809,984	785,302
Employee benefits	18,339,818	18,351,231	(11,413)
Services and supplies	5,171,217	5,047,444	123,773
Capital outlay	1,678	52	1,626
Total fire	<u>61,107,999</u>	<u>60,208,711</u>	<u>899,288</u>
Police			
Salaries and wages	56,194,951	54,138,545	2,056,406
Employee benefits	31,525,720	30,860,177	665,543
Services and supplies	15,893,495	14,875,104	1,018,391
Total police	<u>103,614,166</u>	<u>99,873,826</u>	<u>3,740,340</u>
Building inspection			
Salaries and wages	1,250,515	1,235,543	14,972
Employee benefits	633,843	629,284	4,559
Services and supplies	397,173	248,902	148,271
Total building inspection	<u>2,281,531</u>	<u>2,113,729</u>	<u>167,802</u>
Emergency management			
Salaries and wages	1,134,627	991,258	143,369
Employee benefits	518,024	447,109	70,915
Services and supplies	888,488	524,968	363,520
Capital outlay	3,576	3,575	1
Total emergency management	<u>2,544,715</u>	<u>1,966,910</u>	<u>577,805</u>
Total public safety	<u>169,548,411</u>	<u>164,163,176</u>	<u>5,385,235</u>
Public works			
Street lighting			
Salaries and wages	549,817	510,952	38,865
Employee benefits	252,542	247,247	5,295
Services and supplies	1,245,173	1,187,007	58,166
Total street lighting	<u>2,047,532</u>	<u>1,945,206</u>	<u>102,326</u>
Public works general services			
Salaries and wages	2,340,490	1,947,647	392,843
Employee benefits	1,076,394	880,647	195,747
Services and supplies	1,784,935	1,374,219	410,716
Capital outlay	659,392	216,325	443,067
Total public works general services	<u>5,861,211</u>	<u>4,418,838</u>	<u>1,442,373</u>
Total public works	<u>7,908,743</u>	<u>6,364,044</u>	<u>1,544,699</u>
Culture and recreation			
Parks			
Salaries and wages	8,106,374	7,786,833	319,541
Employee benefits	4,330,505	4,128,541	201,964
Services and supplies	7,688,338	7,514,498	173,840
Capital outlay	22,626	22,434	192
Total parks	<u>20,147,843</u>	<u>19,452,306</u>	<u>695,537</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, 2021

	Final Budget	Actual	Variance
Recreation			
Salaries and wages	12,739,792	10,583,042	2,156,750
Employee benefits	4,208,123	3,732,263	475,860
Services and supplies	4,206,494	3,782,767	423,727
Total recreation	<u>21,154,409</u>	<u>18,098,072</u>	<u>3,056,337</u>
Total culture and recreation	<u>41,302,252</u>	<u>37,550,378</u>	<u>3,751,874</u>
Community support			
Economic development			
Salaries and wages	529,069	496,724	32,345
Employee benefits	237,334	207,143	30,191
Services and supplies	304,164	219,119	85,045
Total economic development	<u>1,070,567</u>	<u>922,986</u>	<u>147,581</u>
Neighborhood services			
Salaries and wages	366,829	251,592	115,237
Employee benefits	204,052	116,874	87,178
Services and supplies	519,332	285,681	233,651
Total neighborhood services	<u>1,090,213</u>	<u>654,147</u>	<u>436,066</u>
Total community support	<u>2,160,780</u>	<u>1,577,133</u>	<u>583,647</u>
Total expenditures	<u>290,860,497</u>	<u>272,312,679</u>	<u>18,547,818</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,475,586)</u>	<u>24,948,528</u>	<u>26,424,114</u>
OTHER FINANCING SOURCES (USES)			
Capital leases		459,153	459,153
Proceeds from sale of capital assets		950	950
Transfers in	15,641	15,641	
Transfers out	(1,678,310)	(22,374,459)	(20,696,149)
Total other financing sources (uses)	<u>(1,662,669)</u>	<u>(21,898,715)</u>	<u>(20,236,046)</u>
CHANGE IN FUND BALANCE	(3,138,255)	3,049,813	6,188,068
FUND BALANCE, BEGINNING OF YEAR	<u>27,165,660</u>	<u>27,165,660</u>	
FUND BALANCE, END OF YEAR	<u>\$ 24,027,405</u>	<u>\$ 30,215,473</u>	<u>\$ 6,188,068</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 107,336,097	\$ 46,760,119	\$ (60,575,978)
Miscellaneous	350,000	250,252	(99,748)
Total revenues	<u>107,686,097</u>	<u>47,010,371</u>	<u>(60,675,726)</u>
EXPENDITURES			
General government			
Salaries and wages	595,502	248,993	346,509
Employee benefits	267,895	68,030	199,865
Services and supplies	2,775,673	2,179,580	596,093
Capital outlay	124,860	94,700	30,160
Total general government	<u>3,763,930</u>	<u>2,591,303</u>	<u>1,172,627</u>
Judicial			
Salaries and wages	90,693		90,693
Employee benefits	31,549		31,549
Services and supplies	475,926	123,624	352,302
Total judicial	<u>598,168</u>	<u>123,624</u>	<u>474,544</u>
Public safety			
Salaries and wages	571,154	523,139	48,015
Employee benefits	121,381	88,799	32,582
Services and supplies	10,834,291	5,332,949	5,501,342
Capital outlay	1,544,496	534,461	1,010,035
Total public safety	<u>13,071,322</u>	<u>6,479,348</u>	<u>6,591,974</u>
Public works			
Salaries and wages	90,500	349	90,151
Employee benefits	31,880	182	31,698
Services and supplies	927,586	124,283	803,303
Capital outlay	6,281,859	1,427,512	4,854,347
Total public works	<u>7,331,825</u>	<u>1,552,326</u>	<u>5,779,499</u>
Culture and recreation			
Salaries and wages	2,775,030	1,697,791	1,077,239
Employee benefits	393,364	269,100	124,264
Services and supplies	23,401,443	6,922,847	16,478,596
Capital outlay	27,566,048	11,985,970	15,580,078
Total culture and recreation	<u>54,135,885</u>	<u>20,875,708</u>	<u>33,260,177</u>
Community support			
Salaries and wages	1,198,292	247,275	951,017
Employee benefits	152,608	124,917	27,691
Services and supplies	26,794,067	15,180,372	11,613,695
Capital outlay	640,000		640,000
Total community support	<u>28,784,967</u>	<u>15,552,564</u>	<u>13,232,403</u>
Total expenditures	<u>107,686,097</u>	<u>47,174,873</u>	<u>60,511,224</u>
CHANGE IN FUND BALANCE		(164,502)	(164,502)
FUND BALANCE, BEGINNING OF YEAR	<u>910,181</u>	<u>910,181</u>	
FUND BALANCE, END OF YEAR	<u>\$ 910,181</u>	<u>\$ 745,679</u>	<u>\$ (164,502)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 22,495,913	\$ 23,374,852	\$ 878,939
Intergovernmental		2,730	2,730
Investment income	179,670	38,364	(141,306)
Miscellaneous	<u>27,666</u>	<u>25,368</u>	<u>(2,298)</u>
Total revenues	<u>22,703,249</u>	<u>23,441,314</u>	<u>738,065</u>
EXPENDITURES			
General government			
Salaries and wages	956,749	804,566	152,183
Employee benefits	449,299	372,414	76,885
Services and supplies	24,613,224	15,129,148	9,484,076
Capital outlay	<u>448,672</u>	<u>19</u>	<u>448,653</u>
Total general government	<u>26,467,944</u>	<u>16,306,147</u>	<u>10,161,797</u>
Debt service			
Principal payments	265,000	265,000	
Interest charges	<u>355,425</u>	<u>355,425</u>	
Total debt service	<u>620,425</u>	<u>620,425</u>	
Total expenditures	<u>27,088,369</u>	<u>16,926,572</u>	<u>10,161,797</u>
Transfers out		<u>(2,225,556)</u>	<u>(2,225,556)</u>
CHANGE IN FUND BALANCE	(4,385,120)	4,289,186	8,674,306
FUND BALANCE, BEGINNING OF YEAR	<u>33,251,117</u>	<u>33,251,117</u>	
FUND BALANCE, END OF YEAR	<u>\$ 28,865,997</u>	<u>\$ 37,540,303</u>	<u>\$ 8,674,306</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 6,581,746	\$ 6,694,081	\$ 112,335
Investment income	100,000	(2,485)	(102,485)
Miscellaneous		<u>1,182</u>	<u>1,182</u>
Total revenues	<u>6,681,746</u>	<u>6,692,778</u>	<u>11,032</u>
EXPENDITURES			
Public works			
Salaries and wages	1,862,432	1,770,337	92,095
Employee benefits	911,479	863,531	47,948
Services and supplies	4,301,455	2,911,359	1,390,096
Capital outlay	<u>7,499,518</u>	<u>1,458,390</u>	<u>6,041,128</u>
Total public works	<u>14,574,884</u>	<u>7,003,617</u>	<u>7,571,267</u>
CHANGE IN FUND BALANCE	(7,893,138)	(310,839)	7,582,299
FUND BALANCE, BEGINNING OF YEAR	<u>14,459,191</u>	<u>14,459,191</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,566,053</u>	<u>\$ 14,148,352</u>	<u>\$ 7,582,299</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 419,277	\$ 454,086	\$ 34,809
Investment income	1,227	970	(257)
Miscellaneous	<u>32,791</u>	<u>16,791</u>	<u>(16,000)</u>
Total revenues	<u>453,295</u>	<u>471,847</u>	<u>18,552</u>
EXPENDITURES			
Public safety			
Services and supplies	560,912	242,192	318,720
Capital outlay	<u>67,252</u>	<u>67,251</u>	<u>1</u>
Total public safety	<u>628,164</u>	<u>309,443</u>	<u>318,721</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(174,869)</u>	<u>162,404</u>	<u>337,273</u>
OTHER FINANCING SOURCES			
Proceeds from sale of capital assets	<u> </u>	<u>21,281</u>	<u>21,281</u>
CHANGE IN FUND BALANCE	(174,869)	183,685	358,554
FUND BALANCE, BEGINNING OF YEAR	<u>184,008</u>	<u>184,008</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 9,139</u>	<u>\$ 367,693</u>	<u>\$ 358,554</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 4,079	\$ 4,080	\$ 1
Fines and forfeitures	<u>620,000</u>	<u>604,594</u>	<u>(15,406)</u>
Total revenues	<u>624,079</u>	<u>608,674</u>	<u>(15,405)</u>
EXPENDITURES			
Judicial			
Salaries and wages	199,686	120,164	79,522
Employee benefits	76,669	66,101	10,568
Services and supplies	<u>414,653</u>	<u>181,601</u>	<u>233,052</u>
Total judicial	<u>691,008</u>	<u>367,866</u>	<u>323,142</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(66,929)</u>	<u>240,808</u>	<u>307,737</u>
OTHER FINANCING USES			
Transfers out	<u>(15,641)</u>	<u>(15,641)</u>	
CHANGE IN FUND BALANCE	(82,570)	225,167	307,737
FUND BALANCE, BEGINNING OF YEAR	<u>1,316,704</u>	<u>1,316,704</u>	
FUND BALANCE, END OF YEAR	<u><u>\$ 1,234,134</u></u>	<u><u>\$ 1,541,871</u></u>	<u><u>\$ 307,737</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 33,338	\$ 34,035	\$ 697
Investment income	<u>200,000</u>	<u>6,312</u>	<u>(193,688)</u>
Total revenues	<u>233,338</u>	<u>40,347</u>	<u>(192,991)</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u> </u>	<u>597,874</u>	<u>597,874</u>
 CHANGE IN FUND BALANCE	233,338	638,221	404,883
 FUND BALANCE, BEGINNING OF YEAR	<u>24,054,904</u>	<u>24,054,904</u>	<u> </u>
 FUND BALANCE, END OF YEAR	<u>\$ 24,288,242</u>	<u>\$ 24,693,125</u>	<u>\$ 404,883</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 17,500,000	\$ 19,055,000	\$ 1,555,000
Charges for services		93,272	93,272
Investment income	25,000	6,736	(18,264)
Miscellaneous		26,466	26,466
Total revenues	<u>17,525,000</u>	<u>19,181,474</u>	<u>1,656,474</u>
EXPENDITURES			
Public safety			
Salaries and wages	9,819,005	9,352,766	466,239
Employee benefits	6,345,653	5,653,555	692,098
Services and supplies	1,889,808	1,504,700	385,108
Capital outlay	2,175	2,175	
Total public safety	<u>18,056,641</u>	<u>16,513,196</u>	<u>1,543,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(531,641)</u>	<u>2,668,278</u>	<u>3,199,919</u>
OTHER FINANCING USES			
Transfers out	<u>(27,000)</u>	<u>(27,000)</u>	
CHANGE IN FUND BALANCE	(558,641)	2,641,278	3,199,919
FUND BALANCE, BEGINNING OF YEAR	<u>7,222,546</u>	<u>7,222,546</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,663,905</u>	<u>\$ 9,863,824</u>	<u>\$ 3,199,919</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 70,000	\$ 59,983	\$ (10,017)
Investment income	<u>8,550</u>	<u>180</u>	<u>(8,370)</u>
Total revenues	<u>78,550</u>	<u>60,163</u>	<u>(18,387)</u>
EXPENDITURES			
Public safety			
Services and supplies	<u>200,000</u>	<u>19,910</u>	<u>180,090</u>
CHANGE IN FUND BALANCE	(121,450)	40,253	161,703
FUND BALANCE, BEGINNING OF YEAR	<u>517,034</u>	<u>517,034</u>	
FUND BALANCE, END OF YEAR	<u>\$ 395,584</u>	<u>\$ 557,287</u>	<u>\$ 161,703</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 55,000	\$ 55,000	\$
Investment income	4,500	198	(4,302)
Miscellaneous	<u>5,000</u>	<u>964</u>	<u>(4,036)</u>
Total revenues	<u>64,500</u>	<u>56,162</u>	<u>(8,338)</u>
EXPENDITURES			
Public safety			
Salaries and wages	1,800	10,354	(8,554)
Employee benefits	1,100	5,357	(4,257)
Services and supplies	134,700	47,435	87,265
Capital outlay	<u>145,544</u>	<u>133,856</u>	<u>11,688</u>
Total public safety	<u>283,144</u>	<u>197,002</u>	<u>86,142</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(218,644)</u>	<u>(140,840)</u>	<u>77,804</u>
OTHER FINANCING SOURCES			
Transfers in	<u>55,000</u>	<u>55,000</u>	
CHANGE IN FUND BALANCE	(163,644)	(85,840)	77,804
FUND BALANCE, BEGINNING OF YEAR	<u>426,810</u>	<u>426,810</u>	
FUND BALANCE, END OF YEAR	<u>\$ 263,166</u>	<u>\$ 340,970</u>	<u>\$ 77,804</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 4,700,000	\$ 5,119,321	\$ 419,321
Charges for services		69,419	69,419
Investment income	25,000	5,587	(19,413)
Miscellaneous		2,062	2,062
Total revenues	<u>4,725,000</u>	<u>5,196,389</u>	<u>471,389</u>
EXPENDITURES			
Public safety			
Salaries and wages	2,287,723	2,022,673	265,050
Employee benefits	1,727,202	1,335,361	391,841
Services and supplies	976,498	404,596	571,902
Capital outlay	1,500	1,450	50
Total public safety	<u>4,992,923</u>	<u>3,764,080</u>	<u>1,228,843</u>
CHANGE IN FUND BALANCE	(267,923)	1,432,309	1,700,232
FUND BALANCE, BEGINNING OF YEAR	<u>4,977,230</u>	<u>4,977,230</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,709,307</u>	<u>\$ 6,409,539</u>	<u>\$ 1,700,232</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 55,000	\$ 21,955	\$ (33,045)
Investment income		45	45
Miscellaneous		334	334
Total revenues	<u>55,000</u>	<u>22,334</u>	<u>(32,666)</u>
EXPENDITURES			
Public works			
Salaries and wages	3,761	1,895	1,866
Employee benefits	1,579	1,053	526
Services and supplies	49,660	13,417	36,243
Total public works	<u>55,000</u>	<u>16,365</u>	<u>38,635</u>
CHANGE IN FUND BALANCE		5,969	5,969
FUND BALANCE, BEGINNING OF YEAR	<u>57,256</u>	<u>57,256</u>	
FUND BALANCE, END OF YEAR	<u>\$ 57,256</u>	<u>\$ 63,225</u>	<u>\$ 5,969</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 950,000	\$ 1,578,486	\$ 628,486
Charges for services	110,000	12,270	(97,730)
Investment income	5,000	(1,285)	(6,285)
Room taxes	1,650,000	1,799,180	149,180
Miscellaneous	180,000	(44,641)	(224,641)
Total revenues	<u>2,895,000</u>	<u>3,344,010</u>	<u>449,010</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	978,399	799,853	178,546
Employee benefits	317,416	301,793	15,623
Services and supplies	1,956,633	1,293,343	663,290
Capital outlay	40,000	36,754	3,246
Total culture and recreation	<u>3,292,448</u>	<u>2,431,743</u>	<u>860,705</u>
Total expenditures	<u>3,292,448</u>	<u>2,431,743</u>	<u>860,705</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(397,448)</u>	<u>912,267</u>	<u>1,309,715</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	178	178	
Transfers out	<u>(274,794)</u>	<u>(274,794)</u>	
Total other financing sources (uses)	<u>(274,616)</u>	<u>(274,616)</u>	
CHANGE IN FUND BALANCE	(672,064)	637,651	1,309,715
FUND BALANCE, BEGINNING OF YEAR	<u>2,786,086</u>	<u>2,786,086</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,114,022</u>	<u>\$ 3,423,737</u>	<u>\$ 1,309,715</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 86,016	\$ 117,207	\$ 31,191
Investment income	72,759	62,313	(10,446)
Miscellaneous	<u>389,000</u>	<u>387,833</u>	<u>(1,167)</u>
Total revenues	<u>547,775</u>	<u>567,353</u>	<u>19,578</u>
EXPENDITURES			
Public works			
Services and supplies	<u>12,071</u>	<u>6,507</u>	<u>5,564</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>535,704</u>	<u>560,846</u>	<u>25,142</u>
OTHER FINANCING USES			
Transfers out	<u>(146,586)</u>	<u>(183,126)</u>	<u>(36,540)</u>
CHANGE IN FUND BALANCE	389,118	377,720	(11,398)
FUND BALANCE, BEGINNING OF YEAR	<u>1,246,270</u>	<u>1,246,270</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,635,388</u>	<u>\$ 1,623,990</u>	<u>\$ (11,398)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 5,709,418	\$ 5,828,856	\$ 119,438
Investment income	50,000	5,447	(44,553)
Miscellaneous	<u>2,225,556</u>		<u>(2,225,556)</u>
Total revenues	<u>7,984,974</u>	<u>5,834,303</u>	<u>(2,150,671)</u>
EXPENDITURES			
General government			
Services and supplies	<u>36,255</u>	<u>13,194</u>	<u>23,061</u>
Debt service			
Principal payments	8,328,259	8,425,771	(97,512)
Interest charges	<u>4,865,260</u>	<u>4,880,406</u>	<u>(15,146)</u>
Total debt service	<u>13,193,519</u>	<u>13,306,177</u>	<u>(112,658)</u>
Total expenditures	<u>13,229,774</u>	<u>13,319,371</u>	<u>(89,597)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,244,800)</u>	<u>(7,485,068)</u>	<u>(2,240,268)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>4,296,104</u>	<u>6,083,699</u>	<u>1,787,595</u>
CHANGE IN FUND BALANCE	(948,696)	(1,401,369)	(452,673)
FUND BALANCE, BEGINNING OF YEAR	<u>7,603,647</u>	<u>7,603,647</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,654,951</u>	<u>\$ 6,202,278</u>	<u>\$ (452,673)</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 327	\$ 327
Investment income	157,100	41,360	(115,740)
Developer contributions	1,000,000	3,683,694	2,683,694
Miscellaneous	<u>251,426</u>	<u>251,426</u>	<u>251,426</u>
Total revenues	<u>1,157,100</u>	<u>3,976,807</u>	<u>2,819,707</u>
EXPENDITURES			
General government			
Salaries and wages		6,526	(6,526)
Employee benefits		296	(296)
Services and supplies	1,188,621	638,211	550,410
Capital outlay	<u>3,532,610</u>	<u>612,368</u>	<u>2,920,242</u>
Total general government	<u>4,721,231</u>	<u>1,257,401</u>	<u>3,463,830</u>
Public safety			
Salaries and wages	580	580	
Employee benefits	27	26	1
Services and supplies	214,694	129,585	85,109
Capital outlay	<u>824,155</u>	<u>182,704</u>	<u>641,451</u>
Total public safety	<u>1,039,456</u>	<u>312,895</u>	<u>726,561</u>
Public works			
Salaries and wages	50,175	26,967	23,208
Employee benefits	2,145	1,200	945
Services and supplies	126,177	6,046	120,131
Capital outlay	<u>589,070</u>	<u></u>	<u>589,070</u>
Total public works	<u>767,567</u>	<u>34,213</u>	<u>733,354</u>
Total expenditures	<u>6,528,254</u>	<u>1,604,509</u>	<u>4,923,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,371,154)</u>	<u>2,372,298</u>	<u>7,743,452</u>
OTHER FINANCING SOURCES (USES)			
Transfers in		13,098,275	13,098,275
Transfers out	<u>(3,100,000)</u>	<u>(3,100,000)</u>	<u></u>
Total other financing sources (uses)	<u>(3,100,000)</u>	<u>9,998,275</u>	<u>13,098,275</u>
CHANGE IN FUND BALANCE	(8,471,154)	12,370,573	20,841,727
FUND BALANCE, BEGINNING OF YEAR	<u>22,358,543</u>	<u>22,358,543</u>	<u></u>
FUND BALANCE, END OF YEAR	<u>\$ 13,887,389</u>	<u>\$ 34,729,116</u>	<u>\$ 20,841,727</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>41,659</u>	\$ <u>(24,138)</u>	\$ <u>(65,797)</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages		32,430	(32,430)
Employee benefits		1,640	(1,640)
Services and supplies	930,938	908,347	22,591
Capital outlay	<u>5,446,850</u>	<u>4,585,433</u>	<u>861,417</u>
Total culture and recreation	<u>6,377,788</u>	<u>5,527,850</u>	<u>849,938</u>
CHANGE IN FUND BALANCE	(6,336,129)	(5,551,988)	784,141
FUND BALANCE, BEGINNING OF YEAR	<u>7,823,557</u>	<u>7,823,557</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>1,487,428</u></u>	\$ <u><u>2,271,569</u></u>	\$ <u><u>784,141</u></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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ 71,250	\$ 7,193	\$ (64,057)
Residential construction tax	<u>840,000</u>	<u>1,649,294</u>	<u>809,294</u>
Total revenues	<u>911,250</u>	<u>1,656,487</u>	<u>745,237</u>
EXPENDITURES			
Culture and recreation			
Salaries and wages	2,876	3,772	(896)
Employee benefits		617	(617)
Services and supplies	249,093	22,925	226,168
Capital outlay	<u>4,864,645</u>	<u>737,000</u>	<u>4,127,645</u>
Total culture and recreation	<u>5,116,614</u>	<u>764,314</u>	<u>4,352,300</u>
CHANGE IN FUND BALANCE	(4,205,364)	892,173	5,097,537
FUND BALANCE, BEGINNING OF YEAR	<u>5,344,161</u>	<u>5,344,161</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,138,797</u>	<u>\$ 6,236,334</u>	<u>\$ 5,097,537</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>5,400</u>	\$ <u>48</u>	\$ <u>(5,352)</u>
CHANGE IN FUND BALANCE	5,400	48	(5,352)
FUND BALANCE, BEGINNING OF YEAR	<u>230,944</u>	<u>230,944</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>236,344</u></u>	\$ <u><u>230,992</u></u>	\$ <u><u>(5,352)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ <u>3,184</u>	\$ <u>5,984</u>	\$ <u>2,800</u>
CHANGE IN FUND BALANCE	3,184	5,984	2,800
FUND BALANCE, BEGINNING OF YEAR	<u>535,331</u>	<u>535,331</u>	
FUND BALANCE, END OF YEAR	\$ <u><u>538,515</u></u>	\$ <u><u>541,315</u></u>	\$ <u><u>2,800</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,490,153	\$ 190,153
Investment income	<u>1,800</u>	<u>4,314</u>	<u>2,514</u>
Total revenues	<u>1,301,800</u>	<u>1,494,467</u>	<u>192,667</u>
 OTHER FINANCING USES			
Transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	
 CHANGE IN FUND BALANCE	1,800	194,467	192,667
 FUND BALANCE, BEGINNING OF YEAR	<u>666,502</u>	<u>666,502</u>	
 FUND BALANCE, END OF YEAR	<u>\$ 668,302</u>	<u>\$ 860,969</u>	<u>\$ 192,667</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 17,415	\$ 17,415
Charges for services	60,000	36,917	(23,083)
Investment income	182,100	12,180	(169,920)
Developer contributions	71,287	307,701	236,414
Miscellaneous	494,170	653,739	159,569
Total revenues	<u>807,557</u>	<u>1,027,952</u>	<u>220,395</u>
EXPENDITURES			
General government			
Salaries and wages	111,531	98,060	13,471
Employee benefits	7,355	10,221	(2,866)
Services and supplies	2,383,423	1,471,576	911,847
Capital outlay	5,795,318	4,052,351	1,742,967
Total general government	<u>8,297,627</u>	<u>5,632,208</u>	<u>2,665,419</u>
Public safety			
Salaries and wages	76,304	71,192	5,112
Employee benefits	35,071	21,076	13,995
Services and supplies	671,585	658,780	12,805
Capital outlay	3,112,694	1,086,053	2,026,641
Total public safety	<u>3,895,654</u>	<u>1,837,101</u>	<u>2,058,553</u>
Public works			
Salaries and wages		15,336	(15,336)
Employee benefits		3,421	(3,421)
Services and supplies	2,175,768	406,779	1,768,989
Capital outlay	6,298,907	4,546,042	1,752,865
Total public works	<u>8,474,675</u>	<u>4,971,578</u>	<u>3,503,097</u>
Culture and recreation			
Salaries and wages		32	(32)
Employee benefits		30	(30)
Services and supplies	2,653	2,567	86
Capital outlay	3,508,920	92,556	3,416,364
Total culture and recreation	<u>3,511,573</u>	<u>95,185</u>	<u>3,416,388</u>
Total expenditures	<u>24,179,529</u>	<u>12,536,072</u>	<u>11,643,457</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(23,371,972)</u>	<u>(11,508,120)</u>	<u>11,863,852</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,575,000	8,575,000	7,000,000
Transfers out	(75,607)	(23,000)	52,607
Total other financing sources (uses)	<u>1,499,393</u>	<u>8,552,000</u>	<u>7,052,607</u>
CHANGE IN FUND BALANCE	(21,872,579)	(2,956,120)	18,916,459
FUND BALANCE, BEGINNING OF YEAR	<u>29,034,602</u>	<u>29,034,602</u>	
FUND BALANCE, END OF YEAR	<u>\$ 7,162,023</u>	<u>\$ 26,078,482</u>	<u>\$ 18,916,459</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ 24,705	\$ 10,195	\$ (14,510)
EXPENDITURES			
Public works			
Services and supplies	66,000	37,175	28,825
Capital outlay	<u>2,704,235</u>	<u>2,704,233</u>	<u>2</u>
Total public works	<u>2,770,235</u>	<u>2,741,408</u>	<u>28,827</u>
Debt service			
Interest charges	<u>73,728</u>	<u>50,039</u>	<u>23,689</u>
Total expenditures	<u>2,843,963</u>	<u>2,791,447</u>	<u>52,516</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,819,258)</u>	<u>(2,781,252)</u>	<u>38,006</u>
OTHER FINANCING SOURCES			
Transfers in	<u>146,586</u>	<u>183,126</u>	<u>36,540</u>
CHANGE IN FUND BALANCE	(2,672,672)	(2,598,126)	74,546
FUND BALANCE, BEGINNING OF YEAR	<u>34,313,406</u>	<u>34,313,406</u>	
FUND BALANCE, END OF YEAR	<u>\$ 31,640,734</u>	<u>\$ 31,715,280</u>	<u>\$ 74,546</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, 2021

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 82	\$ 82
Investment income	337,500	(51,616)	(389,116)
Rental fees	30,000		(30,000)
Miscellaneous		152,049	152,049
Total revenues	<u>367,500</u>	<u>100,515</u>	<u>(266,985)</u>
EXPENDITURES			
General government			
Salaries and wages	182,670	182,656	14
Employee benefits	75,044	73,258	1,786
Services and supplies	153,898	7,388	146,510
Total general government	<u>411,612</u>	<u>263,302</u>	<u>148,310</u>
Public works			
Salaries and wages	110,627	154,208	(43,581)
Employee benefits	61,286	58,994	2,292
Services and supplies	664,792	232,308	432,484
Capital outlay	6,813,934	1,987,706	4,826,228
Total public works	<u>7,650,639</u>	<u>2,433,216</u>	<u>5,217,423</u>
Culture and recreation			
Services and supplies	1,399,500	1,115,844	283,656
Capital outlay	8,500,000	221,118	8,278,882
Total culture and recreation	<u>9,899,500</u>	<u>1,336,962</u>	<u>8,562,538</u>
Total expenditures	<u>17,961,751</u>	<u>4,033,480</u>	<u>13,928,271</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(17,594,251)</u>	<u>(3,932,965)</u>	<u>13,661,286</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales		200,623	200,623
Transfers in	200,000	200,000	
Transfers out	(903,000)	(903,000)	
Total other financing sources (uses)	<u>(703,000)</u>	<u>(502,377)</u>	<u>200,623</u>
CHANGE IN FUND BALANCE	(18,297,251)	(4,435,342)	13,861,909
FUND BALANCE, BEGINNING OF YEAR	<u>32,020,055</u>	<u>32,020,055</u>	
FUND BALANCE, END OF YEAR	<u>\$ 13,722,804</u>	<u>\$ 27,584,713</u>	<u>\$ 13,861,909</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income	\$ 30,000	\$ (30,102)	\$ (60,102)
Miscellaneous		318,000	318,000
Total revenues	<u>30,000</u>	<u>287,898</u>	<u>257,898</u>
EXPENDITURES			
General government			
Services and supplies	47,461		47,461
Public safety			
Services and supplies	3,547,889	87,063	3,460,826
Capital outlay	23,577,111	1,660,739	21,916,372
Total public safety	<u>27,125,000</u>	<u>1,747,802</u>	<u>25,377,198</u>
Culture and recreation			
Services and supplies	1,940,000	54,024	1,885,976
Capital outlay	47,910,000	28,704,784	19,205,216
Total culture and recreation	<u>49,850,000</u>	<u>28,758,808</u>	<u>21,091,192</u>
Community support			
Services and supplies	125,000	101,175	23,825
Total expenditures	<u>77,147,461</u>	<u>30,607,785</u>	<u>46,539,676</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(77,117,461)</u>	<u>(30,319,887)</u>	<u>46,797,574</u>
OTHER FINANCING SOURCES			
Transfers in	3,100,000	3,100,000	
CHANGE IN FUND BALANCE	(74,017,461)	(27,219,887)	46,797,574
FUND BALANCE, BEGINNING OF YEAR	<u>81,304,115</u>	<u>81,304,115</u>	
FUND BALANCE, END OF YEAR	<u>\$ 7,286,654</u>	<u>\$ 54,084,228</u>	<u>\$ 46,797,574</u>

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

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, 2021

	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	\$ 4,648,445	\$ 19,618,131	\$ 1,365,247	\$ 9,313,973	\$ 21,880,058	\$ 16,664,015	\$ 16,225,229	\$ 89,715,098
Cash, cash equivalents and investments, restricted					3,133,000			3,133,000
Accounts receivable, net	20,412	265,577		672	48,452	8,267		343,380
Interest receivable	6,487	25,490	1,829	12,163	27,989	17,009	21,380	112,347
Inventories		147,373						147,373
Prepaid items		1,809,305					303,100	2,112,405
Due from other governments	262,456						17,010	279,466
Total current assets	<u>4,937,800</u>	<u>21,865,876</u>	<u>1,367,076</u>	<u>9,326,808</u>	<u>25,089,499</u>	<u>16,689,291</u>	<u>16,566,719</u>	<u>95,843,069</u>
Noncurrent assets								
Capital assets, net of accumulated depreciation and amortization								
Buildings and building improvements		6,864,542						6,864,542
Improvements other than buildings		1,506,755						1,506,755
Machinery and equipment	38,305	67,246,899					636,599	67,921,803
Accumulated depreciation and amortization	(17,574)	(43,958,710)						(43,976,284)
Total capital assets, net of accumulated depreciation and amortization	<u>20,731</u>	<u>31,659,486</u>					<u>636,599</u>	<u>32,316,816</u>
Other assets								
Advances to other funds			751,273					751,273
Total noncurrent assets	<u>20,731</u>	<u>31,659,486</u>	<u>751,273</u>				<u>636,599</u>	<u>33,068,089</u>
Total assets	<u>4,958,531</u>	<u>53,525,362</u>	<u>2,118,349</u>	<u>9,326,808</u>	<u>25,089,499</u>	<u>16,689,291</u>	<u>17,203,318</u>	<u>128,911,158</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amounts related to pensions	1,121,914	367,969		152,451	239,738	27,179	199,786	2,109,037
Deferred amounts related to other postemployment benefits	360,144	19,275		55,955	37,047	38,869	73,493	584,783
Total deferred outflows of resources	<u>1,482,058</u>	<u>387,244</u>		<u>208,406</u>	<u>276,785</u>	<u>66,048</u>	<u>273,279</u>	<u>2,693,820</u>

(Continued)

CITY OF HENDERSON, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021

	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	107,088	305,485		29,127	107,636	29,882	666,069	1,245,287
Accrued wages	260,954	81,305		21,089		16,487	24,502	404,337
Due to other governments						2,074		2,074
Due to other funds							13,746	13,746
Unearned revenue						125,739		125,739
Compensated absences	583,584	155,615		42,262		22,969	58,958	863,388
Claims and judgments				5,431,824	8,474,625	1,617,000		15,523,449
Capital Lease Obligations	4,111						119,780	123,891
Total current liabilities	<u>955,737</u>	<u>542,405</u>		<u>5,524,302</u>	<u>8,582,261</u>	<u>1,814,151</u>	<u>883,055</u>	<u>18,301,911</u>
Noncurrent liabilities								
Compensated absences	832,426	221,970		60,282		32,762	84,098	1,231,538
Other postemployment benefits	1,517,891	116,843		208,140		2,274,050	282,447	4,912,634
Net pension liability	8,179,223	2,692,615		1,035,867		205,501	1,328,999	15,076,009
Claims and judgments					13,524,500			13,524,500
Capital lease obligations	14,301						516,819	531,120
Total noncurrent liabilities	<u>10,543,841</u>	<u>3,031,428</u>		<u>1,304,289</u>	<u>15,671,567</u>	<u>2,512,313</u>	<u>2,212,363</u>	<u>35,275,801</u>
Total liabilities	<u>11,499,578</u>	<u>3,573,833</u>		<u>6,828,591</u>	<u>24,253,828</u>	<u>4,326,464</u>	<u>3,095,418</u>	<u>53,577,712</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred amounts related to pensions	564,252	165,109		77,727	94,390	9,237	83,734	994,449
Deferred amounts related to other postemployment benefits	<u>40,554</u>	<u>3,722</u>		<u>5,359</u>	<u>18,337</u>	<u>1,764</u>	<u>7,146</u>	<u>76,882</u>
Total deferred inflows of resources	<u>604,806</u>	<u>168,831</u>		<u>83,086</u>	<u>112,727</u>	<u>11,001</u>	<u>90,880</u>	<u>1,071,331</u>
NET POSITION								
Net investment in capital assets	2,319	31,659,486						31,661,805
Unrestricted	<u>(5,666,114)</u>	<u>18,510,456</u>	<u>2,118,349</u>	<u>2,623,537</u>	<u>999,729</u>	<u>12,417,874</u>	<u>14,290,299</u>	<u>45,294,130</u>
Total net position (deficit)	<u>\$ (5,663,795)</u>	<u>\$ 50,169,942</u>	<u>\$ 2,118,349</u>	<u>\$ 2,623,537</u>	<u>\$ 999,729</u>	<u>\$ 12,417,874</u>	<u>\$ 14,290,299</u>	<u>\$ 76,955,935</u>

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 8,065,339	\$ 12,099,840	\$ 50,039	\$ 3,642,558	\$ 8,967,419	\$ 21,598,027	\$ 15,470,475	\$ 69,893,697
OPERATING EXPENSES								
Salaries and wages	4,730,867	1,722,101		359,923	65,244	210,148	400,155	7,488,438
Employee benefits	2,256,197	819,278		166,589	72,834	122,726	200,004	3,637,628
Services and supplies	2,263,556	4,130,603		1,599,465	1,368,646	3,122,467	12,615,848	25,100,585
Claims and judgments				2,171,322	8,874,067	16,025,473		27,070,862
Legal fees					35,312			35,312
Depreciation	3,189	4,920,211						4,923,400
Total operating expenses	9,253,809	11,592,193		4,297,299	10,416,103	19,480,814	13,216,007	68,256,225
Operating income (loss)	(1,188,470)	507,647	50,039	(654,741)	(1,448,684)	2,117,213	2,254,468	1,637,472
NONOPERATING REVENUES (EXPENSES)								
Investment income	(3,671)	14,381	(846)	3,362	35,660	4,333	15,384	68,603
Intergovernmental	105,843	9,112		4,065	5,711		500,620	625,351
Gain (loss) on capital asset disposition		457,229						457,229
Interest expense					(9,455)	120	41,422	(9,455)
Miscellaneous	144,114	143,323		2,765				331,744
Total nonoperating revenues (expenses)	246,286	624,045	(846)	10,192	31,916	4,453	557,426	1,473,472
Income (loss) before capital contributions and transfers	(942,184)	1,131,692	49,193	(644,549)	(1,416,768)	2,121,666	2,811,894	3,110,944
CAPITAL CONTRIBUTIONS								
Capital contributions		4,489,573						4,489,573
TRANSFERS								
Transfers in							150,000	150,000
Transfers out			(220,000)					(220,000)
Total transfers			(220,000)				150,000	(70,000)
CHANGE IN NET POSITION	(942,184)	5,621,265	(170,807)	(644,549)	(1,416,768)	2,121,666	2,961,894	7,530,517
NET POSITION (DEFICIT), BEGINNING 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
NET POSITION (DEFICIT), END OF YEAR	\$ (5,663,795)	\$ 50,169,942	\$ 2,118,349	\$ 2,623,537	\$ 999,729	\$ 12,417,874	\$ 14,290,299	\$ 76,955,935

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 1,676,438	\$	\$	\$	\$	\$ 19,087,365	\$ 11,541	\$ 20,775,344
Cash received from other sources	144,114	159,841		2,765		120	41,422	348,262
Cash payments for goods and services	(4,382,115)	(6,976,064)		(2,699,680)	(6,227,956)	(18,810,276)	(13,160,911)	(52,257,002)
Cash payments for employee services	(4,601,273)	(1,711,601)		(353,041)	(128,275)	(190,722)	(382,250)	(7,367,162)
Cash payments for interfund services	6,467,751	12,099,840	50,039	3,642,558	8,967,419	2,640,591	15,453,085	49,321,283
Net cash provided by (used in) operating activities	(695,085)	3,572,016	50,039	592,602	2,611,188	2,727,078	1,962,887	10,820,725
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in								
Transfers out			(220,000)				150,000	150,000
Repayments of advances from other funds			133,086					(220,000)
Interest payments on claims					(9,455)			133,086
Cash received from grantors	105,843	9,112		4,065	5,711		500,620	(9,455)
Net cash provided by (used in) noncapital financing activities	105,843	9,112		4,065	(3,744)		650,620	625,351
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES								
Acquisition and construction of capital assets		(2,230,530)						(2,230,530)
Proceeds received from disposal of capital assets		771,993						771,993
Principal payments on debt	(5,508)						5,850	(5,508)
Payments from other funds	(5,508)	(1,458,537)					5,850	(1,458,195)
Net cash used in capital financing activities								
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income	3,130	18,554	831	13,004	58,323	12,485	28,256	134,583
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS								
	(591,620)	2,141,145	(36,044)	609,671	2,665,767	2,739,563	2,647,613	10,176,095
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,240,065	17,476,986	1,401,291	8,704,302	22,347,291	13,924,452	13,577,616	82,672,003
CASH AND CASH EQUIVALENTS, END OF YEAR								
Unrestricted	4,648,445	19,618,131	1,365,247	9,313,973	21,880,058	16,664,015	16,225,229	89,715,098
Restricted	4,648,445	19,618,131	1,365,247	9,313,973	3,133,000	16,664,015	16,225,229	3,133,000
	\$ 4,648,445	\$ 19,618,131	\$ 1,365,247	\$ 9,313,973	\$ 25,013,058	\$ 16,664,015	\$ 16,225,229	\$ 92,848,098

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2021

	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 (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ (1,188,470)	\$ 507,647	\$ 50,039	\$ (654,741)	\$ (1,448,684)	\$ 2,117,213	\$ 2,254,468	\$ 1,637,472
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation	3,189	4,920,211		2,765		120	41,422	4,923,400
Other	144,114	143,323						331,744
(Increase) decrease in operating assets								
Accounts receivable	(9,153)	16,518		(150)	(10,737)	24,891	(5,469)	21,369
Due from other governments	88,003				147,223		(205,036)	229,757
Prepaid items		(1,809,305)						(2,014,341)
Inventories		(89,487)						(89,487)
Deferred outflows – other postemployment benefits	36,683	1,838		5,055	3,216	3,829	7,352	57,973
Deferred outflows - pensions	155,602	54,724		11,866	4,290	6,791	13,049	246,322
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	8,525	(146,618)		(277,828)	94,279	(49,671)	(160,971)	(532,284)
Accrued wages	67,883	6,619		6,349	(5,656)	8,522	7,565	91,282
Compensated absences	61,711	3,881		533	(57,375)	10,904	10,340	29,994
Due to other governments						(15,053)		(15,053)
Claims and judgments						374,000		5,757,846
Other postemployment benefits	55,823	2,797		1,500,486	3,883,360	125,331	11,188	207,726
Net pension liability	92,545	32,549		7,692	4,895	4,039	7,761	146,504
Deposits				7,058	2,552		(380)	(380)
Unearned revenue						125,739		125,739
Deferred inflows - pensions	(205,851)	(72,396)		(15,699)	(5,676)	(8,983)	(17,262)	(325,867)
Deferred inflows - other postemployment benefits	(5,689)	(285)		(784)	(499)	(594)	(1,140)	(8,991)
Total adjustments	493,385	3,064,369		1,247,343	4,059,872	609,865	(291,581)	9,183,253
Net cash provided by (used in) operating activities	\$ (695,085)	\$ 3,572,016	\$ 50,039	\$ 592,602	\$ 2,611,188	\$ 2,727,078	\$ 1,962,887	\$ 10,820,725
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	\$ 4,489,573	\$ 4,489,573	\$	\$	\$	\$	\$	\$ 4,489,573
Capital assets acquired through capital lease obligations	\$ 23,920	\$ 23,920	\$	\$	\$	\$	\$ 636,599	\$ 660,519
Transfer of capital assets	\$ 470,243	\$ 470,243	\$	\$	\$	\$	\$	\$ 470,243

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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 7,956,037	\$ 8,065,339	\$ 109,302
OPERATING EXPENSES			
Salaries and wages	4,702,202	4,730,867	(28,665)
Employee benefits	2,222,911	2,256,197	(33,286)
Services and supplies	2,388,907	2,263,556	125,351
Depreciation	<u>3,189</u>	<u>(3,189)</u>	<u>(3,189)</u>
Total operating expenses	<u>9,314,020</u>	<u>9,253,809</u>	<u>60,211</u>
Operating loss	<u>(1,357,983)</u>	<u>(1,188,470)</u>	<u>169,513</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	63,000	(3,671)	(66,671)
Intergovernmental		105,843	105,843
Miscellaneous	<u>100,000</u>	<u>144,114</u>	<u>44,114</u>
Total nonoperating revenues (expenses)	<u>163,000</u>	<u>246,286</u>	<u>83,286</u>
CHANGE IN NET POSITION	\$ <u>(1,194,983)</u>	(942,184)	\$ <u>252,799</u>
NET POSITION (DEFICIT), BEGINNING OF YEAR		<u>(4,721,611)</u>	
NET POSITION (DEFICIT), END OF YEAR		<u>\$ (5,663,795)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 9,840,924	\$ 12,099,840	\$ 2,258,916
OPERATING EXPENSES			
Salaries and wages	1,792,783	1,722,101	70,682
Employee benefits	812,186	819,278	(7,092)
Services and supplies	6,423,080	4,130,603	2,292,477
Depreciation	4,800,000	4,920,211	(120,211)
Total operating expenses	<u>13,828,049</u>	<u>11,592,193</u>	<u>2,235,856</u>
Operating income (loss)	<u>(3,987,125)</u>	<u>507,647</u>	<u>4,494,772</u>
NONOPERATING REVENUES			
Investment income	135,000	14,381	(120,619)
Intergovernmental		9,112	9,112
Gain (loss) on capital asset disposition		457,229	457,229
Miscellaneous	140,826	143,323	2,497
Total nonoperating revenues	<u>275,826</u>	<u>624,045</u>	<u>348,219</u>
Income (loss) before capital contributions	<u>(3,711,299)</u>	<u>1,131,692</u>	<u>4,842,991</u>
CAPITAL CONTRIBUTIONS			
Capital contributions		<u>4,489,573</u>	<u>4,489,573</u>
CHANGE IN NET POSITION	<u>\$ (3,711,299)</u>	5,621,265	<u>\$ 9,332,564</u>
NET POSITION, BEGINNING OF YEAR		<u>44,548,677</u>	
NET POSITION, END OF YEAR		<u>\$ 50,169,942</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>30,974</u>	\$ <u>50,039</u>	\$ <u>19,065</u>
NONOPERATING REVENUES			
Investment income	<u>26,100</u>	<u>(846)</u>	<u>(26,946)</u>
Income before transfers	<u>57,074</u>	<u>49,193</u>	<u>(7,881)</u>
TRANSFERS			
Transfers out	<u>(220,000)</u>	<u>(220,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>(162,926)</u></u>	(170,807)	\$ <u><u>(7,881)</u></u>
NET POSITION, BEGINNING OF YEAR		<u>2,289,156</u>	
NET POSITION, END OF YEAR		\$ <u><u>2,118,349</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 3,642,558	\$ 3,642,558	\$
OPERATING EXPENSES			
Salaries and wages	360,548	359,923	625
Employee benefits	152,539	166,589	(14,050)
Services and supplies	2,468,383	1,599,465	868,918
Claims and judgments	1,450,000	2,171,322	(721,322)
Legal fees	75,000		75,000
Total operating expenses	<u>4,506,470</u>	<u>4,297,299</u>	<u>209,171</u>
Operating loss	<u>(863,912)</u>	<u>(654,741)</u>	<u>209,171</u>
NONOPERATING REVENUES			
Investment income	66,000	3,362	(62,638)
Intergovernmental		4,065	4,065
Miscellaneous		2,765	2,765
Total nonoperating revenues	<u>66,000</u>	<u>10,192</u>	<u>(55,808)</u>
CHANGE IN NET POSITION	\$ <u>(797,912)</u>	(644,549)	\$ <u>153,363</u>
NET POSITION, BEGINNING OF YEAR		<u>3,268,086</u>	
NET POSITION, END OF YEAR		<u>\$ 2,623,537</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 8,432,720	\$ 8,967,419	\$ 534,699
OPERATING EXPENSES			
Salaries and wages	180,509	65,244	115,265
Employee benefits	79,157	72,834	6,323
Services and supplies	1,274,332	1,368,646	(94,314)
Claims and judgments	6,529,314	8,874,067	(2,344,753)
Legal fees	42,000	35,312	6,688
Total operating expenses	<u>8,105,312</u>	<u>10,416,103</u>	<u>(2,310,791)</u>
Operating income (loss)	<u>327,408</u>	<u>(1,448,684)</u>	<u>(1,776,092)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	182,500	35,660	(146,840)
Intergovernmental		5,711	5,711
Interest expense		(9,455)	(9,455)
Total nonoperating revenues (expenses)	<u>182,500</u>	<u>31,916</u>	<u>(150,584)</u>
CHANGE IN NET POSITION	<u>\$ 509,908</u>	(1,416,768)	<u>\$ (1,926,676)</u>
NET POSITION, BEGINNING OF YEAR		<u>2,416,497</u>	
NET POSITION, END OF YEAR		<u>\$ 999,729</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 21,160,992	\$ 21,598,027	\$ 437,035
OPERATING EXPENSES			
Salaries and wages	263,190	210,148	53,042
Employee benefits	140,997	122,726	18,271
Services and supplies	3,086,867	3,122,467	(35,600)
Claims and judgments	17,579,296	16,025,473	1,553,823
Total operating expenses	<u>21,070,350</u>	<u>19,480,814</u>	<u>1,589,536</u>
Operating income	<u>90,642</u>	<u>2,117,213</u>	<u>2,026,571</u>
NONOPERATING REVENUES			
Investment income	96,000	4,333	(91,667)
Miscellaneous	<u>120</u>	<u>120</u>	<u>120</u>
Total nonoperating revenues	<u>96,000</u>	<u>4,453</u>	<u>(91,547)</u>
CHANGE IN NET POSITION	<u>\$ 186,642</u>	2,121,666	<u>\$ 1,935,024</u>
NET POSITION, BEGINNING OF YEAR		<u>10,296,208</u>	
NET POSITION, END OF YEAR		<u>\$ 12,417,874</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 15,453,048	\$ 15,470,475	\$ 17,427
OPERATING EXPENSES			
Salaries and wages	377,821	400,155	(22,334)
Employee benefits	177,749	200,004	(22,255)
Services and supplies	18,475,778	12,615,848	5,859,930
Total operating expenses	<u>19,031,348</u>	<u>13,216,007</u>	<u>5,815,341</u>
Operating income (loss)	<u>(3,578,300)</u>	<u>2,254,468</u>	<u>5,832,768</u>
NONOPERATING REVENUES			
Investment income	102,300	15,384	(86,916)
Intergovernmental		500,620	500,620
Miscellaneous		41,422	41,422
Total nonoperating revenues	<u>102,300</u>	<u>557,426</u>	<u>455,126</u>
Income (loss) before transfers	<u>(3,476,000)</u>	<u>2,811,894</u>	<u>6,287,894</u>
TRANSFERS			
Transfers in	<u>150,000</u>	<u>150,000</u>	
CHANGE IN NET POSITION	<u>\$ (3,326,000)</u>	2,961,894	<u>\$ 6,287,894</u>
NET POSITION, BEGINNING OF YEAR		<u>11,328,405</u>	
NET POSITION, END OF YEAR		<u>\$ 14,290,299</u>	

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2021

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments, unrestricted	\$ 17,838,406	\$	\$ 152,615	\$ 17,991,021
Accounts receivable, net			202,566	202,566
Interest receivable	23,620		216	23,836
Due from other governments	9,097			9,097
Total current assets	<u>17,871,123</u>		<u>355,397</u>	<u>18,226,520</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	34,751		2,447,045	2,481,796
Accumulated depreciation and amortization	<u>(735,325)</u>		<u>(20,049,788)</u>	<u>(20,785,113)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>520,962</u>		<u>25,779,845</u>	<u>26,300,807</u>
Total assets	<u>18,392,085</u>		<u>26,135,242</u>	<u>44,527,327</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	1,408,319			1,408,319
Deferred amounts related to other postemployment benefits	365,500			365,500
Total deferred outflows of resources	<u>1,773,819</u>			<u>1,773,819</u>
LIABILITIES				
Current liabilities				
Accounts payable and other accrued liabilities	221,714			221,714
Accrued wages	395,736			395,736
Unearned revenue	9,415,804			9,415,804
Deposits	400,593			400,593
Compensated absences	882,310			882,310
Total current liabilities	<u>11,316,157</u>			<u>11,316,157</u>
Noncurrent liabilities				
Compensated absences	855,119			855,119
Other postemployment benefits	1,484,292			1,484,292
Net pension liability	10,768,288			10,768,288
Total noncurrent liabilities	<u>13,107,699</u>			<u>13,107,699</u>
Total liabilities	<u>24,423,856</u>			<u>24,423,856</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	481,962			481,962
Deferred amounts related to other postemployment benefits	38,011			38,011
Total deferred inflows of resources	<u>519,973</u>			<u>519,973</u>
NET POSITION				
Net investment in capital assets	520,962		25,779,845	26,300,807
Restricted				
Unrestricted	<u>(5,298,887)</u>		<u>355,397</u>	<u>(4,943,490)</u>
Total net position (deficit)	<u>\$ (4,777,925)</u>	<u>\$</u>	<u>\$ 26,135,242</u>	<u>\$ 21,357,317</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, 2021

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 13,360,907	\$	\$ 2,390,687	\$ 15,751,594
Licenses and permits	5,804,416			5,804,416
Intergovernmental	28,667			28,667
Miscellaneous	110		46,536	46,646
Total operating revenues	<u>19,194,100</u>	<u></u>	<u>2,437,223</u>	<u>21,631,323</u>
OPERATING EXPENSES				
Salaries and wages	7,779,472			7,779,472
Employee benefits	3,772,036			3,772,036
Services and supplies	9,262,773	4,652,693	2,371,294	16,286,760
Depreciation	10,811		314,238	325,049
Total operating expenses	<u>20,825,092</u>	<u>4,652,693</u>	<u>2,685,532</u>	<u>28,163,317</u>
Operating loss	<u>(1,630,992)</u>	<u>(4,652,693)</u>	<u>(248,309)</u>	<u>(6,531,994)</u>
NONOPERATING REVENUES				
Investment income	10,160		899	11,059
Intergovernmental	34,628			34,628
Gain (loss) on capital asset disposition	1,830			1,830
Total nonoperating revenues	<u>46,618</u>	<u></u>	<u>899</u>	<u>47,517</u>
Loss before transfers	<u>(1,584,374)</u>	<u>(4,652,693)</u>	<u>(247,410)</u>	<u>(6,484,477)</u>
TRANSFERS				
Transfers in			150,000	150,000
Transfers out		(178)		(178)
Total transfers	<u></u>	<u>(178)</u>	<u>150,000</u>	<u>149,822</u>
CHANGE IN NET POSITION	(1,584,374)	(4,652,871)	(97,410)	(6,334,655)
NET POSITION (DEFICIT), BEGINNING OF YEAR	<u>(3,193,551)</u>	<u>4,652,871</u>	<u>26,232,652</u>	<u>27,691,972</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (4,777,925)</u>	<u>\$</u>	<u>\$ 26,135,242</u>	<u>\$ 21,357,317</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Development Services	Cultural Arts and Tourism	Municipal Golf Course	Aggregate Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 21,935,264	\$	\$ 2,372,387	\$ 24,307,651
Cash payments for goods and services	(12,829,629)	(4,652,693)	(2,371,294)	(19,853,616)
Cash payments for employee services	(7,556,784)			(7,556,784)
Net cash provided by (used in) operating activities	<u>1,548,851</u>	<u>(4,652,693)</u>	<u>1,093</u>	<u>(3,102,749)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in			150,000	150,000
Transfers out		(178)		(178)
Cash received from grantors	34,628			34,628
Net cash provided by (used in) noncapital financing activities	<u>34,628</u>	<u>(178)</u>	<u>150,000</u>	<u>184,450</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets			(111,942)	(111,942)
Proceeds received from disposal of capital assets	1,830			1,830
Decrease in deposits		4,652,693		4,652,693
Net cash provided by (used in) capital financing activities	<u>1,830</u>	<u>4,652,693</u>	<u>(111,942)</u>	<u>4,542,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	28,394		960	29,354
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,613,703	(178)	40,111	1,653,636
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>16,224,703</u>	<u>178</u>	<u>112,504</u>	<u>16,337,385</u>
CASH AND CASH EQUIVALENTS, END OF YEAR				
Unrestricted	17,838,406		152,615	17,991,021
	<u>\$ 17,838,406</u>	<u>\$</u>	<u>\$ 152,615</u>	<u>\$ 17,991,021</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (1,630,992)	\$ (4,652,693)	\$ (248,309)	\$ (6,531,994)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	10,811		314,238	325,049
(Increase) decrease in operating assets				
Accounts receivable			(64,836)	(64,836)
Due from other governments	(8,213)			(8,213)
Deferred outflows – other postemployment benefits	39,455			39,455
Deferred outflows - pensions	253,451			253,451
Increase (decrease) in operating liabilities				
Accounts payable and other accrued liabilities	(13,442)			(13,442)
Accrued wages	84,168			84,168
Compensated absences	151,243			151,243
Other postemployment benefits	60,040			60,040
Net pension liability	150,745			150,745
Deposits	43,623			43,623
Unearned revenue	2,749,377			2,749,377
Deferred inflows - pensions	(335,297)			(335,297)
Deferred inflows - other postemployment benefits	(6,118)			(6,118)
Total adjustments	<u>3,179,843</u>	<u></u>	<u>249,402</u>	<u>3,429,245</u>
Net cash provided by (used in) operating activities	<u>\$ 1,548,851</u>	<u>\$ (4,652,693)</u>	<u>\$ 1,093</u>	<u>\$ (3,102,749)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Utilities fees	\$ 85,036,456	\$ 85,907,952	\$ 871,496
Connection fees	1,500,000	1,778,891	278,891
Late charges	175,000	763,465	588,465
Miscellaneous	100,000	129,640	29,640
Total operating revenues	<u>86,811,456</u>	<u>88,579,948</u>	<u>1,768,492</u>
OPERATING EXPENSES			
Salaries and wages	16,375,306	14,234,548	2,140,758
Employee benefits	7,378,615	6,561,582	817,033
Water purchases	31,515,000	31,847,289	(332,289)
Services and supplies	30,751,510	26,102,484	4,649,026
Depreciation	13,000,000	11,257,948	1,742,052
Total operating expenses	<u>99,020,431</u>	<u>90,003,851</u>	<u>9,016,580</u>
Operating loss	<u>(12,208,975)</u>	<u>(1,423,903)</u>	<u>10,785,072</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000,000	163,100	(836,900)
Intergovernmental		341,927	341,927
Gain (loss) on capital asset disposition		(29,206)	(29,206)
Interest expense	(5,970,578)	(4,055,879)	1,914,699
Miscellaneous		15,589	15,589
Total nonoperating revenues (expenses)	<u>(4,970,578)</u>	<u>(3,564,469)</u>	<u>1,406,109</u>
Loss before capital contributions and transfers	<u>(17,179,553)</u>	<u>(4,988,372)</u>	<u>12,191,181</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>4,500,000</u>	<u>13,191,396</u>	<u>8,691,396</u>
TRANSFERS			
Transfers out	<u>(1,000,000)</u>	<u>(787,039)</u>	<u>212,961</u>
CHANGE IN NET POSITION	<u>\$ (13,679,553)</u>	7,415,985	<u>\$ 21,095,538</u>
NET POSITION, BEGINNING OF YEAR		<u>500,774,433</u>	
NET POSITION, END OF YEAR		<u>\$ 508,190,418</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Utilities fees	\$ 48,400,449	\$ 49,165,252	\$ 764,803
Connection fees	160,000	552,048	392,048
Late charges	100,000	302,859	202,859
Intergovernmental	500,000	449,893	(50,107)
Miscellaneous	50,000	108,265	58,265
Total operating revenues	<u>49,210,449</u>	<u>50,578,317</u>	<u>1,367,868</u>
OPERATING EXPENSES			
Salaries and wages	13,147,591	11,720,632	1,426,959
Employee benefits	5,927,483	5,605,237	322,246
Services and supplies	23,706,450	20,125,151	3,581,299
Depreciation	15,000,000	14,074,592	925,408
Total operating expenses	<u>57,781,524</u>	<u>51,525,612</u>	<u>6,255,912</u>
Operating loss	<u>(8,571,075)</u>	<u>(947,295)</u>	<u>7,623,780</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,000,000	28,522	(971,478)
Intergovernmental		288,377	288,377
Gain (loss) on capital asset disposition		(87,920)	(87,920)
Interest expense	(2,355,689)	(2,343,482)	12,207
Sales tax revenue	4,697,000	6,154,189	1,457,189
Total nonoperating revenues (expenses)	<u>3,341,311</u>	<u>4,039,686</u>	<u>698,375</u>
Income (loss) before capital contributions and transfers	<u>(5,229,764)</u>	<u>3,092,391</u>	<u>8,322,155</u>
CAPITAL CONTRIBUTIONS			
Capital contributions	<u>7,000,000</u>	<u>20,765,969</u>	<u>13,765,969</u>
TRANSFERS			
Transfers out	<u>(1,000,000)</u>	<u>(775,000)</u>	<u>225,000</u>
CHANGE IN NET POSITION	<u>\$ 770,236</u>	23,083,360	<u>\$ 22,313,124</u>
NET POSITION, BEGINNING OF YEAR		<u>584,257,822</u>	
NET POSITION, END OF YEAR		<u>\$ 607,341,182</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 13,317,740	\$ 13,360,907	\$ 43,167
Licenses and permits	5,978,128	5,804,416	(173,712)
Intergovernmental		28,667	28,667
Miscellaneous	4,132	110	(4,022)
Total operating revenues	<u>19,300,000</u>	<u>19,194,100</u>	<u>(105,900)</u>
OPERATING EXPENSES			
Salaries and wages	7,952,513	7,779,472	173,041
Employee benefits	3,630,620	3,772,036	(141,416)
Services and supplies	9,460,611	9,262,773	197,838
Depreciation	20,000	10,811	9,189
Total operating expenses	<u>21,063,744</u>	<u>20,825,092</u>	<u>238,652</u>
Operating loss	<u>(1,763,744)</u>	<u>(1,630,992)</u>	<u>132,752</u>
NONOPERATING REVENUES			
Investment income	130,000	10,160	(119,840)
Intergovernmental		34,628	34,628
Gain (loss) on capital asset disposition		1,830	1,830
Total nonoperating revenues	<u>130,000</u>	<u>46,618</u>	<u>(83,382)</u>
TRANSFERS			
Transfers in	<u>52,607</u>		<u>(52,607)</u>
CHANGE IN NET POSITION	<u>\$ (1,581,137)</u>	(1,584,374)	<u>\$ (3,237)</u>
NET POSITION (DEFICIT), BEGINNING OF YEAR		<u>(3,193,551)</u>	
NET POSITION (DEFICIT), END OF YEAR		<u>\$ (4,777,925)</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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING EXPENSES			
Services and supplies	\$ <u>4,652,693</u>	\$ <u>4,652,693</u>	\$ <u> </u>
Loss before transfers	<u>(4,652,693)</u>	<u>(4,652,693)</u>	<u> </u>
TRANSFERS			
Transfers out	<u>(178)</u>	<u>(178)</u>	<u> </u>
CHANGE IN NET POSITION	\$ <u><u>(4,652,871)</u></u>	(4,652,871)	\$ <u><u> </u></u>
NET POSITION, BEGINNING OF YEAR		<u>4,652,871</u>	
NET POSITION, END OF YEAR		\$ <u><u> </u></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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ 2,348,091	\$ 2,390,687	\$ 42,596
Miscellaneous		46,536	46,536
Total operating revenues	<u>2,348,091</u>	<u>2,437,223</u>	<u>89,132</u>
OPERATING EXPENSES			
Services and supplies	2,475,550	2,371,294	104,256
Depreciation	335,000	314,238	20,762
Total operating expenses	<u>2,810,550</u>	<u>2,685,532</u>	<u>125,018</u>
Operating loss	<u>(462,459)</u>	<u>(248,309)</u>	<u>214,150</u>
NONOPERATING REVENUES			
Investment income	1,380	899	(481)
Loss before transfers	<u>(461,079)</u>	<u>(247,410)</u>	<u>213,669</u>
TRANSFERS			
Transfers in	150,000	150,000	
CHANGE IN NET POSITION	<u>\$ (311,079)</u>	(97,410)	<u>\$ 213,669</u>
NET POSITION, BEGINNING OF YEAR		<u>26,232,652</u>	
NET POSITION, END OF YEAR		<u>\$ 26,135,242</u>	

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Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

FIDUCIARY FUNDS

Fiduciary 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 - 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.

Special Assessment Districts - 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

FIDUCIARY FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION JUNE 30, 2021

		Custodial Funds	
	Section 125	Special	
	Plan	Assessments	
		District	Total
ASSETS			
Cash, cash equivalents and investments	\$ 214,433	\$ 23,717,492	\$ 23,931,925
Interest receivable		14,047	14,047
Receivables from others		20,117	20,117
Special assessments receivable		76,692,562	76,692,562
Total assets	214,433	100,444,218	100,658,651
LIABILITIES			
Accounts payable and accrued liabilities		220,233	220,233
Deposits		677,841	677,841
Due to developers, employees and others		79,772,196	79,772,196
Total liabilities	-	80,670,270	80,670,270
NET POSITION			
Restricted for			
Individuals, organizations and other governments	214,433	19,773,948	19,988,381
Total net position	\$ 214,433	\$ 19,773,948	\$ 19,988,381

CITY OF HENDERSON, NEVADA

FIDUCIARY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds		
	Section 125	Special	
	Plan	Assessments	
		District	Total
ADDITIONS			
Contributions			
Plan members	\$ 405,428	\$	\$ 405,428
Investment income	1,695	16,860	18,555
Collections from special assessment districts		4,382,282	4,382,282
Total additions	407,123	4,399,142	4,806,265
DEDUCTIONS			
Payments to developers and others		801,898	801,898
Services and supplies	391,029	422,825	813,854
Administrative costs	8,848	159,231	168,079
Interest and fiscal charges		3,415,232	3,415,232
Total deductions	399,877	4,799,186	5,199,063
CHANGE IN NET POSITION	7,246	(400,044)	(392,978)
NET POSITION, BEGINNING OF YEAR	207,187	20,173,992	20,381,179
NET POSITION, END OF YEAR	\$ 214,433	\$ 19,773,948	\$ 19,988,381



Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

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STATISTICAL SECTION

This part of the City of Henderson's comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information 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, 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	June 30, 2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 1,682,426,162
Restricted	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	211,507,733
Unrestricted	69,583,399	62,500,084	81,948,297	(215,965,382)	(199,668,677)	(275,016,720)	(257,057,994)	(245,069,012)	(298,805,643)	(266,244,718)
Total governmental activities	1,696,232,414	1,650,289,406	1,588,279,821	1,322,675,066	1,432,080,352	1,410,924,976	1,456,104,425	1,536,853,209	1,535,838,342	1,627,689,177
Business-type activities										
Net investment in capital assets	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	949,960,187
Restricted	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	5,697,756
Unrestricted	88,282,105	111,824,498	115,597,495	81,096,813	100,289,094	94,894,149	94,403,642	110,919,928	112,889,321	128,169,885
Total business-type activities	1,010,084,323	971,984,933	958,420,233	923,118,650	959,582,288	975,768,631	1,006,424,385	1,047,102,789	1,061,217,210	1,083,827,828
Primary government										
Net investment in capital assets	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	2,632,386,349
Restricted	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	217,205,489
Unrestricted	157,865,504	174,324,582	197,545,792	(134,868,569)	(99,379,583)	(180,122,571)	(162,654,352)	(134,149,084)	(185,916,322)	(138,074,833)
Total primary government	\$ 2,706,316,737	\$ 2,622,274,339	\$ 2,546,700,054	\$ 2,245,793,716	\$ 2,391,662,640	\$ 2,386,693,607	\$ 2,462,528,810	\$ 2,583,955,998	\$ 2,597,055,552	\$ 2,711,517,005

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)**

Expenses	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	June 30, 2021
Governmental activities										
General government	\$ 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	\$ 81,359,866
Judicial	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	12,596,221
Public safety	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	199,321,791
Public works	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	38,432,486
Culture and recreation	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	62,643,695
Community support	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	16,566,311
Interest on long-term debt	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	6,141,897
Total governmental activities	<u>340,488,555</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>	<u>417,062,267</u>
Business-type activities										
Water	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	93,774,071
Sewer	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	53,797,600
Other	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	29,436,668
Total business-type activities	<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>	<u>177,008,339</u>
Total primary government expenses	<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>	<u>\$ 594,070,606</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 21,434,491
Public safety	23,261,773	22,577,786	20,964,266	24,610,026	25,340,791	22,031,787	29,740,829	28,816,964	24,531,017	26,119,447
Culture and recreation	7,431,387	7,364,419	7,409,742	7,722,084	8,327,581	8,611,809	8,923,064	9,308,707	6,200,502	3,603,453
Other	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	2,565,593
Operating grants and contributions	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	47,122,554
Capital grants and contributions	97,763,977	58,672,921	39,008,389	⁸ 61,258,310	³ 116,030,640	72,920,117	55,362,844	54,182,748	44,216,932	98,852,031
Total governmental activities	<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>	<u>199,697,569</u>
Business-type activities										
Charges for services										
Water	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	88,458,788
Sewer	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	50,029,272
Other	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	21,556,010
Operating grants and contributions	88,378	20,000		15,058,529	30,019,342	21,326,556	30,349,483	27,595,157	26,100,088	33,141,932
Capital grants and contributions	14,658,033	10,187,969	19,717,458	¹³ 14,500,506	16,778,804	162,708,733	175,351,150	178,284,884	174,891,622	193,186,002
Total business-type activities	<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>26,100,088</u>	<u>33,141,932</u>
Total primary government program revenues	<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>	<u>\$ 392,883,571</u>
Net (expenses) program revenues										
Governmental activities	\$ (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)	\$ (217,364,698)
Business-type activities	(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	16,177,663
Primary government	<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>	<u>\$ (201,187,035)</u>

(Continued)

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2021
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 111,303,141
Intergovernmental revenues - consolidated tax	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	126,166,464
Other taxes	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	66,151,297
Increase (decrease) in fair value of investments	(3,569,677) ⁹	(3,569,677) ⁹	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	236,445 ⁵
Unrestricted investment income	3,807,539	2,231,741	185,299	205,287	341,836	6,257,270 ²	4,402,727	8,106,733 ⁴	1,359,393	965,010
Gain on disposal of capital assets	505,220	4,011,053	812,423	1,183,010	1,437,835	1,490,441	1,799,429	1,819,297	897,226	3,041,392
Miscellaneous	4,509,623 ⁶	632,593	2,536,991	(1,985,265)	2,259,154	(94,253)	2,855,358	(1,783,244)	7,110,206	1,351,784
Transfers	(3,221,142)	(4,794,708)	206,630,226	218,578,897	231,504,123	244,207,243	265,697,904	290,702,465	297,440,049	309,215,533
Total governmental activities	\$ 195,832,320	\$ 188,392,122	\$ 206,630,226	\$ 218,578,897	\$ 231,504,123	\$ 244,207,243	\$ 265,697,904	\$ 290,702,465	\$ 297,440,049	\$ 309,215,533
Business-type activities										
Other taxes	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	6,154,189
Increase (decrease) in fair value of investments	(3,045,590) ⁹	(3,045,590) ⁹	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	202,681 ⁵
Unrestricted investment income	3,055,567	1,710,311	1,995	486,825	644,867	999,487	2,223,506	2,852,155	801,193	1,830
Gain on disposal of capital assets	4,056,939 ⁷	496,494	484,042	(1,985,265)	(2,259,154)	94,253	(2,855,358)	1,783,244	(7,110,206)	(1,351,784)
Miscellaneous	3,221,142	4,794,708	(2,536,991)	7,195,423	8,232,909	8,657,946	8,381,116	19,883,018	5,607,985	6,432,955
Transfers	15,687,729	9,625,462	6,380,366	7,195,423	8,232,909	8,657,946	8,381,116	19,883,018	5,607,985	6,432,955
Total business-type activities	\$ 21,520,049	\$ 198,017,584	\$ 213,010,592	\$ 225,774,320	\$ 239,737,032	\$ 252,865,189	\$ 274,079,020	\$ 310,585,483	\$ 303,048,034	\$ 315,648,488
Total primary government general revenues and other changes in net position	\$ 217,352,369	\$ 386,409,706	\$ 419,640,818	\$ 444,353,217	\$ 471,241,155	\$ 497,072,432	\$ 540,776,924	\$ 601,290,948	\$ 600,496,083	\$ 624,863,021
Change in net position										
Governmental activities	\$ 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)	\$ 91,850,835
Business-type activities	(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	22,610,618
Primary government	\$ (8,362,775)	\$ (63,211,803)	\$ (75,574,285)	\$ 59,220,986	\$ 145,868,924	\$ 72,111,041	\$ 78,416,704	\$ 121,427,188	\$ 13,099,554	\$ 114,461,453

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

2. Due to a significant land sale to Fontaine LLC.

3. Increase due to contribution of three parks.

4. Increase primarily due to land sales of 8.15 acres.

5. Due to adjustment for GASB 31 which requires investments to be adjusted to market value.

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

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 to 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 primarily to increase in grants from HUD.

12. Increase due to developer infrastructure and utility contributed assets.

13. Increase due to change in useful lives for capital assets, which greatly decreased depreciation expense.

14. Decrease due to change in useful lives for capital assets, which greatly decreased depreciation expense.

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2021
General fund										
Nonspendable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted					79		33,723	42,283	34,310	85,357
Committed	1,165,902	936,460	644,394	1,235,676	1,274,063	1,189,951	3,569,975	223,753	219,374	231,935
Assigned	15,686,060	16,391,761	17,606,056	21,505,080	23,617,842	25,212,708	26,659,209	3,024,516	3,701,011	4,408,924
Unassigned								2,574,903	3,104,518	3,123,118
								28,116,220	20,106,447	22,366,139
Total general fund	\$ 16,851,962	\$ 17,328,221	\$ 18,250,450	\$ 22,740,756	\$ 24,891,984	\$ 26,402,659	\$ 30,262,907	\$ 33,981,675	\$ 27,165,660	\$ 30,215,473
Other governmental funds										
Nonspendable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted	211,098,881	190,966,371	160,194,848	31,314	140,437,027	141,553,152	132,510,627	239,705	235,606,260	211,895,477
Committed				157,563,176				167,509,089	32,020,055	27,584,713
Assigned	38,417,701	27,194,098	27,215,621	33,727,701	42,864,188	42,147,669	59,041,787	62,286,446	45,017,885	52,374,681
Total other governmental funds	\$ 249,516,582	\$ 218,160,469	\$ 187,410,469	\$ 191,322,191	\$ 183,301,215	\$ 183,700,821	\$ 191,552,414	\$ 230,035,240	\$ 312,644,200	\$ 291,854,871

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CITY OF HENDERSON, NEVADA

TABLE 4 - CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(UNAUDITED)

	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	June 30, 2021
REVENUES										
Property taxes	\$ 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	\$ 111,720,780
Franchise fees	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	31,865,215
Licenses and permits	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	14,588,735
Intergovernmental	180,950,806	133,680,893	127,032,094	137,490,840	130,520,784	140,150,676	154,225,791	159,969,525	163,594,535	221,655,793
Charges for services	27,099,129	27,552,130	23,393,130	28,562,698	31,159,845	30,198,902	34,685,946	37,786,536	27,245,566	22,794,123
Fines and forfeitures	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	2,279,123
Impact fees	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	2,354,813
Special assessments	130,380	146,928	130,820	130,274	150,382	90,145	111,957	139,347	242,966	117,207
Investment income	2,675,229	1,653,726	2,014,255	2,407,753	3,082,242	1,042,645	2,037,931	7,256,725	6,503,137	205,244
GASB 31 adjustment		(2,278,714)								
Developer contributions	423,063	767,836	3,865,035	4,430,009	9,664,234	2,282,571	1,829,523	16,235,632	1,560,220	3,991,395
Rental fees	586,828	603,767	547,580	493,311	531,613	523,060	35,117	19,801	4,000	787
Residential construction tax	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	1,649,294
Miscellaneous									6,085,483	3,176,490
Total revenues	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	418,324,941
EXPENDITURES										
Current										
General government	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	71,816,125
Judicial	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	12,075,700
Public safety	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	191,671,637
Public works	10,871,321	9,680,018	33,509,200	9,706,622	12,498,653	14,833,880	12,001,015	12,058,080	13,481,743	12,783,066
Culture and recreation	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	50,954,899
Community support	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	17,230,872
Total current	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	356,532,299
Capital outlay										
General government	1,060,444	1,445,582	713,262	239,526	923,225	1,971,632	718,839	2,636,184	2,230,984	5,321,168
Judicial		284,878			381,627	1,388	10,235			
Public safety	1,699,246	1,917,272	928,040	1,837,871	1,319,331	5,317,882	6,038,538	4,683,542	13,443,393	3,672,316
Public works	32,819,205	19,274,299	19,538,892	13,826,060	29,670,888	19,733,205	12,420,923	12,102,195	5,039,537	12,340,208
Culture and recreation	69,700,415	23,456,629	5,382,403	11,709,733	1,418,344	1,945,370	2,893,393	1,827,947	9,955,593	46,386,049
Community support					65,000			16,247		
Total capital outlay	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	67,719,741
Debt service										
Principal payments	10,019,533	5,114,565	4,208,565	4,243,000	6,011,000	5,676,000	6,087,867	6,409,310	8,376,058	8,690,771
Payment to current bond refunding agent	2,803,072			27,209,998	10,288,415	9,786,906				
Interest charges	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	5,285,870
Administrative and other costs	809,634	591,649	21,363	306,322		20,556,714	11,227,082	13,323,773	392,961	
Total debt service	19,495,693	9,999,685	9,553,379	36,966,543	21,489,543	20,556,714	11,227,082	11,227,472	13,323,773	13,976,641
Total expenditures	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	438,228,681
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(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)	(19,903,740)

(Continued)

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2021
OTHER FINANCING SOURCES (USES)										
Proceeds from land sales	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	200,623
Loss on sale of land held for development		(3,426,519)								
Capital leases	322,695	66,750,000							151,556	459,153
Issuance of refunding bonds	34,560,000								68,702,106	
Premium on bonds issued	565,000								74,512,894	
Payment to advance refunding bond agent	639,842	(71,194,329)							5,675,415	
Proceeds from sale of capital assets	(31,591,875)								(68,340,655)	
Transfers in	25,459,998	16,774,827	8,036,323	16,673,879	12,597,062	16,876,307	37,169,566	103,037	24,292,313	22,231
Transfers out	(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)	(30,426,576)
Total other financing sources (uses)	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	2,164,224
CHANGE IN FUND BALANCE	\$ (41,978,136)	\$ (30,495,784)	\$ (29,827,771)	\$ 8,402,028	\$ (5,869,748)	\$ 1,910,281	\$ 14,293,342	\$ 42,201,594	\$ 75,792,945	\$ (17,739,516)
Debt service as a percentage of noncapital expenditures	6.0 %	3.6 %	3.5 %	3.3 %	3.9 %	3.6 %	3.7 %	3.6 %	3.8 %	3.8 %

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 in expenditures for parks and trails related to the Southern Nevada Public Land Management Act.
6. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.
7. 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.
8. 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.
9. Increase due in large part to funds used to call bonds as part of the Inspirada special assessment district restructure.
10. Issue of bonds to refund City debt in order to better align the City's resources with its obligations.
11. Decrease due mainly to lower contributions for traffic control of \$5.6 million. Fiscal year 2016 was a historic high.
12. Issue of bonds for purchase, upgrade and replacement of City police communication system and other equipment.
13. Increase due to the land sales to Fontanesi LLC and Union Village.
14. Increase due to the creation of Local Improvement District T-20 (Rainbow Canyon) at Lake Las Vegas.
15. Increase primarily due to land sales of 8.15 acres.
- 16.

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		Estimated Actual Value	
2012	\$ 8,532,382,809	\$ 24,378,236,597	\$ 338,969,942	\$ 968,485,549	\$ 8,871,352,751	\$ 25,346,722,146	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	23,448,770,494	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	23,922,904,494	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	27,559,176,389	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	31,307,410,897	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	34,226,268,520	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	36,896,437,334	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	39,178,965,015	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	43,307,797,909	0.7108	43,307,797,909	35.0 %	
2021	15,446,670,989	44,133,345,683	994,280,813	2,840,802,323	16,440,951,802	46,974,148,006	0.7408	46,974,148,006	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		
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
2021	0.6208	0.1200	0.7408	0.1700	1.3034	0.6541	0.0608	2.1883	2.9291

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	2021			2012		
	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	\$ 195,375,342	1	1.19 %	\$ 89,509,204	1	1.01 %
Basic Management, Inc.	101,699,266	2	0.62 %	58,673,113	4	0.66 %
M Resort	78,955,588	3	0.48 %	46,889,933	6	0.53 %
Picerne Real Estate Group	67,868,486	4	0.41 %			
Harsch Investment Properties	62,339,773	5	0.38 %	27,044,754	8	0.30 %
Ascaya Incorporated	56,159,373	6	0.34 %			
Ovation Development Corp	49,670,909	7	0.30 %			
Invitation Homes	46,396,539	8	0.28 %			
Universal Health Services Inc.	45,442,638	9	0.28 %			
Lennar Corporation	43,021,278	10	0.26 %			
Green Valley Ranch Gaming, LLC				78,609,908	2	0.89 %
Greenspun Corporation				73,579,471	3	0.83 %
W.L. Nevada, Inc.				54,070,100	5	0.61 %
Ranch Center Associates Limited Partnership				29,039,760	7	0.33 %
Focus Property Group				26,609,630	9	0.30 %
Federal National Mortgage Association				25,077,730	10	0.28 %
	<u>\$ 746,929,192</u>		<u>4.54 %</u>	<u>\$ 509,103,603</u>		<u>5.74 %</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
2012	\$ 63,346,266	\$ 62,318,519	98.38 %	\$ 1,026,137	\$ 63,344,656	100.00 %
2013	58,111,016	57,611,241	99.14 %	498,164	58,109,405	100.00 %
2014	58,809,487	58,410,072	99.32 %	399,092	58,809,164	100.00 %
2015	62,378,711	62,085,849	99.53 %	289,285	62,375,134	99.99 %
2016	66,756,325	66,377,824	99.43 %	374,354	66,752,178	99.99 %
2017	69,808,477	69,427,671	99.45 %	375,185	69,802,856	99.99 %
2018	75,961,778	75,554,625	99.46 %	398,927	75,953,552	99.99 %
2019	83,486,360	83,035,950	99.46 %	420,364	83,456,314	99.96 %
2020	91,932,130	91,455,104	99.48 %	380,017	91,835,121	99.89 %
2021	102,418,420	101,983,701	99.58 %	²	101,983,701	99.58 %

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 Activities	Total Primary Government	Percentage of Personal Income ²		Per Capita ²					
	General Obligation Bonds		Tax Allocation Bonds		Notes and Loans		Capital Leases	Total		Revenue Bonds							
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 %		1,267
2021		168,443,770		8,504,933		148,311		1,125,511		178,222,525		216,065,093		394,287,618	2.93 %		1,187

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 ²	Per Capita ³
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
2021	168,443,770	5,669,799	162,773,971	0.35 %	490

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, 2021
(UNAUDITED)

	Total General Obligation Debt	Percent Applicable	Applicable Net General Obligation Debt
City of Henderson, Nevada	\$ 178,222,525	100.00 %	\$ <u>178,222,525</u>
Overlapping governments			
Clark County	800,661,029	15.06 %	120,579,551
Clark County School District	3,174,828,184	15.06 %	<u>478,129,125</u>
Total overlapping governments			<u>598,708,676</u>
Total direct and overlapping debt			\$ <u><u>776,931,201</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, 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	June 30, 2021
Assessed value	\$ 8,871,352,751	\$ 8,207,069,673	\$ 8,373,016,573	\$ 9,645,711,736	\$ 10,957,593,814	\$ 11,979,193,982	\$ 12,913,753,067	\$ 13,712,637,755	\$ 15,157,729,268	\$ 16,440,951,802
Legal debt margin	\$ 1,330,702,913	\$ 1,231,060,451	\$ 1,255,952,486	\$ 1,446,856,760	\$ 1,643,639,072	\$ 1,796,879,097	\$ 1,937,062,960	\$ 2,056,895,663	\$ 2,273,659,390	\$ 2,466,142,770
Debt applicable to debt limit										
Total bonded debt, including special assessment bonds	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	393,013,796
Less	(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)	(8,504,933)
Tax allocation bonds										
Total bonded debt, applicable to debt limit	273,119,815	275,480,164	257,349,602	239,804,728	222,743,026	220,833,618	203,093,302	186,621,669	399,842,906	384,508,863
Legal debt margin	\$ 1,057,583,098	\$ 955,580,287	\$ 998,602,884	\$ 1,207,052,032	\$ 1,420,896,046	\$ 1,576,045,479	\$ 1,733,969,658	\$ 1,870,273,994	\$ 1,873,816,484	\$ 2,081,633,907
Total bonded debt applicable to limit as a percentage of debt limit	20.52 %	22.38 %	20.49 %	16.57 %	13.55 %	12.29 %	10.48 %	9.07 %	17.59 %	15.59 %

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					Tax Allocation Bonds				
	Charges for Services	Operating Expenses	Net Available Revenue	Debt Service		Tax Increment	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
2012	\$ 96,962,286	\$ 82,367,031	\$ 14,595,255	\$ 14,148,317	\$ 8,332,420	\$ 5,124,360	\$ 615,000	\$ 735,128	379.55 %	
2013	100,859,843	80,469,835	20,390,008	14,017,434	6,472,556	4,648,687	650,000	702,789	343.64 %	
2014	105,257,650	83,587,025	21,670,625	14,135,252	6,700,933	4,954,393	680,000	669,121	367.23 %	
2015	111,608,158	85,701,388	25,906,770	14,598,529	5,950,793	6,496,019	715,000	633,882	481.59 %	
2016	114,750,008	87,601,625	27,148,383	11,428,878	5,304,838	9,097,750	755,000	453,930	752.55 %	
2017	119,814,716	93,965,966	25,848,750	11,142,765	4,947,841	10,111,288	225,000	393,300	1,635.34 %	
2018	124,395,183	99,957,723	24,437,460	11,644,014	4,437,604	13,277,137	230,000	387,600	2,149.80 %	
2019	127,854,332	101,173,526	26,680,806	10,290,679	3,914,402	16,429,617	240,000	379,350	2,652.72 %	
2020	127,725,008	108,279,104	19,445,904	4,027,772	3,408,558	19,883,140	250,000	368,300	3,215.78 %	
2021	138,470,467	116,196,923	22,273,544	5,223,184	6,966,368	23,374,852	265,000	355,425	3,767.55 %	

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
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	322,800	12,743,720,359	39,479	14.60 %
2021	332,258	13,454,895,768	40,495	8.10 %

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	2021			2012		
	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	3,076 ²	1	2.02% %	2,980 ²	1	2.38%
Barclays Services, LLC	1000-4999 ³	2	0.66 - 3.29 %			
Green Valley Ranch Station Casino	1000-4999 ³	3	0.66 - 3.29 %	1,500-1,999 ³	3	1.20 - 1.60%
St. Rose Dominican Hospital-Siena	1000-4999 ³	4	0.66 - 3.29 %	1,500-1,999 ³	2	1.20 - 1.60%
Sunset Station Hotel & Casino	1000-4999 ³	5	0.66 - 3.29 %	1,000-1,499 ³	5	0.80 - 1.20%
Amazon LAS1 Distribution Center	1000-4999 ³	6	0.66 - 3.29 %			
CaptionCall, LLC	500-999 ³	7	0.33 - 0.66 %			
Fiesta Henderson Casino Hotel	500-999 ³	8	0.33 - 0.66 %	600-699 ³	7	0.48 - 0.56%
Henderson Hospital	500-999 ³	9	0.33 - 0.66 %			
St. Rose Dominican Hospital-Rose de Lima	500-999 ³	10	0.33 - 0.66 %	700-799 ³	6	0.56 - 0.64%
The M Resort				1,000-1,499 ³	4	0.80 - 1.20%
Medco Health LLC				600-699 ³	8	0.48 - 0.56%
Zappos CLT Inc				500-599 ³	9	0.40 - 0.48%
Wal-Mart Supercenter				500-599 ³	10	0.40 - 0.48%

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)

Function/program	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	June 30, 2021
Governmental activities										
General government	353	354	340	343	353	348	350	368	387	395
Judicial	102	99	108	104	105	103	92	93	94	94
Public safety	911	907	910	877	890	909	985	985	1,025	1,028
Public works	134	103	113	114	124	123	126	134	131	130
Culture and recreation	460	458	471	438	438	435	443	474	441	450
Community support	24	18	20	20	18	17	16	14	13	17
Total governmental activities	1,984	1,939	1,962	1,896	1,928	1,935	2,012	2,068	2,091	2,114
Business-type activities										
Water	152	145	147	150	152	158	163	169	174	173
Sewer	117	129	128	129	133	134	136	136	144	143
Development services	40	44	56	65	68	75	86	80	86	86
Other	44	44	44	44	36	30	35	15	2	
Total business-type activities	353	362	375	388	389	397	420	400	404	402
Total full-time equivalent employees	2,337	2,301	2,337	2,284	2,317	2,332	2,432	2,468	2,495	2,516

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, 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	June 30, 2021
Governmental activities										
Judicial										
New cases created (criminal and traffic)	49,165	43,256	37,741	38,257	40,094	37,728	40,407	52,030	30,649	25,889 ²⁸
Cases closed (criminal and traffic)	43,934	39,257	34,582	33,562	37,856	37,963	39,093	45,690	31,723	31,653
Scheduled court appearances - defendants	49,729	45,524	36,608	35,631	39,468	36,298	35,867	46,169	37,189	35,773
Public safety										
Police reports	24,767	22,320	22,037	20,392	24,611	26,875	29,982	31,278	26,554 ²³	25,732
Police calls for service	140,775	141,677	135,678	145,903	154,751	179,854	198,185	269,662 ²¹	214,718 ²³	206,313
Number of emergency medical response incidents	18,513	18,953	19,227	20,421	21,487	22,718	24,224	25,387	25,421	26,904
Number of emergency medical response transports	12,951	13,199	13,050	13,671	14,790	15,998	17,628	18,672	18,467	19,524
Number of fire incidents	599	544	555	529	523	655	645	523	587	692
Public works										
Lane miles of street maintenance	122	12 ⁵	241	54 ¹³	68	92	70	66	92	94
Lane miles of existing street reconstruction	4	20 ⁶	4	20	36	1	2	5	8	10
Number of scheduled inspections (off-site improvements)	24,665	20,421	23,116	30,406	31,165	35,367	33,399	33,846	41,131	41,597
Number of off-site (non-building) projects	51	79	43	51	68	36	43	37	33	35
Culture and recreation										
Parks and recreation class registrations	304,492	388,038	464,722	430,863	457,965	409,299	433,807	433,752	342,587 ²⁴	83,312 ²⁴
Community support										
Number of requests for information on business relocations	91	233 ⁷	154	178	165	414 ¹⁶	123 ¹⁸	91	101	90
Number of local business requests for information, assistance or outreach	569	688	661	444	511	744 ¹⁶	2,408 ¹⁹	22	599 ²⁷	1,170 ²⁷
Number of jobs created	390	269	1,920 ¹⁰	289	971 ¹⁴	1,223 ¹⁷	1,659 ²⁰	685	2,335 ²⁵	1,826
Business-type activities										
Water										
Average daily water consumption (MGD)	68	68	67	68	68	70	74	74	73	80 ²⁹
Number of requests for line location	46,017	51,662	52,315	60,681	60,821	73,811 ¹⁵	85,762	85,725	132,709 ¹⁵	115,012
Number of hydrant major repairs	201	127 ⁸	139	91 ¹¹	90	109	155	134	153	115
Number of line repairs	418	483	397	524	633	570	863	862	1,123 ²⁶	646
Sewer										
Lines video inspected (feet)	489,488	552,244	619,118	523,884	495,963	371,572	440,809	447,766	533,427	514,677
Lines cleaned (feet)	1,717,800	1,626,459	2,417,309	1,764,059	1,504,376	706,208	1,061,126	1,309,662	1,253,670	1,102,741
Development services										
Number of plan review activities	12,664	12,660	14,220	21,957 ¹²	25,847	29,433	29,263	31,219	32,036	31,328
Building permits issued	10,106	11,729 ⁹	12,439	15,999 ¹²	16,742	15,721	17,561	19,486	19,049	20,213

(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.	Projects were delayed and not awarded until July 2013
6.	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.
7.	Due to increased confidence in the economy and marketing initiatives.
8.	Substantial hydrant repairs were made in previous years, negating the need for future repairs. This in addition to construction slowdown accounts for the decrease.
9.	Increase due to significant increase in single family residence permits.
10.	Barclay Card U. S. opened a new customer contact center and announced this will create approximately 1,000 jobs.
11.	Decrease due to steady maintenance, leading to fewer problems. Also, a determination was made to adjust maintenance cycles from 1.5 to 3 years.
12.	Increase due in large part to revitalization of two master-planned communities.
13.	The available funding for the maintenance program decreased from the previous year.
14.	CoreMark International, Xtreme Manufacturing, and OnTrac provided 234, 200, and 175 jobs respectively, which accounts for the largest change.
15.	Due to increase in construction activity.
16.	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.
17.	Henderson Hospital and two Chick-fil-a locations provided 280 and 300 jobs respectively, which accounts for the large change.
18.	Decrease is due to the realigning of categorical data. All outreach events are now included under Local business requests for information/assistance/outreach.
19.	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 trade shows, and other local business events. Additionally, they were fully staffed for the entire year, unlike the previous year.
20.	Raiders Corporate, Xtreme Manufacturing and PRA Group locations provided for 250, 204 and 350 jobs respectively, which accounts for the large change.
21.	Increase due to proactive and geographic policing.
22.	Indicator tracking has been discontinued.
23.	Significant reductions in Officer initiated calls for service, police reports and property crimes due to the COVID-19 pandemic.
24.	Significant reduction in class registrations due to the COVID-19 pandemic and related mitigation protocols.
25.	Significant increase primarily due to Amazon (1,000) and Haus Automation (600).
26.	Increase due to predictive repair of aging lines.
27.	Increased as businesses who were shut down or operating at reduced capacity reached out for assistance. Connected them with various resources/programs such as the Paycheck Protection Program and Economic Injury Disaster loans, among others. Economic Development also distributed CARES funding as small business grants to over 400 businesses.
28.	Reduction in case filings due to the COVID-19 pandemic and related mitigation protocols.
29.	Extreme drought conditions, augmentation of the reclaimed water system, and increased construction water use account for the water consumption increase.

CITY OF HENDERSON, NEVADA

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

Function/program	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	June 30, 2021
Governmental activities										
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	10	10	11	11
Number of patrol units	144	137	132	136	136	136	143	143	142	142
Public works										
Streets (miles)	819	822	829	835	851	863	862	873	938	956
Traffic signals	152	158	160	166	174	182	182	188	186	190
Culture and recreation										
Park acreage	1,204	1,238	1,263	1,300	1,306	1,306	1,306	1,311	1,315	1,325
Number of parks	53	57	60	63	64	64	64	65	66	68
Number of swimming pools	15	15	15	13	13	13	13	13	13	13
Number of tennis courts	57	57	62	64	64	58	58	58	58	58
Number of recreation centers	7	8	8	8	8	8	8	8	8	8
Business-type activities										
Water										
Water mains (miles)	1,175 ³	1,200	1,222	1,482	1,488	1,505	1,521	1,539	1,555	1,571
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water pump stations	32	32	32	33	33	33	32	34	32	32
Sewer										
Number of sewage treatment plants	2	2	2	2	2	2	2	2	2	2
Number of sewer lift stations	16	16	16	16	16	15	15	16	15	14
Miles of sanitary sewer lines	935 ³	935	943	947	949	956	968	975	1,129	987

- Source - Various City of Henderson departments.
- Indicators are not available for the general government, judicial, community support, or development services functions.
- Method of calculation now excludes private lines and lines proposed for construction.

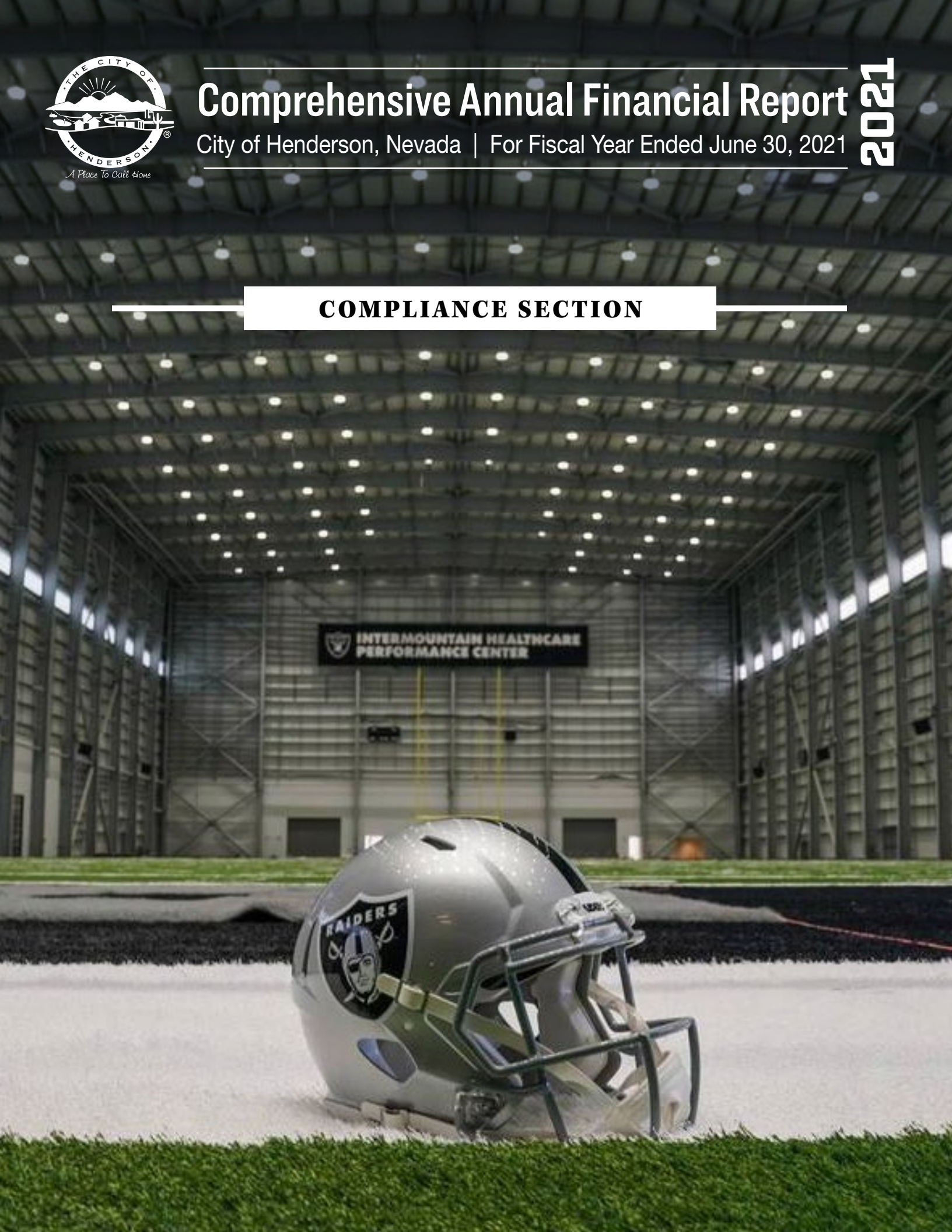


Comprehensive Annual Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2021

2021

COMPLIANCE SECTION





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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada (the City), as of and for the year ended June 30, 2021, 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, 2021.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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

November 30, 2021

CITY OF HENDERSON, NEVADA

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED JUNE 30, 2021

Financial Statement Findings

None reported

CITY OF HENDERSON, NEVADA

SCHEDULE OF BUSINESS LICENSE FEES

FOR THE YEAR ENDED JUNE 30, 2021

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, 2021	\$	5,285,067
Business license revenue for the year ended June 30, 2020 (base year)	\$	4,868,319
Adjustment to base year		
Percentage change in Consumer Price Index		<u>1.36 %</u>
Total adjustment to base year		<u>66,209</u>
Adjusted business license revenue base for the year ended June 30, 2021		<u>4,934,528</u>
Amount over allowable maximum	\$	<u><u>350,539</u></u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2021	\$	2,936,420
Business license revenue for the year ended June 30, 2020 (base year)	\$	2,660,471
Adjustment to base year		
Percentage change in local government population	2.17 %	
Percentage change in Consumer Price Index	<u>1.36 %</u>	
		<u>3.53 %</u>
Total adjustment to base year		<u>93,915</u>
Adjusted business license revenue base for the year ended June 30, 2021		<u>2,754,386</u>
Amount over allowable maximum	\$	<u><u>182,034</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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cityofhenderson.com