

HENDERSON[™]

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

City of Henderson, Nevada

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2022

Prepared by:

Finance Department

Jim McIntosh

Assistant City Manager/Chief Financial Officer

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CITY OF HENDERSON, NEVADA

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INTRODUCTORY SECTION

HENDERSON[™]

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022



December 16, 2022

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

The annual comprehensive financial report for the City of Henderson for the fiscal year ended June 30, 2022 is hereby submitted in accordance with Nevada Revised Statutes 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, 2022 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, 2022, 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 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. 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 331,000, 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.

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 Nevada Department of Taxation. The Nevada Department of Taxation notifies the City Council if the budget is in compliance with the law and appropriate regulations. Prior to the adoption of the final budget, the Budget Manager presents the tentative budget to City Council. A public hearing, at which all changes made to the tentative budget are indicated, is 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 project funds, enterprise funds, and internal service funds, are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is statutorily required to be exercised at the function level. Appropriations lapse at year

end. However, encumbrances generally are re-appropriated as part of the following year's budget augmentation.

Global Pandemic and Federal Funds

On May 20, 2022, the state of emergency regarding the COVID-19 pandemic response was lifted for the City and the State of Nevada. The City continues to monitor disease prevention, public access to vaccines and testing.

Over the past several years there has been unprecedented fiscal stimulus provided by the Federal Government. 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), the Emergency Rental Assistance Program (ERAP), and various other Pandemic related grants from the U.S. Department of Justice, U.S. Treasury, U.S. Department of Health and Human Services, U.S. Department of Homeland Security and U.S. Department of Housing and Urban Development.

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 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.

The Dollar Loan Events Center, which opened March 2022, will host 34 annual home games for the Henderson Silver Knights and 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.

The City has continued to see growth in both assessed valuation and population despite the onset of the pandemic in March 2020. Despite the rapid and strong recovery from pandemic lows, there remains a high degree of economic uncertainty as external factors such as high inflation and continued supply-chain disruptions weigh on consumer sentiment.

Given the region's high dependency on the tourism and hospitality industries for economic prosperity, the change in the national economic climate can have adverse impacts to the local economy if consumer discretionary income declines. 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 interested in relocating to Henderson, and local businesses planning to expand, may be eligible for a number of incentive programs and services.

The national employment picture has seen a dramatic swing due to the economic impact of the pandemic. The official unemployment rate (otherwise known as the U3 rate), 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 quickly recovered to 5.2% in August 2021 before further declining to 3.7% in August 2022.

Like the national employment, local employment has also increased considerably given the lows of the pandemic. In the Las Vegas Metropolitan Statistical Area, the unemployment rate peaked at 33.3% in April 2020, the highest rate on record. However, the unemployment rate quickly recovered to 7.7% in August 2021 before further declining to 5.7% in August 2022.

The City's property tax rate continues to be one of the lowest rates in the State of Nevada. For the fiscal year 2022, the City's property tax rate was \$0.7708 per \$100 in assessed valuation, an increase of \$0.03 from the fiscal year 2021 rate of \$0.7408 per \$100 in assessed valuation.

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 more than 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.

Clark County's population remained flat for the year ended July 1, 2021. According to population estimates made by the Nevada State Demographer, the population in Clark County was 2,320,551 as of July 1, 2021. This reflects no significant increase over the July 1, 2020, figure of 2,320,107. Despite slowing growth, it is estimated that the population growth will continue to gradually increase in Clark County in the coming years.

The City of Henderson's population continues to see gradual growth. According to estimates made by the Nevada State Demographer, the population is estimated to reach 334,471 in Fiscal Year 2023, a 1.2% increase over the prior year. For Henderson, population growth is anticipated into the foreseeable future.

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 2023, contingent upon available funding, include:

- General Government to fund the City Shop 5-year fleet replacement program. This project will be replacing vehicles and equipment that have exceeded their useful life, and/or have repair costs that are beyond the economic breakpoint.
- Water Fund to fund the service line replacement program. This project will replace water service laterals for select neighborhoods where the lines have reached the end of useful life.
- Sewer Fund to fund the Water Reclamation Facility ultraviolet system upgrade. This project will install new ultraviolet disinfection equipment in the third channel at the water reclamation facility.
- Parks & Recreation to fund the H.O.M.E adaptive use park. This will be a fully accessible recreation facility for children of all abilities and ages. It will include a ballfield, multi-use field, waterplay, fully accessible playground, and administrative and meeting space for recreation, therapeutic recreation, inclusion, sports and operations.

- The Redevelopment Agency to fund the construction of an education center. This project will build a 20,000 square foot facility to promote early education in the east side of the valley. Funds for construction will be sourced from the 18% Education Set-aside.

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 over estimating revenues or under estimating 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 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.

To demonstrate its commitment to economic diversification, the City will complete the 20,000 square foot Center of Excellence, a workforce training center consisting of classrooms, shop space, offices, and related amenities necessary for a teaching environment that will serve the community by developing a skilled workforce base in manufacturing.

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 40th 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 annual comprehensive 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 annual comprehensive 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.

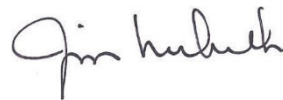
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department's Accounting staff as well as certain members of the City Manager's staff, Public Works, Parks and Recreation Department, Utilities, and Neighborhood Services 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
Assistant City Manager/CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Henderson
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

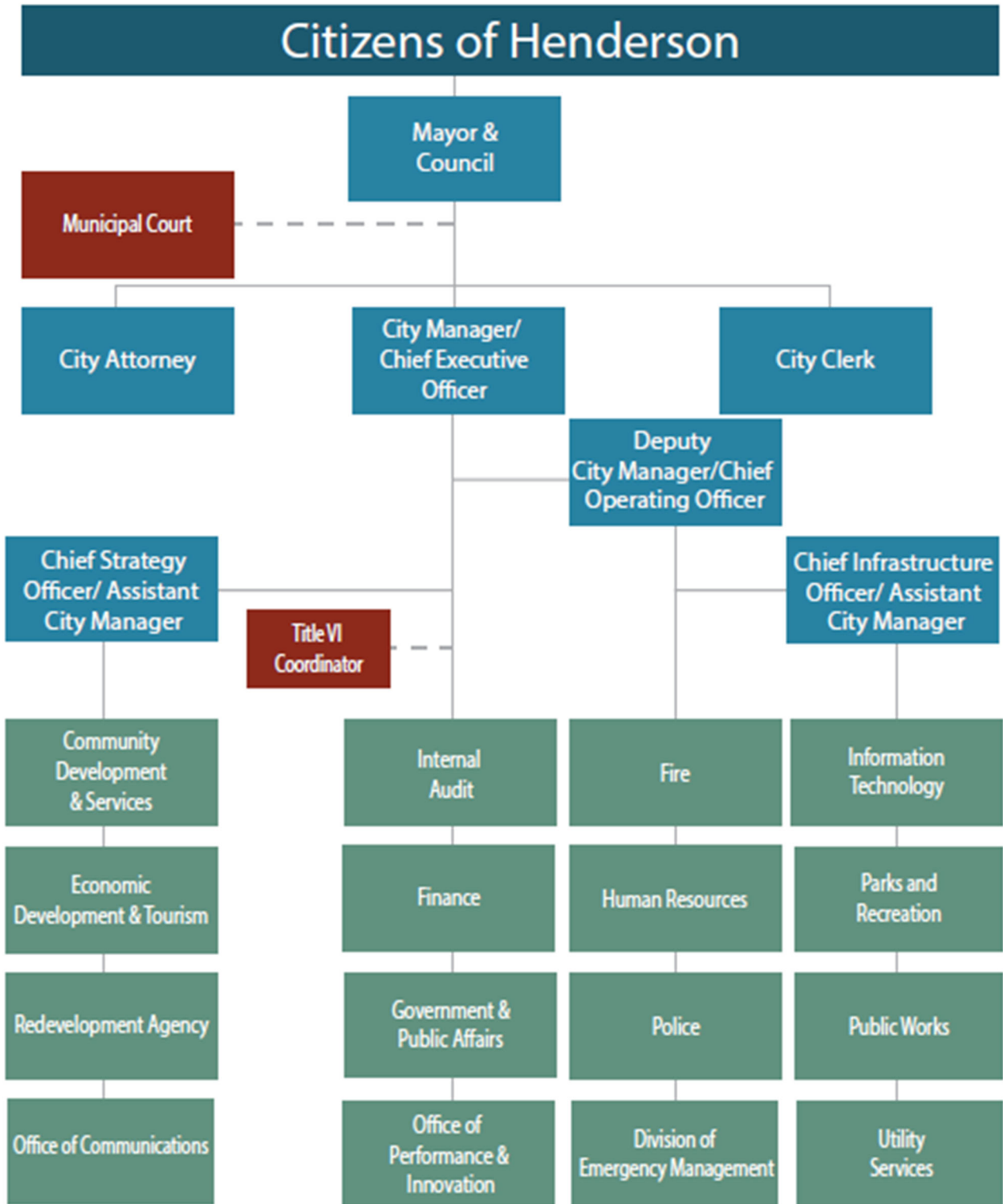
Christopher P. Morill

Executive Director/CEO

City of Henderson, Nevada

Organization Chart

For the Year Ended June 30, 2022



City of Henderson, Nevada

List of Principal Officers

For the Year Ended June 30, 2022

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

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FINANCIAL SECTION

HENDERSON[™]

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022



Tel: 702-784-0000
Fax: 702-784-0161
www.bdo.com

8548 Rozita Lee Avenue, Suite 300
Las Vegas, NV 89113

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, 2022, 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 referred to above present fairly, in all material respects, the respective financial information of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions - schedule of changes in OPEB liability, multiple-employer cost-sharing defined benefit pension plan - proportionate share of the collective net pension liability information, multiple-employer cost-sharing defined benefit pension plan - proportionate share of statutorily required contribution information, agent multiple-employer defined benefit pension plan- schedule of changes in net pension liability, agent multiple-employer defined benefit pension plan-pension plan information, agent multiple-employer defined benefit pension plan-actuarially determined contribution information, and notes to required supplementary information 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.

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 combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by *Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections and schedule of business license fees but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 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

Las Vegas, NV
December 16, 2022

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City of Henderson, Nevada
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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, 2022. 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, 2022, by \$3,001,496,681 (net position). However, due to the recognition of estimated liabilities and deferred resources related to pension and other post-employment benefits (OPEB) totaling \$370,852,645 as of June 30, 2022, the City's governmental activities have negative unrestricted net position of \$199,366,095.

During fiscal year 2022, the City's total net position increased by \$287,141,338. See the sections on governmental activities and business-type activities below for explanations of the increase.

As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$396,739,823, an increase of \$71,825,383 compared to the prior year. See the governmental fund analysis below for explanations of the increase. Approximately 7.6% of ending fund balances, or \$30,289,708, is available for spending at the City's discretion (unassigned fund balance).

As of June 30, 2022, unassigned fund balance in the General Fund was 10.3% of fiscal year 2022 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) and 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.

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

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, 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, 2022. Information is presented separately in the governmental funds balance sheets and in the governmental funds statements 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, enterprise funds and internal service funds.

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

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

which are considered to be major funds. Data from the two non-major enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in the report.

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's pension and other post-employment benefits (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.

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

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, 2022, the City is reporting net position of \$3,001,496,681. The following table provides a summary of the City's net position for the years ended June 30, 2022 and 2021.

Summary Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Assets						
Current, restricted and other	\$ 651,542,092	\$ 558,013,908	\$ 359,022,110	\$ 343,400,351	\$ 1,010,564,202	\$ 901,414,259
Capital	1,932,022,282	1,796,325,395	1,084,310,220	1,044,548,829	3,016,332,502	2,840,874,224
Total Assets	\$ 2,583,564,374	\$ 2,354,339,303	\$ 1,443,332,330	\$ 1,387,949,180	\$ 4,026,896,704	\$ 3,742,288,483
Deferred Outflows of Resources	\$ 161,738,892	\$ 76,388,636	\$ 27,840,255	\$ 13,976,375	\$ 189,579,147	\$ 90,365,011
Liabilities						
Current	74,964,294	71,143,425	39,685,917	30,772,494	114,650,211	101,915,919
Other	581,566,349	696,968,567	255,769,582	283,684,394	837,335,931	980,652,961
Total Liabilities	656,530,643	768,111,992	295,455,499	314,456,888	951,986,142	1,082,568,880
Deferred Inflows of Resources	228,929,128	32,088,432	34,063,900	3,640,839	262,993,028	35,729,271
Net Position						
Net investment in capital assets	1,804,554,611	1,682,420,565	984,863,898	949,960,187	2,789,418,509	2,632,380,752
Restricted	254,654,979	211,507,733	6,284,594	5,697,756	260,939,573	217,205,489
Unrestricted	(199,366,095)	(263,400,783)	150,504,694	128,169,885	(48,861,401)	(135,230,898)
Total Net Position	\$ 1,859,843,495	\$ 1,630,527,515	\$ 1,141,653,186	\$ 1,083,827,828	\$ 3,001,496,681	\$ 2,714,355,343

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

The City's total net position increased by \$287,141,338 during the current fiscal year, comprised of an increase in governmental activities net position of \$229,315,980 and an increase in business-type activities net position of \$57,825,358.

At June 30, 2022, the largest portion of the City's net position, \$2,789,418,509, is its investment in capital assets (e.g., land, buildings, machinery, equipment, right-to-use asset, etc.), less any related outstanding debt or lease liabilities 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, 2022, 8.7% of the City's net position is subject to external restrictions on how it may be used. The remaining balance is a negative \$48,861,401 primarily resulting from the estimated liabilities and deferred resources related to pension and OPEB. As of June 30, 2022, the City's long-term liabilities include a net pension liability of \$276.5 million, 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, 2022, the City has recorded an estimated long-term liability of \$69.3 million for its actuarially determined total OPEB liability.

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City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

Summary Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Revenues						
Program revenues:						
Charges for services	\$ 55,838,386	\$ 53,722,984	\$ 169,847,868	\$ 160,044,070	\$ 225,686,254	\$ 213,767,054
Operating grants and contributions	31,996,027	47,122,554			31,996,027	47,122,554
Capital grants and contributions	150,350,840	98,852,031	54,897,595	33,141,932	205,248,435	131,993,963
General revenues:						
Property taxes	123,640,567	111,303,141			123,640,567	111,303,141
Room taxes	4,687,679	2,698,771			4,687,679	2,698,771
Intergovernmental revenues – consolidated tax	159,631,041	126,166,464			159,631,041	126,166,464
Motor vehicle fuel tax	6,432,542	5,763,696			6,432,542	5,763,696
Sales tax	30,516,522	24,174,321	8,163,986	6,154,189	38,680,508	30,328,510
Residential construction tax	2,084,754	1,649,294			2,084,754	1,649,294
Franchise fees, based on gross receipts	35,020,585	31,865,215			35,020,585	31,865,215
Unrestricted investment income	(9,421,147)	236,445	(7,247,037)	202,681	(16,668,184)	439,126
Gain on disposal of capital assets	4,582,005	965,010		1,830	4,582,005	966,840
Miscellaneous	3,390,568	3,117,087	797,193	1,426,039	4,187,761	4,543,126
Total Revenues	598,750,369	507,637,013	226,459,605	200,970,741	825,209,974	708,607,754
Expenses						
General government	68,607,650	78,594,744			68,607,650	78,594,744
Judicial	11,189,513	12,596,221			11,189,513	12,596,221
Public safety	185,383,883	199,321,791			185,383,883	199,321,791
Public works	40,390,120	38,432,482			40,390,120	38,432,482
Culture and recreation	55,767,854	62,643,699			55,767,854	62,643,699
Community support	5,286,896	16,566,311			5,286,896	16,566,311
Interest expense and fiscal charges	6,008,356	6,144,376			6,008,356	6,144,376
Water			87,625,630	93,774,071	87,625,630	93,774,071
Sewer			53,356,034	53,797,600	53,356,034	53,797,600
Development services			21,424,411	22,098,443	21,424,411	22,098,443
Cultural arts and tourism				4,652,693		4,652,693
Municipal golf course			3,028,289	2,685,532	3,028,289	2,685,532
Total Expenses	372,634,272	414,299,624	165,434,364	177,008,339	538,068,636	591,307,963
Change in net position, before transfers	226,116,097	93,337,389	61,025,241	23,962,402	287,141,338	117,299,791
Transfers	3,199,883	1,351,784	(3,199,883)	(1,351,784)		
Change in net position	229,315,980	94,689,173	57,825,358	22,610,618	287,141,338	117,299,791
Net position, beginning of year, as adjusted	1,630,527,515	1,535,838,342	1,083,827,828	1,061,217,210	2,714,355,343	2,597,055,552
Net position, end of year	\$ 1,859,843,495	\$ 1,630,527,515	\$ 1,141,653,186	\$ 1,083,827,828	\$ 3,001,496,681	\$ 2,714,355,343

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

Governmental Activities

Governmental activities increased the City's net position by \$229,315,980. Revenues came in at \$598.8 million supported by higher than anticipated levels of consolidated taxes (\$159.6 million), and sales taxes (\$30.5 million), along with increased property taxes (\$123.6 million) and capital grants and contributions (\$150.4 million). Total expenses finished the year at \$372,634,272, which was less than originally budgeted due to cost vacancy savings, ongoing projects that will be re-apportioned to the next fiscal year, and lower than expected operating expenditures due to continuous improvement efforts. These efforts will be discussed further under General Fund Budgetary Highlights. Significant year-over-year changes are as follows:

Operating grants and contributions decreased \$15.1 million, in large part due to the receipt of Federal funding related to pandemic relief in the prior fiscal year.

Capital grants and contributions increased \$51.5 million resulting from an increase in contributed assets of \$41.8 million related to the completion of the Dollar Loan Center. The Dollar Loan Center is a 6,000-seat indoor event center, which opened in March 2022. There was an increase in County donated assets of \$9.4 million related to the completion of several large projects, including Foster-Price road improvements, Bermuda road improvements, and Water Street and Grand Cadence road improvements.

Property tax revenue increased by \$12.3 million due primarily to ongoing economic development, population growth and assessed valuation growth. In addition, the City's property tax rate increased from \$0.7408 to \$0.7708 per \$100 of assessed value.

Consolidated tax revenues increased by \$33.5 million due to increases in visitor spending, rising employment and wages, and federal economic stimulus that drove demand for durable goods.

Franchise fee revenues increased by \$3.2 million due to higher collections of gas and electric franchise fees. These fees are collected from public utility companies and are based upon designated percentages of gross receipts pursuant to each firms' franchise fees.

Gain on disposal of capital assets increased by \$3.6 million resulting from the land sale of a parcel near Horizon Ridge Parkway and Jeffreys Street.

Unrestricted investment income decreased by \$9.7 million as a result of a decrease in the overall market value of the City's investment portfolio resulting from rising interest rates.

General Government expense decreased by \$10.0 million primarily due to the following: first, a decrease in pension expense of \$5.7 million because of the latest actuarial allocation, and second, a decrease in losses on disposal of capital assets of \$7.7 million due to the absence of a large one-time loss from the prior year.

Public Safety expense decreased by \$13.9 million due to a decrease of \$25.2 million in pension expenses due to a decrease in the actuarial valuation. This is offset with an increase in salaries and wages by \$12.1 million primarily as a result in 5% full-time salary and wage increases for Police and Fire. There were also additional positions for firefighters, ambulance operators and police officers during the current fiscal year. This was coupled with an increase in employee benefits due to the increase in the contribution rate to the Public Employee Retirement System.

Culture and Recreation expense decreased by \$6.9 million primarily due to a \$3.1 million decrease in pension expense due to a decrease in the actuarial valuation. There was also a decrease of \$4.6 million in services and supplies expense due to the receipt of \$7.0 million in various Federal pandemic aid to fund expenditures

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City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

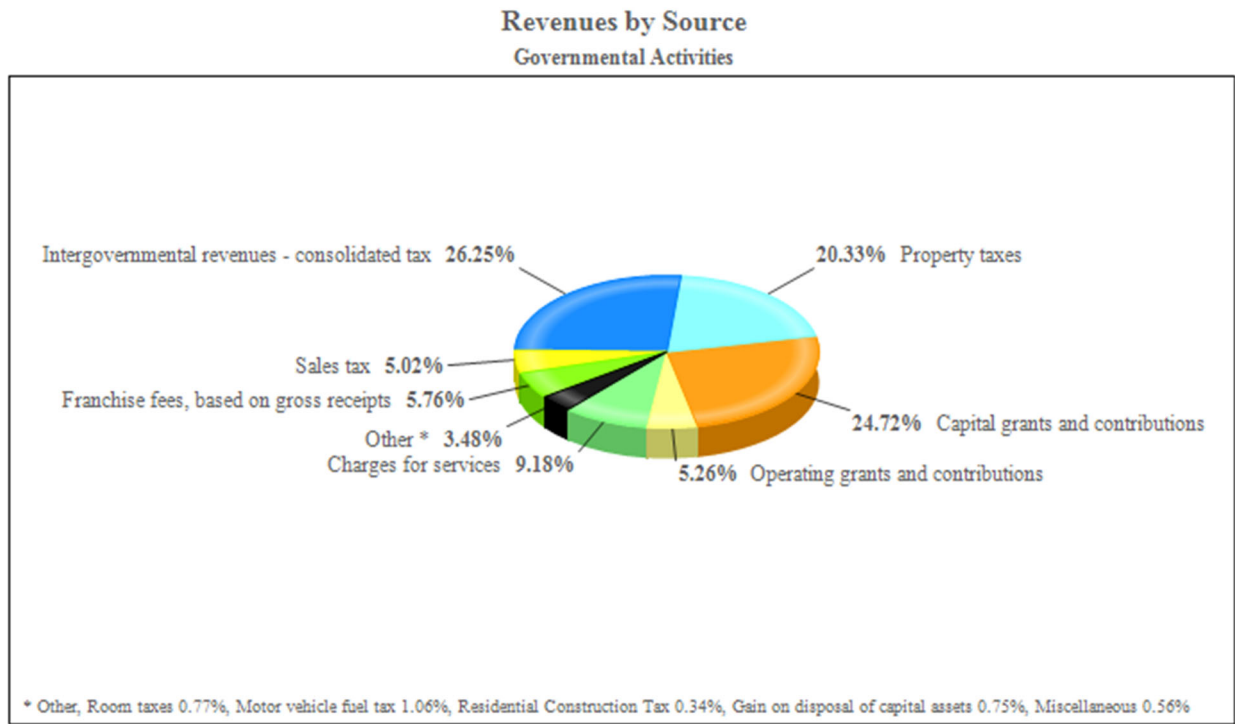
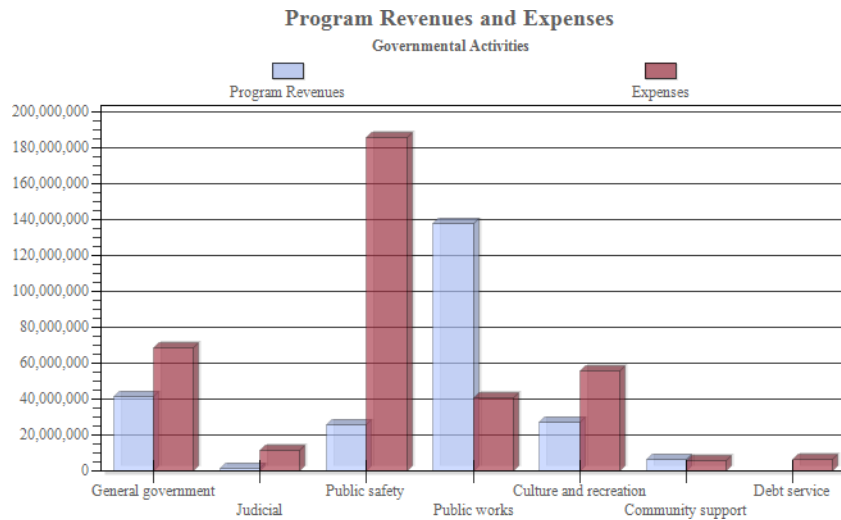
supporting the City's resident recovery grant program which assisted local residents with funding for childcare, educational broadband connectivity, and utilities.

Community Support expense decreased by \$11.3 million primarily as a result of a one-time receipt in fiscal year 2021 of \$9.6 million in Emergency Rental Assistance Program funds 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.

Transfers increased by \$1.8 million due primarily to an increase in transfers out from the Water Fund and Sewer Fund.

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City of Henderson, Nevada
Management’s Discussion and Analysis (Continued)
Year Ended June 30, 2022



Business-Type Activities

Business-type activities increased the City’s net position by \$57,825,358. Charges for services account for \$169.8 million of the total revenues of \$226.5 million. Total expenses decreased from \$177.0 million to \$165.4 million. The largest expense decrease was in the Water fund of \$6.1 million due to a \$2.4 reduction in pension expense due to a decrease in the actuarial valuation. There was also a decrease in water consumption due to the Utility department increasing its efforts in promoting water conservation. Certain programs such as assistance for turf removal may have contributed to the decrease in water used for irrigation. As well, more education is being provided about the current state of Lake Mead and proactive measures have been put in place to identify

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City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

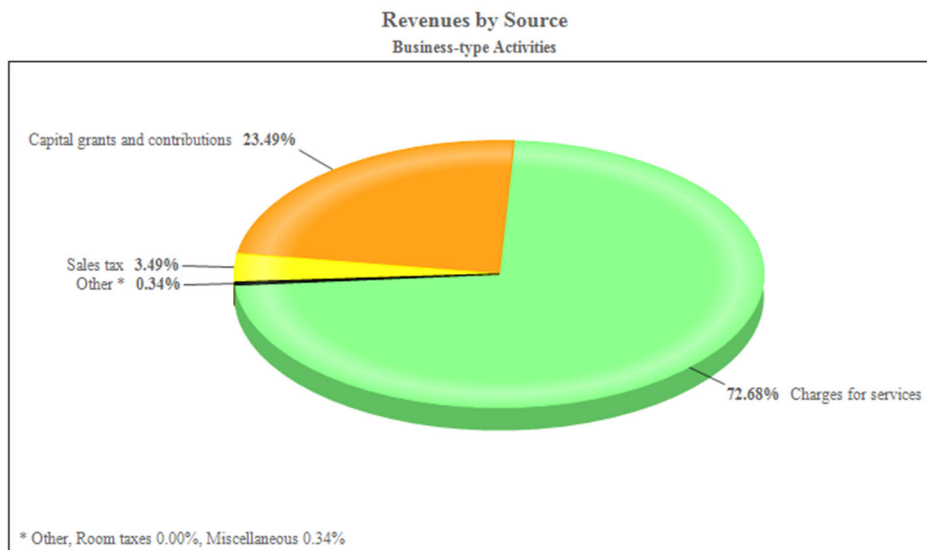
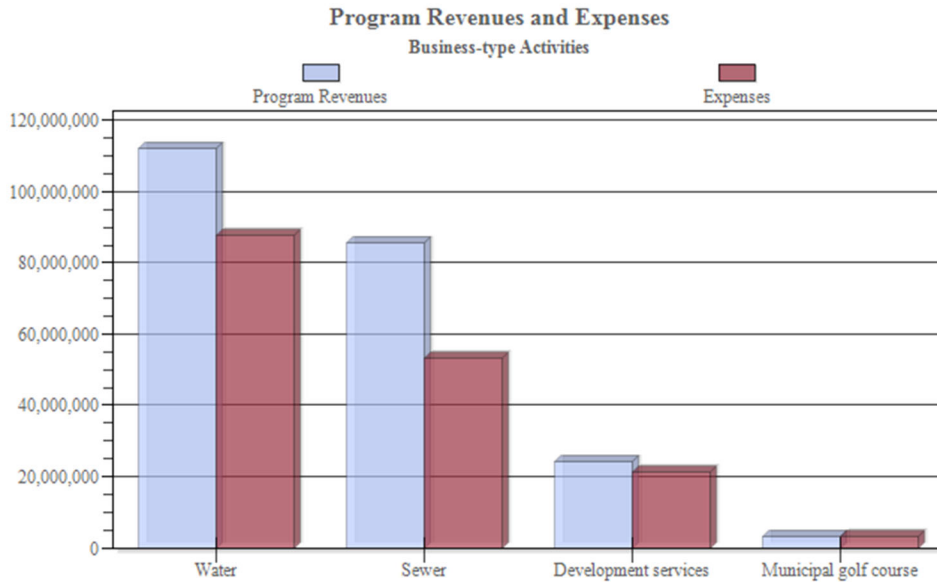
water waste in the community. The previous year was also hot and dry with little amount of rainfall causing indoor and outdoor water consumption to be higher compared to this year. Additionally, there was a decrease of \$4.7 million in the Cultural Arts and Tourism fund because there are no longer expenses in this fund due to the closure of the convention center.

Significant year-over-year changes are as follows:

- Charges for services increased by \$9.8 million, due primarily to an increase of \$4.9 million in the Development Service Fund because of an increase in building permits, plan check fees, and quality control inspections. The Water and Sewer Funds charges for services increased \$2.5 million and \$1.8 million, respectively, due to a rate increase of 5.5% that was enacted on January 1, 2022. Sewer rates consist of a flat monthly service charge for all customers, plus an additional volume charge for commercial accounts. Finally, Municipal Golf Course Fund revenue increased by \$0.7 million. There was an increase in paid golf green fees of 2,504 rounds combined with an average rate increase of \$4.03 per round.
- Capital grants and contributions increased by \$21.8 million due to an increase in sewer development fees in the amounts of \$3.5 million and an increase of \$2.6 million in water and asset contributions from developers, all resulting from increased development activity around the City. In addition, contributed assets in the Water and Sewer Funds increased by \$5.5 million and \$11.0 million respectively, as a result of donated infrastructure from multiple development projects.
- Unrestricted investment income decreased by \$7.4 million as a result of a decrease in the overall market value of the City's investment portfolio resulting from rising interest rates.
- Sales tax revenue increased by \$2.0 million, primarily due to higher visitor volume and inflationary factors resulting higher priced consumer goods.
- Transfers increased \$1.8 million primarily due to an increase in transfers out of the Water and Sewer Funds.

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City of Henderson, Nevada
Management’s Discussion and Analysis (Continued)
Year Ended June 30, 2022



Governmental Funds

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

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$396,739,823, an increase of \$71,825,383 in comparison with the prior fiscal year. Approximately 7.6% of fund balance (\$30,289,708) is unassigned, meaning it is available for spending at the government’s discretion. The remainder of fund balance is either nonspendable (\$190,132), restricted by State law or external entities

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

(\$255,286,269), committed for specific uses by the City Council (\$31,426,105), or assigned for specific uses by the City (\$79,547,609).

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 \$30,289,708, while total fund balance was \$40,067,060. 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, 2022, unassigned fund balance represents 10.3% of total General Fund expenditures, while total fund balance represents 13.7% of that same amount.

The fund balance of the General Fund increased by \$9,801,760 during the current fiscal year. Significant year-over-year changes are as follows:

- Property taxes increased by \$6.7 million due to an increase in assessed valuation, the primary driver behind property tax revenue levels, along with ongoing economic development, rising population growth, and the growth in local housing market. In addition, the City's property tax rate increased from \$0.7408 to \$0.7708 per \$100 of assessed value.
- Consolidated tax revenues increased by \$33.5 million due to growth in the local economy. Consolidated tax consists of basic city-county relief tax (BCCRT), supplement city-county relief tax (SCCRT), cigarette tax, liquor tax, real property transfer tax, and government services tax.
- Intergovernmental revenues, excluding consolidated tax, increased by \$2.6 million, due primarily to the receipt of \$13.9 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from the Federal Government, these funds are to replace lost revenue experienced during the pandemic and support the response to the recovery from the pandemic. This increase was offset with a decrease of \$11.6 million due to a one-time receipt of grant funding related to the pandemic relief in fiscal year 2021.
- Franchise fee revenue increased by \$3.2 million due to higher collections of gas and electric franchise fees. These fees are collected from public utility companies and are based upon designed percentages of gross receipts pursuant to each firms' franchise agreement.
- Public Safety expenditures increased by \$12.6 million due to a \$2.7 million increase in salaries and wages as a result of annual wages increases, \$5.7 million increase in employee benefits due an increased in the contribution rate to PERS and increase in workers compensation charges due to an increase in claims, and a \$3.6 million increase in City Shop charges resulting from an increase in maintenance and replacement assessment.
- General Government expenditures increased by \$2.7 million from an increase to salaries and wages due to an increase in full-time salaries due wage increases for step progressions and cost of living raises. This was coupled with an increase in employee benefits due to the increase in the contribution rate to PERS.
- Transfers to other funds totaled \$43.9 million and were primarily to fund capital acquisition and improvements.

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City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

Grants Special Revenue Fund

As of June 30, 2022, the Grants Special Revenue Fund had a total fund balance of \$1,036,586, which increased by \$290,907 over the prior fiscal year, all of which is restricted by granting agencies. The Grants Special Revenue Fund experienced a significant decrease in intergovernmental revenues of \$27.0 million primarily due to the receipt of one-time Federal pandemic related grants of \$17.3 million in CARES funding and \$9.6 million in Emergency Rental Assistance Program funding in the prior fiscal year. 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 2022 amounted to \$95,373,389 and the total increase in net position was \$18,770,537. Unrestricted net position of the Sewer Fund at the end of the fiscal year 2022 was \$109,759,685 and the total increase in net position was \$35,448,378. 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 \$18.0 million, or 6.1% over the original budget and is due to additional available resources and higher than anticipated beginning fund balance that were appropriated with the final budget.

Actual expenditures were 93.2% of appropriations, or \$21.2 million lower than the final budget. All functions are well within appropriation authority. The savings can be attributed to several factors, including vacancy savings, projects in progress that will be re-apportioned to the next fiscal year, and lower than expected operating expenditures due to continuous improvement efforts. The main areas of savings are summarized below:

- Actual General Government expenditures were \$10.2 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 remaining variance is within the salary and wages and related benefits expenditures and are primarily due to positive vacancy savings.
- Actual Public Safety expenditures were \$5.5 million below the final budget. Most of the positive variance results from lower than anticipated salaries and wages and related employee 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 \$2.4 million below the final budget. Most of the positive variance results from lower than anticipated salaries and wages and related employee 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 \$3.1 million in the aggregate, but none that were significant in any one category.

(Continued)

City of Henderson, Nevada
Management’s Discussion and Analysis (Continued)
Year Ended June 30, 2022

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the City’s total carrying value of capital assets is \$3,016,332,502 (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 2022, the City’s capital assets increased by approximately \$175.5 million (which reflects a \$135.7 million increase for governmental activities and a \$39.8 million increase for business-type activities).

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

- Building and building improvements increased \$81.6 million in governmental activities, primarily due to the completion of the Dollar Loan Center totaling \$84.0 million, of which half of the total cost (\$41.8 million) was contributed by the SK Arena, LLC to the City.
- Infrastructure increased \$96.4 million in governmental activities, primarily due to the completion of two projects within the year: (1) UPRR SNPLMA Trail Project amounting to \$43.9 million, and (2), NDOT – I-215 Trail Bridges amounting to \$2.4 million. Infrastructure received through donation from the County totaling \$23.7 million also added to the increase through the following projects: Water Street Improvement for \$6.1 million, Stephanie Street Improvement for \$5.6 million, Nevada State Drive-Paradise Hills Drive to Compassion Drive for \$3.4 million, Roma Hills Drive for \$2.7 million, Horizon Ridge Parkway-Eastern to Sunridge Heights for \$2.7 million, Paseo Verde Parkway for \$1.9 million, and Black Mountain Detention Basin for \$1.0 million.
- Construction in Progress decreased \$41.6 million in governmental activities. Changes resulting in this decrease were primarily due to the completion of the UPRR SNPLMA Trail Project and the Dollar Loan Center for \$43.9 million and \$42.5 million, respectively. Partially offsetting these decreases were expenditures during the fiscal year on these two projects of \$23.5 million, including \$13.7 million for Dollar Loan Center and \$8.6 million for the UPRR SNPLMA Trail Project. Other major additions within the year include \$11.7 million for Via Inspirada Police Station, \$3.5 million for Dundee Jones Park, \$2.9 million for Via Inspirada Center for Excellence, \$1.9 million for HDC Security Systems Upgrade, \$1.6 million for Via Nobila LVB-Via Inspirada, and NDOT I-215 Trail Bridges for \$1.2 million.
- Improvements Other than Buildings increased \$46.3 million in business-type activities, which included costs for the following completed projects: Inspirada Pod 3-2 for \$2.2 million, Tuscany Parcel 6A (New) for \$2.2 million, Sunridge Heights Parkway and Carnegie Street for \$2 million, Inspirada Pod 2-2 Phase 1 for \$1.9 million, Tuscany Parcel 6A (Old) for \$1.9 million, Union Village Offsites Phase 2 for \$1.7 million, Talesera Hills for \$1.4 million, Tuscany Parcel 16 and 17 for \$1.1 million, Cadence Village Parcel 1-H6 (Sonatina Phase 1) for \$1.1 million, Patrick Lane and Galleria Drive (Lennar Homes) for \$1.1 million, St. Rose Square for \$1.1 million, and Paradise Hills Townhomes for \$1.0 million.

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Construction in progress	\$ 35,808,985	\$ 77,406,545	\$ 39,018,289	\$ 39,024,401	\$ 74,827,274	\$ 116,430,946
Land	181,998,864	181,980,780	40,452,702	40,452,702	222,451,566	222,433,482
Building and building improvements	333,562,701	252,006,941	119,101,929	122,501,293	452,664,630	374,508,234
Improvements other than buildings	296,384,846	298,125,265	845,683,828	799,389,650	1,142,068,674	1,097,514,915
Infrastructure	1,045,435,675	948,994,287			1,045,435,675	948,994,287
Machinery and equipment	37,534,961	36,250,265	40,053,472	43,180,783	77,588,433	79,431,048
Right-of-use assets	1,296,250	1,561,315			1,296,250	1,561,315
	\$ 1,932,022,282	\$ 1,796,325,398	\$ 1,084,310,220	\$ 1,044,548,829	\$ 3,016,332,502	\$ 2,840,874,227

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 \$404,688,219. Of this amount, \$186,585,154 is considered general obligation debt and \$8,196,448 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 186,585,154	\$ 168,443,770	\$	\$	\$ 186,585,154	\$ 168,443,770
Tax allocation bonds	8,196,448	8,504,933			8,196,448	8,504,933
Water and sewer bonds			209,906,617	216,065,093	209,906,617	216,065,093
	\$ 194,781,602	\$ 176,948,703	\$ 209,906,617	\$ 216,065,093	\$ 404,688,219	\$ 393,013,796

(Continued)

City of Henderson, Nevada
Management's Discussion and Analysis (Continued)
Year Ended June 30, 2022

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

As of June 30, 2022, the City's net general obligation bonded debt subject to the legal debt limit was \$396.5 million, which is significantly below the legal limit of \$2.6 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 2023 include the following:

- Maintaining fiscal resiliency in ending fund balances and financial stabilization reserves.
- Commitment to public safety with 58.7% of General Fund expenditures dedicated to police and fire services. The fiscal year 2023 budget authorizes an additional 39 police and 23 fire department positions.
- During the current fiscal year, fund balance in the General Fund increased to \$40,067,060. The City has appropriated approximately \$2.2 million of this amount for spending in the fiscal year 2023 budget. It is intended that this use of available fund balance will pay for one-time services and capital expenditures.
- The City anticipates issuing a general obligation bond in Fiscal Year 2023 to construct recreational and maintenance facilities in West Henderson and tax allocation bonds in the Eastside Redevelopment Agency for the construction of educational and recreational projects. The final amounts and term of the issuances are not known at this time.

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.



BASIC FINANCIAL STATEMENTS

HENDERSON[™]

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

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CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 398,495,345	\$ 271,134,623	\$ 669,629,968
Cash, cash equivalents and investments, restricted	103,945,497	116,427,446	220,372,943
Accounts receivable, net	18,193,346	20,155,730	38,349,076
Taxes receivable	1,255,673		1,255,673
Special assessments receivable	617,695		617,695
Notes receivable, net	266,209	114,826	381,035
Interest receivable	682,598	509,479	1,192,077
Due from other governments	55,791,645	1,643,773	57,435,418
Prepaid items	3,839,273		3,839,273
Land held for resale	7,914,313		7,914,313
Lease Interest Receivable	93,100		93,100
Lease Receivable	7,156,841		7,156,841
Other assets	277,116	2,049,674	2,326,790
Internal balances	53,013,441	(53,013,441)	
Capital assets			
Capital assets not depreciated	217,807,849	79,470,991	297,278,840
Capital assets being depreciated, net of accumulated depreciation and amortization	<u>1,714,214,433</u>	<u>1,004,839,229</u>	<u>2,719,053,662</u>
Total assets	<u>2,583,564,374</u>	<u>1,443,332,330</u>	<u>4,026,896,704</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	3,374,165	4,365,377	7,739,542
Deferred amounts related to pensions	139,755,883	21,965,661	161,721,544
Deferred amounts related to other postemployment benefits	<u>18,608,844</u>	<u>1,509,217</u>	<u>20,118,061</u>
Total deferred outflows of resources	<u>161,738,892</u>	<u>27,840,255</u>	<u>189,579,147</u>
LIABILITIES			
Accounts payable and other accrued liabilities	24,484,092	12,431,194	36,915,286
Accrued wages	2,075,529	407,539	2,483,068
Contracts and retentions payable	933,724	788,369	1,722,093
Due to other governments	3,242,636	6,302,394	9,545,030
Tax increment payable to developers	1,766,955		1,766,955
Unearned revenue	38,678,107	12,947,128	51,625,235
Interest payable	631,290		631,290
Deposits	3,151,961	563,077	3,715,038
Other current liabilities, payable from restricted assets		6,246,216	6,246,216
Noncurrent liabilities, due within one year	48,874,065	4,017,898	52,891,963
Noncurrent liabilities, partially payable from restricted assets, due within one year		5,296,794	5,296,794
Noncurrent liabilities, net of unamortized premiums and discounts, due in more than one year	<u>532,692,284</u>	<u>246,454,890</u>	<u>779,147,174</u>
Total liabilities	<u>656,530,643</u>	<u>295,455,499</u>	<u>951,986,142</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	200,807,038	32,201,618	233,008,656
Deferred amounts related to other postemployment benefits	21,036,025	1,862,282	22,898,307
Deferred amounts related to leases	<u>7,086,065</u>		<u>7,086,065</u>
Total deferred inflows of resources	<u>228,929,128</u>	<u>34,063,900</u>	<u>262,993,028</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	1,804,554,611	984,863,898	2,789,418,509
Restricted for			
Stabilization and other general programs	27,575,848		27,575,848
Courts and other judicial programs	1,355,663		1,355,663
Fire, police and other public safety programs	68,583,429		68,583,429
Streets and other public works projects	61,451,743		61,451,743
Parks, cultural and recreational programs	28,477,159		28,477,159
Community assistance and support programs	9,752,367		9,752,367
Debt service	7,135,824	721,517	7,857,341
Water charge reserve		5,000,000	5,000,000
Redevelopment programs	50,322,946		50,322,946
Utility projects and system development		563,077	563,077
Unrestricted	(199,366,095)	150,504,694	(48,861,401)
Total net position	<u>\$ 1,859,843,495</u>	<u>\$ 1,141,653,186</u>	<u>\$ 3,001,496,681</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, 2022

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	Total
Governmental activities							
General government	\$ 68,607,650	\$ 23,591,312	\$ 15,350,671	\$ 2,348,633	\$ (27,317,034)		\$ (27,317,034)
Judicial	11,189,513	924,673	168,001		(10,096,839)		(10,096,839)
Public safety	185,383,883	22,382,720	2,083,773	698,689	(160,218,701)		(160,218,701)
Public works	40,390,120	1,937,033	416,376	135,381,845	97,345,134		97,345,134
Culture and recreation	55,767,854	7,002,648	7,642,589	11,921,673	(29,200,944)		(29,200,944)
Community support	5,286,896		6,334,617		1,047,721		1,047,721
Debt service							
Interest expense and fiscal charges	6,008,356				(6,008,356)		(6,008,356)
Total governmental activities	<u>372,634,272</u>	<u>55,838,386</u>	<u>31,996,027</u>	<u>150,350,840</u>	<u>(134,449,019)</u>		<u>(134,449,019)</u>
Business-type activities							
Water	87,625,630	90,930,454		21,097,176		24,402,000	24,402,000
Sewer	53,356,034	51,854,765		33,800,419		32,299,150	32,299,150
Development services	21,424,411	24,021,900				2,597,489	2,597,489
Municipal golf course	3,028,289	3,040,749				12,460	12,460
Total business-type activities	<u>165,434,364</u>	<u>169,847,868</u>		<u>54,897,595</u>		<u>59,311,099</u>	<u>59,311,099</u>
Total function/program	<u>\$ 538,068,636</u>	<u>\$ 225,686,254</u>	<u>\$ 31,996,027</u>	<u>\$ 205,248,435</u>	<u>\$ (134,449,019)</u>	<u>59,311,099</u>	<u>(75,137,920)</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

	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	Total
GENERAL REVENUES							
Property taxes					123,640,567		123,640,567
Room taxes					4,687,679		4,687,679
Intergovernmental revenues - consolidated tax					159,631,041		159,631,041
Motor vehicle fuel tax					6,432,542		6,432,542
Sales tax					30,516,522	8,163,986	38,680,508
Residential Construction Tax					2,084,754		2,084,754
Franchise fees, based on gross receipts					35,020,585		35,020,585
Unrestricted investment income					(9,421,147)	(7,247,037)	(16,668,184)
Gain on disposal of capital assets					4,582,005		4,582,005
Miscellaneous					3,390,568	797,193	4,187,761
Total general revenues					<u>360,565,116</u>	<u>1,714,142</u>	<u>362,279,258</u>
Transfers					<u>3,199,883</u>	<u>(3,199,883)</u>	<u> </u>
CHANGE IN NET POSITION					<u>229,315,980</u>	<u>57,825,358</u>	<u>287,141,338</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					1,627,689,177	1,083,827,828	2,711,517,005
Adjustment					2,838,338		2,838,338
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					<u>1,630,527,515</u>	<u>1,083,827,828</u>	<u>2,714,355,343</u>
NET POSITION, END OF YEAR					<u>\$ 1,859,843,495</u>	<u>\$ 1,141,653,186</u>	<u>\$ 3,001,496,681</u>

CITY OF HENDERSON, NEVADA

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2022

	Special Revenue Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 18,730,073	\$ 559,928	\$ 282,717,443	\$ 302,007,444
Cash, cash equivalents and investments, restricted	232,770	23,361,876	76,399,851	99,994,497
Accounts receivable, net	17,106,274	69,370	199,467	17,375,111
Interest receivable	88,101		438,770	526,871
Taxes receivable	840,317		415,356	1,255,673
Special assessments receivable			617,695	617,695
Notes receivable, net	266,209	12,989,683	8,968	13,264,860
Prepaid items	178,573	10,812	747	190,132
Due from other funds	2,675,252			2,675,252
Due from other governments	38,338,626	4,095,137	12,912,100	55,345,863
Lease interest receivable	10,592		82,508	93,100
Rent receivable	2,451,569		4,705,272	7,156,841
Land held for resale			7,914,313	7,914,313
Total assets	<u>\$ 80,918,356</u>	<u>\$ 41,086,806</u>	<u>\$ 386,412,490</u>	<u>\$ 508,417,652</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 13,277,384	\$ 1,046,649	\$ 7,409,959	\$ 21,733,992
Accrued wages	1,794,367	20,460	174,172	1,988,999
Tax increment payable to developers			1,766,955	1,766,955
Due to other governments	3,241,649		902	3,242,551
Due to other funds		2,631,552	31,703	2,663,255
Advances from other funds			616,893	616,893
Unearned revenue	377,156	23,361,876	14,936,898	38,675,930
Deposits	3,118,174		33,787	3,151,961
Compensated absences	18,075			18,075
Total liabilities	<u>21,826,805</u>	<u>27,060,537</u>	<u>24,971,269</u>	<u>73,858,611</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	840,317		415,356	1,255,673
Unavailable revenue, special assessments			617,695	617,695
Unavailable revenue, notes receivable	266,209	12,989,683	8,968	13,264,860
Unavailable revenue, other receivables	15,529,909		65,016	15,594,925
Deferred amounts related to leases	2,388,056		4,698,009	7,086,065
Total deferred inflows of resources	<u>19,024,491</u>	<u>12,989,683</u>	<u>5,805,044</u>	<u>37,819,218</u>
Total liabilities and deferred inflows of resources	<u>40,851,296</u>	<u>40,050,220</u>	<u>30,776,313</u>	<u>111,677,829</u>
FUND BALANCES				
Nonspendable	178,573	10,812	747	190,132
Restricted	232,770	1,025,774	254,027,725	255,286,269
Committed	5,097,394		26,328,711	31,426,105
Assigned	4,268,615		75,278,994	79,547,609
Unassigned	30,289,708			30,289,708
Total fund balances	<u>40,067,060</u>	<u>1,036,586</u>	<u>355,636,177</u>	<u>396,739,823</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 80,918,356</u>	<u>\$ 41,086,806</u>	<u>\$ 386,412,490</u>	<u>\$ 508,417,652</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, 2022

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 396,739,823
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	\$ 3,112,313,478	
Less accumulated depreciation	<u>(1,214,311,802)</u>	1,898,001,676
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds:		
Deferred outflows related to pensions	134,347,873	
Deferred outflows related to other postemployment benefits	18,095,162	
Deferred charges on refundings	<u>3,374,165</u>	155,817,200
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	(194,781,602)	
Leases payable	(747,593)	
Other postemployment benefits liability	(60,032,506)	
Compensated absences payable	(40,736,435)	
Net pension liability	<u>(232,279,229)</u>	(528,577,365)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	(628,928)	
Construction contracts payable	<u>(933,724)</u>	(1,562,652)
Deferred inflows of resources represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue	17,734,502	
Deferred inflows related to pensions	(193,378,206)	
Deferred inflows related to other postemployment benefits	<u>(20,453,949)</u>	(196,097,653)
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	82,509,025	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	53,061,089	
Internal service fund balance receivable from business-type activities from current year activity	<u>(47,648)</u>	<u>135,522,466</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 1,859,843,495</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, 2022

	Special Revenue Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
REVENUES				
Property taxes	\$ 87,740,618		\$ 35,867,265	\$ 123,607,883
Franchise fees	35,020,585			35,020,585
Licenses and permits	15,748,441			15,748,441
Intergovernmental	176,674,490	19,775,079	42,888,284	239,337,853
Charges for services	24,253,101		602,437	24,855,538
Fines and forfeitures	3,263,751		927,897	4,191,648
Impact fees	2,348,633			2,348,633
Special assessments			134,458	134,458
Investment income (loss)	(323,406)		(6,380,443)	(6,703,849)
Room taxes			4,687,679	4,687,679
Developer contributions			16,665,032	16,665,032
Rental fees	(138)		1,197	1,059
Residential construction tax			2,084,754	2,084,754
Miscellaneous	1,505,418	325,963	998,685	2,830,066
Total revenues	<u>346,231,493</u>	<u>20,101,042</u>	<u>98,477,245</u>	<u>464,809,780</u>
EXPENDITURES				
Current				
General government	53,761,472	895,326	16,774,376	71,431,174
Judicial	11,679,288	169,810	404,185	12,253,283
Public safety	176,731,061	1,601,622	26,477,210	204,809,893
Public works	6,422,103	444,853	6,484,864	13,351,820
Culture and recreation	41,557,172	2,787,851	4,699,085	49,044,108
Community support	1,653,562	3,935,921	649,455	6,238,938
Total current	<u>291,804,658</u>	<u>9,835,383</u>	<u>55,489,175</u>	<u>357,129,216</u>
Capital outlay				
General government	51,284		2,340,583	2,391,867
Judicial			521,642	521,642
Public safety	31,365	804,747	13,918,149	14,754,261
Public works	617,881	1,163,543	4,682,788	6,464,212
Culture and recreation		8,006,462	20,112,963	28,119,425
Community support			2,342,596	2,342,596
Total capital outlay	<u>700,530</u>	<u>9,974,752</u>	<u>43,918,721</u>	<u>54,594,003</u>
Debt service				
Principal payments	170,291		8,623,310	8,793,601
Interest charges	30,735		5,538,860	5,569,595
Total debt service	<u>201,026</u>		<u>14,162,170</u>	<u>14,363,196</u>
Total expenditures	<u>292,706,214</u>	<u>19,810,135</u>	<u>113,570,066</u>	<u>426,086,415</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>53,525,279</u>	<u>290,907</u>	<u>(15,092,821)</u>	<u>38,723,365</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			3,388,028	3,388,028
Issuance of bonds			25,000,000	25,000,000
Premium on bonds issued			2,418,877	2,418,877
Transfers in	164,580		54,715,996	54,880,576
Transfers out	(43,888,099)		(8,697,364)	(52,585,463)
Total other financing sources (uses)	<u>(43,723,519)</u>		<u>76,825,537</u>	<u>33,102,018</u>

(Continued)

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

CITY OF HENDERSON, NEVADA

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Fund		Aggregate Other Governmental Funds	Total Governmental Funds
	General Fund	Grants		
CHANGE IN FUND BALANCE	<u>9,801,760</u>	<u>290,907</u>	<u>61,732,716</u>	<u>71,825,383</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	30,215,473	745,679	291,109,192	322,070,344
Adjustment	<u>49,827</u>		<u>2,794,269</u>	<u>2,844,096</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>30,265,300</u>	<u>745,679</u>	<u>293,903,461</u>	<u>324,914,440</u>
FUND BALANCE, END OF YEAR	<u>\$ 40,067,060</u>	<u>\$ 1,036,586</u>	<u>\$ 355,636,177</u>	<u>\$ 396,739,823</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, 2022

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ 71,825,383
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	\$ 60,264,568	
Less current year depreciation	(46,360,834)	
Proceeds from land sales	(3,388,028)	
Net gain on disposition of capital assets	<u>2,737,910</u>	13,253,616
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	6,182,447	
Change in unavailable revenue from cumulative prior years' activity	(168,849)	
Capital asset contributions	<u>120,795,458</u>	126,809,056
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued:		
Debt issuance proceeds	(25,000,000)	
Premium on refunding bonds issued	(2,418,877)	
Debt principal repayments	8,623,310	
Lease repayments	<u>170,312</u>	(18,625,255)
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	(3,257,774)	
Change in compensated absences payable	321,539	
Amortization of debt premiums, discounts and refunding charges	(435,454)	
Change in accrued interest	(6,770)	
Change in net pension liability and related	<u>33,926,197</u>	30,547,738
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	5,553,090	
The internal service funds change in net position related to business-type activities	<u>(47,648)</u>	<u>5,505,442</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		\$ <u><u>229,315,980</u></u>

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

CITY OF HENDERSON, NEVADA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 86,319,358	\$ 86,319,358	\$ 87,740,618	\$ 1,421,260
Franchise fees	33,547,420	33,547,420	35,020,585	1,473,165
Licenses and permits	12,571,000	13,486,000	15,748,441	2,262,441
Intergovernmental	123,809,303	168,164,283	176,674,490	8,510,207
Charges for services	30,437,005	26,900,743	24,253,101	(2,647,642)
Fines and forfeitures	3,891,000	2,912,107	3,263,751	351,644
Impact fees	2,000,000	2,000,000	2,348,633	348,633
Investment income (loss)	462,000	462,000	(323,406)	(785,406)
Rental fees			(138)	(138)
Miscellaneous	<u>926,050</u>	<u>1,301,956</u>	<u>1,505,418</u>	<u>203,462</u>
Total revenues	<u>293,963,136</u>	<u>335,093,867</u>	<u>346,231,493</u>	<u>11,137,626</u>
EXPENDITURES				
Current				
General government	60,235,940	63,914,626	53,761,472	10,153,154
Judicial	12,479,907	12,785,986	11,679,288	1,106,698
Public safety	172,239,165	181,265,117	176,731,061	4,534,056
Public works	7,413,555	7,693,953	6,422,103	1,271,850
Culture and recreation	41,443,389	43,943,810	41,557,172	2,386,638
Community support	<u>2,101,708</u>	<u>2,291,127</u>	<u>1,653,562</u>	<u>637,565</u>
Total current	<u>295,913,664</u>	<u>311,894,619</u>	<u>291,804,658</u>	<u>20,089,961</u>
Capital outlay				
General government		53,932	51,284	2,648
Public safety		1,039,572	31,365	1,008,207
Public works		<u>702,170</u>	<u>617,881</u>	<u>84,289</u>
Total capital outlay		<u>1,795,674</u>	<u>700,530</u>	<u>1,095,144</u>
Debt service				
Principal payments		183,267	170,291	12,976
Interest charges		<u>24,972</u>	<u>30,735</u>	<u>(5,763)</u>
Total debt service		<u>208,239</u>	<u>201,026</u>	<u>7,213</u>
Total expenditures	<u>295,913,664</u>	<u>313,898,532</u>	<u>292,706,214</u>	<u>21,192,318</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,950,528)</u>	<u>21,195,335</u>	<u>53,525,279</u>	<u>32,329,944</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		164,580	164,580	
Transfers out	<u>(1,578,310)</u>	<u>(22,500,462)</u>	<u>(43,888,099)</u>	<u>(21,387,637)</u>
Total other financing sources (uses)	<u>(1,578,310)</u>	<u>(22,335,882)</u>	<u>(43,723,519)</u>	<u>(21,387,637)</u>
CHANGE IN FUND BALANCE	<u>(3,528,838)</u>	<u>(1,140,547)</u>	<u>9,801,760</u>	<u>10,942,307</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	28,410,835	30,215,473	30,215,473	
Adjustment			49,827	49,827
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>28,410,835</u>	<u>30,215,473</u>	<u>30,265,300</u>	<u>49,827</u>
FUND BALANCE, END OF YEAR	<u>\$ 24,881,997</u>	<u>\$ 29,074,926</u>	<u>\$ 40,067,060</u>	<u>\$ 10,992,134</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 17,896,820	\$ 36,246,819	\$ 19,775,079	\$ (16,471,740)
Miscellaneous		350,000	325,963	(24,037)
Total revenues	<u>17,896,820</u>	<u>36,596,819</u>	<u>20,101,042</u>	<u>(16,495,777)</u>
EXPENDITURES				
Current				
General government	189,511	1,134,511	895,326	239,185
Judicial	78,038	278,038	169,810	108,228
Public safety	2,074,498	3,324,498	1,601,622	1,722,876
Public works	3,400,000	3,590,000	444,853	3,145,147
Culture and recreation	7,656,484	8,331,484	2,787,851	5,543,633
Community support	3,058,288	5,798,288	3,935,921	1,862,367
Total current	<u>16,456,819</u>	<u>22,456,819</u>	<u>9,835,383</u>	<u>12,621,436</u>
Capital outlay				
Public safety		1,200,000	804,747	395,253
Public works		2,500,000	1,163,543	1,336,457
Culture and recreation	1,000,000	10,000,000	8,006,462	1,993,538
Community support	440,000	440,000		440,000
Total capital outlay	<u>1,440,000</u>	<u>14,140,000</u>	<u>9,974,752</u>	<u>4,165,248</u>
Total expenditures	<u>17,896,819</u>	<u>36,596,819</u>	<u>19,810,135</u>	<u>16,786,684</u>
CHANGE IN FUND BALANCE		1	290,907	290,907
FUND BALANCE, BEGINNING OF YEAR	<u>164,186</u>	<u>745,679</u>	<u>745,679</u>	
FUND BALANCE, END OF YEAR	<u>\$ 164,187</u>	<u>\$ 745,679</u>	<u>\$ 1,036,586</u>	<u>\$ 290,907</u>

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

CITY OF HENDERSON, NEVADA

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2022

	Business-type Activities				Governmental
	Aggregate Other			Internal Service	Funds
	Water	Sewer	Enterprise Funds		
ASSETS					
Current assets					
Cash, cash equivalents and investments, unrestricted	\$ 121,583,585	\$ 126,616,236	\$ 22,934,802	\$ 271,134,623	\$ 96,487,901
Cash, cash equivalents and investments, restricted	6,275,028	605,368	563,077	7,443,473	3,951,000
Accounts receivable, net	14,398,654	5,219,754	537,322	20,155,730	818,235
Interest receivable	238,204	230,883	40,392	509,479	155,727
Notes receivable, net	114,826			114,826	
Inventories	660,016	1,389,658		2,049,674	277,116
Prepaid items					3,649,141
Due from other governments	500	1,625,440	17,833	1,643,773	445,782
Total current assets	143,270,813	135,687,339	24,093,426	303,051,578	105,784,902
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Construction in progress	22,143,473	16,874,816		39,018,289	
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	778,674,947	701,311,086	25,128,175	1,505,114,208	1,506,755
Machinery and equipment	22,899,144	42,508,490	2,481,796	67,889,430	70,409,380
Right to use assets					660,499
Accumulated depreciation and amortization	(410,461,930)	(312,743,985)	(21,117,946)	(744,323,861)	(45,420,570)
Total capital assets, net of accumulated depreciation and amortization	459,957,861	598,384,385	25,967,974	1,084,310,220	34,020,606
Other assets					
Cash, cash equivalents and investments, restricted	108,896,636	87,337		108,983,973	
Advances to other funds					616,893
Total other assets	108,896,636	87,337		108,983,973	616,893
Total noncurrent assets	568,854,497	598,471,722	25,967,974	1,193,294,193	34,637,499
Total assets	712,125,310	734,159,061	50,061,400	1,496,345,771	140,422,401
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	9,319,298	7,802,679	4,843,684	21,965,661	5,408,010
Deferred charges on refundings		4,365,377		4,365,377	
Deferred amounts related to other postemployment benefits	632,517	568,258	308,442	1,509,217	513,682
Total deferred outflows of resources	9,951,815	12,736,314	5,152,126	27,840,255	5,921,692

(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, 2022

	Business-type Activities				Governmental Activities
			Aggregate Other		Internal Service Funds
	Water	Sewer	Enterprise Funds	Total Enterprise Funds	
LIABILITIES					
Current liabilities					
Accounts payable and other accrued liabilities	10,647,847	3,823,489	158,140	14,629,476	2,752,462
Accrued wages	178,570	136,594	92,375	407,539	86,530
Lease obligations					124,803
Due to other governments	6,302,394			6,302,394	85
Due to other funds					11,997
Construction contracts and retentions	637,864	150,505		788,369	
Unearned revenue			12,947,128	12,947,128	2,177
Customer deposits payable from restricted assets	3,486,325		563,077	4,049,402	
Compensated absences	1,683,524	1,410,081	924,293	4,017,898	809,293
Claims and judgments					17,131,125
Interest payable from restricted assets	402,408	159,201		561,609	
Debt obligations partially payable from restricted assets	<u>379,457</u>	<u>4,917,337</u>		<u>5,296,794</u>	
Total current liabilities	<u>23,718,389</u>	<u>10,597,207</u>	<u>14,685,013</u>	<u>49,000,609</u>	<u>20,918,472</u>
Noncurrent liabilities					
Debt obligations payable	139,273,769	65,336,054		204,609,823	
Compensated absences	1,347,366	1,128,523	739,735	3,215,624	897,203
Other postemployment benefits	1,926,895	1,861,797	1,093,138	4,881,830	4,417,905
Net pension liability	14,395,203	12,985,643	6,153,740	33,534,586	10,644,669
Claims and judgments					18,490,019
Capital lease obligations					455,892
Provisional credits and refunding agreements	<u>55,278</u>	<u>157,749</u>		<u>213,027</u>	
Total noncurrent liabilities	<u>156,998,511</u>	<u>81,469,766</u>	<u>7,986,613</u>	<u>246,454,890</u>	<u>34,905,688</u>
Total liabilities	<u>180,716,900</u>	<u>92,066,973</u>	<u>22,671,626</u>	<u>295,455,499</u>	<u>55,824,160</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	13,684,011	11,335,239	7,182,368	32,201,618	7,428,832
Deferred amounts related to other postemployment benefits	<u>715,259</u>	<u>703,603</u>	<u>443,420</u>	<u>1,862,282</u>	<u>582,076</u>
Total deferred inflows of resources	<u>14,399,270</u>	<u>12,038,842</u>	<u>7,625,788</u>	<u>34,063,900</u>	<u>8,010,908</u>
NET POSITION					
Net investment in capital assets	426,399,553	532,496,371	25,967,974	984,863,898	33,419,911
Restricted					
Debt service	188,013	446,167		634,180	
Water charge reserve	5,000,000			5,000,000	
Other		87,337	563,077	650,414	
Unrestricted	<u>95,373,389</u>	<u>109,759,685</u>	<u>(1,614,939)</u>	<u>203,518,135</u>	<u>49,089,114</u>
Total net position	<u>\$ 526,960,955</u>	<u>\$ 642,789,560</u>	<u>\$ 24,916,112</u>	1,194,666,627	<u>\$ 82,509,025</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>(53,013,441)</u>	
Net position of business-type activities				<u>\$ 1,141,653,186</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, 2022

	Business-type Activities				Governmental
	Aggregate Other			Internal Service	Funds
	Water	Sewer	Enterprise Funds		
OPERATING REVENUES					
Utility fees	\$ 86,920,273	\$ 50,973,313	\$	\$ 137,893,586	\$
Connection fees	2,403,456	265,260		2,668,716	
Late charges	1,606,225	613,564		2,219,789	
Charges for services			20,483,027	20,483,027	77,860,817
Licenses and permits			6,579,622	6,579,622	
Intergovernmental		511,478	48,848	560,326	
Miscellaneous	153,104	32,061	49,065	234,230	
Total operating revenues	<u>91,083,058</u>	<u>52,395,676</u>	<u>27,160,562</u>	<u>170,639,296</u>	<u>77,860,817</u>
OPERATING EXPENSES					
Salaries and wages	15,313,904	12,416,692	8,394,328	36,124,924	8,031,235
Employee benefits	4,291,431	3,705,666	2,573,842	10,570,939	2,435,043
Water purchases	30,124,778			30,124,778	
Services and supplies	23,698,810	21,467,270	11,828,751	56,994,831	25,158,789
Claims and judgments					30,904,174
Legal fees					20,715
Depreciation	11,502,739	14,551,675	332,833	26,387,247	5,604,225
Total operating expenses	<u>84,931,662</u>	<u>52,141,303</u>	<u>23,129,754</u>	<u>160,202,719</u>	<u>72,154,181</u>
Operating income (loss)	<u>6,151,396</u>	<u>254,373</u>	<u>4,030,808</u>	<u>10,436,577</u>	<u>5,706,636</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income (loss)	(3,251,103)	(3,372,707)	(623,227)	(7,247,037)	(2,622,044)
Intergovernmental		2,628		2,628	(2,962)
Gain (loss) on capital asset disposition					1,194,821
Interest expense	(4,116,152)	(2,287,911)		(6,404,063)	(39,434)
Sales tax revenue		8,163,986		8,163,986	
Miscellaneous	1,923		1,214	3,137	559,186
Total nonoperating revenues (expenses)	<u>(7,365,332)</u>	<u>2,505,996</u>	<u>(622,013)</u>	<u>(5,481,349)</u>	<u>(910,433)</u>
Income (loss) before capital contributions and transfers	<u>(1,213,936)</u>	<u>2,760,369</u>	<u>3,408,795</u>	<u>4,955,228</u>	<u>4,796,203</u>
CAPITAL CONTRIBUTIONS					
Capital contributions	<u>21,097,176</u>	<u>33,800,419</u>		<u>54,897,595</u>	<u>976,887</u>
TRANSFERS					
Transfers in			150,000	150,000	
Transfers out	(1,112,703)	(1,112,410)		(2,225,113)	(220,000)
Total transfers	<u>(1,112,703)</u>	<u>(1,112,410)</u>	<u>150,000</u>	<u>(2,075,113)</u>	<u>(220,000)</u>
CHANGE IN NET POSITION	18,770,537	35,448,378	3,558,795	57,777,710	5,553,090
NET POSITION, BEGINNING OF YEAR	<u>508,190,418</u>	<u>607,341,182</u>	<u>21,357,317</u>		<u>76,955,935</u>
NET POSITION, END OF YEAR	<u>\$ 526,960,955</u>	<u>\$ 642,789,560</u>	<u>\$ 24,916,112</u>		<u>\$ 82,509,025</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>47,648</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 57,825,358</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, 2022

	Business-type Activities				Governmental
			Aggregate Other		
	Water	Sewer	Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 89,641,815	\$ 51,892,022	\$ 30,348,394	\$ 171,882,231	\$ 4,461,438
Cash received from other sources	1,923	8,166,614	1,214	8,169,751	212,950
Cash payments for goods and services	(51,194,894)	(21,630,333)	(9,954,060)	(82,779,287)	(53,491,282)
Cash payments for employee services	(15,761,429)	(13,027,314)	(8,771,090)	(37,559,833)	(8,737,472)
Cash received from interfund services provided					72,910,469
Cash paid for interfund services provided	(3,906,484)	(4,151,087)	(5,627,817)	(13,685,388)	
Net cash provided by (used in) operating activities	<u>18,780,931</u>	<u>21,249,902</u>	<u>5,996,641</u>	<u>46,027,474</u>	<u>15,356,103</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			150,000	150,000	
Transfers out	(1,112,703)	(1,112,410)		(2,225,113)	(220,000)
Repayments of advances from other funds					134,380
Interest payments on claims					(24,723)
Cash received from grantors					(2,962)
Net cash provided by (used in) noncapital financing activities	<u>(1,112,703)</u>	<u>(1,112,410)</u>	<u>150,000</u>	<u>(2,075,113)</u>	<u>(113,305)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(18,611,922)	(11,038,522)		(29,650,444)	(6,769,836)
Proceeds received from disposal of capital assets					1,521,646
Principal payments on debt	(365,975)	(4,712,336)		(5,078,311)	(86,632)
Interest payments on debt	(4,769,699)	(2,117,353)		(6,887,052)	
Payments from other funds					348,251
Decrease in provisional credits	(315,130)	123,390		(191,740)	
Capital contributions	4,952,293	13,460,562		18,412,855	
Net cash provided by (used in) capital financing activities	<u>(19,110,433)</u>	<u>(4,284,259)</u>		<u>(23,394,692)</u>	<u>(4,986,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	(3,329,755)	(3,450,269)	(639,783)	(7,419,807)	(2,665,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(4,771,960)	12,402,964	5,506,858	13,137,862	7,590,803
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<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>
CASH AND CASH EQUIVALENTS, END OF YEAR					
Unrestricted	121,583,585	126,616,236	22,934,802	271,134,623	96,487,901
Restricted	115,171,664	692,705	563,077	116,427,446	3,951,000
	<u>\$ 236,755,249</u>	<u>\$ 127,308,941</u>	<u>\$ 23,497,879</u>	<u>\$ 387,562,069</u>	<u>\$ 100,438,901</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, 2022

	Business-type Activities				Governmental
	Aggregate Other			Internal Service	
	Water	Sewer	Enterprise Funds		Total Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 6,151,396	\$ 254,373	\$ 4,030,808	\$ 10,436,577	\$ 5,706,636
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	11,502,739	14,551,675	332,833	26,387,247	5,604,225
Other	1,923	8,166,614	1,214	8,169,751	559,186
(Increase) decrease in operating assets					
Accounts receivable	(1,440,743)	(120,797)	(334,756)	(1,896,296)	(713,005)
Due from other governments	(500)	(382,857)	(8,736)	(392,093)	(166,316)
Prepaid items					(1,536,736)
Inventories	27,270	(2,360)		24,910	(129,743)
Deferred outflows – other postemployment benefits	92,112	90,597	57,058	239,767	71,101
Deferred outflows - pensions	(6,205,353)	(5,084,029)	(3,435,365)	(14,724,747)	(3,298,973)
Increase (decrease) in operating liabilities					
Accounts payable and other accrued liabilities	3,925,616	1,406,432	27,716	5,359,764	1,502,824
Accrued wages	(698,073)	(579,077)	(394,651)	(1,671,801)	(317,807)
Compensated absences	91,698	(160,186)	(73,401)	(141,889)	(388,430)
Claims and judgments					6,573,195
Other postemployment benefits	(631,467)	(621,096)	(391,154)	(1,643,717)	(494,729)
Net pension liability	(8,335,329)	(6,829,113)	(4,614,548)	(19,778,990)	(4,431,340)
Deposits	1,542,122		162,484	1,704,606	
Unearned revenue			3,531,324	3,531,324	(123,562)
Deferred inflows - pensions	12,103,043	9,915,994	6,700,406	28,719,443	6,434,383
Deferred inflows - other postemployment benefits	654,477	643,732	405,409	1,703,618	505,194
Total adjustments	<u>12,629,535</u>	<u>20,995,529</u>	<u>1,965,833</u>	<u>35,590,897</u>	<u>9,649,467</u>
Net cash provided by (used in) operating activities	<u>\$ 18,780,931</u>	<u>\$ 21,249,902</u>	<u>\$ 5,996,641</u>	<u>\$ 46,027,474</u>	<u>\$ 15,356,103</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$ 16,144,883</u>	<u>\$ 20,339,857</u>	<u>\$ _____</u>	<u>\$ 36,484,740</u>	<u>\$ 976,887</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, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 24,108,839
Interest receivable	39,858
Receivables from others	30,997
Special assessments receivable	<u>80,548,322</u>
Total assets	<u>104,728,016</u>
LIABILITIES	
Accounts payable and accrued liabilities	170,641
Deposits	503,599
Due to developers, employees and others	<u>83,904,443</u>
Total liabilities	<u>84,578,683</u>
NET POSITION	
Restricted for Individuals, organizations and other governments	<u>20,149,333</u>
Total net position	<u>\$ 20,149,333</u>

The accompanying notes are an 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, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	
Plan members	\$ 415,345
Fines and Forfeitures	1,261,590
Investment income	28,333
Collections from special assessment districts	<u>17,252,635</u>
Total additions	<u>18,957,903</u>
DEDUCTIONS	
Payments to developers and others	12,961,434
Services and supplies	2,124,439
Administrative costs	176,576
Interest and fiscal charges	<u>3,534,502</u>
Total deductions	<u>18,796,951</u>
CHANGE IN NET POSITION	160,952
NET POSITION, BEGINNING OF YEAR	<u>19,988,381</u>
NET POSITION, END OF YEAR	<u><u>\$ 20,149,333</u></u>

The accompanying notes are an integral part of these financial statements

City of Henderson, Nevada
Notes to Basic Financial Statements
For the year ended June 30, 2022

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. Certain indirect costs are included in program expense reported for individual functions and activities. 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.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 in the accounting period in which they become 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, government services tax, real property transfer tax, 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 or when permit revenues are received prior to all City obligations related to the permits being fulfilled.

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Grants Special Revenue Fund accounts for the revenues and other activities related to grant awards received by the City.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

The City reports the following major enterprise funds:

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

Additionally, the City reports the following fund types:

- Internal service funds account for operations such as engineering, vehicle acquisition and maintenance, insurance, lending, and general technology that provide services or resources to other departments or agencies of the 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, 2022, Governmental Activities and Business-type Activities accounts receivable are shown net of allowance for uncollectible amounts totaling \$16,267,493 and \$1,091,174, respectively. In addition, Governmental Activities notes receivables are shown net of uncollectible amounts totaling \$13,764,683.

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

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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.
- The Series 2020C bond issuance, which funds are to be used to finance all or a portion of the costs of improvements for Cornerstone Park.
- The Series 2021 bond issuance, which funds are to be used to finance all or a portion of the costs to construct a new crime lab and a workforce training center.

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.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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:

	Road Network	Storm Drain Network
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:

Asset Category	Years
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, 2022

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) Annual Comprehensive 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.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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 assets 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 assets 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.

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

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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's 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, excluding federal grant revenues. The balance in the fund must not exceed 10% of the expenditure from the general fund for the previous year, excluding any federal funds expended. 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 an emergency or a natural disaster 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 2023. The fund balance in the Financial Stabilization Special Revenue Fund was \$27,574,533 at June 30, 2022.

Leases

The City is a lessee for noncancellable leases of equipment, buildings, and a vehicle. The City recognizes lease liabilities and intangible right-to-use leased assets in the government-wide financial statements related to these

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

leases. The City recognizes lease liabilities for which the related assets have initial, individual values of \$10,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is the lessor for noncancellable leases of a building, land, and cellular network sites. The City recognizes a lease receivable and a deferred inflow of resources related to these leases in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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 for notes receivable.

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 Nevada Department of Taxation. The Nevada Department of Taxation notifies the City Council if the budget is in compliance with the law and appropriate regulations. Prior to the adoption of the final budget, the Budget Manager presents the tentative budget to City Council. A public hearing, at which all changes made to the tentative budget are indicated, is 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 the total expenditures. State statutes require budgetary control to be exercised at the function level. The most significant change \$82,928,496 occurred in the capital project funds.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, total operating expenses exceeded appropriations for the Worker's Compensation and Self-Insurance Internal Service Funds because of higher than anticipated claims expense. These items are not violations of NRS 354.626 pursuant to the exceptions permitted under the NRS. Additionally, total operating expenses exceeded appropriations for the Special Assessment Districts Debt Service fund for public works in the amount of \$4,699.

Deficit Net Position

The Development Services Enterprise Fund, the Engineering Internal Service Fund and the Workers' Compensation Self-Insurance Internal Service Fund have deficit net positions of \$(1,421,949), \$(5,988,454) and \$(839,966), respectively, at June 30, 2022.

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

Tax Abatements

At June 30, 2022, 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, 2022 – \$4,858,909.
- 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, 2022 – \$489,433.
- 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 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, 2022 – \$4,602,315.
- 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.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

- 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, 2022 – \$678,985.
- 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, 2022, 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, 2022 – \$33,772.
Specific tax being abated – Personal property taxes and/or sales and use taxes.
- Agreement/program description – NRS 360.754 - Partial abatement of certain taxes imposed on new or expanded data center.
Amount abated during the year ended June 30, 2022 – \$280,564.
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, NRS 701A.370 Partial abatement of property and local sales and use taxes imposed on renewable energy facilities).
Amount abated during the year ended June 30, 2022 – \$501,614.
Specific tax being abated – Property taxes and/or sales and use taxes.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

- 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, 2022 – \$182,807.

Specific tax being abated – Sales and use taxes.

Adjustments to Beginning Balances

Change in Accounting Principle – Leases

Effective July 1, 2021, the City implemented GASB statement 87, *Leases*. This Statement provides for governments to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases. An adjustment has been made to the opening balance of net position of Governmental Activities of \$69,937, and the opening fund balance of the General Fund and Aggregate Other Governmental Funds of \$49,827 and \$25,868, respectively.

Immaterial Revision to Previously Issued Financial Statements

Additionally, subsequent to the issuance of the fiscal year 2021 financial statements, an error was identified related to the Redevelopment Agency over accruing an 18% Educational Set-aside, which was determined to not have been a liability as of June 30, 2021. Management has evaluated the materiality of this error, considering both quantitative and qualitative factors, and concluded that the related impact is not material to the 2021 financial statements. The City has revised the opening balance of the net position of Governmental Activities and opening balance of the Aggregate Other Governmental Funds in the amount of \$2,768,401 to correct this error.

Net position or fund balance as of July 1, 2021, has been retroactively adjusted as follows:

	General Fund	Aggregate Other Governmental Funds	Governmental Activities
Net position or fund balances, as previously reported	\$ 30,215,473	\$ 291,109,192	\$ 1,627,689,177
Adjustments			
Adoption of GASB 87	49,827	25,868	69,937
Redevelopment Agency – 18% Set aside	49,827	2,768,401	2,768,401
Total adjustments	49,827	2,794,269	2,838,338
Net position or fund balance, as adjusted	\$ 30,265,300	\$ 293,903,461	\$ 1,630,527,515

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, 2022:

Cash on hand	\$	45,777
Cash on deposit		53,032,212
Cash equivalents		481,913,070
Investments		379,120,691
Total Cash, Cash Equivalents and Investments	\$	914,111,750

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

At June 30, 2022, total cash, cash equivalents and investments (including restricted amounts) were presented in the City's financial statements as follows:

	Unrestricted	Restricted	Total
Governmental activities	\$ 398,495,345	\$ 103,945,497	\$ 502,440,842
Business-type activities	271,134,623	116,427,446	387,562,069
Fiduciary Funds	24,108,839		24,108,839
Total Cash, Cash Equivalents and Investments	\$ 693,738,807	\$ 220,372,943	\$ 914,111,750

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

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

As of June 30, 2022, the recorded amount of the City's deposits were \$53,032,212 and the bank balance was \$79,832,616. 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 in its entirety and not as a combination of monies from each fund belonging to the pool. In this manner, the City's Chief Financial Officer is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month. The City investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Chief Financial Officer are regulated by NRS 355.170.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating	
				Standard & Poor's	Moody's
Banker's acceptances	180 days	20%	None	N/A	N/A
Commercial paper	270 days	25%	5	A-1	P-1
Money market mutual funds	None	None	None	AAA	Aaa
Negotiable certificates of deposit	None	None	None	N/A	N/A
Collateralized nonnegotiable certificates of deposit	None	None	None	N/A	N/A
Negotiable notes and medium-term obligations of local governments within the State of Nevada	None	None	None	N/A	N/A
Obligations of state and local governments outside of the State of Nevada	None	None	None	N/A	N/A
Repurchase agreements	90 days	None	None	N/A	N/A
U.S. Treasury obligations	10 years	None	None	N/A	N/A
U.S. Agency securities:					
Federal National Mortgage Corporation	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

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City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

At June 30, 2022, 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	\$ 245,884,165	\$ 244,611,525	0.34
All Spring Government Money Market	37,662,207	37,662,207	0.27
U.S. Agency securities:			
Federal Farm Credit Bank	44,302,133	41,687,941	4.01
Federal Home Loan Bank	196,390,615	186,713,222	3.16
Federal Home Loan Mortgage Corporation	73,773,066	71,457,368	2.24
Federal National Mortgage	58,562,960	55,788,795	2.12
U.S. Treasury notes	23,912,737	23,473,365	2.74
Total Pooled Cash Equivalents and Investments	680,487,883	661,394,423	1.83
Non-Pooled Cash Equivalents and Investments			
Special assessment bond proceeds investments:			
Morgan Stanley Money Market Fund	64,489,700	64,489,700	0.17
Other bond proceeds investments:			
Redevelopment bonds - Morgan Stanley Money Market Fund	621,056	621,056	0.17
Utility bonds - State of Nevada, Local Government Investment Pool	94,514	94,514	0.34
Utility bonds – Morgan Stanley Money Market Fund	104,137,190	104,137,190	0.17
Various purpose bonds – Morgan Stanley Money Market Fund	26,503,836	26,503,836	0.17
Medium Term Bonds – Morgan Stanley Money Market Fund	3,793,042	3,793,042	0.17
Total Non-Pooled Cash Equivalents and Investments	199,639,338	199,639,338	0.17
Total Cash Equivalents and Investments	\$ 880,127,221	\$ 861,033,761	1.46

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, 2022, the City held

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

\$244,706,039, in the LGIP. The LGIP fair value factor of 0.994824239 was used to calculate the fair value of the investments in the LGIP and has an average maturity of 125 days.

At June 30, 2022, in accordance with the NRS as previously defined, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

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

	Standard & Poor's	Moody's	Percentage of Portfolio
Pooled Cash Equivalents and Investments			
State of Nevada, Local Government Investment Pool	N/A	N/A	28.41%
Wells Fargo Government Money Market	AAAm	Aaa-mf	4.37%
U.S. Agency securities			
Federal Farm Credit Bank	AA+	Aaa	4.84%
Federal Home Loan Bank	AA+	Aaa	21.68%
Federal Home Loan Mortgage Corporation	AA+	Aaa	8.30%
Federal National Mortgage	AA+	Aaa	6.48%
U.S. Treasury notes	*	*	2.73%
Total Pooled Cash Equivalents and Investment			76.81%
Non-Pooled Cash Equivalents and Investments			
Special assessment bond proceeds investments:			
Morgan Stanley Money Market Fund	AAAm	Aaa-mf	7.49%
Other bond proceeds investments:			
Redevelopment bonds - Morgan Stanley Money Market Fund	AAAm	Aaa-mf	0.07%
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	12.10%
Various purpose bonds – Morgan Stanley Money Market Fund	AAAm	Aaa-mf	3.08%
Medium Term bonds – Morgan Stanley Money Market Fund	AAAm	Aaa-mf	0.44%
Total Non-Pooled Cash Equivalents and Investments			23.19%
Total Cash Equivalents and Investments			100.00%

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

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

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

4. Interfund Balances and Activity

At June 30, 2022, the composition of interfund balances was as follows:

Due To and From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 2,631,552
General Fund	Aggregate Other Governmental Funds	31,703
General Fund	Internal Service Funds	11,997
		\$ 2,675,252

The amounts due to the General Fund are temporary loans to cover deficit cash balances in the Grants Special Revenue, Bond Proceeds Capital Projects, and Citywide Services internal service funds.

Advances To and From Other Funds

Receivable Fund	Payable Fund	Amount
Internal Service Funds	Aggregate Other Governmental Funds	\$ 616,893

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	\$ (53,061,089)
Effect of current year internal service activity on business-type activities	47,648
	\$ (53,013,441)

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City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Interfund Transfers

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

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Aggregate Other Governmental Funds	\$ 164,580
Aggregate Other Governmental Funds	General Fund	43,888,099
Aggregate Other Governmental Funds	Aggregate Other Governmental Funds	8,382,784
Aggregate Other Governmental Funds	Water Enterprise Fund	1,112,703
Aggregate Other Governmental Funds	Sewer Enterprise Fund	1,112,410
Aggregate Other Governmental Funds	Internal Service Funds	220,000
Aggregate Other Enterprise Funds	Aggregate Other Governmental Funds	150,000
		<hr/>
		\$ 55,030,576

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City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

5. Capital Assets

For the year ended June 30, 2022, capital asset activity was as follows:

	Balance July 1, 2021, (restated)	Increases	Decreases	Transfers and Reclassifications*	Balance June 30, 2022
Governmental Activities					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 77,406,545	\$ 53,353,349	\$ (1,566,486)	\$ (93,384,423)	\$ 35,808,985
Land	181,980,780	18,928	(844)		181,998,864
Total Capital Assets Not Being Depreciated or Amortized	259,387,325	53,372,277	(1,567,330)	(93,384,423)	217,807,849
Capital assets being depreciated or amortized:					
Buildings and building improvements	365,933,567	43,337,373		42,946,802	452,217,742
Improvements other than buildings	407,000,613	4,631,989		3,442,090	415,074,692
Infrastructure	1,863,791,814	78,176,148		46,363,298	1,988,331,260
Machinery and equipment	119,831,053	9,872,686	(13,806,769)	632,233	116,529,203
Right-to-use assets – buildings	468,580				468,580
Right-to-use assets – equipment	1,309,532				1,309,532
Right-to-use assets – vehicles	15,796				15,796
Total Capital Assets Being Depreciated or Amortized	2,758,350,955	136,018,196	(13,806,769)	93,384,423	2,973,946,805
Accumulated depreciation and amortization:					
Buildings and building improvements	(113,926,626)	(4,728,415)			(118,655,041)
Improvements other than buildings	(108,875,348)	(9,814,498)			(118,689,846)
Infrastructure	(914,797,527)	(28,098,058)			(942,895,585)
Machinery and equipment	(83,580,788)	(9,059,025)	13,645,571		(78,994,242)
Right-to-use assets – buildings	(18,303)	(50,931)			(69,234)
Right-to-use assets – equipment	(212,560)	(208,859)			(421,419)
Right-to-use assets – vehicles	(1,730)	(5,275)			(7,005)
Total Accumulated Depreciation and Amortization	(1,221,412,882)	(51,965,061)	13,645,571		(1,259,732,372)
Total Capital Assets Being Depreciated or Amortized, Net	1,536,938,073	84,053,135	(161,198)	93,384,423	1,714,214,433
Total Governmental Activities	\$ 1,796,325,398	\$ 137,425,412	\$ (1,728,528)	\$ 93,384,423	\$ 1,932,022,282

* 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, 2022

	Balance July 1, 2021	Increases	Decreases	Transfers and Reclassifications*	Balance June 30, 2022
Business-Type Activities					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 39,024,401	\$ 32,803,788	\$ (950,101)	\$ (31,859,799)	\$ 39,018,289
Land	40,452,702				40,452,702
Total Capital Assets Not Being Depreciated or Amortized	79,477,103	32,803,788	(950,101)	(31,859,799)	79,470,991
Capital assets being depreciated or amortized:					
Buildings and building improvements	176,159,452				176,159,452
Improvements other than buildings	1,439,434,293	33,901,813		31,778,102	1,505,114,208
Machinery and equipment	67,414,595	393,138		81,697	67,889,430
Total Capital Assets Being Depreciated or Amortized	1,683,008,340	34,294,951		31,859,799	1,749,163,090
Accumulated depreciation and amortization:					
Buildings and building improvements	(53,658,159)	(3,399,364)			(57,057,523)
Improvements other than buildings	(640,044,643)	(19,385,737)			(659,430,380)
Machinery and equipment	(24,233,812)	(3,602,146)			(27,835,958)
Total Accumulated Depreciation and Amortization	(717,936,614)	(26,387,247)			(744,323,861)
Total Capital Assets Being Depreciated or Amortized, Net	965,071,726	7,907,704		31,859,799	1,004,839,229
Total Business-Type Activities	\$ 1,044,548,829	\$ 40,711,492	\$ (950,101)	\$	\$ 1,084,310,220

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

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

For the year ended June 30, 2022, charges, by function, for depreciation and amortization expense were as follows:

Governmental Activities	
General government	\$ 4,251,520
Judicial	769,856
Public safety	2,442,366
Public works	27,925,880
Culture and recreation	10,971,214
Internal service fund depreciation expense is charged to specific functions based on asset usage	5,604,225
Total Depreciation and Amortization Expense, Governmental Activities	51,965,061
Business-Type Activities	
Water	11,502,739
Sewer	14,551,675
Development services	10,811
Municipal golf course	322,022
Total Depreciation and Amortization Expense, Business-Type Activities	\$ 26,387,247

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City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

6. Long-term Liabilities

Changes in Long-term Liabilities

Long-term debt obligations activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021, (restated)	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Governmental Activities					
General obligation bonds:					
\$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%	8,870,000		(1,915,000)	6,955,000	1,990,000
\$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%	8,300,000		(2,080,000)	6,220,000	2,250,000
\$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	
\$93,705,000 Series 2020B-2 General Obligation (Limited Tax) Various Purpose and Refunding Bonds; principal due annually beginning June 2022 through June 2036; interest varies between 1.3% and 2.9%	93,705,000		(2,345,000)	91,360,000	2,315,000
\$25,000,000 Series 2021 General Obligation (Limited Tax) Various Purpose Bonds; principal due annually beginning June 2023 through June 2041; interest varies between 1.3% and 5.0%		25,000,000		25,000,000	905,000
Total General Obligation Bonds	142,985,000	25,000,000	(6,340,000)	161,645,000	7,460,000
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%	18,150,000		(1,860,000)	16,290,000	1,900,000

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

	Balance July 1, 2021, (restated)	Increases	Decreases	Balance June 30, 2022	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%	\$ 8,155,000	\$	\$ (275,000)	\$ 7,880,000	\$ 290,000
Other long-term obligations:					
Leases	1,572,875		(244,587)	1,328,288	302,997
Other long-term obligations - direct borrowing:					
\$684,108 Installment Purchase Agreement due annually through December 2021; Non-interest-bearing	148,311		(148,311)		
Unamortized bond premiums	7,658,703	2,418,877	(1,110,978)	8,966,602	
Claims and judgments liability	29,047,949	30,881,497	(24,308,302)	35,621,144	17,131,125
Compensated absences liability	43,238,372	26,862,511	(27,639,877)	42,461,006	21,789,943
Total other postemployment benefits liability	82,814,307	5,283,615	(23,647,511)	64,450,411	
Net pension liability	363,236,003		(120,312,105)	242,923,898	
Total Governmental Activities	697,006,520	90,446,500	(205,886,671)	581,566,349	48,874,065
Business-Type Activities					
Revenue bonds:					
\$72,550,000 Series 2012A Sewer Refunding Bonds due in annual installments through June 2024; interest at 5.0%	12,495,000		(3,965,000)	8,530,000	4,160,000
\$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	
\$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%	49,685,000		(660,000)	49,025,000	670,000
Total Revenue Bonds	\$ 198,865,000	\$	\$ (4,625,000)	\$ 194,240,000	\$ 4,830,000

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

	Balance July 1, 2021, (restated)	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Revenue bonds – direct borrowings:					
\$5,500,000 Series 2000 Water Bonds due in annual installments through January 2023; interest fixed at 3.65%	\$ 745,432	\$	\$ (365,975)	\$ 379,457	\$ 379,457
\$1,659,396 2009 Clean Water State Revolving Loan Fund – Sewer due in semi-annual installments through January 2030; Non-interest-bearing	786,030		(87,336)	698,694	87,337
Total Revenue Bonds – Direct Borrowings	1,531,462		(453,311)	1,078,151	466,794
<hr/>					
Unamortized bond premiums	15,668,631		(1,080,165)	14,588,466	
Compensated absences liability	7,375,411	5,177,714	(5,319,603)	7,233,522	4,017,898
Total other postemployment benefits liability	6,525,547	147,476	(1,791,193)	4,881,830	
Net pension liability	53,313,576		(19,778,990)	33,534,586	
Provisional credits and refunding agreements	404,767	235,971	(427,711)	213,027	
Total Business-Type Activities	283,684,394	5,561,161	(33,475,973)	255,769,582	9,314,692
Total Long-Term Debt Obligations	\$ 980,690,914	\$ 96,007,661	\$ (239,362,644)	\$ 837,335,931	\$ 58,188,757

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.

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City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Unamortized Deferred Refunding Charges

For the year ended June 30, 2022, activity related to the City's unamortized deferred refunding charges was as follows:

	Governmental Activities	Business-Type Activities	Total
Balance, June 30, 2021	\$ 4,920,597	\$ 4,986,477	\$ 9,907,074
Additions			
Reductions	(1,546,432)	(621,100)	(2,167,532)
Balance, June 30, 2022	\$ 3,374,165	\$ 4,365,377	\$ 7,739,542

Future Debt Service Requirements

At June 30, 2022, the annual requirements to pay principal and interest on all bonds outstanding, as well as other long-term debt obligations (excluding leases), were as follows:

Governmental Activities

Year ending June 30,

	General Obligation Bonds		General Obligation Bonds – Direct Placement	
	Principal	Interest	Principal	Interest
2023	\$ 7,460,000	\$ 4,859,354	\$ 1,900,000	\$ 325,800
2024	7,755,000	4,563,749	1,935,000	287,800
2025	7,995,000	4,322,855	1,975,000	249,100
2026	8,435,000	4,132,956	2,015,000	209,600
2027	8,650,000	3,919,196	2,055,000	169,300
2028-2032	46,750,000	16,097,889	6,410,000	258,100
2033-2037	47,005,000	9,342,827		
2038-2042	27,595,000	2,040,600		
	\$ 161,645,000	\$ 49,279,426	\$ 16,290,000	\$ 1,499,700

Year ending June 30,

	Tax Allocation Bonds	
	Principal	Interest
2023	\$ 290,000	\$ 327,800
2024	305,000	312,925
2025	320,000	297,300
2026	335,000	280,925
2027	355,000	263,675
2028-2032	2,045,000	1,040,888
2033-2037	2,485,000	601,338
2038-2042	1,745,000	106,500
	\$ 7,880,000	\$ 3,231,351

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

Business-Type Activities

Year ending June 30,

	Revenue Bonds		Revenue Bonds – Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 4,830,000	\$ 6,656,205	\$ 466,794	\$ 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	5,425,000	6,015,604	87,337	
2028-2032	29,815,000	27,947,300	262,009	
2033-2037	31,615,000	23,543,509		
2038-2042	35,075,000	18,244,600		
2043-2047	42,200,000	11,115,400		
2048-2052	29,595,000	2,398,600		
	\$ 194,240,000	\$ 114,686,432	\$ 1,078,151	\$ 10,419

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 \$379,457 and \$698,694, 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

In November 2021, the City created Local Improvement District No. T-21 (Black Mountain Ranch) for the Black Mountain Ranch community, located in the southeastern section of the Las Vegas Valley. In February 2022, the City issued \$14,060,000 in tax-exempt local improvement bonds on behalf of the property owners. The City is not liable for repayment of the debt and is prohibited from assuming the debt in the event of default by the property owners. The City acts as an agent for the property owners in collecting the assessments and forwarding the collections to the bondholders. These transactions are accounted for in a fiduciary fund. The Black Mountain Ranch project consists of the acquisition of certain improvements constructed by the Developer. These improvements, which are accounted for in a capital projects fund, include water and sewer mains, storm drain facilities, landscaping (including hardscape) and roadways.

The City has issued special assessment bonds with an aggregate outstanding principal balance of \$82,625,000 as of June 30, 2022. The City is only acting as an agent for these bonds and is not liable for the debt. Principal and interest are payable from the special assessments levied.

New Debt Issuances

On October 12, 2021, the City issued \$25,000,000 in General Obligation (Limited Tax) Tax-Exempt Various Purpose Bonds, Series 2021 for the purpose of financing the costs of acquiring, constructing, improving, and equipping a City building project. The City's Series 2021 Bonds bear interest at rates from 1.3% to 5.0%, which is payable semiannually on June 1 and December 1, commencing on June 1, 2022, and continuing through maturity in fiscal year 2041. Principal is due in periodic installments beginning June 2023 through June 2041.

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

Defeased Debt

At June 30, 2022, the remaining outstanding principal balance of the defeased debt is \$94,315,000.

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, 2022	\$	204,194,176
Total general obligation bond principal and interest paid during the year ended June 30, 2022	\$	8,688,038
Total pledged revenue for the year ended June 30, 2022	\$	23,944,656

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
2021 Various Purpose Bonds	June 1, 2041

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, 2022	\$	11,111,351
Total tax allocation bond principal and interest paid during the year ended June 30, 2022	\$	616,925
Total pledged revenue for the year ended June 30, 2022	\$	2,879,806

Tax allocation bond issued and revenue pledge maturity:

2015 Henderson Redevelopment Tax Increment Refunding Bonds	October 1, 2033
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¹ Bond proceeds were also used to partially advance refund the 2011C, 2013B, and 2014 Capital Improvement Refunding Bonds

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, 2022	\$	310,015,002
Total revenue bond principal and interest paid during the year ended June 30, 2022	\$	11,965,363
Total pledged revenue for the year ended June 30, 2022	\$	52,628,121

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.

Construction Contracts Payable

At June 30, 2022, the City had outstanding retention balances due on capital construction contracts for governmental type and business-type activities in the amounts of 933,724 and 788,369, respectively.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

7. Defined Benefit Pension Plans

Aggregate Balances

At June 30, 2022, 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	\$ 161,642,220	\$ 79,324	\$ 161,721,544
Net pension liability	276,482,252		276,482,252
Net pension asset		(23,768)	(23,768)
Net unamortized deferred inflows of resources related to pensions	232,900,651	108,005	233,008,656
Pension expense	(7,051,529)	(18,831)	(7,070,360)

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.

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 286.571 - .579.

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

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Police/fire members entering the system prior to January 1, 2010, 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.

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. The most current actuarial valuation is based on the census data and contribution rates for the fiscal year ended June 30, 2021. Actual Contributions 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 years ended June 30, 2021 and June 30, 2020, the required employer/employee match rates were 15.25% for regular and 22.00% for police/fire members. The EPC rates were 29.25% for regular and 42.50% for police/fire members.

Effective July 1, 2021, the required employer/employee match rates increased to 15.50% for regular and 22.75% for police/fire members. The EPC rates also increased to 29.75% for regular and 44.00% for police/fire members.

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

PERS collective net pension liability was measured as of June 30, 2021, 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,

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following economic actuarial assumptions (based on the results of an experience study for the period from July 1, 2016 through June 30, 2020), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2021
Inflation rate	2.50%
Payroll growth	3.50%, including inflation
Investment rate of return	7.25%, net of pension investment expense, including inflation
Discount rate	7.25%
Productivity pay increase	0.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Police/fire: 4.60% to 14.50%, depending on service, including inflation

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

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, 2021:

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

* As of June 30, 2021, PERS' long-term inflation assumption was 2.50%.

** As of June 30, 2021, the Private Markets allocation includes 6.00% private real estate and 6.00% private equity.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021 and 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. Based on that assumption, the PERS fiduciary net position at June 30, 2021, was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.25%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

The City's proportionate share of the net pension liability at June 30, 2021, calculated using the discount rate of 7.25%, 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 (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability	\$ 550,467,309	\$ 276,482,252	\$ 50,467,007

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

The net pension liability was measured as of June 30, 2021, 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 \$276,482,252, which represents 3.03184% of the collective net pension liability, and an increase of 0.04149% from the City's proportionate share as of June 30, 2020. Contributions for employer pay dates within the fiscal year ended June 30, 2021, 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, 2021.

For the year ended June 30, 2022, the City's pension expense was \$(7,051,529) and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2022, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,625,834	\$ 1,945,782
Changes of assumptions or other inputs	91,796,871	
Net difference between projected and actual earnings on investments		225,600,711
Changes in proportion and differences between actual contributions and proportionate share of contributions	5,321,454	5,354,158
Contributions made subsequent to the measurement date	33,898,061	
	\$ 161,642,220	\$ 232,900,651

At June 30, 2021, the average expected remaining service life was 6.14 years.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2022 totaling \$33,898,061 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:

Year ending June 30,

2023	\$	(31,412,995)
2024		(30,898,283)
2025		(32,051,083)
2026		(34,352,792)
2027		20,668,825
Thereafter		2,889,836
	\$	(105,156,492)

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

Net Pension Liability , beginning of year	\$	416,506,569
Pension expense		(7,051,529)
Employer contributions		(31,819,158)
Change in net deferred inflows and outflows of resources		(101,153,630)
Net Pension Liability , end of year	\$	276,482,252

At June 30, 2022, \$8,668,569 is payable to PERS for the June 2022 required contribution and is included in accounts payable.

Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

Option 2 - Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, may select benefit payments computed at 4.1666% 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.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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 1A.240 and equivalent to those provided for retirees and beneficiaries of regular PERS as provided by authority of the NRS 286.571 - .579.

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.

At June 30, 2021, the City's JRS membership consisted of:

Active Members	2
Inactive members (and beneficiaries) currently receiving benefits	1
	3

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 (3.0% payroll growth assumed) where each amortization period will be set at thirty years for Supreme Court justices and district judges and twenty years for each non-state agency. Any increases or decreases in UAAL that arise in future years will be amortized over separate thirty-year periods for state judges and twenty year periods for non-state judges. The payment to amortize the UAAL is paid annually for state 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, 2021 and 2020, the required employer/employee matching rate was 14.25%.

The JRS net pension liability was measured as of June 30, 2021, 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, 2021 census data, except for member status, which is as of June 30, 2021. Although the System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis,

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

contributions actually made are in accordance with the required rates established by the Nevada Legislature. The statutory rates are set and adjusted pursuant to NRS 1A.312(5).

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, 2016 to June 30, 2020):

Actuarial valuation date	June 30, 2021
Inflation rate	2.50%
Payroll growth	2.50% to 6.75%, varying by service
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Discount rate	7.25%, including inflation
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

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

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, 2021:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. Equity	50.50%	6.65%
International Equity	21.50%	7.18%
U.S. Fixed Income	28.00%	0.91%

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021 and 7.50% as of June 30, 2020. 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 (7.25%) was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2021 and June 30, 2020.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

The City's JRS net pension liability(asset) at June 30, 2021, calculated using the discount rate of 7.25%, 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 (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net pension liability (asset)	\$ 65,432	\$ (23,768)	\$ (98,626)

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 Annual Comprehensive 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, 2021, the City reported a net pension asset of \$23,768 for the JRS plan. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date.

For the period ended June 30, 2021, the City's JRS pension expense was \$(18,831) and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2021, were as follows:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,573	\$ 10,890
Changes of assumptions or other inputs	37,551	
Net difference between projected and actual earnings on investments		91,061
Changes in proportion and differences between actual contributions and proportionate share of contributions	204	6,054
Contributions made subsequent to the measurement date	37,996	
	\$ 79,324	\$ 108,005

At June 30, 2021, the average expected remaining service life was 4.29 years.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2022, totaling \$37,996 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:

<i>Year ended June 30,</i>	
2023	\$ (18,621)
2024	(14,089)
2025	(12,266)
2026	(21,701)
	\$ (66,677)

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

Net Pension Liability, beginning of year	\$ 43,010
Pension (income)	(18,831)
Employer contributions	(22,470)
Change in net deferred inflows and outflows of resources	(25,477)
Net Pension Liability (Asset), end of year	\$ (23,768)

At June 30, 2022, \$7,094 is payable to JRS for the June 2022 required contribution and is included in accounts payable.

8. Other Postemployment Benefits

Aggregate Balances

At June 30, 2022, 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	\$ 4,297,758	\$ 65,034,483	\$ 69,332,241
Net unamortized deferred outflows of resources related to OPEB	680,503	19,437,558	20,118,061
Net unamortized deferred inflows of resources related to OPEB	1,669,087	21,229,220	22,898,307
OPEB expense	45,339	6,036,352	6,081,691

(Continued)

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

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 postemployment healthcare plan administered by The State of Nevada. NRS 287.041 assigns the authority to establish and amend benefit provisions to the PEBP 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 plan is now closed to current City retirees; however, City employees who previously met the eligibility requirement for retirement within the Nevada PERS had the option upon retirement to enroll in coverage under the PEBP with a subsidy provided by the City as determined by their number of years of service.
- 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

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 \$1,564 for the year ended June 30, 2022.

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.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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, 2022, employees covered by OPEB benefit terms consisted of:

	Public Employee Benefit Program	City of Henderson Plans		Aggregate Total
Active members		1,373		1,373
Inactive employees currently receiving benefit payments	105	375		480
Inactive employees entitled to, but not yet receiving benefit payments		430		430
	105	2,178		2,283

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 September 10, 2021, as adopted by PERS.

Actuarial valuation date	June 30, 2022
Measurement date	June 30, 2022
Inflation rate	2.50% per annum
Salary changes	City Plan - 2.00% per annum (PEBP is a closed plan)
Discount rate	3.54% per annum as of June 30, 2022 2.16% per annum as of June 30, 2021
Discount rate source	Bond Buyer 20-Bond GO index
Postemployment benefit changes	None
Benefit-related costs share with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of projected salary
Healthcare cost trend rates	City Plan - 7.00% per annum, decreasing 0.25% per year to an ultimate rate of 4.0% PEBP - 4.00% per annum

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

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

Changes in the assumptions and other inputs that affected the measurement of the City's total OPEB liability during the period ended June 30, 2022, were as follows:

- The discount rate was updated from 2.16% to 3.54%.
- Healthcare cost trend rates were updated with an initial rate of 7.00% grading down until reaching the ultimate rate of 4.00%, to reflect higher than anticipated increasing cost environment.

The City's total OPEB liability at June 30, 2022, calculated using the discount rate of 3.54%, 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 (2.54%)	Discount Rate (3.54%)	1% Increase in Discount Rate (4.54%)
Public Employee Benefit Program	\$ 4,899,397	\$ 4,297,758	\$ 3,824,962
City of Henderson Plans	74,138,603	65,034,483	57,880,038

The City's total OPEB liability at June 30, 2022, calculated using the healthcare trend rate of 7.00% decreasing to 4.00%, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1.00% lower (6.00% decreasing to 3.00%) or 1.00% higher (8.00% decreasing to 5.00%) than the current healthcare trend rate, was as follows:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Public Employee Benefit Program	\$ 3,910,939	\$ 4,297,758	\$ 4,727,505
City of Henderson Plans	59,181,061	65,034,483	71,537,495

At June 30, 2022, changes in the City's total OPEB liability were as follows:

	Public Employee Benefit Program	City of Henderson Plans	Aggregate Total
Service cost	\$	\$ 3,453,143	\$ 3,453,143
Interest on total OPEB liability	123,412	1,854,536	1,977,948
Changes in benefit terms			
Differences between expected and actual experience	(369,791)	(13,670,061)	(14,039,852)
Changes of assumptions or other inputs	(995,235)	(7,960,933)	(8,956,168)
Benefit payments	(348,259)	(2,094,425)	(2,442,684)
Net Change in Total OPEB Liability	(1,589,873)	(18,417,740)	(20,007,613)
Total OPEB Liability, beginning of year	5,887,631	83,452,223	89,339,854
Total OPEB Liability, end of year	\$ 4,297,758	\$ 65,034,483	\$ 69,332,241

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

For the period ended June 30, 2022, the City recorded an OPEB expense of \$6,081,691 and its reported deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2022 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	\$	\$ (661,592)	\$ 8,589,057	\$ (12,540,304)
Changes of assumptions and other inputs	680,503	(1,007,495)	10,848,501	(8,688,916)
	\$ 680,503	\$ (1,669,087)	\$ 19,437,558	\$ (21,229,220)

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

Year ending June 30,

	Public Employee Benefit Program	City of Henderson Plans
2023	\$ (78,073)	\$ 728,673
2024	(78,073)	728,673
2025	(78,073)	728,673
2026	(78,073)	728,673
2027	(70,351)	841,919
Thereafter	(605,941)	(5,548,273)
	\$ (988,584)	\$ (1,791,662)

9. Risk Management

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

In addition, there are also situations in which incidents occur before the date of the financial statements, but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's experience adjusted for current trends using a discount rate of 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 \$1,000,000 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

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

for Active Shooter with varying deductibles; a \$1.0 million Unmanned Aircraft System policy for Aviation Premises Liability with medical payments coverage in the amount of \$250,000 with no deductible; a \$5.0 million Environment Site Liability policy with a \$50,000 deductible; and a Cyber Liability policy with a \$5.0 million limit and \$250,000 retention. No settled claims exceeded insurance coverage for 2022, 2021, and 2020.

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 \$1,000,000 SIR. The City's Risk Management division works with the City Attorney's office, brokers, underwriters, 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 an annual 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, prescription drug, dental and vision care. The specific stop loss deductible is \$525,000 per participant, and a third-party administrator is used to pay claims. Teamster employees are covered under the Teamster Trust and the City pays a monthly premium for medical, dental, vision and prescription drug coverage for each.

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, 2021 through July 1, 2022.

For the fiscal years ended June 30, 2022 and 2021, changes in claims liability amounts were as follows:

Year ended June 30, 2022

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
Liability insurance	\$ 5,431,824	\$ (2,018,992)	\$ (535,613)	\$ 2,877,219
Workmen's compensation insurance	21,999,125	13,645,081	(5,074,281)	30,569,925
Health insurance	1,617,000	19,252,550	(18,695,550)	2,174,000
	\$ 29,047,949	\$ 30,878,639	\$ (24,305,444)	\$ 35,621,144

Year ended June 30, 2021

	Claims Liability, Beginning Balance	Claims Incurred and Changes in Estimate	Claims Paid	Claims Liability, Ending Balance
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	1,243,000	16,025,473	(15,651,473)	1,617,000
	\$ 23,290,103	\$ 27,061,365	\$ (21,303,519)	\$ 29,047,949

10. Other Information

COVID-19 Pandemic

On May 20, 2022, the state of emergency regarding COVID-19 pandemic response ended for the City and the State of Nevada. The City continues to monitor disease prevention, public access to vaccines and testing.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

The City's management is actively monitoring the impact of the Pandemic on its financial condition, liquidity, operations, suppliers, industry, and workforce. Over the past several years there has been an unprecedented fiscal stimulus provided by the Federal Government. The City has received funding from various portions of these stimuli, 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), the Emergency Rental Assistance Program (ERAP), and various other Pandemic related grants from the U.S. Department of Treasury, U.S. Department of Justice, U.S. Department of Health and Human Services, U.S. Department of Homeland Security and U.S. Department of Housing and Urban Development.

The City has continued to see growth in both assessed valuation and population despite the onset of the pandemic in March 2020. However, despite the rapid and strong recovery from pandemic lows, there remains a high degree of economic uncertainty as external factors such as high inflation and continued supply-chain disruptions weigh on consumer sentiment.

Construction in Progress

As of June 30, 2022, construction in progress of \$74,827,274 was reflected in the government-wide financial statements, which relates primarily to a park construction project, the Via Inspirada Police Station, a new crime lab, and a workforce training facility. To complete all projects currently under construction, management estimates it will require an additional outlay of approximately \$280,349,031.

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, 2022, the contingent obligation is approximately \$120.0 million.

In addition, any obligations to developers under the OPAs are payable solely and exclusively from a predetermined percentage of the tax increment received by the Agency on specific parcels of land and is not to be payable from any other source. Accordingly, to the extent that tax increment has not been collected and the

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

developer has not incurred reimbursable costs, no liability has been recorded in the accompanying financial statements.

Leases

Lessor: During the current fiscal year, the City began leasing the newly constructed Henderson Events Center, otherwise known as Dollar Loan Center, to SK Arena, LLC. The initial lease is for twenty years with two options to extend of five years each. The City will receive annual payments each July 1st during the term. The first payment shall be for \$150,000, and subsequent annual payments shall increase by 2% annually.

The City recognized \$39,624 in lease revenue and \$43,025 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City's receivable for lease payments was \$3,555,747. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$3,566,124.

Lessee: For the fiscal year ending June 30, 2022, the City's future lease obligations were as follows:

	Minimum Lease Payment	Less Amount Representing Interest	Present Value of Minimum Lease Payment
2023	\$ 346,946	\$ 43,978	\$ 302,968
2024	339,346	32,740	306,605
2025	264,187	22,209	242,178
2026	191,506	14,363	177,143
2027	88,037	9,010	79,027
2028-2032	164,555	28,844	135,711
2033-2037	88,625	3,969	84,656
	\$ 1,483,202	\$ 154,913	\$ 1,328,288

As of June 30, 2022, the City's right-to-use assets totaled \$1,793,908 on which accumulated depreciation totaled \$497,658.

Encumbrances

At June 30, 2022, outstanding encumbrances were as follows:

General fund	\$ 3,257,521
Grants special revenue fund	8,814,957
Aggregate other governmental funds	34,903,633
	\$ 46,976,111

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

City of Henderson, Nevada
Notes to Basic Financial Statements (Continued)
For the year ended June 30, 2022

11. Components of Fund Balances

At June 30, 2022, 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	\$ 178,573	\$ 10,812	\$ 747	\$ 190,132
Restricted:				
General government programs		1,315		1,315
Courts and other judicial programs	232,770	12	1,122,881	1,355,663
Fire, police and other public safety programs		146,418	68,437,011	68,583,429
Streets and other public works projects		24,376	61,427,367	61,451,743
Parks, cultural and recreational programs		394,720	28,082,439	28,477,159
Community assistance and support programs		458,933	9,293,434	9,752,367
Debt service			7,767,114	7,767,114
Redevelopment programs			50,322,946	50,322,946
Stabilization program			27,574,533	27,574,533
Total Restricted:	232,770	1,025,774	254,027,725	255,286,269
Committed:				
Streets and other public works projects	2,509,736		26,328,711	28,838,447
Community assistance and support programs	2,587,658			2,587,658
Total Committed	5,097,394		26,328,711	31,426,105
Assigned:				
General government programs	2,699,715		4,953,209	7,652,924
Courts and other judicial programs	2,719			2,719
Fire, police and other public safety programs	1,420,691		4,619,909	6,040,600
Streets and other public works projects	9,465		54,110,760	54,120,225
Parks, cultural and recreational programs	128,025		11,595,116	11,723,141
Community assistance and support programs	8,000			8,000
Total Assigned:	4,268,615		75,278,994	79,547,609
Unassigned	30,289,708			30,289,708
Total Governmental Fund Balances	\$ 40,067,060	\$ 1,036,586	\$ 355,636,177	\$ 396,739,823

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

12. Recently Issued Accounting Pronouncements

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. There is no conduit debt related to the City, and as such, no disclosure requirement exists. This statement will have no significant impact on the City's financial position, result of operations or cash flows.

(Continued)

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

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. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership agreements (PPPs). Management has not yet completed its assessment of this statement.

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

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

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management has not yet completed its assessment of this statement.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management has not yet completed its assessment of this statement.

13. Subsequent Events

On December 1, 2022, the City issued \$10,000,000 in General Obligation (Limited Tax) Tax-Exempt Medium-Term Bonds, Series 2022 for the purpose of financing the cost of acquiring police communications equipment. The City's Series 2022 Bonds bear interest at the rate 3.73% which is payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2023, and continuing through maturity in fiscal year 2032. Principal is due in annual installments beginning June 2024 through June 2032.

City of Henderson, Nevada

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2022

On November 22, 2022, the City entered into an installment purchase agreement with Axon Enterprise, Incorporated in the amount of \$1,526,896 for the purpose of financing the cost of acquiring conducted electrical devices for use by City law enforcement officers. The installment purchase bear interest at the rate 3.14%. Principal and interest is payable annually on November 1 each year, commencing in November 2022, and continuing through maturity in November 2026.

On December 13, 2022, the Redevelopment Agency Board approved a resolution to purchase from NP Lake Mead, LLC approximately 35.3 acres of real property commonly known as Assessor's Parcel Number 178-13-301-017 and located at 777 W. Lake Mead Parkway, Henderson, Nevada 89015 that was formerly the site of the Fiesta Hotel and Casino from October 1, 1996 until September, 2022 (the "Property"), which is located in the Downtown Redevelopment Project Area. The purchase price of the property is \$32,000,000 in cash. \$27,000,000 coming from the Eastside Redevelopment area, \$3,000,000 coming from the Downtown Redevelopment area and \$2,000,000 coming from City funds. In addition, the City will contribute certain in-kind improvements bringing the total purchase price to \$38,800,000.

REQUIRED SUPPLEMENTARY INFORMATION

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Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

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, 2022 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 Program²											
2018	\$	\$ 223,745	\$	\$	\$(196,744)	\$(401,917)	\$(374,916)	\$ 6,357,432	\$ 5,982,516	\$	2
2019		209,915			219,223	(398,086)	31,052	5,982,516	6,013,568		2
2020		203,167		(460,516)	752,224	(417,565)	77,310	6,013,568	6,090,878		2
2021		130,563			32,318	(366,128)	(203,247)	6,090,878	5,887,631		2
2022		123,412		(369,791)	(995,235)	(348,259)	(1,589,873)	5,887,631	4,297,758		2
City of Henderson Plans³											
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 %
2022	3,453,143	1,854,536		(13,670,061)	(7,960,933)	(2,094,425)	(18,417,740)	83,452,223	65,034,483	198,265,690	32.80 %

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, 2021 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 %
2021	3.03184 %	276,482,252	183,653,980	150.55 %	86.51 %

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, 2022 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2015	\$ 48,713,121	\$ 48,713,121	\$	\$ 153,186,312	31.80 %
2016	52,475,582	52,475,582		157,972,248	33.22 %
2017	54,354,873	54,354,873		163,656,523	33.21 %
2018	56,373,722	56,373,722		169,647,531	33.23 %
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 %
2022	67,796,122	67,796,122		198,265,690	34.19 %

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, 2021 AND LAST NINE FISCAL YEARS¹

<u>For the Year Ended June 30,</u>	<u>Net Pension Liability, Beginning of Year</u>	<u>Pension Expense</u>	<u>Employer Contributions</u>	<u>Change in Net Deferred Outflows and Inflows</u>	<u>Net Pension Liability, End of Year</u>
2016	\$ 228,451	\$ 196,562	\$ (65,321)	\$ 97,210	\$ 228,451
2017	111,825	46,970	(33,920)	(129,676)	111,825
2018	56,741	29,137	(22,552)	(61,669)	56,741
2019	52,959	28,740	(22,051)	(10,471)	52,959
2020	43,010	(17,883)	(22,454)	30,388	43,010
2021		(18,831)	(22,470)	(25,477)	(23,768)

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, 2021 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 %
2021	177,655,679	183,381,481	(5,725,802)	103.22298 %	20,192,724	(28.35577)%

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, 2022 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 %
2022	37,996	37,996		266,637	14.25009 %

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, 2022

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, 2022, were as follows:

- The discount rate was updated from 2.16% to 3.54%.
- Trend rates were reset to an initial rate of 7.00% grading down by 0.25% per year until reaching the ultimate rate of 4.00% based on current Healthcare Analytics (HCA) Consulting trend study; current economic environment suggests a longer period until reaching the ultimate rate.
- The termination and retirement rates were updated based on the most recent Public Employees' Retirement system of Nevada (NVPERS) Actuarial Valuation report as of June 30, 2021.
- The mortality projection scale was updated from MP-2019 to MP-2021 to reflect the Society of Actuaries' recent mortality study.

At June 30, 2022, no assets were accumulated in a qualifying trust for PEBP or the City Plan in which the assets contributed and earnings thereon are irrevocable, dedicated solely to providing postemployment benefits and are legally protected from creditors.

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

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

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

For the year ended June 30, 2022, changes in the assumptions and other inputs that affected the measurement of the City's total pension liability were as follows:

- The discount rate was updated from 7.50% to 7.25%
- The inflation rate was updated from 2.75% to 2.50%

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.

City of Henderson, Nevada

Notes to Required Supplementary Information (Continued)

Year Ended June 30, 2022

3. Agent Multiple-Employer Defined Benefit Pension Plan

For the year ended June 30, 2022, changes in the assumptions and other inputs that affected the measurement of the City's total pension liability were as follows:

- The discount rate was updated from 7.50% to 7.25%
- The inflation rate was updated from 2.75% to 2.50%

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.

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 an emergency or a natural disaster 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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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 | For Fiscal Year Ended June 30, 2022

CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 105,743,608	\$ 7,707,892	\$ 169,265,943	\$ 282,717,443
Cash, cash equivalents and investments, restricted	7,826,496		68,573,355	76,399,851
Accounts receivable, net	107,344		92,123	199,467
Interest receivable	192,003	21,178	225,589	438,770
Taxes receivable	203,672	211,684		415,356
Special assessments receivable	3,365	614,330		617,695
Notes receivable, net	8,968			8,968
Prepaid items	747			747
Due from other governments	9,980,243	52,955	2,878,902	12,912,100
Lease interest receivable			82,508	82,508
Rent receivable			4,705,272	4,705,272
Land held for resale	3,474,764		4,439,549	7,914,313
Total assets	\$ 127,541,210	\$ 8,608,039	\$ 250,263,241	\$ 386,412,490
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 615,826	\$ 14,009	\$ 6,780,124	\$ 7,409,959
Accrued wages	169,844		4,328	174,172
Tax increment payable to developers	1,766,955			1,766,955
Due to other governments		902		902
Due to other funds			31,703	31,703
Advances from other funds			616,893	616,893
Unearned revenue			14,936,898	14,936,898
Deposits	1,000		32,787	33,787
Total liabilities	2,553,625	14,911	22,402,733	24,971,269
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, property taxes	203,672	211,684		415,356
Unavailable revenue, special assessments	3,365	614,330		617,695
Unavailable revenue, notes receivable	8,968			8,968
Unavailable revenue, other receivables			65,016	65,016
Deferred amounts related to leases			4,698,009	4,698,009
Total deferred inflows of resources	216,005	826,014	4,763,025	5,805,044
Total liabilities and deferred inflows of resources	2,769,630	840,925	27,165,758	30,776,313
FUND BALANCES				
Nonspendable	747			747
Restricted	124,770,833	7,767,114	121,489,778	254,027,725
Committed			26,328,711	26,328,711
Assigned			75,278,994	75,278,994
Total fund balances	124,771,580	7,767,114	223,097,483	355,636,177
Total liabilities, deferred inflows of resources and fund balances	\$ 127,541,210	\$ 8,608,039	\$ 250,263,241	\$ 386,412,490

CITY OF HENDERSON, NEVADA

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Aggregate Other Governmental Funds
REVENUES				
Property taxes	\$ 27,439,295	\$ 6,659,011	\$ 1,768,959	\$ 35,867,265
Intergovernmental	39,846,764		3,041,520	42,888,284
Charges for services	543,260		59,177	602,437
Fines and forfeitures	927,897			927,897
Special assessments		134,458		134,458
Investment income (loss)	(2,959,260)	(137,807)	(3,283,376)	(6,380,443)
Room taxes	4,687,679			4,687,679
Developer contributions			16,665,032	16,665,032
Rental fees	1,185		12	1,197
Residential construction tax			2,084,754	2,084,754
Miscellaneous	36,307	253,458	708,920	998,685
Total revenues	70,523,127	6,909,120	21,044,998	98,477,245
EXPENDITURES				
Current				
General government	13,236,704	15,975	3,521,697	16,774,376
Judicial	404,185			404,185
Public safety	23,805,560		2,671,650	26,477,210
Public works	4,625,023	16,891	1,842,950	6,484,864
Culture and recreation	3,328,357		1,370,728	4,699,085
Community support			649,455	649,455
Total current	45,399,829	32,866	10,056,480	55,489,175
Capital outlay				
General government	37		2,340,546	2,340,583
Judicial	521,642			521,642
Public safety	7,047		13,911,102	13,918,149
Public works	1,220,895		3,461,893	4,682,788
Culture and recreation			20,112,963	20,112,963
Community support			2,342,596	2,342,596
Total capital outlay	1,749,621		42,169,100	43,918,721
Debt service				
Principal payments	275,000	8,348,310		8,623,310
Interest charges	341,925	5,154,038	42,897	5,538,860
Total debt service	616,925	13,502,348	42,897	14,162,170
Total expenditures	47,766,375	13,535,214	52,268,477	113,570,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,756,752	(6,626,094)	(31,223,479)	(15,092,821)
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales			3,388,028	3,388,028
Issuance of bonds			25,000,000	25,000,000
Premium on bonds issued			2,418,877	2,418,877
Transfers in	3,627,875	6,744,217	44,343,904	54,715,996
Transfers out	(3,331,374)	(177,277)	(5,188,713)	(8,697,364)
Total other financing sources (uses)	296,501	6,566,940	69,962,096	76,825,537
CHANGE IN FUND BALANCE	23,053,253	(59,154)	38,738,617	61,732,716
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	98,949,926	7,826,268	184,332,998	291,109,192
Adjustment	2,768,401		25,868	2,794,269
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	101,718,327	7,826,268	184,358,866	293,903,461
FUND BALANCE, END OF YEAR	\$ 124,771,580	\$ 7,767,114	\$ 223,097,483	\$ 355,636,177

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2022

	<u>Redevelopment Agency</u>	<u>Gas Tax</u>	<u>Forfeited Assets</u>	<u>Municipal Court Administrative Fee</u>	<u>Financial Stabilization</u>
ASSETS					
Cash, cash equivalents and investments, unrestricted	\$ 40,612,671	\$ 14,643,801	\$ 453,397	\$ 1,162,251	\$ 27,529,317
Cash, cash equivalents and investments, restricted	7,826,496				
Accounts receivable, net	1,309	2,432			
Interest receivable	83,667	25,497	823		44,865
Taxes receivable	203,672				
Special assessments receivable					
Notes receivable, net	8,968				
Prepaid items					
Due from other governments	213,933	1,521,882			351
Land held for resale	<u>3,474,764</u>				
Total assets	<u>\$ 52,425,480</u>	<u>\$ 16,193,612</u>	<u>\$ 454,220</u>	<u>\$ 1,162,251</u>	<u>\$ 27,574,533</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 114,974	\$ 241,219		\$ 38,664	\$
Accrued wages	7,965	21,854		706	
Tax increment payable to developers	1,766,955				
Deposits					
Total liabilities	<u>1,889,894</u>	<u>263,073</u>		<u>39,370</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, property taxes	203,672				
Unavailable revenue, special assessments					
Unavailable revenue, notes receivable	<u>8,968</u>				
Total deferred inflows of resources	<u>212,640</u>				
Total liabilities and deferred inflows of resources	<u>2,102,534</u>	<u>263,073</u>		<u>39,370</u>	
FUND BALANCES					
Nonspendable					
Restricted	<u>50,322,946</u>	<u>15,930,539</u>	<u>454,220</u>	<u>1,122,881</u>	<u>27,574,533</u>
Total fund balances	<u>50,322,946</u>	<u>15,930,539</u>	<u>454,220</u>	<u>1,122,881</u>	<u>27,574,533</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,425,480</u>	<u>\$ 16,193,612</u>	<u>\$ 454,220</u>	<u>\$ 1,162,251</u>	<u>\$ 27,574,533</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2022

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 8,177,212	\$ 649,845	\$ 414,302	\$ 6,948,592
Cash, cash equivalents and investments, restricted				
Accounts receivable, net	77,735		1,100	15,236
Interest receivable	14,533	1,078	733	12,006
Taxes receivable				
Special assessments receivable				
Notes receivable, net				
Prepaid items				
Due from other governments	6,412,592		5,200	1,730,192
Land held for resale				
Total assets	\$ 14,682,072	\$ 650,923	\$ 421,335	\$ 8,706,026
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 61,677	\$ 88,939	\$ 590	\$ 13,766
Accrued wages	106,941			22,464
Tax increment payable to developers				
Deposits				
Total liabilities	168,618	88,939	590	36,230
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	168,618	88,939	590	36,230
FUND BALANCES				
Nonspendable				
Restricted	14,513,454	561,984	420,745	8,669,796
Total fund balances	14,513,454	561,984	420,745	8,669,796
Total liabilities, deferred inflows of resources and fund balances	\$ 14,682,072	\$ 650,923	\$ 421,335	\$ 8,706,026

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2022

	<u>Neighborhood Improvement District</u>	<u>Recreation, Cultural Events & Tourism</u>	<u>Total Non-Major Special Revenue Funds</u>
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 61,907	\$ 5,090,313	\$ 105,743,608
Cash, cash equivalents and investments, restricted			7,826,496
Accounts receivable, net		9,532	107,344
Interest receivable	119	8,682	192,003
Taxes receivable			203,672
Special assessments receivable	3,365		3,365
Notes receivable, net			8,968
Prepaid items		747	747
Due from other governments		96,093	9,980,243
Land held for resale			<u>3,474,764</u>
Total assets	<u>\$ 65,391</u>	<u>\$ 5,205,367</u>	<u>\$ 127,541,210</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 229	\$ 55,768	\$ 615,826
Accrued wages	5	9,909	169,844
Tax increment payable to developers			1,766,955
Deposits		<u>1,000</u>	<u>1,000</u>
Total liabilities	<u>234</u>	<u>66,677</u>	<u>2,553,625</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes			203,672
Unavailable revenue, special assessments	3,365		3,365
Unavailable revenue, notes receivable			<u>8,968</u>
Total deferred inflows of resources	<u>3,365</u>		<u>216,005</u>
Total liabilities and deferred inflows of resources	<u>3,599</u>	<u>66,677</u>	<u>2,769,630</u>
FUND BALANCES			
Nonspendable		747	747
Restricted	<u>61,792</u>	<u>5,137,943</u>	<u>124,770,833</u>
Total fund balances	<u>61,792</u>	<u>5,138,690</u>	<u>124,771,580</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,391</u>	<u>\$ 5,205,367</u>	<u>\$ 127,541,210</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, 2022

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization
REVENUES					
Property taxes	\$ 27,395,164				\$ 44,131
Intergovernmental		6,432,542			
Charges for services					
Fines and forfeitures			256,480	671,417	
Investment income (loss)	(1,266,564)	(392,317)	(3,747)		(735,598)
Room taxes		1,562,560			
Rental fees	1,185				
Miscellaneous	3,123	4,318	1,096		
Total revenues	26,132,908	7,607,103	253,829	671,417	(691,467)
EXPENDITURES					
Current					
General government	13,236,704				
Judicial				404,185	
Public safety			167,302		
Public works		4,604,021			
Culture and recreation					
Total current	13,236,704	4,604,021	167,302	404,185	
Capital outlay					
General government	37				
Judicial				521,642	
Public safety					
Public works		1,220,895			
Total capital outlay	37	1,220,895		521,642	
Debt service					
Principal payments	275,000				
Interest charges	341,925				
Total debt service	616,925				
Total expenditures	13,853,666	5,824,916	167,302	925,827	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,279,242	1,782,187	86,527	(254,410)	(691,467)
OTHER FINANCING SOURCES (USES)					
Transfers in					3,572,875
Transfers out	(2,265,000)			(164,580)	
Total other financing sources (uses)	(2,265,000)			(164,580)	3,572,875
CHANGE IN FUND BALANCE	10,014,242	1,782,187	86,527	(418,990)	2,881,408
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	37,540,303	14,148,352	367,693	1,541,871	24,693,125
Adjustment	2,768,401				
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	40,308,704	14,148,352	367,693	1,541,871	24,693,125
FUND BALANCE, END OF YEAR	\$ 50,322,946	\$ 15,930,539	\$ 454,220	\$ 1,122,881	\$ 27,574,533

(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, 2022

	Sales and Use Tax	Commissary	Eldorado Valley Training Facility	Crime Prevention
REVENUES				
Property taxes	\$	\$	\$	\$
Intergovernmental	24,032,232		71,100	6,484,290
Charges for services	299,654	26,823		105,319
Fines and forfeitures				
Investment income (loss)	(211,648)	(16,533)	(10,951)	(183,957)
Room taxes				
Rental fees				
Miscellaneous	<u>10,482</u>		<u>4,853</u>	
Total revenues	<u>24,130,720</u>	<u>10,290</u>	<u>65,002</u>	<u>6,405,652</u>
EXPENDITURES				
Current				
General government				
Judicial				
Public safety	19,454,090	5,593	33,180	4,145,395
Public works				
Culture and recreation				
Total current	<u>19,454,090</u>	<u>5,593</u>	<u>33,180</u>	<u>4,145,395</u>
Capital outlay				
General government				
Judicial				
Public safety			7,047	
Public works				
Total capital outlay	<u> </u>	<u> </u>	<u>7,047</u>	<u> </u>
Debt service				
Principal payments				
Interest charges				
Total debt service	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>19,454,090</u>	<u>5,593</u>	<u>40,227</u>	<u>4,145,395</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,676,630</u>	<u>4,697</u>	<u>24,775</u>	<u>2,260,257</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			55,000	
Transfers out	(27,000)			
Total other financing sources (uses)	<u>(27,000)</u>	<u> </u>	<u>55,000</u>	<u> </u>
CHANGE IN FUND BALANCE	<u>4,649,630</u>	<u>4,697</u>	<u>79,775</u>	<u>2,260,257</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	9,863,824	557,287	340,970	6,409,539
Adjustment				
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>9,863,824</u>	<u>557,287</u>	<u>340,970</u>	<u>6,409,539</u>
FUND BALANCE, END OF YEAR	<u>\$ 14,513,454</u>	<u>\$ 561,984</u>	<u>\$ 420,745</u>	<u>\$ 8,669,796</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, 2022

	Neighborhood Improvement District	Recreation, Cultural Events & Tourism	Total Non-Major Special Revenue Funds
REVENUES			
Property taxes	\$	\$	\$ 27,439,295
Intergovernmental		2,826,600	39,846,764
Charges for services	21,084	90,380	543,260
Fines and forfeitures			927,897
Investment income (loss)	(1,606)	(136,339)	(2,959,260)
Room taxes		3,125,119	4,687,679
Rental fees			1,185
Miscellaneous	91	12,344	36,307
Total revenues	<u>19,569</u>	<u>5,918,104</u>	<u>70,523,127</u>
EXPENDITURES			
Current			
General government			13,236,704
Judicial			404,185
Public safety			23,805,560
Public works	21,002		4,625,023
Culture and recreation		3,328,357	3,328,357
Total current	<u>21,002</u>	<u>3,328,357</u>	<u>45,399,829</u>
Capital outlay			
General government			37
Judicial			521,642
Public safety			7,047
Public works			1,220,895
Total capital outlay			<u>1,749,621</u>
Debt service			
Principal payments			275,000
Interest charges			341,925
Total debt service			<u>616,925</u>
Total expenditures	<u>21,002</u>	<u>3,328,357</u>	<u>47,766,375</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,433)</u>	<u>2,589,747</u>	<u>22,756,752</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			3,627,875
Transfers out		(874,794)	(3,331,374)
Total other financing sources (uses)		<u>(874,794)</u>	<u>296,501</u>
CHANGE IN FUND BALANCE	<u>(1,433)</u>	<u>1,714,953</u>	<u>23,053,253</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			
Adjustment	63,225	3,423,737	98,949,926
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>63,225</u>	<u>3,423,737</u>	<u>101,718,327</u>
FUND BALANCE, END OF YEAR	<u>\$ 61,792</u>	<u>\$ 5,138,690</u>	<u>\$ 124,771,580</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2022

	<u>Special Assessment Districts</u>	<u>General Obligation</u>	<u>Total Non-Major Debt Service Funds</u>
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 1,822,254	\$ 5,885,638	\$ 7,707,892
Interest receivable	2,965	18,213	21,178
Taxes receivable		211,684	211,684
Special assessments receivable	614,330		614,330
Due from other governments		<u>52,955</u>	<u>52,955</u>
Total assets	<u>\$ 2,439,549</u>	<u>\$ 6,168,490</u>	<u>\$ 8,608,039</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 5,109	\$ 8,900	\$ 14,009
Due to other governments	<u>902</u>		<u>902</u>
Total liabilities	<u>6,011</u>	<u>8,900</u>	<u>14,911</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, property taxes		211,684	211,684
Unavailable revenue, special assessments	<u>614,330</u>		<u>614,330</u>
Total deferred inflows of resources	<u>614,330</u>	<u>211,684</u>	<u>826,014</u>
Total liabilities and deferred inflows of resources	<u>620,341</u>	<u>220,584</u>	<u>840,925</u>
FUND BALANCES			
Restricted	<u>1,819,208</u>	<u>5,947,906</u>	<u>7,767,114</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,439,549</u>	<u>\$ 6,168,490</u>	<u>\$ 8,608,039</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, 2022

	Special Assessment Districts	General Obligation	Total Non-Major Debt Service Funds
REVENUES			
Property taxes	\$	\$ 6,659,011	\$ 6,659,011
Special assessments	134,458		134,458
Investment income (loss)	1,470	(139,277)	(137,807)
Miscellaneous	253,458		253,458
Total revenues	389,386	6,519,734	6,909,120
EXPENDITURES			
Current			
General government		15,975	15,975
Public works	16,891		16,891
Total current	16,891	15,975	32,866
Debt service			
Principal payments		8,348,310	8,348,310
Interest charges		5,154,038	5,154,038
Total debt service		13,502,348	13,502,348
Total expenditures	16,891	13,518,323	13,535,214
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	372,495	(6,998,589)	(6,626,094)
OTHER FINANCING SOURCES (USES)			
Transfers in		6,744,217	6,744,217
Transfers out	(177,277)		(177,277)
Total other financing sources (uses)	(177,277)	6,744,217	6,566,940
CHANGE IN FUND BALANCE	195,218	(254,372)	(59,154)
FUND BALANCE, BEGINNING OF YEAR	1,623,990	6,202,278	7,826,268
FUND BALANCE, END OF YEAR	\$ 1,819,208	\$ 5,947,906	\$ 7,767,114

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2022

	<u>Municipal Facilities Acquisition and Construction</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 40,249,619	\$ 2,016,681	\$ 6,882,897	\$ 224,583
Cash, cash equivalents and investments, restricted	10,944,901			
Accounts receivable, net				
Interest receivable	69,953	3,800	12,078	400
Due from other governments				
Lease interest receivable				
Rent receivable				
Land held for resale				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 51,264,473</u>	<u>\$ 2,020,481</u>	<u>\$ 6,894,975</u>	<u>\$ 224,983</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 454,909	\$ 86,315	\$ 51,552	\$
Accrued wages	1,379			
Due to other funds				
Advances from other funds				
Unearned revenue				
Deposits	6,574			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>462,862</u>	<u>86,315</u>	<u>51,552</u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, other receivables				
Deferred amounts related to leases				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>462,862</u>	<u>86,315</u>	<u>51,552</u>	<u> </u>
FUND BALANCES				
Restricted	10,944,901	1,934,166	6,843,423	224,983
Committed				
Assigned	39,856,710			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>50,801,611</u>	<u>1,934,166</u>	<u>6,843,423</u>	<u>224,983</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,264,473</u>	<u>\$ 2,020,481</u>	<u>\$ 6,894,975</u>	<u>\$ 224,983</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2022

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 550,404	\$ 972,631	\$ 43,986,674
Cash, cash equivalents and investments, restricted			1,943,984
Accounts receivable, net			82,899
Interest receivable	981	1,162	42,356
Due from other governments		330,482	
Lease interest receivable			
Rent receivable			
Land held for resale			
	<u>551,385</u>	<u>1,304,275</u>	<u>46,055,913</u>
Total assets	<u>\$ 551,385</u>	<u>\$ 1,304,275</u>	<u>\$ 46,055,913</u>
LIABILITIES			
Accounts payable and other accrued liabilities	\$ 24,793	\$	\$ 1,122,588
Accrued wages			(311)
Due to other funds			
Advances from other funds			
Unearned revenue			14,786,898
Deposits			
	<u>24,793</u>	<u></u>	<u>15,909,175</u>
Total liabilities	<u>24,793</u>	<u></u>	<u>15,909,175</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, other receivables			65,016
Deferred amounts related to leases			
	<u></u>	<u></u>	<u>65,016</u>
Total deferred inflows of resources	<u></u>	<u></u>	<u>65,016</u>
Total liabilities and deferred inflows of resources	<u>24,793</u>	<u></u>	<u>15,974,191</u>
FUND BALANCES			
Restricted	526,592	1,304,275	4,370,690
Committed			
Assigned			25,711,032
	<u>526,592</u>	<u>1,304,275</u>	<u>30,081,722</u>
Total fund balances	<u>526,592</u>	<u>1,304,275</u>	<u>30,081,722</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 551,385</u>	<u>\$ 1,304,275</u>	<u>\$ 46,055,913</u>

(Continued)

CITY OF HENDERSON, NEVADA

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2022

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
ASSETS				
Cash, cash equivalents and investments, unrestricted	\$ 44,083,112	\$ 20,588,090	\$ 9,711,252	\$ 169,265,943
Cash, cash equivalents and investments, restricted		240,400	55,444,070	68,573,355
Accounts receivable, net		9,224		92,123
Interest receivable	972	40,287	53,600	225,589
Due from other governments		2,548,420		2,878,902
Lease interest receivable		82,508		82,508
Rent receivable		4,705,272		4,705,272
Land held for resale		4,439,549		4,439,549
Total assets	<u>\$ 44,084,084</u>	<u>\$ 32,653,750</u>	<u>\$ 65,208,922</u>	<u>\$ 250,263,241</u>
LIABILITIES				
Accounts payable and other accrued liabilities		\$ 1,473,770	\$ 3,566,197	\$ 6,780,124
Accrued wages		3,260		4,328
Due to other funds			31,703	31,703
Advances from other funds	616,893			616,893
Unearned revenue		150,000		14,936,898
Deposits	26,213			32,787
Total liabilities	<u>643,106</u>	<u>1,627,030</u>	<u>3,597,900</u>	<u>22,402,733</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, other receivables				65,016
Deferred amounts related to leases		4,698,009		4,698,009
Total deferred inflows of resources		<u>4,698,009</u>		<u>4,763,025</u>
Total liabilities and deferred inflows of resources	<u>643,106</u>	<u>6,325,039</u>	<u>3,597,900</u>	<u>27,165,758</u>
FUND BALANCES				
Restricted	43,440,978		51,899,770	121,489,778
Committed		26,328,711		26,328,711
Assigned			9,711,252	75,278,994
Total fund balances	<u>43,440,978</u>	<u>26,328,711</u>	<u>61,611,022</u>	<u>223,097,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,084,084</u>	<u>\$ 32,653,750</u>	<u>\$ 65,208,922</u>	<u>\$ 250,263,241</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, 2022

	Municipal Facilities Acquisition and Construction	Special Recreation	Park Development	Flood Control
REVENUES				
Property taxes	\$ 493,100			\$
Intergovernmental				
Charges for services				
Investment income (loss)	(1,415,347)	(53,519)	(184,314)	(6,009)
Developer contributions	3,894,702			
Rental fees				
Residential construction tax			2,084,754	
Miscellaneous	<u>222,925</u>			
Total revenues	<u>3,195,380</u>	<u>(53,519)</u>	<u>1,900,440</u>	<u>(6,009)</u>
EXPENDITURES				
Current				
General government	574,669			
Public safety	29,735			
Public works	158,164			
Culture and recreation	342,810	116,804	12,951	
Community support				
Total current	<u>1,105,378</u>	<u>116,804</u>	<u>12,951</u>	
Capital outlay				
General government	1,666,905			
Public safety	2,468,505			
Public works	435,543			
Culture and recreation	759,055	809,080	1,280,400	
Community support				
Total capital outlay	<u>5,330,008</u>	<u>809,080</u>	<u>1,280,400</u>	
Debt service				
Interest charges				
Total expenditures	<u>6,435,386</u>	<u>925,884</u>	<u>1,293,351</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,240,006)</u>	<u>(979,403)</u>	<u>607,089</u>	<u>(6,009)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales				
Issuance of bonds				
Premium on bonds issued				
Transfers in	22,275,214	642,000		
Transfers out	<u>(2,962,713)</u>			
Total other financing sources (uses)	<u>19,312,501</u>	<u>642,000</u>		
CHANGE IN FUND BALANCE	<u>16,072,495</u>	<u>(337,403)</u>	<u>607,089</u>	<u>(6,009)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	34,729,116	2,271,569	6,236,334	230,992
Adjustment				
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>34,729,116</u>	<u>2,271,569</u>	<u>6,236,334</u>	<u>230,992</u>
FUND BALANCE, END OF YEAR	<u>\$ 50,801,611</u>	<u>\$ 1,934,166</u>	<u>\$ 6,843,423</u>	<u>\$ 224,983</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, 2022

	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement
REVENUES			
Property taxes	\$	\$ 1,768,959	\$
Intergovernmental			
Charges for services			59,177
Investment income (loss)	(14,723)	(25,653)	(1,281,991)
Developer contributions			174,657
Rental fees			
Residential construction tax			
Miscellaneous			319,067
Total revenues	<u>(14,723)</u>	<u>1,743,306</u>	<u>(729,090)</u>
EXPENDITURES			
Current			
General government			2,250,439
Public safety			941,578
Public works			900,424
Culture and recreation			533,475
Community support			
Total current			<u>4,625,916</u>
Capital outlay			
General government			673,641
Public safety			317,653
Public works			325,313
Culture and recreation			431,377
Community support			
Total capital outlay			<u>1,747,984</u>
Debt service			
Interest charges			
Total expenditures			<u>6,373,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,723)</u>	<u>1,743,306</u>	<u>(7,102,990)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales			
Issuance of bonds			
Premium on bonds issued			
Transfers in			11,129,230
Transfers out		(1,300,000)	(23,000)
Total other financing sources (uses)		<u>(1,300,000)</u>	<u>11,106,230</u>
CHANGE IN FUND BALANCE	<u>(14,723)</u>	<u>443,306</u>	<u>4,003,240</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	541,315	860,969	26,078,482
Adjustment			
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>541,315</u>	<u>860,969</u>	<u>26,078,482</u>
FUND BALANCE, END OF YEAR	<u>\$ 526,592</u>	<u>\$ 1,304,275</u>	<u>\$ 30,081,722</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, 2022

	Special Assessment Districts	Land Sales	Bond Proceeds	Total Non-Major Capital Project Funds
REVENUES				
Property taxes	\$	\$	\$	\$ 1,768,959
Intergovernmental		2,548,420		3,041,520
Charges for services				59,177
Investment income (loss)	30,099	(461,523)	129,604	(3,283,376)
Developer contributions	12,595,673			16,665,032
Rental fees		12		12
Residential construction tax				2,084,754
Miscellaneous		166,928		708,920
Total revenues	<u>12,625,772</u>	<u>2,253,837</u>	<u>129,604</u>	<u>21,044,998</u>
EXPENDITURES				
Current				
General government		269,484	427,105	3,521,697
Public safety			1,700,337	2,671,650
Public works		784,362		1,842,950
Culture and recreation		201,602	163,086	1,370,728
Community support			649,455	649,455
Total current		<u>1,255,448</u>	<u>2,939,983</u>	<u>10,056,480</u>
Capital outlay				
General government				2,340,546
Public safety			11,124,944	13,911,102
Public works	1,034,454	1,666,583		3,461,893
Culture and recreation		3,298,704	13,534,347	20,112,963
Community support			2,342,596	2,342,596
Total capital outlay	<u>1,034,454</u>	<u>4,965,287</u>	<u>27,001,887</u>	<u>42,169,100</u>
Debt service				
Interest charges	42,897			42,897
Total expenditures	<u>1,077,351</u>	<u>6,220,735</u>	<u>29,941,870</u>	<u>52,268,477</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,548,421</u>	<u>(3,966,898)</u>	<u>(29,812,266)</u>	<u>(31,223,479)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from land sales		3,388,028		3,388,028
Issuance of bonds			25,000,000	25,000,000
Premium on bonds issued			2,418,877	2,418,877
Transfers in	177,277	200,000	9,920,183	44,343,904
Transfers out		(903,000)		(5,188,713)
Total other financing sources (uses)	<u>177,277</u>	<u>2,685,028</u>	<u>37,339,060</u>	<u>69,962,096</u>
CHANGE IN FUND BALANCE	<u>11,725,698</u>	<u>(1,281,870)</u>	<u>7,526,794</u>	<u>38,738,617</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	31,715,280	27,584,713	54,084,228	184,332,998
Adjustment		25,868		25,868
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>31,715,280</u>	<u>27,610,581</u>	<u>54,084,228</u>	<u>184,358,866</u>
FUND BALANCE, END OF YEAR	<u>\$ 43,440,978</u>	<u>\$ 26,328,711</u>	<u>\$ 61,611,022</u>	<u>\$ 223,097,483</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 86,319,358	\$ 87,740,618	\$ 1,421,260
Franchise fees	33,547,420	35,020,585	1,473,165
Licenses and permits	13,486,000	15,748,441	2,262,441
Intergovernmental	168,164,283	176,674,490	8,510,207
Charges for services	26,900,743	24,253,101	(2,647,642)
Fines and forfeitures	2,912,107	3,263,751	351,644
Impact fees	2,000,000	2,348,633	348,633
Investment income (loss)	462,000	(323,406)	(785,406)
Rental fees		(138)	(138)
Miscellaneous	1,301,956	1,505,418	203,462
Total revenues	335,093,867	346,231,493	11,137,626
EXPENDITURES			
General government			
Mayor and council			
Salaries and wages	493,068	476,587	16,481
Employee benefits	293,530	239,293	54,237
Services and supplies	306,140	129,560	176,580
Total mayor and council	1,092,738	845,440	247,298
City manager			
Salaries and wages	1,697,730	1,583,161	114,569
Employee benefits	761,703	670,131	91,572
Services and supplies	350,275	136,211	214,064
Total city manager	2,809,708	2,389,503	420,205
Finance			
Salaries and wages	4,285,993	4,021,185	264,808
Employee benefits	2,029,945	1,842,434	187,511
Services and supplies	1,061,924	799,675	262,249
Capital outlay	13,931	13,397	534
Total finance	7,391,793	6,676,691	715,102
Information technology			
Salaries and wages	5,858,813	5,635,022	223,791
Employee benefits	2,646,652	2,468,206	178,446
Services and supplies	2,116,048	1,033,412	1,082,636
Total information technology	10,621,513	9,136,640	1,484,873
City clerk			
Salaries and wages	1,252,089	1,145,262	106,827
Employee benefits	651,758	557,391	94,367
Services and supplies	776,114	280,401	495,713
Total city clerk	2,679,961	1,983,054	696,907
Human resources			
Salaries and wages	2,352,728	2,135,816	216,912
Employee benefits	1,100,881	1,028,368	72,513
Services and supplies	1,176,148	685,578	490,570
Capital outlay	10,000	8,630	1,370
Total human resources	4,639,757	3,858,392	781,365
City attorney			
Salaries and wages	2,112,634	2,092,053	20,581
Employee benefits	902,422	857,748	44,674
Services and supplies	1,001,713	968,225	33,488
Total city attorney	4,016,769	3,918,026	98,743

(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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community development			
Salaries and wages	2,568,914	2,349,795	219,119
Employee benefits	1,218,992	1,105,100	113,892
Services and supplies	<u>585,148</u>	<u>429,677</u>	<u>155,471</u>
Total community development	<u>4,373,054</u>	<u>3,884,572</u>	<u>488,482</u>
Building maintenance			
Salaries and wages	4,516,078	4,425,422	90,656
Employee benefits	2,372,674	2,184,562	188,112
Services and supplies	4,880,631	4,768,444	112,187
Capital outlay	<u>30,001</u>	<u>29,257</u>	<u>744</u>
Total building maintenance	<u>11,799,384</u>	<u>11,407,685</u>	<u>391,699</u>
Office of communications			
Salaries and wages	1,130,802	987,767	143,035
Employee benefits	556,058	452,648	103,410
Services and supplies	<u>1,562,145</u>	<u>621,758</u>	<u>940,387</u>
Total office of communications	<u>3,249,005</u>	<u>2,062,173</u>	<u>1,186,832</u>
Internal audit			
Salaries and wages	419,394	414,220	5,174
Employee benefits	189,281	173,460	15,821
Services and supplies	<u>48,443</u>	<u>32,372</u>	<u>16,071</u>
Total internal audit	<u>657,118</u>	<u>620,052</u>	<u>37,066</u>
Government and public affairs			
Salaries and wages	804,483	737,008	67,475
Employee benefits	353,077	291,247	61,830
Services and supplies	<u>999,319</u>	<u>477,432</u>	<u>521,887</u>
Total government and public affairs	<u>2,156,879</u>	<u>1,505,687</u>	<u>651,192</u>
Miscellaneous			
Salaries and wages	4,259,358	3,814,104	445,254
Employee benefits	619,642	546,908	72,734
Services and supplies	<u>3,601,879</u>	<u>1,163,829</u>	<u>2,438,050</u>
Total miscellaneous	<u>8,480,879</u>	<u>5,524,841</u>	<u>2,956,038</u>
Total general government	<u>63,968,558</u>	<u>53,812,756</u>	<u>10,155,802</u>
Judicial			
Municipal court			
Salaries and wages	4,754,365	4,409,542	344,823
Employee benefits	2,494,805	2,328,253	166,552
Services and supplies	<u>1,298,541</u>	<u>1,078,262</u>	<u>220,279</u>
Total municipal court	<u>8,547,711</u>	<u>7,816,057</u>	<u>731,654</u>
City attorney- criminal			
Salaries and wages	2,613,883	2,443,686	170,197
Employee benefits	1,310,681	1,177,047	133,634
Services and supplies	<u>313,711</u>	<u>242,498</u>	<u>71,213</u>
Total city attorney- criminal	<u>4,238,275</u>	<u>3,863,231</u>	<u>375,044</u>
Total judicial	<u>12,785,986</u>	<u>11,679,288</u>	<u>1,106,698</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, 2022

	Final Budget	Actual	Variance
Public safety			
Fire			
Salaries and wages	38,643,057	37,033,910	1,609,147
Employee benefits	20,139,622	20,229,284	(89,662)
Services and supplies	7,689,479	7,608,556	80,923
Total fire	66,472,158	64,871,750	1,600,408
Police			
Salaries and wages	58,049,881	56,528,494	1,521,387
Employee benefits	33,283,826	34,586,179	(1,302,353)
Services and supplies	18,358,662	16,449,735	1,908,927
Capital outlay	957,205	31,365	925,840
Total police	110,649,574	107,595,773	3,053,801
Building inspection			
Salaries and wages	1,235,793	1,223,666	12,127
Employee benefits	652,550	625,793	26,757
Services and supplies	633,582	355,946	277,636
Total building inspection	2,521,925	2,205,405	316,520
Emergency management			
Salaries and wages	1,187,047	1,080,841	106,206
Employee benefits	550,594	514,919	35,675
Services and supplies	841,024	493,738	347,286
Capital outlay	82,367		82,367
Total emergency management	2,661,032	2,089,498	571,534
Total public safety	182,304,689	176,762,426	5,542,263
Public works			
Street lighting			
Salaries and wages	495,421	449,841	45,580
Employee benefits	251,257	229,007	22,250
Services and supplies	1,193,717	1,229,362	(35,645)
Total street lighting	1,940,395	1,908,210	32,185
Public works general services			
Salaries and wages	2,491,373	1,952,707	538,666
Employee benefits	1,121,223	888,383	232,840
Services and supplies	2,140,962	1,672,803	468,159
Capital outlay	702,170	617,881	84,289
Total public works general services	6,455,728	5,131,774	1,323,954
Total public works	8,396,123	7,039,984	1,356,139
Culture and recreation			
Parks			
Salaries and wages	8,295,967	8,511,824	(215,857)
Employee benefits	4,618,139	4,437,852	180,287
Services and supplies	8,412,802	7,882,912	529,890
Total parks	21,326,908	20,832,588	494,320
Recreation			
Salaries and wages	13,324,458	12,486,569	837,889
Employee benefits	4,485,297	4,205,229	280,068
Services and supplies	4,807,147	4,032,786	774,361
Total recreation	22,616,902	20,724,584	1,892,318
Total culture and recreation	43,943,810	41,557,172	2,386,638

(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, 2022

	Final Budget	Actual	Variance
Community support			
Economic development			
Salaries and wages	517,326	515,545	1,781
Employee benefits	235,452	213,840	21,612
Services and supplies	404,441	181,477	222,964
Total economic development	1,157,219	910,862	246,357
Neighborhood services			
Salaries and wages	485,722	430,184	55,538
Employee benefits	215,698	198,622	17,076
Services and supplies	432,488	113,894	318,594
Total neighborhood services	1,133,908	742,700	391,208
Total community support	2,291,127	1,653,562	637,565
Debt service			
Principal payments	183,267	170,291	12,976
Interest charges	24,972	30,735	(5,763)
Total debt service	208,239	201,026	7,213
Total expenditures	313,898,532	292,706,214	21,192,318
EXCESS OF REVENUES OVER EXPENDITURES	21,195,335	53,525,279	32,329,944
OTHER FINANCING SOURCES (USES)			
Transfers in	164,580	164,580	
Transfers out	(22,500,462)	(43,888,099)	(21,387,637)
Total other financing sources (uses)	(22,335,882)	(43,723,519)	(21,387,637)
CHANGE IN FUND BALANCE	(1,140,547)	9,801,760	10,942,307
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	30,215,473	30,215,473	
Adjustment		49,827	49,827
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	30,215,473	30,265,300	49,827
FUND BALANCE, END OF YEAR	\$ 29,074,926	\$ 40,067,060	\$ 10,992,134

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 36,246,819	\$ 19,775,079	\$ (16,471,740)
Miscellaneous	350,000	325,963	(24,037)
Total revenues	36,596,819	20,101,042	(16,495,777)
EXPENDITURES			
General government			
Salaries and wages	274,100	249,006	24,351
Employee benefits	100,411	66,700	34,454
Services and supplies	760,000	579,620	180,380
Total general government	1,134,511	895,326	239,185
Judicial			
Salaries and wages	50,000	27,214	22,786
Employee benefits	50,000	15,614	34,386
Services and supplies	178,038	126,982	51,056
Total judicial	278,038	169,810	108,228
Public safety			
Salaries and wages	963,364	773,889	189,475
Employee benefits	392,070	321,930	70,140
Services and supplies	1,969,064	505,803	1,463,261
Capital outlay	1,200,000	804,747	395,253
Total public safety	4,524,498	2,406,369	2,118,129
Public works			
Salaries and wages	115,000	93,718	21,282
Employee benefits	75,000	50,939	24,061
Services and supplies	3,400,000	300,196	3,099,804
Capital outlay	2,500,000	1,163,543	1,336,457
Total public works	6,090,000	1,608,396	4,481,604
Culture and recreation			
Salaries and wages	500,000	662,209	(162,209)
Employee benefits	206,245	178,434	27,811
Services and supplies	7,625,239	1,947,208	5,678,031
Capital outlay	10,000,000	8,006,462	1,993,538
Total culture and recreation	18,331,484	10,794,313	7,537,171
Community support			
Salaries and wages	306,539	257,256	49,283
Employee benefits	180,843	133,100	47,743
Services and supplies	5,310,906	3,545,565	1,765,341
Capital outlay	440,000		440,000
Total community support	6,238,288	3,935,921	2,302,367
Total expenditures	36,596,819	19,810,135	16,786,684
CHANGE IN FUND BALANCE		290,907	290,907
FUND BALANCE, BEGINNING OF YEAR	745,679	745,679	
FUND BALANCE, END OF YEAR	\$ 745,679	\$ 1,036,586	\$ 290,907

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 26,522,623	\$ 27,395,164	\$ 872,541
Investment income (loss)	139,105	(1,266,564)	(1,405,669)
Rental fees		1,185	1,185
Miscellaneous	3,945	3,123	(822)
Total revenues	26,665,673	26,132,908	(532,765)
EXPENDITURES			
General government			
Salaries and wages	932,090	830,428	101,662
Employee benefits	450,585	372,577	78,008
Services and supplies	21,527,447	12,033,699	9,493,748
Capital outlay		37	(37)
Total general government	22,910,122	13,236,741	9,673,381
Debt service			
Principal payments	275,000	275,000	
Interest charges	341,925	341,925	
Total debt service	616,925	616,925	
Total expenditures	23,527,047	13,853,666	9,673,381
EXCESS OF REVENUES OVER EXPENDITURES	3,138,626	12,279,242	9,140,616
OTHER FINANCING USES			
Transfers out		(2,265,000)	(2,265,000)
CHANGE IN FUND BALANCE	3,138,626	10,014,242	6,875,616
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	37,540,303	37,540,303	
Adjustment		2,768,401	2,768,401
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	37,540,303	40,308,704	2,768,401
FUND BALANCE, END OF YEAR	\$ 40,678,929	\$ 50,322,946	\$ 9,644,017

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 6,593,140	\$ 6,432,542	\$ (160,598)
Investment income (loss)	80,000	(392,317)	(472,317)
Room taxes		1,562,560	1,562,560
Miscellaneous		4,318	4,318
Total revenues	6,673,140	7,607,103	933,963
EXPENDITURES			
Public works			
Salaries and wages	2,109,328	2,025,872	83,456
Employee benefits	975,556	972,687	2,869
Services and supplies	3,721,184	1,605,462	2,115,722
Capital outlay	9,062,972	1,220,895	7,842,077
Total public works	15,869,040	5,824,916	10,044,124
CHANGE IN FUND BALANCE	(9,195,900)	1,782,187	10,978,087
FUND BALANCE, BEGINNING OF YEAR	14,148,352	14,148,352	
FUND BALANCE, END OF YEAR	\$ 4,952,452	\$ 15,930,539	\$ 10,978,087

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, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 256,523	\$ 256,480	\$ (43)
Investment income (loss)	1,328	(3,747)	(5,075)
Miscellaneous	1,096	1,096	
Total revenues	<u>258,947</u>	<u>253,829</u>	<u>(5,118)</u>
EXPENDITURES			
Public safety			
Services and supplies	565,136	167,302	397,834
Capital outlay	58,000		58,000
Total public safety	<u>623,136</u>	<u>167,302</u>	<u>455,834</u>
CHANGE IN FUND BALANCE	(364,189)	86,527	450,716
FUND BALANCE, BEGINNING OF YEAR	<u>367,693</u>	<u>367,693</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,504</u>	<u>\$ 454,220</u>	<u>\$ 450,716</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 665,000	\$ 671,417	\$ 6,417
EXPENDITURES			
Judicial			
Salaries and wages	72,344	65,623	6,721
Employee benefits	35,466	35,752	(286)
Services and supplies	720,906	302,810	418,096
Capital outlay	608,990	521,642	87,348
Total judicial	1,437,706	925,827	511,879
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(772,706)	(254,410)	518,296
OTHER FINANCING USES			
Transfers out	(164,580)	(164,580)	
CHANGE IN FUND BALANCE	(937,286)	(418,990)	518,296
FUND BALANCE, BEGINNING OF YEAR	1,541,871	1,541,871	
FUND BALANCE, END OF YEAR	\$ 604,585	\$ 1,122,881	\$ 518,296

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 43,978	\$ 44,131	\$ 153
Investment income (loss)	<u>120,000</u>	<u>(735,598)</u>	<u>(855,598)</u>
Total revenues	<u>163,978</u>	<u>(691,467)</u>	<u>(855,445)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>1,787,875</u>	<u>3,572,875</u>	<u>1,785,000</u>
CHANGE IN FUND BALANCE	1,951,853	2,881,408	929,555
FUND BALANCE, BEGINNING OF YEAR	<u>24,693,125</u>	<u>24,693,125</u>	
FUND BALANCE, END OF YEAR	<u>\$ 26,644,978</u>	<u>\$ 27,574,533</u>	<u>\$ 929,555</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 20,007,750	\$ 24,032,232	\$ 4,024,482
Charges for services		299,654	299,654
Investment income (loss)	25,000	(211,648)	(236,648)
Miscellaneous		10,482	10,482
Total revenues	20,032,750	24,130,720	4,097,970
EXPENDITURES			
Public safety			
Salaries and wages	11,535,071	10,795,654	739,417
Employee benefits	7,244,497	7,200,271	44,226
Services and supplies	2,120,389	1,458,165	662,224
Capital outlay	730,292	730,292	730,292
Total public safety	21,630,249	19,454,090	2,176,159
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,597,499)	4,676,630	6,274,129
OTHER FINANCING USES			
Transfers out	(27,000)	(27,000)	
CHANGE IN FUND BALANCE	(1,624,499)	4,649,630	6,274,129
FUND BALANCE, BEGINNING OF YEAR	9,863,824	9,863,824	
FUND BALANCE, END OF YEAR	\$ 8,239,325	\$ 14,513,454	\$ 6,274,129

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 70,000	\$ 26,823	\$ (43,177)
Investment income (loss)	<u>5,000</u>	<u>(16,533)</u>	<u>(21,533)</u>
Total revenues	<u>75,000</u>	<u>10,290</u>	<u>(64,710)</u>
EXPENDITURES			
Public safety			
Services and supplies	<u>310,090</u>	<u>5,593</u>	<u>304,497</u>
CHANGE IN FUND BALANCE	(235,090)	4,697	239,787
FUND BALANCE, BEGINNING OF YEAR	<u>557,287</u>	<u>557,287</u>	
FUND BALANCE, END OF YEAR	<u>\$ 322,197</u>	<u>\$ 561,984</u>	<u>\$ 239,787</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 55,000	\$ 71,100	\$ 16,100
Investment income (loss)	4,500	(10,951)	(15,451)
Miscellaneous	5,000	4,853	(147)
Total revenues	64,500	65,002	502
EXPENDITURES			
Public safety			
Salaries and wages	3,600		3,600
Employee benefits	1,200		1,200
Services and supplies	348,967	33,180	315,787
Capital outlay	11,689	7,047	4,642
Total public safety	365,456	40,227	325,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,956)	24,775	325,731
OTHER FINANCING SOURCES			
Transfers in	55,000	55,000	
CHANGE IN FUND BALANCE	(245,956)	79,775	325,731
FUND BALANCE, BEGINNING OF YEAR	340,970	340,970	
FUND BALANCE, END OF YEAR	\$ 95,014	\$ 420,745	\$ 325,731

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 5,375,287	\$ 6,484,290	\$ 1,109,003
Charges for services		105,319	105,319
Investment income (loss)	25,000	(183,957)	(208,957)
Total revenues	<u>5,400,287</u>	<u>6,405,652</u>	<u>1,005,365</u>
EXPENDITURES			
Public safety			
Salaries and wages	2,575,571	2,201,075	374,496
Employee benefits	1,820,298	1,570,373	249,925
Services and supplies	978,916	373,947	604,969
Capital outlay	239,978		239,978
Total public safety	<u>5,614,763</u>	<u>4,145,395</u>	<u>1,469,368</u>
CHANGE IN FUND BALANCE	(214,476)	2,260,257	2,474,733
FUND BALANCE, BEGINNING OF YEAR	<u>6,409,539</u>	<u>6,409,539</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,195,063</u>	<u>\$ 8,669,796</u>	<u>\$ 2,474,733</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Charges for services	\$ 50,000	\$ 21,084	\$ (28,916)
Investment income (loss)	275	(1,606)	(1,881)
Miscellaneous		91	91
Total revenues	50,275	19,569	(30,706)
EXPENDITURES			
Public works			
Salaries and wages	1,200	8,496	(7,296)
Employee benefits	660	4,667	(4,007)
Services and supplies	83,841	7,839	76,002
Total public works	85,701	21,002	64,699
CHANGE IN FUND BALANCE	(35,426)	(1,433)	33,993
FUND BALANCE, BEGINNING OF YEAR	63,225	63,225	
FUND BALANCE, END OF YEAR	\$ 27,799	\$ 61,792	\$ 33,993

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 2,000,000	\$ 2,826,600	\$ 826,600
Charges for services	110,000	90,380	(19,620)
Investment income (loss)	5,000	(136,339)	(141,339)
Room taxes	2,400,000	3,125,119	725,119
Miscellaneous		12,344	12,344
Total revenues	4,515,000	5,918,104	1,403,104
EXPENDITURES			
Culture and recreation			
Salaries and wages	1,119,364	958,813	160,551
Employee benefits	484,190	373,841	110,349
Services and supplies	2,695,277	1,995,703	699,574
Total culture and recreation	4,298,831	3,328,357	970,474
EXCESS OF REVENUES OVER EXPENDITURES	216,169	2,589,747	2,373,578
OTHER FINANCING USES			
Transfers out	(874,794)	(874,794)	
CHANGE IN FUND BALANCE	(658,625)	1,714,953	2,373,578
FUND BALANCE, BEGINNING OF YEAR	3,423,737	3,423,737	
FUND BALANCE, END OF YEAR	\$ 2,765,112	\$ 5,138,690	\$ 2,373,578

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ 87,616	\$ 134,458	\$ 46,842
Investment income (loss)	60,832	1,470	(59,362)
Miscellaneous	50,000	253,458	203,458
Total revenues	<u>198,448</u>	<u>389,386</u>	<u>190,938</u>
EXPENDITURES			
Public works			
Services and supplies	<u>12,192</u>	<u>16,891</u>	<u>(4,699)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>186,256</u>	<u>372,495</u>	<u>186,239</u>
OTHER FINANCING USES			
Transfers out	<u>(139,385)</u>	<u>(177,277)</u>	<u>(37,892)</u>
CHANGE IN FUND BALANCE	46,871	195,218	148,347
FUND BALANCE, BEGINNING OF YEAR	<u>1,623,990</u>	<u>1,623,990</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,670,861</u>	<u>\$ 1,819,208</u>	<u>\$ 148,347</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Property taxes	\$ 6,635,909	\$ 6,659,011	\$ 23,102
Investment income (loss)	<u>50,000</u>	<u>(139,277)</u>	<u>(189,277)</u>
Total revenues	<u>6,685,909</u>	<u>6,519,734</u>	<u>(166,175)</u>
EXPENDITURES			
General government			
Services and supplies	<u>40,149</u>	<u>15,975</u>	<u>24,174</u>
Debt service			
Principal payments	8,348,310	8,348,310	
Interest charges	<u>5,154,038</u>	<u>5,154,038</u>	
Total debt service	<u>13,502,348</u>	<u>13,502,348</u>	
Total expenditures	<u>13,542,497</u>	<u>13,518,323</u>	<u>24,174</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(6,856,588)</u>	<u>(6,998,589)</u>	<u>(142,001)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>6,919,104</u>	<u>6,744,217</u>	<u>(174,887)</u>
CHANGE IN FUND BALANCE	62,516	(254,372)	(316,888)
FUND BALANCE, BEGINNING OF YEAR	<u>6,202,278</u>	<u>6,202,278</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,264,794</u>	<u>\$ 5,947,906</u>	<u>\$ (316,888)</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$	\$ 493,100	\$ 493,100
Investment income (loss)	180,000	(1,415,347)	(1,595,347)
Developer contributions	3,650,000	3,894,702	244,702
Miscellaneous		222,925	222,925
Total revenues	<u>3,830,000</u>	<u>3,195,380</u>	<u>(634,620)</u>
EXPENDITURES			
General government			
Salaries and wages	20,000	7,250	12,750
Employee benefits		324	(324)
Services and supplies	1,180,515	567,095	613,420
Capital outlay	4,098,098	1,666,905	2,431,193
Total general government	<u>5,298,613</u>	<u>2,241,574</u>	<u>3,057,039</u>
Public safety			
Services and supplies	240,876	29,735	211,141
Capital outlay	3,403,361	2,468,505	934,856
Total public safety	<u>3,644,237</u>	<u>2,498,240</u>	<u>1,145,997</u>
Public works			
Salaries and wages	70,000	84,360	(14,360)
Employee benefits	12,931	16,247	(3,316)
Services and supplies	201,521	57,557	143,964
Capital outlay	454,939	435,543	19,396
Total public works	<u>739,391</u>	<u>593,707</u>	<u>145,684</u>
Culture and recreation			
Services and supplies	500,062	342,810	157,252
Capital outlay	745,198	759,055	(13,857)
Total culture and recreation	<u>1,245,260</u>	<u>1,101,865</u>	<u>143,395</u>
Total expenditures	<u>10,927,501</u>	<u>6,435,386</u>	<u>4,492,115</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(7,097,501)</u>	<u>(3,240,006)</u>	<u>3,857,495</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,275,214	22,275,214	15,000,000
Transfers out	(2,962,713)	(2,962,713)	
Total other financing sources (uses)	<u>4,312,501</u>	<u>19,312,501</u>	<u>15,000,000</u>
CHANGE IN FUND BALANCE	(2,785,000)	16,072,495	18,857,495
FUND BALANCE, BEGINNING OF YEAR	<u>34,729,116</u>	<u>34,729,116</u>	
FUND BALANCE, END OF YEAR	<u>\$ 31,944,116</u>	<u>\$ 50,801,611</u>	<u>\$ 18,857,495</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, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income (loss)	\$ 20,000	\$ (53,519)	\$ (73,519)
EXPENDITURES			
Culture and recreation			
Salaries and wages	3,314	3,313	1
Employee benefits	150	149	1
Services and supplies	245,326	113,342	131,984
Capital outlay	<u>1,729,049</u>	<u>809,080</u>	<u>919,969</u>
Total culture and recreation	<u>1,977,839</u>	<u>925,884</u>	<u>1,051,955</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,957,839)</u>	<u>(979,403)</u>	<u>978,436</u>
OTHER FINANCING SOURCES			
Transfers in	<u>600,000</u>	<u>642,000</u>	<u>42,000</u>
CHANGE IN FUND BALANCE	(1,357,839)	(337,403)	1,020,436
FUND BALANCE, BEGINNING OF YEAR	<u>2,271,569</u>	<u>2,271,569</u>	
FUND BALANCE, END OF YEAR	<u>\$ 913,730</u>	<u>\$ 1,934,166</u>	<u>\$ 1,020,436</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	\$ 60,500	\$ (184,314)	\$ (244,814)
Residential construction tax	1,014,792	2,084,754	1,069,962
Total revenues	1,075,292	1,900,440	825,148
EXPENDITURES			
Culture and recreation			
Salaries and wages	314	313	1
Employee benefits	15	14	1
Services and supplies	263,351	12,624	250,727
Capital outlay	4,942,250	1,280,400	3,661,850
Total culture and recreation	5,205,930	1,293,351	3,912,579
CHANGE IN FUND BALANCE	(4,130,638)	607,089	4,737,727
FUND BALANCE, BEGINNING OF YEAR	6,236,334	6,236,334	
FUND BALANCE, END OF YEAR	\$ 2,105,696	\$ 6,843,423	\$ 4,737,727

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, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income (loss)	\$ <u>1,500</u>	\$ <u>(6,009)</u>	\$ <u>(7,509)</u>
CHANGE IN FUND BALANCE	1,500	(6,009)	(7,509)
FUND BALANCE, BEGINNING OF YEAR	<u>230,992</u>	<u>230,992</u>	
FUND BALANCE, END OF YEAR	<u>\$ 232,492</u>	<u>\$ 224,983</u>	<u>\$ (7,509)</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment income (loss)	\$ <u>2,500</u>	\$ <u>(14,723)</u>	\$ <u>(17,223)</u>
CHANGE IN FUND BALANCE	2,500	(14,723)	(17,223)
FUND BALANCE, BEGINNING OF YEAR	<u>541,315</u>	<u>541,315</u>	
FUND BALANCE, END OF YEAR	<u>\$ 543,815</u>	<u>\$ 526,592</u>	<u>\$ (17,223)</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,300,000	\$ 1,768,959	\$ 468,959
Investment income (loss)	<u>2,000</u>	<u>(25,653)</u>	<u>(27,653)</u>
Total revenues	<u>1,302,000</u>	<u>1,743,306</u>	<u>441,306</u>
OTHER FINANCING USES			
Transfers out	<u>(1,300,000)</u>	<u>(1,300,000)</u>	
CHANGE IN FUND BALANCE	2,000	443,306	441,306
FUND BALANCE, BEGINNING OF YEAR	<u>860,969</u>	<u>860,969</u>	
FUND BALANCE, END OF YEAR	<u>\$ 862,969</u>	<u>\$ 1,304,275</u>	<u>\$ 441,306</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 60,000	\$ 59,177	\$ (823)
Investment income (loss)	183,000	(1,281,991)	(1,464,991)
Developer contributions	194,658	174,657	(20,001)
Miscellaneous	35,000	319,067	284,067
Total revenues	<u>472,658</u>	<u>(729,090)</u>	<u>(1,201,748)</u>
EXPENDITURES			
General government			
Salaries and wages	461,125	303,497	157,628
Employee benefits	22,818	13,840	8,978
Services and supplies	4,576,700	1,933,102	2,643,598
Capital outlay	3,905,608	673,641	3,231,967
Total general government	<u>8,966,251</u>	<u>2,924,080</u>	<u>6,042,171</u>
Public safety			
Salaries and wages	10,266	8,907	1,359
Employee benefits	1,539	1,894	(355)
Services and supplies	1,322,332	930,777	391,555
Capital outlay	2,529,450	317,653	2,211,797
Total public safety	<u>3,863,587</u>	<u>1,259,231</u>	<u>2,604,356</u>
Public works			
Salaries and wages	16,748	17,298	(550)
Employee benefits	1,492	1,350	142
Services and supplies	3,286,956	881,776	2,405,180
Capital outlay	1,404,200	325,313	1,078,887
Total public works	<u>4,709,396</u>	<u>1,225,737</u>	<u>3,483,659</u>
Culture and recreation			
Salaries and wages		148,438	(148,438)
Employee benefits		9,915	(9,915)
Services and supplies	88,395	375,122	(286,727)
Capital outlay	2,671,408	431,377	2,240,031
Total culture and recreation	<u>2,759,803</u>	<u>964,852</u>	<u>1,794,951</u>
Total expenditures	<u>20,299,037</u>	<u>6,373,900</u>	<u>13,925,137</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(19,826,379)</u>	<u>(7,102,990)</u>	<u>12,723,389</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,526,593	11,129,230	3,602,637
Transfers out	(23,000)	(23,000)	
Total other financing sources (uses)	<u>7,503,593</u>	<u>11,106,230</u>	<u>3,602,637</u>
CHANGE IN FUND BALANCE	(12,322,786)	4,003,240	16,326,026
FUND BALANCE, BEGINNING OF YEAR	<u>26,078,482</u>	<u>26,078,482</u>	
FUND BALANCE, END OF YEAR	<u>\$ 13,755,696</u>	<u>\$ 30,081,722</u>	<u>\$ 16,326,026</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	\$ 14,788	\$ 30,099	\$ 15,311
Developer contributions	<u> </u>	<u>12,595,673</u>	<u>12,595,673</u>
Total revenues	<u>14,788</u>	<u>12,625,772</u>	<u>12,610,984</u>
EXPENDITURES			
Public works			
Capital outlay	<u>1,034,456</u>	<u>1,034,454</u>	<u>2</u>
Debt service			
Interest charges	<u>75,100</u>	<u>42,897</u>	<u>32,203</u>
Total expenditures	<u>1,109,556</u>	<u>1,077,351</u>	<u>32,205</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,094,768)</u>	<u>11,548,421</u>	<u>12,643,189</u>
OTHER FINANCING SOURCES			
Developer Contributions	12,595,672		(12,595,672)
Transfers in	<u>139,385</u>	<u>177,277</u>	<u>37,892</u>
Total other financing sources	<u>12,735,057</u>	<u>177,277</u>	<u>(12,557,780)</u>
CHANGE IN FUND BALANCE	11,640,289	11,725,698	85,409
FUND BALANCE, BEGINNING OF YEAR	<u>31,715,280</u>	<u>31,715,280</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 43,355,569</u>	<u>\$ 43,440,978</u>	<u>\$ 85,409</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, 2022

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$	\$ 2,548,420	\$ 2,548,420
Investment income (loss)	175,000	(461,523)	(636,523)
Rental fees	10,000	12	(9,988)
Miscellaneous		166,928	166,928
Total revenues	185,000	2,253,837	2,068,837
EXPENDITURES			
General government			
Salaries and wages	189,586	188,605	981
Employee benefits	76,413	75,208	1,205
Services and supplies	152,181	5,671	146,510
Total general government	418,180	269,484	148,696
Public works			
Salaries and wages	167,377	126,619	40,758
Employee benefits	62,385	54,467	7,918
Services and supplies	1,265,512	603,276	662,236
Capital outlay	2,916,102	1,666,583	1,249,519
Total public works	4,411,376	2,450,945	1,960,431
Culture and recreation			
Services and supplies	994,523	201,602	792,921
Capital outlay	7,480,549	3,298,704	4,181,845
Total culture and recreation	8,475,072	3,500,306	4,974,766
Total expenditures	13,304,628	6,220,735	7,083,893
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(13,119,628)	(3,966,898)	9,152,730
OTHER FINANCING SOURCES (USES)			
Proceeds from land sales	3,364,196	3,388,028	23,832
Transfers in	200,000	200,000	
Transfers out	(903,000)	(903,000)	
Total other financing sources (uses)	2,661,196	2,685,028	23,832
CHANGE IN FUND BALANCE	(10,458,432)	(1,281,870)	9,176,562
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	27,584,	27,584,713	
Adjustment		25,868	25,868
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	27,584,713	27,610,581	25,868
FUND BALANCE, END OF YEAR	\$ 17,126,281	\$ 26,328,711	\$ 9,202,430

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, 2022

	Final Budget	Actual	Variance
REVENUES			
Investment income (loss)	\$ 33,000	\$ 129,604	\$ 96,604
EXPENDITURES			
General government			
Services and supplies	447,461	427,105	20,356
Public safety			
Services and supplies	4,537,604	1,700,337	2,837,267
Capital outlay	35,839,596	11,124,944	24,714,652
Total public safety	40,377,200	12,825,281	27,551,919
Culture and recreation			
Services and supplies	1,587,827	163,086	1,424,741
Capital outlay	21,899,661	13,534,347	8,365,314
Total culture and recreation	23,487,488	13,697,433	9,790,055
Community support			
Services and supplies	1,528,118	649,455	878,663
Capital outlay	9,448,456	2,342,596	7,105,860
Total community support	10,976,574	2,992,051	7,984,523
Total expenditures	75,288,723	29,941,870	45,346,853
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(75,255,723)	(29,812,266)	45,443,457
OTHER FINANCING SOURCES			
Issuance of bonds	25,000,000	25,000,000	
Premium on bonds issued	2,418,877	2,418,877	
Transfers in	8,920,183	9,920,183	1,000,000
Total other financing sources	36,339,060	37,339,060	1,000,000
CHANGE IN FUND BALANCE	(38,916,663)	7,526,794	46,443,457
FUND BALANCE, BEGINNING OF YEAR	54,084,228	54,084,228	
FUND BALANCE, END OF YEAR	\$ 15,167,565	\$ 61,611,022	\$ 46,443,457

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.

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

HENDERSON™

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

CITY OF HENDERSON, NEVADA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self-Insurance</u>	<u>Worker's Compensation Self-Insurance</u>	<u>Health Insurance Self-Insurance</u>	<u>Citywide Services</u>	<u>Total Internal Service Funds</u>
ASSETS								
Current assets								
Cash, cash equivalents and investments, unrestricted	\$ 2,606,648	\$ 21,074,634	\$ 1,287,053	\$ 9,757,107	\$ 27,810,007	\$ 16,170,156	\$ 17,782,296	\$ 96,487,901
Cash, cash equivalents and investments, restricted					3,951,000			3,951,000
Accounts receivable, net	214,960	373,663		700	26,320	202,592		818,235
Interest receivable	5,325	32,807	2,233	16,946	42,261	25,067	31,088	155,727
Inventories		277,116						277,116
Prepaid items		3,139,146					509,995	3,649,141
Due from other governments	430,520						15,262	445,782
Total current assets	<u>3,257,453</u>	<u>24,897,366</u>	<u>1,289,286</u>	<u>9,774,753</u>	<u>31,829,588</u>	<u>16,397,815</u>	<u>18,338,641</u>	<u>105,784,902</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	14,385	70,394,995						70,409,380
Right to use assets	23,920						636,579	660,499
Accumulated depreciation and amortization	(22,371)	(45,323,931)					(74,268)	(45,420,570)
Total capital assets, net of accumulated depreciation and amortization	<u>15,934</u>	<u>33,442,361</u>					<u>562,311</u>	<u>34,020,606</u>
Other assets								
Advances to other funds			616,893					616,893
Total noncurrent assets	<u>15,934</u>	<u>33,442,361</u>	<u>616,893</u>				<u>562,311</u>	<u>34,637,499</u>
Total assets	<u>3,273,387</u>	<u>58,339,727</u>	<u>1,906,179</u>	<u>9,774,753</u>	<u>31,829,588</u>	<u>16,397,815</u>	<u>18,900,952</u>	<u>140,422,401</u>
DEFERRED OUTFLOWS OF RESOURCES								
Deferred amounts related to pensions	3,243,989	1,083,726		319,206	276,112	150,054	334,923	5,408,010
Deferred amounts related to other postemployment benefits	313,367	17,030		49,219	35,176	32,507	66,383	513,682
Total deferred outflows of resources	<u>3,557,356</u>	<u>1,100,756</u>		<u>368,425</u>	<u>311,288</u>	<u>182,561</u>	<u>401,306</u>	<u>5,921,692</u>

(Continued)

CITY OF HENDERSON, NEVADA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self-Insurance</u>	<u>Worker's Compensation Self-Insurance</u>	<u>Health Insurance Self-Insurance</u>	<u>Citywide Services</u>	<u>Total Internal Service Funds</u>
LIABILITIES								
Current liabilities								
Accounts payable and other accrued liabilities	24,165	708,694		7,335	117,309	37,133	1,857,826	2,752,462
Accrued wages	56,041	19,411		4,062	912	3,080	3,024	86,530
Lease obligations	4,423						120,380	124,803
Due to other governments						85		85
Due to other funds							11,997	11,997
Unearned revenue						2,177		2,177
Compensated absences	532,392	164,316		50,610	4,908	26,383	30,684	809,293
Claims and judgments				<u>2,877,219</u>	<u>12,079,906</u>	<u>2,174,000</u>		<u>17,131,125</u>
Total current liabilities	<u>617,021</u>	<u>892,421</u>		<u>2,939,226</u>	<u>12,203,035</u>	<u>2,242,858</u>	<u>2,023,911</u>	<u>20,918,472</u>
Noncurrent liabilities								
Compensated absences	590,223	182,164		56,108	5,441	29,249	34,018	897,203
Other postemployment benefits	1,197,215	101,450		161,963	500,436	2,223,137	233,704	4,417,905
Net pension liability	5,328,752	1,731,175		811,873	1,584,945	40,449	1,147,475	10,644,669
Claims and judgments					18,490,019			18,490,019
Capital lease obligations	9,878						446,014	455,892
Total noncurrent liabilities	<u>7,126,068</u>	<u>2,014,789</u>		<u>1,029,944</u>	<u>20,580,841</u>	<u>2,292,835</u>	<u>1,861,211</u>	<u>34,905,688</u>
Total liabilities	<u>7,743,089</u>	<u>2,907,210</u>		<u>3,969,170</u>	<u>32,783,876</u>	<u>4,535,693</u>	<u>3,885,122</u>	<u>55,824,160</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred amounts related to pensions	4,703,190	1,561,136		402,970	165,334	248,895	347,307	7,428,832
Deferred amounts related to other postemployment benefits	<u>372,918</u>	<u>19,676</u>		<u>53,219</u>	<u>31,632</u>	<u>46,965</u>	<u>57,666</u>	<u>582,076</u>
Total deferred inflows of resources	<u>5,076,108</u>	<u>1,580,812</u>		<u>456,189</u>	<u>196,966</u>	<u>295,860</u>	<u>404,973</u>	<u>8,010,908</u>
NET POSITION								
Net investment in capital assets	1,633	33,422,361					(4,083)	33,419,911
Unrestricted	<u>(5,990,087)</u>	<u>21,530,100</u>	<u>1,906,179</u>	<u>5,717,819</u>	<u>(839,966)</u>	<u>11,748,823</u>	<u>15,016,246</u>	<u>49,089,114</u>
Total net position (deficit)	<u>\$ (5,988,454)</u>	<u>\$ 54,952,461</u>	<u>\$ 1,906,179</u>	<u>\$ 5,717,819</u>	<u>\$ (839,966)</u>	<u>\$ 11,748,823</u>	<u>\$ 15,012,163</u>	<u>\$ 82,509,025</u>

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2022

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self-Insurance</u>	<u>Worker's Compensation Self-Insurance</u>	<u>Health Insurance Self-Insurance</u>	<u>Citywide Services</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES								
Charges for services	\$ 8,326,543	\$ 16,600,454	\$ 42,897	\$ 3,900,170	\$ 14,279,813	\$ 22,131,663	\$ 12,579,277	\$ 77,860,817
OPERATING EXPENSES								
Salaries and wages	5,077,262	1,860,741		388,782	91,554	283,186	329,710	8,031,235
Employee benefits	1,535,989	546,312		109,058	26,504	113,751	103,429	2,435,043
Services and supplies	2,343,747	5,627,138		2,091,773	1,537,770	2,696,230	10,862,131	25,158,789
Claims and judgments				(2,019,292)	13,670,916	19,252,550		30,904,174
Legal fees					20,715			20,715
Depreciation	4,784	5,525,173					74,268	5,604,225
Total operating expenses	<u>8,961,782</u>	<u>13,559,364</u>		<u>570,321</u>	<u>15,347,459</u>	<u>22,345,717</u>	<u>11,369,538</u>	<u>72,154,181</u>
Operating income (loss)	<u>(635,239)</u>	<u>3,041,090</u>	<u>42,897</u>	<u>3,329,849</u>	<u>(1,067,646)</u>	<u>(214,054)</u>	<u>1,209,739</u>	<u>5,706,636</u>
NONOPERATING REVENUES (EXPENSES)								
Investment income (loss)	(71,470)	(575,130)	(35,067)	(260,930)	(747,326)	(454,997)	(477,124)	(2,622,044)
Intergovernmental	(2,962)							(2,962)
Gain (loss) on capital asset disposition		1,194,821						1,194,821
Interest expense	(2,129)				(24,723)		(12,582)	(39,434)
Miscellaneous	387,141	144,851		25,363			1,831	559,186
Total nonoperating revenues (expenses)	<u>310,580</u>	<u>764,542</u>	<u>(35,067)</u>	<u>(235,567)</u>	<u>(772,049)</u>	<u>(454,997)</u>	<u>(487,875)</u>	<u>(910,433)</u>
Income (loss) before capital contributions and transfers	<u>(324,659)</u>	<u>3,805,632</u>	<u>7,830</u>	<u>3,094,282</u>	<u>(1,839,695)</u>	<u>(669,051)</u>	<u>721,864</u>	<u>4,796,203</u>
CAPITAL CONTRIBUTIONS								
Capital contributions		976,887						976,887
TRANSFERS								
Transfers out			(220,000)					(220,000)
CHANGE IN NET POSITION	(324,659)	4,782,519	(212,170)	3,094,282	(1,839,695)	(669,051)	721,864	5,553,090
NET POSITION (DEFICIT), BEGINNING OF YEAR	<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>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (5,988,454)</u>	<u>\$ 54,952,461</u>	<u>\$ 1,906,179</u>	<u>\$ 5,717,819</u>	<u>\$ (839,966)</u>	<u>\$ 11,748,823</u>	<u>\$ 15,012,163</u>	<u>\$ 82,509,025</u>

CITY OF HENDERSON, NEVADA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self-Insurance</u>	<u>Worker's Compensation Self-Insurance</u>	<u>Health Insurance Self-Insurance</u>	<u>Citywide Services</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	\$ 1,707,295					\$ 2,737,133	\$ 17,010	\$ 4,461,438
Cash received from other sources	387,141	(201,385)		25,363			1,831	212,950
Cash payments for goods and services	(4,738,521)	(7,508,189)		(2,815,051)	(6,665,250)	(21,737,729)	(10,026,542)	(53,491,282)
Cash payments for employee services	(5,575,570)	(1,953,740)		(401,635)	(80,293)	(296,692)	(429,542)	(8,737,472)
Cash received from interfund services provided	6,256,636	16,600,454	42,897	3,900,170	14,279,813	19,266,484	12,564,015	72,910,469
Net cash provided by (used in) operating activities	<u>(1,963,019)</u>	<u>6,937,140</u>	<u>42,897</u>	<u>708,847</u>	<u>7,534,270</u>	<u>(30,804)</u>	<u>2,126,772</u>	<u>15,356,103</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers out			(220,000)					(220,000)
Repayments of advances from other funds			134,380					134,380
Interest payments on claims					(24,723)			(24,723)
Cash received from grantors	(2,962)							(2,962)
Net cash used in noncapital financing activities	<u>(2,962)</u>		<u>(85,620)</u>		<u>(24,723)</u>			<u>(113,305)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES								
Acquisition and construction of capital assets		(6,769,836)						(6,769,836)
Proceeds received from disposal of capital assets		1,521,646						1,521,646
Principal payments on debt	(5,508)						(81,124)	(86,632)
Payments from other funds		350,000					(1,749)	348,251
Net cash used in capital financing activities	<u>(5,508)</u>	<u>(4,898,190)</u>					<u>(82,873)</u>	<u>(4,986,571)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income	(70,308)	(582,447)	(35,471)	(265,713)	(761,598)	(463,055)	(486,832)	(2,665,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS								
	(2,041,797)	1,456,503	(78,194)	443,134	6,747,949	(493,859)	1,557,067	7,590,803
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR								
	4,648,445	19,618,131	1,365,247	9,313,973	25,013,058	16,664,015	16,225,229	92,848,098
CASH AND CASH EQUIVALENTS, END OF YEAR								
Unrestricted	2,606,648	21,074,634	1,287,053	9,757,107	27,810,007	16,170,156	17,782,296	96,487,901
Restricted					3,951,000			3,951,000
	<u>\$ 2,606,648</u>	<u>\$ 21,074,634</u>	<u>\$ 1,287,053</u>	<u>\$ 9,757,107</u>	<u>\$ 31,761,007</u>	<u>\$ 16,170,156</u>	<u>\$ 17,782,296</u>	<u>\$ 100,438,901</u>

(Continued)

CITY OF HENDERSON, NEVADA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self-Insurance</u>	<u>Worker's Compensation Self-Insurance</u>	<u>Health Insurance Self-Insurance</u>	<u>Citywide Services</u>	<u>Total Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating income (loss)	\$ (635,239)	\$ 3,041,090	\$ 42,897	\$ 3,329,849	\$ (1,067,646)	\$ (214,054)	\$ 1,209,739	\$ 5,706,636
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation	4,784	5,525,173					74,268	5,604,225
Other	387,141	144,851		25,363			1,831	559,186
(Increase) decrease in operating assets								
Accounts receivable	(194,548)	(346,236)		(28)	22,132	(194,325)		(713,005)
Due from other governments	(168,064)						1,748	(166,316)
Prepaid items		(1,329,841)					(206,895)	(1,536,736)
Inventories		(129,743)						(129,743)
Deferred outflows – other postemployment benefits	46,777	2,245		6,736	1,871	6,362	7,110	71,101
Deferred outflows - pensions	(2,122,075)	(715,757)		(166,755)	(36,374)	(122,875)	(135,137)	(3,298,973)
Increase (decrease) in operating liabilities								
Accounts payable and other accrued liabilities	(83,642)	403,209		(21,792)	9,673	5,262	1,190,114	1,502,824
Accrued wages	(204,913)	(61,894)		(17,027)	912	(13,407)	(21,478)	(317,807)
Compensated absences	(293,395)	(31,105)		4,174	10,349	(99)	(78,354)	(388,430)
Claims and judgments				(2,554,605)	8,570,800	557,000		6,573,195
Other postemployment benefits	(320,676)	(15,393)		(46,177)	(12,827)	(50,913)	(48,743)	(494,729)
Net pension liability	(2,850,471)	(961,440)		(223,994)	(48,859)	(165,052)	(181,524)	(4,431,340)
Unearned revenue						(123,562)		(123,562)
Deferred inflows - pensions	4,138,938	1,396,027		325,243	70,944	239,658	263,573	6,434,383
Deferred inflows - other postemployment benefits	332,364	15,954		47,860	13,295	45,201	50,520	505,194
Total adjustments	<u>(1,327,780)</u>	<u>3,896,050</u>		<u>(2,621,002)</u>	<u>8,601,916</u>	<u>183,250</u>	<u>917,033</u>	<u>9,649,467</u>
Net cash provided by (used in) operating activities	<u>\$ (1,963,019)</u>	<u>\$ 6,937,140</u>	<u>\$ 42,897</u>	<u>\$ 708,847</u>	<u>\$ 7,534,270</u>	<u>\$ (30,804)</u>	<u>\$ 2,126,772</u>	<u>\$ 15,356,103</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
Contribution of capital assets	<u>\$</u>	<u>\$ 976,887</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 976,887</u>

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 8,350,000	\$ 8,326,543	\$ (23,457)
OPERATING EXPENSES			
Salaries and wages	5,400,215	5,077,262	322,953
Employee benefits	2,407,002	1,535,989	871,013
Services and supplies	2,459,978	2,343,747	116,231
Depreciation	4,784	4,784	
Total operating expenses	10,271,979	8,961,782	1,310,197
Operating loss	(1,921,979)	(635,239)	1,286,740
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	20,000	(71,470)	(91,470)
Intergovernmental		(2,962)	(2,962)
Interest expense	(1,085)	(2,129)	(1,044)
Miscellaneous	147,000	387,141	240,141
Total nonoperating revenues (expenses)	165,915	310,580	144,665
CHANGE IN NET POSITION	\$ (1,756,064)	(324,659)	\$ 1,431,405
NET POSITION (DEFICIT), BEGINNING OF YEAR		(5,663,795)	
NET POSITION (DEFICIT), END OF YEAR		\$ (5,988,454)	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 16,609,593	\$ 16,600,454	\$ (9,139)
OPERATING EXPENSES			
Salaries and wages	2,009,636	1,860,741	148,895
Employee benefits	862,225	546,312	315,913
Services and supplies	7,382,599	5,627,138	1,755,461
Depreciation	5,723,920	5,525,173	198,747
Total operating expenses	15,978,380	13,559,364	2,419,016
Operating income	631,213	3,041,090	2,409,877
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	120,000	(575,130)	(695,130)
Gain (loss) on capital asset disposition		1,194,821	1,194,821
Miscellaneous	111,255	144,851	33,596
Total nonoperating revenues (expenses)	231,255	764,542	533,287
Income before capital contributions	862,468	3,805,632	2,943,164
CAPITAL CONTRIBUTIONS			
Capital contributions		976,887	976,887
CHANGE IN NET POSITION	\$ 862,468	4,782,519	\$ 3,920,051
NET POSITION, BEGINNING OF YEAR		50,169,942	
NET POSITION, END OF YEAR		\$ 54,952,461	

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>75,100</u>	\$ <u>42,897</u>	\$ <u>(32,203)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	<u>10,000</u>	<u>(35,067)</u>	<u>(45,067)</u>
Income before transfers	<u>85,100</u>	<u>7,830</u>	<u>(77,270)</u>
TRANSFERS			
Transfers out	<u>(220,000)</u>	<u>(220,000)</u>	
CHANGE IN NET POSITION	\$ <u><u>(134,900)</u></u>	(212,170)	\$ <u><u>(77,270)</u></u>
NET POSITION, BEGINNING OF YEAR		<u>2,118,349</u>	
NET POSITION, END OF YEAR		\$ <u><u>1,906,179</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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 3,900,170	\$ 3,900,170	\$ _____
OPERATING EXPENSES			
Salaries and wages	430,366	388,782	41,584
Employee benefits	170,511	109,058	61,453
Services and supplies	2,664,715	2,091,773	572,942
Claims and judgments	1,374,344	(2,019,292)	3,393,636
Legal fees	75,000	_____	75,000
Total operating expenses	4,714,936	570,321	4,144,615
Operating income (loss)	(814,766)	3,329,849	4,144,615
NONOPERATING REVENUES (EXPENSES)			
Other	25,000	_____	(25,000)
Investment income (loss)	40,000	(260,930)	(300,930)
Miscellaneous	_____	25,363	25,363
Total nonoperating revenues (expenses)	65,000	(235,567)	(300,567)
CHANGE IN NET POSITION	\$ (749,766)	3,094,282	\$ 3,844,048
NET POSITION, BEGINNING OF YEAR		2,623,537	
NET POSITION, END OF YEAR		\$ 5,717,819	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 11,625,845	\$ 14,279,813	\$ 2,653,968
OPERATING EXPENSES			
Salaries and wages	117,226	91,554	25,672
Employee benefits	45,686	26,504	19,182
Services and supplies	1,631,498	1,537,770	93,728
Claims and judgments	11,391,201	13,670,916	(2,279,715)
Legal fees	35,000	20,715	14,285
Total operating expenses	13,220,611	15,347,459	(2,126,848)
Operating loss	(1,594,766)	(1,067,646)	527,120
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	125,000	(747,326)	(872,326)
Interest expense	125,000	(24,723)	(24,723)
Total nonoperating revenues (expenses)	125,000	(772,049)	(897,049)
CHANGE IN NET POSITION	\$ (1,469,766)	(1,839,695)	\$ (369,929)
NET POSITION, BEGINNING OF YEAR		999,729	
NET POSITION, END OF YEAR		\$ (839,966)	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ <u>21,861,862</u>	\$ <u>22,131,663</u>	\$ <u>269,801</u>
OPERATING EXPENSES			
Salaries and wages	299,045	283,186	15,859
Employee benefits	164,470	113,751	50,719
Services and supplies	3,092,529	2,696,230	396,299
Claims and judgments	<u>18,742,908</u>	<u>19,252,550</u>	<u>(509,642)</u>
Total operating expenses	<u>22,298,952</u>	<u>22,345,717</u>	<u>(46,765)</u>
Operating loss	<u>(437,090)</u>	<u>(214,054)</u>	<u>223,036</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	<u>90,000</u>	<u>(454,997)</u>	<u>(544,997)</u>
CHANGE IN NET POSITION	<u>\$ (347,090)</u>	<u>(669,051)</u>	<u>\$ (321,961)</u>
NET POSITION, BEGINNING OF YEAR		<u>12,417,874</u>	
NET POSITION, END OF YEAR		<u>\$ <u>11,748,823</u></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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	\$ <u>12,538,828</u>	\$ <u>12,579,277</u>	\$ <u>40,449</u>
OPERATING EXPENSES			
Salaries and wages	433,090	329,710	103,380
Employee benefits	172,767	103,429	69,338
Services and supplies	20,033,796	10,862,131	9,171,665
Depreciation	<u>127,320</u>	<u>74,268</u>	<u>53,052</u>
Total operating expenses	<u>20,766,973</u>	<u>11,369,538</u>	<u>9,397,435</u>
Operating income (loss)	<u>(8,228,145)</u>	<u>1,209,739</u>	<u>9,437,884</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	100,000	(477,124)	(577,124)
Interest expense	(20,816)	(12,582)	8,234
Miscellaneous		<u>1,831</u>	<u>1,831</u>
Total nonoperating revenues (expenses)	<u>79,184</u>	<u>(487,875)</u>	<u>(567,059)</u>
CHANGE IN NET POSITION	\$ <u>(8,148,961)</u>	721,864	\$ <u>8,870,825</u>
NET POSITION, BEGINNING OF YEAR		<u>14,290,299</u>	
NET POSITION, END OF YEAR		\$ <u>15,012,163</u>	

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2022

	Development Services	Municipal Golf Course	Aggregate Other Enterprise Funds
ASSETS			
Current assets			
Cash, cash equivalents and investments, unrestricted	\$ 22,592,481	\$ 342,321	\$ 22,934,802
Cash, cash equivalents and investments, restricted	563,077		563,077
Accounts receivable, net		537,322	537,322
Interest receivable	39,797	595	40,392
Due from other governments	17,833		17,833
Total current assets	<u>23,213,188</u>	<u>880,238</u>	<u>24,093,426</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>(746,136)</u>	<u>(20,371,810)</u>	<u>(21,117,946)</u>
Total capital assets, net of accumulated depreciation and amortization	<u>510,151</u>	<u>25,457,823</u>	<u>25,967,974</u>
Total assets	<u>23,723,339</u>	<u>26,338,061</u>	<u>50,061,400</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	4,843,684		4,843,684
Deferred amounts related to other postemployment benefits	308,442		308,442
Total deferred outflows of resources	<u>5,152,126</u>		<u>5,152,126</u>
LIABILITIES			
Current liabilities			
Accounts payable and other accrued liabilities	158,140		158,140
Accrued wages	92,375		92,375
Unearned revenue	12,947,128		12,947,128
Customer deposits payable from restricted assets	563,077		563,077
Compensated absences	924,293		924,293
Total current liabilities	<u>14,685,013</u>		<u>14,685,013</u>
Noncurrent liabilities			
Compensated absences	739,735		739,735
Other postemployment benefits	1,093,138		1,093,138
Net pension liability	6,153,740		6,153,740
Total noncurrent liabilities	<u>7,986,613</u>		<u>7,986,613</u>
Total liabilities	<u>22,671,626</u>		<u>22,671,626</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	7,182,368		7,182,368
Deferred amounts related to other postemployment benefits	443,420		443,420
Total deferred inflows of resources	<u>7,625,788</u>		<u>7,625,788</u>
NET POSITION			
Net investment in capital assets	510,151	25,457,823	25,967,974
Restricted			
Other	563,077		563,077
Unrestricted	<u>(2,495,177)</u>	<u>880,238</u>	<u>(1,614,939)</u>
Total net position (deficit)	<u>\$ (1,421,949)</u>	<u>\$ 26,338,061</u>	<u>\$ 24,916,112</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, 2022

	Development Services	Municipal Golf Course	Aggregate Other Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 17,442,278	\$ 3,040,749	\$ 20,483,027
Licenses and permits	6,579,622		6,579,622
Intergovernmental	48,848		48,848
Miscellaneous	25	49,040	49,065
Total operating revenues	<u>24,070,773</u>	<u>3,089,789</u>	<u>27,160,562</u>
OPERATING EXPENSES			
Salaries and wages	8,394,328		8,394,328
Employee benefits	2,573,842		2,573,842
Services and supplies	9,122,484	2,706,267	11,828,751
Depreciation	10,811	322,022	332,833
Total operating expenses	<u>20,101,465</u>	<u>3,028,289</u>	<u>23,129,754</u>
Operating income	<u>3,969,308</u>	<u>61,500</u>	<u>4,030,808</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	(614,546)	(8,681)	(623,227)
Miscellaneous	1,214		1,214
Total nonoperating revenues (expenses)	<u>(613,332)</u>	<u>(8,681)</u>	<u>(622,013)</u>
Income before transfers	<u>3,355,976</u>	<u>52,819</u>	<u>3,408,795</u>
TRANSFERS			
Transfers in		150,000	150,000
CHANGE IN NET POSITION	3,355,976	202,819	3,558,795
NET POSITION (DEFICIT), BEGINNING OF YEAR	<u>(4,777,925)</u>	<u>26,135,242</u>	<u>21,357,317</u>
NET POSITION (DEFICIT), END OF YEAR	<u>\$ (1,421,949)</u>	<u>\$ 26,338,061</u>	<u>\$ 24,916,112</u>

CITY OF HENDERSON, NEVADA

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	<u>Development Services</u>	<u>Municipal Golf Course</u>	<u>Aggregate Other Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 27,593,361	\$ 2,755,033	\$ 30,348,394
Cash received from other sources	1,214		1,214
Cash payments for goods and services	(7,247,793)	(2,706,267)	(9,954,060)
Cash payments for employee services	(8,771,090)		(8,771,090)
Cash paid for interfund services provided	(5,627,817)		(5,627,817)
Net cash provided by operating activities	<u>5,947,875</u>	<u>48,766</u>	<u>5,996,641</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in		150,000	150,000
Net cash provided by noncapital financing activities		<u>150,000</u>	<u>150,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	(630,723)	(9,060)	(639,783)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,317,152	189,706	5,506,858
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>17,838,406</u>	<u>152,615</u>	<u>17,991,021</u>
CASH AND CASH EQUIVALENTS, END OF YEAR			
Unrestricted	22,592,481	342,321	22,934,802
Restricted	563,077		563,077
	<u>\$ 23,155,558</u>	<u>\$ 342,321</u>	<u>\$ 23,497,879</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ 3,969,308	\$ 61,500	\$ 4,030,808
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	10,811	322,022	332,833
Other	1,214		1,214
(Increase) decrease in operating assets			
Accounts receivable		(334,756)	(334,756)
Due from other governments	(8,736)		(8,736)
Deferred outflows – other postemployment benefits	57,058		57,058
Deferred outflows - pensions	(3,435,365)		(3,435,365)
Increase (decrease) in operating liabilities			
Accounts payable and other accrued liabilities	27,716		27,716
Accrued wages	(394,651)		(394,651)
Compensated absences	(73,401)		(73,401)
Other postemployment benefits	(391,154)		(391,154)
Net pension liability	(4,614,548)		(4,614,548)
Deposits	162,484		162,484
Unearned revenue	3,531,324		3,531,324
Deferred inflows - pensions	6,700,406		6,700,406
Deferred inflows - other postemployment benefits	405,409		405,409
Total adjustments	<u>1,978,567</u>	<u>(12,734)</u>	<u>1,965,833</u>
Net cash provided by operating activities	<u>\$ 5,947,875</u>	<u>\$ 48,766</u>	<u>\$ 5,996,641</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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utility fees	\$ 90,182,663	\$ 86,920,273	\$ (3,262,390)
Connection fees	1,750,000	2,403,456	653,456
Late charges	1,300,000	1,606,225	306,225
Miscellaneous	132,000	153,104	21,104
Total operating revenues	93,364,663	91,083,058	(2,281,605)
OPERATING EXPENSES			
Salaries and wages	17,062,010	15,313,904	1,748,106
Employee benefits	7,932,793	4,291,431	3,641,362
Water purchases	34,141,300	30,124,778	4,016,522
Services and supplies	30,141,431	23,698,810	6,442,621
Depreciation	12,254,051	11,502,739	751,312
Total operating expenses	101,531,585	84,931,662	16,599,923
Operating income (loss)	(8,166,922)	6,151,396	14,318,318
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	1,200,000	(3,251,103)	(4,451,103)
Interest expense	(4,769,699)	(4,116,152)	653,547
Miscellaneous		1,923	1,923
Total nonoperating revenues (expenses)	(3,569,699)	(7,365,332)	(3,795,633)
Loss before capital contributions and transfers	(11,736,621)	(1,213,936)	10,522,685
CAPITAL CONTRIBUTIONS			
Capital contributions	7,288,527	21,097,176	13,808,649
TRANSFERS			
Transfers out	(1,200,000)	(1,112,703)	87,297
CHANGE IN NET POSITION	\$ (5,648,094)	18,770,537	\$ 24,418,631
NET POSITION, BEGINNING OF YEAR		508,190,418	
NET POSITION, END OF YEAR		\$ 526,960,955	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Utility fees	\$ 51,724,481	\$ 50,973,313	\$ (751,168)
Connection fees	160,000	265,260	105,260
Late charges	600,000	613,564	13,564
Intergovernmental	500,000	511,478	11,478
Miscellaneous	50,000	32,061	(17,939)
Total operating revenues	53,034,481	52,395,676	(638,805)
OPERATING EXPENSES			
Salaries and wages	13,883,240	12,416,692	1,466,548
Employee benefits	6,444,452	3,705,666	2,738,786
Services and supplies	26,015,398	21,467,270	4,548,128
Depreciation	15,406,334	14,551,675	854,659
Total operating expenses	61,749,424	52,141,303	9,608,121
Operating income (loss)	(8,714,943)	254,373	8,969,316
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	1,200,000	(3,372,707)	(4,572,707)
Intergovernmental		2,628	2,628
Interest expense	(2,117,355)	(2,287,911)	(170,556)
Sales tax revenue	5,607,172	8,163,986	2,556,814
Total nonoperating revenues (expenses)	4,689,817	2,505,996	(2,183,821)
Income (loss) before capital contributions and transfers	(4,025,126)	2,760,369	6,785,495
CAPITAL CONTRIBUTIONS			
Capital contributions	12,077,983	33,800,419	21,722,436
TRANSFERS			
Transfers out	(1,200,000)	(1,112,410)	87,590
CHANGE IN NET POSITION	\$ 6,852,857	35,448,378	\$ 28,595,521
NET POSITION, BEGINNING OF YEAR		607,341,182	
NET POSITION, END OF YEAR		\$ 642,789,560	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 13,924,036	\$ 17,442,278	\$ 3,518,242
Licenses and permits	6,280,222	6,579,622	299,400
Intergovernmental	31,000	48,848	17,848
Miscellaneous	4,256	25	(4,231)
Total operating revenues	20,239,514	24,070,773	3,831,259
OPERATING EXPENSES			
Salaries and wages	8,902,049	8,394,328	507,721
Employee benefits	4,026,403	2,573,842	1,452,561
Services and supplies	10,219,075	9,122,484	1,096,591
Depreciation	10,811	10,811	
Total operating expenses	23,158,338	20,101,465	3,056,873
Operating income (loss)	(2,918,824)	3,969,308	6,888,132
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	100,000	(614,546)	(714,546)
Miscellaneous		1,214	1,214
Total nonoperating revenues (expenses)	100,000	(613,332)	(713,332)
CHANGE IN NET POSITION	\$ (2,818,824)	3,355,976	\$ 6,174,800
NET POSITION (DEFICIT), BEGINNING OF YEAR		(4,777,925)	
NET POSITION (DEFICIT), END OF YEAR		\$ (1,421,949)	

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, 2022

	Final Budget	Actual	Variance
OPERATING REVENUES			
Charges for services	\$ 2,674,600	\$ 3,040,749	\$ 366,149
Miscellaneous	<u>30,000</u>	<u>49,040</u>	<u>19,040</u>
Total operating revenues	<u>2,704,600</u>	<u>3,089,789</u>	<u>385,189</u>
OPERATING EXPENSES			
Services and supplies	2,712,138	2,706,267	5,871
Depreciation	<u>323,566</u>	<u>322,022</u>	<u>1,544</u>
Total operating expenses	<u>3,035,704</u>	<u>3,028,289</u>	<u>7,415</u>
Operating income (loss)	<u>(331,104)</u>	<u>61,500</u>	<u>392,604</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	<u>2,000</u>	<u>(8,681)</u>	<u>(10,681)</u>
Income (loss) before transfers	<u>(329,104)</u>	<u>52,819</u>	<u>381,923</u>
TRANSFERS			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u></u>
CHANGE IN NET POSITION	<u>\$ (179,104)</u>	202,819	<u>\$ 381,923</u>
NET POSITION, BEGINNING OF YEAR		<u>26,135,242</u>	
NET POSITION, END OF YEAR		<u>\$ 26,338,061</u>	

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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.

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

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.

HENDERSON™

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

CITY OF HENDERSON, NEVADA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Custodial Funds			Total
	Forfeited Assets	Section 125 Plan	Special Assessments District	
ASSETS				
Cash, cash equivalents and investments	\$ 897,492	\$ 242,462	\$ 22,968,885	\$ 24,108,839
Interest receivable			39,858	39,858
Receivables from others			30,997	30,997
Special assessments receivable			80,548,322	80,548,322
Total assets	897,492	242,462	103,588,062	104,728,016
LIABILITIES				
Accounts payable and accrued liabilities			170,641	170,641
Deposits			503,599	503,599
Due to developers, employees and others			83,904,443	83,904,443
Total liabilities			84,578,683	84,578,683
NET POSITION				
Restricted for Individuals, organizations and other governments	897,492	242,462	19,009,379	20,149,333
Total net position	897,492	242,462	19,009,379	20,149,333

CITY OF HENDERSON, NEVADA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	Custodial Funds			Total
	Forfeited Assets	Section 125 Plan	Special Assessments District	
ADDITIONS				
Contributions				
Plan members	\$	\$ 415,345	\$	\$ 415,345
Fines and Forfeitures	1,261,590			1,261,590
Investment income	1,663	1,561	25,109	28,333
Collections from special assessment districts			17,252,635	17,252,635
Total additions	<u>1,263,253</u>	<u>416,906</u>	<u>17,277,744</u>	<u>18,957,903</u>
DEDUCTIONS				
Payments to developers and others	365,761		12,595,673	12,961,434
Services and supplies		380,169	1,744,270	2,124,439
Administrative costs		8,708	167,868	176,576
Interest and fiscal charges			3,534,502	3,534,502
Total deductions	<u>365,761</u>	<u>388,877</u>	<u>18,042,313</u>	<u>18,796,951</u>
CHANGE IN NET POSITION	<u>897,492</u>	<u>28,029</u>	<u>(764,569)</u>	<u>160,952</u>
NET POSITION, BEGINNING OF YEAR		<u>214,433</u>	<u>19,773,948</u>	<u>19,988,381</u>
NET POSITION, END OF YEAR	<u>\$ 897,492</u>	<u>\$ 242,462</u>	<u>\$ 19,009,379</u>	<u>\$ 20,149,333</u>

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

HENDERSON™

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 1,804,554,611
Restricted	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	254,654,979
Unrestricted	<u>62,500,084</u>	<u>81,948,297</u>	<u>(215,965,382)</u> 1	<u>(199,668,677)</u> 1	<u>(275,016,720)</u> 1	<u>(257,057,994)</u> 1	<u>(245,069,012)</u> 1	<u>(298,805,643)</u> 1	<u>(266,244,718)</u> 1	<u>(199,366,095)</u> 1
Total governmental activities	<u>1,650,289,406</u>	<u>1,588,279,821</u>	<u>1,322,675,066</u>	<u>1,432,080,352</u>	<u>1,410,924,976</u>	<u>1,456,104,425</u>	<u>1,536,853,209</u>	<u>1,535,838,342</u>	<u>1,627,689,177</u>	<u>1,859,843,495</u>
Business-type activities										
Net investment in capital assets	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	984,863,898
Restricted	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	6,284,594
Unrestricted	<u>111,824,498</u>	<u>115,597,495</u>	<u>81,096,813</u>	<u>100,289,094</u>	<u>94,894,149</u>	<u>94,403,642</u>	<u>110,919,928</u>	<u>112,889,321</u>	<u>128,169,885</u>	<u>150,504,694</u>
Total business-type activities	<u>971,984,933</u>	<u>958,420,233</u>	<u>923,118,650</u>	<u>959,582,288</u>	<u>975,768,631</u>	<u>1,006,424,385</u>	<u>1,047,102,789</u>	<u>1,061,217,210</u>	<u>1,083,827,828</u>	<u>1,141,653,186</u>
Primary government										
Net investment in capital assets	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	2,789,418,509
Restricted	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	260,939,573
Unrestricted	<u>174,324,582</u>	<u>197,545,792</u>	<u>(134,868,569)</u> 1	<u>(99,379,583)</u> 1	<u>(180,122,571)</u> 1	<u>(162,654,352)</u> 1	<u>(134,149,084)</u> 1	<u>(185,916,322)</u> 1	<u>(138,074,833)</u> 1	<u>(48,861,401)</u> 1
Total primary government	<u>\$ 2,622,274,339</u>	<u>\$ 2,546,700,054</u>	<u>\$ 2,245,793,716</u>	<u>\$ 2,391,662,640</u>	<u>\$ 2,386,693,607</u>	<u>\$ 2,462,528,810</u>	<u>\$ 2,583,955,998</u>	<u>\$ 2,597,055,552</u>	<u>\$ 2,711,517,005</u>	<u>\$ 3,001,496,681</u>

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

CITY OF HENDERSON, NEVADA

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

	June 30, 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	June 30, 2022
Expenses										
Governmental activities										
General government	\$ 60,686,477	\$ 47,826,017	\$ 51,514,550	\$ 49,590,212	\$ 51,926,527	\$ 59,933,998	\$ 62,997,651	\$ 98,478,110	\$ 81,359,866	\$ 68,607,650
Judicial	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	11,189,513
Public safety	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	185,383,883
Public works	75,900,091	104,652,659	29,181,216	31,107,461	37,656,505	35,668,455	34,616,021	39,100,865	38,432,486	40,390,120
Culture and recreation	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	55,767,854
Community support	4,952,021	7,686,894	4,601,580	5,482,324	4,229,302	4,983,380	3,098,245	4,271,665	16,566,311	5,286,896
Interest on long-term debt	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	6,008,356
Total governmental activities	<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>	<u>372,634,272</u>
Business-type activities										
Water	83,514,646	83,097,653	74,573,926	72,092,583	74,717,817	77,037,042	78,149,917	83,590,931	93,774,071	87,625,630
Sewer	53,979,377	58,692,077	46,919,969	46,729,422	49,348,476	50,641,990	51,560,957	54,114,028	53,797,600	53,356,034
Other	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	24,452,700
Total business-type activities	<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>	<u>165,434,364</u>
Total primary government expenses	<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>	<u>\$ 538,068,636</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 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	\$ 23,591,312
Public safety	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	22,382,720
Culture and recreation	7,364,419	7,409,742	7,722,084	8,527,581	8,611,809	8,923,064	9,308,707	6,200,502	3,603,453	7,002,648
Other	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	2,861,706
Operating grants and contributions	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	31,996,027
Capital grants and contributions	58,672,921	39,008,389	61,258,310	116,030,640	72,920,117	55,362,844	54,182,748	44,216,932	98,852,031	150,350,840
Total governmental activities	<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>	<u>238,185,253</u>
Business-type activities										
Charges for services										
Water	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	90,930,454
Sewer	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	51,854,765
Other	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	27,062,649
Operating grants and contributions	20,000									
Capital grants and contributions	10,187,969	19,717,458	15,058,529	30,019,342	21,326,556	30,349,483	27,595,157	26,100,088	33,141,932	54,897,595
Total business-type activities	<u>125,403,687</u>	<u>141,303,530</u>	<u>145,600,506</u>	<u>167,786,804</u>	<u>162,708,733</u>	<u>175,351,150</u>	<u>178,284,884</u>	<u>174,891,622</u>	<u>193,186,002</u>	<u>224,745,463</u>
Total primary government program revenues	<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>	<u>\$ 462,930,716</u>
Net (expenses) program revenues										
Governmental activities	\$ (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)	\$ (134,449,019)
Business-type activities	(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	59,311,099
Primary government	<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>	<u>\$ (75,137,920)</u>

(Continued)

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2022
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 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	\$ 123,640,567
Intergovernmental revenues -										
consolidated tax	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	159,631,041
Other taxes	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	78,742,082
Increase (decrease) in fair value of investments	(3,569,677) ⁹									
Unrestricted investment income	2,231,741	3,115,696 ¹	2,942,486	3,598,318	658,995 ⁵	1,804,414 ⁵	8,377,585 ⁵	7,811,589 ⁵	236,445 ⁵	(9,421,147) ⁵
Gain on disposal of capital assets	4,011,053	185,299	205,287	341,836	6,257,270 ²	4,402,727	8,106,733 ⁴	1,359,393	965,010	4,582,005
Miscellaneous	632,593	812,423	1,183,010	1,437,835	1,490,441	1,799,429	1,819,297	897,226	3,041,392	3,390,568
Transfers	(4,794,708)	2,536,991	1,985,265	2,259,154	(94,253)	2,855,358	(1,783,244)	7,110,206	1,351,784	3,199,883
Total governmental activities	<u>188,392,122</u>	<u>206,630,226</u>	<u>218,578,897</u>	<u>231,504,123</u>	<u>244,207,243</u>	<u>265,697,904</u>	<u>290,702,465</u>	<u>297,440,049</u>	<u>309,215,533</u>	<u>363,764,999</u>
Business-type activities										
Other taxes	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	8,163,986
Increase (decrease) in fair value of investments	(3,045,590) ⁹									
Unrestricted investment income	1,710,311	2,271,148 ¹	1,973,790	2,695,143	26,858 ⁵	1,171,910 ⁵	6,978,694 ⁵	6,250,221 ⁵	202,681 ⁵	(7,247,037) ⁵
Gain on disposal of capital assets		1,995					3,420		1,830	
Miscellaneous	496,494	484,042	486,825	644,867	999,487	2,223,506	2,852,155	801,193	1,426,039	797,193
Transfers	4,794,708	(2,536,991)	(1,985,265)	(2,259,154)	94,253	(2,855,358)	1,783,244	(7,110,206)	(1,351,784)	(3,199,883)
Total business-type activities	<u>9,625,462</u>	<u>6,380,366</u>	<u>7,195,423</u>	<u>8,232,909</u>	<u>8,657,946</u>	<u>8,381,116</u>	<u>19,883,018</u>	<u>5,607,985</u>	<u>6,432,955</u>	<u>(1,485,741)</u>
Total primary government general revenues and other changes in net position	<u>\$ 198,017,584</u>	<u>\$ 213,010,592</u>	<u>\$ 225,774,320</u>	<u>\$ 239,737,032</u>	<u>\$ 252,865,189</u>	<u>\$ 274,079,020</u>	<u>\$ 310,585,483</u>	<u>\$ 303,048,034</u>	<u>\$ 315,648,488</u>	<u>\$ 362,279,258</u>
Change in net position										
Governmental activities	\$ (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	\$ 229,315,980
Business-type activities	(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	57,825,358
Primary government	<u>\$ (63,211,803)</u>	<u>\$ (75,574,285)</u>	<u>\$ 59,220,986</u>	<u>\$ 145,868,924</u>	<u>\$ 72,111,041</u>	<u>\$ 78,416,704</u>	<u>\$ 121,427,188</u>	<u>\$ 13,099,554</u>	<u>\$ 114,461,453</u>	<u>\$ 287,141,338</u>

1. Increase due to higher cash and investment balances, higher interest rates, and market value increases.
2. Due to a significant land sale to Fontanesi LLC.
3. 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. Increase due to developer infrastructure and utility contributed assets.
7. Decrease due to change in useful lives for capital assets, which greatly decreased depreciation expense.
8. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.
9. Due to an adjustment for GASB 31, which requires investments be adjusted to market value. There was a significant decrease in fair value in fiscal 2013. Previously, this adjustment was included in investment income.
10. Decrease due to losses on three significant land sales in fiscal year 2013 and lower salary expenses, including severance pay.
11. Increase due in large part to money used to call bonds as part of the Inspirada special assessment district restructure.
12. Increase due primarily to increase in grants from HUD.

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2022
General fund										
Nonspendable	\$	\$	\$	\$ 79	\$	\$ 33,723	\$ 42,283	\$ 34,310	\$ 85,357	\$ 178,573
Restricted						223,753	219,374	231,935	232,770	232,770
Committed						3,024,516	3,701,011	4,408,924	5,097,394	5,097,394
Assigned	936,460	644,394	1,235,676	1,274,063	1,189,951	3,569,975	2,574,903	3,104,518	3,123,118	4,268,615
Unassigned	<u>16,391,761</u>	<u>17,606,056</u>	<u>21,505,080</u>	<u>23,617,842</u>	<u>25,212,708</u>	<u>26,659,209</u>	<u>28,116,220</u>	<u>20,106,447</u>	<u>22,366,139</u>	<u>30,289,708</u>
Total general fund	<u>\$ 17,328,221</u>	<u>\$ 18,250,450</u>	<u>\$ 22,740,756</u>	<u>\$ 24,891,984</u>	<u>\$ 26,402,659</u>	<u>\$ 30,262,907</u>	<u>\$ 33,981,675</u>	<u>\$ 27,165,660</u>	<u>\$ 30,215,473</u>	<u>\$ 40,067,060</u>
Other governmental funds										
Nonspendable	\$	\$	\$ 31,314	\$	\$	\$	\$ 239,705	\$	\$	\$ 11,559
Restricted	190,966,371	160,194,848	157,563,176	140,437,027	141,553,152	132,510,627	167,509,089	235,606,260	211,895,477	255,053,499
Committed								32,020,055	27,584,713	26,328,711
Assigned	<u>27,194,098</u>	<u>27,215,621</u>	<u>33,727,701</u>	<u>42,864,188</u>	<u>42,147,669</u>	<u>59,041,787</u>	<u>62,286,446</u>	<u>45,017,885</u>	<u>52,374,681</u>	<u>75,278,994</u>
Total other governmental funds	<u>\$ 218,160,469</u>	<u>\$ 187,410,469</u>	<u>\$ 191,322,191</u>	<u>\$ 183,301,215</u>	<u>\$ 183,700,821</u>	<u>\$ 191,552,414</u>	<u>\$ 230,035,240</u>	<u>\$ 312,644,200</u>	<u>\$ 291,854,871</u>	<u>\$ 356,672,763</u>

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2022
REVENUES										
Property taxes	\$ 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	\$ 123,607,883
Franchise fees	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	35,020,585
Licenses and permits	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	15,748,441
Intergovernmental	133,680,893 ⁴	127,032,094	137,490,840	130,520,784	140,150,676	154,225,791	159,969,525	163,594,535	221,655,993	239,337,853
Charges for services	27,552,577	23,393,130	28,562,698	31,159,845	30,198,902	34,685,944	33,786,536	27,245,566	22,794,123	24,855,538
Fines and forfeitures	6,611,577	5,658,992	5,550,637	5,859,243	6,234,757	6,072,479	7,104,638	4,500,781	4,354,813	4,191,648
Impact fees	1,469,452	1,390,696	1,895,401	2,116,467	2,127,249	2,437,240	2,353,777	1,831,958	2,204,865	2,348,633
Special assessments	146,928	130,820	130,274	150,382	90,145	111,957	139,347	242,966	117,207	134,458
Investment income (loss)	1,653,726 ²	2,014,255	2,407,753	3,082,242	1,042,645	2,037,931	7,256,725	6,503,137	205,244	(6,703,849)
GASB 31 adjustment	(2,278,714) ⁵									
Developer contributions	767,836	3,865,035	4,430,009	9,664,234	2,282,571 ⁹	1,829,523	16,235,632 ¹²	1,560,220	3,991,395	16,665,032
Rental fees	603,767	547,580	493,311	531,613	523,060	35,117	19,801	4,000	787	1,059
Residential construction tax	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	2,084,754
Miscellaneous								6,085,483	3,176,490	7,517,745
Total revenues	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	464,809,780
EXPENDITURES										
Current										
General government	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	71,431,174
Judicial	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	12,253,283
Public safety	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	204,809,893
Public works	9,680,018	33,509,200 ⁷	9,706,622	12,498,653	14,833,880	12,001,015	12,058,080	13,481,743	12,783,066	13,351,820
Culture and recreation	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	49,044,108
Community support	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	6,238,938
Total current	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	357,129,216
Capital outlay										
General government	1,445,582	713,262	239,526	923,225	1,971,632	718,839	2,636,184	2,230,984	5,321,168	2,391,867
Judicial	284,878			381,627	1,388	10,235			521,642	
Public safety	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	14,754,261
Public works	19,274,299	19,538,892	13,826,060	29,670,888 ³	19,733,205	12,420,923	12,102,195	5,039,537	12,340,208	6,464,212
Culture and recreation	23,456,629 ⁴	5,382,403 ⁴	11,709,733	1,418,344	1,945,370	2,893,393	1,827,947	9,955,593	46,386,049	28,119,425
Community support			65,000				16,247		2,342,596	
Total capital outlay	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	54,594,003
Debt service										
Principal payments	5,114,565 ⁶	4,208,565	4,243,000	6,011,000	5,676,000	6,087,867	6,409,310	8,376,058	8,690,771	8,793,601
Payment to current bond refunding agent			27,209,998 ⁸	10,288,415 ⁸	9,786,906 ⁸					
Interest charges	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	5,569,595
Administrative and other costs	591,649	21,363	306,322					392,961		
Total debt service	9,999,685	9,553,379	36,966,543	21,489,543	20,556,714	11,279,082	11,227,472	13,323,773	13,976,641	14,363,196
Total expenditures	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	426,086,415
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(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)	38,723,365

(Continued)

CITY OF HENDERSON, NEVADA

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

	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	June 30, 2022
OTHER FINANCING SOURCES (USES)										
Proceeds from land sales	1,827,493	3,444,629	1,118,024	2,696,014	9,242,809 ¹¹	6,859,417	15,724,314 ¹³	3,367,490	200,623	3,388,028
Developer Contributions	(3,426,519)									
Capital leases								151,556	459,153	
Issuance of refunding bonds	66,750,000		24,305,000 ⁸	9,365,000 ⁸	8,345,000 ⁸	684,108		68,702,106		
Issuance of bonds					4,355,000 ¹⁰			74,512,894		25,000,000
Premium on bonds issued	5,055,658		3,208,334	475,559	2,426,713			5,675,415		2,418,877
Payment to advance refunding bond agent	(71,194,329)							(68,340,655)		
Proceeds from sale of capital assets							103,037		22,231	
Transfers in	16,774,827	8,036,323	16,673,879	12,597,062	16,876,307	37,169,566	31,044,100	24,292,313	31,908,793	54,880,576
Transfers out	(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)	(52,585,463)
Total other financing sources (uses)	<u>(3,112,763)</u>	<u>3,044,573</u>	<u>28,559,460</u>	<u>13,453,850</u>	<u>24,421,346</u>	<u>8,941,525</u>	<u>12,669,314</u>	<u>84,079,717</u>	<u>2,164,224</u>	<u>33,102,018</u>
CHANGE IN FUND BALANCE	<u>\$ (30,495,784)</u>	<u>\$ (29,827,771)</u>	<u>\$ 8,402,028</u>	<u>\$ (5,869,748)</u>	<u>\$ 1,910,281</u>	<u>\$ 14,293,342</u>	<u>\$ 42,201,594</u>	<u>\$ 75,792,945</u>	<u>\$ (17,739,516)</u>	<u>\$ 71,825,383</u>
Debt service as a percentage of noncapital expenditures	<u>3.6 %</u>	<u>3.5 %</u>	<u>3.3 %</u>	<u>3.9 %</u>	<u>3.6 %</u>	<u>3.7 %</u>	<u>3.6 %</u>	<u>3.8 %</u>	<u>3.8 %</u>	<u>3.9 %</u>

1. This ratio is computed by dividing principal and interest by total expenditures less amounts that are capitalized on the accrual basis government-wide statement of net position. This amount can be found on the reconciliation between the statement of revenues, expenditures, and changes in fund balance to the statement of activities for governmental funds.
2. Due to decreased return on investments.
3. Increase due mainly to construction of special assessment infrastructure.
4. Decrease due to decreased grant revenues from the Southern Nevada Public Land Management Act.
5. 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.
6. 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.
7. Increase due in large part to funds used to call bonds as part of the Inspirada special assessment district restructure.
8. Issue of bonds to refund City debt in order to better align the City's resources with its obligations.
9. Decrease due mainly to lower contributions for traffic control of \$5.6 million. Fiscal year 2016 was a historic high.
10. Issue of bonds for purchase, upgrade and replacement of City police communication system and other equipment.
11. Increase due to the land sales to Fontanesi LLC and Union Village.
12. Increase due to the creation of Local Improvement District T-20 (Rainbow Canyon) at Lake Las Vegas.
13. Increase primarily due to land sales of 8.15 acres.

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual Value	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Direct Tax Rate		Estimated Actual Value
2013	\$ 7,808,141,879	\$ 22,308,976,797	\$ 398,927,794	\$ 1,139,793,697	\$ 8,207,069,673	0.7108	\$ 23,448,770,494	35.0 %
2014	8,020,000,967	22,914,288,477	353,015,606	1,008,616,017	8,373,016,573	0.7108	23,922,904,494	35.0 %
2015	9,287,875,627	26,536,787,506	357,836,109	1,022,388,883	9,645,711,736	0.7108	27,559,176,389	35.0 %
2016	10,374,179,331	29,640,512,374	583,414,483	1,666,898,523	10,957,593,814	0.7108	31,307,410,897	35.0 %
2017	11,363,112,300	32,466,035,143	616,081,682	1,760,233,377	11,979,193,982	0.7108	34,226,268,520	35.0 %
2018	12,182,829,161	34,808,083,317	730,923,906	2,088,354,017	12,913,753,067	0.7108	36,896,437,334	35.0 %
2019	12,894,918,627	36,842,624,649	817,719,128	2,336,340,366	13,712,637,755	0.7108	39,178,965,015	35.0 %
2020	14,343,170,205	40,980,486,300	814,559,063	2,327,311,609	15,157,729,268	0.7108	43,307,797,909	35.0 %
2021	15,446,670,989	44,133,345,683	994,280,813	2,840,802,323	16,440,951,802	0.7408	46,974,148,006	35.0 %
2022	16,309,351,080	46,598,145,943	958,721,841	2,739,205,260	17,268,072,921	0.7708	49,337,351,203	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 Direct and Overlapping Rates	
	Total Tax Levy	Debt Service Fund	Total City Tax	State of Nevada	Clark County	Clark County	Special District		Total Overlapping Rates
			Rate		School District				
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
2022	0.6508	0.1200	0.7708	0.1700	1.3034	0.6541	0.0620	2.1895	2.9603

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	2022			2013		
	Taxable Assessed Value ²	Rank	Approximate Percentage of Taxable Assessed Valuation ³	Taxable Assessed Value ²	Rank	Approximate Percentage of Taxable Assessed Valuation ³
Google LLC	\$ 239,231,486	1	1.39 %	\$ 75,160,836	2	0.92 %
Station Casinos Incorporated	195,871,634	2	1.13 %	60,567,268	3	0.74 %
Basic Management, Inc.	118,850,313	3	0.69 %			
Gaming and Leisure Properties	78,217,315	4	0.45 %			
Picerne Real Estate Group	68,597,756	5	0.40 %	33,435,109	7	0.41 %
Universal Health Services Inc.	68,539,811	6	0.40 %			
Harsch Investment Properties	68,029,943	7	0.39 %	26,069,009	9	0.32 %
Ovation Development Corp	60,029,589	8	0.35 %			
Lennar Corporation	56,026,278	9	0.32 %			
Invitation Homes	47,720,449	10	0.28 %			
Green Valley Ranch Gaming, LLC				81,718,131	1	1.00 %
Greenspun Corporation				54,182,515	4	0.66 %
W.L. Nevada Incorporated				48,401,640	5	0.59 %
M Resort				35,952,773	6	0.44 %
Ranch Center Associates Limited Partnership				29,560,541	8	0.36 %
K.B. Homes				21,810,000	10	0.27 %
	<u>\$ 1,001,114,574</u>		<u>5.80 %</u>	<u>\$ 466,857,822</u>		<u>5.71 %</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)

<u>For the Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Levy Collected</u>	<u>Percent of Total Tax Levy Collected to Tax Levy</u>
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 %	376,159	69,803,830	99.99 %
2018	75,961,752	75,554,625	99.46 %	401,560	75,956,185	99.99 %
2019	83,486,244	83,035,950	99.46 %	439,557	83,475,507	99.99 %
2020	91,931,849	91,455,104	99.48 %	460,259	91,915,363	99.98 %
2021	102,413,934	101,983,701	99.58 %	367,970	102,351,671	99.94 %
2022	113,926,455	113,515,092	99.64 %	2	113,515,092	99.64 %

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Governmental Activities					Business-type	Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	General Obligation	Tax Allocation	Notes and Loans	Capital Leases	Total	Activities			
	Bonds	Bonds				Revenue Bonds			
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 %	1,193
2022	186,585,154	8,196,448		1,328,288	196,109,890	209,906,617	406,016,507	2.67 %	1,214

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)**

<u>For the Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Less Amounts Available in Debt Service Funds</u>	<u>Net General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Property Value</u> ²	<u>Per Capita</u> ³
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 %	529
2021	168,443,770	5,669,799	162,773,971	0.35 %	492
2022	186,585,154	5,404,739	181,180,415	0.37 %	542

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, 2022
(UNAUDITED)

	Total General Obligation Debt	Percent Applicable	Applicable Net General Obligation Debt
City of Henderson, Nevada	\$ 196,109,890	100.00 %	\$ <u>196,109,890</u>
Overlapping governments			
Clark County	766,893,902	15.41 %	118,178,350
Clark County School District	3,375,022,095	15.41 %	<u>520,090,905</u>
Total overlapping governments			<u>638,269,255</u>
Total direct and overlapping debt			<u>\$ 834,379,145</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, 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	June 30, 2022
Assessed value	<u>\$ 8,207,069,673</u>	<u>\$ 8,373,016,573</u>	<u>\$ 9,645,711,736</u>	<u>\$ 10,957,593,814</u>	<u>\$ 11,979,193,982</u>	<u>\$ 12,913,753,067</u>	<u>\$ 13,712,637,755</u>	<u>\$ 15,157,729,268</u>	<u>\$ 16,440,951,802</u>	<u>\$ 17,268,072,921</u>
Legal debt margin										
Legal debt limit (15% of assessed value)	<u>\$ 1,231,060,451</u>	<u>\$ 1,255,952,486</u>	<u>\$ 1,446,856,760</u>	<u>\$ 1,643,639,072</u>	<u>\$ 1,796,879,097</u>	<u>\$ 1,937,062,960</u>	<u>\$ 2,056,895,663</u>	<u>\$ 2,273,659,390</u>	<u>\$ 2,466,142,770</u>	<u>\$ 2,590,210,938</u>
Debt applicable to debt limit										
Total bonded debt, including special assessment bonds	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	404,688,219
Less										
Tax allocation bonds	¹ (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)	(8,196,448)
Total bonded debt, applicable to debt limit	<u>275,480,164</u>	<u>257,349,602</u>	<u>239,804,728</u>	<u>222,743,026</u>	<u>220,833,618</u>	<u>203,093,302</u>	<u>186,621,669</u>	<u>399,842,906</u>	<u>384,508,863</u>	<u>396,491,771</u>
Legal debt margin	<u>\$ 955,580,287</u>	<u>\$ 998,602,884</u>	<u>\$ 1,207,052,032</u>	<u>\$ 1,420,896,046</u>	<u>\$ 1,576,045,479</u>	<u>\$ 1,733,969,658</u>	<u>\$ 1,870,273,994</u>	<u>\$ 1,873,816,484</u>	<u>\$ 2,081,633,907</u>	<u>\$ 2,193,719,167</u>
Total bonded debt applicable to limit as a percentage of debt limit	<u>22.38 %</u>	<u>20.49 %</u>	<u>16.57 %</u>	<u>13.55 %</u>	<u>12.29 %</u>	<u>10.48 %</u>	<u>9.07 %</u>	<u>17.59 %</u>	<u>15.59 %</u>	<u>15.31 %</u>

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

CITY OF HENDERSON, NEVADA

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

For the Year Ended June 30,	Water and Sewer Bonds						Tax Allocation Bonds				
	Charges for Services	Operating Expenses ²	Net Available Revenue	Debt Service			Tax Increment	Debt Service			
				Principal	Interest	Coverage		Principal	Interest	Coverage	
2013	\$ 100,859,843	\$ 80,469,835	\$ 20,390,008	\$ 14,017,434	\$ 6,472,556	99.51 %	\$ 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	104.00 %	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	126.07 %	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	162.24 %	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	160.64 %	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	151.96 %	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	187.83 %	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	261.50 %	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	182.73 %	23,374,852	265,000	355,425	3,767.55 %	
2022	142,782,091	111,670,946	31,111,145	5,078,311	6,887,052	260.01 %	27,395,164	275,000	341,925	4,440.60 %	

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)**

<u>For the Year Ended June 30,</u>	<u>Population</u> ¹	<u>Personal Income</u> ²	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u> ³
2013	274,270	\$ 8,690,214,958	\$ 31,685	10.20 %
2014	280,928	9,039,623,004	32,178	8.40 %
2015	287,828	8,355,722,814	29,030	6.70 %
2016	294,359	8,775,373,195	29,812	5.80 %
2017	300,709	9,658,153,376	32,118	4.80 %
2018	310,244	10,501,006,590	33,848	4.40 %
2019	317,661	11,596,051,390	36,504	4.00 %
2020	322,800	12,743,720,359	39,479	19.00 %
2021	330,561	13,454,895,768	40,703	7.50 %
2022	334,471	15,208,507,314	45,470	5.10 %

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	2022			2013		
	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	3,170 ²	1	2.03% %	3,007 ²	1	2.32%
Barclays Services, LLC	1000-4999 ³	2	0.64 - 3.19 %			
Green Valley Ranch Station Casino	1000-4999 ³	3	0.64 - 3.19 %	1,500-1,999 ³	3	1.15 - 1.54%
St. Rose Dominican Hospital-Siena	1000-4999 ³	4	0.64 - 3.19 %	1,500-1,999 ³	2	1.15 - 1.54%
Sunset Station Hotel & Casino	1000-4999 ³	5	0.64 - 3.19 %	1,000-1,499 ³	5	1.15 - 1.54%
Amazon LAS1 Distribution Center	1000-4999 ³	6	0.32 - 0.64 %			
CaptionCall, LLC	500-999 ³	7	0.32 - 0.64 %			
Henderson Hospital	500-999 ³	8	0.32 - 0.64 %			
St. Rose Dominican Hospital-Rose de Lima	500-999 ³	9	0.32 - 0.64 %	700-700 ³	6	0.54 - 0.62%
The M Resort	500-999 ³	10	0.32 - 0.64 %	1,000-1,499 ³	4	1.15 - 1.54%
Fiesta Henderson Casino Hotel				600-699 ³	7	0.46 - 0.54%
Zappos CLT Inc				600-699 ³	8	0.46 - 0.54%
Medco Health LLC				500-599 ³	9	0.39 - 0.46%
Titanium Metals Corp. of America				500-599 ³	10	0.39 - 0.46%

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, 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	June 30, 2022
Governmental activities										
General government	354	340	343	353	348	350	368	387	395	410
Judicial	99	108	104	105	103	92	93	94	94	97
Public safety	907	910	877	890	909	985	985	1,025	1,028	1,049
Public works	103	113	114	124	123	126	134	131	130	136
Culture and recreation	458	471	438	438	435	443	474	441	450	452
Community support	18	20	20	18	17	16	14	13	17	17
Total governmental activities	<u>1,939</u>	<u>1,962</u>	<u>1,896</u>	<u>1,928</u>	<u>1,935</u>	<u>2,012</u>	<u>2,068</u>	<u>2,091</u>	<u>2,114</u>	<u>2,161</u>
Business-type activities										
Water	145	147	150	152	158	163	169	174	173	182
Sewer	129	128	129	133	134	136	136	144	143	148
Development services	44	56	65	68	75	86	80	86	86	82
Other	44	44	44	36	30	35	15	2	402	412
Total business-type activities	<u>362</u>	<u>375</u>	<u>388</u>	<u>389</u>	<u>397</u>	<u>420</u>	<u>400</u>	<u>404</u>	<u>402</u>	<u>412</u>
Total full-time equivalent employees	<u>2,301</u>	<u>2,337</u>	<u>2,284</u>	<u>2,317</u>	<u>2,332</u>	<u>2,432</u>	<u>2,468</u>	<u>2,495</u>	<u>2,516</u>	<u>2,573</u>

1. Source - City of Henderson, Finance Department.
2. Summer season programs were canceled, 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, 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	June 30, 2022
Governmental activities ²										
Judicial										
New cases created (criminal and traffic)	43,256	37,741	38,257	40,094	37,728	40,407	52,030	30,649	25,889 ²⁸	27,087
Cases closed (criminal and traffic)	39,257	34,582	33,562	37,856	37,963	39,093	45,690	31,723	31,653	25,167 ³⁰
Scheduled court appearances - defendants	45,524	36,608	35,631	39,468	36,298	35,867	46,169	37,189	35,773	30,581 ³¹
Public safety										
Police reports	22,320	22,037	20,392	24,611	26,875	29,982	31,278	26,554 ²³	25,732	25,947
Police calls for service	141,677	135,678	145,903	154,751	179,854	198,185	269,662 ²¹	214,718 ²³	206,313	205,185
Number of emergency medical response incidents	18,953	19,227	20,421	21,487	22,718	24,224	25,387	25,421	26,904	30,298
Number of emergency medical response transports	13,199	13,050	13,671	14,790	15,998	17,628	18,672	18,467	19,524	22,051
Number of fire incidents	544	555	529	523	655	645	523	587	692	755
Public works										
Lane miles of street maintenance	12 ⁵	241	54 ¹³	68	92	70	66	92	94	106
Lane miles of existing street reconstruction	20 ⁶	4	20	36	1	2	5	8	10	9
Number of scheduled inspections (off-site improvements)	20,421	23,116	30,406	31,165	35,367	33,399	33,846	41,131	41,597	42,414
Number of off-site (non-building) projects	79	43	51	68	36	43	37	33	35	29
Culture and recreation										
Parks and recreation class registrations	388,038	464,722	430,863	457,965	409,299	433,807	433,752	342,587 ²⁴	83,312 ²⁴	380,982
Community support										
Number of requests for information on business relocations	233 ⁷	154	178	165	414 ¹⁶	123 ¹⁸	91	101	90	121
Number of local business requests for information, assistance or outreach	688	661	444	511	744 ¹⁶	2,408 ¹⁹	22	599 ²⁷	1,170 ²⁷	409 ³²
Number of jobs created ³	269	1,920 ¹⁰	289	971 ¹⁴	1,223 ¹⁷	1,659 ²⁰	685	2,335 ²⁵	1,826	488 ³²
Business-type activities										
Water										
Average daily water consumption (MGD) ⁴	68	67	68	68	70	74	74	73	80 ²⁹	76
Number of requests for line location	51,662	52,315	60,681	60,821	73,811 ¹⁵	85,762	85,725	132,709 ¹⁵	115,012	114,934
Number of hydrant major repairs	127 ⁸	139	91 ¹¹	90	109	155	134	153	115	133
Number of line repairs	483	397	524	633	570	863	862	1,123 ²⁶	646	696
Sewer										
Lines video inspected (feet)	552,244	619,118	523,884	495,963	371,572	440,809	447,766	533,427	514,677	500,066
Lines cleaned (feet)	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	1,303,183
Development services										
Number of plan review activities	12,660	14,220	21,957 ¹²	25,847	29,433	29,263	31,219	32,036	31,328	28,921
Building permits issued	11,729 ⁹	12,439	15,999 ¹²	16,742	15,721	17,561	19,486	19,049	20,213	20,617

(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 tradeshows, 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 Haas 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.
30. Reduction in closed cases directly correlates to the reduced number of cases filed over the previous two fiscal years, primarily due to the COVID-19 pandemic and related mitigation protocols
31. The number of scheduled court appearances has decreased as a result of several process improvements which allow a court user to resolve their case without a court appearance.
32. Reductions primarily due to uncertainty in the market, inflation and economic slowing in terms of growth

CITY OF HENDERSON, NEVADA

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

Function/program	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	June 30, 2022
Governmental activities ²										
Public safety										
Number of police stations	3	3	3	3	3	3	3	3	3	3
Number of fire stations	9	9	9	9	9	10	10	11	11	11
Number of patrol units	137	132	136	136	136	143	143	142	142	142
Public works										
Streets (miles)	822	829	835	851	863	862	873	938	956	950
Traffic signals	158	160	166	174	182	182	188	186	190	196
Culture and recreation										
Park acreage	1,238	1,263	1,300	1,306	1,306	1,306	1,311	1,315	1,325	1,330
Number of parks	57	60	63	64	64	64	65	66	68	69
Number of swimming pools	15	15	13	13	13	13	13	13	13	13
Number of tennis courts	57	62	64	64	58	58	58	58	58	58
Number of recreation centers	8	8	8	8	8	8	8	8	8	8
Business-type activities										
Water										
Water mains (miles)	1,200	1,222	1,482	1,488	1,505	1,521	1,539	1,555	1,571	1,592
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of water pump stations	32	32	33	33	33	32	34	32	32	31
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	15	15	16	15	14	14
Miles of sanitary sewer lines	935	943	947	949	956	968	975	1,129	987	997

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

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COMPLIANCE SECTION

HENDERSON[™]

Annual Comprehensive Financial Report

City of Henderson, Nevada | For Fiscal Year Ended June 30, 2022



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, NV (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of findings and questioned costs* as item 2022-001 that we consider to be material weaknesses.

Report on 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*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

BDO USA, LLP

Las Vegas, NV
December 16, 2022



Independent Auditor’s Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Henderson, Nevada’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2022. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

BDO USA, LLP

Las Vegas, NV
December 16, 2022

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CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u>				
<i>Direct program</i>				
Farm to School Grant Program				
USDA Farm to School-Hydroponic	10.575			43,442
Total U.S. Department of Agriculture				<u>43,442</u>
<u>U.S. Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
<i>Direct program</i>				
Community Development Block Grants/Entitlement Grants				
COVID-19 Community Development Block Grants - Other	14.218			94,771
COVID-19 Community Development Block Grants - Subrecipient	14.218		275,692	275,692
Community Development Block Grants - Other	14.218			372,192
Community Development Block Grants - Subrecipient	14.218		407,581	407,581
			<u>683,273</u>	<u>1,150,236</u>
<i>Passed through State of Nevada Housing Division</i>				
Community Development Block Grants/Entitlement Grants				
COVID-19 Community Development Block Grants - Subrecipient	14.218	CDBG-CVR2 20/PS/27	782,779	782,779
Total CDBG - Entitlement Grants Cluster			<u>1,466,052</u>	<u>1,933,015</u>
<i>Passed through State of Nevada Department of Business and Industry Housing Division</i>				
Emergency Solutions Grant Program				
COVID-19 - Emergency Solutions Grants 2021 - Other	14.231*			45,895
COVID-19 - Emergency Solutions Grants 2021 - Subrecipient	14.231*	E-20-DW-32-0001	606,797	606,797
Total ALN 14.231			<u>606,797</u>	<u>652,692</u>
<i>Direct program</i>				
Home Investment Partnerships Program				
Home Grants - Other	14.239			59,551
Program Income - Home Funds - Other	14.239			45,706
				<u>105,257</u>
<i>Passed through State of Nevada Housing Division</i>				
Home Investment Partnerships Program				
Program Income - Home Funds - Subrecipient	14.239		78,567	78,567
Home Grants - Subrecipient	14.239		114,608	114,608
			<u>193,175</u>	<u>193,175</u>
Total ALN 14.239			<u>193,175</u>	<u>298,432</u>
Total U.S. Department of Housing and Urban Development			<u>2,266,024</u>	<u>2,884,139</u>

The accompanying notes are an integral part of this schedule

* Major program

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Expenditures
<u>U.S. Department of the Interior</u>				
<i>Direct program</i>				
Southern Nevada Public Land Management				
UPRR Trail Projects	15.235			8,431,005
Adaptive Use Park	15.235			96,215
Pueblo Trail Enhancement	15.235			4,137
Total ALN 15.235				<u>8,531,357</u>
Total U.S. Department of the Interior				<u>8,531,357</u>
<u>U.S. Department of Justice</u>				
<i>Direct program</i>				
DEA - Cannabis 2021	16.U01			3,967
DEA - Cannabis 2022	16.U01			3,496
Total ALN 16.U01				<u>7,463</u>
<i>Passed through State of Nevada Department of Public Safety</i>				
Coronavirus Emergency Supplemental Funding Program				
COVID-19 - CESF II Transport Van	16.034	20-CESF-23		106,718
COVID-19 - CESF Body Scanner	16.034	20-CESF-45		159,000
Total ALN 16.034				<u>265,718</u>
<i>Passed through Las Vegas Metropolitan Police Department</i>				
Missing Children's Assistance				
Internet Crimes Against Children 2017	16.543	Interlocal Agreement		483
Internet Crimes Against Children 2021	16.543	Interlocal Agreement		49,966
Total ALN 16.543				<u>50,449</u>
<i>Direct program</i>				
Drug Court Discretionary Grant Program				
A.B.C. Court	16.585			50,976
<i>Passed through State of Nevada Office of the Attorney General</i>				
Violence Against Women Formula Grants				
VAWA - STOP FY22	16.588	2021-VAWA-20		61,475
<i>Direct program</i>				
Public Safety Partnership and Community Policing Grants				
FY21 COPS Mental Health	16.710			4,235
<i>Direct program</i>				
Edward Byrne Memorial Justice Assistance Grant Program				
Local JAG FY20	16.738			36,305
Local JAG FY21	16.738			46,664
<i>Passed through State of Nevada Department of Public Safety</i>				
Edward Byrne Memorial Justice Assistance Grant Program				
FFY21 State JAG - HIDE	16.738	20-JAG-28		39,000
Total ALN 16.738				<u>121,969</u>

The accompanying notes are an integral part of this schedule

* Major program

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Expenditures
<i>Passed through State of Nevada Department of Public Safety</i>				
Paul Coverdell Forensic Sciences Improvement Grant Program				
Coverdell State 2020	16.742	20-FSI-04		7,790
Coverdell State 2021	16.742	21-FSI-04		49,431
Total ALN 16.742				<u>57,221</u>
Total U.S. Department of Justice				<u>619,506</u>
<u>U.S. Department of Transportation</u>				
Highway Planning and Construction Cluster				
<i>Passed through State of Nevada Department of Transportation</i>				
Highway Planning and Construction				
NDOT I-215 Trail Bridges	20.205*	P484-16-063		1,213,730
NDOT Anthem Rose Trail	20.205*	PR185-19-063		(170)
Total ALN 20.205				<u>1,213,560</u>
Total Highway Planning and Construction Cluster				<u>1,213,560</u>
Highway Safety Cluster				
<i>Passed through State of Nevada Department of Public Safety</i>				
State and Community Highway Safety				
Joining Forces 2021	20.600	JF-2021-HPD-00037		44,393
Joining Forces 2022	20.600	JF-2022-HPD-00002		108,017
JF LFD FY22	20.600	LFD-2022-HPD-00002		9,276
Total ALN 20.600				<u>161,686</u>
Total Highway Safety Cluster				<u>161,686</u>
<i>Passed through State of Nevada Department of Public Safety</i>				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Joining Forces 2021	20.608	JF-2021-HPD-00037		22,099
Joining Forces 2022	20.608	JF-2022-HPD-00002		68,048
Total ALN 20.608				<u>90,147</u>
Total U.S. Department of Transportation				<u>1,465,393</u>
<u>U.S. Department of the Treasury</u>				
<i>Direct program</i>				
Equitable Sharing	21.016			64,680
<i>Direct program</i>				
Emergency Rental Assistance Program				
COVID-19 - Emergency Rental Assistance	21.023		150,000	150,000
COVID-19 - Emergency Rental Assistance II	21.023		212,480	212,480
Total ALN 21.023			<u>362,480</u>	<u>362,480</u>

The accompanying notes are an integral part of this schedule

* Major program

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Expenditures
<i>Direct program</i>				
Coronavirus State and Local Fiscal Recovery Funds				
COVID-19 - Revenue Relief	21.027*			16,522,845
Total U.S. Department of the Treasury				16,950,005
<u>National Endowment for the Arts</u>				
<i>Passed through TourWest</i>				
Promotion of the Arts Partnership Agreements				
TW Small Glories	45.025	TW20210046		2,500
TW Martha Redbone	45.025	TW20210154		2,500
Total ALN 45.025				5,000
Total National Endowment for the Arts				5,000
<u>National Endowment for the Humanities</u>				
<i>Passed through Nevada Humanities</i>				
Promotion of the Humanities Federal/State Partnership				
Native American Heritage Festival	45.129	2022-18MP		2,299
Total National Endowment for the Humanities				2,299
<u>U.S. Environmental Protection Agency</u>				
<i>Direct program</i>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements				
Brownfields Assessment Grant	66.818			92,520
Total U.S. Environmental Protection Agency				92,520
<u>U.S. Department of Health and Human Services</u>				
Aging Cluster				
<i>Passed through State of Nevada Department of Health and Human Services</i>				
Special Programs for the Aging, Title III, Part C, Nutrition Services				
Senior Nutrition Congregate 2021	93.045	03-031-07-1H1-21		38,967
Senior Nutrition Homebound 2021	93.045	03-031-04-2H-21		70,311
Senior Nutrition Homebound 2022	93.045	03-031-04-2X-22		493,210
Senior Nutrition Homebound - Emergency	93.045	03-031-04-2C5X-22		425,588
Program Income - Senior Nutrition	93.045			124,426
Total ALN 93.045				1,152,502

The accompanying notes are an integral part of this schedule

* Major program

(Continued)

CITY OF HENDERSON, NEVADA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Amount Passed Through to Subrecipients	Total Expenditures
<i>Passed through State of Nevada Department of Health and Human Services</i>				
Nutrition Services Incentive Program				
NSIP 2022	93.053	03-031-57-NX-22		151,859
Total Aging Cluster				<u>1,304,361</u>
CCDF Cluster				
<i>Passed through The Children's Cabinet, Inc.</i>				
Child Care and Development Block Grant				
COVID-19 - VVRC CRRSA ABC Grant	93.575			196,115
COVID-19 - VVRC ARP ABC Grant	93.575			426,589
Total ALN 93.575				<u>622,704</u>
Total CCDF Cluster				<u>622,704</u>
<i>Passed through Southern Nevada Health District</i>				
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention and Health Funds				
SNHD Reach Grant	93.738	C1900051		17,410
Total U.S. Department of Health and Human Services				<u>1,944,475</u>
<u>U.S. Department of Homeland Security</u>				
<i>Passed through State of Nevada Department of Public Safety</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
COVID-19 - Vaccine	97.036			122,643
COVID-19 - Testing	97.036			43,408
Total ALN 97.036				<u>166,051</u>
<i>Passed through State of Nevada Department Office of the Military</i>				
Emergency Management Performance Grants				
Emergency Management Performance Grants FFY21	97.042	97042.21		154,732
<i>Passed through State of Nevada Department of Public Safety</i>				
Emergency Management Performance Grants				
COVID-19 - Emergency Management Performance Grants Supplemental	97.042	97042.20S		54,145
Total ALN 97.042				<u>208,877</u>
<i>Passed through State of Nevada Department of Public Safety</i>				
Homeland Security Grant Program				
UASI FFY19 Enterprise SS	97.067	97067.19-3100		391,828
UASI FFY19 Equipment	97.067	97067.18-3100		23,272
UASI FFY20 Armored Vehicle	97.067	97067.20		31,143
Total ALN 97.067				<u>446,243</u>
Total U.S. Department of Homeland Security				<u>821,171</u>
Total expenditures of federal awards			<u>2,628,504</u>	<u>33,359,307</u>

The accompanying notes are an integral part of this schedule

* Major program

City of Henderson, Nevada

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “SEFA”) includes the federal award activity of the City of Henderson (the “City”) under programs of the federal government for the year ended June 30, 2022. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

The City has elected to use the 10-percent de minimis indirect cost rate for federal programs that allow those costs to be charged, as allowed under the Uniform Guidance, where applicable.

4. Loan Programs

The City participates in Revolving Loan Funds and Section 108 Loan Guarantee programs sponsored by the Department of Housing and Urban Development - Community Development Block Grants (CDBG) and the HOME Investment Partnerships Program. Under these programs, the City issues loans to program participants which may be forgiven over time, or are repaid into the program for the issuance of new loans. Only current year loan drawdowns (new loans issued) are reported on the SEFA; there are no contingencies noted. At June 30, 2022, the City had the following loan activities:

Program Title	Federal ALN number		Outstanding Receivable from Program Participants
Home Investment Partnerships Program	14.239	\$	6,334,033
Community Development Block Grants/ Entitlement Grants	14.218		170,000
Total		\$	6,504,033

City of Henderson, Nevada
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
	None
Significant deficiency(ies) identified?	Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

Assistance Living

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.231	COVID-19-Emergency Solutions Grant Program
20.205	Highway Planning and Construction Cluster
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$1,000,779
Auditee qualified as low-risk auditee?	Yes

City of Henderson, Nevada
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

**Section II – Financial Statement Findings Required to be Reported in Accordance with
*Governmental Auditing Standards***

2022-001	Improper period of expenditures
<i>Criteria</i>	Liabilities are to be recorded when there is a present obligation to sacrifice resources that the government has little or no discretion to avoid (GASB Concepts Statement No. 4 Summary)
<i>Condition</i>	During fiscal year 2022, the City determined that the 18% Education Set-aside liability was improperly recorded in fiscal year 2021, as an obligation to remit funds to a third-party did not exist as of period end. The City determined that this was material to the prior period financial statements and therefore, the beginning fund balance was adjusted to reverse the liability.
<i>Cause</i>	Controls over the identification of current year liabilities were not operating effectively to ensure that expenditures were recorded in the correct period.
<i>Effect</i>	Prior year expenditures and liabilities were overstated by \$2.7 million in the aggregate non-major funds.
<i>Recommendation</i>	We recommend that the City ensure its policies and procedures are updated to ensure that liabilities are only recorded when there is a present obligation.
<i>View of Responsible Officials</i>	Management has implemented a new policy for the 18% set-aside accrual. The liability will only be accrued if clear direction has been given by the Joint Planning Group on or before June 30 of each year.

Section III - Federal Award Findings and Questioned Costs

There were no Federal Award findings and questioned costs.

City of Henderson, Nevada
Schedule of Business License Fees
For the Year Ended June 30, 2022

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, 2022		\$	6,199,268
Business license revenue for the year ended June 30, 2021 (base year)	\$		5,285,067
Adjustment to base year			
Percentage change in Consumer Price Index			<u>7.04 %</u>
Total adjustment to base year			<u>372,069</u>
Adjusted business license revenue base for the year ended June 30, 2022			<u>5,657,136</u>
Amount over allowable maximum		\$	<u><u>542,132</u></u>

FEES CALCULATED ON A FLAT OR FIXED RATE

Business license revenue for the year ended June 30, 2022		\$	2,899,945
Business license revenue for the year ended June 30, 2021 (base year)	\$		2,936,420
Adjustment to base year			
Percentage change in local government population			1.62%
Percentage change in Consumer Price Index			<u>7.04%</u>
			<u>8.66%</u>
Total adjustment to base year			<u>254,294</u>
Adjusted business license revenue base for the year ended June 30, 2022			<u>3,190,714</u>
Amount over allowable maximum		\$	<u><u>(290,769)</u></u>

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City of Henderson's Response to Single Audit (Unaudited)



CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED JUNE 30, 2022

2022-001 Improper period of expenditures

Criteria Liabilities are to be recorded when there is a present obligation to sacrifice resources that the government has little or no discretion to avoid (GASB Concepts Statement No. 4 Summary)

Contact person David Vorce (david.vorce@cityofhenderson.com)

Implantation date July 1, 2022

Corrective Action On a go-forward basis, a liability will only be accrued if clear direction has been given by the Joint Planning Group on or before June 30 to distribute the funds to specific schools or the District for Qualified projects.

For any Qualified Projects to be undertaken by the Agency, the Agency shall disburse the Education Set Aside Funds to be disbursed pursuant to this shall be held by the Agency in a restricted account until such time as such funds are disbursed for payment associated with the applicable Qualified Project. No liability will be accrued unless an approved purchase order exists or an invoice for the fiscal year in questions is received and paid after year-end. Otherwise, only restricted cash will be recorded at year end 18% of Eastside and Downtown revenues.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

2021-001	Reporting - Monthly Reports – Internal Control over Compliance
<i>Criteria</i>	All State, Local and Territorial Recipients that received ERA 1 and/or ERA2 awards must submit brief Monthly Reports covering two data points only: 1) the total number of participating households, and 2) total amount of ERA funds expended.
<i>Finding Summary</i>	Two monthly reports examined were not reviewed by management for accuracy prior to submission to the awarding agency.
<i>Status</i>	Corrective Action has been taken for this item.

HENDERSON

Debra March

Mayor

John F. Marz

Councilman

Michelle Romero

Councilwoman

Dan K. Shaw

Councilman

Dan H. Stewart

Councilman

Richard A. Derrick

City Manager/
Chief Executive Officer

Stephanie Garcia-Vause

Assistant City Manager/
Chief Strategy Officer

Robert Herr

Assistant City Manager/
Chief Infrastructure Officer

Jim McIntosh

Assistant City Manager/
Chief Financial Officer

Maria Gamboa

Director of Finance

CITY OF HENDERSON

240 S. Water St. | Henderson, NV 89015
cityofhenderson.com