



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of and for the year ended June 30, 2008, which collectively comprise the City of Henderson's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of City of Henderson. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2008, on our consideration of City of Henderson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, on pages 3A thru 3M, and the schedule of funding progress for the City's Other Postemployment Benefit (OPEB) plan on page 56 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Henderson's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical tables, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Henderson. The combining and individual fund statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GALLINA LLP

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Roseville, California
October 30, 2008

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Management's Discussion & Analysis

As management of the City of Henderson, we offer readers of the City of Henderson's financial statements this narrative overview and analysis of the financial activities of the City of Henderson for the fiscal year ended June 30, 2008. Please read this in conjunction with the transmittal letter at the beginning of the report and the City's financial statements following this section.

Financial Highlights

- The assets of the City of Henderson exceeded its liabilities at June 30, 2008 by \$2,494,138,583 (net assets). Of this amount, \$201,323,365 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$200,192,943. See the sections on Governmental Activities and Business-type Activities below for explanations on the increase.
- As of June 30, 2008, the City of Henderson's governmental funds reported combined ending fund balances of \$401,990,061, a decrease of \$4,402,368 in comparison with the prior year. This decrease is mainly due to increased expenses and lower consolidated tax revenues. Approximately 75% of ending fund balances or \$301,318,666 is available for spending at the City's discretion (unreserved fund balance).
- As of June 30, 2008 unreserved fund balance in the general fund was \$28,459,480 or 13.8% of general fund expenditures.

Financial Statement Overview

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

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

The Statement of Net Assets presents information on all of the City of Henderson's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Henderson is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Henderson 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 of Henderson include general government, judicial, public safety, public works, culture and recreation, and community support. The business-type

activities of the City of Henderson include Water and Sewer operations, the Development Services Center, Cultural Arts and Tourism, and a Municipal Golf Course.

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

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

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

The City of Henderson maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, general obligation debt service fund, special assessment debt service fund, special assessment districts capital projects fund, and the municipal facilities capital projects fund, all of which are considered to be major funds. Data from the fifteen other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The City of Henderson adopts an annual appropriated budget for all its governmental funds. A budgetary comparison for the City's general fund has been provided to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

Proprietary funds. The City of Henderson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Henderson uses enterprise funds to account for its Water and Sewer activities, and the Development Services Center, all of which are considered major funds. Data from the two nonmajor enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in the report. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Henderson's various functions. The City of Henderson uses internal service funds to account for its engineering services, its City vehicles, its self-insurance activities, to account for loan activities to other funds for special assessment districts and to account for general citywide services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water activities, the Sewer activities, Development Services activities, which are considered major funds of the City of Henderson. 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 of Henderson's own programs.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Henderson, assets exceeded liabilities by \$2,494,138,583 at June 30, 2008.

The largest portion of the City of Henderson's net assets (69%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Henderson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Henderson'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.

City of Henderson's Net Assets

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$531,206,698	\$508,135,563	\$395,729,625	\$422,862,468	\$926,936,323	\$930,998,031
Capital assets	1,165,849,438	1,059,873,828	908,785,428	805,611,165	2,074,634,866	1,865,484,993
Total assets	1,697,056,136	1,568,009,391	1,304,515,053	1,228,473,633	3,001,571,189	2,796,483,024
Long-term liabilities	206,414,356	209,874,296	231,284,404	243,170,162	437,698,760	453,044,458
Other liabilities	36,951,828	28,491,318	32,782,018	21,001,608	69,733,846	49,492,926
Total liabilities	243,366,184	238,365,614	264,066,422	264,171,770	507,432,606	502,537,384
Net assets:						
Invested in capital assets, net of related debt	1,005,171,173	887,712,904	714,572,047	627,392,350	1,719,743,220	1,515,105,254
Restricted	358,318,888	348,850,390	214,753,110	212,998,953	573,071,998	561,849,343
Unrestricted	90,199,891	93,080,483	111,123,474	123,910,560	201,323,365	216,991,043
Total net assets	\$1,453,689,952	\$1,329,643,777	\$1,040,448,631	\$964,301,863	\$2,494,138,583	\$2,293,945,640

An additional portion of the City of Henderson's net assets (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$201,323,365, may be used to meet the City's ongoing obligations to citizens and creditors.

As of June 30, 2008 the City of Henderson is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year.

There was an increase of \$117,458,269 in net assets invested in capital assets net of related debt for governmental activities. This was due mainly to developer donations of infrastructure, as well as a decrease in the debt related to these capital assets.

There was an increase of \$87,179,697 in net assets invested in capital assets net of related debt for business-type activities. Most of this increase is due to contributed assets and construction in progress. See Capital Assets section for further explanation.

The City of Henderson's net assets increased by \$200,192,943 during the current fiscal year, an increase in governmental net assets of \$124,046,175 and an increase in business-type activities of \$76,146,768. See explanations for the increases in the sections for Governmental Activities and Business-type Activities.

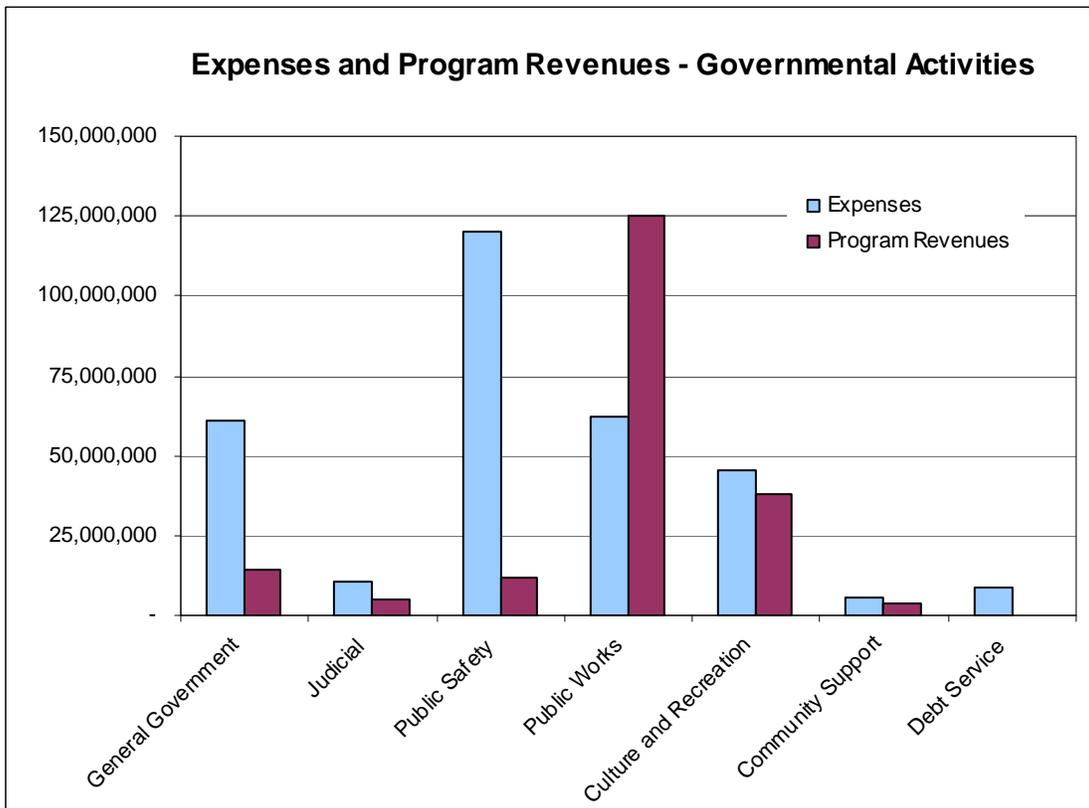
City of Henderson's Changes in Net Assets

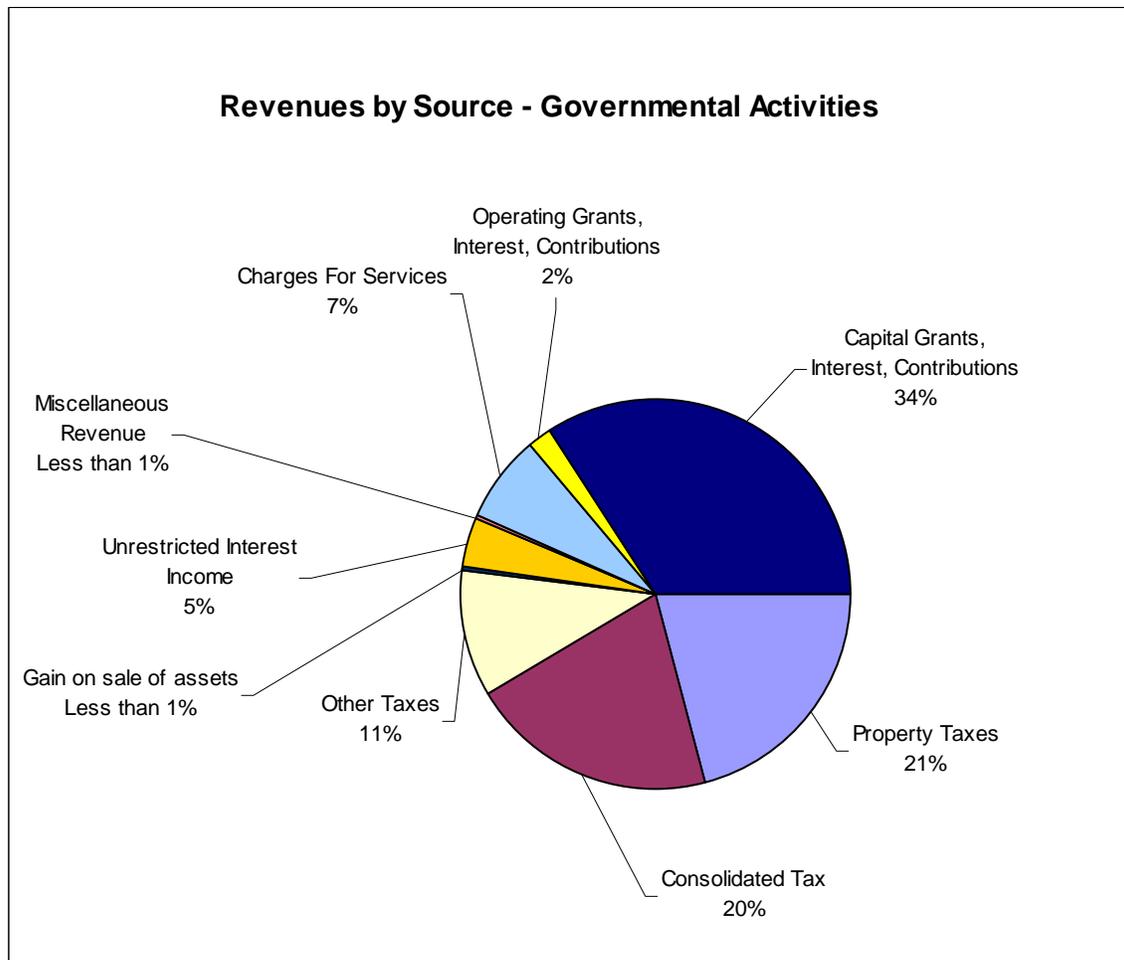
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues						
Charges for services	\$33,304,072	\$31,112,275	\$111,996,915	\$118,861,078	\$145,300,987	\$149,973,353
Operating grants, interest, and contributions	8,660,441	8,665,051	77,098	56,134	8,737,539	8,721,185
Capital grants, interest and Contributions	155,138,614	123,717,507	95,819,296	66,134,052	250,957,910	189,851,559
General revenues:						
Property taxes	94,998,902	84,670,413	-	-	94,998,902	84,670,413
Consolidated tax	92,537,034	99,587,194	-	-	92,537,034	99,587,194
Other taxes	48,591,040	46,983,771	7,221,693	7,285,311	55,812,733	54,269,082
Unrestricted interest income	18,584,119	13,885,771	20,942,193	20,441,004	39,526,312	34,326,775
Gain on sale of assets	709,299	25,902,150	71,595	-	780,894	25,902,150
Other	1,532,688	1,083,413	816,127	1,297,264	2,348,815	2,380,677
Total revenues	454,056,209	435,607,545	236,944,917	214,074,843	691,001,126	649,682,388
Expenses:						
General government	61,804,917	50,374,073	-	-	61,804,917	50,374,073
Judicial	10,493,174	9,109,288	-	-	10,493,174	9,109,288
Public safety	120,255,700	104,481,376	-	-	120,255,700	104,481,376
Public works	62,305,206	58,704,749	-	-	62,305,206	58,704,749
Culture and recreation	45,459,685	39,819,367	-	-	45,459,685	39,819,367
Community Support	5,457,316	4,865,916	-	-	5,457,316	4,865,916
Interest on long-term debt	8,921,624	9,681,974	-	-	8,921,624	9,681,974
Water	-	-	76,910,784	73,406,312	76,910,784	73,406,312
Sewer	-	-	46,917,885	42,732,326	46,917,885	42,732,326
Development Center	-	-	27,144,018	24,884,187	27,144,018	24,884,187
Other business-type activities	-	-	11,249,375	10,207,163	11,249,375	10,207,163
Total expenses	314,697,622	277,036,743	162,222,062	151,229,988	476,919,684	428,266,731
Increase in net assets before Transfers & Special Item	139,358,587	158,570,802	74,722,855	62,844,855	214,081,442	221,415,657
Special Item-Donated Land	(13,888,499)	-	-	-	(13,888,499)	-
Transfers	(1,423,913)	(8,923,423)	1,423,913	8,923,423	-	-
Increase in net assets	124,046,175	149,647,379	76,146,768	71,768,278	200,192,943	221,415,657
Net assets, July 1, as originally reported	1,329,643,777	1,179,996,398	969,702,688	897,934,410	2,299,346,465	2,077,930,808
Prior Period Adjustment	-	-	(5,400,825)	-	(5,400,825)	-
Net assets, July 1, as adjusted	1,329,643,777	-	964,301,863	897,934,410	2,293,945,640	2,077,930,808
Net assets, June 30	\$1,453,689,952	\$1,329,643,777	\$1,040,448,631	\$969,702,688	\$2,494,138,583	\$2,299,346,465

Governmental Activities. Governmental activities increased the City of Henderson's net assets by \$124,046,175 thereby accounting for 62% of the total growth in net assets of the City of Henderson. Key elements of this increase are as follows:

- Capital grants and contributions increased by \$31,421,107 (25%). This is due mainly to donated infrastructure from developers. The main contributions were for master planned communities of Anthem Sun City for \$14 million; Anthem Highlands for \$10 million; Anthem Solera for \$4 million; and Boulder Creek for \$3 million. Other contributions consisted of donations for channel improvements totaling approximately \$11 million.
- Property taxes increased by \$10,328,489 (12%) due in part to approximately \$3 million in Redevelopment Agency property taxes. This increase was due to a significant number of homes built in redevelopment areas. Other increases are due to growth in assessed value.

- During the previous fiscal year, there was a significant land sale to Cashman Equipment for a new sales and repair facility for which the City gave up land with minimal book value resulting in a large gain on sale of assets. This accounts for the significant decrease in gain on sale of assets.
- Interest income increased by \$4,698,348 (34%) due to higher cash and investment balances, a slightly higher yield on investments, and a \$1.7 million increase for market valuation.
- Expenses for general government increased due mainly to approximately \$5.5 million in costs related to fencing off a closed landfill and other costs related to this closure. Other increases are due to increases in salaries and benefits.
- Expenses for public safety increased due in large part to an increased number of public safety employees and increased salaries and benefits.
- Expenses in culture and recreation activities increased due in large part to professional services related to an expansive trail system.
- The special item for \$13,888,499 relates to 503.77 acres of land that were donated to the Nevada System of Higher Education for the development of the Nevada State College campus.

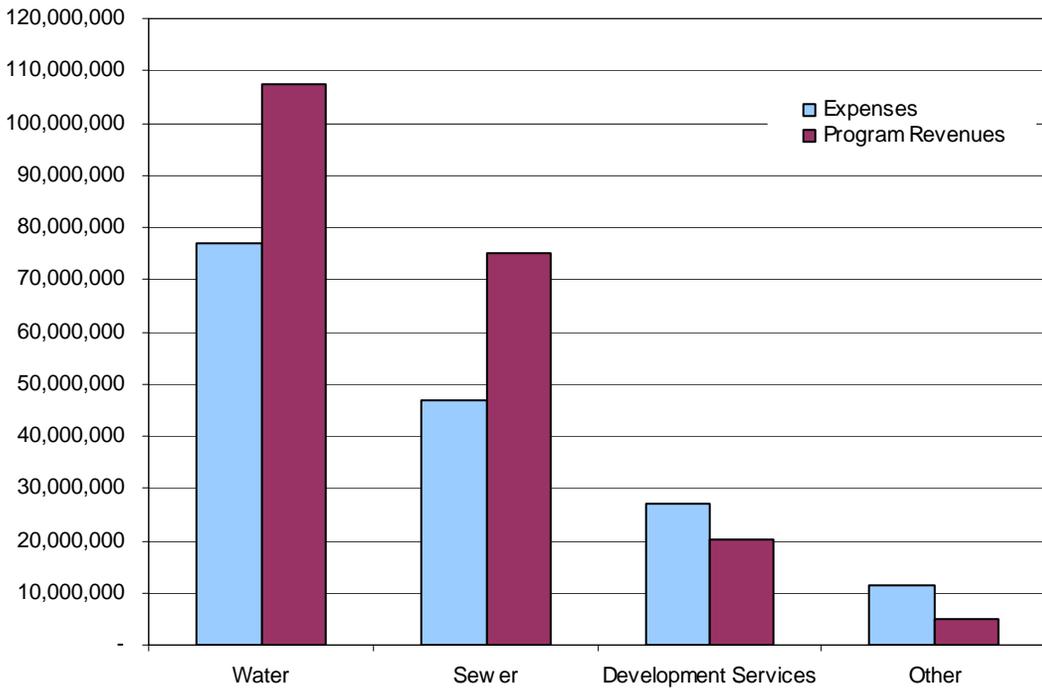




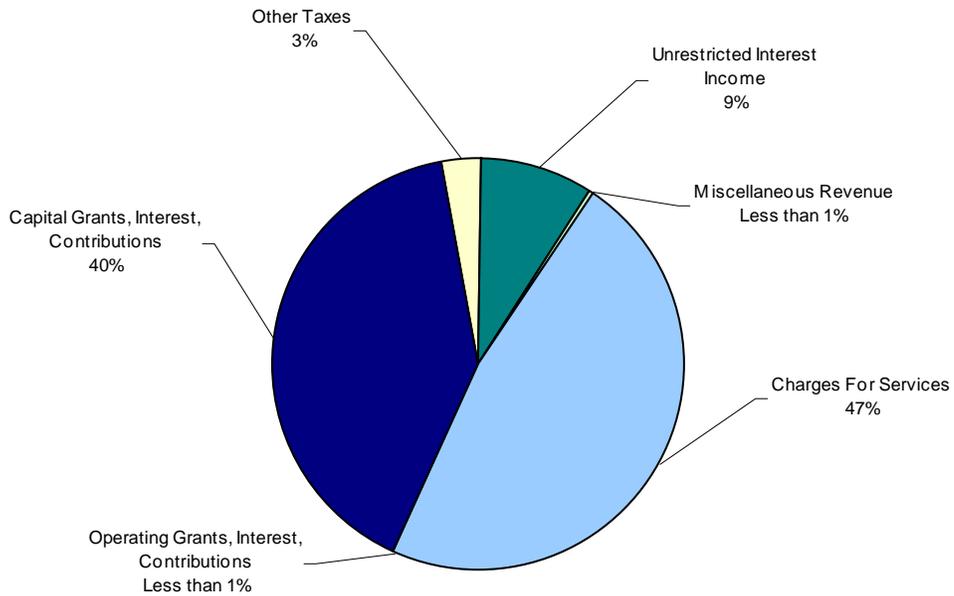
Business-type activities. Business-type activities increased the City of Henderson’s net assets by \$76,146,768 accounting for 38% of the total growth in the government’s net assets. Key elements of this increase are as follows:

- Capital grants and contributions increased by \$29,685,244 (45%) due in large part to developer contributions of donated water and sewer lines for large master planned communities including Anthem Sun City, Anthem Highlands, Anthem Solera, and Boulder Creek.. These increases were offset by decreases in system development fees of approximately \$7 million.
- The prior period adjustment of \$5,400,825 is due to deferred revenue and the related charges for services in the Development Services Fund that were incorrectly estimated for fiscal year ended June 30, 2007. A prior period adjustment was made for \$5,400,825 as changes in net assets would have decreased and deferred revenue would have increased by this amount.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

Governmental funds. The focus of the City of Henderson'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 of Henderson's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Henderson's governmental funds reported combined ending fund balances of \$401,990,061, a decrease of \$4,402,368 in comparison with the prior year. Approximately 75% of this balance (\$301,318,666) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$67,160,821), 2) to pay debt service (\$8,343,387), 3) for land held for resale (\$10,786,310), 4) for a variety of other purposes (\$14,380,877).

General Fund. The general fund is the chief operating fund of the City of Henderson. At the end of the current fiscal year, unreserved fund balance of the general fund was \$28,459,480, while total fund balance was \$31,170,506. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.8% of total general fund expenditures, while total fund balance represents 15.1% of that same amount.

The fund balance of the general fund decreased by \$2,555,682 during the current fiscal year. Key factors for this net decrease are as follows:

There was an increase in general fund expenditures, the most significant of these being for Public Safety. This increase was \$10,859,111 and was due to staffing level increases in public safety. Other increases were mainly due to increased staffing levels and salaries.

The overall decrease in fund balance was offset by increases in property taxes by \$3,752,467 (10%) due to growth in assessed valuation.

Transfers in from other funds increased by \$5,979,621 and transfers to other funds decreased by \$5,783,974 in comparison to the previous fiscal year.

General Obligation Debt Service Fund. The general obligation debt service fund has a total fund balance of \$6,072,215, all of which is reserved for payment of debt service. The net decrease in the fund balance was \$668,331 due mainly to a \$13 million transfer to the general fund for property owner taxes collected in this fund that is to be used for Parks and Recreation activities, with an offset of transfers in from other funds for their respective share of debt service for approximately \$7.5 million. Property taxes increased by approximately \$2.2 million due to a general increase in assessed value and debt service payments decreased by approximately \$3.7 million due to lower principal balances in outstanding debt as compared with the prior year.

Special Assessment Districts Debt Service Fund. The special assessment districts debt service fund has a total fund balance of \$882,042, all of which is reserved for payment of debt service. The net increase in the fund balance was \$45,701, which is insignificant.

Special Assessment Districts Capital Projects Fund. The special assessment districts capital projects fund has a total fund balance of \$132,038,822 which is unreserved. The net decrease in fund balance was

\$9,062,863. The decrease to fund balance was due mainly to approximately \$14.6 million in construction costs for special assessment district infrastructure. This decrease was offset by approximately \$5.6 million in interest earnings.

Municipal Facilities Acquisition & Construction Capital Projects Fund. The municipal facilities acquisition & construction capital projects fund has a reserved for encumbrances fund balance of \$57,467,244, an unreserved fund balance of \$56,491,845, and a total fund balance of \$113,959,089. The net decrease in fund balance was \$23,147. While the change is insignificant there was a County contribution in the amount for \$3.4 million for the Justice Facility expansion and garage. Expenditures were related to professional services and operating expenses related to a new aquatics center, construction costs for the Justice Facility expansion and garage, the north side Community Police Station, and Landfill fencing costs.

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

Unrestricted net assets of the water fund at the end of the fiscal year amounted to \$60,650,369, and total growth in net assets was \$36,121,632. Unrestricted net assets of the sewer fund at the end of the fiscal year were \$48,697,210, and total growth in net assets was \$43,741,649. Unrestricted net assets in the development services fund at the end of the fiscal year were \$8,458,244, and the total decrease in net assets was \$1,180,571. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Henderson'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 \$12.3 million, or 5.5% over the original budget. This increase was mainly due to the re-authorization of outstanding encumbrances and unspent appropriations for capital purchases and professional services from the prior year in all functions. Many budgeted capital purchases and projects had not been completed by the end of Fiscal Year 2007, and were re-appropriated in Fiscal Year 2008.

Actual expenditures were 88.4% of appropriations, or \$27.2 million lower than the final budget. All functions are well within appropriation authority. The savings were mainly due to staffing vacancies that occurred during the fiscal year, as well as projects that were not completed by the end of the fiscal year and will be re-appropriated to the subsequent year. The main areas of savings are summarized below:

- Actual General Government expenditures were \$12.5 million below the final budget. Several projects within Building Maintenance, City Manager's office, and City Attorney's office were not completed by year-end and were deferred to the subsequent year, in addition to \$2.2 million in vacancy savings.
- Actual Public Safety expenditures were \$4 million below the final budget, primarily due to vacancy savings, as well as projects that were deferred to the subsequent year.
- Actual Public Works expenditures were \$2.8 million below the final budget, primarily due to projects that were deferred to the subsequent year.
- Actual Culture and Recreation expenditures were \$3.1 million below the final budget, mainly due to vacancy savings.

Capital Assets and Debt Administration

Capital assets. The City of Henderson’s investment in capital assets for its governmental and business-type activities as of June 30, 2008 amounts to \$2,074,634,866 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges and a municipal golf course. The total increase in the City of Henderson’s investment in capital assets was \$209,149,873 (\$105,975,610 for governmental activities and \$103,174,263 for business-type activities).

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

- Improvements other than buildings increased by \$12,852,528 for governmental activities due in large part to three contributed parks, with \$3.8 million for Paseo Verde Park, \$3.8 million for Tuscany Park, and \$2.7 million for Solista Park; the balance is from various completed park improvements.
- Infrastructure for governmental activities increased by \$86,279,390 mainly due to developer contributions.
- Improvements other than buildings increased by \$61,609,081 for business type activities due in large part to developer contributions of water and sewer lines for large master planned communities including \$20.5 million for Anthem Sun City, \$6.4 million for Anthem Solera, \$6.1 million for Anthem Highlands, \$4 million for Indigo Run, \$3.8 million for Boulder Creek, and \$3.7 million for South Edge. Other contributions related to water and sewer lines and improvements for smaller developments.
- Construction in progress for business type activities increased by \$43,616,871. This increase is due in large part to approximately \$13 million for a satellite Water Reclamation Facility, \$4 million for the Water Reclamation Facility Expansion, approximately \$3.5 million for a reservoir rehabilitation project, approximately \$3.5 million West Henderson utility improvements, approximately \$3.3 million for Clean Water Conveyance project, and approximately \$3 million for the St. Rose Interceptor. Other increases were due to various other water and sewer construction projects.

City of Henderson’s Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$173,065,667	\$176,316,589	\$25,215,735	\$25,215,735	\$198,281,402	\$201,532,324
Buildings	160,648,565	160,709,645	23,583,354	24,360,118	184,231,919	185,069,763
Improvements other than buildings	112,471,794	99,619,266	670,863,351	609,254,270	783,335,145	708,873,536
Machinery and equipment	32,878,699	31,127,318	7,190,856	8,465,781	40,069,555	39,593,099
Infrastructure	654,022,749	567,743,359	-	-	654,022,749	567,743,359
Construction in progress	32,761,964	24,357,651	181,932,132	138,315,261	214,694,096	162,672,912
Total	\$1,165,849,438	\$1,059,873,828	\$908,785,428	\$805,611,165	\$2,074,634,866	\$1,865,484,993

Additional information on the City of Henderson’s capital assets can be found in note 6 to the financial statements.

Long-term debt. At the end of the current fiscal year, the City of Henderson had total bonded debt outstanding of \$380,446,507. Of this amount, \$147,314,000 is considered general obligation debt, \$15,320,000 is tax allocation debt, and \$305,000 is considered special assessment debt for which the City is obligated in some manner. The remainder of the City of Henderson’s bonded debt represents bonds to be paid from the City’s Water and Sewer activities.

City of Henderson’s Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$147,314,000	\$158,455,000	\$-	\$-	\$147,314,000	\$158,455,000
Tax allocation bonds	15,320,000	15,840,000	-	-	15,320,000	15,840,000
Special assessment debt with government commitment	305,000	365,000	-	-	305,000	365,000
Water & sewer bonds	-	-	217,507,507	229,959,046	217,507,507	229,959,046
Total	\$162,939,000	\$174,660,000	\$217,507,507	\$229,959,046	\$380,446,507	\$404,619,046

During the fiscal year the City issued some medium-term general obligation bonds in the amount of \$1,162,000 to pay a portion of the cost of acquiring police communications equipment. The City also refunded General Obligation Water and Sewer bonds. The advance refunding will reduce debt service payments by \$1,528,327 and resulted in an economic gain of \$1,242,928.

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

As of June 30, 2008, the City’s net general obligation bonded debt subject to the legal debt margin of \$364,821,507 was below the legal limit of \$2,501,707,188.

Additional information on the City of Henderson’s long-term debt can be found in note 8 to the financial statements.

Other Factors

- The City will maintain the property tax rate in the City of Henderson which is \$.7108 per \$100 in assessed valuation, one of the lowest in the state of Nevada.
- The City is monitoring the impact of the property tax legislation passed during the 2005 Legislative session. Property values have declined in light of oversupply of resale and foreclosure homes. These reduced values impact the total property tax abatements imposed by the Legislative caps.

These factors were considered in preparing the City of Henderson’s budget for the 2008/2009 fiscal year. However since the budget was prepared the City has identified an approximate \$28.2 million shortfall for fiscal year 2009 due to the economic downturn and has put together an Executive Team to decide immediate, mid-term and long-term cost saving approaches that the City can take organization-wide.

During the current fiscal year unreserved fund balance in the general fund decreased to \$28,459,480. The City of Henderson has appropriated approximately \$12.7 million of this amount for spending in the 2008/2009 fiscal year budget. It is intended that this use of available fund balance will pay for one time capital purchases.

Requests for Information

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

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CITY OF HENDERSON, NEVADA

Statement of Net Assets June 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 459,616,617	\$ 363,695,495	\$ 823,312,112
Receivables:			
Accounts	8,575,335	11,304,796	19,880,131
Interest receivable	2,562,941	2,987,390	5,550,331
Delinquent property taxes	2,101,672	--	2,101,672
Special assessments	2,988,318	--	2,988,318
Notes	7,996,322	--	7,996,322
Due from other governments	27,118,900	848,279	27,967,179
Internal balances	8,588,130	(8,588,130)	--
Other assets	38,830	4,195,995	4,234,825
Investment in joint venture	--	9,617,920	9,617,920
Land held for resale	10,786,310	--	10,786,310
Deferred charges	833,323	1,051,029	1,884,352
Restricted assets - cash and investments:			
Customer deposits	--	753,655	753,655
Water and sewer bond debt service	--	9,863,196	9,863,196
Capital assets (net of accumulated depreciation):			
Land	173,065,667	25,215,735	198,281,402
Buildings	160,648,565	23,583,354	184,231,919
Improvements other than buildings	112,471,794	670,863,351	783,335,145
Machinery and equipment	32,878,699	7,190,856	40,069,555
Infrastructure	654,022,749	--	654,022,749
Construction in progress	32,761,964	181,932,132	214,694,096
Total Assets	<u>1,697,056,136</u>	<u>1,304,515,053</u>	<u>3,001,571,189</u>
LIABILITIES			
Accounts payable and accrued wages	16,336,670	10,525,039	26,861,709
Accrued interest payable	993,561	--	993,561
Construction contracts/retention payable	6,570,757	13,120,817	19,691,574
Deposits	11,374,359	148,088	11,522,447
Due to other governments	1,586,096	--	1,586,096
Unearned revenue	90,385	5,955,305	6,045,690
Current liabilities partially payable from restricted assets	--	3,032,769	3,032,769
Noncurrent liabilities:			
Due within one year	25,036,967	6,283,635	31,320,602
Due within one year, partially payable from restricted assets	--	13,088,389	13,088,389
Due in more than one year	181,377,389	211,912,380	393,289,769
Total liabilities	<u>243,366,184</u>	<u>264,066,422</u>	<u>507,432,606</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,005,171,173	714,572,047	1,719,743,220
Restricted for:			
General government	12,569,390	--	12,569,390
Judicial	699,196	--	699,196
Debt service	5,960,696	7,584,082	13,544,778
Public safety	8,553,425	--	8,553,425
Public works	18,605,225	--	18,605,225
Culture and recreation	2,665,923	--	2,665,923
Capital projects	253,401,502	9,617,920	263,019,422
Redevelopment	28,617,521	--	28,617,521
Claims	27,246,010	--	27,246,010
System development	--	197,551,108	197,551,108
Unrestricted	90,199,891	111,123,474	201,323,365
Total Net Assets	<u>\$ 1,453,689,952</u>	<u>\$ 1,040,448,631</u>	<u>\$ 2,494,138,583</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, 2008**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants, Interest, and Contributions	Capital Grants, Interest, and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
General government	\$ 61,804,917	\$ 12,950,767	\$ 385,276	\$ 1,073,511	\$ (47,395,363)	\$ --	\$ (47,395,363)
Judicial	10,493,174	1,212,550	35,836	3,454,366	(5,790,422)	--	(5,790,422)
Public safety	120,255,700	11,232,187	382,566	163,150	(108,477,797)	--	(108,477,797)
Public works	62,305,206	157,737	365,038	124,349,897	62,567,466	--	62,567,466
Culture and recreation	45,459,685	7,750,831	4,018,242	25,999,078	(7,691,534)	--	(7,691,534)
Community support	5,457,316	--	3,473,483	98,612	(1,885,221)	--	(1,885,221)
Debt service:							
Administrative and other costs	877,642	--	--	--	(877,642)	--	(877,642)
Interest and fiscal charges	8,043,982	--	--	--	(8,043,982)	--	(8,043,982)
Total Governmental Activities	314,697,622	33,304,072	8,660,441	155,138,614	(117,594,495)	--	(117,594,495)
Business-Type Activities:							
Water	76,910,784	57,802,864	--	49,556,354	--	30,448,434	30,448,434
Sewer	46,917,885	28,928,294	--	46,262,942	--	28,273,351	28,273,351
Development services center	27,144,018	20,327,017	15,360	--	--	(6,801,641)	(6,801,641)
Other business activities	11,249,375	4,938,740	61,738	--	--	(6,248,897)	(6,248,897)
Total Business-Type Activities	162,222,062	111,996,915	77,098	95,819,296	--	45,671,247	45,671,247
Total	\$ 476,919,684	\$ 145,300,987	\$ 8,737,539	\$ 250,957,910	(117,594,495)	45,671,247	(71,923,248)
General Revenues							
Ad valorem taxes					94,998,902	--	94,998,902
Bond premium amortization					582,055	704,239	1,286,294
Consolidated tax					92,537,034	--	92,537,034
Franchise fees					31,468,210	--	31,468,210
Motor vehicle fuel tax					4,333,902	--	4,333,902
Room taxes					1,253,502	2,284,765	3,538,267
Sales tax					11,535,426	4,936,928	16,472,354
Unrestricted investment earnings					18,584,119	20,942,193	39,526,312
Gain on sale of assets					709,299	71,595	780,894
Miscellaneous					950,633	111,888	1,062,521
Special item - land donation					(13,888,499)	--	(13,888,499)
Transfers					(1,423,913)	1,423,913	--
Total General Revenues and Transfers					241,640,670	30,475,521	272,116,191
Change in Net Assets					124,046,175	76,146,768	200,192,943
NET ASSETS, BEGINNING OF YEAR					1,329,643,777	969,702,688	2,299,346,465
PRIOR PERIOD ADJUSTMENT					--	(5,400,825)	(5,400,825)
NET ASSETS, BEGINNING OF YEAR - RESTATED					1,329,643,777	964,301,863	2,293,945,640
NET ASSETS, END OF YEAR					\$ 1,453,689,952	\$ 1,040,448,631	\$ 2,494,138,583

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
ASSETS							
Cash and investments	\$ 28,345,921	\$ 5,443,150	\$ 875,901	\$ 134,727,637	\$ 117,960,026	\$ 98,019,723	\$ 385,372,358
Receivables:							
Accounts	8,244,835	--	--	--	169,378	156,361	8,570,574
Special assessments	--	--	2,988,318	--	--	--	2,988,318
Accrued interest	246,693	116,213	6,141	4,047	737,384	831,082	1,941,560
Notes	--	--	--	--	--	7,511,347	7,511,347
Delinquent property taxes	1,443,849	657,823	--	--	--	--	2,101,672
Advances to other funds	--	--	--	--	--	3,380,248	3,380,248
Due from other funds	--	360,000	--	--	--	--	360,000
Due from employees	17,734	--	--	--	--	--	17,734
Due from other governments	17,030,458	152,852	--	--	1,646,393	8,129,323	26,959,026
Land held for resale	--	--	--	--	--	10,786,310	10,786,310
Total assets	<u>\$ 55,329,490</u>	<u>\$ 6,730,038</u>	<u>\$ 3,870,360</u>	<u>\$ 134,731,684</u>	<u>\$ 120,513,181</u>	<u>\$ 128,814,394</u>	<u>\$ 449,989,147</u>
LIABILITIES							
Accounts payable and accrued wages	\$ 12,973,826	\$ --	\$ --	\$ 15,000	\$ 363,237	\$ 1,846,788	\$ 15,198,851
Compensated absences payable	1,857	--	--	--	--	--	1,857
Construction contracts payable	--	--	--	--	6,190,855	379,902	6,570,757
Deposits	8,281,863	--	--	--	--	3,092,496	11,374,359
Due to other governments	1,367,204	--	--	--	--	218,892	1,586,096
Advances from other funds	--	--	--	2,677,862	--	3,380,248	6,058,110
Deferred revenue	1,534,234	657,823	2,988,318	--	--	2,028,681	7,209,056
Total liabilities	<u>24,158,984</u>	<u>657,823</u>	<u>2,988,318</u>	<u>2,692,862</u>	<u>6,554,092</u>	<u>10,947,007</u>	<u>47,999,086</u>
FUND BALANCES							
Reserved for:							
Encumbrances	2,711,026	--	--	--	57,467,244	6,982,551	67,160,821
Debt service	--	6,072,215	882,042	--	--	1,389,130	8,343,387
Land held for resale	--	--	--	--	--	10,786,310	10,786,310
Notes receivable	--	--	--	--	--	5,867,942	5,867,942
Sinking fund	--	--	--	--	--	5,132,687	5,132,687
Advances	--	--	--	--	--	3,380,248	3,380,248
Unreserved, reported in:							
General fund	28,459,480	--	--	--	--	--	28,459,480
Special revenue funds	--	--	--	--	--	47,320,144	47,320,144
Capital projects funds	--	--	--	132,038,822	56,491,845	37,008,375	225,539,042
Total fund balance	<u>31,170,506</u>	<u>6,072,215</u>	<u>882,042</u>	<u>132,038,822</u>	<u>113,959,089</u>	<u>117,867,387</u>	<u>401,990,061</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 55,329,490</u>	<u>\$ 6,730,038</u>	<u>\$ 3,870,360</u>	<u>\$ 134,731,684</u>	<u>\$ 120,513,181</u>	<u>\$ 128,814,394</u>	<u>\$ 449,989,147</u>

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

CITY OF HENDERSON, NEVADA

Reconciliation of the Balance Sheet to
the Statement of Net Assets
Governmental Funds
June 30, 2008

Fund Balances - Governmental Funds		\$ 401,990,061
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	1,624,559,777	
Less: Accumulated depreciation	<u>(483,492,661)</u>	1,141,067,116
<p>Other assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.</p>		
Bond costs - deferred charges	921,754	
Less: Current year amortization	(88,431)	
Accrued interest on long-term notes receivable	<u>484,975</u>	1,318,298
<p>Long -term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
General obligation bonds payable	(145,886,588)	
Tax allocation bonds payable	(15,320,000)	
Special assessment bonds payable	(305,000)	
Other post employment benefits	(4,060,305)	
Compensated absences	<u>(30,202,733)</u>	(195,774,626)
Interest payable		(993,561)
<p>Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>		
		7,118,671
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets and liabilities of the internal service funds are reported with governmental activities.</p>		
		90,375,863
<p>Internal balances are receivable from business-type activities</p>		
		<u>8,588,130</u>
Net Assets - Governmental Activities		<u><u>\$ 1,453,689,952</u></u>

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

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
REVENUES:							
Property taxes	\$ 42,014,837	\$ 24,494,689	\$ --	\$ --	\$ 11,753,831	\$ 15,597,330	\$ 93,860,687
Special assessments	--	--	69,440	500,365	--	--	569,805
Franchise fees	31,468,210	--	--	--	--	--	31,468,210
Licenses and permits	8,425,573	--	--	--	--	--	8,425,573
Intergovernmental	97,104,758	--	--	--	3,454,366	30,526,976	131,086,100
Charges for services	14,397,244	--	--	--	--	554,269	14,951,513
Fines and forfeitures	4,910,610	--	--	--	--	895,058	5,805,668
Developer/property owner contributions	--	--	--	--	--	935,266	935,266
Impact fees	--	--	--	--	661,047	445,220	1,106,267
Miscellaneous interest	1,605,053	753,687	81,160	5,669,214	6,114,479	5,868,102	20,091,695
Miscellaneous	728,134	--	71	--	104,770	737,043	1,570,018
Total revenues	<u>200,654,419</u>	<u>25,248,376</u>	<u>150,671</u>	<u>6,169,579</u>	<u>22,088,493</u>	<u>55,559,264</u>	<u>309,870,802</u>
EXPENDITURES:							
Current:							
General government	44,375,688	--	--	--	901,611	5,059,722	50,337,021
Judicial	9,703,780	--	--	--	--	361,135	10,064,915
Public safety	105,086,721	--	--	--	114,186	11,204,757	116,405,664
Public works	11,590,065	--	--	668,137	2,872,595	983,655	16,114,452
Culture and recreation	32,541,374	--	--	--	2,570,353	6,129,064	41,240,791
Community support	1,785,173	--	--	--	--	3,534,376	5,319,549
Total current	<u>205,082,801</u>	<u>--</u>	<u>--</u>	<u>668,137</u>	<u>6,458,745</u>	<u>27,272,709</u>	<u>239,482,392</u>
Capital outlay:							
General government	396,619	--	--	--	5,799,884	6,514,736	12,711,239
Judicial	25,868	--	--	--	--	202,601	228,469
Public safety	612,979	--	--	--	--	1,236,121	1,849,100
Public works	368,450	--	--	14,573,782	14,075,476	3,307,864	32,325,572
Culture and recreation	69,268	--	--	--	--	4,714,128	4,783,396
Community support	--	--	--	--	--	4,971	4,971
Total capital outlay	<u>1,473,184</u>	<u>--</u>	<u>--</u>	<u>14,573,782</u>	<u>19,875,360</u>	<u>15,980,421</u>	<u>51,902,747</u>
Debt service:							
Principal retirement	--	12,303,000	60,000	--	--	520,000	12,883,000
Interest and fiscal charges	--	7,207,991	31,825	--	--	839,724	8,079,540
Administrative and other costs	--	43,273	3,668	--	--	--	46,941
Total debt service	<u>--</u>	<u>19,554,264</u>	<u>95,493</u>	<u>--</u>	<u>--</u>	<u>1,359,724</u>	<u>21,009,481</u>
Total expenditures	<u>206,555,985</u>	<u>19,554,264</u>	<u>95,493</u>	<u>15,241,919</u>	<u>26,334,105</u>	<u>44,612,854</u>	<u>312,394,620</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,901,566)</u>	<u>5,694,112</u>	<u>55,178</u>	<u>(9,072,340)</u>	<u>(4,245,612)</u>	<u>10,946,410</u>	<u>(2,523,818)</u>

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

continued

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
 Governmental Funds
 For the Year Ended June 30, 2008

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
OTHER FINANCING SOURCES (USES)							
Land sales	--	--	--	--	--	212,637	212,637
Bonds issued	--	--	--	--	1,162,000	--	1,162,000
Transfers:							
Transfers from other funds	17,558,534	7,504,639	--	9,477	9,489,366	2,967,000	37,529,016
Transfers to other funds	(14,212,650)	(13,867,082)	(9,477)	--	(6,428,901)	(6,264,093)	(40,782,203)
Total other financing sources (uses)	<u>3,345,884</u>	<u>(6,362,443)</u>	<u>(9,477)</u>	<u>9,477</u>	<u>4,222,465</u>	<u>(3,084,456)</u>	<u>(1,878,550)</u>
NET CHANGE IN FUND BALANCES	(2,555,682)	(668,331)	45,701	(9,062,863)	(23,147)	7,861,954	(4,402,368)
FUND BALANCES, BEGINNING OF YEAR	<u>33,726,188</u>	<u>6,740,546</u>	<u>836,341</u>	<u>141,101,685</u>	<u>113,982,236</u>	<u>110,005,433</u>	<u>406,392,429</u>
6 FUND BALANCES, END OF YEAR	<u>\$ 31,170,506</u>	<u>\$ 6,072,215</u>	<u>\$ 882,042</u>	<u>\$ 132,038,822</u>	<u>\$ 113,959,089</u>	<u>\$ 117,867,387</u>	<u>\$ 401,990,061</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 to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2008

Net Change in Fund Balances - Governmental Funds \$ (4,402,368)

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

Governmental funds report capital outlay as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

Expenditures for capital assets	44,121,524	
Sale/disposition of assets	(675,007)	
Less: Current year depreciation	<u>(59,847,329)</u>	(16,400,812)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Changes in deferred revenue	4,107,459	
Accrued interest on notes receivable	484,975	
Donated capital assets	<u>132,801,197</u>	137,393,631

Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments and costs of issuance

Bonds and leases issued	(1,162,000)	
Bond issuance costs	(830,701)	
Accrued interest	70,343	
Principal payments	<u>12,893,305</u>	10,970,947

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

Amortization of current year bond premium, discount and costs	582,055	
Special item - land transfer	(13,888,499)	
Change in other post employment benefit (OPEB) liability	(4,060,305)	
Change in long-term compensated absences	<u>(2,828,510)</u>	(20,195,259)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds is reported with governmental activities.

16,680,036

Change in Net Assets of Governmental Activities \$ 124,046,175

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

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 General Fund
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 42,791,496	\$ 42,791,496	\$ 42,014,837	\$ (776,659)
Franchise fees	31,699,848	31,873,598	31,468,210	(405,388)
Licenses and permits	8,969,545	8,219,566	8,425,573	206,007
Intergovernmental	117,690,091	104,731,873	97,104,758	(7,627,115)
Charges for services	14,222,124	14,115,297	14,397,244	281,947
Fines and forfeits	4,094,903	4,134,903	4,910,610	775,707
Miscellaneous interest	814,347	1,569,553	1,605,053	35,500
Miscellaneous	733,462	759,175	728,134	(31,041)
Total revenues	<u>221,015,816</u>	<u>208,195,461</u>	<u>200,654,419</u>	<u>(7,541,042)</u>
EXPENDITURES				
Current:				
General government	50,043,164	56,885,858	44,375,688	12,510,170
Judicial	10,053,912	10,127,799	9,703,780	424,019
Public safety	108,535,376	109,057,490	105,086,721	3,970,769
Public works	12,666,559	14,342,720	11,590,065	2,752,655
Culture and recreation	34,906,029	35,654,253	32,541,374	3,112,879
Community support	2,064,746	2,074,299	1,785,173	289,126
Total current	<u>218,269,786</u>	<u>228,142,419</u>	<u>205,082,801</u>	<u>23,059,618</u>
Capital outlay:				
General government	315,185	939,460	396,619	542,841
Judicial	35,000	48,489	25,868	22,621
Public safety	2,450,586	2,875,622	612,979	2,262,643
Public works	180,000	891,816	368,450	523,366
Culture and recreation	173,500	873,371	69,268	804,103
Total capital outlay	<u>3,154,271</u>	<u>5,628,758</u>	<u>1,473,184</u>	<u>4,155,574</u>
Total expenditures	<u>221,424,057</u>	<u>233,771,177</u>	<u>206,555,985</u>	<u>27,215,192</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(408,241)</u>	<u>(25,575,716)</u>	<u>(5,901,566)</u>	<u>19,674,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	13,467,082	17,558,534	17,558,534	--
Transfers to other funds	<u>(17,553,884)</u>	<u>(13,887,650)</u>	<u>(14,212,650)</u>	<u>(325,000)</u>
Total other financing sources (uses)	<u>(4,086,802)</u>	<u>3,670,884</u>	<u>3,345,884</u>	<u>(325,000)</u>
NET CHANGES IN FUND BALANCES	(4,495,043)	(21,904,832)	(2,555,682)	19,349,150
FUND BALANCES, BEGINNING OF YEAR	<u>24,774,684</u>	<u>33,726,188</u>	<u>33,726,188</u>	<u>--</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,279,641</u>	<u>\$ 11,821,356</u>	<u>\$ 31,170,506</u>	<u>\$ 19,349,150</u>

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

CITY OF HENDERSON, NEVADA

Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
CURRENT ASSETS:						
Cash and investments	\$ 135,371,166	\$ 207,794,233	\$ 18,112,525	\$ 2,417,571	\$ 363,695,495	\$ 74,244,259
Receivables:						
Accounts receivable	7,615,754	3,351,156	34,352	303,534	11,304,796	4,761
Accrued interest	1,130,463	1,675,741	163,248	17,938	2,987,390	621,381
Due from other governments	--	825,795	22,484	--	848,279	159,874
Inventories - bulk fuel	--	--	--	--	--	15,336
Customer deposits (restricted assets, cash and investments)	752,655	1,000	--	--	753,655	--
Water and sewer debt service bonds (restricted assets, cash and investments)	4,605,267	5,257,929	--	--	9,863,196	--
Total current assets	149,475,305	218,905,854	18,332,609	2,739,043	389,452,811	75,045,611
NONCURRENT ASSETS:						
Capital Assets:						
Land	1,717,277	9,695,529	--	13,802,929	25,215,735	--
Buildings	6,646,641	15,994,839	--	8,634,022	31,275,502	753,377
Improvements other than buildings	560,979,310	376,108,888	585,358	24,409,053	962,082,609	473,374
Machinery and equipment	11,903,246	4,797,366	3,013,113	2,513,027	22,226,752	47,055,175
Construction in progress	25,731,719	155,900,846	299,567	--	181,932,132	--
Total capital assets	606,978,193	562,497,468	3,898,038	49,359,031	1,222,732,730	48,281,926
Less accumulated depreciation	(185,840,766)	(110,132,444)	(2,886,640)	(15,087,452)	(313,947,302)	(23,499,604)
Net capital assets	421,137,427	452,365,024	1,011,398	34,271,579	908,785,428	24,782,322
Other Assets:						
Investment in joint venture	--	9,617,920	--	--	9,617,920	--
Deferred charges	223,969	827,060	--	--	1,051,029	--
Deposits	4,195,995	--	--	--	4,195,995	5,760
Advances to other funds	--	--	--	--	--	2,677,862
Total noncurrent assets	425,557,391	462,810,004	1,011,398	34,271,579	923,650,372	27,465,944
Total assets	575,032,696	681,715,858	19,344,007	37,010,622	1,313,103,183	102,511,555

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

continued

CITY OF HENDERSON, NEVADA

Statement of Net Assets (continued)
 Proprietary Funds
 June 30, 2008

	Business-Type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued wages	\$ 6,731,055	\$ 2,675,338	\$ 836,192	\$ 282,454	\$ 10,525,039	\$ 1,137,819
Due to other funds	--	--	--	--	--	360,000
Compensated absences payable	1,866,215	1,450,724	2,499,127	467,569	6,283,635	1,639,881
Construction contracts	4,065,917	9,054,900	--	--	13,120,817	--
Deposits	--	--	137,733	10,355	148,088	--
Unearned revenue	--	--	5,955,305	--	5,955,305	--
Claims and judgements payable	--	--	--	--	--	8,795,113
Customer deposits (partially payable from restricted assets)	752,655	1,000	--	--	753,655	--
Accrued bond interest (partially payable from restricted assets)	890,876	1,388,238	--	--	2,279,114	--
Current portion of bonds payable (partially payable from restricted assets)	5,170,685	7,917,704	--	--	13,088,389	--
Total current liabilities	19,477,403	22,487,904	9,428,357	760,378	52,154,042	11,932,813
NONCURRENT LIABILITIES:						
Provisional credits/refunding agreements	501,739	13,525	--	--	515,264	--
Other post employment benefit (OPEB) liability	371,492	285,554	446,008	72,884	1,175,938	202,879
General obligation bonds (net of current portion)	53,933,723	156,287,455	--	--	210,221,178	--
Total noncurrent liabilities	54,806,954	156,586,534	446,008	72,884	211,912,380	202,879
Total liabilities	74,284,357	179,074,438	9,874,365	833,262	264,066,422	12,135,692
NET ASSETS						
Invested in capital, net of related debt	370,770,411	308,518,659	1,011,398	34,271,579	714,572,047	24,782,322
Restricted for:						
Debt service	3,714,391	3,869,691	--	--	7,584,082	--
Capital projects	--	9,617,920	--	--	9,617,920	--
Claims	--	--	--	--	--	27,246,010
System development	65,613,168	131,937,940	--	--	197,551,108	--
Unrestricted	60,650,369	48,697,210	8,458,244	1,905,781	119,711,604	38,347,531
Total net assets	\$ 500,748,339	\$ 502,641,420	\$ 9,469,642	\$ 36,177,360	1,049,036,761	\$ 90,375,863
Adjustment to reflect the consolidation of Internal Service Funds' activities related to Enterprise Funds					(8,588,130)	
Net Assets of Business-Type Activities					\$ 1,040,448,631	

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

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Utilities fees	\$ 56,286,905	\$ 28,393,179	\$ --	\$ --	\$ 84,680,084	\$ --
Connection fees	340,597	143,395	--	--	483,992	--
Late charges	840,781	379,483	--	--	1,220,264	--
Rental fees	--	--	--	352,071	352,071	--
Licenses - gaming	--	--	--	608,231	608,231	--
Licenses and permits	--	--	6,890,110	--	6,890,110	--
Charges for services	--	--	13,394,099	3,958,266	17,352,365	42,390,461
Miscellaneous	334,581	12,237	95,381	100,309	542,508	--
Total operating revenues	57,802,864	28,928,294	20,379,590	5,018,877	112,129,625	42,390,461
OPERATING EXPENSES						
Salaries and wages	10,990,680	8,228,081	12,878,744	2,677,054	34,774,559	5,757,484
Employee benefits	4,441,188	3,336,122	5,005,575	959,281	13,742,166	2,289,976
Water purchases	21,013,596	--	--	--	21,013,596	--
Services and supplies	16,983,075	15,554,603	8,439,484	6,485,456	47,462,618	14,181,831
Claims and legal fees	--	--	--	--	--	10,542,405
Depreciation	21,900,954	13,194,586	251,970	1,183,468	36,530,978	4,776,218
Total operating expenses	75,329,493	40,313,392	26,575,773	11,305,259	153,523,917	37,547,914
OPERATING INCOME (LOSS)	(17,526,629)	(11,385,098)	(6,196,183)	(6,286,382)	(41,394,292)	4,842,547
NONOPERATING REVENUES (EXPENSES)						
Room taxes	--	--	--	2,284,765	2,284,765	--
Interest revenue	7,821,752	11,877,873	1,110,437	132,130	20,942,192	3,762,816
Sales taxes	--	4,936,928	--	--	4,936,928	--
Interest expense	(2,367,326)	(7,113,028)	--	--	(9,480,354)	(36,341)
Miscellaneous	55,393	885	--	--	56,278	260,037
Gain (loss) on disposition of assets	--	71,595	--	--	71,595	557,134
Bond premium amortization	241,274	462,965	--	--	704,239	--
Total nonoperating revenues (expenses)	5,751,093	10,237,218	1,110,437	2,416,895	19,515,643	4,543,646
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(11,775,536)	(1,147,880)	(5,085,746)	(3,869,487)	(21,878,649)	9,386,193
CAPITAL CONTRIBUTIONS	51,150,180	48,142,654	--	--	99,292,834	2,773,239
TRANSFERS						
Transfers in	--	--	3,998,998	1,989,914	5,988,912	3,902,355
Transfers out	(3,253,012)	(3,253,125)	(93,823)	(527)	(6,600,487)	(37,593)
Total transfers	(3,253,012)	(3,253,125)	3,905,175	1,989,387	(611,575)	3,864,762
CHANGES IN NET ASSETS	36,121,632	43,741,649	(1,180,571)	(1,880,100)	76,802,610	16,024,194
NET ASSETS, BEGINNING OF YEAR	464,626,707	458,899,771	16,051,038	38,057,460		74,351,669
PRIOR PERIOD ADJUSTMENT	--	--	(5,400,825)	--		--
NET ASSETS, BEGINNING OF YEAR, RESTATED	464,626,707	458,899,771	10,650,213	38,057,460		74,351,669
NET ASSETS, END OF YEAR	\$ 500,748,339	\$ 502,641,420	\$ 9,469,642	\$ 36,177,360		\$ 90,375,863
					(655,842)	
					\$ 76,146,768	

Adjustment to reflect the consolidation of internal
service funds' activities related to enterprise funds

Change in net assets

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

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CITY OF HENDERSON, NEVADA

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Fund:					Governmental Activities
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 59,214,804	\$ 28,785,969	\$ 18,120,809	\$ 4,986,148	\$ 111,107,730	\$ 1,554,691
Cash received from interfund services provided	--	--	--	--	--	40,843,310
Cash from other sources	55,393	4,937,813	--	2,284,765	7,277,971	260,037
Cash payments to suppliers for goods and services	(40,302,405)	(17,353,353)	(12,840,623)	(7,527,313)	(78,023,694)	(26,030,172)
Cash payments to employees for services	(10,755,252)	(7,933,105)	(12,658,164)	(2,569,708)	(33,916,229)	(5,481,982)
Net cash provided by (used for) operating activities	8,212,540	8,437,324	(7,377,978)	(2,826,108)	6,445,778	11,145,884
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	--	--	3,998,998	1,989,914	5,988,912	3,902,355
Transfers out	(3,253,012)	(3,253,125)	(93,823)	(527)	(6,600,487)	(37,593)
Payments on advances to other funds	--	--	--	--	--	486,311
Net cash provided by (used for) noncapital financing activities	(3,253,012)	(3,253,125)	3,905,175	1,989,387	(611,575)	4,351,073
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(11,047,420)	(25,958,282)	(288,976)	(76,191)	(37,370,869)	(5,665,165)
Investment in joint venture	--	(3,283,597)	--	--	(3,283,597)	--
Principal payments on bonds and leases	(32,021,560)	(10,233,984)	--	--	(42,255,544)	(309)
Interest paid on bonds and leases	(2,877,815)	(8,045,759)	--	--	(10,923,574)	(36,341)
Due to other funds	--	--	--	--	--	(480,000)
Proceeds from sale of capital assets	--	71,595	--	--	71,595	793,188
(Increase) decrease in deposits/deferred charges	538,992	63,202	--	--	602,194	--
Increase (decrease) in provisional credits	(1,055,579)	7	--	--	(1,055,572)	--
Proceeds from issuance of debt	27,220,000	2,595,000	--	--	29,815,000	--
Capital contributions	3,196,459	6,445,142	--	--	9,641,601	--
Net cash provided by (used for) capital and related financing activities	(16,046,923)	(38,346,676)	(288,976)	(76,191)	(54,758,766)	(5,388,627)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	8,276,304	12,586,558	1,193,481	150,495	22,206,838	3,870,585
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,811,091)	(20,575,919)	(2,568,298)	(762,417)	(26,717,725)	13,978,915
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	143,540,179	233,629,081	20,680,823	3,179,988	401,030,071	60,265,344
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 140,729,088</u>	<u>\$ 213,053,162</u>	<u>\$ 18,112,525</u>	<u>\$ 2,417,571</u>	<u>\$ 374,312,346</u>	<u>\$ 74,244,259</u>

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

continued

CITY OF HENDERSON, NEVADA

Statement of Cash Flows (continued)
Proprietary Funds
June 30, 2008

	Business-type Activities - Enterprise Funds				Governmental	
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ (17,526,629)	\$ (11,385,098)	\$ (6,196,183)	\$ (6,286,382)	\$ (41,394,292)	\$ 4,842,547
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	21,900,954	13,194,586	251,970	1,183,468	36,530,978	4,776,218
Miscellaneous revenues	55,393	4,937,813	--	2,284,765	7,277,971	260,037
Changes in assets and liabilities:						
(Increases) decrease:						
Accounts receivable	1,411,941	(555,552)	(13,022)	(32,729)	810,638	(3,672)
Due from other governments	--	413,227	(14,732)	--	398,495	13,235
Increase (decrease):						
Accounts payable and accrued wages	1,462,226	1,341,738	120,500	(135,746)	2,788,718	10,655
Deposits	390,162	--	26,691	1,380	418,233	--
Unearned revenue	--	--	(2,231,027)	--	(2,231,027)	--
Compensated absences payable	147,001	205,056	231,817	86,252	670,126	229,878
Claims and judgments	--	--	--	--	--	814,107
Other post employment benefits (OPEB) liability	371,492	285,554	446,008	72,884	1,175,938	202,879
Total adjustments	25,739,169	19,822,422	(1,181,795)	3,460,274	47,840,070	6,303,337
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 8,212,540	\$ 8,437,324	\$ (7,377,978)	\$ (2,826,108)	\$ 6,445,778	\$ 11,145,884
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Contribution of assets	47,953,721	41,697,512	--	--	89,651,233	2,773,239

CITY OF HENDERSON, NEVADA

Statement of Fiduciary Net Assets
Agency Funds
June 30, 2008

ASSETS

Cash and investments	\$ 68,778,113
Delinquent assessments receivable	<u>2,060,885</u>
Total assets	<u><u>\$ 70,838,998</u></u>

LIABILITIES

Due to developers	\$ 17,062,169
Due to employees	131,683
Due to others	<u>53,645,146</u>
Total liabilities	<u><u>\$ 70,838,998</u></u>

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies**

A. The Reporting Entity

The City of Henderson, Nevada (the “City”) was originally incorporated in 1953. It is governed by an elected mayor and four council members. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, these financial statements present the activities of the City and its component unit. Blended component units, although legally separate entities, are in substance, part of the City’s operations and, therefore, data from these units are combined with data of the primary government.

In evaluating how to define the financial reporting entity, management considered all potential component units using standards prescribed under GASB Statement No. 14 “The Financial Reporting Entity”. Component units would include any legally separate organizations for which the City Council is financially accountable. Financial accountability would result where the City Council appoints a voting majority of the organization’s governing body and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Financial accountability may also result where an organization is fiscally dependent on the City. Based on these criteria, no component units or other reportable organizations other than the City of Henderson Redevelopment Agency were identified.

The City of Henderson Redevelopment Agency (“Agency”) is a blended component unit and is governed by a five-member board composed of the four City Council members and the Mayor. The Agency was set up in fiscal year 1996 as a separate and distinct legal entity to provide a diversified and strengthened economy in the central area of the City. For financial reporting purposes, the Agency is reported as if it were part of the City’s operations, as a special revenue fund, since it operates within an established area in the City and its sole purpose is to plan and finance revitalization projects in the City’s central area. Financial statements of the Agency can be obtained from the City of Henderson Redevelopment Agency, 240 Water Street, Henderson, Nevada 89015.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

B. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 45

For the fiscal year ended June 30, 2008, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* This statement is effective for the City for fiscal periods beginning after December 15, 2006.

This Statement requires that governments account for, and report, the annual cost of other postemployment benefits (OPEB) and the outstanding obligation and commitments related to OPEB in the same manner as they currently do for pensions. The Statement does not require that governments fund their OPEB plans, only that they account for them and report them. OPEB generally consist of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including their beneficiaries in some cases.

Implementation of GASB Statement No. 45 primarily impacted the City's government-wide and proprietary funds financial statements for the year ended June 30, 2008. In addition, implementation required additional note disclosure (see Note 9) and required supplemental information (see Required Supplementary Information – Other Post Employment Benefits Plan – Schedule of Funding Progress).

Governmental Accounting Standards Board Statement No. 50

For the fiscal year ended June 30, 2008, the City implemented GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. This statement is effective for the City for fiscal periods beginning after June 15, 2007.

GASB Statement No. 50 amends GASB Statement No. 27 to require cost-sharing employers to include, in the notes to the financial statements:

- the required contribution rates of the employer in dollars
- the percentage of the amount contributed for the current year and each of the two preceding years
- information as to how the contractually required contribution rate is determined

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

B. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement No. 50 (continued)

In addition, employers should include as required supplementary information, the funded status of the pension plan, if the financial statements of the pension plan are not issued and made available to the public.

More information regarding the City's participation in the Public Employees Retirement System of the State of Nevada can be found in Note 8.

C. Government-Wide and Fund Financial Statements

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

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

C. **Government-Wide and Fund Financial Statements** (continued)

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.

D. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** (continued)

Property taxes, special assessments, sales taxes, consolidated tax revenue (sales taxes, cigarette taxes, motor vehicle privilege taxes, liquor taxes), gaming taxes, gasoline taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, franchise fees, charges for services, and fines and forfeits are not susceptible to accrual because generally they are not measurable until received in cash.

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

The City reports deferred revenue in the fund financial statements balance sheets. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred 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 **General Obligation Debt Service Fund** accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

The **Special Assessment Districts Debt Service Fund** accounts 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 the payment.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

D. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** (continued)

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

The **Municipal Facilities Acquisition & Construction Capital Projects Fund** accounts for costs associated with the acquisition, construction and improvement of public building facilities.

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Assets, Liabilities and Equity**

1. **Cash and Investments**

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

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.

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

2. **Receivables and Payables**

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

3. **Property Taxes**

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Assets, Liabilities and Equity** (continued)

3. **Property Taxes** (continued)

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 1st, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25th, the levy date, and property is liened on July 1st. 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 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 percent 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 County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

4. **Restricted Assets**

Bond covenants of the City's Water and Sewer Enterprise Funds require portions of the debt proceeds, as well as other resources, to be set aside for various purposes. These amounts are reported as restricted assets.

5. **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 with an initial cost of \$10,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated.

General infrastructure assets acquired prior to July 1, 2002 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 acquired prior to July 1, 2001 are reported at estimated historical cost using deflated replacement cost. Bridges are valued at initial installation cost.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Assets, Liabilities and Equity** (continued)

5. **Capital Assets** (continued)

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

Road Network

Asphalt
Sidewalks
Curbs and gutters
Streetlights
Traffic signals

Storm Drain Network

Storm drain infrastructure
Storm drain drop inlets

Capital assets are recorded at cost (including capitalized interest for business-type activities incurred during the construction phase on debt financed projects). Depreciation is computed using the straight-line method for all assets over the following estimated useful lives:

<u>Assets</u>	<u>Life</u>
Buildings	20 to 50 years
Improvements other than buildings	5 to 15 years
Machinery	5 to 10 years
Vehicles	3 to 10 years
Infrastructure	15 to 50 years

6. **Water Delivery Deposit**

The City and Basic Management, Inc. (BMI), executed a water delivery contract on May 22, 1990. BMI agreed to deliver water entitlements from Lake Mead to the City for payment under the terms of the agreement. Mutual review of the contract by the City and BMI resulted in modifications to the terms of the agreement. On September 20, 2005, the City and BMI amended the original agreement in which the City agreed to take an additional 4,000 acre feet of water per year. The amended agreement required the City to place a refundable deposit of \$5,515,782 with BMI on October 1, 2005 that would pay for the additional water to be delivered. The refundable deposit accrues interest at 4.5% annually and will be applied monthly. The balance of the refundable deposit as of June 30, 2008, is \$4,195,995.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Assets, Liabilities and Equity** (continued)

7. **Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements. In governmental funds, the current portion of compensated absences, vacation leave and sick leave actually paid or accrued as a result of employees who have terminated, is recorded as a payroll expenditure.

8. **Provisional Credits (Enterprise Fund)**

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.

9. **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 assets. Bond premiums and discounts, as well as issuance costs, 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 deferred and amortized as a component of interest expense using the straight-line method. Issuance costs are reported as deferred charges and amortized over the term of the related bond.

For governmental fund types, 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 are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

E. **Assets, Liabilities and Equity** (continued)

10. **Equity Classifications**

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

- a. **Invested in Capital Assets, Net of Related Debt** – 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.
- b. **Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reservations of fund balance consist of amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Proprietary fund equity is classified the same as in the government-wide statements.

11. **Use of Estimates**

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

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements**

A. **Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets**

The governmental funds balance sheet includes a reconciliation between *fund balances – governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of net assets, the cost of those assets is capitalized and reported net of accumulated depreciation.” The details of capital assets and accumulated depreciation are as follows:

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements** (continued)

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets (continued)

Capital Assets:	
Infrastructure assets	\$ 1,048,884,942
Other capital assets	<u>575,674,835</u>
Governmental Capital Assets	<u><u>\$ 1,624,559,777</u></u>
Accumulated Depreciation:	
Infrastructure assets	394,862,193
Other capital assets	<u>88,630,468</u>
Accumulated Depreciation	<u><u>\$ 483,492,661</u></u>

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balance – governmental funds* and *change in net assets of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report the proceeds from the sale of assets as other financing sources. However, in the statement of activities only the gain or loss on the sale is recorded.” The details of this difference are as follows:

Gain on sale of assets on the statement of activities	\$ 709,299
Loss on disposition of assets on the statement of activities included in the general government function	(614,535)
Amount resulting from internal service fund activities included elsewhere on the reconciliation	(557,134)
Land sales included in the net change in fund balances – governmental funds	<u>(212,637)</u>
Net Difference in Reporting Sales/Disposition of Assets	<u><u>\$ (675,007)</u></u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 2: **Reconciliation of Government-Wide and Fund Financial Statements** (continued)

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (continued)

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.” The details of this difference are as follows:

Property taxes and miscellaneous revenues appear in the governmental funds as they are current financial resources, but were previously recognized as revenue in the statement of activities	\$ 1,138,215
Deferred revenues in prior years is included in beginning net assets on the statement of activities, but is recorded as revenues in the governmental funds	<u>2,969,244</u>
Change in Deferred Revenue	<u>\$ 4,107,459</u>

C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Assets and the Government-Wide Statement of Net Assets

The proprietary fund statement of net assets includes a reconciliation between net assets – total enterprise funds and net assets of business-type activities as reported in the government-wide statement of net assets. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.” The details of this \$8,517,238 difference are as follows:

Internal service fund loss allocation to business-type activities – Prior years	\$ 7,932,288
Internal service fund loss allocation to business-type activities – Current year	<u>655,842</u>
	<u>\$ 8,588,130</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 3: **Stewardship, Compliance and Accountability**

A. Budgetary Information

Annual budgets are legally adopted for all funds except Agency Funds and use a basis of accounting consistent with accounting principles generally accepted in the United States of America.

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

All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (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. The most significant change occurred in the Capital Projects Funds (\$51,286,386). Nevada Law requires budgetary control to be exercised at the function level.

B. Excess of Expenditures/Expenses Over Appropriations

Total expenditures/expenses exceeded those budgeted for the year in the following funds:

Equipment Repair and Maintenance Special Revenue Fund - Public Safety	\$ 32,490
Multipurpose Special Revenue Fund - Judicial	35,836
Cultural Arts and Tourism Enterprise Fund	95,315

The above appear to be a potential violation of NRS 354.626.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 4: **Cash and Investments**

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2008:

Cash:

Cash on hand	\$ 13,110
Deposits in bank	2,182,695
Investments	<u>900,511,271</u>
 Total Cash and Investments	 <u><u>\$ 902,707,076</u></u>

Total cash and investments at June 30, 2008 were presented on the City's financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 459,616,617	\$ --	\$ 459,616,617
Business-type activities	363,695,495	10,616,851	374,312,346
Fiduciary funds	<u>68,778,113</u>	<u>--</u>	<u>68,778,113</u>
 Total Cash and Investments	 <u><u>\$ 892,090,225</u></u>	 <u><u>\$ 10,616,851</u></u>	 <u><u>\$ 902,707,076</u></u>

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

State statutes 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.

The City's agent, in the City's name, holds securities used as collateral to secure deposits. The depository bank submits monthly reports to the City indicating the type, the amount and the market value of the pledged securities. The City does not, however, have written custodial agreements with the trust bank for demand deposits.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2008, the recorded amount of the City's deposits was \$2,182,695 and the bank balance was \$7,554,824. Of the bank statement balance \$200,000 was covered by federal depository insurance and \$7,354,824 was subject to collateralization.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 4: **Cash and Investments** (continued)

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as an internal investment pool, is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the City's Finance Director 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 Finance Director are regulated by Nevada Revised Statutes (NRS 355.170).

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating S & P	Moody
Banker's Acceptances	180	20%	None	n/a	n/a
Commercial Paper	270 days	20%	None	A-1	P-1
Money Market Mutual Funds	None	None	None	AAA	Aaa
Negotiable Certificates of Deposit	None	None	None	n/a	n/a
Collateralized Nonnegotiable Certificates of Deposit	None	None	None	n/a	n/a
Negotiable notes/medium-term obligations of local governments of the State of Nevada	None	None	None	n/a	n/a
Obligations of state and local governments outside Nevada	None	None	None	A	n/a
Repurchase Agreements	90 days	None	None	n/a	n/a
U.S. Treasury Obligations	10 years	None	None	n/a	n/a
U.S. Agency Securities:					
Federal National Mortgage	10 years	None	None	n/a	n/a
Federal Agricultural Mortgage Corporation	10 years	None	None	n/a	n/a
Federal Farm Credit Bank	10 years	None	None	n/a	n/a
Federal Home Loan Bank	10 years	None	None	n/a	n/a
Federal Home Loan Mortgage Corporation	10 years	None	None	n/a	n/a
Government National Mortgage Association	10 years	None	None	n/a	n/a
Local Government Investment Pool	None	None	None	n/a	n/a
Notes, Bonds and Other Obligations Issued by U.S. Corporations	5 years	20%	25%	A	n/a
Collateralized Mortgage Obligations	None	None	None	AAA	n/a
Asset-backed Securities	None	None	None	AAA	n/a

CITY OF HENDERSON, NEVADA

Notes to Financial Statements For the Year Ended June 30, 2008

Note 4: **Cash and Investments** (continued)

At June 30, 2008, the City had the following investments:

	Par	Cost	Fair Value	Weighted Average Maturity (Years)
Pooled Investments				
Money Market Funds	36,362,010	36,362,010	36,362,010	0.00
Farm Credit Bank	38,395,000	38,376,723	38,420,459	2.14
Federal Home Loan Banks	217,875,000	217,876,724	218,304,011	2.67
Federal Home Loan Mortgage	178,950,000	179,008,473	179,096,083	4.01
Federal Home Loan Mortgage - REMIC	457,872	457,872	459,485	7.37
Federal National Mortgage	163,055,000	163,170,247	163,241,417	4.47
Federal National Mortgage - CTF	701,647	701,647	767,624	3.35
US Treasury Notes	18,640,000	18,558,388	19,389,850	5.94
US Treasury Notes - Inflationary	1,316,749	1,316,749	1,515,934	6.54
State of Nevada Local Government Investment Pool	1,557,101	1,557,101	1,557,101	0.00
Total Pooled Investments	657,310,379	657,385,934	659,113,974	3.42
Non-Pooled Investments				
<i>Special Assessment Bond Proceeds Investments</i>				
Milestone Money Market Fund	23,526,302	23,526,302	23,526,302	0.00
Federal National Mortgage Assn Discount Note	662,000	643,496	650,334	0.15
Federal Home Loan Mtg Corp Discount Note	980,000	970,911	971,603	0.15
AIM Money Market Fund	156,323,859	156,323,859	156,323,859	0.00
<i>Other Bond Proceeds Investments</i>				
Water Bonds - AIM Money Market Funds	8,914,489	8,914,489	8,914,489	0.00
Sewer Bonds - AIM Money Market Funds	1,867,050	1,867,050	1,867,050	0.00
Sewer Bonds - MBIA Collateralized Investment Agreement	19,204,476	19,204,476	19,204,476	1.34
Muni Acquisitions - MBIA Collateralized Investment Agreement	28,130,765	28,130,765	28,130,765	0.48
Redevelopment Bonds - AIM Money Market Funds	1,808,419	1,808,419	1,808,419	0.00
Total Non-Pooled Investments	241,417,360	241,389,767	241,397,297	0.16
Total Investments	\$ 898,727,739	\$ 898,775,701	\$ 900,511,271	3.58

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

Interest Rate Risk

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

Concentration of Credit Risk

At June 30, 2008, in accordance with State laws as defined in the table found on page 33, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 4: **Cash and Investments** (continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of their respective pool:

	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
Pooled Investments			
Money Market Mutual Funds	AAA	AAA	4.04%
Federal Farm Credit Bank	AAA	AAA	4.27%
Federal Home Loan Banks	AAA	AAA	24.24%
Federal Home Loan Mortgage	AAA	AAA	19.89%
Federal Home Loan Mortgage - REMIC	n/a	n/a	0.05%
Federal National Mortgage	AAA	AAA	18.13%
Federal National Mortgage - CTF	n/a	n/a	0.09%
US Treasury Notes	AAA	AAA	2.15%
US Treasury Notes - Inflationary	AAA	AAA	0.17%
State of Nevada Local Government Investments	n/a	n/a	0.17%
Total Pooled Investments			<u>73.20%</u>
Non-Pooled Investments			
<i>Special Assessment Bond Proceeds Investments</i>			
Milestone Money Market Fund	AAA	AAA	2.61%
Federal National Mortgage Assn Discount Note	AAA	n/a	0.07%
Federal Home Loan Mtg Corp Discount Note	A-1+	n/a	0.11%
AIM Money Market Fund	AAA	AAA	17.36%
<i>Other Bonds Proceeds Investments</i>			
Water Bonds - AIM Money Market Funds	AAA	AAA	0.99%
Sewer Bonds - AIM Money Market Funds	AAA	AAA	0.21%
Sewer Bonds - MBIA Collateralized Investment Agreement	AAA	AAA	2.13%
Muni Acquisition - MBIA Collateralized Investment Agreement	AAA	AAA	3.12%
Redevelopment Bonds - AIM Money Market Funds	AAA	AAA	0.20%
Total Non-Pooled Investments			<u>26.80%</u>
Total			<u>100.00%</u>

Custodial Credit Risk

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

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CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 5: **Interfund Balances and Activity**

<u>Transfers Out</u>	Transfers In			
	General Fund	General Obligation Debt Service Fund	Special Assessment Districts Capital Project Fund	Municipal Facilities Acquisition & Construction Capital Projects Fund
General Fund	\$ --	\$ 1,354,383	\$ --	\$ --
General Obligation Debt Service Fund	13,467,082	--	--	400,000
Special Assessment Districts Debt Service Fund	--	--	9,477	--
Municipal Facilities Acquisition and Construction Capital Projects Fund	4,000,000	2,428,901	--	--
Other Governmental Funds	--	3,712,320	--	2,551,773
Water Fund	--	3,012	--	3,250,000
Sewer Fund	--	3,125	--	3,250,000
Development Services Fund	91,452	2,371	--	--
Other Enterprise Funds	--	527	--	--
Internal Service Funds	--	--	--	37,593
Total	<u>\$ 17,558,534</u>	<u>\$ 7,504,639</u>	<u>\$ 9,477</u>	<u>\$ 9,489,366</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Transfers In

Other Governmental Funds	Development Services Fund	Other Enterprise Funds	Internal Services Funds	Total
\$ 2,967,000	\$ 3,998,998	\$ 1,989,914	\$ 3,902,355	\$ 14,212,650
--	--	--	--	13,867,082
--	--	--	--	9,477
--	--	--	--	6,428,901
--	--	--	--	6,264,093
--	--	--	--	3,253,012
--	--	--	--	3,253,125
--	--	--	--	93,823
--	--	--	--	527
--	--	--	--	37,593
<u>\$ 2,967,000</u>	<u>\$ 3,998,998</u>	<u>\$ 1,989,914</u>	<u>\$ 3,902,355</u>	<u>\$ 47,420,283</u>

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 5: **Interfund Balances and Activity** (continued)

The composition of interfund balances as of June 30, 2008 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Obligation Debt Service	Internal Service Funds	\$ 360,000

The amount due to the General Obligation Debt Service Fund is the Internal Service Funds' obligation for debt service related to bonds issued to liquidate capital leases in the Internal Service Funds.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service Funds	Special Assessment Districts – Capital Projects Fund	\$ 2,677,862
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>3,380,248</u>
		<u><u>\$ 6,058,110</u></u>

The amounts owed to the Internal Service Funds represent loans to the Special Assessment Districts to be repaid from Special Assessments. The amount of \$3,380,248 is a note receivable from the City of Henderson Redevelopment Agency to other governmental funds for a land purchase.

Internal Balances:

	<u>Amount</u>
Effects of prior years internal service activity	\$ (7,932,288)
Effects of current year internal service activity	<u>(655,842)</u>
	<u><u>\$ (8,588,130)</u></u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 6: **Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Completed Construction</u>	<u>Balance June 30, 2008</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 176,316,589	\$ 10,525,577	\$ (13,888,499)	\$ 112,000	\$ 173,065,667
Construction in progress	<u>24,357,651</u>	<u>25,282,633</u>	<u>(663,001)</u>	<u>(16,215,319)</u>	<u>32,761,964</u>
Total capital assets, not being depreciated	<u>200,674,240</u>	<u>35,808,210</u>	<u>(14,551,500)</u>	<u>(16,103,319)</u>	<u>205,827,631</u>
Capital assets, being depreciated:					
Buildings	197,490,212	3,228,091	--	2,479,046	203,197,349
Improvements other than buildings	119,231,890	13,672,927	(1,045,497)	2,990,738	134,850,058
Machinery and equipment	74,904,901	9,120,659	(4,601,313)	657,476	80,081,723
Infrastructure	<u>914,737,523</u>	<u>124,171,360</u>	<u>--</u>	<u>9,976,059</u>	<u>1,048,884,942</u>
Total capital assets, being depreciated	<u>1,306,364,526</u>	<u>150,193,037</u>	<u>(5,646,810)</u>	<u>16,103,319</u>	<u>1,467,014,072</u>
Less accumulated depreciation for:					
Buildings	(36,780,567)	(5,768,217)	--	--	(42,548,784)
Improvements other than buildings	(19,612,624)	(3,263,767)	498,127	--	(22,378,264)
Machinery and equipment	(43,777,583)	(7,728,000)	4,302,559	--	(47,203,024)
Infrastructure	<u>(346,994,164)</u>	<u>(47,868,029)</u>	<u>--</u>	<u>--</u>	<u>(394,862,193)</u>
Total accumulated depreciation	<u>(447,164,938)</u>	<u>(64,628,013)</u>	<u>4,800,686</u>	<u>--</u>	<u>(506,992,265)</u>
Total capital assets, being depreciated, net	<u>859,199,588</u>	<u>85,565,024</u>	<u>(846,124)</u>	<u>16,103,319</u>	<u>960,021,807</u>
Governmental activities capital assets, net	<u>\$ 1,059,873,828</u>	<u>\$ 121,373,234</u>	<u>\$ (15,397,624)</u>	<u>\$ --</u>	<u>\$ 1,165,849,438</u>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 25,215,735	\$ --	\$ --	\$ --	\$ 25,215,735
Construction in progress	<u>138,315,261</u>	<u>49,942,433</u>	<u>--</u>	<u>(6,325,562)</u>	<u>181,932,132</u>
Total capital assets, not being depreciated	<u>163,530,996</u>	<u>49,942,433</u>	<u>--</u>	<u>(6,325,562)</u>	<u>207,147,867</u>
Capital assets, being depreciated:					
Buildings	31,275,502	--	--	--	31,275,502
Improvements other than buildings	866,250,395	89,653,304	--	6,178,910	962,082,609
Machinery and equipment	<u>22,277,516</u>	<u>132,399</u>	<u>(329,815)</u>	<u>146,652</u>	<u>22,226,752</u>
Total capital assets, being depreciated	<u>919,803,413</u>	<u>89,785,703</u>	<u>(329,815)</u>	<u>6,325,562</u>	<u>1,015,584,863</u>
Less accumulated depreciation for:					
Buildings	(6,915,384)	(776,764)	--	--	(7,692,148)
Improvements other than buildings	(256,996,125)	(34,223,133)	--	--	(291,219,258)
Machinery and equipment	<u>(13,811,735)</u>	<u>(1,553,976)</u>	<u>329,815</u>	<u>--</u>	<u>(15,035,896)</u>
Total accumulated depreciation	<u>(277,723,244)</u>	<u>(36,553,873)</u>	<u>329,815</u>	<u>--</u>	<u>(313,947,302)</u>
Total capital assets, being depreciated, net	<u>642,080,169</u>	<u>53,231,830</u>	<u>--</u>	<u>6,325,562</u>	<u>701,637,561</u>
Business-type activities capital assets, net	<u>\$ 805,611,165</u>	<u>\$ 103,174,263</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 908,785,428</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 6: **Capital Assets** (continued)

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:

General government	\$ 4,155,569
Judicial	631,008
Public safety	2,694,878
Public works	47,837,872
Culture & recreation	4,531,328
Community support	1,140
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>4,776,218</u>
Total	<u><u>\$ 64,628,013</u></u>

Business-Type Activities:

Water	\$ 21,900,954
Sewer	13,194,586
Development services	251,970
Other enterprise funds	<u>1,183,468</u>
Total Depreciation Expense - Business-Type Activities	36,530,978
Transfer of assets from governmental activities to business-type activities	<u>22,895</u>
Total Additions and Transfers In	<u><u>\$ 36,553,873</u></u>

Note 7: **Long-Term Debt**

A. **New Debt Issuance**

In March 2008, the City issued General Obligation Medium-Term Bonds, Series 2008 in the amount of \$1,162,000. The bonds were issued to pay all or a portion of the cost of acquiring police communication equipment for the City's Police Department. The bonds will mature annually on March 1 of each year starting in 2009 and ending in 2015. Interest on the bonds is payable on September 1 and March 1, commencing on September 1, 2008. Interest is fixed at 3.24%.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

B. Advance Refundings

In August 2007, the City issued \$29,815,000 in General Obligation Water and Sewer Refunding Bonds, Series 2007. These proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments on \$29,840,000 of refunded debt. This advance refunding was undertaken to reduce total debt service payment over the next eleven years by \$1,528,327 and resulted in an economic gain of \$1,242,928.

C. Changes to Long-Term Debt

The following schedule summarizes the changes in long-term debt:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable:					
\$10,530,000 1997 Refunding serial bonds due in annual installments through April 1, 2011; interest varies between 4.5% and 5.5%	\$ 5,250,000		\$ (1,205,000)	\$ 4,045,000	\$ 1,275,000
\$14,660,000 Parks and Recreation Bonds Series 1998B due in annual installments through June 1, 2016; interest varies between 4.50% and 6.0%	700,000		(700,000)	--	--
\$50,000,000 2000 Various Purpose Bonds due in annual installments through April 1, 2011; interest varies between 5.00% and 6.00%	6,760,000		(2,140,000)	4,620,000	2,250,000
\$12,940,000 2001 Refunding Serial Bonds due in annual installments through June 1, 2013; interest varies between 3.5% and 4.5%	7,720,000		(1,160,000)	6,560,000	1,205,000
\$5,205,000 2003B Park Refunding Bonds due in annual installments through May 1, 2010; interest varies between 2.0% and 2.75%	970,000		(530,000)	440,000	220,000
\$34,505,000 2004A Park and Recreation Refunding Bonds due annually beginning in June 2008 through June 2018; interest varies between 2.25% and 5.0%	34,505,000		(2,115,000)	32,390,000	2,895,000

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

C. Changes to Long-Term Debt (continued)

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due Within One Year</u>
Governmental Activities (continued):					
\$43,355,000 2004B Refunding Bonds due annually beginning in April 2008 through April 2020; interest varies between 2.50% and 5.25%	\$ 43,355,000		\$ (2,020,000)	\$ 41,335,000	\$ 2,075,000
\$3,885,000 2005B Medium-Term Various Purpose Bonds due annually beginning in June 2006 through June 2009; interest varies between 3.125% and 5.0%	2,145,000		(1,205,000)	940,000	940,000
\$56,000,000 2005D Various Purpose Bonds due annually beginning in June 2007 through June 2035; interest varies between 4.0% and 5.0%	54,985,000		(1,055,000)	53,930,000	1,095,000
\$2,065,000 2006 Medium-Term Bonds (Energy Retrofit Project) due annually beginning in September 2007 through September 2016; interest fixed at 3.7913%	2,065,000		(173,000)	1,892,000	180,000
\$1,162,000 2008 Medium-Term Bonds due annually beginning in March 2009 through 2015; interest is fixed at 3.24%.	--	1,162,000	--	1,162,000	152,000
	<u>158,455,000</u>	<u>1,162,000</u>	<u>(12,303,000)</u>	<u>147,314,000</u>	<u>12,287,000</u>
Tax Allocation Bonds Payable:					
\$12,045,000 2002 Henderson Redevelopment tax allocation bond due annually beginning in October 2006 through October 2025; interest varies between 3.5% and 5.25%	11,660,000	--	(400,000)	11,260,000	415,000
\$4,295,000 2002 Henderson Redevelopment tax allocation bond due annually beginning in October 2006 through October 2025; interest varies between 5.1% and 7.2%	4,180,000	--	(120,000)	4,060,000	125,000
	<u>15,840,000</u>	<u>--</u>	<u>(520,000)</u>	<u>15,320,000</u>	<u>540,000</u>
Special Assessment Bonds Payable:					
\$7,000,000 1991 Improvement District T-2 bonds due in annual installments through August 1, 2011; interest at 9.50%	365,000	--	(60,000)	305,000	70,000

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

C. Changes to Long-Term Debt (continued)

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Amounts Due Within One Year
Governmental Activities (continued):					
Capital lease payable to Motorola in monthly payments of \$24,240 including principal and interest through December 2006	\$ 10,305	\$ --	\$ (10,305)	\$ --	\$ --
Capital lease payable to Canon in monthly payments of \$312, including principal and interest through July 2007	309	--	(309)	--	--
	<u>10,614</u>	<u>--</u>	<u>(10,614)</u>	<u>--</u>	<u>--</u>
Unamortized Bond Premium	6,993,202	--	(582,055)	6,411,147	--
Unamortized Bond Discount/Deferred Refunding Charge	(8,596,003)	--	757,444	(7,838,559)	--
Compensated Absences Payable	28,825,477	5,595,588	(2,576,594)	31,844,471	3,344,854
Other post employment benefits (OPEB) liability	--	4,705,062	(441,878)	4,263,184	--
Claims Payable	<u>7,981,006</u>	<u>10,088,303</u>	<u>(9,274,196)</u>	<u>8,795,113</u>	<u>8,795,113</u>
Total Governmental Activities	<u>209,874,296</u>	<u>21,550,953</u>	<u>(25,010,893)</u>	<u>206,414,356</u>	<u>25,036,967</u>
Business-Type Activities:					
Revenue Bonds Payable:					
\$7,221,110 1991 Sewer serial bonds due in semi-annual installments through July 1, 2011; interest at 4.0%	2,405,869	--	(498,210)	1,907,659	518,338
\$12,300,000 1992 Sewer serial bonds due in semi-annual installments through January 1, 2012; interest at 4.0%	4,551,240	--	(754,992)	3,796,248	785,494
\$987,525 1993 Water serial bonds due every five years in installations through December 1, 2012; interest varies between 4.85% and 6.50% (interest is due at time principal is paid)	1,001,526	46,357	(505,000)	542,883	--
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest at 4%	5,793,007	--	(676,666)	5,116,341	704,004

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

C. Changes to Long-Term Debt (continued)

Business-Type Activities (continued):	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Amounts Due Within One Year
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 1, 2015; interest rate at 3.825%	\$ 4,944,029	\$ --	\$ (502,467)	\$ 4,441,562	\$ 521,869
\$31,875,000 1997 Water Refunding bonds due in annual installments through September 1, 2017; interest varies between 3.7% and 6.5%	28,095,000	--	(28,095,000)	--	--
\$2,750,000 1997 Sewer Refunding bonds due in annual installments through September 1, 2014; interest varies between 3.7% and 6.5%	2,590,000	--	(2,590,000)	--	--
\$95,000,000 1998 Water and Sewer bonds Series A due in annual installments through September 1, 2018; interest varies between 4.0% to 5.5%	8,640,000	--	(4,225,000)	4,415,000	4,415,000
\$5,500,000 2000 Water bonds due in annual installments through January 1, 2021; interest rate at 3.65%	4,693,375	--	(220,561)	4,472,814	228,684
\$5,000,000 2003C Water and Sewer Refunding bonds due in annual installments through June 1, 2009; interest varies between 2.0% and 5.0%	905,000	--	(445,000)	460,000	460,000
\$110,000,000 2004 Sewer bonds due in annual installments through June 1, 2034; interest varies between 3.0% and 5.25%	106,155,000	--	(2,010,000)	104,145,000	2,110,000
\$22,618,000 2005 Water bonds due in annual installments through September 1, 2018; interest rate at 5.0%	22,618,000	--	--	22,618,000	--
\$33,927,000 2005 Sewer bonds in annual installments through September 1, 2018; interest rate at 5.0%	33,927,000	--	--	33,927,000	--
\$5,365,000 2005C Water and Sewer refunding bonds due in annual installments through December 1, 2008; interest varies between 3.0% and 4.0%	3,640,000	--	(1,790,000)	1,850,000	1,850,000

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

C. Changes to Long-Term Debt (continued)

Business-Type Activities (continued):	Balance	Additions	Deletions	Balance	Amounts
	July 1, 2007			June 30, 2008	Due Within
					One Year
\$29,815,000 2007 Water and Sewer refunding bonds due in annual installments thru March 2017; interest varies between 4.0% and 5.0%	\$ --	\$ 29,815,000	\$ --	\$ 29,815,000	\$ 1,495,000
	<u>229,959,046</u>	<u>29,861,357</u>	<u>(42,312,896)</u>	<u>217,507,507</u>	<u>13,088,389</u>
Unamortized Bond Premium	8,498,532	573,609	(704,239)	8,367,902	--
Refunding Loss/Bond Discount Costs	(2,471,761)	(509,275)	415,194	(2,565,842)	--
Provisional Credits/Refunding Agreements	1,570,836	486,121	(1,541,693)	515,264	--
Compensated Absences Payable	5,613,509	1,146,969	(476,843)	6,283,635	6,283,635
Other post employment benefits (OPEB) liability	--	1,175,938	--	1,175,938	--
Total Business-Type Activities	<u>243,170,162</u>	<u>32,734,719</u>	<u>(44,620,477)</u>	<u>231,284,404</u>	<u>19,372,024</u>
Total Debt	<u>\$ 453,044,458</u>	<u>\$ 54,285,672</u>	<u>\$ (69,631,370)</u>	<u>\$ 437,698,760</u>	<u>\$ 44,408,991</u>

Compensated absences typically have been liquidated by the General, Internal Service, and Enterprise Funds. Claims payable typically have been liquidated by the Internal Service Funds.

D. Payment Requirements for Debt Service

The annual requirements to pay principal and interest on all bonds outstanding are as follows:

Year Ending June 30:	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 13,088,389	\$ 10,202,218	\$ 12,287,000	\$ 6,808,262
2010	13,128,083	9,593,468	11,812,000	6,313,929
2011	13,742,137	8,970,573	12,104,000	5,814,447
2012	14,060,981	8,332,421	11,077,000	5,359,613
2013	13,752,980	7,875,646	9,375,000	4,831,843
2014-2028	62,877,754	29,255,925	41,894,000	17,632,936
2019-2023	27,222,183	18,122,377	16,875,000	9,554,770
2024-2028	23,400,000	12,640,124	11,175,000	6,618,294
2029-2033	29,450,000	6,232,350	14,095,000	3,779,157
2034-2036	6,785,000	339,250	6,620,000	500,250
	<u>\$ 217,507,507</u>	<u>\$ 111,564,352</u>	<u>\$ 147,314,000</u>	<u>\$ 67,213,501</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 7: **Long-Term Debt** (continued)

D. Payment Requirements for Debt Service (continued)

Year Ending June 30:	Special Assessment Bonds		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest
2009	\$ 70,000	\$ 25,650	\$ 540,000	\$ 817,621
2010	70,000	19,000	565,000	793,176
2011	80,000	11,875	590,000	765,671
2012	85,000	4,038	615,000	735,127
2013	--	--	650,000	702,789
2014-2028	--	--	3,775,000	2,965,385
2019-2023	--	--	4,915,000	1,790,937
2024-2028	--	--	3,670,000	328,294
	<u>\$ 305,000</u>	<u>\$ 60,563</u>	<u>\$ 15,320,000</u>	<u>\$ 8,899,000</u>

E. Special Assessment Bonds

Principal and interest are payable from the assessments levied. District T-2 is obligated, to the extent that it has legally available surplus funds, to apply such surplus funds to the purchase of property in the assessment district that is not sold as a result of foreclosure proceedings. The City has issued various special assessment debt with an outstanding balance of \$302,010,000. The City of Henderson is only acting as an agent for these bonds and is not liable for the debt.

F. Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2008, outstanding general obligation bonds in the amount of \$90,890,000 are considered defeased.

Note 8: **Retirement Plan**

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 8: **Retirement Plan** (continued)

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

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

Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 30 years of accredited police and fire service. A member who retired on or after July 1, 1977 or is an active member whose effective date of membership is before July 1, 1985 and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

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

The City's contribution rates and amounts contributed for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rate</u>		<u>Total Required Contribution</u>	<u>Actual % Contributed of Required Contribution</u>
	<u>Regular Members</u>	<u>Police/ Fire</u>		
2007/08	20.50%	33.50%	\$ 36,216,707	100%
2006/07	19.75%	32.00%	\$ 32,052,626	100%
2005/06	19.75%	32.00%	\$ 28,963,067	100%

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 8: **Retirement Plan** (continued)

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

Note 9: **Other Post-Employment Benefits (OPEB)**

Plan Description: Eligible retirees can purchase health care coverage through two plans offered by the City of Henderson: a self-funded PPO and a fully-insured medical plan (Health Plan of Nevada). In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEPB). Retirees who receive coverage through the PEPB receive a direct subsidy from the City. The City also offers its retirees dental, vision and life insurance benefits which is mandated by Nevada Revised Statutes.

Contributions are required for both retiree and dependent coverage and range from \$61 to \$1,066 per month depending on the plan and the number of participants in the plan.

As of June 30, 2008, the City had 145 retirees receiving benefits and 1,042 active employees.

Annual OPEB Cost and Net OPEB Obligation: For fiscal year 2008 the City's annual OPEB cost was \$5,881,000. The City's Annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2008 were as follows:

Annual required contribution	\$	5,881,000
Interest on net OPEB obligation		--
Adjustment of annual required contribution		--
Annual OPEB cost		5,881,000
Contributions made		441,878
Change in net OPEB obligation (asset)		5,439,122
Net OPEB obligation (asset) beginning of year		--
Net OPEB obligation (asset) end of year	\$	5,439,122

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 9: **Other Post-Employment Benefits (OPEB)** (continued)

<u>Year ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB Obligation (Asset)</u>
June 30, 2008	\$ 5,881,000	\$ 441,878	7.51%	\$ 5,439,122

In future years, three year trend information will be presented. Fiscal year 2008 was the year of implementation of GASB 45, and the City elected to implement prospectively; therefore prior year comparative data is not available.

Funded Status and Funding Progress: The funded status of the plan based on an actuarial valuation as of July 1, 2007, was as follows:

Actuarial accrued liability (AAL)	\$ 51,442,000
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 51,442,000</u>
 Funded ratio (actuarial value of plan assets/AAL)	 0.00%
 Covered payroll	 \$ 139,601,934
 UAAL as percentage of covered payroll	 36.85%

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

In the June 30, 2007 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions include a 5% discount rate. The actuarial value of assets is equal to the market value. The unfunded actuarial accrued liability is being amortized over a period of 30 years assuming a level percentage of projected payroll. The remaining amortization period at June 30, 2007 was 30 years.

The required schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As fiscal year 2008 was the year of implementation of GASB Statement 45, and the City elected to apply the statement prospectively, only one year is shown. In future years, required trend data will be presented.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 10: **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 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 balance sheet date but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's past experience adjusted for current trends. The claims are included in the appropriate liability accounts.

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

Liability Insurance – The City has obtained \$5,000,000 in excess Commercial General Liability Insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverages: a \$615 million blanket property insurance policy on all buildings and building contents with a \$100,000 deductible; a \$100,000,000 Boiler and Machinery policy with \$100,000 deductible; \$3 million Inland Marine coverage on a scheduled basis for heavy equipment with a \$100,000 deductible; a \$250,000 Commercial Crime policy with a \$2,500 deductible that covers employees dishonesty, forgery and alteration; and a \$10.1 million Fire Truck Physical Damage policy with a \$2,500 deductible.

The City maintains its self-insurance fund to cover all claims made or occurring prior to the effective date of the excess liability policy and all claims that fall under the \$1,000,000 SIR. The City's Risk Management Division works with the City Attorney's office; an outside claims adjusting firm; the excess insurance company and its administrator; and, applicable departments in handling claims filed against the City. In addition, the City obtains an actuarial analysis on a biannual basis.

Worker's Compensation – On April 1, 1993, the City became self-insured for worker's compensation claims. A third party administrator is utilized for claim payment. The City has a \$1,250,000 SIR for all employees per occurrence, with the maximum on all claims at statutory limits for the coverage period from April 1, 2008 through April 1, 2009.

Group Health Insurance – On July 1, 1992, the City became self-insured for employees health benefits, providing medical, dental and vision care for employees not covered under union provided health plans. The City maintains a specific stop loss policy of \$100,000 per participant per plan year with plan benefits subject to a \$2,000,000 lifetime maximum. A third party administrator is used to pay claims.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 10: **Risk Management** (continued)

Changes in the funds' claims liability amounts for the years ended June 30, 2008 and 2007 were:

	Liability Balance Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balances at End of Fiscal Year
Fiscal Year 2007/08:				
Liability	\$ 1,369,921	\$ 798,791	\$ 798,791	\$ 1,369,921
Workmen's Compensation	5,230,908	1,593,088	887,847	5,936,149
Health Insurance	1,380,177	7,696,424	7,587,558	1,489,043
	<u>\$ 7,981,006</u>	<u>\$ 10,088,303</u>	<u>\$ 9,274,196</u>	<u>\$ 8,795,113</u>
Fiscal Year 2006/07:				
Liability	\$ 1,369,921	\$ 328,109	\$ 328,109	\$ 1,369,921
Workmen's Compensation	4,663,739	1,549,652	982,483	5,230,908
Health Insurance	860,948	8,446,054	7,926,825	1,380,177
	<u>\$ 6,894,608</u>	<u>\$ 10,323,815</u>	<u>\$ 9,237,417</u>	<u>\$ 7,981,006</u>

Note 11: **Joint Venture**

Pursuant to an interlocal agreement dated November 20, 2002, the City of Las Vegas, City of Henderson and the Clark County Water Reclamation District (Members) entered into a joint venture for the purpose of addressing water quality issues in the Las Vegas Wash and Las Vegas Bay of Lake Mead. The Members have worked jointly with other agencies on studies of alternate discharge options and share a common environmental, economic and regulatory interest in the efficient and responsible collection, treatment, reuse and discharge of municipal effluent. The studies have resulted in a program referred to as the System Conveyance and Operations Program (SCOP), which will produce the need for even greater coordination and cooperation in the funding, construction and operation of a regional system for the conveyance of effluent.

In order to carry out their purposes and objectives with respect to discharges from their respective treatment facilities, including the implementation of SCOP, the Members desired to create a separate legal entity. With this interlocal agreement, the Clean Water Coalition (CWC) was established pursuant to the provisions of Chapter 277 of NRS. The CWC is considered a political subdivision of the State of Nevada, separate from the Members. The primary function of the CWC is to carry out the purposes and objectives of the Members with respect to discharges from their respective treatment facilities, including the implementation of SCOP. The governing board of CWC will consist of one representative from each Member and an alternate representative from each Member.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 11: **Joint Venture** (continued)

This arrangement is considered a joint venture with an equity interest because 1) the agreement results in a contractual entity, 2) joint control exists in a governing board with one representative from each Member and 3) there is an ongoing financial relationship/responsibility on the part of the participating entities.

Based on studies analyzing each Member's present and projected daily peak discharge of effluent from their respective wastewater treatment facilities and, as negotiated by the Members the percentage capacity rights for the City of Henderson are 14%.

The underlying agreement creates an explicit, measurable equity interest in the resources of the joint venture and as such, this investment is reported as a separate line item on the government wide statements. As of June 30, 2008, the City of Henderson's investment in the joint venture is \$9,617,920. Separate audited financial statements and information for the joint venture are available by contacting the CWC Program Administrator at 1001 Whitney Ranch Drive, Suite 100, Henderson, Nevada, 89014.

Note 12: **Commitments and Contingencies**

A. **Construction in Progress**

Construction in progress in the total amount of \$214,694,096 at June 30, 2008 is reflected in the government-wide statements. Management estimates it will require an additional outlay of approximately \$215,464,902 to complete these projects.

B. **Litigation**

There are several lawsuits and unresolved disputes involving the City or its employees in which the City is represented by the City Attorney. However, in the opinion of the City Attorney these actions will not, in the aggregate, have a material adverse effect upon the operations or financial position of the City.

C. **Lake Las Vegas**

The City and the developers of Lake Las Vegas have established a sinking fund for the accumulation of \$30,000,000 to be used for stormwater treatment and/or conveyance in the event that the Federal Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection determine that more stringent stormwater treatment standards are required solely as a result of the creation of Lake Las Vegas.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 12: **Commitments and Contingencies** (continued)

C. **Lake Las Vegas** (continued)

The sinking fund will be maintained for a period of thirty years commencing in 1989 after which the City will be allowed to utilize the fund proceeds, if any, for any appropriate municipal purpose. Developer contributions with accumulated interest are expected to constitute \$4,500,000 of the total. However, the developer filed for bankruptcy on July 17, 2008 so any contributions are uncertain at this time. The City intends to make contributions from property tax revenue that will be generated from increased assessed valuation resulting from the development.

D. **Redevelopment Agency**

The City of Henderson Redevelopment Agency entered into several promissory notes in the original aggregate amount of \$9,350,000 as part of an Owner Participation Agreement with various developers. In addition, the Agency has agreed to guarantee construction and term loans totaling \$2.6 million for one project in the event of default during construction, leasing or term out. The indebtedness represented by each note was payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on specific parcels of land and was not to be payable from any other source. Because the requirements to repay the notes were contingent on the Agency receiving sufficient Site Tax Increment on the specific parcels, these potential future obligations of the Agency have not been reflected in the financial statements in the past. On November 20, 2007, the Agency borrowed \$2,588,655 from the City to pay off the guarantee amount on one of the construction loans after the developer was unable to cure the loan. The Agency wrote off a note receivable in the amount of \$840,000 as a result of foreclosure proceedings on a property where the Agency held a second deed of trust. In addition, accrued interest associated with this note receivable in the amount of \$150,831 was also written off in the government-wide statement of activities.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 13: **Restricted Net Assets**

Restricted net assets are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grants, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Restricted net assets at June 30, 2008 for governmental activities are as follows:

Restricted for general government		
Equipment repair and maintenance	10,362,812	
Multipurpose	<u>2,206,578</u>	\$ 12,569,390
Judicial		
Municipal court administrative	<u>699,196</u>	699,196
Debt service		
General obligation debt	5,090,727	
Special assessment debt	<u>869,969</u>	5,960,696
Public safety		
Sales tax police	8,219,247	
Forfeited assets	<u>334,178</u>	8,553,425
Public works		
Gas tax	9,462,525	
Lake Las Vegas	5,132,687	
Flood control	135,750	
RTC/County funded	535,095	
Ad valorem transportation	<u>3,339,168</u>	18,605,225
Culture and recreation		
Special recreation	<u>2,665,923</u>	2,665,923
Capital projects		
Special assessments districts	132,038,822	
Municipal facilities	113,959,089	
Park development	<u>7,403,591</u>	253,401,502
Redevelopment		
Redevelopment agency	<u>28,617,521</u>	28,617,521
Claims		
Self-insurance	8,451,655	
Workman's compensation	12,588,752	
Health insurance	<u>6,205,603</u>	27,246,010
		<u>358,318,888</u>
Total restricted net assets - governmental activities		<u>\$ 358,318,888</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2008

Note 13: **Restricted Net Assets** (continued)

Restricted net assets at June 30, 2008 for business-type activities are as follows:

Debt service		
Water fund	\$ 3,714,391	
Sewer fund	<u>3,869,691</u>	\$ 7,584,082
Capital projects		
Sewer fund	<u>9,617,920</u>	9,617,920
System development		
Water fund	65,613,168	
Sewer fund	<u>131,937,940</u>	<u>197,551,108</u>
Total restricted net assets - business-type activities		<u><u>\$ 214,753,110</u></u>

Note 14: **Prior Period Adjustment**

Deferred revenue and the related charges for services revenue in the Development Services Fund was incorrectly estimated for the fiscal year ending June 30, 2007. As a result, this correction was recorded during the year ended June 30, 2008 as a prior period adjustment and net assets at July 1, 2007 were adjusted by \$5,400,825. Respectively, net income of the Development Services Fund for the year ended June 30, 2007 would have decreased by the \$5,400,825 increase in deferred revenue.

Note 15: **Special Item**

The City conveyed 503.77 acres of land to the Nevada System of Higher Education, a public agency of the State of Nevada. Land was conveyed by interlocal agreement as authorized under the Clark County Conservation of Public Land and Natural Resources Act of 2002 for the development of the Nevada State College campus. The donated land had been recorded in the City's capital assets in the amount of \$13,888,499.

CITY OF HENDERSON, NEVADA

Required Supplementary Information (Unaudited)
June 30, 2008

City of Henderson
Other Postemployment Benefits Plan -
Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
July 1, 2007	--	\$ 51,442,000	0.00%	\$ 51,442,000	\$ 139,601,934	36.85%

Multi-year trend information is not yet available as fiscal year ending 2008 was the first year of implementation of GASB Statement 45. Information will be presented in future years as it becomes available.

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CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

ASSETS

	Special Revenue Funds	Capital Project Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and investments	\$ 59,804,729	\$ 38,214,994	\$ 98,019,723
Receivables:			
Accounts	140,396	15,965	156,361
Accrued interest	487,299	343,783	831,082
Notes	5,867,942	1,643,405	7,511,347
Advances to other funds	--	3,380,248	3,380,248
Due from other governments	5,866,424	2,262,899	8,129,323
Land held for resale	10,786,310	--	10,786,310
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 82,953,100</u>	<u>\$ 45,861,294</u>	<u>\$ 128,814,394</u>

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable and accrued wages	\$ 1,669,265	\$ 177,523	\$ 1,846,788
Construction contracts payable	257,178	122,724	379,902
Deposits	200,000	2,892,496	3,092,496
Due to other governments	--	218,892	218,892
Advances from other funds	3,380,248	--	3,380,248
Deferred revenue	385,276	1,643,405	2,028,681
Total liabilities	<u>5,891,967</u>	<u>5,055,040</u>	<u>10,947,007</u>
FUND BALANCES			
Reserved for:			
Encumbrances	6,564,920	417,631	6,982,551
Debt service	1,389,130	--	1,389,130
Land held for resale	10,786,310	--	10,786,310
Notes receivable	5,867,942	--	5,867,942
Sinking fund	5,132,687	--	5,132,687
Advances	--	3,380,248	3,380,248
Unreserved - undesignated	47,320,144	37,008,375	84,328,519
Total fund balances	<u>77,061,133</u>	<u>40,806,254</u>	<u>117,867,387</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 82,953,100</u>	<u>\$ 45,861,294</u>	<u>\$ 128,814,394</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES			
Property taxes	\$ 13,033,976	\$ 2,563,354	\$ 15,597,330
Intergovernmental	27,341,527	3,185,449	30,526,976
Charges for services	412,464	141,805	554,269
Fines and forfeitures	895,058	--	895,058
Developer/property owner contributions	935,266	--	935,266
Impact fees	--	445,220	445,220
Miscellaneous interest	3,026,810	2,841,292	5,868,102
Miscellaneous	179,179	557,864	737,043
Total revenues	<u>45,824,280</u>	<u>9,734,984</u>	<u>55,559,264</u>
EXPENDITURES			
Current:			
General government	4,439,330	620,392	5,059,722
Judicial	361,135	--	361,135
Public safety	11,204,757	--	11,204,757
Public works	978,786	4,869	983,655
Culture and recreation	4,696,008	1,433,056	6,129,064
Community support	3,534,376	--	3,534,376
Total current	<u>25,214,392</u>	<u>2,058,317</u>	<u>27,272,709</u>
Capital outlay:			
General government	515,289	5,999,447	6,514,736
Judicial	202,601	--	202,601
Public safety	1,236,121	--	1,236,121
Public works	3,149,216	158,648	3,307,864
Culture and recreation	2,519,608	2,194,520	4,714,128
Community support	4,971	--	4,971
Total capital outlay	<u>7,627,806</u>	<u>8,352,615</u>	<u>15,980,421</u>
Debt service:			
Principal retirement	520,000	--	520,000
Interest and fiscal charges	839,724	--	839,724
Total debt service	<u>1,359,724</u>	<u>--</u>	<u>1,359,724</u>
Total expenditures	<u>34,201,922</u>	<u>10,410,932</u>	<u>44,612,854</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,622,358</u>	<u>(675,948)</u>	<u>10,946,410</u>
OTHER FINANCING SOURCES (USES)			
Land sales	--	212,637	212,637
Transfers in	2,950,000	17,000	2,967,000
Transfers out	(1,958,188)	(4,305,905)	(6,264,093)
Total other financing sources (uses)	<u>991,812</u>	<u>(4,076,268)</u>	<u>(3,084,456)</u>
NET CHANGE IN FUND BALANCES	12,614,170	(4,752,216)	7,861,954
FUND BALANCES, BEGINNING OF YEAR	<u>64,446,963</u>	<u>45,558,470</u>	<u>110,005,433</u>
FUND BALANCES, END OF YEAR	<u>\$ 77,061,133</u>	<u>\$ 40,806,254</u>	<u>\$ 117,867,387</u>

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

ASSETS

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization	Equipment Repair and Maintenance	Multipurpose	Lake Las Vegas	Sales and Use Tax	Total
Cash and investments	\$ 15,480,769	\$ 8,700,427	\$ 342,410	\$ 734,042	\$ 11,923,646	\$ 10,837,901	\$ 1,013,765	\$ 5,088,624	\$ 5,683,145	\$ 59,804,729
Receivables:										
Accounts	35,852	--	--	--	--	--	100,487	--	4,057	140,396
Accrued interest	111,764	71,053	2,352	--	102,743	106,622	--	44,063	48,702	487,299
Notes	5,867,942	--	--	--	--	--	--	--	--	5,867,942
Due from other governments	466,619	718,457	--	--	--	7,342	1,811,161	--	2,862,845	5,866,424
Land held for resale	10,786,310	--	--	--	--	--	--	--	--	10,786,310
TOTAL ASSETS	\$ 32,749,256	\$ 9,489,937	\$ 344,762	\$ 734,042	\$ 12,026,389	\$ 10,951,865	\$ 2,925,413	\$ 5,132,687	\$ 8,598,749	\$ 82,953,100

LIABILITIES AND FUND BALANCES

LIABILITIES										
Accounts payable and accrued wages	\$ 166,211	\$ 2,617	\$ 10,584	\$ 34,846	\$ --	\$ 356,670	\$ 718,835	\$ --	\$ 379,502	\$ 1,669,265
Construction contracts payable	--	24,795	--	--	--	232,383	--	--	--	257,178
Deposits	200,000	--	--	--	--	--	--	--	--	200,000
Advances from other funds	3,380,248	--	--	--	--	--	--	--	--	3,380,248
Deferred revenue	385,276	--	--	--	--	--	--	--	--	385,276
Total liabilities	4,131,735	27,412	10,584	34,846	--	589,053	718,835	--	379,502	5,891,967
FUND BALANCES										
Reserved for:										
Encumbrances	172,142	71,488	1,679	17,996	--	605,708	5,671,197	--	24,710	6,564,920
Debt service	1,389,130	--	--	--	--	--	--	--	--	1,389,130
Land held for resale	10,786,310	--	--	--	--	--	--	--	--	10,786,310
Notes receivable	5,867,942	--	--	--	--	--	--	--	--	5,867,942
Sinking fund	--	--	--	--	--	--	--	5,132,687	--	5,132,687
Unreserved - undesignated	10,401,997	9,391,037	332,499	681,200	12,026,389	9,757,104	(3,464,619)	--	8,194,537	47,320,144
Total fund balances	28,617,521	9,462,525	334,178	699,196	12,026,389	10,362,812	2,206,578	5,132,687	8,219,247	77,061,133
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,749,256	\$ 9,489,937	\$ 344,762	\$ 734,042	\$ 12,026,389	\$ 10,951,865	\$ 2,925,413	\$ 5,132,687	\$ 8,598,749	\$ 82,953,100

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2008

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization	Equipment Repair and Maintenance	Multipurpose	Lake Las Vegas	Sales and Use Tax	Total
REVENUES										
Property taxes	\$ 13,033,976	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,033,976
Intergovernmental	--	3,557,517	--	--	--	273,500	11,975,084	--	11,535,426	27,341,527
Charges for services	--	--	--	--	--	412,464	--	--	--	412,464
Fines and forfeitures	--	--	250,742	644,316	--	--	--	--	--	895,058
Developer/property owner contributions	--	--	--	--	--	848,634	--	86,632	--	935,266
Miscellaneous interest	694,694	394,982	13,905	--	652,883	681,077	--	279,762	309,507	3,026,810
Miscellaneous	34,520	--	1,500	--	--	--	138,086	--	5,073	179,179
Total revenues	<u>13,763,190</u>	<u>3,952,499</u>	<u>266,147</u>	<u>644,316</u>	<u>652,883</u>	<u>2,215,675</u>	<u>12,113,170</u>	<u>366,394</u>	<u>11,850,006</u>	<u>45,824,280</u>
EXPENDITURES										
Current:										
General government	3,859,961	--	--	--	--	579,369	--	--	--	4,439,330
Judicial	--	--	--	341,380	--	--	19,755	--	--	361,135
Public safety	--	--	223,494	--	--	32,490	341,781	--	10,606,992	11,204,757
Public works	--	99,451	--	--	--	838,491	40,844	--	--	978,786
Culture and recreation	--	--	--	--	--	122,473	4,573,535	--	--	4,696,008
Community support	--	--	--	--	--	--	3,534,376	--	--	3,534,376
Total current	<u>3,859,961</u>	<u>99,451</u>	<u>223,494</u>	<u>341,380</u>	<u>--</u>	<u>1,572,823</u>	<u>8,510,291</u>	<u>--</u>	<u>10,606,992</u>	<u>25,214,392</u>
Capital outlay:										
General government	--	--	--	--	--	515,289	--	--	--	515,289
Judicial	--	--	--	186,520	--	--	16,081	--	--	202,601
Public safety	--	--	--	--	--	--	280,130	--	955,991	1,236,121
Public works	--	83,937	--	--	--	3,054,978	10,301	--	--	3,149,216
Culture and recreation	--	--	--	--	--	526,199	1,993,409	--	--	2,519,608
Community support	--	--	--	--	--	--	4,971	--	--	4,971
Total capital outlay	<u>--</u>	<u>83,937</u>	<u>--</u>	<u>186,520</u>	<u>--</u>	<u>4,096,466</u>	<u>2,304,892</u>	<u>--</u>	<u>955,991</u>	<u>7,627,806</u>
Debt service:										
Principal retirement	520,000	--	--	--	--	--	--	--	--	520,000
Interest and fiscal charges	839,724	--	--	--	--	--	--	--	--	839,724
Total debt service	<u>1,359,724</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,359,724</u>
Total expenditures	<u>5,219,685</u>	<u>183,388</u>	<u>223,494</u>	<u>527,900</u>	<u>--</u>	<u>5,669,289</u>	<u>10,815,183</u>	<u>--</u>	<u>11,562,983</u>	<u>34,201,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES										
	<u>8,543,505</u>	<u>3,769,111</u>	<u>42,653</u>	<u>116,416</u>	<u>652,883</u>	<u>(3,453,614)</u>	<u>1,297,987</u>	<u>366,394</u>	<u>287,023</u>	<u>11,622,358</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	--	--	--	--	--	2,950,000	--	--	--	2,950,000
Transfers out	--	(350,538)	--	--	--	(607,650)	(1,000,000)	--	--	(1,958,188)
Total other financing sources (uses)	<u>--</u>	<u>(350,538)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,342,350</u>	<u>(1,000,000)</u>	<u>--</u>	<u>--</u>	<u>991,812</u>
NET CHANGE IN FUND BALANCES										
	8,543,505	3,418,573	42,653	116,416	652,883	(1,111,264)	297,987	366,394	287,023	12,614,170
FUND BALANCES, BEGINNING OF YEAR										
	20,074,016	6,043,952	291,525	582,780	11,373,506	11,474,076	1,908,591	4,766,293	7,932,224	64,446,963
FUND BALANCES, END OF YEAR										
	<u>\$ 28,617,521</u>	<u>\$ 9,462,525</u>	<u>\$ 334,178</u>	<u>\$ 699,196</u>	<u>\$ 12,026,389</u>	<u>\$ 10,362,812</u>	<u>\$ 2,206,578</u>	<u>\$ 5,132,687</u>	<u>\$ 8,219,247</u>	<u>\$ 77,061,133</u>

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2008

ASSETS

	<u>Land Sales</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>	<u>RTC/ County Funded</u>	<u>Special Ad Valorem Transportation</u>	<u>Total</u>
Cash and investments	\$ 26,164,099	\$ 1,904,692	\$ 7,375,390	\$ 164,034	\$ 535,095	\$ 2,071,684	\$ 38,214,994
Receivables:							
Accounts	15,965	--	--	--	--	--	15,965
Accrued interest	244,195	13,552	64,660	1,406	--	19,970	343,783
Notes	1,643,405	--	--	--	--	--	1,643,405
Advances to other funds	3,209,917	--	170,331	--	--	--	3,380,248
Due from other governments	--	792,888	--	--	--	1,470,011	2,262,899
TOTAL ASSETS	<u><u>\$ 31,277,581</u></u>	<u><u>\$ 2,711,132</u></u>	<u><u>\$ 7,610,381</u></u>	<u><u>\$ 165,440</u></u>	<u><u>\$ 535,095</u></u>	<u><u>\$ 3,561,665</u></u>	<u><u>\$ 45,861,294</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES							
Accounts payable and accrued wages	\$ 14,953	\$ 45,209	\$ 117,361	\$ --	\$ --	\$ --	\$ 177,523
Construction contracts payable	--	--	89,429	29,690	--	3,605	122,724
Deposits	2,892,496	--	--	--	--	--	2,892,496
Due to other governments	--	--	--	--	--	218,892	218,892
Deferred revenue	1,643,405	--	--	--	--	--	1,643,405
Total liabilities	<u><u>4,550,854</u></u>	<u><u>45,209</u></u>	<u><u>206,790</u></u>	<u><u>29,690</u></u>	<u><u>--</u></u>	<u><u>222,497</u></u>	<u><u>5,055,040</u></u>
FUND BALANCES							
Reserved for:							
Encumbrances	252,621	51,077	99,628	--	1,431	12,874	417,631
Advances	3,209,917	--	170,331	--	--	--	3,380,248
Unreserved - undesignated	23,264,189	2,614,846	7,133,632	135,750	533,664	3,326,294	37,008,375
TOTAL FUND BALANCES	<u><u>26,726,727</u></u>	<u><u>2,665,923</u></u>	<u><u>7,403,591</u></u>	<u><u>135,750</u></u>	<u><u>535,095</u></u>	<u><u>3,339,168</u></u>	<u><u>40,806,254</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 31,277,581</u></u>	<u><u>\$ 2,711,132</u></u>	<u><u>\$ 7,610,381</u></u>	<u><u>\$ 165,440</u></u>	<u><u>\$ 535,095</u></u>	<u><u>\$ 3,561,665</u></u>	<u><u>\$ 45,861,294</u></u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2008

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/ County Funded	Special Ad Valorem Transportation	Total
REVENUES							
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,563,354	\$ 2,563,354
Intergovernmental	--	3,100,403	--	--	85,046	--	3,185,449
Charges for services	--	141,805	--	--	--	--	141,805
Impact fees	--	--	445,220	--	--	--	445,220
Miscellaneous interest	2,197,047	84,262	426,374	8,879	--	124,730	2,841,292
Miscellaneous	557,864	--	--	--	--	--	557,864
Total revenues	2,754,911	3,326,470	871,594	8,879	85,046	2,688,084	9,734,984
EXPENDITURES							
Current:							
General government	620,392	--	--	--	--	--	620,392
Public works	--	--	--	--	--	4,869	4,869
Culture and recreation	--	1,384,646	48,410	--	--	--	1,433,056
Total current	620,392	1,384,646	48,410	--	--	4,869	2,058,317
Capital outlay:							
General government	5,999,447	--	--	--	--	--	5,999,447
Public works	--	--	--	--	85,046	73,602	158,648
Culture and recreation	--	850,041	1,344,479	--	--	--	2,194,520
Total capital outlay	5,999,447	850,041	1,344,479	--	85,046	73,602	8,352,615
Total expenditures	6,619,839	2,234,687	1,392,889	--	85,046	78,471	10,410,932
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,864,928)	1,091,783	(521,295)	8,879	--	2,609,613	(675,948)
OTHER FINANCING SOURCES (USES)							
Land sales	212,637	--	--	--	--	--	212,637
Transfers in	--	17,000	--	--	--	--	17,000
Transfers out	(1,519,010)	(425,740)	--	--	--	(2,361,155)	(4,305,905)
Total other financing sources (uses)	(1,306,373)	(408,740)	--	--	--	(2,361,155)	(4,076,268)
NET CHANGE IN FUND BALANCES	(5,171,301)	683,043	(521,295)	8,879	--	248,458	(4,752,216)
FUND BALANCES, BEGINNING OF YEAR	31,898,028	1,982,880	7,924,886	126,871	535,095	3,090,710	45,558,470
FUND BALANCES, END OF YEAR	\$ 26,726,727	\$ 2,665,923	\$ 7,403,591	\$ 135,750	\$ 535,095	\$ 3,339,168	\$ 40,806,254

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 42,791,496	\$ 42,014,837	\$ (776,659)
Franchise fees	31,873,598	31,468,210	(405,388)
Licenses and permits	8,219,566	8,425,573	206,007
Intergovernmental	104,731,873	97,104,758	(7,627,115)
Charges for services	14,115,297	14,397,244	281,947
Fines and forfeits	4,134,903	4,910,610	775,707
Miscellaneous interest	1,569,553	1,605,053	35,500
Miscellaneous	759,175	728,134	(31,041)
Total revenues	<u>208,195,461</u>	<u>200,654,419</u>	<u>(7,541,042)</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Mayor and Council:			
Salaries and wages	378,874	388,647	(9,773)
Employee benefits	276,829	234,835	41,994
Services and supplies	273,337	201,208	72,129
Total Mayor and Council	<u>929,040</u>	<u>824,690</u>	<u>104,350</u>
City Manager:			
Salaries and wages	1,463,455	1,056,874	406,581
Employee benefits	591,674	411,043	180,631
Services and supplies	1,845,027	604,975	1,240,052
Capital outlay	25,029	24,479	550
Total City Manager	<u>3,925,185</u>	<u>2,097,371</u>	<u>1,827,814</u>
Finance:			
Salaries and wages	3,108,386	2,956,931	151,455
Employee benefits	1,313,137	1,248,145	64,992
Services and supplies	1,434,122	452,285	981,837
Total Finance	<u>5,855,645</u>	<u>4,657,361</u>	<u>1,198,284</u>
Budget and Strategic Management:			
Salaries and wages	587,520	566,764	20,756
Employee benefits	261,241	248,999	12,242
Services and supplies	117,871	62,522	55,349
Capital outlay	20,077	--	20,077
Total Budget and Strategic Management	<u>986,709</u>	<u>878,285</u>	<u>108,424</u>

continued

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual (continued)
General Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
GENERAL GOVERNMENT (continued)			
Information Technology:			
Salaries and wages	\$ 4,023,173	\$ 3,751,470	\$ 271,703
Employee benefits	1,679,366	1,499,286	180,080
Services and supplies	6,908,287	4,547,422	2,360,865
Capital outlay	661,589	293,567	368,022
Total Information Technology	<u>13,272,415</u>	<u>10,091,745</u>	<u>3,180,670</u>
City Clerk:			
Salaries and wages	1,106,720	1,113,128	(6,408)
Employee benefits	510,645	452,020	58,625
Services and supplies	732,155	252,391	479,764
Capital outlay	56,050	26,650	29,400
Total City Clerk	<u>2,405,570</u>	<u>1,844,189</u>	<u>561,381</u>
Human Resources:			
Salaries and wages	1,805,412	1,802,930	2,482
Employee benefits	725,052	723,153	1,899
Services and supplies	676,157	586,026	90,131
Total Human Resources	<u>3,206,621</u>	<u>3,112,109</u>	<u>94,512</u>
City Attorney:			
Salaries and wages	2,293,799	2,213,834	79,965
Employee benefits	978,760	960,935	17,825
Services and supplies	2,365,171	1,507,975	857,196
Capital outlay	24,025	--	24,025
Total City Attorney	<u>5,661,755</u>	<u>4,682,744</u>	<u>979,011</u>
Community Development:			
Salaries and wages	3,081,821	2,923,348	158,473
Employee benefits	1,288,674	1,143,748	144,926
Services and supplies	1,520,320	730,408	789,912
Total Community Development	<u>5,890,815</u>	<u>4,797,504</u>	<u>1,093,311</u>
Building Maintenance:			
Salaries and wages	1,622,386	1,540,805	81,581
Employee benefits	793,569	670,665	122,904
Services and supplies	5,643,768	3,821,053	1,822,715
Capital outlay	65,500	51,923	13,577
Total Building Maintenance	<u>8,125,223</u>	<u>6,084,446</u>	<u>2,040,777</u>

continued

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual (continued)
General Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
GENERAL GOVERNMENT (continued)			
Miscellaneous:			
Salaries and wages	\$ 3,084,003	\$ 2,502,771	\$ 581,232
Employee benefits	542,400	575,929	(33,529)
Services and supplies	3,852,747	2,623,163	1,229,584
Capital outlay	87,190	--	87,190
Total Miscellaneous	<u>7,566,340</u>	<u>5,701,863</u>	<u>1,864,477</u>
Total General Government	<u>57,825,318</u>	<u>44,772,307</u>	<u>13,053,011</u>
JUDICIAL			
Municipal Court:			
Salaries and wages	4,003,790	3,895,580	108,210
Employee benefits	1,679,594	1,656,932	22,662
Services and supplies	486,995	478,109	8,886
Total Municipal Court	<u>6,170,379</u>	<u>6,030,621</u>	<u>139,758</u>
City Attorney-Criminal:			
Salaries and wages	1,739,670	1,600,903	138,767
Employee benefits	756,326	696,001	60,325
Services and supplies	219,814	199,528	20,286
Capital outlay	35,000	10,795	24,205
Total City Attorney-Criminal	<u>2,750,810</u>	<u>2,507,227</u>	<u>243,583</u>
City Attorney-Court Programs:			
Salaries and wages	799,555	788,642	10,913
Employee benefits	333,206	312,995	20,211
Services and supplies	108,849	75,090	33,759
Capital outlay	13,489	15,073	(1,584)
Total City Attorney-Court Programs	<u>1,255,099</u>	<u>1,191,800</u>	<u>63,299</u>
Total Judicial	<u>10,176,288</u>	<u>9,729,648</u>	<u>446,640</u>
PUBLIC SAFETY			
Fire:			
Salaries and wages	24,777,445	23,698,001	1,079,444
Employee benefits	9,661,515	8,832,421	829,094
Services and supplies	3,691,838	3,650,765	41,073
Capital outlay	836,889	30,172	806,717
Total Fire	<u>38,967,687</u>	<u>36,211,359</u>	<u>2,756,328</u>
Police:			
Salaries and wages	40,178,168	40,153,114	25,054
Employee benefits	20,104,817	18,604,992	1,499,825
Services and supplies	8,964,434	8,590,019	374,415
Capital outlay	2,038,733	582,807	1,455,926
Total Police	<u>71,286,152</u>	<u>67,930,932</u>	<u>3,355,220</u>

continued

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual (continued)
General Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
PUBLIC SAFETY (continued)			
Building Inspection:			
Salaries and wages	\$ 1,013,810	\$ 1,026,560	\$ (12,750)
Employee benefits	385,430	407,559	(22,129)
Services and supplies	280,033	123,290	156,743
Total Building Inspection	<u>1,679,273</u>	<u>1,557,409</u>	<u>121,864</u>
 Total Public Safety	 <u>111,933,112</u>	 <u>105,699,700</u>	 <u>6,233,412</u>
PUBLIC WORKS			
Streets:			
Salaries and wages	966,262	871,803	94,459
Employee benefits	370,961	338,868	32,093
Services and supplies	994,491	950,133	44,358
Total Streets	<u>2,331,714</u>	<u>2,160,804</u>	<u>170,910</u>
 Street Lighting:			
Salaries and wages	1,226,284	1,174,044	52,240
Employee benefits	462,291	422,732	39,559
Services and supplies	3,573,606	2,945,916	627,690
Total Street Lighting	<u>5,262,181</u>	<u>4,542,692</u>	<u>719,489</u>
 Flood Control:			
Salaries and wages	749,946	659,910	90,036
Employee benefits	286,611	261,767	24,844
Services and supplies	895,191	839,650	55,541
Capital outlay	331,583	143,150	188,433
Total Flood Control	<u>2,263,331</u>	<u>1,904,477</u>	<u>358,854</u>
 Public Works General Services:			
Salaries and wages	1,871,298	1,759,829	111,469
Employee benefits	732,719	686,976	45,743
Services and supplies	2,213,060	678,437	1,534,623
Capital outlay	560,233	225,300	334,933
Total Public Works General Services	<u>5,377,310</u>	<u>3,350,542</u>	<u>2,026,768</u>
 Total Public Works	 <u>15,234,536</u>	 <u>11,958,515</u>	 <u>3,276,021</u>
CULTURE AND RECREATION			
Parks:			
Salaries and wages	6,716,198	6,492,730	223,468
Employee benefits	2,982,318	2,611,748	370,570
Services and supplies	5,189,816	4,481,529	708,287
Capital outlay	125,500	46,962	78,538
Total Parks	<u>15,013,832</u>	<u>13,632,969</u>	<u>1,380,863</u>

continued

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual (continued)
General Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
CULTURE AND RECREATION (continued)			
Recreation:			
Salaries and wages	\$ 12,108,865	\$ 11,247,313	\$ 861,552
Employee benefits	3,235,744	2,874,027	361,717
Services and supplies	5,421,312	4,834,027	587,285
Capital outlay	747,871	22,306	725,565
Total Recreation	<u>21,513,792</u>	<u>18,977,673</u>	<u>2,536,119</u>
 Total Culture and Recreation	 <u>36,527,624</u>	 <u>32,610,642</u>	 <u>3,916,982</u>
COMMUNITY SUPPORT			
Economic Development:			
Salaries and wages	330,331	325,489	4,842
Employee benefits	130,934	131,446	(512)
Services and supplies	272,951	266,276	6,675
Total Economic Development	<u>734,216</u>	<u>723,211</u>	<u>11,005</u>
Neighborhood Services:			
Salaries and wages	613,895	619,203	(5,308)
Employee benefits	298,998	274,353	24,645
Services and supplies	427,190	168,406	258,784
Total Neighborhood Services	<u>1,340,083</u>	<u>1,061,962</u>	<u>278,121</u>
 Total Community Support	 <u>2,074,299</u>	 <u>1,785,173</u>	 <u>289,126</u>
 Total Expenditures	 <u>233,771,177</u>	 <u>206,555,985</u>	 <u>27,215,192</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,575,716)</u>	<u>(5,901,566)</u>	<u>19,674,150</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	17,558,534	17,558,534	--
Transfers out	(13,887,650)	(14,212,650)	(325,000)
Total other financing sources (uses)	<u>3,670,884</u>	<u>3,345,884</u>	<u>(325,000)</u>
NET CHANGE IN FUND BALANCES	(21,904,832)	(2,555,682)	19,349,150
FUND BALANCES, BEGINNING OF YEAR	<u>33,726,188</u>	<u>33,726,188</u>	<u>--</u>
FUND BALANCES, END OF YEAR	<u>\$ 11,821,356</u>	<u>\$ 31,170,506</u>	<u>\$ 19,349,150</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual Redevelopment Agency Special Revenue Fund For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 11,233,704	\$ 13,033,976	\$ 1,800,272
Miscellaneous interest	160,839	694,694	533,855
Miscellaneous	130,000	34,520	(95,480)
Total revenues	<u>11,524,543</u>	<u>13,763,190</u>	<u>2,238,647</u>
EXPENDITURES			
General government:			
Salaries and wages	790,361	733,131	57,230
Employee benefits	343,619	290,551	53,068
Services and supplies	3,796,724	2,836,279	960,445
Capital outlay	451,381	--	451,381
Total general government	<u>5,382,085</u>	<u>3,859,961</u>	<u>1,522,124</u>
Debt Service:			
Principal	500,000	520,000	(20,000)
Interest and fiscal charges	859,631	839,724	19,907
Total debt service	<u>1,359,631</u>	<u>1,359,724</u>	<u>(93)</u>
Total expenditures	<u>6,741,716</u>	<u>5,219,685</u>	<u>1,522,031</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,782,827</u>	<u>8,543,505</u>	<u>3,760,678</u>
NET CHANGE IN FUND BALANCES	4,782,827	8,543,505	3,760,678
FUND BALANCE, BEGINNING OF YEAR	<u>20,074,014</u>	<u>20,074,016</u>	<u>2</u>
FUND BALANCE, END OF YEAR	<u>\$ 24,856,841</u>	<u>\$ 28,617,521</u>	<u>\$ 3,760,680</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 3,542,277	\$ 3,557,517	\$ 15,240
Miscellaneous interest	210,000	394,982	184,982
Total revenues	<u>3,752,277</u>	<u>3,952,499</u>	<u>200,222</u>
EXPENDITURES			
Public works:			
Salaries and wages	3,000	4,579	(1,579)
Employee benefits	1,000	1,639	(639)
Services and supplies	285,814	93,233	192,581
Capital outlay	1,569,432	83,937	1,485,495
Total expenditures	<u>1,859,246</u>	<u>183,388</u>	<u>1,675,858</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,893,031	3,769,111	1,876,080
OTHER FINANCING USES			
Transfers out	<u>(210,000)</u>	<u>(350,538)</u>	<u>(140,538)</u>
NET CHANGE IN FUND BALANCES	1,683,031	3,418,573	1,735,542
FUND BALANCE, BEGINNING OF YEAR	<u>6,043,952</u>	<u>6,043,952</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,726,983</u>	<u>\$ 9,462,525</u>	<u>\$ 1,735,542</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Forfeited Assets Special Revenue Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Fines and forfeits	\$ 140,000	\$ 250,742	\$ 110,742
Miscellaneous interest	2,000	13,905	11,905
Miscellaneous	--	1,500	1,500
Total revenues	<u>142,000</u>	<u>266,147</u>	<u>124,147</u>
EXPENDITURES			
Public safety:			
Services and supplies	314,760	223,494	91,266
Total expenditures	<u>314,760</u>	<u>223,494</u>	<u>91,266</u>
NET CHANGE IN FUND BALANCES	(172,760)	42,653	215,413
FUND BALANCE, BEGINNING OF YEAR	<u>291,525</u>	<u>291,525</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 118,765</u>	<u>\$ 334,178</u>	<u>\$ 215,413</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Municipal Court Administrative Fee Special Revenue Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Fines and forfeits	\$ 480,000	\$ 644,316	\$ 164,316
EXPENDITURES			
Judicial:			
Salaries and wages	--	1,450	(1,450)
Employee benefits	--	262	(262)
Services and supplies	444,007	339,668	104,339
Capital outlay	440,520	186,520	254,000
Total expenditures	884,527	527,900	356,627
NET CHANGE IN FUND BALANCES	(404,527)	116,416	520,943
FUND BALANCE, BEGINNING OF YEAR	582,780	582,780	--
FUND BALANCE, END OF YEAR	\$ 178,253	\$ 699,196	\$ 520,943

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Financial Stabilization Special Revenue Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Miscellaneous interest	<u>\$ 300,000</u>	<u>\$ 652,883</u>	<u>\$ 352,883</u>
NET CHANGE IN FUND BALANCES	300,000	652,883	352,883
FUND BALANCE, BEGINNING OF YEAR	<u>11,373,506</u>	<u>11,373,506</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 11,673,506</u></u>	<u><u>\$ 12,026,389</u></u>	<u><u>\$ 352,883</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Equipment Repair and Maintenance Special Revenue Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 412,461	\$ 412,464	\$ 3
Intergovernmental	235,484	273,500	38,016
Developer/property owner contributions	658,394	848,634	190,240
Miscellaneous interest	559,500	681,077	121,577
Total revenues	<u>1,865,839</u>	<u>2,215,675</u>	<u>349,836</u>
EXPENDITURES			
General government:			
Salaries and wages	122,249	80,649	41,600
Employee benefits	51,895	26,335	25,560
Services and supplies	882,530	472,385	410,145
Capital outlay	2,497,256	515,289	1,981,967
Total general government	<u>3,553,930</u>	<u>1,094,658</u>	<u>2,459,272</u>
Judicial:			
Capital outlay	8,309	--	8,309
Total judicial	<u>8,309</u>	<u>--</u>	<u>8,309</u>
Public safety:			
Services and supplies	--	32,490	(32,490)
Total public safety	<u>--</u>	<u>32,490</u>	<u>(32,490)</u>
Public works:			
Salaries and wages	916	2,386	(1,470)
Employee benefits	229	742	(513)
Services and supplies	1,530,617	835,363	695,254
Capital outlay	3,477,898	3,054,978	422,920
Total public works	<u>5,009,660</u>	<u>3,893,469</u>	<u>1,116,191</u>
Culture and recreation:			
Salaries and wages	--	40	(40)
Employee benefits	--	19	(19)
Services and supplies	432,224	122,414	309,810
Capital outlay	2,044,568	526,199	1,518,369
Total culture and recreation	<u>2,476,792</u>	<u>648,672</u>	<u>1,828,120</u>
Total expenditures	<u>11,048,691</u>	<u>5,669,289</u>	<u>5,379,402</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,182,852)</u>	<u>(3,453,614)</u>	<u>5,729,238</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,950,000	2,950,000	--
Transfers out	(559,500)	(607,650)	(48,150)
Total other financing sources (uses)	<u>2,390,500</u>	<u>2,342,350</u>	<u>(48,150)</u>
NET CHANGES IN FUND BALANCES	(6,792,352)	(1,111,264)	5,681,088
FUND BALANCE, BEGINNING OF YEAR	<u>11,474,076</u>	<u>11,474,076</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,681,724</u>	<u>\$ 10,362,812</u>	<u>\$ 5,681,088</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual Multipurpose Special Revenue Fund For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 22,704,568	\$ 11,975,084	\$ (10,729,484)
Miscellaneous	--	138,086	138,086
Total revenues	<u>22,704,568</u>	<u>12,113,170</u>	<u>(10,591,398)</u>
EXPENDITURES			
Judicial			
Services and supplies	--	19,755	(19,755)
Capital outlay	--	16,081	(16,081)
Total judicial	<u>--</u>	<u>35,836</u>	<u>(35,836)</u>
Public safety:			
Salaries and wages	150,277	185,399	(35,122)
Employee benefits	75,397	38,828	36,569
Services and supplies	510,023	117,554	392,469
Capital outlay	308,339	280,130	28,209
Total public safety	<u>1,044,036</u>	<u>621,911</u>	<u>422,125</u>
Public works:			
Services and supplies	2,095,245	40,844	2,054,401
Capital outlay	184,076	10,301	173,775
Total public works	<u>2,279,321</u>	<u>51,145</u>	<u>2,228,176</u>
Culture and recreation:			
Salaries and wages	382,298	149,336	232,962
Employee benefits	104,877	43,303	61,574
Services and supplies	6,776,744	4,380,896	2,395,848
Capital outlay	3,221,718	1,993,409	1,228,309
Total culture and recreation	<u>10,485,637</u>	<u>6,566,944</u>	<u>3,918,693</u>
Community support:			
Salaries and wages	541,386	439,034	102,352
Employee benefits	231,993	181,747	50,246
Services and supplies	7,851,367	2,913,595	4,937,772
Capital outlay	179,419	4,971	174,448
Total community support	<u>8,804,165</u>	<u>3,539,347</u>	<u>5,264,818</u>
Total expenditures	<u>22,613,159</u>	<u>10,815,183</u>	<u>11,797,976</u>
EXCESS OF REVENUES OVER EXPENDITURES	91,409	1,297,987	1,206,578
OTHER FINANCING USES			
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>--</u>
NET CHANGES IN FUND BALANCES	(908,591)	297,987	1,206,578
FUND BALANCE, BEGINNING OF YEAR	<u>1,908,591</u>	<u>1,908,591</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,000,000</u>	<u>\$ 2,206,578</u>	<u>\$ 1,206,578</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Lake Las Vegas Special Revenue Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Developer/property owner contributions	\$ 55,000	\$ 86,632	\$ 31,632
Miscellaneous interest	245,000	279,762	34,762
Total revenues	<u>300,000</u>	<u>366,394</u>	<u>66,394</u>
 FUND BALANCE, BEGINNING OF YEAR	 <u>4,766,293</u>	 <u>4,766,293</u>	 <u>--</u>
 FUND BALANCE, END OF YEAR	 <u><u>\$ 5,066,293</u></u>	 <u><u>\$ 5,132,687</u></u>	 <u><u>\$ 66,394</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Sales and Use Tax Special Revenue Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental revenues	\$ 11,345,000	\$ 11,535,426	\$ 190,426
Miscellaneous interest	50,000	309,507	259,507
Miscellaneous	--	5,073	5,073
Total revenues	<u>11,395,000</u>	<u>11,850,006</u>	<u>455,006</u>
EXPENDITURES			
Public safety:			
Salaries and wages	7,933,443	6,232,964	1,700,479
Employee benefits	4,381,914	3,291,060	1,090,854
Services and supplies	1,471,910	1,082,968	388,942
Capital outlay	1,126,266	955,991	170,275
Total expenditures	<u>14,913,533</u>	<u>11,562,983</u>	<u>3,350,550</u>
NET CHANGES IN FUND BALANCES	(3,518,533)	287,023	3,805,556
FUND BALANCE, BEGINNING OF YEAR	<u>7,932,224</u>	<u>7,932,224</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 4,413,691</u></u>	<u><u>\$ 8,219,247</u></u>	<u><u>\$ 3,805,556</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 General Obligation Debt Service Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 25,003,882	\$ 24,494,689	\$ (509,193)
Miscellaneous interest	400,000	753,687	353,687
Total revenues	<u>25,403,882</u>	<u>25,248,376</u>	<u>(155,506)</u>
EXPENDITURES			
Debt Service:			
Principal retirement	12,303,000	12,303,000	--
Interest and fiscal charges	7,243,241	7,207,991	35,250
Administrative and other costs	68,000	43,273	24,727
Total expenditures	<u>19,614,241</u>	<u>19,554,264</u>	<u>59,977</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,789,641</u>	<u>5,694,112</u>	<u>(95,529)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,504,639	7,504,639	--
Transfers out	<u>(13,867,082)</u>	<u>(13,867,082)</u>	<u>--</u>
Total other financing sources (uses)	<u>(6,362,443)</u>	<u>(6,362,443)</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(572,802)	(668,331)	(95,529)
FUND BALANCE, BEGINNING OF YEAR	<u>6,740,546</u>	<u>6,740,546</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,167,744</u>	<u>\$ 6,072,215</u>	<u>\$ (95,529)</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Special Assessment Districts Debt Service Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Special assessments	\$ 69,300	\$ 69,440	\$ 140
Miscellaneous interest	70,402	81,160	10,758
Miscellaneous	3,410	71	(3,339)
Total revenues	<u>143,112</u>	<u>150,671</u>	<u>7,559</u>
EXPENDITURES			
Debt Service:			
Principal retirement	60,000	60,000	--
Interest and fiscal charges	31,825	31,825	--
Administrative and other costs	6,500	3,668	2,832
Total expenditures	<u>98,325</u>	<u>95,493</u>	<u>2,832</u>
EXCESS OF REVENUES OVER EXPENDITURES	44,787	55,178	10,391
OTHER FINANCING USES			
Transfers out	<u>(9,500)</u>	<u>(9,477)</u>	23
NET CHANGE IN FUND BALANCES	35,287	45,701	10,414
FUND BALANCE, BEGINNING OF YEAR	<u>836,341</u>	<u>836,341</u>	--
FUND BALANCE, END OF YEAR	<u>\$ 871,628</u>	<u>\$ 882,042</u>	<u>\$ 10,414</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Special Assessment Districts Capital Projects Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Special assessments	\$ --	\$ 500,365	\$ 500,365
Miscellaneous interest	2,335,000	5,669,214	3,334,214
Total revenues	<u>2,335,000</u>	<u>6,169,579</u>	<u>3,834,579</u>
EXPENDITURES			
Public works:			
Services and supplies	676,235	668,137	8,098
Capital outlay	67,663,985	14,573,782	53,090,203
Total expenditures	<u>68,340,220</u>	<u>15,241,919</u>	<u>53,098,301</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(66,005,220)</u>	<u>(9,072,340)</u>	<u>56,932,880</u>
OTHER FINANCING SOURCES			
Transfers in	<u>9,500</u>	<u>9,477</u>	<u>(23)</u>
NET CHANGE IN FUND BALANCES	(65,995,720)	(9,062,863)	56,932,857
FUND BALANCE, BEGINNING OF YEAR	<u>141,101,685</u>	<u>141,101,685</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 75,105,965</u>	<u>\$ 132,038,822</u>	<u>\$ 56,932,857</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Municipal Facilities Acquisition & Construction Capital Projects Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 11,974,437	\$ 11,753,831	\$ (220,606)
Intergovernmental	--	3,454,366	3,454,366
Impact fees	--	661,047	661,047
Miscellaneous interest	1,000,000	6,114,479	5,114,479
Miscellaneous	--	104,770	104,770
Total revenues	<u>12,974,437</u>	<u>22,088,493</u>	<u>9,114,056</u>
EXPENDITURES			
General government:			
Services and supplies	2,177,111	901,611	1,275,500
Capital outlay	<u>5,918,793</u>	<u>5,799,884</u>	<u>118,909</u>
Total general government	<u>8,095,904</u>	<u>6,701,495</u>	<u>1,394,409</u>
Public safety:			
Services and supplies	980,000	114,186	865,814
Capital outlay	<u>1,121,747</u>	<u>--</u>	<u>1,121,747</u>
Total public safety	<u>2,101,747</u>	<u>114,186</u>	<u>1,987,561</u>
Public works:			
Salaries and wages	--	6,045	(6,045)
Employee benefits	--	421	(421)
Services and supplies	8,155,915	2,866,129	5,289,786
Capital outlay	<u>62,621,544</u>	<u>14,075,476</u>	<u>48,546,068</u>
Total public works	<u>70,777,459</u>	<u>16,948,071</u>	<u>53,829,388</u>
Culture and recreation:			
Services and supplies	5,090,450	2,570,353	2,520,097
Capital outlay	<u>21,808,185</u>	<u>--</u>	<u>21,808,185</u>
Total culture and recreation	<u>26,898,635</u>	<u>2,570,353</u>	<u>24,328,282</u>
Total expenditures	<u>107,873,745</u>	<u>26,334,105</u>	<u>81,539,640</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(94,899,308)</u>	<u>(4,245,612)</u>	<u>90,653,696</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	--	1,162,000	1,162,000
Transfers in	7,904,500	9,489,366	1,584,866
Transfers out	<u>(6,428,901)</u>	<u>(6,428,901)</u>	<u>--</u>
Total other financing sources (uses)	<u>1,475,599</u>	<u>4,222,465</u>	<u>2,746,866</u>
NET CHANGE IN FUND BALANCES	(93,423,709)	(23,147)	93,400,562
FUND BALANCE, BEGINNING OF YEAR	<u>113,982,236</u>	<u>113,982,236</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 20,558,527</u>	<u>\$ 113,959,089</u>	<u>\$ 93,400,562</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Land Sales Capital Projects Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Miscellaneous interest	\$ 370,000	\$ 2,197,047	\$ 1,827,047
Miscellaneous	553,200	557,864	4,664
Total revenues	<u>923,200</u>	<u>2,754,911</u>	<u>1,831,711</u>
EXPENDITURES			
General government:			
Salaries and wages	3,725	3,303	422
Employee benefits	275	150	125
Services and supplies	2,122,463	616,939	1,505,524
Capital outlay	8,201,783	5,999,447	2,202,336
Total expenditures	<u>10,328,246</u>	<u>6,619,839</u>	<u>3,708,407</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,405,046)</u>	<u>(3,864,928)</u>	<u>5,540,118</u>
OTHER FINANCING SOURCES (USES)			
Land sales	212,876	212,637	(239)
Transfers out	<u>(170,527)</u>	<u>(1,519,010)</u>	<u>(1,348,483)</u>
Total other financing sources (uses)	<u>42,349</u>	<u>(1,306,373)</u>	<u>(1,348,722)</u>
NET CHANGE IN FUND BALANCES	(9,362,697)	(5,171,301)	4,191,396
FUND BALANCE, BEGINNING OF YEAR	<u>31,898,028</u>	<u>31,898,028</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 22,535,331</u>	<u>\$ 26,726,727</u>	<u>\$ 4,191,396</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Special Recreation Capital Projects Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 2,500,000	\$ 3,100,403	\$ 600,403
Charges for services	--	141,805	141,805
Miscellaneous interest	45,000	84,262	39,262
Total revenues	2,545,000	3,326,470	781,470
EXPENDITURES			
Culture and recreation:			
Services and supplies	1,520,378	1,384,646	135,732
Capital outlay	1,138,875	850,041	288,834
Total expenditures	2,659,253	2,234,687	424,566
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(114,253)	1,091,783	1,206,036
OTHER FINANCING SOURCES (USES):			
Transfers in	17,000	17,000	--
Transfers out	(395,638)	(425,740)	(30,102)
Total other financing sources (uses)	(378,638)	(408,740)	(30,102)
NET CHANGE IN FUND BALANCES	(492,891)	683,043	1,175,934
FUND BALANCE, BEGINNING OF YEAR	1,982,880	1,982,880	--
FUND BALANCE, END OF YEAR	\$ 1,489,989	\$ 2,665,923	\$ 1,175,934

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Park Development Capital Projects Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Impact fees	\$ 523,300	\$ 445,220	\$ (78,080)
Miscellaneous interest	230,500	426,374	195,874
Total revenues	<u>753,800</u>	<u>871,594</u>	<u>117,794</u>
EXPENDITURES			
Culture and recreation:			
Salaries and wages	--	553	(553)
Employee benefits	--	206	(206)
Services and supplies	142,538	47,651	94,887
Capital outlay	<u>2,310,217</u>	<u>1,344,479</u>	<u>965,738</u>
Total expenditures	<u>2,452,755</u>	<u>1,392,889</u>	<u>1,059,866</u>
NET CHANGE IN FUND BALANCES	(1,698,955)	(521,295)	1,177,660
FUND BALANCE, BEGINNING OF YEAR	<u>7,924,886</u>	<u>7,924,886</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,225,931</u>	<u>\$ 7,403,591</u>	<u>\$ 1,177,660</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Flood Control Capital Projects Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Miscellaneous interest	\$ 2,000	\$ 8,879	\$ 6,879
Total revenues	2,000	8,879	6,879
EXPENDITURES			
Public works:			
Services and Supplies	118,815	--	118,815
Total expenditures	118,815	--	118,815
NET CHANGE IN FUND BALANCES	(116,815)	8,879	125,694
FUND BALANCE, BEGINNING OF YEAR	126,871	126,871	--
FUND BALANCE, END OF YEAR	\$ 10,056	\$ 135,750	\$ 125,694

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 RTC/County Funded Capital Projects Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 85,000	\$ 85,046	\$ 46
Total revenues	<u>85,000</u>	<u>85,046</u>	<u>46</u>
EXPENDITURES			
Public works:			
Services and supplies	61,626	--	61,626
Capital outlay	<u>558,469</u>	<u>85,046</u>	<u>473,423</u>
Total expenditures	<u>620,095</u>	<u>85,046</u>	<u>535,049</u>
NET CHANGE IN FUND BALANCES	(535,095)	--	535,095
FUND BALANCE, BEGINNING OF YEAR	<u>535,095</u>	<u>535,095</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u><u>\$ --</u></u>	<u><u>\$ 535,095</u></u>	<u><u>\$ 535,095</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Special Ad Valorem Transportation Capital Projects Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes - transportation	\$ 2,464,000	\$ 2,563,354	\$ 99,354
Miscellaneous interest	45,000	124,730	79,730
Total revenues	<u>2,509,000</u>	<u>2,688,084</u>	<u>179,084</u>
EXPENDITURES			
Public works:			
Services and supplies	94,924	4,869	90,055
Capital outlay	559,985	73,602	486,383
Total expenditures	<u>654,909</u>	<u>78,471</u>	<u>576,438</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,854,091	2,609,613	755,522
OTHER FINANCING USES			
Transfers out	<u>(2,361,155)</u>	<u>(2,361,155)</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(507,064)	248,458	755,522
FUND BALANCE, BEGINNING OF YEAR	<u>3,090,710</u>	<u>3,090,710</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,583,646</u>	<u>\$ 3,339,168</u>	<u>\$ 755,522</u>

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CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets
Internal Service Funds
June 30, 2008

ASSETS

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
CURRENT ASSETS:								
Cash and investments	\$ 5,548,641	\$ 29,441,528	\$ 1,219,527	\$ 9,842,851	\$ 18,535,127	\$ 7,667,522	\$ 1,989,063	\$ 74,244,259
Receivables:								
Accounts receivable	3,709	--	--	--	--	1,052	--	4,761
Accrued interest	44,827	243,561	7,376	82,585	152,360	73,394	17,278	621,381
Due from other governments	158,182	1,692	--	--	--	--	--	159,874
Inventories - bulk fuel	--	15,336	--	--	--	--	--	15,336
Total current assets	<u>5,755,359</u>	<u>29,702,117</u>	<u>1,226,903</u>	<u>9,925,436</u>	<u>18,687,487</u>	<u>7,741,968</u>	<u>2,006,341</u>	<u>75,045,611</u>
NONCURRENT ASSETS:								
Capital assets:								
Buildings	48,398	704,979	--	--	--	--	--	753,377
Improvements other than buildings	--	473,374	--	--	--	--	--	473,374
Machinery and equipment	79,423	45,343,869	--	14,665	69,537	--	1,547,681	47,055,175
Total capital assets	<u>127,821</u>	<u>46,522,222</u>	<u>--</u>	<u>14,665</u>	<u>69,537</u>	<u>--</u>	<u>1,547,681</u>	<u>48,281,926</u>
Less accumulated depreciation	<u>(117,240)</u>	<u>(22,753,465)</u>	<u>--</u>	<u>(4,400)</u>	<u>(16,225)</u>	<u>--</u>	<u>(608,274)</u>	<u>(23,499,604)</u>
Net capital assets	10,581	23,768,757	--	10,265	53,312	--	939,407	24,782,322
Other assets:								
Deposits	--	--	--	--	--	5,760	--	5,760
Advances to other funds	--	--	2,677,862	--	--	--	--	2,677,862
Total noncurrent assets	<u>10,581</u>	<u>23,768,757</u>	<u>2,677,862</u>	<u>10,265</u>	<u>53,312</u>	<u>5,760</u>	<u>939,407</u>	<u>27,465,944</u>
Total assets	<u>5,765,940</u>	<u>53,470,874</u>	<u>3,904,765</u>	<u>9,935,701</u>	<u>18,740,799</u>	<u>7,747,728</u>	<u>2,945,748</u>	<u>102,511,555</u>

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continued

CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets (continued)
Internal Service Funds
June 30, 2008

LIABILITIES

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
CURRENT LIABILITIES:								
Accounts payable and accrued wages	219,398	395,994	--	40,492	83,115	15,546	383,274	1,137,819
Due to other funds	--	--	--	--	--	--	360,000	360,000
Compensated absences payable	1,127,834	332,705	--	49,770	69,137	34,816	25,619	1,639,881
Claims and judgments payable	--	--	--	1,369,921	5,936,149	1,489,043	--	8,795,113
Total current liabilities	<u>1,347,232</u>	<u>728,699</u>	--	<u>1,460,183</u>	<u>6,088,401</u>	<u>1,539,405</u>	<u>768,893</u>	<u>11,932,813</u>
NONCURRENT LIABILITIES:								
Other post employment benefits (OPEB) liability	<u>121,292</u>	<u>47,320</u>	--	<u>13,598</u>	<u>10,334</u>	<u>2,720</u>	<u>7,615</u>	<u>202,879</u>
Total liabilities	<u>1,468,524</u>	<u>776,019</u>	--	<u>1,473,781</u>	<u>6,098,735</u>	<u>1,542,125</u>	<u>776,508</u>	<u>12,135,692</u>
 NET ASSETS								
Invested in capital assets, net of related debt	10,581	23,768,757	--	10,265	53,312	--	939,407	24,782,322
Restricted for claims	--	--	--	8,451,655	12,588,752	6,205,603	--	27,246,010
Unrestricted	<u>4,286,835</u>	<u>28,926,098</u>	<u>3,904,765</u>	--	--	--	<u>1,229,833</u>	<u>38,347,531</u>
Total net assets	<u>\$ 4,297,416</u>	<u>\$ 52,694,855</u>	<u>\$ 3,904,765</u>	<u>\$ 8,461,920</u>	<u>\$ 12,642,064</u>	<u>\$ 6,205,603</u>	<u>\$ 2,169,240</u>	<u>\$ 90,375,863</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2008

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
OPERATING REVENUES								
Charges for services	\$ 3,607,932	\$ 13,707,703	\$ 1,556	\$ 3,147,812	\$ 7,400,684	\$ 10,087,127	\$ 4,437,647	\$ 42,390,461
OPERATING EXPENSES								
Salaries and wages	3,418,407	1,375,863	--	362,751	283,367	76,109	240,987	5,757,484
Employee benefits	1,352,931	542,294	--	147,346	124,097	30,603	92,705	2,289,976
Services and supplies	2,070,861	5,065,118	--	860,618	1,280,032	2,219,776	2,685,426	14,181,831
Claims	--	--	--	798,791	1,897,740	7,696,424	--	10,392,955
Legal fees	--	--	--	134,515	14,935	--	--	149,450
Depreciation	12,685	4,586,469	--	2,933	13,907	--	160,224	4,776,218
Total operating expenses	6,854,884	11,569,744	--	2,306,954	3,614,078	10,022,912	3,179,342	37,547,914
OPERATING INCOME (LOSS)	(3,246,952)	2,137,959	1,556	840,858	3,786,606	64,215	1,258,305	4,842,547
NONOPERATING REVENUES (EXPENSES)								
Interest revenue	266,197	1,531,062	43,618	510,775	882,805	455,081	73,278	3,762,816
Interest expense	(3)	--	--	--	(1,088)	--	(35,250)	(36,341)
Miscellaneous	7,085	252,952	--	--	--	--	--	260,037
Gain on disposition of assets	--	557,134	--	--	--	--	--	557,134
Total nonoperating revenues (expenses)	273,279	2,341,148	43,618	510,775	881,717	455,081	38,028	4,543,646
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,973,673)	4,479,107	45,174	1,351,633	4,668,323	519,296	1,296,333	9,386,193
CAPITAL CONTRIBUTIONS	--	2,773,239	--	--	--	--	--	2,773,239
TRANSFERS								
Transfers in	3,902,355	--	--	--	--	--	--	3,902,355
Transfers out	--	--	(37,593)	--	--	--	--	(37,593)
Total transfers in (out)	3,902,355	--	(37,593)	--	--	--	--	3,864,762
CHANGES IN NET ASSETS	928,682	7,252,346	7,581	1,351,633	4,668,323	519,296	1,296,333	16,024,194
NET ASSETS, BEGINNING OF YEAR	3,368,734	45,442,509	3,897,184	7,110,287	7,973,741	5,686,307	872,907	74,351,669
NET ASSETS, END OF YEAR	\$ 4,297,416	\$ 52,694,855	\$ 3,904,765	\$ 8,461,920	\$ 12,642,064	\$ 6,205,603	\$ 2,169,240	\$ 90,375,863

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CITY OF HENDERSON, NEVADA

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2008**

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from users	\$ 892,784	\$ --	\$ --	\$ --	\$ --	\$ 307,368	\$ 354,539	\$ 1,554,691
Cash received from interfund services provided	2,722,688	13,707,703	1,556	3,147,812	7,400,684	9,779,759	4,083,108	40,843,310
Cash from other sources	7,085	252,952	--	--	--	--	--	260,037
Cash payments to suppliers for goods and services	(3,354,628)	(5,824,597)	--	(1,952,765)	(2,585,815)	(9,834,383)	(2,477,984)	(26,030,172)
Cash payments to employees for services	(3,226,106)	(1,338,961)	--	(348,519)	(269,749)	(70,456)	(228,191)	(5,481,982)
Net cash provided by (used for) operating activities	<u>(2,958,177)</u>	<u>6,797,097</u>	<u>1,556</u>	<u>846,528</u>	<u>4,545,120</u>	<u>182,288</u>	<u>1,731,472</u>	<u>11,145,884</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in	3,902,355	--	--	--	--	--	--	3,902,355
Transfers out	--	--	(37,593)	--	--	--	--	(37,593)
Payments on advances to other funds	--	--	486,311	--	--	--	--	486,311
Net cash provided by (used for) noncapital financing activities	<u>3,902,355</u>	<u>--</u>	<u>448,718</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,351,073</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	--	(5,625,026)	--	--	--	--	(40,139)	(5,665,165)
Principal payments on bonds and leases	(309)	--	--	--	--	--	--	(309)
Interest paid on bonds and leases	(3)	--	--	--	(1,088)	--	(35,250)	(36,341)
Due to other funds	--	--	--	--	--	--	(480,000)	(480,000)
Proceeds from sale of capital assets	--	793,188	--	--	--	--	--	793,188
Net cash provided by (used for) capital and related financing activities	<u>(312)</u>	<u>(4,831,838)</u>	<u>--</u>	<u>--</u>	<u>(1,088)</u>	<u>--</u>	<u>(555,389)</u>	<u>(5,388,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments	<u>271,404</u>	<u>1,596,298</u>	<u>45,178</u>	<u>528,304</u>	<u>885,715</u>	<u>478,523</u>	<u>65,163</u>	<u>3,870,585</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,215,270</u>	<u>3,561,557</u>	<u>495,452</u>	<u>1,374,832</u>	<u>5,429,747</u>	<u>660,811</u>	<u>1,241,246</u>	<u>13,978,915</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,333,371</u>	<u>25,879,971</u>	<u>724,075</u>	<u>8,468,019</u>	<u>13,105,380</u>	<u>7,006,711</u>	<u>747,817</u>	<u>60,265,344</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,548,641</u>	<u>\$ 29,441,528</u>	<u>\$ 1,219,527</u>	<u>\$ 9,842,851</u>	<u>\$ 18,535,127</u>	<u>\$ 7,667,522</u>	<u>\$ 1,989,063</u>	<u>\$ 74,244,259</u>

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continued

CITY OF HENDERSON, NEVADA

Combining Statement of Cash Flows (continued)
Internal Service Funds
June 30, 2008

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES								
Operating income (loss)	\$ (3,246,952)	\$ 2,137,959	\$ 1,556	\$ 840,858	\$ 3,786,606	\$ 64,215	\$ 1,258,305	\$ 4,842,547
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities								
Depreciation	12,685	4,586,469	--	2,933	13,907	--	160,224	4,776,218
Miscellaneous revenues	7,085	252,952	--	--	--	--	--	260,037
Changes in assets and liabilities:								
(Increases) decrease:								
Accounts receivable	(3,672)	--	--	--	--	--	--	(3,672)
Due from other governments	11,212	2,023	--	--	--	--	--	13,235
Increase (decrease):								
Accounts payable and accrued wages	(30,318)	(253,919)	--	(22,938)	19,032	2,217	296,581	10,655
Compensated absences payable	170,491	24,293	--	12,077	10,000	4,270	8,747	229,878
Claims and judgments	--	--	--	--	705,241	108,866	--	814,107
Other post employment benefits (OPEB) liability	121,292	47,320	--	13,598	10,334	2,720	7,615	202,879
Total adjustments	<u>288,775</u>	<u>4,659,138</u>	<u>--</u>	<u>5,670</u>	<u>758,514</u>	<u>118,073</u>	<u>473,167</u>	<u>6,303,337</u>
Net cash provided by (used for) operating activities	<u>\$ (2,958,177)</u>	<u>\$ 6,797,097</u>	<u>\$ 1,556</u>	<u>\$ 846,528</u>	<u>\$ 4,545,120</u>	<u>\$ 182,288</u>	<u>\$ 1,731,472</u>	<u>\$ 11,145,884</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Contribution of assets	--	2,773,239	--	--	--	--	--	2,773,239

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Engineering Internal Service Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 3,215,000	\$ 3,607,932	\$ 392,932
Total operating revenues	3,215,000	3,607,932	392,932
OPERATING EXPENSES			
Salaries and wages	3,558,993	3,418,407	140,586
Employee benefits	1,292,048	1,352,931	(60,883)
Services and supplies	2,411,285	2,070,861	340,424
Depreciation	16,210	12,685	3,525
Total operating expenses	7,278,536	6,854,884	423,652
OPERATING LOSS	(4,063,536)	(3,246,952)	816,584
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	110,000	266,197	156,197
Interest expense	(3)	(3)	--
Miscellaneous	--	7,085	7,085
Total nonoperating revenues (expenses)	109,997	273,279	163,282
LOSS BEFORE TRANSFERS	(3,953,539)	(2,973,673)	979,866
TRANSFERS			
Transfers in	3,902,355	3,902,355	--
CHANGES IN NET ASSETS	\$ (51,184)	928,682	\$ 979,866
NET ASSETS, BEGINNING OF YEAR		3,368,734	
NET ASSETS, END OF YEAR		\$ 4,297,416	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
 Budget (GAAP Basis) and Actual
 City Shop Internal Service Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 13,707,701	\$ 13,707,703	\$ 2
Total operating revenues	13,707,701	13,707,703	2
OPERATING EXPENSES			
Salaries and wages	1,571,701	1,375,863	195,838
Employee benefits	504,050	542,294	(38,244)
Services and supplies	6,658,548	5,065,118	1,593,430
Depreciation	4,703,497	4,586,469	117,028
Total operating expenses	13,437,796	11,569,744	1,868,052
OPERATING INCOME	269,905	2,137,959	1,868,054
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	800,000	1,531,062	731,062
Miscellaneous	--	252,952	252,952
Gain on disposition of assets	450,000	557,134	107,134
Total nonoperating revenues (expenses)	1,250,000	2,341,148	1,091,148
INCOME BEFORE CONTRIBUTIONS	1,519,905	4,479,107	2,959,202
CAPITAL CONTRIBUTIONS	1,900,000	2,773,239	873,239
CHANGES IN NET ASSETS	\$ 3,419,905	7,252,346	\$ 3,832,441
NET ASSETS, BEGINNING OF YEAR		45,442,509	
NET ASSETS, END OF YEAR		\$ 52,694,855	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Revolving Internal Service Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ --	\$ 1,556	\$ 1,556
Total operating revenues	--	1,556	1,556
OPERATING INCOME	--	1,556	1,556
NONOPERATING REVENUES			
Interest revenue	20,000	43,618	23,618
INCOME BEFORE TRANSFERS	20,000	45,174	25,174
TRANSFERS			
Transfers out	(20,000)	(37,593)	(17,593)
CHANGES IN NET ASSETS	\$ --	7,581	\$ 7,581
NET ASSETS, BEGINNING OF YEAR		3,897,184	
NET ASSETS, END OF YEAR		\$ 3,904,765	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Self Insurance Internal Service Fund
For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Insurance premiums	\$ 3,147,812	\$ 3,147,812	\$ --
Total operating revenues	<u>3,147,812</u>	<u>3,147,812</u>	<u>--</u>
OPERATING EXPENSES			
Salaries and wages	352,891	362,751	(9,860)
Employee benefits	141,736	147,346	(5,610)
Services and supplies	889,525	860,618	28,907
Claims	906,800	798,791	108,009
Legal fees	448,050	134,515	313,535
Depreciation	--	2,933	(2,933)
Total operating expenses	<u>2,739,002</u>	<u>2,306,954</u>	<u>432,048</u>
OPERATING INCOME	<u>408,810</u>	<u>840,858</u>	<u>432,048</u>
NONOPERATING REVENUES			
Interest revenue	<u>240,000</u>	<u>510,775</u>	<u>270,775</u>
CHANGES IN NET ASSETS	<u>\$ 648,810</u>	1,351,633	<u>\$ 702,823</u>
NET ASSETS, BEGINNING OF YEAR		<u>7,110,287</u>	
NET ASSETS, END OF YEAR		<u>\$ 8,461,920</u>	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Workmen's Compensation Self Insurance Internal Service Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Insurance premiums	\$ 6,250,000	\$ 7,400,684	\$ 1,150,684
Total operating revenues	6,250,000	7,400,684	1,150,684
OPERATING EXPENSES			
Salaries and wages	269,929	283,367	(13,438)
Employee benefits	110,963	124,097	(13,134)
Services and supplies	1,558,108	1,280,032	278,076
Claims	3,348,900	1,897,740	1,451,160
Legal	--	14,935	(14,935)
Depreciation	--	13,907	(13,907)
Total operating expenses	5,287,900	3,614,078	1,673,822
OPERATING INCOME	962,100	3,786,606	2,824,506
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	375,000	882,805	507,805
Interest expense	--	(1,088)	(1,088)
Total nonoperating revenues (expenses)	375,000	881,717	506,717
CHANGES IN NET ASSETS	\$ 1,337,100	4,668,323	\$ 3,331,223
NET ASSETS, BEGINNING OF YEAR		7,973,741	
NET ASSETS, END OF YEAR		\$ 12,642,064	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
 Budget (GAAP Basis) and Actual
 Health Insurance Self Insurance Internal Service Fund
 For the Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Insurance premiums	\$ 8,625,000	\$ 10,087,127	\$ 1,462,127
Total operating revenues	<u>8,625,000</u>	<u>10,087,127</u>	<u>1,462,127</u>
OPERATING EXPENSES			
Salaries and wages	75,569	76,109	(540)
Employee benefits	26,267	30,603	(4,336)
Services and supplies	2,175,524	2,219,776	(44,252)
Claims	<u>9,260,119</u>	<u>7,696,424</u>	<u>1,563,695</u>
Total operating expenses	<u>11,537,479</u>	<u>10,022,912</u>	<u>1,514,567</u>
OPERATING INCOME (LOSS)	<u>(2,912,479)</u>	<u>64,215</u>	<u>2,976,694</u>
NONOPERATING REVENUES			
Interest revenue	<u>225,000</u>	<u>455,081</u>	<u>230,081</u>
CHANGES IN NET ASSETS	<u>\$ (2,687,479)</u>	519,296	<u>\$ 3,206,775</u>
NET ASSETS, BEGINNING OF YEAR		<u>5,686,307</u>	
NET ASSETS, END OF YEAR		<u>\$ 6,205,603</u>	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Citywide Services Internal Service Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 4,436,443	\$ 4,437,647	\$ 1,204
Total operating revenues	4,436,443	4,437,647	1,204
OPERATING EXPENSES			
Salaries and wages	279,690	240,987	38,703
Employee benefits	81,020	92,705	(11,685)
Services and supplies	3,661,401	2,685,426	975,975
Depreciation	163,956	160,224	3,732
Total operating expenses	4,186,067	3,179,342	1,006,725
OPERATING INCOME	250,376	1,258,305	1,007,929
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	7,000	73,278	66,278
Interest expense	(35,250)	(35,250)	--
Total nonoperating revenues (expenses)	(28,250)	38,028	66,278
CHANGES IN NET ASSETS	\$ 222,126	1,296,333	\$ 1,074,207
NET ASSETS, BEGINNING OF YEAR		872,907	
NET ASSETS, END OF YEAR		\$ 2,169,240	

CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2008

	<u>Cultural Arts & Tourism</u>	<u>Municipal Golf Course</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS:			
Cash and investments	\$ 823,050	\$ 1,594,521	\$ 2,417,571
Receivables:			
Accounts receivable	--	303,534	303,534
Accrued interest	4,318	13,620	17,938
Total current assets	<u>827,368</u>	<u>1,911,675</u>	<u>2,739,043</u>
NONCURRENT ASSETS:			
Capital assets:			
Land	--	13,802,929	13,802,929
Buildings	2,973,422	5,660,600	8,634,022
Improvements other than buildings	1,407,709	23,001,344	24,409,053
Machinery and equipment	376,141	2,136,886	2,513,027
Total capital assets	<u>4,757,272</u>	<u>44,601,759</u>	<u>49,359,031</u>
Less accumulated depreciation	<u>(2,295,884)</u>	<u>(12,791,568)</u>	<u>(15,087,452)</u>
Net capital assets	2,461,388	31,810,191	34,271,579
Total noncurrent assets	<u>2,461,388</u>	<u>31,810,191</u>	<u>34,271,579</u>
Total assets	<u>3,288,756</u>	<u>33,721,866</u>	<u>37,010,622</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accrued wages	265,446	17,008	282,454
Compensated absences payable	467,569	--	467,569
Deposits	10,355	--	10,355
Total current liabilities	<u>743,370</u>	<u>17,008</u>	<u>760,378</u>
NONCURRENT LIABILITIES			
Other post employment benefit (OPEB) liability	<u>72,884</u>	--	<u>72,884</u>
Total liabilities	<u>816,254</u>	<u>17,008</u>	<u>833,262</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,461,388	31,810,191	34,271,579
Unrestricted	11,114	1,894,667	1,905,781
Total net assets	<u>\$ 2,472,502</u>	<u>\$ 33,704,858</u>	<u>\$ 36,177,360</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenses and Changes in Net Assets
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2008

	<u>Cultural Arts & Tourism</u>	<u>Municipal Golf Course</u>	<u>Total</u>
OPERATING REVENUES			
Rental fees	\$ 352,071	\$ --	\$ 352,071
Licenses - gaming	608,231	--	608,231
Charges for services	473,463	3,484,803	3,958,266
Miscellaneous	<u>100,309</u>	<u>--</u>	<u>100,309</u>
Total operating revenues	<u>1,534,074</u>	<u>3,484,803</u>	<u>5,018,877</u>
OPERATING EXPENSES			
Salaries and wages	2,677,054	--	2,677,054
Employee benefits	959,281	--	959,281
Services and supplies	2,992,725	3,492,731	6,485,456
Depreciation	<u>129,200</u>	<u>1,054,268</u>	<u>1,183,468</u>
Total operating expenses	<u>6,758,260</u>	<u>4,546,999</u>	<u>11,305,259</u>
OPERATING LOSS	<u>(5,224,186)</u>	<u>(1,062,196)</u>	<u>(6,286,382)</u>
NONOPERATING REVENUES			
Room taxes	2,284,765	--	2,284,765
Interest revenue	<u>43,515</u>	<u>88,615</u>	<u>132,130</u>
Total nonoperating revenues	<u>2,328,280</u>	<u>88,615</u>	<u>2,416,895</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(2,895,906)</u>	<u>(973,581)</u>	<u>(3,869,487)</u>
TRANSFERS			
Transfers in	1,989,914	--	1,989,914
Transfers out	<u>(527)</u>	<u>--</u>	<u>(527)</u>
Total transfers	<u>1,989,387</u>	<u>--</u>	<u>1,989,387</u>
CHANGES IN NET ASSETS	(906,519)	(973,581)	(1,880,100)
NET ASSETS, BEGINNING OF YEAR	<u>3,379,021</u>	<u>34,678,439</u>	<u>38,057,460</u>
NET ASSETS, END OF YEAR	<u>\$ 2,472,502</u>	<u>\$ 33,704,858</u>	<u>\$ 36,177,360</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2008

	Cultural Arts & Tourism	Municipal Golf Course	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,554,074	\$ 3,432,074	\$ 4,986,148
Cash from other sources	2,284,765	--	2,284,765
Cash payments for goods and services	(3,966,045)	(3,561,268)	(7,527,313)
Cash payments to employees for services	<u>(2,569,708)</u>	<u>--</u>	<u>(2,569,708)</u>
Net cash provided by (used for) operating activities	<u>(2,696,914)</u>	<u>(129,194)</u>	<u>(2,826,108)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	1,989,914	--	1,989,914
Transfers out	<u>(527)</u>	<u>--</u>	<u>(527)</u>
Net cash provided by (used for) noncapital financing activities	<u>1,989,387</u>	<u>--</u>	<u>1,989,387</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(17,430)</u>	<u>(58,761)</u>	<u>(76,191)</u>
Net cash provided by (used for) capital and related financing activities	<u>(17,430)</u>	<u>(58,761)</u>	<u>(76,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>57,080</u>	<u>93,415</u>	<u>150,495</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(667,877)</u>	<u>(94,540)</u>	<u>(762,417)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,490,927</u>	<u>1,689,061</u>	<u>3,179,988</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 823,050</u>	<u>\$ 1,594,521</u>	<u>\$ 2,417,571</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ (5,224,186)</u>	<u>\$ (1,062,196)</u>	<u>\$ (6,286,382)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	129,200	1,054,268	1,183,468
Miscellaneous revenues	2,284,765	--	2,284,765
Changes in assets and liabilities:			
(Increases) decrease:			
Accounts receivable	20,000	(52,729)	(32,729)
Increase (decrease):			
Accounts payable and accrued wages	(67,209)	(68,537)	(135,746)
Deposits	1,380	--	1,380
Compensated absences payable	86,252	--	86,252
Other post employment benefits (OPEB) liability	72,884	--	72,884
Total adjustments	<u>2,527,272</u>	<u>933,002</u>	<u>3,460,274</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (2,696,914)</u>	<u>\$ (129,194)</u>	<u>\$ (2,826,108)</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
 Budget (GAAP Basis) and Actual
 Water Enterprise Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Utility fees	\$ 61,000,000	\$ 56,286,905	\$ (4,713,095)
Connection fees	950,000	340,597	(609,403)
Late charges	829,460	840,781	11,321
Miscellaneous	49,975	334,581	284,606
Total operating revenues	62,829,435	57,802,864	(5,026,571)
OPERATING EXPENSES			
Salaries and wages	11,380,550	10,990,680	389,870
Employee benefits	4,132,138	4,441,188	(309,050)
Water purchases	22,271,327	21,013,596	1,257,731
Services and supplies	22,405,919	16,983,075	5,422,844
Depreciation	23,945,967	21,900,954	2,045,013
Total operating expenses	84,135,901	75,329,493	8,806,408
OPERATING LOSS	(21,306,466)	(17,526,629)	3,779,837
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	5,901,400	7,821,752	1,920,352
Interest expense	(2,952,161)	(2,367,326)	584,835
Miscellaneous	--	55,393	55,393
Bond amortization	--	241,274	241,274
Total nonoperating revenues (expenses)	2,949,239	5,751,093	2,801,854
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(18,357,227)	(11,775,536)	6,581,691
CAPITAL CONTRIBUTIONS	5,800,000	51,150,180	45,350,180
TRANSFERS			
Transfers out	(3,253,012)	(3,253,012)	--
CHANGES IN NET ASSETS	\$ (15,810,239)	36,121,632	\$ 51,931,871
NET ASSETS, BEGINNING OF YEAR		464,626,707	
NET ASSETS, END OF YEAR		\$ 500,748,339	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Sewer Enterprise Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Utility fees	\$ 29,675,000	\$ 28,393,179	\$ (1,281,821)
Connection fees	105,000	143,395	38,395
Late charges	380,420	379,483	(937)
Miscellaneous	15,000	12,237	(2,763)
Total operating revenues	30,175,420	28,928,294	(1,247,126)
OPERATING EXPENSES			
Salaries and wages	8,846,321	8,228,081	618,240
Employee benefits	3,188,969	3,336,122	(147,153)
Services and supplies	20,510,197	15,554,603	4,955,594
Depreciation	14,025,584	13,194,586	830,998
Total operating expenses	46,571,071	40,313,392	6,257,679
OPERATING LOSS	(16,395,651)	(11,385,098)	5,010,553
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	5,263,341	11,877,873	6,614,532
Sales tax	5,000,000	4,936,928	(63,072)
Interest expense	(7,950,122)	(7,113,028)	837,094
Miscellaneous	--	885	885
Gain (loss) on disposition of assets	--	71,595	71,595
Bond amortization	--	462,965	462,965
Total nonoperating revenues (expenses)	2,313,219	10,237,218	7,923,999
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(14,082,432)	(1,147,880)	12,934,552
CAPITAL CONTRIBUTIONS	10,000,000	48,142,654	38,142,654
TRANSFERS			
Transfers out	(3,253,125)	(3,253,125)	--
CHANGES IN NET ASSETS	\$ (7,335,557)	43,741,649	\$ 51,077,206
NET ASSETS, BEGINNING OF YEAR		458,899,771	
NET ASSETS, END OF YEAR		\$ 502,641,420	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Development Services Enterprise Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Licenses and permits	\$ 8,869,442	\$ 6,890,110	\$ (1,979,332)
Charges for services	15,380,443	13,394,099	(1,986,344)
Miscellaneous	59,938	95,381	35,443
Total operating revenues	<u>24,309,823</u>	<u>20,379,590</u>	<u>(3,930,233)</u>
OPERATING EXPENSES			
Salaries and wages	14,387,034	12,878,744	1,508,290
Employee benefits	4,986,632	5,005,575	(18,943)
Services and supplies	11,484,289	8,439,484	3,044,805
Depreciation	720,819	251,970	468,849
Total operating expenses	<u>31,578,774</u>	<u>26,575,773</u>	<u>5,003,001</u>
OPERATING INCOME (LOSS)	(7,268,951)	(6,196,183)	1,072,768
NONOPERATING REVENUES			
Interest revenue	<u>369,180</u>	<u>1,110,437</u>	<u>741,257</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(6,899,771)</u>	<u>(5,085,746)</u>	<u>1,814,025</u>
TRANSFERS			
Transfers in	3,998,998	3,998,998	--
Transfers out	<u>(2,371)</u>	<u>(93,823)</u>	<u>(91,452)</u>
Total transfers in (out)	<u>3,996,627</u>	<u>3,905,175</u>	<u>(91,452)</u>
CHANGES IN NET ASSETS	<u>\$ (2,903,144)</u>	(1,180,571)	<u>\$ 1,722,573</u>
NET ASSETS, BEGINNING OF YEAR		16,051,038	
PRIOR PERIOD ADJUSTMENT		<u>(5,400,825)</u>	
NET ASSETS, BEGINNING OF YEAR - RESTATED		<u>10,650,213</u>	
NET ASSETS, END OF YEAR		<u>\$ 9,469,642</u>	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Cultural Arts & Tourism Enterprise Fund
For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Rental fees	\$ 410,000	\$ 352,071	\$ (57,929)
Licenses - gaming	600,000	608,231	8,231
Charges for services	356,000	473,463	117,463
Miscellaneous	97,359	100,309	2,950
Total operating revenues	1,463,359	1,534,074	70,715
OPERATING EXPENSES			
Salaries and wages	2,510,026	2,677,054	(167,028)
Employee benefits	967,175	959,281	7,894
Services and supplies	3,023,744	2,992,725	31,019
Depreciation	162,000	129,200	32,800
Total operating expenses	6,662,945	6,758,260	(95,315)
OPERATING LOSS	(5,199,586)	(5,224,186)	(24,600)
NONOPERATING REVENUES			
Room tax	2,166,510	2,284,765	118,255
Interest revenue	80,000	43,515	(36,485)
Miscellaneous	20,000	--	(20,000)
Total nonoperating revenues	2,266,510	2,328,280	61,770
INCOME (LOSS) BEFORE TRANSFERS	(2,933,076)	(2,895,906)	37,170
TRANSFERS			
Transfers in	1,664,914	1,989,914	325,000
Transfers out	(527)	(527)	--
Total transfers	1,664,387	1,989,387	325,000
CHANGES IN NET ASSETS	<u>\$ (1,268,689)</u>	(906,519)	<u>\$ 362,170</u>
NET ASSETS, BEGINNING OF YEAR		3,379,021	
NET ASSETS, END OF YEAR		<u>\$ 2,472,502</u>	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
 Budget (GAAP Basis) and Actual
 Municipal Golf Course Enterprise Fund
 For the Year Ended June 30, 2008

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 3,513,261	\$ 3,484,803	\$ (28,458)
Total operating revenues	3,513,261	3,484,803	(28,458)
OPERATING EXPENSES			
Services and supplies	3,385,837	3,492,731	(106,894)
Depreciation	1,896,281	1,054,268	842,013
Total operating expenses	5,282,118	4,546,999	735,119
OPERATING LOSS	(1,768,857)	(1,062,196)	706,661
NONOPERATING REVENUES			
Interest revenue	25,000	88,615	63,615
CHANGES IN NET ASSETS	\$ (1,743,857)	(973,581)	\$ 770,276
NET ASSETS, BEGINNING OF YEAR		34,678,439	
NET ASSETS, END OF YEAR		\$ 33,704,858	

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CITY OF HENDERSON, NEVADA

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

ASSETS

	<u>Bridges</u>	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Special Assessment Districts</u>	<u>Total</u>
Cash and investments	\$ 176,039	\$ 131,683	\$ 16,821,249	\$ 95,674	\$ 64,881	\$ 51,488,587	\$ 68,778,113
Delinquent assessments receivable	--	--	--	--	--	2,060,885	2,060,885
Total assets	<u>\$ 176,039</u>	<u>\$ 131,683</u>	<u>\$ 16,821,249</u>	<u>\$ 95,674</u>	<u>\$ 64,881</u>	<u>\$ 53,549,472</u>	<u>\$ 70,838,998</u>

LIABILITIES

Due to developers	\$ 176,039	\$ --	\$ 16,821,249	\$ --	\$ 64,881	\$ --	\$ 17,062,169
Due to employees	--	131,683	--	--	--	--	131,683
Due to others	--	--	--	95,674	--	53,549,472	53,645,146
Total liabilities	<u>\$ 176,039</u>	<u>\$ 131,683</u>	<u>\$ 16,821,249</u>	<u>\$ 95,674</u>	<u>\$ 64,881</u>	<u>\$ 53,549,472</u>	<u>\$ 70,838,998</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
BRIDGES AGENCY FUND				
Assets:				
Cash and investments	\$ 167,598	\$ 8,441	\$ --	\$ 176,039
Liabilities:				
Due to developers	\$ 167,598	\$ 8,441	\$ --	\$ 176,039
SECTION 125 PLAN FUND				
Assets:				
Cash and investments	\$ 104,786	\$ 860,322	\$ 833,425	\$ 131,683
Liabilities:				
Due to employees	\$ 104,786	\$ 860,322	\$ 833,425	\$ 131,683
TRAFFIC SIGNAL AGENCY FUND				
Assets:				
Cash and investments	\$ 13,754,351	\$ 3,504,434	\$ 437,536	\$ 16,821,249
Liabilities:				
Due to developers	\$ 13,754,351	\$ 3,504,434	\$ 437,536	\$ 16,821,249
FORFEITED ASSETS AGENCY FUND				
Assets:				
Cash and investments	\$ 25,900	\$ 217,645	\$ 147,871	\$ 95,674
Liabilities:				
Due to others	\$ 25,900	\$ 217,645	\$ 147,871	\$ 95,674
PAVING FRONTAGE AGENCY FUND				
Assets:				
Cash and investments	\$ 61,770	\$ 3,111	\$ --	\$ 64,881
Liabilities:				
Due to developers	\$ 61,770	\$ 3,111	\$ --	\$ 64,881
SPECIAL ASSESSMENT DISTRICTS FUND				
Assets:				
Cash and investments	\$ 59,009,371	\$ 66,154,535	\$ 73,675,319	\$ 51,488,587
Delinquent assessments receivable	434,463	1,626,422	--	2,060,885
	<u>\$ 59,443,834</u>	<u>\$ 67,780,957</u>	<u>\$ 73,675,319</u>	<u>\$ 53,549,472</u>
Liabilities:				
Due to others	\$ 59,443,834	\$ 67,780,957	\$ 73,675,319	\$ 53,549,472
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 73,123,776	\$ 70,748,488	\$ 75,094,151	\$ 68,778,113
Delinquent assessments receivable	434,463	1,626,422	--	2,060,885
Total assets	<u>\$ 73,558,239</u>	<u>\$ 72,374,910</u>	<u>\$ 75,094,151</u>	<u>\$ 70,838,998</u>
Liabilities:				
Due to developers	\$ 13,983,719	\$ 3,515,986	\$ 437,536	\$ 17,062,169
Due to employees	104,786	860,322	833,425	131,683
Due to others	<u>59,469,734</u>	<u>67,998,602</u>	<u>73,823,190</u>	<u>53,645,146</u>
Total liabilities	<u>\$ 73,558,239</u>	<u>\$ 72,374,910</u>	<u>\$ 75,094,151</u>	<u>\$ 70,838,998</u>

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