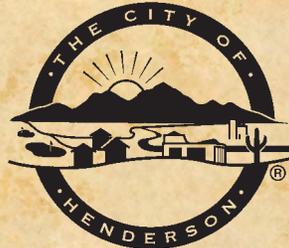


2011

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2011



A Place To Call Home

City of Henderson, Nevada



**CITY OF HENDERSON, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by:
Department of Finance**

**Richard A. Derrick
Finance Director**

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CITY OF HENDERSON, NEVADA

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2011**

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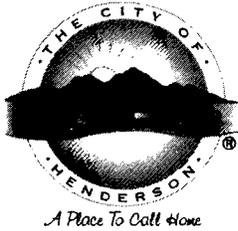


INTRODUCTORY SECTION

2011

Comprehensive Annual Financial Report

City of Henderson, Nevada



CITY OF HENDERSON
240 Water Street
P. O. Box 95050
Henderson, NV 89009

November 7, 2011

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

The comprehensive annual financial report for the City of Henderson for the fiscal year ended June 30, 2011 is hereby submitted. State law requires that local governments provide for an annual audit by independent certified public accountants of its financial statements in accordance with generally accepted auditing standards.

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

The City of Henderson's financial statements have been audited by Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Henderson for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Henderson's financial statements for fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Henderson was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited

government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

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

Profile of the Government

The City of Henderson is located in the southeastern part of Clark County, Nevada. With a population of approximately 269,641, Henderson is the second largest city in the State of Nevada. The City Charter was approved in its present form by the Nevada Legislature in 1971, and has been amended subsequent thereto.

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

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

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

The City Council adopts the budget prior to June 1 and submits it to the Department of Taxation for final approval. All revisions to the adopted budget are made a matter of public record by actions of the City Council. Per Nevada law, the City Manager is authorized to transfer budgeted amounts within functions (General Fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Revisions which affect the total

fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available.

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

Local Economy

Henderson continues to be ranked as one of the most tax-friendly cities as well as one of the best cities to “live and play”, with one of our goals being to maintain Henderson's property taxes at the same low rate for 21 years.

Located just seven miles from the famous Las Vegas Strip, Henderson is known throughout the nation for its premiere master planned residential communities, outstanding parks and recreational facilities, cultural activities, and business community. Some of the nation's best known and most respected corporations have established major operations in Henderson. These include, but are not limited to, Ocean Spray Cranberries, Inc., Ethel M. Chocolates, and Good-Humor-Breyers Ice Cream. Henderson also has defined gaming districts which include casino/resort development such as the M Resort, Sunset Station, Fiesta Henderson, and Green Valley Ranch Station.

An ongoing challenge for the public entities in Nevada has been the economic impact of the housing slowdown and the effect it has had on sales tax revenues. However, there was a slight increase in sales tax revenues of 5.5% during the 12 month period ended June 2011, compared to the same 12 month period from the prior year.

Property values have significantly declined due to the excess of foreclosed homes and the related credit crisis. Although residential sales have shown some strength, most analysts point to a substantial overhang of supply in both the residential and commercial real estate segments. In addition, according to the Case-Shiller index, housing prices in the Las Vegas Metropolitan Statistical Area are still falling, although at a decreasing rate. The City continues to monitor the housing market and the impact it will have on future property tax revenues.

In August 2011, the official Clark County unemployment estimate (as defined by the Las Vegas-Paradise MSA) was 14.2% with the National rate at 9.1%. In the Southern Nevada area, employers added approximately 800 jobs in August 2011. The increase in jobs was attributed to increases in a variety of industries, most notably Professional and Business Services (1,200 jobs), Construction (800 jobs), Trade, Transportation and Utilities (700 jobs), and Other Services (100 jobs). The increases in jobs, however, was offset by declines in Leisure and Hospitality (700 jobs), Education and Health Services (500 jobs), Financial Activities (400 jobs), Government (200 jobs) and Manufacturing and Information (100 jobs each).

Henderson has a tax rate of \$.7108 per \$100 in assessed valuation. This property tax rate has remained relatively steady for the past 21 years and continues to be one of the lowest in the State of Nevada.

The City is highly reliant on the economically-sensitive consolidated tax; a variety of sales taxes collected statewide on liquor, gaming and other items then distributed to municipalities according to a formula based on growth and population. Because of the dependence on consolidated tax, visitor volume is a key leading indicator for the local economy. Visitor volume is expected to increase slightly for fiscal year 2012 as the outlook for the U. S. and western States' economies appear to be improving. If national employment figures improve and consumer confidence rebounds in 2012, visitor volume, convention attendance, occupancy rates and average daily room rates will all be positively impacted.

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

Long Term Financial Planning

The City has an annual performance planning process. These plans include the following, but are contingent upon available funds:

- Provide efficient public services while maintaining one of the lowest employee-to-citizen ratios in the Las Vegas Valley
- Maintain the City of Henderson property tax at the same low rate for 21 years
- Continued development and enhancements of the citywide asset management program

The City of Henderson continues to update the Capital Improvement Plan, a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. Some of these capital projects for fiscal year 2012 include, contingent upon available funding: Municipal Facilities Acquisition & Construction Fund to fund Detention Center Expansion; Grants and contributions to fund various parks and recreation projects, including Union Pacific Trial Phase III , Heritage Community Park Phase II, Cornerstone Lake Community Park; Sewer Fund to fund the offsite improvements for Southwest Water Reclamation Facility; Water Fund to fund Sites 17 and 18 Pump Station and Reservoir Upgrades; the City will continue to partner with the Clark County Regional Flood Control District, the Regional Transportation Commission, Nevada Department of Transportation, and developers to fund projects to include flood channels and street projects.

The City of Henderson maintains a forecast of the financial condition of the City's major operating funds over a five-year horizon. It is an invaluable tool used to assist the City Council,

City Manager, and department heads in developing long-range strategies & tactics to be included in their Performance Budget and, ultimately, in formulating budget requests.

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

The City's approach to forecasting in general is to apply a conservative philosophy that will produce the long-term goals of not overstating revenues nor understating expenditures. Economic forecasting is not an exact science and at times relies upon the best professional judgment of the forecaster. To reduce the risks of miscalculating revenues or expenditures, we attempt to identify as many factors as possible that may contribute to changes in revenues and expenditures. The City's revenue and expenditure budgets are comprised of many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates. The forecast data includes assumptions relating to major revenues and expenditures for the various funds based on the current political and economic environment.

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

Major Initiatives

In 2008, the City began to prepare a 5-year plan to address the significant economic downturn that the country was facing. A 5-year plan committee was formed which continues to meet on a bi-weekly basis to assess current revenues & expenditures, and discuss options. Throughout fiscal years 2009, 2010, and 2011 several cost cutting strategies were implemented. Employment compensation reductions included: a hiring freeze for all non-critical positions, an employee buyout program, overtime restrictions, suspension of the City's deferred compensation match, as well as the suspension of car allowance benefits, compensatory time off in-lieu of paid overtime, suspension of cost-of-living pay raises, as well as modifications to paid holidays including the elimination of the Columbus Day holiday, and the elimination of the tuition reimbursement program. Other expenditure reductions included prohibition of non-essential travel, reduction to base operating budgets, stricter cell phone policies, consolidation of service contracts, surrendering of one-time funds, reduction of non-essential services, extension of vehicle life, reduction to the city vehicle fleet, the closing of City Hall on Fridays, and deferring of capital projects.

Each department has compiled a new contingency plan that is being reviewed for possible implementation during fiscal year 2012. In addition the City is looking into revenue enhancement opportunities that could be presented to Council for approval.

To date, the City has avoided layoffs, having success with cost reductions, employee buyout packages, and execution of various contingency plans. Compared to other municipalities, the

City continues to maintain one of the lowest employee-to citizen ratio at 6.6 per 1,000 residents. Historically, combined with conservative budgeting, the City has had the ability to sustain municipal service levels.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Henderson for its comprehensive annual financial report for the fiscal year ended June 30, 2010.

This was the 29th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Mark T. Calhoun
City Manager



Richard A. Derrick
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Henderson
Nevada

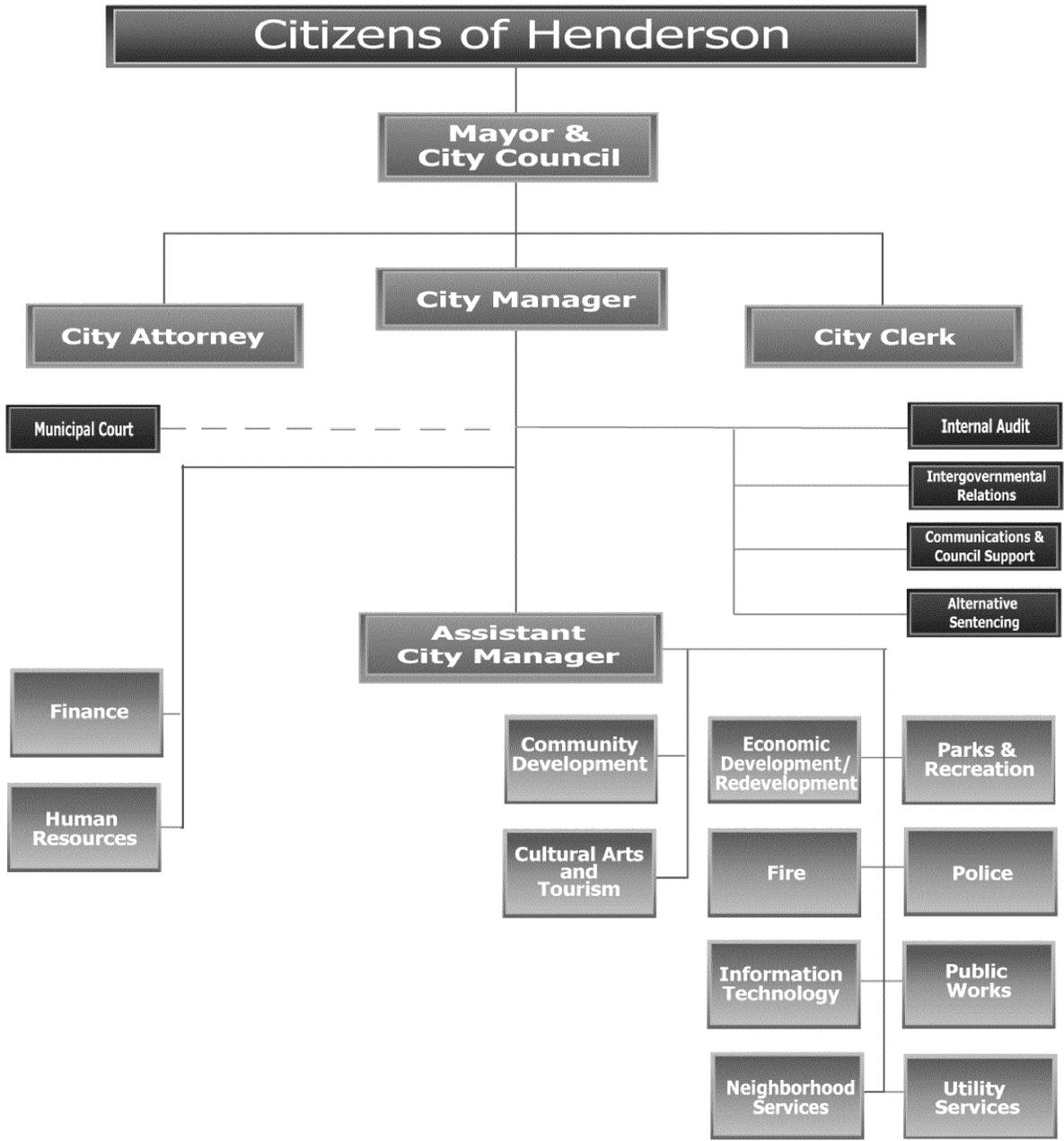
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



MAYOR AND COUNCIL

Andy A. Hafen, Mayor
Gerri Schroder, Councilwoman
Kathleen Vermillion, Councilwoman
Debra March, Councilwoman
Sam Bateman, Councilman

CITY OFFICIALS

Mark T. Calhoun, City Manager
Christine Guerci-Nyhus, Interim City Attorney
Sabrina Mercadante, City Clerk

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FINANCIAL SECTION

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Henderson, Nevada, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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. Accordingly, we express no such opinion. 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 the 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Grant Special Revenue funds 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 November 2, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Management's discussion and analysis, beginning on page 3A, and the schedule of funding progress for the City's Other Postemployment Benefits Plan (OPEB) on page 58, are not a required part 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, therefore, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules 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 combining and individual fund financial statements and schedules 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.

A handwritten signature in black ink that reads "Percy Bowler Taylor" followed by a stylized flourish.

November 2, 2011

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Management's Discussion and Analysis

As management of the City of Henderson (the City), we offer readers of the City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. 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 exceeded its liabilities at June 30, 2011 by \$2,714,679,512 (net assets). Of this amount, \$172,584,210 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$18,255,983. See the sections on Governmental Activities and Business-type Activities below for explanations of the decrease.
- As of June 30, 2011, the City's governmental funds reported combined ending fund balances of \$308,346,680, a decrease of \$34,198,467 in comparison with the prior year. The decrease is mainly due to a severe decrease in property taxes and lower interest income. Approximately 5.1% of ending fund balances or \$15,703,300 is available for spending at the City's discretion (unassigned fund balance).
- As of June 30, 2011 unassigned fund balance in the general fund was \$15,703,300, or 7.7%, of general fund expenditures.

Financial Statement Overview

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal

requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The City maintains twenty-two individual governmental funds as of June 30, 2011. During Fiscal Year 2011, three new funds were created with a transfer in from the Multipurpose Special Revenue Fund; these include the Grant, Commissary, and Code Enforcement Special Revenue 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, Grant Special Revenue Fund, General Obligation Debt Service Fund, Special Assessment Districts Capital Projects Fund, and the Municipal Facilities Acquisition and Construction Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison for the City's General Fund and the Grant Special Revenue 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 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 uses enterprise funds to account for its Water and Sewer activities, both of which are considered major funds. Data from the three non-major enterprise funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in the report. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its engineering services, its City vehicles, its self-insurance activities, to account for loan activities to other funds for special assessment districts and to account for general citywide services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$2,714,679,512 at June 30, 2011.

The largest portion of the City’s net assets (81.6%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$455,475,696	\$515,735,399	\$178,755,117	\$228,006,595	\$634,230,813	\$743,741,994
Capital assets	1,475,676,198	1,439,140,907	1,064,812,395	1,059,820,389	2,540,488,593	2,498,961,296
Total assets	1,931,151,894	1,954,876,306	1,243,567,512	1,287,826,984	3,174,719,406	3,242,703,290
Long-term liabilities	205,113,863	214,891,538	193,484,200	206,159,676	398,598,063	421,051,214
Other liabilities	39,793,962	62,510,873	21,647,869	26,205,708	61,441,831	88,716,581
Total liabilities	244,907,825	277,402,411	215,132,069	232,365,384	460,039,894	509,767,795
Net assets:						
Invested in capital assets, net of related debt	1,334,875,084	1,284,908,783	880,946,820	862,809,319	2,215,821,904	2,147,718,102
Restricted	273,915,622	314,860,901	52,357,776	93,754,763	326,273,398	408,615,664
Unrestricted	77,453,363	77,704,211	95,130,847	98,897,518	172,584,210	176,601,729
Total net assets	\$1,686,244,069	\$1,677,473,895	\$1,028,435,443	\$1,055,461,600	\$2,714,679,512	\$2,732,935,495

An additional portion of the City’s net assets (12.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$172,584,210, may be used to meet the City’s ongoing obligations to citizens and creditors.

As of June 30, 2011, the City 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 \$49.9 million in net assets invested in capital assets net of related debt for governmental activities. This was due mainly to the acquisition and construction of infrastructure and buildings. See Capital Assets section for further explanation.

There was a decrease of \$41.4 million in restricted net assets for business-type activities. This is a result of declining net assets related to water and sewer system development balances. These system development fees are received as builders connect to the City's water and sewer system, and funds are used for debt service and cash outlay for growth-related projects. With the economic downturn, there has been virtually no connection fees received, however funds are still being used for debt service and for funding of growth-related projects, resulting in a decrease in net assets restricted for system development.

The City's net assets decreased by \$18,255,983 during the current fiscal year, an increase in governmental net assets of \$8,770,174 and a decrease in business-type activities of \$27,026,157. See explanations for the increases in the sections for Governmental Activities and Business-type Activities.

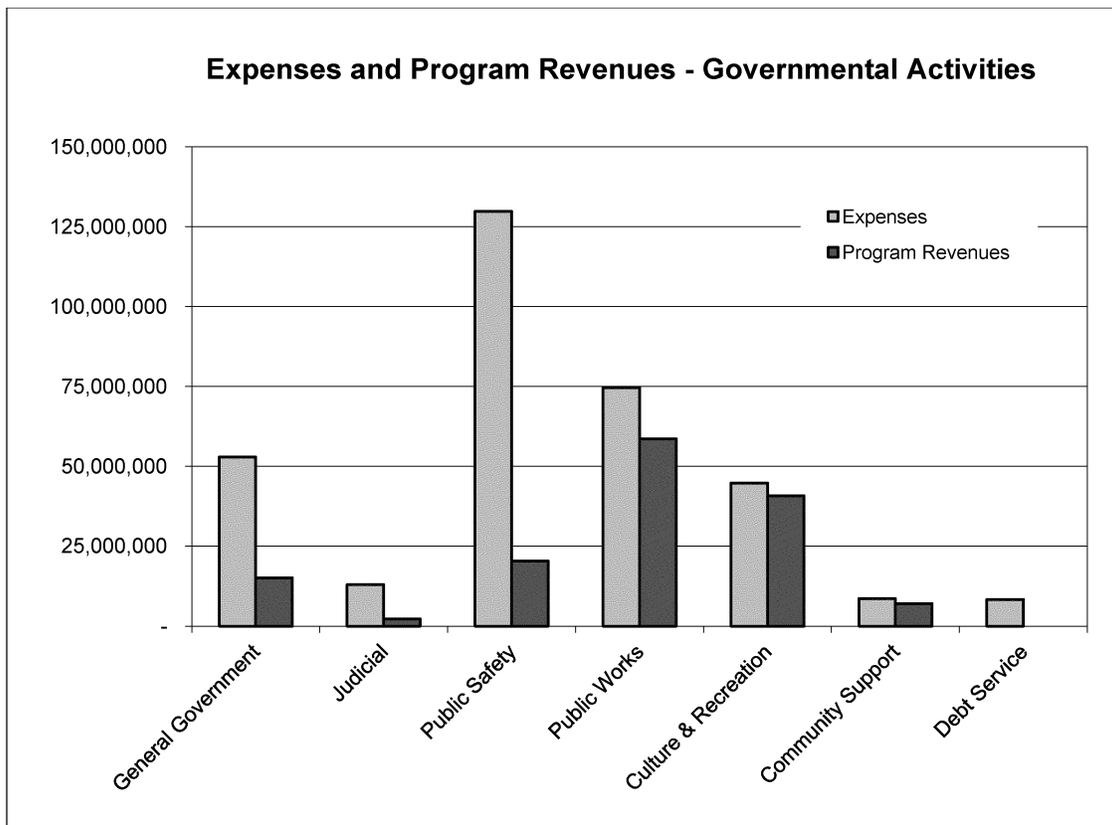
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	\$38,858,326	\$37,263,020	\$103,291,342	\$97,815,339	\$142,149,668	\$135,078,359
Operating grants, interest, and contributions	14,981,464	10,864,690	252,284	439,769	15,233,748	11,304,459
Capital grants, interest and contributions	90,276,209	186,667,654	16,454,579	46,258,599	106,730,788	232,926,253
General revenues:						
Property taxes	74,856,808	94,879,894	-	-	74,856,808	94,879,894
Consolidated tax	73,965,376	70,110,772	-	-	73,965,376	70,110,772
Franchise fees and other taxes	43,534,106	43,968,045	4,878,184	5,250,092	48,412,290	49,218,137
Unrestricted interest income	3,211,723	7,187,788	2,252,165	5,383,141	5,463,888	12,570,929
Gain on sale of assets	4,782	660,264	-	6,080	4,782	666,344
Other	1,377,894	1,641,563	934,305	861,169	2,312,199	2,502,732
Total revenues	341,066,688	453,243,690	128,062,859	156,014,189	469,129,547	609,257,879
Expenses:						
General government	52,900,058	56,692,760	-	-	52,900,058	56,692,760
Judicial	12,979,313	11,535,842	-	-	12,979,313	11,535,842
Public safety	129,840,967	128,874,376	-	-	129,840,967	128,874,376
Public works	74,665,903	73,247,603	-	-	74,665,903	73,247,603
Culture and recreation	44,729,292	42,085,811	-	-	44,729,292	42,085,811
Community Support	8,601,886	7,176,141	-	-	8,601,886	7,176,141
Interest on long-term debt	8,358,181	8,607,438	-	-	8,358,181	8,607,438
Water	-	-	84,611,740	79,669,396	84,611,740	79,669,396
Sewer	-	-	52,306,007	49,498,225	52,306,007	49,498,225
Other business-type activities	-	-	18,392,183	19,490,239	18,392,183	19,490,239
Total expenses	332,075,600	328,219,971	155,309,930	148,657,860	487,385,530	476,877,831
Increase (decrease) in net assets before transfers	8,991,088	125,023,719	(27,247,071)	7,356,329	(18,255,983)	132,380,048
Transfers	(220,914)	2,317,722	220,914	(2,317,722)	-	-
Increase (decrease) in net assets	8,770,174	127,341,441	(27,026,157)	5,038,607	(18,255,983)	132,380,048
Net assets, July 1	1,677,473,895	1,550,132,454	1,055,461,600	1,050,422,993	2,732,935,495	2,600,555,447
Net assets, June 30	\$1,686,244,069	\$1,677,473,895	\$1,028,435,443	\$1,055,461,600	\$2,714,679,512	\$2,732,935,495

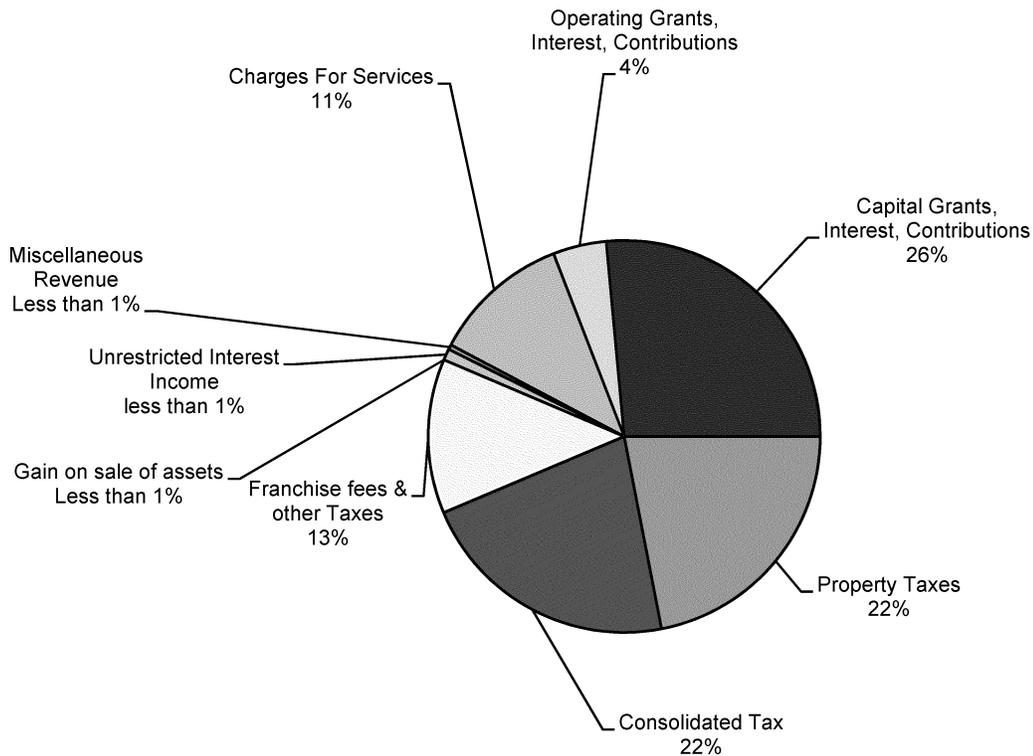
Governmental Activities. Governmental activities increased the City's net assets by \$8,770,174. Significant changes are as follows:

- Operating grants and contributions increased by \$4.1 million due to an increase in grants primarily related to Federal grants for Southern Nevada Public Land Management Act

- Capital grants and contributions decreased by \$96.4 million due to the construction slow-down resulting from the economic downturn.
- Property taxes decreased by \$20 million due to the significant decrease in assessed property values and property tax collections, which is also attributed to the economic downturn.
- Interest income decreased \$4 million or 55%, due to a lower interest rate on investments and lower cash and investment balances.
- Judicial expenses increased by \$1.4 million due in large part to an increase in depreciation expense for the justice facility. Usable space in the justice facility for fiscal year 2011 is 72% as opposed to 23% in fiscal year 2010.
- Community Support expenses increased by \$1.4 million due to expenses related to rehabilitation projects for low-income housing.



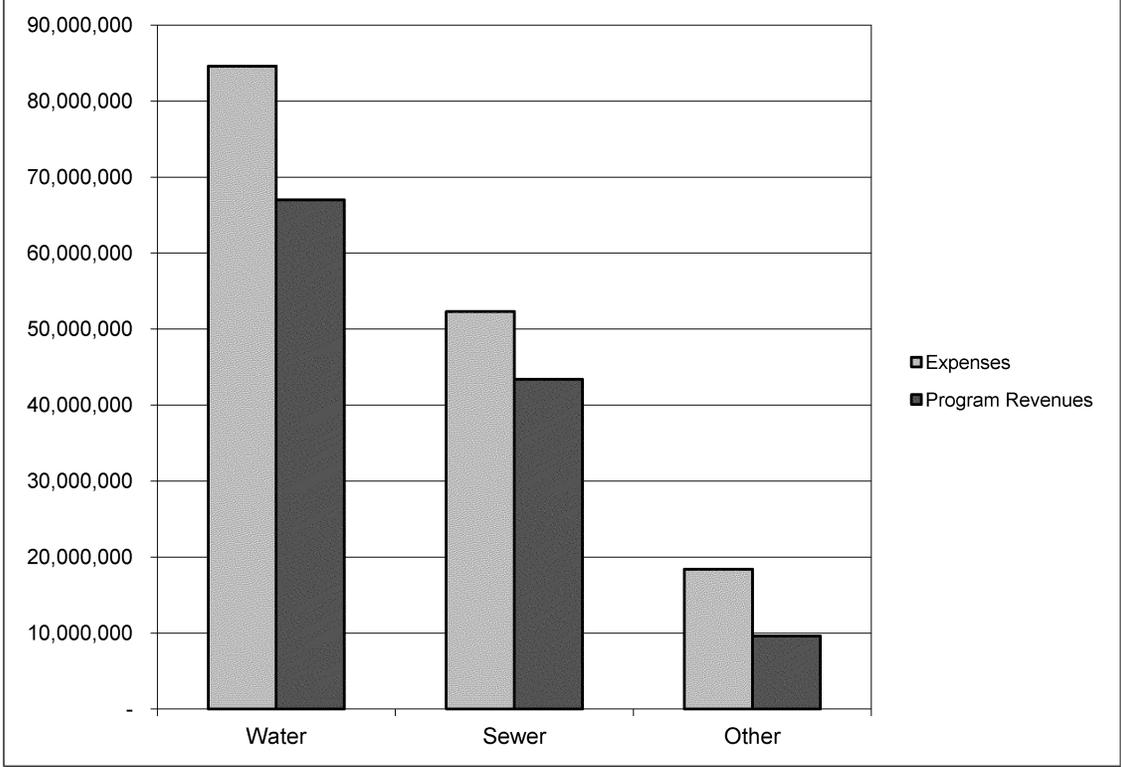
Revenues by Source - Governmental Activities



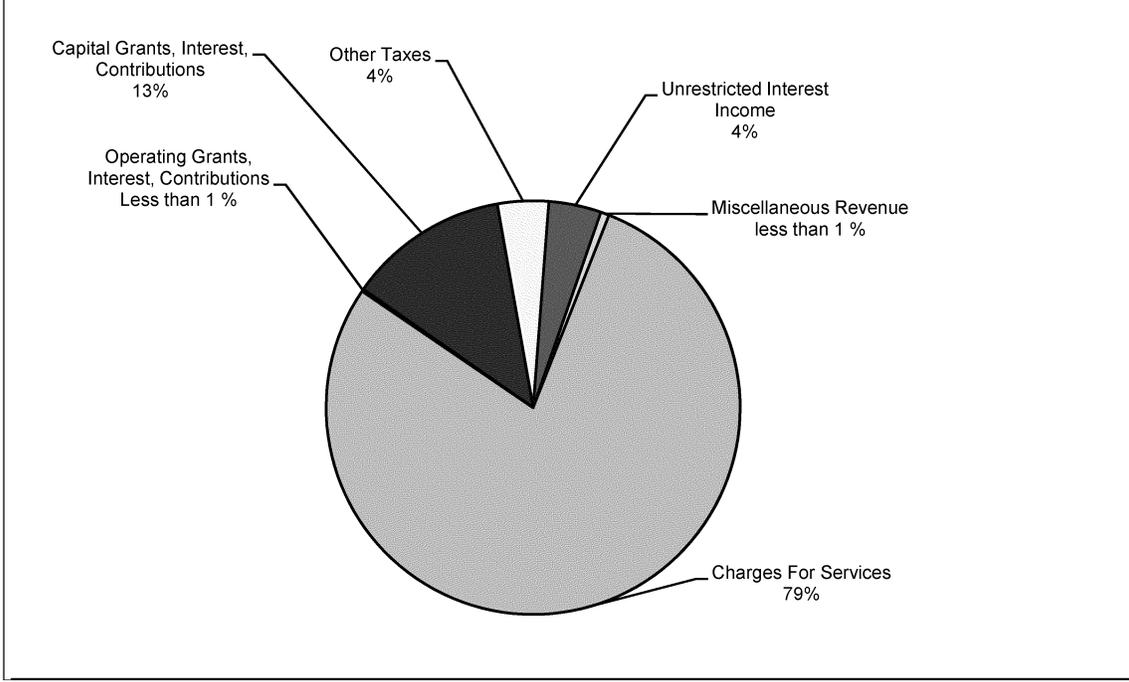
Business-type activities. Business-type activities decreased the City's net assets by \$27,026,157. Key elements of this decrease are as follows:

- Capital grants and contributions decreased by \$29.8 million, or 64%, due to the construction slow-down resulting from the economic downturn.
- Other taxes, including room taxes, transportation taxes and sales taxes decreased by \$0.3 million, or 7.1%, also due to economic downturn.
- Interest income decreased by \$3.1 million, or 58%, due to lower cash and investment balances and lower rate of return on investments.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$308,346,680, a decrease of \$34,198,467, in comparison with the prior year. Approximately 5.1% of this balance (\$15,703,300) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either restricted or assigned to indicate that it is not available for new spending because it has already been restricted by State law or outside entities (\$245,234,860) or assigned for specific uses by the City (\$47,408,520).

General Fund. The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,703,300, while total fund balance was \$16,495,371. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.7% of total general fund expenditures, while total fund balance represents 8.1% of that same amount.

The fund balance of the general fund decreased by \$4,324,297 during the current fiscal year. Key factors for this net decrease are as follows:

- Transfers in from other funds decreased by \$19.7 million; transfers to other funds also decreased by \$4.1 million, as compared to the previous fiscal year.
- Property taxes increased in this fund by \$9.1 million, or 21%, as property taxes that were recorded in the Municipal Facilities & Acquisition Construction Capital Projects Fund are now recorded in the General Fund; however property taxes overall had a significant decline. See discussion of the Municipal Facilities Capital Projects Fund below.
- General fund expenditures did not significantly increase over the previous fiscal year.

Grant Special Revenue Fund. The grants special revenue fund has a total fund balance of \$2,597,407, the total of which is restricted by granting agencies. This is a new fund this year, and the grant portion balance of the Multipurpose Special Revenue Fund was transferred into this fund. This transfer was the majority of the balance in the Multipurpose Special Revenue Fund. There was an increase in intergovernmental revenues over last year of \$6.5 million due to an increase in grant monies for the Southern Nevada Public Land Management Act (SNPLMA) and also grants for public safety. Expenditures for Public Safety increased by \$2.1 million and expenditures for Culture and Recreation increased by \$5.7 million due to the public safety grants and the SNPLMA grants respectively. Southern Nevada Public Land Management Act grants are used for parks and trails.

General Obligation Debt Service Fund. The general obligation debt service fund has a total fund balance of \$2,901,962, all of which is restricted for payment of debt service. The net decrease in the fund balance was \$4,062,906, due to several factors. Property taxes were approximately \$14.2 million, a decrease of approximately \$3.3 million as compared to the prior fiscal year due to lower assessed land values and decreasing property tax collections. Debt service payments were approximately \$19.5 million, and only slightly lower than the previous year. Transfers in from other funds exceeded transfers out by \$1.1 million.

Special Assessment Districts Capital Projects Fund. The special assessment districts capital projects fund has a total fund balance of \$132,755,371, all of which is restricted for capital projects funded by special assessments. The net decrease in fund balance was \$949,786, which is mostly due to payment of special assessment infrastructure improvement projects of \$1.2 million.

Municipal Facilities Acquisition and Construction Capital Projects Fund. The municipal facilities acquisition and construction capital projects fund has a fund balance of \$28,075,579, which is assigned for capital projects within the City. The net decrease in fund balance was \$35.3 million, due to several factors. Property taxes are no longer recorded in this fund, but rather in the General Fund. In fiscal year 2010 property taxes were approximately \$21 million in this fund.

There was also a decrease of approximately \$1.7 million in intergovernmental revenue due to the City receiving a contribution from Clark County for the justice facility expansion and garage in fiscal year 2010, with no similar contribution in fiscal year 2011.

Interest income decreased by \$1.1 million, due to lower cash and investment balances and to lower rates of return.

Expenditures were approximately \$8.1 million lower in fiscal year 2011, as compared to fiscal year 2010. Specifically, in fiscal year 2011, there was a decrease in expenditures for several capital projects, including a decrease of approximately \$6 million for renewable energy projects; a decrease of approximately \$5 million for an aquatics center; a decrease of approximately \$3 million for a senior center; a decrease of \$2 million for the justice facility expansion. These decreases were partially offset by an increase in expenditures for the detention facility of approximately \$8.2 million.

Transfers out to other funds were approximately \$7.9 million.

Proprietary funds. The City'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 fiscal year 2011 amounted to \$64,070,021, and the total decline in net assets was \$13,355,053. Unrestricted net assets of the sewer fund at the end of the fiscal year 2011 were \$47,699,519, and the total decline in net assets was \$2,934,088. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by \$6.2 million, or 2.9% 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. Some budgeted capital purchases and projects had not been completed by the end of fiscal year 2011, and were re-appropriated in fiscal year 2012.

Actual expenditures were 91.4% of appropriations, or \$19.2 million lower than the final budget. All functions are well within appropriation authority. The savings were mainly due to staffing vacancies and the elimination of positions during the fiscal year, operating expenditure reductions, as well as projects that were not completed by the end of the fiscal year that will be re-appropriated to the subsequent year. The main areas of savings are summarized below:

- Actual General Government expenditures were \$8.1 million below the final budget. Approximately \$3 million of this amount is attributed to vacancy savings and reductions to part time and overtime spending. \$4 million is reductions to operating expenditures, and \$1.1 million is for projects that were not complete during the year that will be deferred to the subsequent year.
- Actual Public Safety expenditures were \$4.3 million below the final budget, primarily due to vacancy savings and reductions to operating expenditures

- Actual Public Works expenditures were \$1.9 million below the final budget, primarily due to reductions to operating expenditures .
- Actual Culture and Recreation expenditures were \$3.6 million below the final budget, mainly due to savings from vacancies and operating expenditure reductions.

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$2,540,488,593 (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’s investment in capital assets was \$41.5 million (approximately \$36.5 million for governmental activities and approximately \$5.0 million for business-type activities).

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

- Land for governmental activities increased by \$23.6 million due to over 500 acres of donated land from the Bureau of Land Management that is stipulated to be used for business development within the City.
- Machinery and Equipment for governmental activities decreased by \$3.9 million due to a telephone system disposal of \$1.5 million and to depreciation.
- Construction in Progress increased by \$34.8 million due to \$20.7 million for the Detention Center expansion; \$7.4 million for various trails; \$5.5 million for the Arroyo Grande Green Project; \$5.4 million for the City-wide energy efficiency project; \$3.5 million for Hidden Falls Park; \$3 million for Reunion Trails Park; \$1.6 million for Heritage Park Phase II . The increase was offset by a decrease of approximately \$12.7 million for the completion of the Northeast Detention Basin.
- There was no significant change in capital assets for business-type activities.

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$204,394,312	\$180,753,627	\$25,493,852	\$25,493,852	\$229,888,164	\$206,247,479
Buildings	234,492,628	239,772,517	31,055,406	32,001,492	265,548,034	271,774,009
Improvements other than buildings	135,340,301	132,688,415	840,348,211	839,370,520	975,688,512	972,058,935
Machinery and equipment	22,962,178	26,853,119	10,329,377	10,843,343	33,291,555	37,696,462
Infrastructure	767,887,709	783,272,753	-	-	767,887,709	783,272,753
Construction in progress	110,599,070	75,800,476	157,585,549	152,111,182	268,184,619	227,911,658
Total	\$1,475,676,198	\$1,439,140,907	\$1,064,812,395	\$1,059,820,389	\$2,540,488,593	\$2,498,961,296

Additional information on the City’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 had total bonded debt outstanding of \$304,059,139. Of this amount, \$111,111,000 is considered general obligation debt and \$13,625,000 is tax allocation debt. The remainder of the City’s bonded debt represents bonds to be paid from the City’s Water and Sewer activities.

Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 111,111,000	\$123,215,000	\$-	\$-	\$ 111,111,000	\$123,215,000
Tax allocation bonds	13,625,000	14,215,000	-	-	13,625,000	14,215,000
Special assessment debt with government commitment	-	165,000	-	-	-	165,000
Water and sewer bonds	-	-	179,323,139	192,056,192	179,323,139	192,056,192
Total	\$124,736,000	\$137,595,000	\$179,323,139	\$192,056,192	\$304,059,139	\$329,651,192

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

As of June 30, 2011, the City's net general obligation bonded debt subject to the legal debt margin of \$290,434,139 was below the legal limit of \$1,484,630,944.

Additional information on the City's long-term debt can be found in note 7 to the financial statements.

Other Factors

- The City will maintain the property tax rate of \$.7108 per \$100 in assessed valuation, one of the lowest in the state of Nevada.
- The Fiscal Year 2012 budget includes the increases to the Public Employee Retirement System rate.
- A new senior facility is scheduled to be opening downtown within the next fiscal year
- The full year operation of the Detention Center Expansion
- Full year operation of the Utility Department's Southwest Reclamation Facility
- Due to the drastic declines in assessed valuation, the Consolidated Tax formula was impacted for many of the jurisdictions in Clark County; a negative assessed value growth percentage would not allow a jurisdiction to share in revenues over the base amount. Senate Bill 31 changed current Nevada Revised Statutes to allow the local governments in Clark County to enter into an inter-local agreement to distribute the revenues in a manner that diminishes the impact of the negative assessed value number. The adoption of the inter-local agreement could mean as much as \$7 million in additional revenue for the City of Henderson over the two year period.
- During the interim period between the 2011 Legislative Session and the 2013 Legislative Session a study will be conducted on the distribution method of the Consolidated Tax. This study was authorized through Assembly Bill 71 sponsored by the City of North Las Vegas. Any action as a result of this study would be adopted in the 2013 Legislative Session.

These factors were considered in preparing the City's budget for the 2011/2012 fiscal year.

During the current fiscal year fund balance in the general fund decreased to \$16,495,371. The City has appropriated approximately \$1.3 million of this amount for spending in the 2011/2012 fiscal year budget. It is intended that this use of available fund balance will pay for one time capital purchases.

Requests for Information

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



BASIC FINANCIAL STATEMENTS

2011

Comprehensive Annual Financial Report

City of Henderson, Nevada

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CITY OF HENDERSON, NEVADA

Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 358,105,532	\$ 167,945,534	\$ 526,051,066
Receivables:			
Accounts	9,434,905	11,497,256	20,932,161
Accrued interest	554,449	416,368	970,817
Delinquent property taxes	1,560,149	-	1,560,149
Special assessments	2,148,528	-	2,148,528
Notes	11,699,225	332,978	12,032,203
Due from other governments	30,135,018	776,922	30,911,940
Internal balances	19,915,622	(19,915,622)	-
Other assets	16,044	4,123,498	4,139,542
Land held for sale	17,002,336	-	17,002,336
Deferred charges	710,931	853,019	1,563,950
Restricted assets - cash and investments:			
Developer escrow	4,192,957	-	4,192,957
Customer deposits	-	1,372,719	1,372,719
Water and sewer bond debt service	-	11,352,445	11,352,445
Capital assets (net of accumulated depreciation):			
Land	204,394,312	25,493,852	229,888,164
Buildings	234,492,628	31,055,406	265,548,034
Improvements other than buildings	135,340,301	840,348,211	975,688,512
Machinery and equipment	22,962,178	10,329,377	33,291,555
Infrastructure	767,887,709	-	767,887,709
Construction in progress	110,599,070	157,585,549	268,184,619
Total Assets	<u>1,931,151,894</u>	<u>1,243,567,512</u>	<u>3,174,719,406</u>
LIABILITIES			
Accounts payable and accrued wages	16,023,227	8,876,079	24,899,306
Accrued interest payable	1,268,787	-	1,268,787
Construction contracts/retention payable	1,141,651	5,936,951	7,078,602
Tax increment payable to developers	817,300	-	817,300
Deposits	9,983,850	147,188	10,131,038
Due to other governments	977,058	-	977,058
Unearned revenue	9,582,089	3,606,126	13,188,215
Current liabilities partially payable from restricted assets	-	3,081,525	3,081,525
Noncurrent liabilities:			
Due within one year	31,206,134	6,400,565	37,606,699
Due within one year, partially payable from restricted assets	-	14,148,317	14,148,317
Due in more than one year	173,907,729	172,935,318	346,843,047
Total liabilities	<u>244,907,825</u>	<u>215,132,069</u>	<u>460,039,894</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,334,875,084	880,946,820	2,215,821,904
Restricted for:			
General government	16,319,960	-	16,319,960
Judicial	1,251,597	-	1,251,597
Debt service	2,227,483	9,643,639	11,871,122
Public safety	3,688,739	-	3,688,739
Public works	174,369,951	-	174,369,951
Culture and recreation	11,970,296	-	11,970,296
Redevelopment	34,138,047	-	34,138,047
Claims	29,949,549	-	29,949,549
System development	-	42,714,137	42,714,137
Unrestricted	77,453,363	95,130,847	172,584,210
Total Net Assets	<u>\$ 1,686,244,069</u>	<u>\$ 1,028,435,443</u>	<u>\$ 2,714,679,512</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, 2011

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants, Interest, and Contributions	Capital Grants, Interest, and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental Activities:							
General government	\$ 52,900,058	\$ 12,755,255	\$ 757,330	\$ 1,589,098	\$ (37,798,375)	\$ -	\$ (37,798,375)
Judicial	12,979,313	1,860,915	69,724	287,238	(10,761,436)	-	(10,761,436)
Public safety	129,840,967	16,781,182	3,416,796	211,679	(109,431,310)	-	(109,431,310)
Public works	74,665,903	301,489	859,097	57,404,263	(16,101,054)	-	(16,101,054)
Culture and recreation	44,729,292	7,159,485	2,946,030	30,683,931	(3,939,846)	-	(3,939,846)
Community support	8,601,886	-	6,932,487	100,000	(1,569,399)	-	(1,569,399)
Debt service:							
Administrative and other costs	801,001	-	-	-	(801,001)	-	(801,001)
Interest and fiscal charges	7,557,180	-	-	-	(7,557,180)	-	(7,557,180)
Total Governmental Activities	332,075,600	38,858,326	14,981,464	90,276,209	(187,959,601)	-	(187,959,601)
Business-Type Activities:							
Water	84,611,740	60,343,146	-	6,652,888	-	(17,615,706)	(17,615,706)
Sewer	52,306,007	33,408,659	199,245	9,801,691	-	(8,896,412)	(8,896,412)
Development services center	9,493,203	5,314,671	-	-	-	(4,178,532)	(4,178,532)
Cultural arts and tourism	5,163,235	1,338,952	53,039	-	-	(3,771,244)	(3,771,244)
Municipal golf course	3,735,745	2,885,914	-	-	-	(849,831)	(849,831)
Total Business-Type Activities	155,309,930	103,291,342	252,284	16,454,579	-	(35,311,725)	(35,311,725)
Total	\$ 487,385,530	\$ 142,149,668	\$ 15,233,748	\$ 106,730,788	(187,959,601)	(35,311,725)	(223,271,326)
General Revenues							
Ad valorem taxes					74,856,808	-	74,856,808
Bond premium amortization					543,096	669,800	1,212,896
Consolidated tax					73,965,376	-	73,965,376
Franchise fees					29,210,828	-	29,210,828
Motor vehicle fuel tax					3,967,152	-	3,967,152
Room taxes					648,362	1,292,683	1,941,045
Sales tax					9,707,764	3,585,501	13,293,265
Unrestricted investment earnings					3,211,723	2,252,165	5,463,888
Gain on sales of assets					4,782	-	4,782
Miscellaneous					834,798	264,505	1,099,303
Transfers					(220,914)	220,914	-
Total General Revenues and Transfers					196,729,775	8,285,568	205,015,343
Change in Net Assets					8,770,174	(27,026,157)	(18,255,983)
NET ASSETS, BEGINNING OF YEAR					1,677,473,895	1,055,461,600	2,732,935,495
NET ASSETS, END OF YEAR					\$ 1,686,244,069	\$ 1,028,435,443	\$ 2,714,679,512

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Balance Sheet
Governmental Funds
June 30, 2011

ASSETS	General Fund	Special Revenue	Grant	General Obligation Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
Cash and investments	\$ 4,793,919	\$ -	\$ 2,731,581	-	\$ 134,899,817	\$ 28,735,880	\$ 106,176,913	\$ 277,338,110
Receivables:								
Accounts	8,273,792	-	-	-	-	179,939	222,397	8,676,128
Special assessments	-	-	-	-	-	-	2,148,528	2,148,528
Accrued interest	37,422	-	20,809	-	1,172	78,064	234,425	371,892
Notes	61,705	9,494,979	-	-	-	-	2,142,541	11,699,225
Delinquent property taxes	1,198,990	-	361,159	-	-	-	-	1,560,149
Advances to other funds	-	-	-	-	-	-	3,209,917	3,209,917
Due from other funds	2,963,975	-	-	-	-	-	-	2,963,975
Due from employees	708	-	-	-	-	-	-	708
Due from other governments	16,216,120	9,799,808	149,572	-	-	-	3,788,577	29,954,077
Land held for sale	-	-	-	-	-	-	17,002,336	17,002,336
Developer escrow - restricted cash and investments	4,192,957	-	-	-	-	-	-	4,192,957
Total assets	<u>\$ 37,739,588</u>	<u>\$ 19,294,787</u>	<u>\$ 3,263,121</u>	<u>\$ 3,263,121</u>	<u>\$ 134,900,989</u>	<u>\$ 28,993,883</u>	<u>\$ 134,925,634</u>	<u>\$ 359,118,002</u>
LIABILITIES								
Accounts payable and accrued wages	\$ 8,500,806	\$ 4,238,426	\$ -	\$ -	\$ -	\$ 918,304	\$ 1,116,736	\$ 14,774,272
Compensated absences payable	153,840	-	-	-	-	-	-	153,840
Termination benefits payable	886,845	-	-	-	-	-	-	886,845
Tax increment payable to developers	-	-	-	-	-	-	817,300	817,300
Deposits	9,378,138	-	-	-	-	-	605,712	9,983,850
Due to other governments	976,783	-	-	-	-	-	275	977,058
Due to other funds	-	2,963,975	-	-	-	-	-	2,963,975
Advances from other funds	-	-	-	-	2,145,618	-	3,209,917	5,355,535
Deferred revenue	1,347,805	9,494,979	361,159	361,159	-	-	3,654,704	14,858,647
Total liabilities	<u>21,244,217</u>	<u>16,697,380</u>	<u>361,159</u>	<u>361,159</u>	<u>2,145,618</u>	<u>918,304</u>	<u>9,404,644</u>	<u>50,771,322</u>
FUND BALANCES								
Restricted	-	2,597,407	-	2,901,962	132,755,371	-	106,980,120	245,234,860
Assigned	792,071	-	-	-	-	28,075,579	18,540,870	47,408,520
Unassigned	15,703,300	-	-	-	-	-	-	15,703,300
Total fund balances	<u>16,495,371</u>	<u>2,597,407</u>	<u>2,901,962</u>	<u>2,901,962</u>	<u>132,755,371</u>	<u>28,075,579</u>	<u>125,520,990</u>	<u>308,346,680</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 37,739,588</u>	<u>\$ 19,294,787</u>	<u>\$ 3,263,121</u>	<u>\$ 3,263,121</u>	<u>\$ 134,900,989</u>	<u>\$ 28,993,883</u>	<u>\$ 134,925,634</u>	<u>\$ 359,118,002</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, 2011

Fund Balances - Governmental Funds \$ 308,346,680

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds:

Governmental capital assets	\$ 2,149,074,433	
Less: Accumulated depreciation	<u>(688,062,935)</u>	1,461,011,498

Other assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:

Bond costs - deferred charges	774,924	
Less: Current year amortization	<u>(63,993)</u>	710,931

Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in governmental funds:

General obligation bonds payable	(110,220,146)	
Tax allocation bonds payable	(13,625,000)	
Installment purchase payable	(16,807,000)	
Capital leases payable	(148,968)	
Intangible obligation	(179,978)	
Construction contracts payable	(1,141,651)	
Other post employment benefits payable	(11,148,494)	
Termination benefits payable	(1,056,099)	
Compensated absences	<u>(35,623,805)</u>	(189,951,141)
Interest payable		(1,268,787)

Deferred revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds. 5,276,558

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. 82,202,708

Internal balances are receivable from business-type activities 19,915,622

Net Assets - Governmental Activities \$ 1,686,244,069

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, 2011

	General Fund	Special Revenue	Grant	General Obligation Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
REVENUES								
Property taxes	\$ 52,988,585	\$ -	\$ -	\$ 14,247,109	\$ -	\$ -	\$ 8,314,883	\$ 75,550,577
Special assessments	-	-	-	-	-	-	179,582	179,582
Franchise fees	29,210,827	-	-	-	-	-	-	29,210,827
Licenses and permits	7,682,535	-	-	-	-	-	-	7,682,535
Intergovernmental	79,252,218	33,894,227	-	-	-	10,519	16,867,144	130,024,108
Charges for services	18,345,451	-	-	-	-	510	1,035,014	19,380,975
Fines and forfeitures	5,932,466	-	-	-	-	-	1,241,457	7,173,923
Developer/property owner contributions	-	-	-	-	-	-	2,070,192	2,070,192
Impact fees	93,917	-	-	104,417	62,220	708,014	385,273	1,093,287
Interest	1,957,412	-	-	-	-	302,706	1,784,557	2,347,817
Miscellaneous	195,463,411	228,206	-	14,351,526	-	344,203	1,198,771	3,728,592
Total revenues		<u>34,122,433</u>	<u>14,351,526</u>	<u>62,220</u>	<u>1,365,952</u>	<u>33,076,873</u>	<u>278,442,415</u>	
EXPENDITURES								
Current:								
General government	41,617,175	68,982	-	-	-	115,604	6,643,267	48,445,028
Judicial	10,930,856	40,414	-	-	-	-	462,376	11,433,646
Public safety	111,037,290	1,124,761	-	-	-	633,203	11,312,494	124,107,748
Public works	7,395,180	306,333	-	-	-	490,980	2,258,962	10,451,455
Culture and recreation	31,092,773	6,500,557	-	-	-	101,984	3,550,135	41,245,449
Community support	1,272,700	6,948,101	-	-	-	3,175	268,702	8,492,678
Total current	<u>203,345,974</u>	<u>14,989,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,344,946</u>	<u>24,495,936</u>	<u>244,176,004</u>
Capital outlay:								
General government	43,411	762,102	-	-	-	483,910	1,251,692	2,541,115
Judicial	22,141	-	-	-	-	-	-	22,141
Public safety	1,772	2,496,179	-	-	-	20,479,367	171,933	23,149,251
Public works	5,559	888,157	-	-	1,192,635	5,514,598	2,169,836	9,770,785
Culture and recreation	138,697	13,808,729	-	-	-	904,162	1,367,342	16,218,930
Total capital outlay	<u>211,580</u>	<u>17,955,167</u>	<u>-</u>	<u>-</u>	<u>1,192,635</u>	<u>27,382,037</u>	<u>4,960,803</u>	<u>51,702,222</u>
Debt service:								
Principal retirement	-	-	12,848,963	-	-	-	755,000	13,603,963
Interest and fiscal charges	-	-	6,679,376	-	135,126	-	777,546	7,592,048
Administrative and other costs	-	-	10,213	-	-	-	10,746	20,959
Total debt service	<u>-</u>	<u>-</u>	<u>19,538,552</u>	<u>-</u>	<u>135,126</u>	<u>-</u>	<u>1,543,292</u>	<u>21,216,970</u>
Total expenditures	<u>203,557,554</u>	<u>32,944,315</u>	<u>19,538,552</u>	<u>1,327,761</u>	<u>28,726,983</u>	<u>31,000,031</u>	<u>317,095,196</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,094,143)</u>	<u>1,178,118</u>	<u>(5,187,026)</u>	<u>(1,265,541)</u>	<u>(27,361,031)</u>	<u>2,076,842</u>	<u>(38,652,781)</u>	

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
 Governmental Funds
 For the Year Ended June 30, 2011

	General Fund	Special Revenue	Grant	General Obligation Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,493	\$ 52,493
Land sales	4,782	-	-	-	-	-	-	4,782
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers:								
Transfers in	14,975,580	2,419,289		12,352,691	315,755	-	27,078,807	57,142,122
Transfers out	(11,210,516)	(1,000,000)		(11,228,571)	-	(7,907,705)	(21,398,291)	(52,745,083)
Total other financing sources (uses)	<u>3,769,846</u>	<u>1,419,289</u>	<u>2,597,407</u>	<u>1,124,120</u>	<u>315,755</u>	<u>(7,907,705)</u>	<u>5,733,009</u>	<u>4,454,314</u>
NET CHANGE IN FUND BALANCES	(4,324,297)			(4,062,906)	(949,786)	(35,268,736)	7,809,851	(34,198,467)
FUND BALANCE, BEGINNING OF YEAR	20,819,668	-	-	6,964,868	133,705,157	63,344,315	117,711,139	342,545,147
FUND BALANCE, END OF YEAR	<u>\$ 16,495,371</u>	<u>\$ 2,597,407</u>	<u>\$ -</u>	<u>\$ 2,901,962</u>	<u>\$ 132,755,371</u>	<u>\$ 28,075,579</u>	<u>\$ 125,520,990</u>	<u>\$ 308,346,680</u>

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, 2011

Net Change in Fund Balances - Governmental Funds \$ (34,198,467)

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

Governmental funds report capital outlays 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
capitalized and depreciated over their estimated useful lives and
only the gain or loss is recorded when assets are sold.

Expenditures for capital assets	\$ 57,036,822	
Sale/disposition of assets	(527,442)	
Less current year depreciation	<u>(77,506,006)</u>	(20,996,626)

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

Change in deferred revenue	(1,546,870)	
Accrued interest on notes receivable	(484,975)	
Donated capital assets	<u>61,953,454</u>	59,921,609

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 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:

Bond issue costs	(780,042)	
Accrued interest	(92,412)	
Principal payments	<u>13,603,963</u>	12,731,509

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	543,096	
Change in other post employment benefit (OPEB) liability	(1,383,108)	
Change in long-term compensated absences	<u>(977,848)</u>	(1,817,860)

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.

(6,869,991)

Change in Net Assets of Governmental Activities \$ 8,770,174

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 52,443,158	\$ 52,443,158	\$ 52,988,585	\$ 545,427
Franchise fees	30,307,396	29,007,396	29,210,827	203,431
Licenses and permits	7,588,660	7,588,660	7,682,535	93,875
Intergovernmental	74,342,422	78,465,860	79,252,218	786,358
Charges for services	18,268,642	18,412,682	18,345,451	(67,231)
Fines and forfeits	6,500,950	5,757,019	5,932,466	175,447
Interest	375,000	375,491	93,917	(281,574)
Miscellaneous	223,949	550,949	1,957,412	1,406,463
Total revenues	<u>190,050,177</u>	<u>192,601,215</u>	<u>195,463,411</u>	<u>2,862,196</u>
EXPENDITURES				
Current:				
General government	44,866,740	49,706,280	41,617,175	8,089,105
Judicial	11,152,445	11,486,844	10,930,856	555,988
Public safety	114,904,943	115,335,405	111,037,290	4,298,115
Public works	9,249,152	9,326,690	7,395,180	1,931,510
Culture and recreation	34,370,189	34,571,703	31,092,773	3,478,930
Community support	2,026,188	1,966,210	1,272,700	693,510
Total current	<u>216,569,657</u>	<u>222,393,132</u>	<u>203,345,974</u>	<u>19,047,158</u>
Capital outlay:				
General government	-	43,411	43,411	-
Judicial	-	22,356	22,141	215
Public safety	-	3,260	1,772	1,488
Public works	-	23,994	5,559	18,435
Culture and recreation	-	268,185	138,697	129,488
Total capital outlay	<u>-</u>	<u>361,206</u>	<u>211,580</u>	<u>149,626</u>
Total expenditures	<u>216,569,657</u>	<u>222,754,338</u>	<u>203,557,554</u>	<u>19,196,784</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(26,519,480)</u>	<u>(30,153,123)</u>	<u>(8,094,143)</u>	<u>22,058,980</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	4,782	4,782
Transfers in	27,478,571	27,475,580	14,975,580	(12,500,000)
Transfers out	(8,388,090)	(8,831,516)	(11,210,516)	(2,379,000)
Total other financing sources (uses)	<u>19,090,481</u>	<u>18,644,064</u>	<u>3,769,846</u>	<u>(14,874,218)</u>
NET CHANGE IN FUND BALANCE	(7,428,999)	(11,509,059)	(4,324,297)	7,184,762
FUND BALANCE, BEGINNING OF YEAR	<u>16,876,093</u>	<u>20,819,668</u>	<u>20,819,668</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,447,094</u>	<u>\$ 9,310,609</u>	<u>\$ 16,495,371</u>	<u>\$ 7,184,762</u>

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Grant Special Revenue Fund
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,272,513	\$ 29,511,861	\$ 33,894,227	\$ 4,382,366
Miscellaneous	-	125,044	228,206	103,162
Total revenues	<u>4,272,513</u>	<u>29,636,905</u>	<u>34,122,433</u>	<u>4,485,528</u>
EXPENDITURES				
Current:				
General government	-	-	68,982	(68,982)
Judicial	-	-	40,414	(40,414)
Public safety	370,898	1,714,489	1,124,761	589,728
Public works	-	2,402,032	306,333	2,095,699
Culture and recreation	-	4,580,066	6,500,557	(1,920,491)
Community support	2,225,106	6,814,166	6,948,101	(133,935)
Total current	<u>2,596,004</u>	<u>15,510,753</u>	<u>14,989,148</u>	<u>521,605</u>
Capital outlay:				
General government	-	-	762,102	(762,102)
Public safety	357,620	2,483,362	2,496,179	(12,817)
Public works	-	1,393,211	888,157	505,054
Culture and recreation	-	10,479,427	13,808,729	(3,329,302)
Community support	-	763,385	-	763,385
Total capital outlay	<u>357,620</u>	<u>15,119,385</u>	<u>17,955,167</u>	<u>(2,835,782)</u>
Total expenditures	<u>2,953,624</u>	<u>30,630,138</u>	<u>32,944,315</u>	<u>(2,314,177)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,318,889</u>	<u>(993,233)</u>	<u>1,178,118</u>	<u>2,171,351</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	897,141	2,624,735	2,419,289	(205,446)
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	<u>(102,859)</u>	<u>1,624,735</u>	<u>1,419,289</u>	<u>(205,446)</u>
NET CHANGE IN FUND BALANCE	1,216,030	631,502	2,597,407	1,965,905
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ 1,216,030</u>	<u>\$ 631,502</u>	<u>\$ 2,597,407</u>	<u>\$ 1,965,905</u>

The accompanying notes are an integral part of these financial statements

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CITY OF HENDERSON, NEVADA

Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds	
ASSETS					
CURRENT ASSETS:					
Cash and investments	\$ 97,525,927	\$ 60,481,777	\$ 9,937,830	\$ 167,945,534	\$ 80,767,422
Receivables:					
Accounts	8,164,148	3,189,798	143,310	11,497,256	758,777
Accrued interest	231,416	160,138	24,814	416,368	182,557
Notes	332,978	-	-	332,978	-
Due from other governments	12,183	763,935	804	776,922	180,941
Inventories - bulk fuel	-	-	-	-	15,336
Customer deposits (restricted assets, cash and investments)	1,372,719	-	-	1,372,719	-
Water and sewer debt service bonds (restricted assets, cash and investments)	5,822,861	5,529,584	-	11,352,445	-
Total current assets	113,462,232	70,125,232	10,106,758	193,694,222	81,905,033
NONCURRENT ASSETS:					
Capital assets:					
Land	1,995,394	9,695,529	13,802,929	25,493,852	-
Buildings	11,830,096	21,100,141	8,611,177	41,541,414	744,560
Improvements other than buildings	666,765,360	564,011,651	25,614,505	1,256,391,516	473,374
Machinery and equipment	14,729,326	7,764,132	5,322,609	27,816,067	45,409,923
Construction in progress	2,408,935	155,139,168	37,446	157,585,549	-
Total capital assets	697,729,111	757,710,621	53,388,666	1,508,828,398	46,627,857
Less accumulated depreciation	(260,113,770)	(162,528,790)	(21,373,443)	(444,016,003)	(31,963,157)
Net capital assets	437,615,341	595,181,831	32,015,223	1,064,812,395	14,664,700
Other assets:					
Deferred charges	145,592	707,427	-	853,019	-
Deposits	3,240,098	883,400	-	4,123,498	-
Advances to other funds	-	-	-	-	2,145,618
Total noncurrent assets	441,001,031	596,772,658	32,015,223	1,069,788,912	16,810,318
Total assets	554,463,263	666,897,890	42,121,981	1,263,483,134	98,715,351

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Net Assets (continued)
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds	
LIABILITIES					
CURRENT LIABILITIES:					
Accounts payable and accrued wages	\$ 5,440,018	\$ 3,278,669	\$ 157,392	\$ 8,876,079	\$ 1,248,955
Termination benefits payable	208,396	-	214,079	422,475	90,094
Compensated absences payable	2,381,684	1,926,061	1,670,345	5,978,090	2,317,162
Construction contracts payable	67,599	5,869,352	-	5,936,951	-
Deposits	-	-	147,188	147,188	-
Unearned revenue	-	-	3,606,126	3,606,126	-
Claims and judgments payable	-	-	-	-	12,193,337
Customer deposits (partially payable from restricted assets)	1,372,719	-	-	1,372,719	-
Accrued bond interest (partially payable from restricted assets)	659,348	1,049,458	-	1,708,806	-
Current portion of bonds payable (partially payable from restricted assets)	5,698,897	8,449,420	-	14,148,317	-
Total current liabilities	15,828,661	20,572,960	5,795,130	42,196,751	15,849,548
NONCURRENT LIABILITIES:					
Provisional credits/refunding agreements	391,210	2,936	-	394,146	-
Other post employee benefit (OPEB) liability	991,784	797,431	1,034,699	2,823,914	663,095
General obligation bonds (net of current portion)	37,350,863	132,366,395	-	169,717,258	-
Total noncurrent liabilities	38,733,857	133,166,762	1,034,699	172,935,318	663,095
Total liabilities	54,562,518	153,739,722	6,829,829	215,132,069	16,512,643
NET ASSETS					
Invested in capital assets, net of related debt	394,565,581	454,366,016	32,015,223	880,946,820	14,664,700
Restricted for:					
Debt service	5,163,513	4,480,126	-	9,643,639	-
Claims	-	-	-	-	29,949,549
System development	36,101,630	6,612,507	-	42,714,137	-
Unrestricted	64,070,021	47,699,519	3,276,929	115,046,469	37,588,459
Total net assets	\$ 499,900,745	\$ 513,158,168	\$ 35,292,152	1,048,351,065	\$ 82,202,708
				(19,915,622)	
					Net Assets of Business-Type Activities
					\$ 1,028,435,443

Adjustment to reflect the consolidation of Internal Service Funds' activities related to Enterprise Funds

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, 2011

	Business-type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Utilities fees	\$ 58,502,558	\$ 32,790,024	\$ -	\$ 91,292,582	\$ -
Connection fees	362,315	33,132	-	395,447	-
Late charges	1,132,447	571,537	-	1,703,984	-
Rental fees	-	-	347,116	347,116	-
Licenses - gaming	-	-	625,448	625,448	-
Licenses and permits	-	-	2,236,507	2,236,507	-
Charges for services	-	-	6,327,735	6,327,735	36,068,312
Miscellaneous	479,565	15,902	466,561	962,028	-
Total operating revenues	<u>60,476,885</u>	<u>33,410,595</u>	<u>10,003,367</u>	<u>103,890,847</u>	<u>36,068,312</u>
OPERATING EXPENSES					
Salaries and wages	11,330,649	8,769,251	6,842,592	26,942,492	7,601,040
Employee benefits	4,228,749	3,310,852	2,477,878	10,017,479	2,774,506
Water purchases	22,414,570	-	-	22,414,570	-
Services and supplies	15,499,339	14,224,977	7,681,623	37,405,939	16,539,931
Claims and legal fees	-	-	-	-	14,385,438
Depreciation	26,059,955	19,637,612	1,089,980	46,787,547	4,641,785
Total operating expenses	<u>79,533,262</u>	<u>45,942,692</u>	<u>18,092,073</u>	<u>143,568,027</u>	<u>45,942,700</u>
OPERATING LOSS	<u>(19,056,377)</u>	<u>(12,532,097)</u>	<u>(8,088,706)</u>	<u>(39,677,180)</u>	<u>(9,874,388)</u>
NONOPERATING REVENUES (EXPENSES)					
Room tax revenue	-	-	1,292,683	1,292,683	-
Interest revenue	1,376,327	749,518	126,320	2,252,165	1,068,315
Sales tax revenue	-	3,585,501	-	3,585,501	-
Intergovernmental revenue	465,575	199,245	8,039	672,859	-
Interest expense	(1,843,785)	(4,501,917)	-	(6,345,702)	(7,846)
Miscellaneous revenue	-	-	-	-	89,683
Gain on disposition of capital assets	-	-	-	-	(392,846)
Bond premium amortization	230,716	439,084	-	669,800	-
Total nonoperating revenues (expenses)	<u>228,833</u>	<u>471,431</u>	<u>1,427,042</u>	<u>2,127,306</u>	<u>757,306</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(18,827,544)</u>	<u>(12,060,666)</u>	<u>(6,661,664)</u>	<u>(37,549,874)</u>	<u>(9,117,082)</u>
CAPITAL CONTRIBUTIONS	<u>6,187,313</u>	<u>9,954,472</u>	<u>-</u>	<u>16,141,785</u>	<u>1,026,062</u>
TRANSFERS					
Transfers in	112,281	-	3,305,234	3,417,515	1,597,516
Transfers out	(827,103)	(827,894)	(752,898)	(2,407,895)	(7,004,175)
Total transfers	<u>(714,822)</u>	<u>(827,894)</u>	<u>2,552,336</u>	<u>1,009,620</u>	<u>(5,406,659)</u>
CHANGE IN NET ASSETS	<u>(13,355,053)</u>	<u>(2,934,088)</u>	<u>(4,109,328)</u>	<u>(20,398,469)</u>	<u>(13,497,679)</u>
NET ASSETS, BEGINNING OF YEAR	<u>513,255,798</u>	<u>516,092,256</u>	<u>39,401,480</u>		<u>95,700,387</u>
NET ASSETS, END OF YEAR	<u>\$ 499,900,745</u>	<u>\$ 513,158,168</u>	<u>\$ 35,292,152</u>		<u>\$ 82,202,708</u>
Adjustment to reflect the consolidation of Internal Service Funds' activities related to Enterprise Funds				<u>(6,627,688)</u>	
					<u>\$ (27,026,157)</u>

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, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 59,509,602	\$ 33,709,711	\$ 10,234,870	\$ 103,454,183	\$ 1,931,264
Cash received from interfund services provided	-	-	-	-	34,192,770
Cash received from other sources	465,575	3,784,746	1,300,722	5,551,043	88,318
Cash payments to suppliers for goods and services	(42,093,281)	(21,657,995)	(10,231,389)	(73,982,665)	(32,867,121)
Cash payments to employees for services	(11,497,692)	(8,989,042)	(7,204,172)	(27,690,906)	(8,088,573)
Net cash provided by (used in) operating activities	<u>6,384,204</u>	<u>6,847,420</u>	<u>(5,899,969)</u>	<u>7,331,655</u>	<u>(4,743,342)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	112,281	-	3,305,234	3,417,515	1,597,516
Transfers out	(827,103)	(827,894)	(752,898)	(2,407,895)	(7,004,175)
Payments on advances to other funds	-	-	-	-	180,629
Net cash provided by (used in) noncapital financing activities	<u>(714,822)</u>	<u>(827,894)</u>	<u>2,552,336</u>	<u>1,009,620</u>	<u>(5,226,030)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of debt	-	968,331	-	968,331	-
Acquisition and construction of capital assets	(3,680,288)	(32,052,263)	(10,491)	(35,743,042)	(259,227)
Principal payments on bonds and leases	(5,445,841)	(8,296,298)	-	(13,742,139)	-
Interest paid on bonds and leases	(2,033,739)	(6,936,833)	-	(8,970,572)	(7,846)
Debt issuance costs	10,046	11,887	-	21,933	-
Proceeds from sale of capital assets	-	-	-	-	46,430
(Increase) decrease in deposits/deferred charges	342,075	(50,820)	-	291,255	-
Increase (decrease) in provisional credits	2,545	2,609	-	5,154	-
Capital contributions	1,321,168	2,130,027	-	3,451,195	-
Net cash provided by (used in) capital and related financing activities	<u>(9,484,034)</u>	<u>(44,223,360)</u>	<u>(10,491)</u>	<u>(53,717,885)</u>	<u>(220,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	1,640,296	1,093,063	160,604	2,893,963	1,268,671
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,174,356)</u>	<u>(37,110,771)</u>	<u>(3,197,520)</u>	<u>(42,482,647)</u>	<u>(8,921,344)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>106,895,863</u>	<u>103,122,132</u>	<u>13,135,350</u>	<u>223,153,345</u>	<u>89,688,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR:					
Restricted for customer deposits	1,372,719	-	-	1,372,719	-
Restricted for debt service	5,822,861	5,529,584	-	11,352,445	-
Unrestricted	97,525,927	60,481,777	9,937,830	167,945,534	80,767,422
	<u>\$ 104,721,507</u>	<u>\$ 66,011,361</u>	<u>\$ 9,937,830</u>	<u>\$ 180,670,698</u>	<u>\$ 80,767,422</u>

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water Fund	Sewer Fund	Other Enterprise Funds	Total Enterprise Funds	
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating loss	\$ (19,056,377)	\$ (12,532,097)	\$ (8,088,706)	\$ (39,677,180)	\$ (9,874,388)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities					
Depreciation	26,059,955	19,637,612	1,089,980	46,787,547	4,641,785
Other	465,575	3,784,746	1,300,722	5,551,043	89,682
Changes in assets and liabilities:					
(Increase) decrease:					
Accounts receivable	(955,100)	64,706	(6,556)	(896,950)	(594,541)
Due from other governments	(12,183)	234,410	-	222,227	63,996
Increase (decrease):	(337,317)	(4,532,834)	(364,924)	(5,235,075)	(484,659)
Accounts payable and accrued wages	22,126	(142,968)	105,737	(15,105)	(88,962)
Termination benefits payable	(95,370)	-	(27,511)	(122,881)	-
Deposits	-	-	238,059	238,059	-
Unearned revenue	170,230	235,993	(216,990)	189,233	(117,443)
Compensated absences payable	-	-	-	-	1,535,130
Claims and judgments	-	-	-	-	86,058
Other post employment benefits (OPEB) liability	122,665	97,852	70,220	290,737	-
Total adjustments	25,440,581	19,379,517	2,188,737	47,008,835	5,131,046
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 6,384,204	\$ 6,847,420	\$ (5,899,969)	\$ 7,331,655	\$ (4,743,342)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of assets	\$ 4,866,145	\$ 7,824,445	\$ -	\$ 12,690,590	\$ 1,026,062

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

ASSETS

Cash and investments	\$ 71,947,589
Delinquent assessments receivable	<u>767,361</u>
Total assets	<u><u>\$ 72,714,950</u></u>

LIABILITIES

Due to developers	\$ 15,196,635
Due to employees	119,140
Due to others	<u>57,399,175</u>
Total liabilities	<u><u>\$ 72,714,950</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, 2011

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 blended 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*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*. 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 (the 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its blended component unit. Eliminations have been made to minimize the double-counting of internal activities.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

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.

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.

C. 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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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

The **General Obligation Debt Service Fund** accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

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

The **Municipal Facilities Acquisition & 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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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.

D. 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 (Note 4).

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

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” (Note 5).

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.

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

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.

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

5. Capital Assets

Capital assets (Note 6) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets, including intangibles, with an initial cost of \$10,000 or more and an estimated useful life of more than one year. Capital assets are valued at cost of purchase or internal development. Donated assets are recorded at their estimated fair market value on the date donated.

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

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

<u>Road Network</u>	<u>Storm Drain Network</u>
Asphalt	Storm Drain Infrastructure
Sidewalks	Storm drain drop inlets
Curbs and gutters	
Street lights	
Traffic signals	

Capital assets are recorded at cost (including capitalized interest for business-type activities incurred during the construction phase on debt financed projects).

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

5. Capital Assets (continued)

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

Assets	Life
Buildings	15 to 40 years
Improvements other than buildings	10 to 50 years
Machinery	5 to 10 years
Vehicles	3 to 10 years
Infrastructure	15 to 50 years

6. Water Delivery Deposit

On May 22, 1990, the City and Basic Management, Inc. (BMI) executed a water delivery contract, pursuant to which BMI agreed to deliver water entitlements from Lake Mead to the City for payment under the terms of the agreement. Mutual review of the contract by the City and BMI resulted in modifications to the terms of the agreement. As a result of the mutual review, on September 21, 2005, the City and BMI amended the original agreement and the City agreed to take an additional 4,000 acre feet of water per year. The amended agreement also required the City to place a refundable deposit of \$5,515,782 with BMI on October 1, 2005, which would pay for the additional water to be delivered. The refundable deposit accrues interest at 4.5% annually and will be applied monthly. The balance of the refundable deposit as of June 30, 2011, is \$2,557,599.

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which are collectively referred to as compensated absences (Note 7). All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund statements.

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

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 (Note 7).

9. Long-term Debt

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations (Note 7) are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts and 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 discounts and issuance costs are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

10. Equity Classifications (continued)

- b. **Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or by (2) law through constitutional provisions or enabling legislation (Note 12).
- 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, proprietary fund equity is classified the same as in the government-wide statements. In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Fund Balance Definitions* (GASB 54), which became effective for periods beginning after June 15, 2010. Under GASB 54, governmental fund equity is classified as fund balance and is further classified as follows (Note 12):

- a. **Nonspendable** - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This classification includes inventories, prepaid items, assets held for sale and long-term receivables.
- b. **Restricted** - Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).
- c. **Committed** - Includes amounts that can only be used for a specific purpose because of a formal action (resolution or ordinance) by the City Council, which is the City’s highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.
- d. **Assigned** - Includes amounts that are constrained by the City’s intent to be used for specific purposes, but do not meet the criteria in GASB 54 to be classified as restricted or committed. The City Council delegates authority to assign fund balances amounts to the City’s Finance Director. Constraints imposed on the use of assigned amounts can be removed without formal action by the City Council.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

10. Equity Classifications (continued)

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

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

Effective July 1, 2010, in accordance with NRS 354.6115 and in connection with the adoption of GASB 54, 0.25% of property tax revenue is restricted for economic stabilization and is recorded directly in the nonmajor Financial Stabilization Special Revenue Fund (the Stabilization Fund). This fund will maintain a balance of 8.3% of General Fund revenue. Balances in the Stabilization Fund may be made available to the General Fund to compensate for shortfalls in actual revenues of 2.0% or greater, as compared to the final budget filed with the Nevada Department of Taxation, or in the event of a natural disaster or terrorist attack as declared by the City Council. None of these circumstances are expected to occur routinely. By policy, unassigned fund balance in the General Fund is to be maintained at no less than 8.3% of General Fund revenue. A corrective action plan will be developed in the ensuing fiscal year should the ending unassigned fund balance fall below this minimum.

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

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:

Capital Assets:	
Infrastructure assets	\$ 1,335,202,318
Other capital assets	813,872,115
	<u>\$ 2,149,074,433</u>
Accumulated Depreciation	
Infrastructure assets	\$ 567,314,609
Other capital assets	120,748,326
	<u>\$ 688,062,935</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	\$ 4,782
Loss on disposition of assets in the statement of activities included in the general government function	(867,795)
Amount resulting from internal service fund activities included elsewhere on the reconciliation	392,846
Sale of capital assets included in the net change in fund balances – governmental funds	(4,782)
Land sales included in the net change in fund balances – governmental funds	(52,493)
Net Difference in Reporting Sales/Dispositions of Assets	<u>\$ (527,442)</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

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 in the statement of activities	\$ (693,770)
Deferred revenue in prior years is included in beginning net assets on the statement of activities, but is recorded as revenues in the governmental funds	<u>(853,100)</u>
Change in Deferred Revenue	<u>\$ (1,546,870)</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 \$19,915,622 difference are as follows:

Internal service fund loss allocation to business-type activities - Prior years	\$ 13,287,934
Internal service fund loss allocation to business-type activities - Current year	<u>6,627,688</u>
	<u>\$ 19,915,622</u>

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 3. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

Prior to April 15, the Budget Manager submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1 and submits it to the 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 (\$63,851,187). Nevada Law requires budgetary control to be exercised at the function level.

B. Excess of Expenditures/Expenses Over Appropriations

During the year ended June 30, 2011, total expenditures/expenses exceeded those budgeted for the year for the following funds/functions, which are potential violations of NRS 354.626:

Grant Special Revenue Fund:	
General government	\$ 831,084
Judicial	40,414
Culture and recreation	5,249,793
Multipurpose Special Revenue Fund – community support	205,446
Municipal Facilities Capital Projects Fund – community support	3,175
Land Sales Capital Projects Fund – community support	63,256

CITY OF HENDERSON, NEVADA

Notes to Financial Statements For the Year Ended June 30, 2011

Note 4. Cash and Investments

The following is a reconciliation of the City's cash and investment balances (including restricted amounts) as of June 30, 2011:

Cash on hand	\$ 32,877
Deposits in bank	178,920,839
Investments	<u>435,963,060</u>
Total Cash and Investments	<u>\$ 614,916,776</u>

At June 30, 2011, total cash and investments were presented in the City's financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 358,105,532	\$ 4,192,957	\$ 362,298,489
Business-type activities	167,945,534	12,725,164	180,670,698
Fiduciary funds	<u>71,947,589</u>	<u>-</u>	<u>71,947,589</u>
Total Cash and Investments	<u>\$ 597,998,655</u>	<u>\$ 16,918,121</u>	<u>\$ 614,916,776</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, 2011, the recorded amount of the City's deposits was \$178,920,839 and the bank balance was \$185,013,481. Of the bank statement balance \$29,527,051 was covered by federal depository insurance and \$154,078,020 was subject to collateralization.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

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 days	20%	None	n/a	n/a
Commercial Paper	270 days	20%	None	A-1	P-1
Money Market Mutual Funds	None	None	None	AAA	Aaa
Negotiable Certificates of Deposit	None	None	None	n/a	n/a
Collateralized Non-negotiable 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 Corporation	10 years	None	None	n/a	n/a
Federal Agricultural Mortgage Corporation	10 years	None	None	n/a	n/a
Federal Farm Credit Bank	10 years	None	None	n/a	n/a
Federal Home Loan Bank	10 years	None	None	n/a	n/a
Federal Home Loan Mortgage Corporation	10 years	None	None	n/a	n/a
Government National Mortgage Association	10 years	None	None	n/a	n/a
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, 2011

Note 4. Cash and Investments (continued)

At June 30, 2011, the City had the following investments:

	Par	Cost	Fair Value	Weighted- Average Maturity (Years)
Pooled Investments:				
Money Market Funds	\$ 16,369,240	\$ 16,369,240	\$ 16,369,240	0.00
Farm Credit Bank	17,000,000	16,992,890	17,221,540	4.13
Federal Home Loan Banks	91,400,000	91,525,048	91,786,609	3.29
Federal Home Loan Mortgage	30,350,000	30,335,184	30,810,853	3.54
Federal National Mortgage	56,090,589	56,570,729	57,133,248	3.80
US Treasury Notes	27,210,000	27,762,331	29,262,682	2.05
US Treasury Notes – Inflationary	5,886,979	5,795,799	6,599,040	5.57
State of Nevada Local Government Investment Pool	127,534	127,534	127,534	0.00
Total Pooled Investments	<u>244,434,342</u>	<u>245,478,755</u>	<u>249,310,746</u>	<u>3.19</u>
Non-pooled investments:				
<i>Special Assessment Bond Proceeds Investments</i>				
Milestone Money Market Fund	25,734,343	25,734,343	25,734,343	0.00
Federal National Mortgage Assn Pool	589,000	580,560	581,794	0.09
Federal Home Loan Bank Discount Note	942,000	931,402	941,991	0.07
Invesco Money Market Fund	157,929,941	157,929,941	157,929,941	0.00
<i>Other Bond Proceeds Investments</i>				
Redevelopment Bonds - Invesco Money Market Funds	1,376,862	1,376,862	1,376,862	0.00
Utilities – State of Nevada Local Government Investment Pool	87,383	87,383	87,383	0.00
Total Non-pooled investments	<u>186,659,529</u>	<u>186,640,491</u>	<u>186,652,314</u>	<u>0.16</u>
Total Investments	<u>\$ 431,093,871</u>	<u>\$ 432,119,246</u>	<u>\$ 435,963,060</u>	<u>3.35</u>

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, 2011, in accordance with State laws as defined in the table found on page 34, 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, 2011

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>Percentage of portfolio</u>
Pooled Investments:			
Money Market Funds	AAA	AAA	3.75%
Farm Credit Bank(*)			3.95%
Federal Home Loan Banks(*)			21.05%
Federal Home Loan Mortgage(*)			7.07%
Federal National Mortgage(*)			13.11%
US Treasury Notes(*)			6.71%
US Treasury Notes – Inflationary(*)			1.51%
State of Nevada Local Government Investment Pool	n/a	n/a	0.03%
Total Pooled Investments			<u>57.18%</u>
Non-pooled investments:			
<i>Special Assessment Bond Proceeds Investments</i>			
Milestone Money Market Fund	AAA	AAA	5.90%
Federal National Mortgage Assn Pool(*)			0.13%
Federal Home Loan Bank Discount Note(*)			0.22%
Invesco Money Market Fund	AAA	AAA	36.23%
<i>Other Bond Proceeds Investments</i>			
Redevelopment Bonds - Invesco Money Market Funds	AAA	AAA	0.32%
Utilities – State of Nevada Local Government Investment Pool	n/a	n/a	0.02%
Total Non-pooled investments			<u>42.82%</u>
Total			<u>100.00%</u>

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

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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 5. Interfund Balances and Activity

As of June 30, 2011, the composition of interfund balances is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Grant Special Revenue Fund	\$ 2,963,975

The amount due to the General Fund is for a temporary loan to cover deficit cash in the Grant Special Revenue Fund.

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Internal Service Funds	Special Assessment Districts – Capital Projects Fund	\$ 2,145,618
Nonmajor Capital Projects Fund	Nonmajor Special Revenue Fund	3,209,917
		\$ 5,355,535

The amounts owed to the Internal Service Funds represent loans to the Special Assessment Districts to be repaid from Special Assessments. The amount of \$3,209,917 is a note receivable from the City of Henderson Redevelopment Agency Special Revenue Fund to the Land Sales Capital Projects Fund for land purchases.

Internal Balances:

Effects of prior years' internal service activity	\$ (13,287,934)
Effects of current year internal service activity	(6,627,688)
	\$ (19,915,622)

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 5. Interfund Balances and Activity (continued)

	Transfers-in				
	General Fund	Grant Special Revenue Fund	General Obligation Debt Service Fund	Special Assessment District Capital Projects Fund	Other Governmental Funds
<u>Transfers Out</u>					
General Fund	\$ -	\$ -	\$ 4,112,209	\$ -	\$ 2,195,557
Grant Fund	-	-	1,000,000	-	-
General Obligation Debt Service Fund	11,228,571	-	-	-	-
Municipal Facilities Acquisition and Construction Capital Projects Fund	3,500,000		4,407,705	-	-
Other Governmental Funds	247,009	2,419,289	1,020,707	315,755	17,283,250
Water Fund	-		827,103	-	-
Sewer Fund	-		827,894	-	-
Other Enterprise Funds	-		2,898	-	750,000
Internal Service Funds	-		154,175	-	6,850,000
Total	\$ 14,975,580	\$ 2,419,289	\$12,352,691	\$ 315,755	\$ 27,078,807

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

<u>Water Funds</u>	<u>Other Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
\$ -	\$ 3,305,234	\$ 1,597,516	\$ 11,210,516
-	-	-	1,000,000
-	-	-	11,228,571
-	-	-	7,907,705
112,281	-	-	21,398,291
-	-	-	827,103
-	-	-	827,894
-	-	-	752,898
-	-	-	7,004,175
<u>\$ 112,281</u>	<u>\$ 3,305,234</u>	<u>\$ 1,597,516</u>	<u>\$ 62,157,153</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, 2011

Note 6. Capital Assets

For the year ended June 30, 2011, capital asset activity was as follows:

	Balance July 1, 2010	Additions and Transfers in	Deletions and Transfers out	Completed Construction	Balance June 30, 2011
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 180,753,627	\$ 23,640,685	\$ -	\$ -	\$ 204,394,312
Construction in progress	75,800,476	66,283,559	-	(31,484,965)	110,599,070
Total capital assets not being depreciated	<u>256,554,103</u>	<u>89,924,244</u>	<u>-</u>	<u>(31,484,965)</u>	<u>314,993,382</u>
Capital Assets being depreciated:					
Buildings	294,343,896	278,637	(1,172,810)	3,100,495	296,550,218
Improvements other than buildings	162,574,529	486,887	(63,875)	6,595,391	169,592,932
Machinery and equipment	78,919,218	2,814,968	(3,379,236)	1,008,518	79,363,468
Infrastructure	1,288,305,056	26,116,701	-	20,780,561	1,335,202,318
Total capital assets being depreciated	<u>1,824,142,699</u>	<u>29,697,193</u>	<u>(4,615,921)</u>	<u>31,484,965</u>	<u>1,880,708,936</u>
Less accumulated depreciation for:					
Buildings	(54,571,379)	(8,445,463)	959,252	-	(62,057,590)
Improvements other than buildings	(29,886,114)	(4,418,373)	51,856	-	(34,252,631)
Machinery and equipment	(52,066,099)	(7,124,391)	2,789,200	-	(56,401,290)
Infrastructure	(505,032,303)	(62,282,306)	-	-	(567,314,609)
Total accumulated depreciation	<u>(641,555,895)</u>	<u>(82,270,533)</u>	<u>3,800,308</u>	<u>-</u>	<u>(720,026,120)</u>
Total capital assets being depreciated, net	<u>1,182,586,804</u>	<u>(52,573,340)</u>	<u>(815,613)</u>	<u>31,484,965</u>	<u>1,160,682,816</u>
Governmental activities capital assets, net	<u>\$1,439,140,907</u>	<u>\$37,350,904</u>	<u>\$ (815,613)</u>	<u>\$ -</u>	<u>\$ 1,475,676,198</u>
Business-type Activities:					
Capital assets not being depreciated:					
Land	\$ 25,493,852	\$ -	\$ -	\$ -	\$ 25,493,852
Construction in progress	152,111,182	39,405,131	(441,296)	(33,486,468)	157,585,549
Total capital assets, not being depreciated	<u>177,605,034</u>	<u>39,405,131</u>	<u>(441,296)</u>	<u>(33,486,468)</u>	<u>183,079,401</u>
Capital Assets being depreciated:					
Buildings	41,454,447	-	-	86,967	41,541,414
Improvements other than buildings	1,211,055,857	12,741,473	(168,772)	32,762,958	1,256,391,516
Machinery and equipment	27,129,826	189,067	(142,369)	639,543	27,816,067
Total capital assets being depreciated	<u>1,279,640,130</u>	<u>12,930,540</u>	<u>(311,141)</u>	<u>33,489,468</u>	<u>1,325,748,997</u>
Less accumulated depreciation for:					
Buildings	(9,452,955)	(1,033,053)	-	-	(10,486,008)
Improvements other than buildings	(371,685,337)	(44,411,918)	53,950	-	(416,043,305)
Machinery and equipment	(16,286,483)	(1,342,576)	142,369	-	(17,486,690)
Total accumulated depreciation	<u>(397,424,775)</u>	<u>(46,787,547)</u>	<u>196,319</u>	<u>-</u>	<u>(444,016,003)</u>
Total capital assets being depreciated, net	<u>882,215,355</u>	<u>(33,857,007)</u>	<u>(114,822)</u>	<u>33,489,468</u>	<u>881,732,994</u>
Business-type activities capital assets, net	<u>\$1,059,820,389</u>	<u>\$ 5,548,124</u>	<u>\$ (556,118)</u>	<u>\$ -</u>	<u>\$ 1,064,812,395</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 6. Capital Assets (continued)

For the year ended June 30, 2011, depreciation was charged to functions/programs of the government as follows:

Governmental Activities:

General government	\$ 3,585,569
Judicial	1,268,792
Public safety	3,176,428
Public works	62,626,841
Culture and recreation	6,842,166
Community support	6,210
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>4,641,785</u>

Total Depreciation Expense – Governmental activities 82,147,791

Reinstate fully-depreciated assets deleted erroneously in the prior year	<u>122,742</u>
--	----------------

Total Additions and Transfers In \$ 82,270,533

Business-type Activities:

Water	\$ 26,059,955
Sewer	19,637,612
Development services	177,218
Cultural arts and tourism	126,991
Municipal golf course	<u>785,771</u>

Total Depreciation Expense – Business-type Activities \$ 46,787,547

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations

A. Changes in Long-term Obligations

For the year ended June 30, 2011, the following schedule summarizes the changes in long-term obligations:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable:					
\$10,530,000 1997 Refunding Serial Bonds due annually through April 1, 2011; interest varies between 4.5% and 5.5%	\$ 1,425,000	\$ -	\$ (1,425,000)	\$ -	\$ -
\$12,940,000 2001 Refunding Serial Bonds due annually through June 1, 2013; interest varies between 3.5% and 4.5%	4,100,000	-	(1,310,000)	2,790,000	1,365,000
\$34,505,000 2004A Park and Recreation Refunding Bonds due annually through June 2018; interest varies between 2.5% and 5.0%	26,490,000	-	(3,130,000)	23,360,000	3,260,000
\$43,355,000 2004B Refunding Bonds due in annually through April 2020; interest varies between 2.5% and 5.25%	37,125,000	-	(4,700,000)	32,425,000	4,850,000
\$56,000,000 2005D Various Purpose Bonds due annually through June 2035; interest varies between 4.0% and 5.0%	51,695,000	-	(1,185,000)	50,510,000	1,235,000
\$2,065,000 2006 Medium-term Bonds (Energy Retrofit Project) due annually through September 2016; interest fixed at 3.79%	1,525,000	-	(194,000)	1,331,000	201,000
\$1,162,000 2008 Medium Term Bonds due annually through March 2015; interest fixed at 3.24%	855,000	-	(160,000)	695,000	166,000
	<u>123,215,000</u>	<u>-</u>	<u>(12,104,000)</u>	<u>111,111,000</u>	<u>11,077,000</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Governmental Activities (continued):					
Tax Allocation Bonds Payable:					
\$12,045,000 Henderson Redevelopment Tax Allocation Bond due annually through October 2025; interest varies between 3.5% and 5.25%	\$ 10,415,000	-	\$ (450,000)	\$ 9,965,000	\$ 470,000
\$4,295,000 2002 Henderson Redevelopment Tax Allocation Bond due annually through October 2025; interest varies between 5.1% and 7.2%	3,800,000	-	(140,000)	3,660,000	145,000
	<u>14,215,000</u>	<u>-</u>	<u>(590,000)</u>	<u>13,625,000</u>	<u>615,000</u>
Special Assessment Bonds Payable:					
\$7,000,000 1991 Improvement District T-2 Bonds due annually through August 2011; interest fixed at 9.5%	165,000	-	(165,000)	-	-
Unamortized Bond Premium	5,295,599	-	(543,096)	4,752,503	-
Unamortized Bond Discount/Deferred Refunding Charge	(6,359,406)	-	716,049	(5,643,357)	-
\$446,894 capital lease payable to Dell Financial Services, due in annual installments of \$148,964 through December 2011; interest fixed at 0.00%	297,931	-	(148,963)	148,968	148,968
\$17,960,000 2009 Installment Purchase Agreement due annually beginning in February 2010 through 2024; interest fixed at 4.97%	17,403,000	-	(596,000)	16,807,000	671,000
Intangible Asset Obligation	-	229,201	(49,223)	179,978	114,475
Compensated Absences Payable	37,074,127	4,627,874	(3,607,194)	38,094,807	4,580,627
Other Post Employment Benefits (OPEB) Liability	10,342,423	2,252,158	(782,992)	11,811,589	-
Termination Benefits Payable	2,584,657	3,320,596	(3,872,215)	2,033,038	1,805,727
Claims Payable	10,658,207	15,787,905	(14,252,775)	12,193,337	12,193,337
Total Governmental Activities	<u>214,891,538</u>	<u>26,217,734</u>	<u>(35,995,409)</u>	<u>205,113,863</u>	<u>31,206,134</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Amounts Due Within One Year
Business-type Activities:					
Revenue Bonds Payable:					
\$7,221,110 1991 Sewer Serial Bonds due in semi-annual installments through July 2011; interest fixed at 4.0%	\$ 850,042	\$ -	\$ (561,066)	\$ 288,976	\$ 288,976
\$12,300,000 1992 Sewer Serial Bonds due in semi-annual installments through January 2012; interest fixed at 4.0%	2,193,527	-	(850,244)	1,343,283	884,593
\$987,525 1993 Water Serial Bonds due in five year installments through December 2012; interest varies between 4.85% and 6.5% (interest is accrued and due with principal payments)	616,974	40,755	-	657,729	-
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest fixed at 4.0%	3,679,892	-	(762,036)	2,917,856	792,823
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 2015; interest fixed at 3.825%	3,377,671	-	(562,952)	2,814,719	584,691
\$5,500,000 2000 Water Bonds due in annual installments through January 2021; interest fixed at 3.65%	4,007,021	-	(245,841)	3,761,180	254,897
\$110,000,000 2004 Sewer Bonds due in annual installments through June 2034; interest varies between 3.0% and 5.25%	99,820,000	-	(2,325,000)	97,495,000	2,420,000
\$22,618,000 2005 Water Bonds due in annual installments beginning September 2009 through 2018; interest fixed at 5.0%	20,816,000	-	(1,890,000)	18,926,000	1,984,000

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Business-type Activities (continued):					
Revenue Bonds Payable (continued):					
\$33,927,000 2005 Sewer Bonds due in annual installments beginning September 2009 through 2018; interest fixed at 5.0%	\$ 31,224,000	\$ -	\$(2,835,000)	\$ 28,389,000	\$ 2,976,000
\$29,815,000 Water and Sewer Refunding Bonds due in annual installments through September 2017; interest varies between 4.0% and 5.0%	24,780,000	-	(3,710,000)	21,070,000	3,875,000
\$1,659,396 2009 Clean Water State Revolving Loan Fund - Sewer due in semi-annual installments beginning July 2011 through January 2030; interest fixed at 0.0%	691,065	968,331	-	1,659,396	87,337
	<u>192,056,192</u>	<u>1,009,086</u>	<u>(13,742,139)</u>	<u>179,323,139</u>	<u>14,148,317</u>
Unamortized Bond Premium	6,986,331	-	(669,800)	6,316,531	-
Unamortized Refunding Loss/Bond Discount	(2,031,453)	-	257,358	(1,774,095)	-
Provisional Credits/Refunding Agreements	388,992	10,395	(5,241)	394,146	-
Compensated Absences Payable	5,788,857	739,639	(550,406)	5,978,090	5,978,090
Other Post Employment Benefits (OPEB) Liability	2,533,177	290,737	-	2,823,914	-
Termination Benefits Payable	437,580	725,722	(740,827)	422,475	422,475
Total Business-type Activities	<u>206,159,676</u>	<u>2,775,579</u>	<u>(15,451,055)</u>	<u>193,484,200</u>	<u>20,548,882</u>
Total Long-term Obligations	<u>\$ 421,051,214</u>	<u>\$ 28,993,313</u>	<u>\$(51,446,464)</u>	<u>\$ 398,598,063</u>	<u>\$ 51,755,016</u>

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations (continued)

B. Future Debt Service Requirements

As of June 30, 2011, the annual requirements to pay principal and interest on all bonds outstanding, as well as the installment purchase agreement, are as follows:

Year Ending June 30:	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 14,148,317	\$ 8,332,421	\$ 11,077,000	\$ 5,359,613
2013	13,955,164	7,760,800	9,375,000	4,831,843
2014	14,135,252	7,075,969	8,338,000	4,388,452
2015	14,318,529	6,415,762	8,748,000	3,977,102
2016	11,293,878	5,807,988	9,014,000	3,537,598
2017 – 2021	42,385,541	21,482,041	28,879,000	11,950,606
2022 – 2026	22,512,114	14,880,816	10,185,000	7,605,770
2027 – 2031	27,149,344	8,953,700	12,845,000	5,007,879
2032 – 2036	19,425,000	1,973,750	12,650,000	1,618,000
	<u>\$ 179,323,139</u>	<u>\$ 82,683,247</u>	<u>\$ 111,111,000</u>	<u>\$ 48,276,863</u>

Year Ending June 30:	Tax Allocation Bonds		Installment Purchase Agreement	
	Principal	Interest	Principal	Interest
2012	\$ 615,000	\$ 735,127	\$ 671,000	\$ 835,308
2013	650,000	702,789	752,000	801,960
2014	680,000	669,121	838,000	764,585
2015	715,000	633,882	930,000	722,936
2016	755,000	595,851	1,027,000	676,715
2017 – 2021	4,410,000	2,308,276	6,841,000	2,509,005
2022 – 2026	5,800,000	877,486	5,748,000	586,808
	<u>\$ 13,625,000</u>	<u>\$ 6,522,532</u>	<u>\$ 16,807,000</u>	<u>\$ 6,897,317</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 7. Long-term Obligations (continued)

C. Special Assessment Bonds

The City has issued various special assessment debt with an outstanding balance of \$251,585,000. The City is only acting as an agent for these bonds and is not liable for the debt. Principal and interest are payable from the assessments levied.

D. 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, 2011, all defeased debt had been repaid.

E. Termination benefits payable

The City offered a voluntary employee severance program (VESP) under which employees could elect to receive a severance payment based on years of service, and three months of health insurance coverage. Payments under VESP agreements are generally made within two weeks of the employee's termination date. Accordingly, the termination obligation is reported at the stated value per the VESP agreements and is not discounted.

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, part-time employees working at least twenty hours per week are covered. The City has no liability for unfunded PERS obligations, as provided by Nevada Revised Statute (NRS) 286.110(4).

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 8. Retirement Plan (continued)

Monthly benefit allowances for regular members with an effective date prior to January 1, 2010, are computed at 2.50% for service earned through June 30, 2001, and 2.67 % for service earned on or after July 1, 2001, with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). Monthly benefit allowances for regular members with an effective date on or after January 1, 2010, are computed at 2.50% of average compensation for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly 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 with an effective date of membership prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 25 years of accredited police and fire service. Police and firemen with an effective date of membership on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 60 with 10 years of accredited police and fire service and age 50 with 20 years of accredited police and fire service. 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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 8. Retirement Plan (continued)

As of June 30, 2011, the City’s contribution rates and amounts contributed for the previous three years are as follows:

Fiscal Year	Employer Contribution Rate		Total Required Contribution	Actual Percentage Contributed of Required Contribution
	Regular Members	Police/Fire		
2011	21.5%	37.0%	\$ 41,337,105	100%
2010	21.5%	37.0%	39,840,236	100%
2009	20.5%	33.5%	35,578,092	100%

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). The City also offers its retirees dental, vision and life insurance benefits which is mandated by Nevada Revised Statutes. In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEBP). Retirees who receive coverage through the PEBP receive a direct subsidy from the City. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing or calling the plan at the following address or phone number:

Public Employee Benefits Plan
901 South Stewart Street, Suite 101
Carson City, Nevada 89701
(800) 326-5496

Contributions are required for both retiree and dependent coverage and range from \$149 to \$1,134 per month depending on the plan and the number of participants in the plan. As of June 30, 2011, the City had 154 retirees receiving benefits and 1,050 active employees.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 9. Other Post-employment Benefits (OPEB) (continued)

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

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

	<u>PEPB</u>	<u>City</u>	<u>Total</u>
Annual required contribution	\$ 706,930	\$ 1,750,070	\$ 2,457,000
Interest on net OPEB obligation	166,706	412,696	579,402
Adjustment of annual required contribution	<u>(141,992)</u>	<u>(351,515)</u>	<u>(493,507)</u>
Annual OPEB costs	731,644	1,811,251	2,542,895
Contributions made	<u>(608,950)</u>	<u>(174,042)</u>	<u>(782,992)</u>
Increase in net OPEB obligation	122,694	1,637,209	1,759,903
Net OPEB obligation – beginning of year	<u>3,704,578</u>	<u>9,171,022</u>	<u>12,875,600</u>
Net OPEB obligation – end of year	<u>\$3,827,272</u>	<u>\$10,808,231</u>	<u>\$14,635,503</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation for fiscal years ended June 30, 2011, and the two preceding years are as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB Obligation</u>
June 30, 2009	\$ 6,175,050	\$ 682,288	11.05%	\$ 10,931,884
June 30, 2010	2,530,000	586,284	23.17%	12,875,600
June 30, 2011	2,542,895	782,992	30.79%	14,635,503

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 9. Other Post-employment Benefits (OPEB) (continued)

Funded Status and Funding Progress: Using the most recent actuarial valuation as of July 1, 2009, the following is the funded status of the OPEB Plan:

	<u>PEBP</u>	<u>City</u>	<u>Total</u>
Actuarial accrued liability (AAL)	\$14,601,450	\$ 24,605,550	\$ 39,207,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$14,601,450</u>	<u>\$ 24,605,550</u>	<u>\$ 39,207,000</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll	<u>\$ -</u>	<u>\$144,096,438</u>	<u>\$144,096,438</u>
UAAL as a percentage of covered payroll	<u>0.00%</u>	<u>17.08%</u>	<u>27.21%</u>

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

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate, a projected salary increase of 2% with no inflation rate, and a health care cost trend rate assumption of 11.0% through fiscal 2010, grading down by 0.5% each year until an ultimate health care cost trend rate of 5.0% is reached in fiscal 2022. The unfunded actuarial accrued liability is being amortized on an open basis over a period of 30 years assuming a level percentage of projected payroll.

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

Note 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.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 10. Risk Management (continued)

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 \$10,000,000 in excess Public Entity Excess Liability Insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$719 million blanket property insurance policy on all buildings, building contents and Boiler and Machinery with a \$100,000 deductible; \$4.8 million Inland Marine coverage on a scheduled basis for heavy equipment with a \$50,000 deductible; a \$250,000 Commercial Crime policy with a \$2,500 deductible that covers employee dishonesty, forgery and alteration; and a \$11.1 million Fire Engine and Equipment Physical Damage policy with a \$10,000 deductible.

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

Group Health Insurance - The City is self-insured for employee health benefits, providing medical, dental and vision care. The City maintains a specific stop loss policy of \$100,000 per participant. A third party administrator is used to pay claims.

Worker’s Compensation - The City is self-insured for worker’s compensation claims. A third party administrator is utilized for claim adjusting and payment. The City has a \$1,500,000 SIR for all public safety employees and a \$1,000,000 SIR for all other employees, per occurrence, with the maximum on all claims at statutory limits for the coverage period from April 1, 2011 through April 1, 2012.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 10. Risk Management (continued)

For the years ended June 30, 2011 and 2010, changes in the funds' claims liability amounts were as follows:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
Fiscal Year 2010/11:				
Liability	\$ 1,369,921	\$ 3,248,659	\$ (2,692,248)	\$ 1,926,332
Workmen's Compensation	8,318,386	2,685,304	(1,920,385)	9,083,305
Health Insurance	969,900	9,853,942	(9,640,142)	1,183,700
	<u>\$ 10,658,207</u>	<u>\$ 15,787,905</u>	<u>\$ (14,252,775)</u>	<u>\$ 12,193,337</u>
Fiscal Year 2009/10:				
Liability	\$ 1,369,921	\$ 748,975	\$ (748,975)	\$ 1,369,921
Workmen's Compensation	7,729,208	2,073,947	(1,484,769)	8,318,386
Health Insurance	1,399,932	8,201,773	(8,631,805)	969,900
	<u>\$ 10,499,061</u>	<u>\$ 11,024,695</u>	<u>\$ (10,865,549)</u>	<u>\$ 10,658,207</u>

Note 11. Commitments and Contingencies

A. Construction in Progress

As of June 30, 2011, construction in progress of \$268,184,619 is reflected in the government-wide statements. Management estimates it will require an additional outlay of approximately \$63,456,991 to complete these projects.

B. Litigation

There are pending lawsuits involving the City and/or its employees, in which the City is represented by the City Attorney. Based on the current status of these matters and present uncertainty regarding the final outcome thereof, the City Attorney has concluded that it is not currently probable that the City will incur a loss, and accordingly, no provision for loss has been recorded in the accompanying financial statements. However, the City Attorney estimates a range of potential loss in connection with these matters of approximately \$3.2 to \$10.0 million.

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 storm water treatment and/or conveyance in the event that the Federal Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection determine that more stringent

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 11. Commitments and Contingencies (continued)

storm water treatment standards are required solely as a result of the creation of Lake Las Vegas. 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 were expected to constitute \$4,500,000 of the total; however, the developer contributions are uncertain at this time.

D. Redevelopment Agency

The City of Henderson Redevelopment Agency (the Agency) has entered into several Owner Participation Agreements (OPAs) with various developers whereby the developers are to construct public improvements on behalf of the Agency in connection with its redevelopment efforts. The OPAs could potentially obligate the Agency to repay developers approximately \$220 million, plus accrued interest, to reimburse the developers for the costs incurred in connection with the construction of the public improvements. However, the financial commitment to each developer is contingent upon there being sufficient tax increment available to fund the payments, as well as the developer actually incurring costs related to the public improvements.

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

E. Operating Lease

Effective September 2009, the City entered into noncancelable managed service agreements (effectively leases) for copier equipment and related services. For the year ended June 30, 2011, total costs under such agreements were \$1,068,566. The future minimum lease payments for these leases are as follows:

Year Ending June 30:	Amount
2012	971,196
2013	971,196
2014	292,386
2015	156,624
	<u>\$ 2,391,402</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 11. Commitments and Contingencies (continued)

F. Encumbrances

As of June 30, 2011, the City had outstanding encumbrances as follows:

Major funds:	
General Fund	\$ 561,083
Grant Special Revenue Fund	28,215,834
Municipal Facilities Acquisition and Construction Capital Projects Fund	1,745,967
Aggregate nonmajor funds:	
Special revenue funds	3,702,003
Capital projects funds	6,858,232
	<u>\$ 41,083,119</u>

General Fund encumbrances are classified as Assigned Fund Balance. Grant Fund encumbrances primarily represent contracts for which grant awards are collected as periodic reimbursements of actual expenditures.

Note 12. Components of Fund Balances and Restricted Net Assets

At June 30, 2011, the components of governmental fund balances are as follows:

	<u>Major governmental funds</u>						Total
	<u>General Fund</u>	<u>Grant Special Revenue</u>	<u>General Obligation Debt Service</u>	<u>Special Assessment District Capital Projects</u>	<u>Municipal Facilities Acquisition and Construction Capital Projects</u>	<u>Other Governmental Funds</u>	
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,319,960	\$ 16,319,960
Judicial	-	-	-	-	-	1,251,597	1,251,597
Debt service	-	-	2,901,962	-	-	594,308	3,496,270
Public safety	-	143,465	-	-	-	3,545,274	3,688,739
Public works	-	2,200,475	-	132,755,371	-	39,414,105	174,369,951
Culture and recreation	-	253,467	-	-	-	11,716,829	11,970,296
Redevelopment	-	-	-	-	-	34,138,047	34,138,047
Assigned to:							
General government	379,995	-	-	-	28,075,579	18,540,870	46,996,444
Judicial	367	-	-	-	-	-	367
Public safety	101,776	-	-	-	-	-	101,776
Public works	28,566	-	-	-	-	-	28,566
Culture and recreation	46,817	-	-	-	-	-	46,817
Community support	234,550	-	-	-	-	-	234,550
Unassigned	15,703,300	-	-	-	-	-	15,703,300
Total	<u>\$16,495,371</u>	<u>\$2,597,407</u>	<u>\$2,901,962</u>	<u>\$132,755,371</u>	<u>\$28,075,579</u>	<u>\$125,520,990</u>	<u>\$308,346,680</u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 12. Components of Fund Balances and Restricted Net Assets (continued)

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

At June 30, 2011, restricted net assets for business-type activities consist of the following:

	<u>Major proprietary funds</u>		<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
Restricted for:			
Debt service	\$ 5,163,513	\$4,480,126	\$ 9,643,639
System development	36,101,630	6,612,507	42,714,137
Total	<u>\$41,265,143</u>	<u>\$11,092,633</u>	<u>\$ 52,357,776</u>

Note 13. Recently Issued Accounting Pronouncements

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an Amendment of GASB Statement No. 53* (GASB No. 64), which is effective for financial statements for periods beginning after June 15, 2011. According to GASB, the objective of GASB No. 64 is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. GASB No. 64 also sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Since the City does not have any derivative instruments to which this standard would apply, it is not currently expected that GASB No. 64 will not materially affect the City's financial position, results of operations, or cash flows.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB No. 63), which is effective for financial statements for periods beginning after December 15, 2011. GASB No. 63 provides financial reporting guidance for deferred outflows of resources (*i.e.*, consumption of net assets by the government that is applicable to a future reporting period) and deferred inflows of resources (*i.e.*, an acquisition of net assets by the government that is applicable to a future reporting period). Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Management has not completed its assessment of this statement; however, it is currently expected that adoption of GASB No. 63 will not materially affect the City's financial position, results of operations, or cash flows.

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 2011

Note 13. Recently Issued Accounting Pronouncements (continued)

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB Statement No. 62), which is effective for financial statements for periods beginning after December 15, 2011.

GASB No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

It is not currently expected that GASB No. 62 will have a material effect on the City's financial position, results of operations, or cash flows.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and 34* (GASB No. 61), which is effective for financial statements for periods beginning after June 15, 2012. GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity, and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Management is currently evaluating the effect that GASB No. 61 will have on the City's financial position, results of operations, or cash flows.

In November 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* (GASB No. 60), which is effective for financial statements for periods beginning after December 15, 2011. GASB No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership involving an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. Since the City does not have any SCAs to which this standard would apply, it is not currently expected that GASB No. 60 will have an effect on the City's financial statements.

CITY OF HENDERSON, NEVADA

Required Supplementary Information (Unaudited)
June 30, 2011

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, 2009	-	\$39,207,000	0.00%	\$ 39,207,000	\$ 144,050,046	27.22%
July 1, 2007	-	\$51,442,000	0.00%	\$ 51,442,000	\$ 147,095,944	34.97%

Notes to Required Supplementary Information:

1. This information is intended to help users assess the City’s OPEB Plan’s status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employers.
2. Only two actuarial valuations have been completed since GASB 45 was adopted. In the future, information from the three most recent valuations will be presented.



GOVERNMENTAL FUNDS

2011

Comprehensive Annual Financial Report

City of Henderson, Nevada

Non-major Special Revenue Funds

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

City of Henderson Redevelopment Agency -

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

Gas Tax Special Revenue -

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

Forfeited Assets Special Revenue -

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

Municipal Court Administrative Fee Special Revenue -

to account for court assessments which are to be used to improve operations of the court

Financial Stabilization Special Revenue -

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

Equipment Repair & Maintenance Special Revenue -

to account for an allocation of bond proceeds and other financing sources used for infrastructure reinvestment for the maintenance, repair or improvement of technology and capital projects. Fund balance was transferred to the Capital Replacement Capital Projects Fund.

Lake Las Vegas Fund -

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

Sales & Use Tax Special Revenue -

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

Multipurpose Special Revenue -

to account for a variety of programs of a specific nature. Fund balance was transferred to the Grant Special Revenue Fund, Code Enforcement Special Revenue Fund, Commissary Special Revenue Fund, and the General Fund.

Code Enforcement Special Revenue -

to account for proceeds received from penalties and fines collected in conjunction with the enforcement of Henderson Municipal Code 15.12.

Commissary Special Revenue -

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

GOVERNMENTAL FUNDS

continued

Non-major Debt Service Fund

Special Assessment Districts Debt Service Fund -

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

Non-major Capital Projects Funds

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

Land Sales -

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

Special Recreation -

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

Park Development -

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

Flood Control -

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

RTC/County -

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

Special Ad Valorem Transportation Fund -

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

Capital Replacement Fund -

to account for charges for services, developer contributions, and transfers from other funds to be used for various capital replacement projects throughout the City. This fund was established by transfers in from the Equipment Repair & Maintenance Special Revenue Fund.

Lake Las Vegas -

to account for resources to be used solely to fund costs of storm water treatment and/or conveyance in the event that Federal and/or State agencies determine that more stringent treatment standards are required as a result of the creation of Lake Las Vegas. This fund was established by transfers in from the Lake Las Vegas Special Revenue Fund.



2011

Comprehensive Annual Financial Report

City of Henderson, Nevada

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CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds	Capital Project Funds	Special Assessment Districts Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and investments	\$ 49,809,944	\$ 55,773,714	\$ 593,255	\$ 106,176,913
Receivables:				
Accounts	1,910	220,487	-	222,397
Accrued interest	109,671	123,391	1,363	234,425
Special assessments	-	-	2,148,528	2,148,528
Notes	636,365	1,506,176	-	2,142,541
Advances to other funds	-	3,209,917	-	3,209,917
Due from other governments	3,084,710	703,867	-	3,788,577
Land held for sale	17,002,336	-	-	17,002,336
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 70,644,936</u>	<u>\$ 61,537,552</u>	<u>\$ 2,743,146</u>	<u>\$ 134,925,634</u>
LIABILITIES				
Accounts payable and accrued wages	\$ 568,457	\$ 547,969	\$ 310	\$ 1,116,736
Tax increment payable to developers	817,300	-	-	817,300
Deposits	147,476	458,236	-	605,712
Advances from other funds	3,209,917	-	-	3,209,917
Deferred revenue	-	1,506,176	2,148,528	3,654,704
Due to other governments	-	275	-	275
Total liabilities	<u>4,743,150</u>	<u>2,512,656</u>	<u>2,148,838</u>	<u>9,404,644</u>
FUND BALANCES				
Restricted	65,901,786	40,484,026	594,308	106,980,120
Assigned	-	18,540,870	-	18,540,870
Total fund balances	<u>65,901,786</u>	<u>59,024,896</u>	<u>594,308</u>	<u>125,520,990</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 70,644,936</u>	<u>\$ 61,537,552</u>	<u>\$ 2,743,146</u>	<u>\$ 134,925,634</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2011

	Special Revenue Funds	Capital Projects Funds	Special Assessment Districts Debt Service Fund	Total
REVENUES				
Property taxes	\$ 8,238,608	\$ 76,275	\$ -	\$ 8,314,883
Special assessments	-	-	179,582	179,582
Intergovernmental	12,422,800	4,444,344	-	16,867,144
Charges for services	39,696	995,318	-	1,035,014
Fines and forfeitures	1,241,457	-	-	1,241,457
Developer contributions	-	2,070,192	-	2,070,192
Impact fees	-	385,273	-	385,273
Interest	658,789	963,861	161,907	1,784,557
Miscellaneous	375,280	820,459	3,032	1,198,771
Total revenues	<u>22,976,630</u>	<u>9,755,722</u>	<u>344,521</u>	<u>33,076,873</u>
EXPENDITURES				
Current:				
General government	5,783,323	859,944	-	6,643,267
Judicial	462,376	-	-	462,376
Public safety	11,203,119	109,375	-	11,312,494
Public works	1,122,030	1,136,932	-	2,258,962
Culture and recreation	-	3,550,135	-	3,550,135
Community support	205,446	63,256	-	268,702
Total current	<u>18,776,294</u>	<u>5,719,642</u>	<u>-</u>	<u>24,495,936</u>
Capital outlay:				
General government	-	1,251,692	-	1,251,692
Public safety	171,933	-	-	171,933
Public works	1,824,719	345,117	-	2,169,836
Culture and recreation	-	1,367,342	-	1,367,342
Total capital outlay	<u>1,996,652</u>	<u>2,964,151</u>	<u>-</u>	<u>4,960,803</u>
Debt service:				
Principal retirement	590,000	-	165,000	755,000
Interest and fiscal charges	765,671	-	11,875	777,546
Administrative and other costs	-	-	10,746	10,746
Total debt service	<u>1,355,671</u>	<u>-</u>	<u>187,621</u>	<u>1,543,292</u>
Total expenditures	<u>22,128,617</u>	<u>8,683,793</u>	<u>187,621</u>	<u>31,000,031</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>848,013</u>	<u>1,071,929</u>	<u>156,900</u>	<u>2,076,842</u>
OTHER FINANCING SOURCES (USES)				
Land sales	-	52,493	-	52,493
Transfers in	6,979,509	20,099,298	-	27,078,807
Transfers out	(19,941,711)	(861,197)	(595,383)	(21,398,291)
Total other financing sources (uses)	<u>(12,962,202)</u>	<u>19,290,594</u>	<u>(595,383)</u>	<u>5,733,009</u>
NET CHANGE IN FUND BALANCES	(12,114,189)	20,362,523	(438,483)	7,809,851
FUND BALANCES, BEGINNING OF YEAR	<u>78,015,975</u>	<u>38,662,373</u>	<u>1,032,791</u>	<u>117,711,139</u>
FUND BALANCES, END OF YEAR	<u>\$ 65,901,786</u>	<u>\$ 59,024,896</u>	<u>\$ 594,308</u>	<u>\$ 125,520,990</u>

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization	Sales and Use Tax	Code Enforcement	Commissary	Total
ASSETS									
Cash and investments	\$ 20,559,405	\$ 10,526,277	\$ 730,500	\$ 1,267,209	\$ 16,285,683	\$ 319,643	\$ 1,652	\$ 119,575	\$ 49,809,944
Receivables:									
Accounts	1,162	-	-	-	-	-	-	748	1,910
Accrued interest	48,493	23,731	1,847	-	33,951	1,468	4	177	109,671
Notes	636,365	-	-	-	-	-	-	-	636,365
Due from other governments	191,515	356,770	-	-	326	2,536,099	-	-	3,084,710
Land held for sale	17,002,336	-	-	-	-	-	-	-	17,002,336
TOTAL ASSETS	\$ 38,439,276	\$ 10,906,778	\$ 732,347	\$ 1,267,209	\$ 16,319,960	\$ 2,857,210	\$ 1,656	\$ 120,500	\$ 70,644,936
LIABILITIES									
Accounts payable and accrued wages	\$ 126,536	\$ 259,870	\$ 15,147	\$ 17,268	\$ -	\$ 94,814	\$ -	\$ 54,822	\$ 568,457
Tax increment payable to developers	817,300	-	-	-	-	-	-	-	817,300
Deposits	147,476	-	-	-	-	-	-	-	147,476
Advances from other funds	3,209,917	-	-	-	-	-	-	-	3,209,917
Total liabilities	4,301,229	259,870	15,147	17,268	-	94,814	-	54,822	4,743,150
FUND BALANCES									
Restricted	34,138,047	10,646,908	717,200	1,249,941	16,319,960	2,762,396	1,656	65,678	65,901,786
Total fund balances	34,138,047	10,646,908	717,200	1,249,941	16,319,960	2,762,396	1,656	65,678	65,901,786
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,439,276	\$ 10,906,778	\$ 732,347	\$ 1,267,209	\$ 16,319,960	\$ 2,857,210	\$ 1,656	\$ 120,500	\$ 70,644,936

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court				Lake Las Vegas	Sale and Use Tax	Multipurpose	Code Enforcement	Commissary	Total
				Administrative Fee	Financial Stabilization	Equipment Repair and Maintenance							
REVENUES													
Property taxes	\$ 8,206,796	\$ -	\$ -	\$ -	\$ 31,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,238,608	
Intergovernmental	26,289	2,688,747	-	-	-	-	-	9,707,764	-	-	-	12,422,800	
Charges for services	-	-	-	-	-	-	-	-	-	-	39,696	39,696	
Fines and forfeitures	-	-	502,569	738,388	-	-	-	-	-	500	-	1,241,457	
Interest	263,508	141,810	10,828	-	239,423	-	-	1,953	-	26	1,241	658,789	
Miscellaneous	371,516	-	-	-	-	-	-	3,764	-	-	-	375,280	
Total revenues	8,868,109	2,830,557	513,397	738,388	271,235	-	-	9,713,481	-	526	40,937	22,976,630	
EXPENDITURES													
Current:													
General government	5,783,323	-	-	-	-	-	-	-	-	-	-	5,783,323	
Judicial	-	-	-	462,376	-	-	-	-	-	-	-	462,376	
Public safety	-	-	268,678	-	-	-	-	10,930,803	-	-	3,638	11,203,119	
Public works	-	1,122,030	-	-	-	-	-	-	-	-	-	1,122,030	
Community support	-	-	-	-	-	-	-	-	205,446	-	-	205,446	
Total current	5,783,323	1,122,030	268,678	462,376	-	-	-	10,930,803	205,446	-	3,638	18,776,294	
Capital outlay:													
Public safety	-	-	171,933	-	-	-	-	-	-	-	-	171,933	
Public works	-	1,824,719	-	-	-	-	-	-	-	-	-	1,824,719	
Total capital outlay	-	1,824,719	171,933	-	-	-	-	-	-	-	-	1,996,652	
Debt service:													
Principal retirement	590,000	-	-	-	-	-	-	-	-	-	-	590,000	
Interest and fiscal charges	765,671	-	-	-	-	-	-	-	-	-	-	765,671	
Total debt service	1,355,671	-	-	-	-	-	-	-	-	-	-	1,355,671	
Total expenditures	7,138,994	2,946,749	440,611	462,376	-	-	-	10,930,803	205,446	-	3,638	22,128,617	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,729,115	(116,192)	72,786	276,012	271,235	-	-	(1,217,322)	(205,446)	526	37,299	848,013	
OTHER FINANCING SOURCES (USES)													
Transfers in	-	-	-	-	6,950,000	-	-	-	-	1,130	28,379	6,979,509	
Transfers out	-	(159,510)	-	-	(11,497,733)	(5,476,379)	(5,476,379)	-	(2,808,089)	-	-	(19,941,711)	
Total other financing sources (uses)	-	(159,510)	-	-	6,950,000	(11,497,733)	(5,476,379)	-	(2,808,089)	1,130	28,379	(12,962,202)	
NET CHANGES IN FUND BALANCES	1,729,115	(275,702)	72,786	276,012	7,221,235	(11,497,733)	(5,476,379)	(1,217,322)	(3,013,535)	1,656	65,678	(12,114,189)	
FUND BALANCES, BEGINNING OF YEAR	32,408,932	10,922,610	644,414	973,929	9,098,725	11,497,733	5,476,379	3,979,718	3,013,535	-	-	78,015,975	
FUND BALANCES, END OF YEAR	\$ 34,138,047	\$ 10,646,908	\$ 717,200	\$ 1,249,941	\$ 16,319,960	\$ -	\$ -	\$ 2,762,396	\$ -	\$ 1,656	\$ 65,678	\$ 65,901,786	

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2011

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/ County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas	Total
ASSETS									
Cash and investments	\$ 24,945,939	\$ 3,372,590	\$ 7,862,937	\$ 170,758	\$ 801,854	\$ 32,203	\$ 13,047,924	\$ 5,539,509	\$ 55,773,714
Receivables:									
Accounts	7,785	-	-	-	-	-	212,702	-	220,487
Accrued interest	55,516	6,331	17,676	675	-	415	30,225	12,553	123,391
Notes	1,506,176	-	-	-	-	-	-	-	1,506,176
Advances to other funds	3,209,917	-	-	-	-	-	-	-	3,209,917
Due from other governments	-	695,267	-	8,600	-	-	-	-	703,867
TOTAL ASSETS	\$ 29,725,333	\$ 4,074,188	\$ 7,880,613	\$ 180,033	\$ 801,854	\$ 32,618	\$ 13,290,851	\$ 5,552,062	\$ 61,537,552
LIABILITIES									
Accounts payable and accrued wages	\$ 7,954	\$ 191,022	\$ 46,950	\$ -	\$ -	\$ -	\$ 302,043	\$ -	\$ 547,969
Deposits	458,236	-	-	-	-	-	-	-	458,236
Deferred revenue	1,506,176	-	-	-	-	-	-	-	1,506,176
Due to other governments	-	-	-	-	275	-	-	-	275
Total liabilities	1,972,366	191,022	46,950	-	275	-	302,043	-	2,512,656
FUND BALANCES									
Restricted	27,752,967	3,883,166	7,833,663	180,033	801,579	32,618	-	-	40,484,026
Assigned	-	-	-	-	-	-	12,988,808	5,552,062	18,540,870
Total fund balances	27,752,967	3,883,166	7,833,663	180,033	801,579	32,618	12,988,808	5,552,062	59,024,896
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,725,333	\$ 4,074,188	\$ 7,880,613	\$ 180,033	\$ 801,854	\$ 32,618	\$ 13,290,851	\$ 5,552,062	\$ 61,537,552

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2011

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/County Funded	Special Ad Valorem Transportation	Capital Replacement	Lake Las Vegas	Total
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,275	\$ -	\$ -	\$ 76,275
Intergovernmental	-	2,324,995	-	8,600	287,238	-	1,823,511	-	4,444,344
Charges for services	-	366,966	-	-	-	-	628,352	-	995,318
Developer contributions	1,422,957	-	-	-	-	-	647,235	-	2,070,192
Impact fees	-	-	385,273	-	-	-	-	-	385,273
Interest	553,969	42,615	107,970	3,511	-	-	180,113	75,683	963,861
Miscellaneous	593,234	-	-	-	-	-	227,225	-	820,459
Total revenues	<u>2,570,160</u>	<u>2,734,576</u>	<u>493,243</u>	<u>12,111</u>	<u>287,238</u>	<u>76,275</u>	<u>3,506,436</u>	<u>75,683</u>	<u>9,755,722</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	859,944	-	859,944
Public safety	109,375	-	-	-	-	-	-	-	109,375
Public works	438,705	-	-	8,600	39,930	2,219	647,478	-	1,136,932
Culture and recreation	1,505,500	1,833,431	-	-	-	-	211,204	-	3,550,135
Community support	63,256	-	-	-	-	-	-	-	63,256
Total current	<u>2,116,836</u>	<u>1,833,431</u>	<u>-</u>	<u>8,600</u>	<u>39,930</u>	<u>2,219</u>	<u>1,718,626</u>	<u>-</u>	<u>5,719,642</u>
Capital outlay:									
General government	-	-	-	-	-	-	1,251,692	-	1,251,692
Public works	147	-	-	-	-	64,773	280,197	-	345,117
Culture and recreation	-	228,630	85,365	-	-	-	1,053,347	-	1,367,342
Total capital outlay	<u>147</u>	<u>228,630</u>	<u>85,365</u>	<u>-</u>	<u>-</u>	<u>64,773</u>	<u>2,585,236</u>	<u>-</u>	<u>2,964,151</u>
Total expenditures	<u>2,116,983</u>	<u>2,062,061</u>	<u>85,365</u>	<u>8,600</u>	<u>39,930</u>	<u>66,992</u>	<u>4,303,862</u>	<u>-</u>	<u>8,683,793</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>453,177</u>	<u>672,515</u>	<u>407,878</u>	<u>3,511</u>	<u>247,308</u>	<u>9,283</u>	<u>(797,426)</u>	<u>75,683</u>	<u>1,071,929</u>
OTHER FINANCING SOURCES (USES)									
Land sales	52,493	-	-	-	-	-	-	-	52,493
Transfers in	836,685	-	-	-	-	-	13,786,234	5,476,379	20,099,298
Transfers out	(527)	(315,756)	-	-	-	(544,914)	-	(861,197)	(861,197)
Total other financing sources (uses)	<u>888,651</u>	<u>(315,756)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(544,914)</u>	<u>13,786,234</u>	<u>5,476,379</u>	<u>19,290,594</u>
NET CHANGE IN FUND BALANCES	<u>1,341,828</u>	<u>356,759</u>	<u>407,878</u>	<u>3,511</u>	<u>247,308</u>	<u>(535,631)</u>	<u>12,988,808</u>	<u>5,552,062</u>	<u>20,362,523</u>
FUND BALANCES, BEGINNING OF YEAR	<u>26,411,139</u>	<u>3,526,407</u>	<u>7,425,785</u>	<u>176,522</u>	<u>554,271</u>	<u>568,249</u>	<u>-</u>	<u>-</u>	<u>38,662,373</u>
FUND BALANCES, END OF YEAR	<u>\$ 27,752,967</u>	<u>\$ 3,883,166</u>	<u>\$ 7,833,663</u>	<u>\$ 180,033</u>	<u>\$ 801,579</u>	<u>\$ 32,618</u>	<u>\$ 12,988,808</u>	<u>\$ 5,552,062</u>	<u>\$ 59,024,896</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 52,443,158	\$ 52,988,585	\$ 545,427
Franchise fees	29,007,396	29,210,827	203,431
Licenses and permits	7,588,660	7,682,535	93,875
Intergovernmental	78,465,860	79,252,218	786,358
Charges for services	18,412,682	18,345,451	(67,231)
Fines and forfeits	5,757,019	5,932,466	175,447
Interest	375,491	93,917	(281,574)
Miscellaneous	550,949	1,957,412	1,406,463
Total revenues	<u>192,601,215</u>	<u>195,463,411</u>	<u>2,862,196</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Mayor and Council:			
Salaries and wages	325,364	281,774	43,590
Employee benefits	139,325	120,009	19,316
Services and supplies	249,114	116,404	132,710
Total Mayor and Council	<u>713,803</u>	<u>518,187</u>	<u>195,616</u>
City Manager:			
Salaries and wages	2,055,136	1,834,173	220,963
Employee benefits	673,326	610,767	62,559
Services and supplies	1,194,407	765,556	428,851
Total City Manager	<u>3,922,869</u>	<u>3,210,496</u>	<u>712,373</u>
Finance:			
Salaries and wages	3,522,217	2,964,997	557,220
Employee benefits	1,327,124	1,127,484	199,640
Services and supplies	519,138	79,922	439,216
Total Finance	<u>5,368,479</u>	<u>4,172,403</u>	<u>1,196,076</u>
Information Technology:			
Salaries and wages	5,407,674	5,313,252	94,422
Employee benefits	1,856,666	1,829,872	26,794
Services and supplies	1,497,802	681,633	816,169
Total Information Technology	<u>8,762,142</u>	<u>7,824,757</u>	<u>937,385</u>
City Clerk:			
Salaries and wages	1,209,005	1,025,742	183,263
Employee benefits	475,752	411,443	64,309
Services and supplies	642,327	351,817	290,510
Total City Clerk	<u>2,327,084</u>	<u>1,789,002</u>	<u>538,082</u>

(continued)

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (continued)

General Fund

For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
GENERAL GOVERNMENT (continued)			
Human Resources:			
Salaries and wages	\$ 2,117,665	\$ 1,784,533	\$ 333,132
Employee benefits	712,419	579,444	132,975
Services and supplies	327,056	167,659	159,397
Capital outlay	43,411	43,411	
Total Human Resources	<u>3,200,551</u>	<u>2,575,047</u>	<u>625,504</u>
City Attorney:			
Salaries and wages	2,292,668	2,060,727	231,941
Employee benefits	1,156,985	867,280	289,705
Services and supplies	1,488,094	1,095,286	392,808
Total City Attorney	<u>4,937,747</u>	<u>4,023,293</u>	<u>914,454</u>
Community Development:			
Salaries and wages	2,699,354	2,509,076	190,278
Employee benefits	951,096	875,640	75,456
Services and supplies	490,522	210,053	280,469
Total Community Development	<u>4,140,972</u>	<u>3,594,769</u>	<u>546,203</u>
Building Maintenance:			
Salaries and wages	1,912,025	1,786,773	125,252
Employee benefits	913,785	839,614	74,171
Services and supplies	5,296,396	4,023,363	1,273,033
Total Building Maintenance	<u>8,122,206</u>	<u>6,649,750</u>	<u>1,472,456</u>
Miscellaneous:			
Salaries and wages	4,232,056	4,046,271	185,785
Employee benefits	1,035,000	1,084,209	(49,209)
Services and supplies	2,986,782	2,172,402	814,380
Total Miscellaneous	<u>8,253,838</u>	<u>7,302,882</u>	<u>950,956</u>
Total General Government	<u>49,749,691</u>	<u>41,660,586</u>	<u>8,089,105</u>
JUDICIAL			
Municipal Court:			
Salaries and wages	4,488,333	4,488,714	(381)
Employee benefits	1,936,363	1,920,077	16,286
Services and supplies	634,564	610,291	24,273
Total Municipal Court	<u>7,059,260</u>	<u>7,019,082</u>	<u>40,178</u>

(continued)

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (continued)

General Fund

For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
JUDICIAL (continued)			
City Attorney-Criminal:			
Salaries and wages	\$ 1,738,222	\$ 1,452,921	\$ 285,301
Employee benefits	565,581	539,065	26,516
Services and supplies	163,838	125,537	38,301
Total City Attorney-Criminal	<u>2,467,641</u>	<u>2,117,523</u>	<u>350,118</u>
City Attorney-Court Programs:			
Salaries and wages	1,265,982	1,186,628	79,354
Employee benefits	435,339	403,596	31,743
Services and supplies	258,622	204,027	54,595
Capital outlay	22,356	22,141	215
Total City Attorney-Court Programs	<u>1,982,299</u>	<u>1,816,392</u>	<u>165,907</u>
Total Judicial	<u>11,509,200</u>	<u>10,952,997</u>	<u>556,203</u>
PUBLIC SAFETY			
Fire:			
Salaries and wages	25,604,004	25,000,366	603,638
Employee benefits	11,704,933	11,403,364	301,569
Services and supplies	1,569,842	1,569,861	(19)
Total Fire	<u>38,878,779</u>	<u>37,973,591</u>	<u>905,188</u>
Police:			
Salaries and wages	45,242,504	44,598,306	644,198
Employee benefits	23,107,893	21,845,518	1,262,375
Services and supplies	6,606,507	5,400,603	1,205,904
Capital outlay	3,260	1,772	1,488
Total Police	<u>74,960,164</u>	<u>71,846,199</u>	<u>3,113,965</u>
Building Inspection:			
Salaries and wages	1,032,502	828,454	204,048
Employee benefits	377,154	318,223	58,931
Services and supplies	90,066	72,595	17,471
Total Building Inspection	<u>1,499,722</u>	<u>1,219,272</u>	<u>280,450</u>
Total Public Safety	<u>115,338,665</u>	<u>111,039,062</u>	<u>4,299,603</u>
PUBLIC WORKS			
Streets:			
Salaries and wages	613,081	591,466	21,615
Employee benefits	270,170	242,029	28,141
Services and supplies	142,272	132,820	9,452
Total Streets	<u>1,025,523</u>	<u>966,315</u>	<u>59,208</u>

(continued)

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (continued)

General Fund

For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
PUBLIC WORKS (continued)			
Street Lighting:			
Salaries and wages	\$ 1,284,211	\$ 1,266,361	\$ 17,850
Employee benefits	469,022	461,507	7,515
Services and supplies	2,545,150	1,602,678	942,472
Total Street Lighting	<u>4,298,383</u>	<u>3,330,546</u>	<u>967,837</u>
Flood Control:			
Salaries and wages	483,630	457,865	25,765
Employee benefits	189,939	189,393	546
Services and supplies	114,742	90,461	24,281
Capital outlay	23,994	5,559	18,435
Total Flood Control	<u>812,305</u>	<u>743,278</u>	<u>69,027</u>
Public Works General Services:			
Salaries and wages	2,070,136	1,530,982	539,154
Employee benefits	738,653	533,124	205,529
Services and supplies	405,684	296,494	109,190
Total Public Works General Services:	<u>3,214,473</u>	<u>2,360,600</u>	<u>853,873</u>
Total Public Works	<u>9,350,684</u>	<u>7,400,739</u>	<u>1,949,945</u>
CULTURE AND RECREATION			
Parks:			
Salaries and wages	7,118,189	6,860,138	258,051
Employee benefits	2,912,028	2,753,739	158,289
Services and supplies	3,920,159	3,549,343	370,816
Capital outlay	30,000	30,000	-
Total Parks	<u>13,980,376</u>	<u>13,193,220</u>	<u>787,156</u>
Recreation:			
Salaries and wages	11,923,018	11,339,704	583,314
Employee benefits	3,820,407	2,814,214	1,006,193
Services and supplies	4,877,902	3,775,635	1,102,267
Capital outlay	238,185	108,697	129,488
Total Recreation	<u>20,859,512</u>	<u>18,038,250</u>	<u>2,821,262</u>
Total Culture and Recreation	<u>34,839,888</u>	<u>31,231,470</u>	<u>3,608,418</u>

(continued)

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual (continued)
General Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
COMMUNITY SUPPORT			
Economic Development:			
Salaries and wages	\$ 467,624	\$ 461,057	\$ 6,567
Employee benefits	159,379	157,209	2,170
Services and supplies	167,670	134,577	33,093
Total Economic Development	<u>794,673</u>	<u>752,843</u>	<u>41,830</u>
Neighborhood Services:			
Salaries and wages	509,445	242,725	266,720
Employee benefits	211,570	87,669	123,901
Services and supplies	450,522	189,463	261,059
Total Neighborhood Services	<u>1,171,537</u>	<u>519,857</u>	<u>651,680</u>
Total Community Support	<u>1,966,210</u>	<u>1,272,700</u>	<u>693,510</u>
Total Expenditures	<u>222,754,338</u>	<u>203,557,554</u>	<u>19,196,784</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(30,153,123)</u>	<u>(8,094,143)</u>	<u>22,058,980</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	4,782	4,782
Transfers in	27,475,580	14,975,580	(12,500,000)
Transfers out	(8,831,516)	(11,210,516)	(2,379,000)
Total other financing sources (uses)	<u>18,644,064</u>	<u>3,769,846</u>	<u>(14,874,218)</u>
NET CHANGE IN FUND BALANCE	(11,509,059)	(4,324,297)	7,184,762
FUND BALANCE, BEGINNING OF YEAR	<u>20,819,668</u>	<u>20,819,668</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,310,609</u>	<u>\$ 16,495,371</u>	<u>\$ 7,184,762</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Grant Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 29,511,861	\$ 33,894,227	\$ 4,382,366
Miscellaneous	125,044	228,206	103,162
Total revenues	<u>29,636,905</u>	<u>34,122,433</u>	<u>4,485,528</u>
EXPENDITURES			
General government:			
Services and supplies	-	68,982	(68,982)
Capital outlay	-	762,102	(762,102)
Total general government	<u>-</u>	<u>831,084</u>	<u>(831,084)</u>
Judicial:			
Salaries and wages	-	1,260	(1,260)
Employee benefits	-	43	(43)
Services and supplies	-	39,111	(39,111)
Total judicial	<u>-</u>	<u>40,414</u>	<u>(40,414)</u>
Public safety:			
Salaries and wages	838,277	362,630	475,647
Employee benefits	34,727	58,979	(24,252)
Services and supplies	841,485	703,152	138,333
Capital outlay	2,483,362	2,496,179	(12,817)
Total public safety	<u>4,197,851</u>	<u>3,620,940</u>	<u>576,911</u>
Public works:			
Salaries and wages	-	5,103	(5,103)
Employee benefits	-	2,097	(2,097)
Services and supplies	2,402,032	299,133	2,102,899
Capital outlay	1,393,211	888,157	505,054
Total public works	<u>3,795,243</u>	<u>1,194,490</u>	<u>2,600,753</u>
Culture and recreation:			
Salaries and wages	452,773	489,171	(36,398)
Employee benefits	146,877	152,581	(5,704)
Services and supplies	3,980,416	5,858,805	(1,878,389)
Capital outlay	10,479,427	13,808,729	(3,329,302)
Total culture and recreation	<u>15,059,493</u>	<u>20,309,286</u>	<u>(5,249,793)</u>
Community support:			
Salaries and wages	711,319	712,277	(958)
Employee benefits	295,505	275,329	20,176
Services and supplies	5,807,342	5,960,495	(153,153)
Capital outlay	763,385	-	763,385
Total community support	<u>7,577,551</u>	<u>6,948,101</u>	<u>629,450</u>
Total expenditures	<u>30,630,138</u>	<u>32,944,315</u>	<u>(2,314,177)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(993,233)</u>	<u>1,178,118</u>	<u>2,171,351</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,624,735	2,419,289	(205,446)
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,624,735</u>	<u>1,419,289</u>	<u>(205,446)</u>
NET CHANGE IN FUND BALANCE	631,502	2,597,407	1,965,905
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 631,502</u>	<u>\$ 2,597,407</u>	<u>\$ 1,965,905</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Redevelopment Agency Special Revenue Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 8,685,256	\$ 8,206,796	\$ (478,460)
Intergovernmental	26,300	26,289	(11)
Interest	-	263,508	263,508
Miscellaneous	577,460	371,516	(205,944)
Total revenues	<u>9,289,016</u>	<u>8,868,109</u>	<u>(420,907)</u>
EXPENDITURES			
General government:			
Salaries and wages	1,049,038	1,011,875	37,163
Employee benefits	356,030	349,039	6,991
Services and supplies	10,191,719	4,422,409	5,769,310
Total general government	<u>11,596,787</u>	<u>5,783,323</u>	<u>5,813,464</u>
Debt service:			
Principal	590,000	590,000	-
Interest and fiscal charges	765,672	765,671	1
Administrative and other costs	87,322	-	87,322
Total debt service	<u>1,442,994</u>	<u>1,355,671</u>	<u>87,323</u>
Total expenditures	<u>13,039,781</u>	<u>7,138,994</u>	<u>5,900,787</u>
NET CHANGE IN FUND BALANCE	(3,750,765)	1,729,115	5,479,880
FUND BALANCE, BEGINNING OF YEAR	<u>35,433,364</u>	<u>32,408,932</u>	<u>(3,024,432)</u>
FUND BALANCE, END OF YEAR	<u>\$ 31,682,599</u>	<u>\$ 34,138,047</u>	<u>\$ 2,455,448</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 2,727,924	\$ 2,688,747	\$ (39,177)
Interest	160,000	141,810	(18,190)
Total revenues	2,887,924	2,830,557	(57,367)
EXPENDITURES			
Public works:			
Salaries and wages	540,409	530,690	9,719
Employee benefits	225,379	228,306	(2,927)
Services and supplies	811,925	363,034	448,891
Capital outlay	5,683,838	1,824,719	3,859,119
Total expenditures	7,261,551	2,946,749	4,314,802
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,373,627)	(116,192)	4,257,435
OTHER FINANCING USES			
Transfers out	(160,000)	(159,510)	490
NET CHANGE IN FUND BALANCE	(4,533,627)	(275,702)	4,257,925
FUND BALANCE, BEGINNING OF YEAR	10,922,610	10,922,610	-
FUND BALANCE, END OF YEAR	\$ 6,388,983	\$ 10,646,908	\$ 4,257,925

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Forfeited Assets Special Revenue Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Fines and forfeits	\$ 310,000	\$ 502,569	\$ 192,569
Interest	7,500	10,828	3,328
Total revenues	<u>317,500</u>	<u>513,397</u>	<u>195,897</u>
EXPENDITURES			
Public safety:			
Services and supplies	581,046	268,678	312,368
Capital outlay	176,881	171,933	4,948
	<u>757,927</u>	<u>440,611</u>	<u>317,316</u>
NET CHANGE IN FUND BALANCE	(440,427)	72,786	513,213
FUND BALANCE, BEGINNING OF YEAR	<u>644,414</u>	<u>644,414</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 203,987</u>	<u>\$ 717,200</u>	<u>\$ 513,213</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Municipal Court Administrative Fee Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Fines and forfeits	<u>\$ 737,906</u>	<u>\$ 738,388</u>	<u>\$ 482</u>
EXPENDITURES			
Judicial:			
Salaries and wages	15,500	9,802	5,698
Employee benefits	350	480	(130)
Services and supplies	680,707	452,094	228,613
Capital outlay	<u>58,873</u>	<u>-</u>	<u>58,873</u>
Total expenditures	<u>755,430</u>	<u>462,376</u>	<u>293,054</u>
NET CHANGE IN FUND BALANCE	(17,524)	276,012	293,536
FUND BALANCE, BEGINNING OF YEAR	<u>973,929</u>	<u>973,929</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 956,405</u></u>	<u><u>\$ 1,249,941</u></u>	<u><u>\$ 293,536</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Financial Stabilization Special Revenue Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 31,697	\$ 31,812	115
Interest	150,000	239,423	89,423
Total revenues	<u>181,697</u>	<u>271,235</u>	<u>89,538</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>6,850,000</u>	<u>6,950,000</u>	<u>100,000</u>
NET CHANGE IN FUND BALANCE	7,031,697	7,221,235	189,538
FUND BALANCE, BEGINNING OF YEAR	<u>9,098,725</u>	<u>9,098,725</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 16,130,422</u>	<u>\$ 16,319,960</u>	<u>\$ 189,538</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Equipment Repair and Maintenance Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>\$(11,497,733)</u>	<u>\$(11,497,733)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	(11,497,733)	(11,497,733)	-
FUND BALANCE, BEGINNING OF YEAR	<u>11,497,733</u>	<u>11,497,733</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Lake Las Vegas Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OTHER FINANCING USES			
Transfers out	<u>\$ (5,476,379)</u>	<u>\$ (5,476,379)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE	(5,476,379)	(5,476,379)	-
FUND BALANCE, BEGINNING OF YEAR	<u>5,476,379</u>	<u>5,476,379</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Sales and Use Tax Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental revenues	\$ 9,250,000	\$ 9,707,764	\$ 457,764
Interest	30,000	1,953	(28,047)
Miscellaneous	-	3,764	3,764
Total revenues	<u>9,280,000</u>	<u>9,713,481</u>	<u>433,481</u>
EXPENDITURES			
Public safety:			
Salaries and wages	6,881,786	6,308,932	572,854
Employee benefits	3,856,151	3,548,083	308,068
Services and supplies	1,088,920	1,073,788	15,132
Total expenditures	<u>11,826,857</u>	<u>10,930,803</u>	<u>896,054</u>
NET CHANGE IN FUND BALANCE	(2,546,857)	(1,217,322)	1,329,535
FUND BALANCE, BEGINNING OF YEAR	<u>3,979,718</u>	<u>3,979,718</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,432,861</u>	<u>\$ 2,762,396</u>	<u>\$ 1,329,535</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Multipurpose Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
EXPENDITURES			
Community support:			
Services and supplies	\$ -	\$ 205,446	\$ (205,446)
Total community support	<u>-</u>	<u>205,446</u>	<u>(205,446)</u>
Total expenditures	<u>-</u>	<u>205,446</u>	<u>(205,446)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>-</u>	<u>(205,446)</u>	<u>(205,446)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(3,013,535)</u>	<u>(2,808,089)</u>	<u>205,446</u>
NET CHANGE IN FUND BALANCE	<u>(3,013,535)</u>	<u>(3,013,535)</u>	<u>-</u>
FUND BALANCE, BEGINNING OF YEAR	<u>3,013,535</u>	<u>3,013,535</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Code Enforcement Special Revenue Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Fines and forfeits	\$ 800	\$ 500	\$ (300)
Interest	12	26	14
Total revenues	<u>812</u>	<u>526</u>	<u>(286)</u>
EXPENDITURES			
Public works:			
Services and supplies	<u>1,000</u>	<u>-</u>	<u>1,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(188)	526	714
OTHER FINANCING SOURCES			
Transfers in	<u>1,130</u>	<u>1,130</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	942	1,656	714
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 942</u></u>	<u><u>\$ 1,656</u></u>	<u><u>\$ 714</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Commissary Special Revenue Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Charges for services	\$ 32,000	\$ 39,696	\$ 7,696
Interest	600	1,241	641
Total revenues	<u>32,600</u>	<u>40,937</u>	<u>8,337</u>
EXPENDITURES			
Public safety:			
Services and supplies	<u>22,000</u>	<u>3,638</u>	<u>18,362</u>
EXCESS OF REVENUES OVER EXPENDITURES	10,600	37,299	26,699
OTHER FINANCING SOURCES			
Transfers in	<u>28,380</u>	<u>28,379</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	38,980	65,678	26,698
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 38,980</u></u>	<u><u>\$ 65,678</u></u>	<u><u>\$ 26,698</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
General Obligation Debt Service Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes	\$ 14,035,714	\$ 14,247,109	\$ 211,395
Interest	200,000	104,417	(95,583)
Total revenues	<u>14,235,714</u>	<u>14,351,526</u>	<u>115,812</u>
EXPENDITURES			
Debt service:			
Principal retirement	12,848,964	12,848,963	1
Interest and fiscal charges	6,679,376	6,679,376	-
Administrative and other costs	30,000	10,213	19,787
Total expenditures	<u>19,558,340</u>	<u>19,538,552</u>	<u>19,788</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,322,626)</u>	<u>(5,187,026)</u>	<u>135,600</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,479,321	12,352,691	(126,630)
Transfers out	<u>(11,228,571)</u>	<u>(11,228,571)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,250,750</u>	<u>1,124,120</u>	<u>(126,630)</u>
NET CHANGE IN FUND BALANCE	(4,071,876)	(4,062,906)	8,970
FUND BALANCE, BEGINNING OF YEAR	<u>6,964,868</u>	<u>6,964,868</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,892,992</u>	<u>\$ 2,901,962</u>	<u>\$ 8,970</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Special Assessment Districts Debt Service Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Special assessments	\$ 199,638	\$ 179,582	\$ (20,056)
Interest	176,079	161,907	(14,172)
Miscellaneous	2,420	3,032	612
Total revenues	<u>378,137</u>	<u>344,521</u>	<u>(33,616)</u>
EXPENDITURES			
Debt service:			
Principal retirement	165,000	165,000	-
Interest and fiscal charges	11,875	11,875	-
Administrative and other costs	35,257	10,746	24,511
Total expenditures	<u>212,132</u>	<u>187,621</u>	<u>24,511</u>
EXCESS OF REVENUES OVER EXPENDITURES	166,005	156,900	(9,105)
OTHER FINANCING USES			
Transfers out	<u>(315,756)</u>	<u>(595,383)</u>	<u>(279,627)</u>
NET CHANGE IN FUND BALANCE	(149,751)	(438,483)	(288,732)
FUND BALANCE, BEGINNING OF YEAR	<u>1,032,791</u>	<u>1,032,791</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 883,040</u>	<u>\$ 594,308</u>	<u>\$ (288,732)</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Special Assessment Districts Capital Projects Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 45,200</u>	<u>\$ 62,220</u>	<u>\$ 17,020</u>
EXPENDITURES			
Public works:			
Services and supplies	1,429,200	-	1,429,200
Capital outlay	<u>31,192,635</u>	<u>1,192,635</u>	<u>30,000,000</u>
Total public works	<u>32,621,835</u>	<u>1,192,635</u>	<u>31,429,200</u>
Debt service:			
Interest and fiscal charges	<u>-</u>	<u>135,126</u>	<u>(135,126)</u>
Total expenditures	<u>32,621,835</u>	<u>1,327,761</u>	<u>31,294,074</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(32,576,635)	(1,265,541)	31,311,094
OTHER FINANCING SOURCES			
Transfers in	<u>315,756</u>	<u>315,755</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	(32,260,879)	(949,786)	31,311,093
FUND BALANCE, BEGINNING OF YEAR	<u>133,705,157</u>	<u>133,705,157</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 101,444,278</u></u>	<u><u>\$ 132,755,371</u></u>	<u><u>\$ 31,311,093</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Municipal Facilities Acquisition and Construction Capital Projects Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 15,000	\$ 10,519	\$ (4,481)
Charges for services	-	510	510
Impact fees	650,000	708,014	58,014
Interest	600,000	302,706	(297,294)
Miscellaneous	307,171	344,203	37,032
Total revenues	<u>1,572,171</u>	<u>1,365,952</u>	<u>(206,219)</u>
EXPENDITURES			
General government:			
Services and supplies	1,026,476	115,604	910,872
Capital outlay	506,428	483,910	22,518
Total general government	<u>1,532,904</u>	<u>599,514</u>	<u>933,390</u>
Public safety:			
Salaries and wages	-	2,465	(2,465)
Employee benefits	-	1,036	(1,036)
Services and supplies	1,404,516	629,702	774,814
Capital outlay	22,370,842	20,479,367	1,891,475
Total public safety	<u>23,775,358</u>	<u>21,112,570</u>	<u>2,662,788</u>
Public works:			
Services and supplies	2,068,141	490,980	1,577,161
Capital outlay	5,766,526	5,514,598	251,928
Total public works	<u>7,834,667</u>	<u>6,005,578</u>	<u>1,829,089</u>
Culture and recreation:			
Services and supplies	262,564	101,984	160,580
Capital outlay	1,096,306	904,162	192,144
Total culture and recreation	<u>1,358,870</u>	<u>1,006,146</u>	<u>352,724</u>
Community support:			
Services and supplies	-	3,175	(3,175)
Total expenditures	<u>34,501,799</u>	<u>28,726,983</u>	<u>5,774,816</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(32,929,628)</u>	<u>(27,361,031)</u>	<u>5,568,597</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(17,407,705)</u>	<u>(7,907,705)</u>	<u>9,500,000</u>
NET CHANGE IN FUND BALANCE	(50,337,333)	(35,268,736)	15,068,597
FUND BALANCE, BEGINNING OF YEAR	<u>63,344,315</u>	<u>63,344,315</u>	-
FUND BALANCE, END OF YEAR	<u>\$ 13,006,982</u>	<u>\$ 28,075,579</u>	<u>\$ 15,068,597</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Land Sales Capital Projects Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Developer contributions	\$ -	\$ 1,422,957	\$ 1,422,957
Interest	500,000	553,969	53,969
Miscellaneous	656,718	593,234	(63,484)
Total revenues	<u>1,156,718</u>	<u>2,570,160</u>	<u>1,413,442</u>
EXPENDITURES			
General government:			
Services and supplies	120,000	-	120,000
Capital outlay	23,527,105	-	23,527,105
Total general government	<u>23,647,105</u>	<u>-</u>	<u>23,647,105</u>
Public safety:			
Services and supplies	109,375	109,375	-
Public works:			
Salaries and wages	15,200	19,573	(4,373)
Employee benefits	5,350	6,383	(1,033)
Services and supplies	1,276,611	412,749	863,862
Capital outlay	4,999,450	147	4,999,303
Total public works	<u>6,296,611</u>	<u>438,852</u>	<u>5,857,759</u>
Culture and recreation:			
Services and supplies	1,505,500	1,505,500	-
Total culture and recreation	<u>1,505,500</u>	<u>1,505,500</u>	<u>-</u>
Community support:			
Services and supplies	-	63,256	(63,256)
Total expenditures	<u>31,558,591</u>	<u>2,116,983</u>	<u>29,441,608</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(30,401,873)</u>	<u>453,177</u>	<u>30,855,050</u>
OTHER FINANCING SOURCES (USES)			
Land sales	4,246,581	52,493	(4,194,088)
Transfers in	-	836,685	836,685
Transfers out	(527)	(527)	-
Total other financing sources (uses)	<u>4,246,054</u>	<u>888,651</u>	<u>(3,357,403)</u>
NET CHANGE IN FUND BALANCE	(26,155,819)	1,341,828	27,497,647
FUND BALANCE, BEGINNING OF YEAR	<u>26,411,139</u>	<u>26,411,139</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 255,320</u>	<u>\$ 27,752,967</u>	<u>\$ 27,497,647</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Special Recreation Capital Projects Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 2,000,000	\$ 2,324,995	\$ 324,995
Charges for services	397,607	366,966	(30,641)
Interest	40,000	42,615	2,615
Total revenues	<u>2,437,607</u>	<u>2,734,576</u>	<u>296,969</u>
EXPENDITURES			
Culture and recreation:			
Services and supplies	2,244,208	1,833,431	410,777
Capital outlay	920,077	228,630	691,447
Total expenditures	<u>3,164,285</u>	<u>2,062,061</u>	<u>1,102,224</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(726,678)	672,515	1,399,193
OTHER FINANCING USES			
Transfers out	<u>(315,756)</u>	<u>(315,756)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,042,434)	356,759	1,399,193
FUND BALANCE, BEGINNING OF YEAR	<u>3,526,407</u>	<u>3,526,407</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,483,973</u>	<u>\$ 3,883,166</u>	<u>\$ 1,399,193</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Park Development Capital Projects Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Impact fees	\$ 300,000	\$ 385,273	\$ 85,273
Interest	110,500	107,970	(2,530)
Total revenues	<u>410,500</u>	<u>493,243</u>	<u>82,743</u>
EXPENDITURES			
Culture and recreation:			
Capital outlay	<u>2,989,812</u>	<u>85,365</u>	<u>2,904,447</u>
NET CHANGE IN FUND BALANCE	(2,579,312)	407,878	2,987,190
FUND BALANCE, BEGINNING OF YEAR	<u>7,425,785</u>	<u>7,425,785</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,846,473</u>	<u>\$ 7,833,663</u>	<u>\$ 2,987,190</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Flood Control Capital Projects Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 8,600	\$ 8,600	\$ -
Interest	4,000	3,511	(489)
Total revenues	<u>12,600</u>	<u>12,111</u>	<u>(489)</u>
EXPENDITURES			
Public works:			
Services and supplies	8,600	8,600	-
Capital outlay	8,600	-	8,600
Total expenditures	<u>17,200</u>	<u>8,600</u>	<u>8,600</u>
NET CHANGE IN FUND BALANCE	(4,600)	3,511	8,111
FUND BALANCE, BEGINNING OF YEAR	<u>176,522</u>	<u>176,522</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 171,922</u>	<u>\$ 180,033</u>	<u>\$ 8,111</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
RTC/County Funded Capital Projects Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	<u>\$ 287,238</u>	<u>\$ 287,238</u>	<u>\$ -</u>
EXPENDITURES			
Public works:			
Services and supplies	87,566	39,930	47,636
Capital outlay	<u>443,696</u>	<u>-</u>	<u>443,696</u>
Total expenditures	<u>531,262</u>	<u>39,930</u>	<u>491,332</u>
NET CHANGE IN FUND BALANCE	(244,024)	247,308	491,332
FUND BALANCE, BEGINNING OF YEAR	<u>554,271</u>	<u>554,271</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 310,247</u></u>	<u><u>\$ 801,579</u></u>	<u><u>\$ 491,332</u></u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Special Ad Valorem Transportation Capital Projects Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Property taxes - transportation	\$ 76,275	\$ 76,275	\$ -
Interest	5,067	-	(5,067)
Total revenues	<u>81,342</u>	<u>76,275</u>	<u>(5,067)</u>
EXPENDITURES			
Public works:			
Salaries and wages	700	450	250
Employee benefits	250	159	91
Services and supplies	29,807	1,610	28,197
Capital outlay	73,920	64,773	9,147
Total expenditures	<u>104,677</u>	<u>66,992</u>	<u>37,685</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,335)	9,283	32,618
OTHER FINANCING USES			
Transfers out	<u>(544,914)</u>	<u>(544,914)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(568,249)	(535,631)	32,618
FUND BALANCE, BEGINNING OF YEAR	<u>568,249</u>	<u>568,249</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 32,618</u>	<u>\$ 32,618</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Capital Replacement Capital Projects Fund
For the Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance
REVENUES			
Intergovernmental	\$ 1,797,473	\$ 1,823,511	\$ 26,038
Charges for services	628,352	628,352	-
Developer contributions	-	647,235	647,235
Interest	235,700	180,113	(55,587)
Miscellaneous	647,235	227,225	(420,010)
Total revenues	<u>3,308,760</u>	<u>3,506,436</u>	<u>197,676</u>
EXPENDITURES			
General government:			
Salaries and wages	76,289	75,236	1,053
Employee benefits	25,052	24,909	143
Services and supplies	1,058,561	759,799	298,762
Capital outlay	2,133,378	1,251,692	881,686
Total general government	<u>3,293,280</u>	<u>2,111,636</u>	<u>1,181,644</u>
Public safety:			
Capital outlay	266,557	-	266,557
Public works:			
Salaries and wages	-	4,411	(4,411)
Employee benefits	-	919	(919)
Services and supplies	2,352,044	642,148	1,709,896
Capital outlay	3,307,773	280,197	3,027,576
Total public works	<u>5,659,817</u>	<u>927,675</u>	<u>4,732,142</u>
Culture and recreation:			
Services and supplies	252,047	211,204	40,843
Capital outlay	1,719,293	1,053,347	665,946
Total culture and recreation	<u>1,971,340</u>	<u>1,264,551</u>	<u>706,789</u>
Total expenditures	<u>11,190,994</u>	<u>4,303,862</u>	<u>6,887,132</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(7,882,234)</u>	<u>(797,426)</u>	<u>7,084,808</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,539,290	13,786,234	246,944
NET CHANGE IN FUND BALANCE	5,657,056	12,988,808	7,331,752
FUND BALANCE, BEGINNING OF YEAR	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ 5,657,056</u>	<u>\$ 12,988,808</u>	<u>\$ 7,331,752</u>

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Lake Las Vegas Capital Projects Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ 75,000</u>	<u>\$ 75,683</u>	<u>\$ 683</u>
EXCESS OF REVENUES OVER EXPENDITURES	75,000	75,683	683
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>5,476,379</u>	<u>5,476,379</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	5,551,379	5,552,062	683
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,551,379</u>	<u>\$ 5,552,062</u>	<u>\$ 683</u>



2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

PROPRIETARY FUNDS

Internal Service Funds

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

Engineering -

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

City Shop -

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

Revolving Fund -

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

Self Insurance -

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

Workmen's Compensation Self Insurance -

to account for and accumulate funds collected from various City departments and funds to be expended for payments of employees' work related injury claims, to certain limits, including disability payments.

Health Insurance Self Insurance -

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

Citywide Services -

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

Internal Service Funds Non-major Enterprise Funds

Cultural Arts & Tourism Enterprise Fund -

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

Municipal Golf Course Enterprise Fund -

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

Development Services Fund -

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

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CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

	Engineering	City Shop	Revolving	Self Insurance	Workments Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
ASSETS								
CURRENT ASSETS:								
Cash and investments	\$ 6,165,156	\$ 28,151,886	\$ 1,807,581	\$ 6,519,229	\$ 25,582,959	\$ 9,699,262	\$ 2,841,349	\$ 80,767,422
Receivables:								
Accounts	13,284	1,365	86,250	635,632	2,780	19,466	-	758,777
Accrued interest	14,023	65,022	4,010	16,756	54,097	23,292	5,357	182,557
Due from other governments	176,861	4,080	-	-	-	-	-	180,941
Inventories - bulk fuel	-	15,336	-	-	-	-	-	15,336
Total current assets	6,369,324	28,237,689	1,897,841	7,171,617	25,639,836	9,742,020	2,846,706	81,905,033
NONCURRENT ASSETS								
Capital assets:								
Buildings	-	744,560	-	-	-	-	-	744,560
Improvements other than buildings	-	473,374	-	-	-	-	-	473,374
Machinery and equipment	53,386	45,203,208	-	14,665	-	-	138,664	45,409,923
Total capital assets	53,386	46,421,142	-	14,665	-	-	138,664	46,627,857
Less accumulated depreciation	(53,386)	(31,794,102)	-	(13,199)	-	-	(102,470)	(31,963,157)
Net capital assets	-	14,627,040	-	1,466	-	-	36,194	14,664,700
Other assets:								
Deposits	-	-	-	-	-	-	-	-
Advances to other funds	-	-	2,145,618	-	-	-	-	2,145,618
Total noncurrent assets	-	14,627,040	2,145,618	1,466	-	-	36,194	16,810,318
Total assets	\$ 6,369,324	\$ 42,864,729	\$ 4,043,459	\$ 7,173,083	\$ 25,639,836	\$ 9,742,020	\$ 2,882,900	\$ 98,715,351

(continued)

CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets
Internal Service Funds (continued)
June 30, 2011

	Engineering	City Shop	Revolving	Self Insurance	Workments Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
LIABILITIES								
CURRENT LIABILITIES:								
Accounts payable and accrued wages	\$ 67,201	\$ 252,678	\$ -	\$ 67,687	\$ 30,599	\$ 27,833	\$ 802,957	\$ 1,248,955
Termination benefits payable	72,416	17,678	-	-	-	-	-	90,094
Compensated absences payable	1,634,025	435,950	-	100,928	64,058	47,623	34,578	2,317,162
Claims and judgments payable	-	-	-	1,926,332	9,083,305	1,183,700	-	12,193,337
Total current liabilities	<u>1,773,642</u>	<u>706,306</u>	<u>-</u>	<u>2,094,947</u>	<u>9,177,962</u>	<u>1,259,156</u>	<u>837,535</u>	<u>15,849,548</u>
NONCURRENT LIABILITIES:								
Other post employment benefit (OPEB) liability	439,823	126,443	-	35,811	28,730	7,318	24,970	663,095
Total liabilities	<u>2,213,465</u>	<u>832,749</u>	<u>-</u>	<u>2,130,758</u>	<u>9,206,692</u>	<u>1,266,474</u>	<u>862,505</u>	<u>16,512,643</u>
NET ASSETS								
Invested in capital assets, net of related debt	-	14,627,040	-	1,466	-	-	36,194	14,664,700
Restricted for claims	-	-	-	5,040,859	16,433,144	8,475,546	-	29,949,549
Unrestricted	4,155,859	27,404,940	4,043,459	-	-	-	1,984,201	37,588,459
Total Net assets	<u>\$ 4,155,859</u>	<u>\$ 42,031,980</u>	<u>\$ 4,043,459</u>	<u>\$ 5,042,325</u>	<u>\$ 16,433,144</u>	<u>\$ 8,475,546</u>	<u>\$ 2,020,395</u>	<u>\$ 82,202,708</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
OPERATING REVENUES								
Charge for services	\$ 6,594,073	\$ 2,855,280	\$ 135,126	\$ 2,448,176	\$ 5,530,401	\$ 11,425,908	\$ 7,079,348	\$ 36,068,312
OPERATING EXPENSES								
Salaries and wages	5,287,446	1,307,094	-	392,802	289,611	81,939	242,148	7,601,040
Employee benefits	1,903,347	519,763	-	132,355	106,362	30,135	82,544	2,774,506
Services and supplies	2,643,957	3,919,853	-	912,461	1,313,289	2,220,248	5,530,123	16,539,931
Claims	-	-	-	2,056,616	2,677,916	9,624,326	-	14,358,858
Legal	-	-	-	24,328	2,252	-	-	26,580
Depreciation	9,834,750	4,465,488	-	2,933	-	-	173,364	4,641,785
Total operating expenses	19,665,493	10,212,198	-	3,521,495	4,389,430	11,956,648	6,028,179	45,942,700
OPERATING INCOME (LOSS)	<u>(3,240,677)</u>	<u>(7,356,918)</u>	<u>135,126</u>	<u>(1,073,319)</u>	<u>1,140,971</u>	<u>(530,740)</u>	<u>1,051,169</u>	<u>(9,874,388)</u>
NONOPERATING REVENUES (EXPENSES)								
Interest revenue	72,459	343,347	25,688	90,872	365,006	140,011	30,932	1,068,315
Interest expense	-	-	-	-	(7,846)	-	-	(7,846)
Miscellaneous	61,660	28,023	-	-	-	-	-	89,683
Gain (loss) on disposition of capital assets	-	35,430	-	-	-	-	(428,276)	(392,846)
Total nonoperating revenues (expenses)	<u>134,119</u>	<u>406,800</u>	<u>25,688</u>	<u>90,872</u>	<u>357,160</u>	<u>140,011</u>	<u>(397,344)</u>	<u>757,306</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(3,106,558)</u>	<u>(6,950,118)</u>	<u>160,814</u>	<u>(982,447)</u>	<u>1,498,131</u>	<u>(390,729)</u>	<u>653,825</u>	<u>(9,117,082)</u>
CAPITAL CONTRIBUTIONS								
	-	1,026,062	-	-	-	-	-	1,026,062
TRANSFERS								
Transfers in	1,597,516	-	-	-	-	-	-	1,597,516
Transfers out	-	(6,850,000)	(5,000)	-	-	-	(149,175)	(7,004,175)
	<u>1,597,516</u>	<u>(6,850,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,175)</u>	<u>(5,406,659)</u>
CHANGES IN NET ASSETS	<u>(1,509,042)</u>	<u>(12,774,056)</u>	<u>155,814</u>	<u>(982,447)</u>	<u>1,498,131</u>	<u>(390,729)</u>	<u>504,650</u>	<u>(13,497,679)</u>
NET ASSETS, BEGINNING OF YEAR	5,664,901	54,806,036	3,887,645	6,024,772	14,935,013	8,866,275	1,515,745	95,700,387
NET ASSETS, END OF YEAR	<u>\$ 4,155,859</u>	<u>\$ 42,031,980</u>	<u>\$ 4,043,459</u>	<u>\$ 5,042,325</u>	<u>\$ 16,433,144</u>	<u>\$ 8,475,546</u>	<u>\$ 2,020,395</u>	<u>\$ 82,202,708</u>

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CITY OF HENDERSON, NEVADA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	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 customers	\$ 1,398,576	\$ -	\$ -	\$ -	\$ -	\$ 532,688	\$ -	\$ 1,931,264
Cash received from interfund services provided	5,251,219	2,855,280	135,126	2,448,176	5,530,401	10,893,220	7,079,348	34,192,770
Cash received from other sources	61,660	26,658	-	-	-	-	-	88,318
Cash payments to suppliers for goods and services	(4,541,609)	(4,405,786)	-	(3,403,691)	(3,339,475)	(11,655,419)	(5,521,141)	(32,867,121)
Cash payments to employees for services	(5,705,145)	(1,341,696)	-	(370,346)	(296,946)	(77,079)	(297,361)	(8,088,573)
Net cash provided by (used in) operating activities	<u>(3,535,299)</u>	<u>(2,865,544)</u>	<u>135,126</u>	<u>(1,325,861)</u>	<u>1,893,980</u>	<u>(306,590)</u>	<u>1,260,846</u>	<u>(4,743,342)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers in	1,597,516	-	-	-	-	-	-	1,597,516
Transfers out	-	(6,850,000)	(5,000)	-	-	-	(149,175)	(7,004,175)
Payments on advances to other funds	-	-	180,629	-	-	-	-	180,629
Net cash provided by (used in) noncapital financing activities	<u>1,597,516</u>	<u>(6,850,000)</u>	<u>175,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,175)</u>	<u>(5,226,030)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition and construction of capital assets	-	(259,227)	-	-	-	-	-	(259,227)
Interest paid on bonds and leases	-	-	-	-	(7,846)	-	-	(7,846)
Proceeds from sale of capital assets	-	35,430	-	-	-	-	11,000	46,430
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(223,797)</u>	<u>-</u>	<u>-</u>	<u>(7,846)</u>	<u>-</u>	<u>11,000</u>	<u>(220,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments	90,514	437,574	28,207	108,198	408,429	162,133	33,616	1,268,671
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,847,269)</u>	<u>(9,501,767)</u>	<u>338,962</u>	<u>(1,217,663)</u>	<u>2,294,563</u>	<u>(144,457)</u>	<u>1,156,287</u>	<u>(8,921,344)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,012,425	37,653,653	1,468,619	7,736,892	23,288,396	9,843,719	1,685,062	89,688,766
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,165,156</u>	<u>\$ 28,151,886</u>	<u>\$ 1,807,581</u>	<u>\$ 6,519,229</u>	<u>\$ 25,582,959</u>	<u>\$ 9,699,262</u>	<u>\$ 2,841,349</u>	<u>\$ 80,767,422</u>

(continued)

CITY OF HENDERSON, NEVADA

Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended June 30, 2011

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
	\$ (3,240,677)	\$ (7,356,918)	\$ 135,126	\$ (1,073,319)	\$ 1,140,971	\$ (530,740)	\$ 1,051,169	\$ (9,874,388)
	-	4,465,488	-	2,933	-	-	173,364	4,641,785
	61,660	28,022	-	-	-	-	-	89,682
	(9,450)	(1,365)	-	(580,362)	(2,780)	(584)	-	(594,541)
	65,172	(1,176)	-	-	-	-	-	63,996
	(254,306)	(27,870)	-	(268,088)	(15,694)	2,752	78,547	(484,659)
	(84,515)	17,678	-	-	-	-	(22,125)	(88,962)
	(133,372)	(4,538)	-	32,165	3,396	7,302	(22,396)	(117,443)
	-	-	-	556,411	764,919	213,800	-	1,535,130
	60,189	15,135	-	4,399	3,168	880	2,287	86,058
	(294,622)	4,491,374	-	(252,542)	753,009	224,150	209,677	5,131,046
	\$ (3,535,299)	\$ (2,865,544)	\$ 135,126	\$ (1,325,861)	\$ 1,893,980	\$ (306,590)	\$ 1,260,846	\$ (4,743,342)
	\$ -	\$ 1,026,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,026,062

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating income (loss)	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	
Other	
Changes in assets and liabilities:	
(Increase) decrease:	
Accounts receivable	
Due from other governments	
Increase (decrease):	
Accounts payable and accrued wages	
Termination benefits payable	
Compensated absences payable	
Claims and judgments	
Other post employment benefits (OPEB) liability	
Total adjustments	

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contribution of assets

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, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	<u>\$ 6,034,000</u>	<u>\$ 6,594,073</u>	<u>\$ 560,073</u>
OPERATING EXPENSES			
Salaries and wages	6,059,590	5,287,446	772,144
Employee benefits	1,970,883	1,903,347	67,536
Services and supplies	3,093,312	2,643,957	449,355
Depreciation	2,500	-	2,500
Total operating expenses	<u>11,126,285</u>	<u>9,834,750</u>	<u>1,291,535</u>
OPERATING LOSS	<u>(5,092,285)</u>	<u>(3,240,677)</u>	<u>1,851,608</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	80,000	72,459	(7,541)
Miscellaneous	-	61,660	61,660
Total nonoperating revenues (expenses)	<u>80,000</u>	<u>134,119</u>	<u>54,119</u>
LOSS BEFORE TRANSFERS	<u>(5,012,285)</u>	<u>(3,106,558)</u>	<u>1,905,727</u>
TRANSFERS			
Transfers in	<u>1,597,516</u>	<u>1,597,516</u>	<u>-</u>
CHANGES IN NET ASSETS	<u>\$ (3,414,769)</u>	(1,509,042)	<u>\$ 1,905,727</u>
NET ASSETS, BEGINNING OF YEAR		<u>5,664,901</u>	
NET ASSETS, END OF YEAR		<u>\$ 4,155,859</u>	

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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	<u>\$ 2,855,280</u>	<u>\$ 2,855,280</u>	<u>\$ -</u>
 OPERATING EXPENSES			
Salaries and wages	1,441,423	1,307,094	134,329
Employee benefits	534,296	519,763	14,533
Services and supplies	5,972,269	3,919,853	2,052,416
Depreciation	<u>5,729,078</u>	<u>4,465,488</u>	<u>1,263,590</u>
Total operating expenses	<u>13,677,066</u>	<u>10,212,198</u>	<u>3,464,868</u>
 OPERATING LOSS	<u>(10,821,786)</u>	<u>(7,356,918)</u>	<u>3,464,868</u>
 NONOPERATING REVENUES			
Interest	500,000	343,347	(156,653)
Miscellaneous	17,000	28,023	11,023
Gain on disposition of assets	<u>35,000</u>	<u>35,430</u>	<u>430</u>
Total nonoperating revenues	<u>552,000</u>	<u>406,800</u>	<u>(145,200)</u>
 LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(10,269,786)</u>	<u>(6,950,118)</u>	<u>3,319,668</u>
 CAPITAL CONTRIBUTIONS	283,000	1,026,062	743,062
 TRANSFERS			
Transfers out	<u>(8,850,000)</u>	<u>(6,850,000)</u>	<u>2,000,000</u>
 CHANGES IN NET ASSETS	<u><u>\$(18,836,786)</u></u>	<u>(12,774,056)</u>	<u><u>\$ 6,062,730</u></u>
 NET ASSETS, BEGINNING OF YEAR		<u>54,806,036</u>	
 NET ASSETS, END OF YEAR		<u><u>\$ 42,031,980</u></u>	

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, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	<u>\$ 135,000</u>	<u>\$ 135,126</u>	<u>\$ 126</u>
OPERATING INCOME	<u>135,000</u>	<u>135,126</u>	<u>126</u>
NONOPERATING REVENUES			
Interest	<u>25,000</u>	<u>25,688</u>	<u>688</u>
INCOME BEFORE TRANSFERS	160,000	160,814	814
TRANSFERS			
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
CHANGES IN NET ASSETS	<u><u>\$ 155,000</u></u>	155,814	<u><u>\$ 814</u></u>
NET ASSETS, BEGINNING OF YEAR		<u>3,887,645</u>	
NET ASSETS, END OF YEAR		<u><u>\$ 4,043,459</u></u>	

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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Insurance premiums	\$ 2,448,176	\$ 2,448,176	\$ -
OPERATING EXPENSES			
Salaries and wages	407,447	392,802	14,645
Employee benefits	133,361	132,355	1,006
Services and supplies	44,262	912,461	(868,199)
Claims	2,831,980	2,056,616	775,364
Legal fees	187,989	24,328	163,661
Depreciation	2,933	2,933	-
Total operating expenses	<u>3,607,972</u>	<u>3,521,495</u>	<u>86,477</u>
OPERATING LOSS	(1,159,796)	(1,073,319)	86,477
NONOPERATING REVENUES			
Interest	<u>112,000</u>	<u>90,872</u>	<u>(21,128)</u>
CHANGES IN NET ASSETS	<u>\$ (1,047,796)</u>	(982,447)	<u>\$ 65,349</u>
NET ASSETS, BEGINNING OF YEAR		<u>6,024,772</u>	
NET ASSETS, END OF YEAR		<u>\$ 5,042,325</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, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Insurance premiums	<u>\$ 5,250,000</u>	<u>\$ 5,530,401</u>	<u>\$ 280,401</u>
OPERATING EXPENSES			
Salaries and wages	318,864	289,611	29,253
Employee benefits	114,891	106,362	8,529
Services and supplies	976,770	1,313,289	(336,519)
Claims	4,389,375	2,677,916	1,711,459
Legal fees	20,400	2,252	18,148
Depreciation	13,907	-	13,907
Total operating expenses	<u>5,834,207</u>	<u>4,389,430</u>	<u>1,444,777</u>
OPERATING INCOME (LOSS)	<u>(584,207)</u>	<u>1,140,971</u>	<u>1,725,178</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	325,000	365,006	40,006
Interest expense	(10,000)	(7,846)	2,154
Loss on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>315,000</u>	<u>357,160</u>	<u>42,160</u>
CHANGES IN NET ASSETS	<u>\$ (269,207)</u>	1,498,131	<u>\$ 1,767,338</u>
NET ASSETS, BEGINNING OF YEAR		<u>14,935,013</u>	
NET ASSETS, END OF YEAR		<u>\$ 16,433,144</u>	

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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Insurance premiums	<u>\$ 11,200,000</u>	<u>\$ 11,425,908</u>	<u>\$ 225,908</u>
OPERATING EXPENSES			
Salaries and wages	73,442	81,939	(8,497)
Employee benefits	28,655	30,135	(1,480)
Services and supplies	1,980,551	2,220,248	(239,697)
Claims	<u>10,883,660</u>	<u>9,624,326</u>	<u>1,259,334</u>
Total operating expenses	<u>12,966,308</u>	<u>11,956,648</u>	<u>1,009,660</u>
OPERATING INCOME (LOSS)	(1,766,308)	(530,740)	1,235,568
NONOPERATING REVENUES			
Interest	<u>150,000</u>	<u>140,011</u>	<u>(9,989)</u>
CHANGES IN NET ASSETS	<u>\$ (1,616,308)</u>	(390,729)	<u>\$ 1,225,579</u>
NET ASSETS, BEGINNING OF YEAR		<u>8,866,275</u>	
NET ASSETS, END OF YEAR		<u><u>\$ 8,475,546</u></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, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Charges for services	<u>\$ 6,970,223</u>	<u>\$ 7,079,348</u>	<u>\$ 109,125</u>
OPERATING EXPENSES			
Salaries and wages	391,149	242,148	149,001
Employee benefits	140,808	82,544	58,264
Services and supplies	6,562,351	5,530,123	1,032,228
Depreciation	<u>177,231</u>	<u>173,364</u>	<u>3,867</u>
Total operating expenses	<u>7,271,539</u>	<u>6,028,179</u>	<u>1,243,360</u>
OPERATING LOSS	<u>(301,316)</u>	<u>1,051,169</u>	<u>1,352,485</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	20,000	30,932	10,932
Loss on disposal of capital assets	-	(428,276)	(428,276)
Total nonoperating revenues (expenses)	<u>20,000</u>	<u>(397,344)</u>	<u>(417,344)</u>
INCOME (LOSS) BEFORE TRANSFERS	(281,316)	653,825	935,141
TRANSFERS			
Transfers out	<u>(149,175)</u>	<u>(149,175)</u>	<u>-</u>
CHANGES IN NET ASSETS	<u>\$ (430,491)</u>	504,650	<u>\$ 935,141</u>
NET ASSETS, BEGINNING OF YEAR		<u>1,515,745</u>	
NET ASSETS, END OF YEAR		<u>\$ 2,020,395</u>	

CITY OF HENDERSON, NEVADA

Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2011

	<u>Cultural Arts and Tourism</u>	<u>Municipal Golf Course</u>	<u>Development Services</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS:				
Cash and investments	\$ 1,154,136	\$ 806,028	\$ 7,977,666	\$ 9,937,830
Receivables:				
Accounts	9,221	134,089	-	143,310
Accrued interest	2,753	3,545	18,516	24,814
Due from other governments	804	-	-	804
Total current assets	<u>1,166,914</u>	<u>943,662</u>	<u>7,996,182</u>	<u>10,106,758</u>
NONCURRENT ASSETS				
Capital assets:				
Land	-	13,802,929	-	13,802,929
Buildings	2,950,577	5,660,600	-	8,611,177
Improvements other than buildings	1,398,259	23,047,576	1,168,670	25,614,505
Machinery and equipment	290,876	2,147,377	2,884,356	5,322,609
Construction in progress	-	-	37,446	37,446
Total capital assets	<u>4,639,712</u>	<u>44,658,482</u>	<u>4,090,472</u>	<u>53,388,666</u>
Less accumulated depreciation	<u>(2,571,600)</u>	<u>(15,513,380)</u>	<u>(3,288,463)</u>	<u>(21,373,443)</u>
Net capital assets	<u>2,068,112</u>	<u>29,145,102</u>	<u>802,009</u>	<u>32,015,223</u>
 Total assets	 <u>\$ 3,235,026</u>	 <u>\$ 30,088,764</u>	 <u>\$ 8,798,191</u>	 <u>\$ 42,121,981</u>
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued wages	\$ 73,392	\$ 26,821	\$ 57,179	\$ 157,392
Termination benefits payable	53,958	-	160,121	214,079
Compensated absences payable	569,931	-	1,100,414	1,670,345
Deposits	11,580	-	135,608	147,188
Unearned revenue	-	-	3,606,126	3,606,126
Total current liabilities	<u>708,861</u>	<u>26,821</u>	<u>5,059,448</u>	<u>5,795,130</u>
NONCURRENT LIABILITIES:				
Other post employment benefit (OPEB) liability	<u>187,237</u>	<u>-</u>	<u>847,462</u>	<u>1,034,699</u>
 Total liabilities	 <u>896,098</u>	 <u>26,821</u>	 <u>5,906,910</u>	 <u>6,829,829</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,068,112	29,145,102	802,009	32,015,223
Unrestricted	<u>270,816</u>	<u>916,841</u>	<u>2,089,272</u>	<u>3,276,929</u>
 Total Net assets	 <u>\$ 2,338,928</u>	 <u>\$ 30,061,943</u>	 <u>\$ 2,891,281</u>	 <u>\$ 35,292,152</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

	<u>Cultural Arts and Tourism</u>	<u>Municipal Golf Course</u>	<u>Development Services</u>	<u>Total</u>
OPERATING REVENUES				
Rental fees	\$ 347,116	\$ -	\$ -	\$ 347,116
Licenses - gaming	625,448	-	-	625,448
Licenses and permits	-	-	2,236,507	2,236,507
Charges for services	363,732	2,885,914	3,078,089	6,327,735
Miscellaneous	449,639	-	16,922	466,561
Total operating revenues	<u>1,785,935</u>	<u>2,885,914</u>	<u>5,331,518</u>	<u>10,003,367</u>
OPERATING EXPENSES				
Salaries and wages	2,479,985	-	4,362,607	6,842,592
Employee benefits	754,310	-	1,723,568	2,477,878
Services and supplies	1,985,584	2,949,974	2,746,065	7,681,623
Depreciation	126,991	785,771	177,218	1,089,980
Total operating expenses	<u>5,346,870</u>	<u>3,735,745</u>	<u>9,009,458</u>	<u>18,092,073</u>
OPERATING LOSS	<u>(3,560,935)</u>	<u>(849,831)</u>	<u>(3,677,940)</u>	<u>(8,088,706)</u>
NONOPERATING REVENUES				
Room tax	1,292,683	-	-	1,292,683
Interest	15,732	13,572	97,016	126,320
Intergovernmental	8,039	-	-	8,039
Total nonoperating revenues	<u>1,316,454</u>	<u>13,572</u>	<u>97,016</u>	<u>1,427,042</u>
LOSS BEFORE TRANSFERS	<u>(2,244,481)</u>	<u>(836,259)</u>	<u>(3,580,924)</u>	<u>(6,661,664)</u>
TRANSFERS				
Transfers in	2,000,000	-	1,305,234	3,305,234
Transfers out	(527)	(750,000)	(2,371)	(752,898)
Total transfers	<u>1,999,473</u>	<u>(750,000)</u>	<u>1,302,863</u>	<u>2,552,336</u>
CHANGES IN NET ASSETS	<u>(245,008)</u>	<u>(1,586,259)</u>	<u>(2,278,061)</u>	<u>(4,109,328)</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,583,936</u>	<u>31,648,202</u>	<u>5,169,342</u>	<u>39,401,480</u>
NET ASSETS, END OF YEAR	<u>\$ 2,338,928</u>	<u>\$ 30,061,943</u>	<u>\$ 2,891,281</u>	<u>\$ 35,292,152</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2011

	Cultural Arts and Tourism	Municipal Golf Course	Development Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,776,714	\$ 2,888,579	\$ 5,569,577	\$ 10,234,870
Cash received from other sources	1,300,722	-	-	1,300,722
Cash payments for goods and services	(2,804,881)	(2,940,591)	(4,485,917)	(10,231,389)
Cash payments to employees for services	(2,456,123)	-	(4,748,049)	(7,204,172)
Net cash used in operating activities	<u>(2,183,568)</u>	<u>(52,012)</u>	<u>(3,664,389)</u>	<u>(5,899,969)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,000,000	-	1,305,234	3,305,234
Transfers out	(527)	(750,000)	(2,371)	(752,898)
Net cash provided by noncapital financing activities	<u>1,999,473</u>	<u>(750,000)</u>	<u>1,302,863</u>	<u>2,552,336</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	(10,491)	-	(10,491)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	17,790	17,187	125,627	160,604
NET DECREASE IN CASH AND CASH EQUIVALENTS	(166,305)	(795,316)	(2,235,899)	(3,197,520)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,320,441	1,601,344	10,213,565	13,135,350
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,154,136</u>	<u>\$ 806,028</u>	<u>\$ 7,977,666</u>	<u>\$ 9,937,830</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES				
Operating loss	<u>\$ (3,560,935)</u>	<u>\$ (849,831)</u>	<u>\$ (3,677,940)</u>	<u>\$ (8,088,706)</u>
Adjustments to reconcile operating loss to net cash used in operating activities				
Depreciation	126,991	785,771	177,218	1,089,980
Other	1,300,722	-	-	1,300,722
Changes in assets and liabilities:				
(Increase) decrease:				
Accounts receivable	(9,221)	2,665	-	(6,556)
Increase (decrease):				
Accounts payable and accrued wages	(152,078)	9,383	(222,229)	(364,924)
Termination benefits payable	53,958	-	51,779	105,737
Deposits	(8,700)	-	(18,811)	(27,511)
Unearned revenue	-	-	238,059	238,059
Compensated absences payable	45,456	-	(262,446)	(216,990)
Other post employment benefits (OPEB) liability	20,239	-	49,981	70,220
Total adjustments	<u>1,377,367</u>	<u>797,819</u>	<u>13,551</u>	<u>2,188,737</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (2,183,568)</u>	<u>\$ (52,012)</u>	<u>\$ (3,664,389)</u>	<u>\$ (5,899,969)</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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Utility fees	\$ 58,800,000	\$ 58,502,558	\$ (297,442)
Connection fees	419,000	362,315	(56,685)
Late charges	1,201,200	1,132,447	(68,753)
Miscellaneous	285,000	479,565	194,565
Total operating revenues	<u>60,705,200</u>	<u>60,476,885</u>	<u>(228,315)</u>
OPERATING EXPENSES			
Salaries and wages	12,221,505	11,330,649	890,856
Employee benefits	4,424,871	4,228,749	196,122
Water purchases	22,914,000	22,414,570	499,430
Services and supplies	18,942,524	15,499,339	3,443,185
Depreciation	27,462,395	26,059,955	1,402,440
Total operating expenses	<u>85,965,295</u>	<u>79,533,262</u>	<u>6,432,033</u>
OPERATING LOSS	<u>(25,260,095)</u>	<u>(19,056,377)</u>	<u>6,203,718</u>
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	2,338,811	1,376,327	(962,484)
Interest expense	(1,991,617)	(1,843,785)	147,832
Intergovernmental revenue	371,232	465,575	94,343
Miscellaneous	302,725	-	(302,725)
Bond amortization	-	230,716	230,716
Total nonoperating revenues (expenses)	<u>1,021,151</u>	<u>228,833</u>	<u>(792,318)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(24,238,944)</u>	<u>(18,827,544)</u>	<u>5,411,400</u>
CAPITAL CONTRIBUTIONS	<u>1,700,000</u>	<u>6,187,313</u>	<u>4,487,313</u>
TRANSFERS			
Transfers in	112,281	112,281	-
Transfers out	(2,503,012)	(827,103)	1,675,909
Total transfers	<u>(2,390,731)</u>	<u>(714,822)</u>	<u>1,675,909</u>
CHANGES IN NET ASSETS	<u>\$ (24,929,675)</u>	<u>(13,355,053)</u>	<u>\$ 11,574,622</u>
NET ASSETS, BEGINNING OF YEAR		<u>513,255,798</u>	
NET ASSETS, END OF YEAR		<u>\$ 499,900,745</u>	

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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Utility fees	\$ 31,871,000	\$ 32,790,024	\$ 919,024
Connection fees	5,000	33,132	28,132
Late charges	611,100	571,537	(39,563)
Miscellaneous	61,000	15,902	(45,098)
Total operating revenues	32,548,100	33,410,595	862,495
OPERATING EXPENSES			
Salaries and wages	9,196,342	8,769,251	427,091
Employee benefits	3,307,196	3,310,852	(3,656)
Services and supplies	18,994,626	14,224,977	4,769,649
Depreciation	20,513,256	19,637,612	875,644
Total operating expenses	52,011,420	45,942,692	6,068,728
OPERATING LOSS	(19,463,320)	(12,532,097)	6,931,223
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	1,712,148	749,518	(962,630)
Sales tax	3,000,000	3,585,501	585,501
Interest expense	(6,819,996)	(4,501,917)	2,318,079
Intergovernmental revenue	-	199,245	199,245
Miscellaneous	837,084	-	(837,084)
Bond premium amortization	-	439,084	439,084
Total nonoperating revenues (expenses)	(1,270,764)	471,431	1,742,195
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(20,734,084)	(12,060,666)	8,673,418
CAPITAL CONTRIBUTIONS	3,500,000	9,954,472	6,454,472
TRANSFERS			
Transfers out	(2,503,125)	(827,894)	1,675,231
CHANGES IN NET ASSETS	\$ (19,737,209)	(2,934,088)	\$ 16,803,121
NET ASSETS, BEGINNING OF YEAR		516,092,256	
NET ASSETS, END OF YEAR		\$ 513,158,168	

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, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Licenses and permits	\$ 1,982,957	\$ 2,236,507	\$ (253,550)
Charges for services	2,939,072	3,078,089	(139,017)
Miscellaneous	16,101	16,922	(821)
Total operating revenues	<u>4,938,130</u>	<u>5,331,518</u>	<u>(393,388)</u>
OPERATING EXPENSES			
Salaries and wages	5,265,851	4,362,607	903,244
Employee benefits	1,740,711	1,723,568	17,143
Services and supplies	3,510,781	2,746,065	764,716
Depreciation	190,189	177,218	12,971
Total operating expenses	<u>10,707,532</u>	<u>9,009,458</u>	<u>1,698,074</u>
OPERATING LOSS	<u>(5,769,402)</u>	<u>(3,677,940)</u>	<u>(2,091,462)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	<u>111,870</u>	<u>97,016</u>	<u>(14,854)</u>
LOSS BEFORE TRANSFERS	<u>(5,657,532)</u>	<u>(3,580,924)</u>	<u>(2,076,608)</u>
TRANSFERS			
Transfers in	1,305,234	1,305,234	-
Transfers out	<u>(2,371)</u>	<u>(2,371)</u>	<u>-</u>
Total transfers	<u>1,302,863</u>	<u>1,302,863</u>	<u>-</u>
CHANGES IN NET ASSETS	<u>\$ (4,354,669)</u>	<u>(2,278,061)</u>	<u>\$ 2,076,608</u>
NET ASSETS, BEGINNING OF YEAR		<u>5,169,342</u>	
NET ASSETS, END OF YEAR		<u>\$ 2,891,281</u>	

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Cultural Arts and Tourism Enterprise Fund
For the Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Rental fees	\$ 472,000	\$ 347,116	\$ (124,884)
Licenses - gaming	625,000	625,448	448
Charges for services	200,500	363,732	163,232
Miscellaneous	<u>386,039</u>	<u>449,639</u>	<u>63,600</u>
Total operating revenues	<u>1,683,539</u>	<u>1,785,935</u>	<u>102,396</u>
OPERATING EXPENSES			
Salaries and wages	2,446,537	2,479,985	(33,448)
Employee benefits	788,756	754,310	34,446
Services and supplies	2,089,078	1,985,584	103,494
Depreciation	<u>150,000</u>	<u>126,991</u>	<u>23,009</u>
Total operating expenses	<u>5,474,371</u>	<u>5,346,870</u>	<u>127,501</u>
OPERATING LOSS	<u>(3,790,832)</u>	<u>(3,560,935)</u>	<u>229,897</u>
NONOPERATING REVENUES			
Room tax	1,400,000	1,292,683	(107,317)
Interest	15,000	15,732	732
Intergovernmental	<u>-</u>	<u>8,039</u>	<u>8,039</u>
Total nonoperating revenues	<u>1,415,000</u>	<u>1,316,454</u>	<u>(98,546)</u>
LOSS BEFORE TRANSFERS	<u>(2,375,832)</u>	<u>(2,244,481)</u>	<u>131,351</u>
TRANSFERS			
Transfers in	2,000,000	2,000,000	-
Transfers out	<u>(527)</u>	<u>(527)</u>	<u>-</u>
Total transfers	<u>1,999,473</u>	<u>1,999,473</u>	<u>-</u>
CHANGES IN NET ASSETS	<u>\$ (376,359)</u>	<u>(245,008)</u>	<u>\$ 131,351</u>
NET ASSETS, BEGINNING OF YEAR		<u>2,583,936</u>	
NET ASSETS, END OF YEAR		<u>\$ 2,338,928</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, 2011

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 3,065,498	\$ 2,885,914	\$ (179,584)
OPERATING EXPENSES			
Services and supplies	3,102,581	2,949,974	152,607
Depreciation	1,184,679	785,771	398,908
Total operating expenses	4,287,260	3,735,745	551,515
OPERATING LOSS	(1,221,762)	(849,831)	371,931
NONOPERATING REVENUES			
Interest	24,000	13,572	(10,428)
LOSS BEFORE TRANSFERS	(1,197,762)	(836,259)	361,503
TRANSFERS			
Transfers out	-	(750,000)	(750,000)
CHANGES IN NET ASSETS	\$ (1,197,762)	(1,586,259)	\$ (388,497)
NET ASSETS, BEGINNING OF YEAR		31,648,202	
NET ASSETS, END OF YEAR		\$ 30,061,943	



FIDUCIARY FUNDS

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

Internal Service Funds

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

Bridges -

to account for contributions by developers for the construction of bridges across flood channels that traverse the City of Henderson. These contributions are held by the City in an agency capacity pending the identification of funding necessary to complete the bridges.

Section 125 Agency Fund -

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

Traffic Signal Agency Fund -

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

Forfeited Assets Fund -

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

Paving Frontage Agency Fund -

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

Special Assessment Districts Agency Fund -

to account for the repayment of special assessment district debt for which no assets or revenues of the City have been pledged.

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CITY OF HENDERSON, NEVADA

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

	Bridges	Section 125 Plan	Traffic Signal	Forfeited Assets	Paving Frontage	Special Assessment Districts	Total
ASSETS							
Cash and investments	\$ 189,203	\$ 119,140	\$ 14,937,699	\$ 1,135,149	\$ 69,733	\$ 55,496,665	\$ 71,947,589
Delinquent assessments receivable	-	-	-	-	-	767,361	767,361
Total assets	<u>\$ 189,203</u>	<u>\$ 119,140</u>	<u>\$ 14,937,699</u>	<u>\$ 1,135,149</u>	<u>\$ 69,733</u>	<u>\$ 56,264,026</u>	<u>\$ 72,714,950</u>
LIABILITIES							
Due to developers	\$ 189,203	\$ -	\$ 14,937,699	\$ -	\$ 69,733	\$ -	\$ 15,196,635
Due to employees	-	119,140	-	-	-	-	119,140
Due to others	-	-	-	1,135,149	-	56,264,026	57,399,175
Total liabilities	<u>\$ 189,203</u>	<u>\$ 119,140</u>	<u>\$ 14,937,699</u>	<u>\$ 1,135,149</u>	<u>\$ 69,733</u>	<u>\$ 56,264,026</u>	<u>\$ 72,714,950</u>

CITY OF HENDERSON, NEVADA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
BRIDGES AGENCY FUND				
Assets:				
Cash and investments	\$ 186,295	\$ 2,908	\$ -	\$ 189,203
Liabilities:				
Due to developers	\$ 186,295	\$ 2,908	\$ -	\$ 189,203
SECTION 125 PLAN FUND				
Assets:				
Cash and investments	\$ 99,214	\$ 770,680	\$ 750,754	\$ 119,140
Liabilities:				
Due to employees	\$ 99,214	\$ 770,680	\$ 750,754	\$ 119,140
TRAFFIC SIGNAL AGENCY FUND				
Assets:				
Cash and investments	\$ 15,970,453	\$ 294,498	\$ 1,327,252	\$ 14,937,699
Liabilities:				
Due to developers	\$ 15,970,453	\$ 294,498	\$ 1,327,252	\$ 14,937,699
FORFEITED ASSETS AGENCY FUND				
Assets:				
Cash and investments	\$ 170,060	\$ 2,376,199	\$ 1,411,110	\$ 1,135,149
Liabilities:				
Due to others	\$ 170,060	\$ 2,376,199	\$ 1,411,110	\$ 1,135,149
PAVING FRONTAGE AGENCY FUND				
Assets:				
Cash and investments	\$ 68,661	\$ 1,072	\$ -	\$ 69,733
Liabilities:				
Due to developers	\$ 68,661	\$ 1,072	\$ -	\$ 69,733
SPECIAL ASSESSMENT DISTRICTS FUND				
Assets:				
Cash and investments	\$ 54,475,031	\$ 65,933,179	\$ 64,911,545	\$ 55,496,665
Delinquent assessments receivable	919,674	42,800	195,113	767,361
Total assets	<u>\$ 55,394,705</u>	<u>\$ 65,975,979</u>	<u>\$ 65,106,658</u>	<u>\$ 56,264,026</u>
Liabilities:				
Due to others	\$ 55,394,705	\$ 65,975,979	\$ 65,106,658	\$ 56,264,026
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 70,969,714	\$ 69,378,536	\$ 68,400,661	\$ 71,947,589
Delinquent assessments receivable	919,674	42,800	195,113	767,361
Total assets	<u>\$ 71,889,388</u>	<u>\$ 69,421,336</u>	<u>\$ 68,595,774</u>	<u>\$ 72,714,950</u>
Liabilities:				
Due to developers	16,225,409	\$ 298,478	\$ 1,327,252	15,196,635
Due to employees	99,214	770,680	750,754	119,140
Due to others	55,564,765	68,352,178	66,517,768	57,399,175
Total liabilities	<u>\$ 71,889,388</u>	<u>\$ 69,421,336</u>	<u>\$ 68,595,774</u>	<u>\$ 72,714,950</u>

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STATISTICAL SECTION

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

Internal Service Funds

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

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

CITY OF HENDERSON, NEVADA

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Governmental activities										
Invested in capital activities, net of related debt	\$ 588,072,333	\$ 652,311,723	\$ 737,854,881	\$ 766,135,825	\$ 789,780,000	\$ 887,712,904	\$ 1,005,171,173	\$ 1,125,613,020	\$ 1,284,908,783	\$ 1,334,875,084
Restricted	95,893,234	151,752,737	123,520,589	159,497,376	314,016,644	348,850,390	358,318,888	351,250,098	314,860,901	273,915,622
Unrestricted	23,120,080	22,260,386	27,147,286	60,409,781	76,199,754	93,080,483	90,199,891	82,400,184	77,704,211	77,453,363
Total governmental activities net assets	707,085,647	826,324,846	888,522,756	986,042,982	1,179,996,398	1,329,643,777	1,453,689,952	1,559,263,302	1,677,473,895	1,686,344,069
Business-type activities										
Invested in capital activities, net of related debt	347,713,193	400,488,623	434,186,988	520,410,406	580,518,856	627,392,350	714,572,047	787,891,869	862,809,319	880,946,820
Restricted	191,493,308	188,811,056	196,301,241	202,113,468	205,732,209	212,998,953	214,753,110	144,168,298	93,754,763	52,357,776
Unrestricted	64,588,593	80,545,356	87,980,516	90,303,104	111,683,345	129,311,385	111,123,474	118,362,826	98,897,518	95,130,847
Total business-type activities net assets	603,795,094	669,845,035	718,468,745	812,826,978	897,934,410	969,702,688	1,040,448,631	1,050,422,993	1,053,461,600	1,028,435,443
Primary government										
Invested in capital activities, net of related debt	935,785,526	1,052,800,346	1,172,041,869	1,286,546,231	1,370,298,856	1,515,105,254	1,719,743,220	1,915,504,889	2,147,718,102	2,215,821,904
Restricted	287,386,542	340,563,793	319,821,830	361,610,844	519,748,853	561,849,343	573,071,998	495,318,396	408,615,664	326,273,398
Unrestricted	87,708,673	102,805,742	115,127,802	150,712,885	187,885,099	222,391,868	201,323,365	200,763,010	176,601,729	172,384,210
Total primary government net assets	\$ 1,310,880,741	\$ 1,496,169,881	\$ 1,606,991,501	\$ 1,798,869,960	\$ 2,077,930,808	\$ 2,299,346,465	\$ 2,494,138,583	\$ 2,609,686,295	\$ 2,733,935,495	\$ 2,714,679,512

CITY OF HENDERSON, NEVADA

Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Expenses										
Governmental activities										
General government	\$ 35,253,241	\$ 34,916,307	\$ 42,220,643	\$ 48,028,276	\$ 54,340,091	\$ 50,374,073	\$ 61,804,917	\$ 58,455,823	\$ 56,692,760	\$ 52,900,058
Public safety	3,782,455	3,716,459	4,012,171	4,211,678	4,521,617	4,609,388	4,790,331	4,872,322	4,953,492	5,034,511
Public works	63,620,351	71,866,188	80,847,090	85,009,518	96,526,544	104,681,376	120,255,700	130,688,497	128,873,376	129,840,967
Culture and recreation	34,706,359	39,333,451	43,332,760	47,800,227	52,311,279	58,704,749	63,203,206	67,681,146	73,247,603	74,665,903
Community support	24,214,562	29,115,265	31,297,696	34,451,551	34,843,692	39,819,367	45,439,685	42,439,125	44,729,292	44,729,292
Interest on long-term debt	9,975,364	9,654,350	6,531,364	8,223,235	8,256,103	9,681,974	5,457,316	6,678,845	7,176,141	8,601,886
Total governmental activities expenses	171,098,332	188,251,609	207,974,905	232,213,620	259,123,602	277,036,743	314,697,622	326,303,532	328,219,971	332,073,600
Business-type activities										
Water	47,831,453	50,939,527	56,761,359	64,469,362	67,434,942	73,406,312	76,910,784	79,665,871	79,669,396	84,611,740
Sewer	24,456,660	26,798,508	28,335,583	33,545,399	35,457,292	42,732,326	46,917,885	47,967,454	49,498,225	52,306,007
Other business activities	16,627,424	18,107,254	19,797,439	25,565,210	30,440,130	35,091,350	38,393,393	29,848,811	19,490,239	18,392,183
Total business-type activities expenses	88,915,537	95,845,289	104,914,381	123,579,971	133,332,364	151,229,988	162,222,062	157,482,136	148,657,860	155,309,230
Total primary government expenses	260,013,869	284,096,898	312,889,286	355,793,591	392,455,966	428,266,731	476,919,684	483,785,668	476,877,831	487,382,830
Program Revenues										
Governmental activities										
Charges for services	\$ 8,508,772	\$ 8,489,068	\$ 10,150,406	\$ 11,580,621	\$ 11,951,567	\$ 12,244,183	\$ 12,950,767	\$ 12,745,977	\$ 12,364,344	\$ 12,755,255
General government	7,840,924	6,931,524	7,246,283	9,597,481	9,251,604	10,277,019	11,232,187	13,280,891	15,501,879	16,781,182
Public safety	4,576,029	5,417,340	6,211,966	6,813,310	7,465,133	7,586,970	7,750,831	7,476,274	7,437,937	7,159,485
Culture and recreation	2,260,966	1,867,927	2,260,916	1,385,210	771,394	1,094,103	1,370,287	1,606,973	1,938,860	2,162,404
Other activities	8,559,922	7,399,249	6,143,018	7,021,016	8,755,233	8,665,051	8,660,441	10,612,335	10,864,690	14,981,464
Operating grants, interest, and contributions	79,349,672	127,547,731	75,017,037	100,639,769	193,814,750	123,717,507	155,138,614	148,125,739	186,667,654	90,276,209
Capital grants, interest, and contributions	111,096,285	157,635,839	107,029,626	137,037,407	232,009,681	163,494,833	197,103,127	193,848,189	234,795,361	144,115,999
Total governmental activities program revenues	40,628,677	42,055,446	45,868,959	48,069,761	54,441,921	59,189,399	57,802,864	57,155,017	57,032,464	60,345,146
Business-type activities										
Water	21,029,042	22,990,929	24,497,374	23,860,800	27,380,279	29,584,285	28,928,294	30,651,222	31,521,424	33,406,659
Sewer	12,849,868	13,148,873	14,742,999	19,910,500	24,970,770	25,970,770	25,970,770	25,970,770	25,970,770	25,970,770
Other business activities	8,005	8,005	8,005	8,005	8,005	8,005	8,005	8,005	8,005	8,005
Operating grants, interest, and contributions	64,112,915	72,736,573	60,906,441	104,082,490	77,036,081	66,134,052	95,810,296	52,362,486	46,238,599	16,454,579
Capital grants, interest, and contributions	138,517,130	151,018,690	146,055,773	197,469,641	183,748,332	185,051,264	207,803,309	155,961,838	144,513,707	119,998,205
Total business-type activities program revenues	249,613,415	308,671,519	253,135,399	334,807,048	415,758,033	348,546,097	404,996,436	349,810,117	370,309,071	264,114,204
Net Revenue (Expense)										
Governmental activities	\$ (60,002,047)	\$ (50,908,780)	\$ (100,945,279)	\$ (95,176,213)	\$ (27,112,381)	\$ (113,541,910)	\$ (117,594,495)	\$ (132,455,363)	\$ (93,424,607)	\$ (187,959,601)
Business-type activities	49,601,593	55,173,401	41,191,392	74,089,670	50,415,988	33,821,276	45,671,247	(1,320,308)	(4,144,515)	(35,311,725)
Total primary government net revenue (expense)	\$ (10,400,454)	\$ 24,574,621	\$ (59,753,887)	\$ (21,086,543)	\$ 23,303,607	\$ (79,720,634)	\$ (71,923,248)	\$ (133,975,671)	\$ (97,569,160)	\$ (223,271,326)

continued

continued

CITY OF HENDERSON, NEVADA

Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2010	June 30, 2011
General Revenue and Other Changes in Net Assets										
Governmental activities										
Property taxes	\$ 39,251,126	\$ 46,203,872	\$ 51,078,663	\$ 58,498,497	\$ 68,017,019	\$ 84,670,413	\$ 94,998,902	\$ 99,811,843	\$ 94,879,894	\$ 74,856,808
Consolidated tax	58,404,948	63,896,932	78,290,939	96,687,531	102,988,098	99,587,194	92,537,034	77,752,314	70,110,772	73,965,376
Other taxes	22,217,960	23,554,134	25,726,071	28,899,364	41,156,213	46,983,771	48,591,040	45,366,226	43,968,045	43,534,106
Unrestricted interest income	8,347,893	4,488,772	1,286,329	3,486,212	6,421,835	13,885,771	18,584,119	14,103,960	7,187,788	3,211,723
Gain on sale of assets	2,014,836	6,924,002	4,535,063	7,660,298	2,499,938	25,902,150	709,299	401,596	660,264	4,782
Other	814,406	827,226	772,737	1,034,919	1,268,340	1,083,413	1,532,688	1,505,326	1,641,563	1,377,894
Special item - land donation							(13,888,499)			
Transfers	(1,904,556)	4,143,387	1,433,387	(3,370,382)	(13,285,666)	(8,923,423)	(1,423,913)	(912,532)	2,317,722	(220,914)
Total governmental activities	\$ 129,146,613	\$ 149,837,979	\$ 163,143,189	\$ 192,696,439	\$ 209,065,707	\$ 263,189,289	\$ 241,640,670	\$ 238,028,713	\$ 220,766,048	\$ 196,729,775
Business-type activities										
Other taxes	4,007,502	4,463,201	5,441,169	6,374,248	7,024,049	7,285,311	7,221,693	6,062,248	5,250,092	4,878,184
Unrestricted interest income	14,411,298	10,402,806	2,537,604	9,922,035	12,808,610	20,441,004	20,942,193	13,236,639	5,383,141	2,252,165
Gain on sale of assets		102	737,836		369,085		71,595		6,080	
Other	221,518	153,472	149,096	401,898	1,204,034	1,297,264	816,127	901,151	861,169	934,305
Transfers	1,904,356	(4,143,387)	(1,433,387)	3,370,382	13,285,666	8,923,423	1,423,913	912,532	(2,317,722)	220,914
Total business-type activities expenses	\$ 20,534,874	\$ 10,876,540	\$ 7,432,318	\$ 20,268,563	\$ 34,691,444	\$ 37,947,002	\$ 30,475,521	\$ 21,173,590	\$ 9,182,760	\$ 8,285,568
Total primary government expenses	\$ 149,691,487	\$ 160,714,519	\$ 170,575,507	\$ 212,965,002	\$ 243,757,251	\$ 301,136,291	\$ 272,116,191	\$ 259,141,303	\$ 229,948,808	\$ 205,015,343
Change in Net Assets										
Governmental activities	\$ 69,144,566	\$ 119,239,199	\$ 62,197,910	\$ 97,520,226	\$ 181,953,416	\$ 149,647,379	\$ 124,046,175	\$ 105,573,330	\$ 127,341,441	\$ 8,770,174
Business-type activities	70,116,467	66,049,941	48,623,710	94,338,233	85,107,432	71,768,278	76,146,768	19,592,282	5,038,607	(27,026,157)
Total primary government	\$ 139,261,033	\$ 185,289,140	\$ 110,821,620	\$ 191,858,459	\$ 267,060,848	\$ 221,415,657	\$ 200,192,943	\$ 125,165,612	\$ 132,380,048	\$ (18,255,983)

(1) Fiscal year 2015 was the first year of a new enterprise fund - The Municipal Golf Course Enterprise Fund.
 (2) Increase due mainly to property, owner contributions for two special assessment districts for which the City is not liable.
 (3) Increase due to new police sites tax.
 (4) Increase mainly due to increases in redevelopment property taxes. These increases were due to a new redevelopment area and also a significant number of homes built in another redevelopment area. Other increases are due to growth in assessed valuation.
 (5) Increase in higher cash and market value interest income.
 (6) Increase due to higher cash and market value interest income.
 (7) Land donation to the Nevada System of Higher Education for the development of the Nevada State College campus.
 (8) Decrease due to construction slowdown.
 (9) Decrease due to economic slowdown.
 (10) Decrease due to employee reductions.
 (11) Decrease due to lower cash balances and interest rates.

CITY OF HENDERSON, NEVADA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	(3)
General Fund											
Reserved	\$ 1,590,752	\$ 1,171,208	\$ 1,485,055	\$ 2,441,612	\$ 1,824,112	\$ 2,805,128	\$ 2,711,026	\$ 1,493,517	\$ 1,482,401	\$ 792,071	
Unreserved	23,799,764	19,034,111	24,619,246	25,935,187	29,690,577	30,921,060	28,459,480	23,495,121	19,337,267	15,703,300	
Assigned											
Unassigned											
Total general fund	\$ 25,390,516	\$ 20,205,319	\$ 26,104,301	\$ 28,376,799	\$ 31,514,689	\$ 33,726,188	\$ 31,170,506	\$ 24,988,638	\$ 20,819,668	\$ 16,495,371	
All Other Governmental Funds											
Reserved	\$ 45,386,133	\$ 14,626,732	(1) \$ 16,243,039	\$ 18,474,423	\$ 18,664,267	\$ 26,723,103	\$ 97,960,369	(2) \$ 104,818,510	\$ 76,127,137		
Unreserved reported in:											
Special revenue funds	19,798,276	25,928,594	27,873,164	24,619,959	35,745,946	46,242,339	47,320,144	48,293,562	36,765,723		
Capital projects funds	92,152,637	113,879,658	98,861,666	138,584,132	271,278,449	299,700,799	225,539,042	206,567,512	208,832,619		
Restricted											
Assigned											
Total all other governmental funds	\$ 157,337,046	\$ 154,434,984	\$ 142,977,869	\$ 181,678,514	\$ 325,688,662	\$ 372,666,241	\$ 370,819,555	\$ 359,679,584	\$ 321,725,479	\$ 46,616,449	

(1) Previous to fiscal year 2003, Special Assessment Debt for which the City was not liable was erroneously recorded in the City's financial statements and transactions were recorded in the Special Assessment Debt Service Fund. A prior period adjustment was made in fiscal year 2003 to take this debt off the City's financial statements.

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

(3) With GASB 54 becoming effective in the current year, there are new fund balance classifications. These new classifications are being applied prospectively.

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CITY OF HENDERSON, NEVADA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
REVENUES										
Property taxes	\$ 39,251,126	\$ 46,026,738	\$ 51,356,138	\$ 58,586,097	\$ 67,975,114	\$ 84,254,727	(10) \$	\$ 93,860,687	\$ 99,278,964	\$ 75,550,577
Special assessments ⁽¹⁾	6,690,270	249,569	1,818,361	327,861	1,191,977	167,366	569,805	341,924	190,674	179,582
Franchise fees	10,535,127	10,535,127	21,227,833	24,044,878	26,463,893	29,022,623	31,682,870	30,386,472	30,110,422	29,173,582
Licenses and permits	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747	5,320,747
Interest	83,419,031	83,419,031	92,449,662	113,330,062	134,827,918	135,659,905	131,086,100	141,074,416	118,971,843	130,024,108
Charges for services	10,982,168	10,701,889	11,787,181	14,177,088	14,951,639	14,235,157	17,852,572	16,005,572	17,852,572	19,380,975
Fines and forfeitures	2,542,172	2,746,306	2,998,041	3,488,205	3,882,563	5,063,104	5,805,668	6,832,522	7,249,522	7,173,923
Developer/property owner contributions	1,879,908	52,138,390	6,285,655	32,766,222	104,223,589	13,059,728	935,266	2,054,291	2,956,906	2,070,192
Impact fees	2,079,908	1,642,738	1,499,185	1,740,702	1,682,336	1,822,171	1,106,267	1,043,733	932,256	1,093,287
Miscellaneous interest ⁽¹⁾	17,839,187	4,537,315	2,185,135	4,077,673	10,323,301	1,822,171	20,091,695	12,200,118	5,442,945	2,347,817
Miscellaneous	2,589,383	2,027,818	2,578,732	1,716,700	1,555,784	1,537,220	1,570,018	3,036,573	2,285,723	3,728,592
Total revenues	179,783,236	228,392,490	201,042,296	261,560,951	373,239,703	314,026,532	309,870,802	320,523,432	288,754,350	278,442,415
EXPENDITURES:										
Current:										
General government	29,429,868	38,872,226	38,744,260	43,830,786	49,357,693	46,801,843	50,337,021	50,021,747	50,514,742	48,445,028
Judicial	3,091,282	3,299,332	3,534,995	3,925,781	7,968,743	8,944,032	10,064,915	11,260,921	11,260,113	11,433,646
Public safety	59,984,033	67,602,705	76,177,155	83,802,164	92,794,238	102,635,703	116,405,664	123,164,766	122,936,668	124,107,748
Public works	10,234,461	9,691,837	10,605,798	9,724,823	10,836,921	15,147,356	16,114,452	14,737,826	15,018,064	10,451,455
Culture and recreation	23,085,100	26,292,703	27,158,204	29,145,097	32,704,002	35,164,827	41,240,791	41,929,949	38,430,999	41,245,449
Community support	-	-	-	3,934,384	4,336,894	4,827,210	5,319,349	7,458,893	7,897,333	8,492,678
Capital outlay: ⁽⁵⁾										
General government	13,692,027	30,468,023	8,946,349	2,183,786	4,069,183	4,200,063	12,711,239	4,430,713	1,715,063	2,541,115
Judicial	414,600	164,437	36,980	423,691	83,877	244,386	228,469	106,517	22,337	22,141
Public safety	5,013,913	2,407,674	1,819,101	3,569,721	2,851,162	3,454,662	1,849,100	3,266,977	13,171,077	23,149,251
Public works	15,474,773	10,830,530	17,941,669	19,477,102	51,342,238	37,982,680	32,525,572	47,406,966	22,632,042	9,770,785
Culture and recreation	32,926,366	10,232,027	4,288,848	2,352,535	6,430,666	8,017,239	4,783,396	26,383,672	16,635,363	16,218,330
Community support	-	-	-	232,570	283,161	242,515	4,371	100,000	-	-
Debt service:										
Principal retirement ⁽¹⁾	25,323,400	11,922,984	13,690,740	13,732,019	13,983,377	16,222,606	12,883,000	12,897,000	13,152,963	13,603,963
Interest and fiscal charges ⁽¹⁾	19,925,550	9,210,228	6,130,208	7,661,944	7,765,721	8,791,399	8,079,540	7,687,975	7,938,796	7,592,048
Administrative and other costs	1,835,026	100,164	45,184	45,184	85,633	12,838	46,941	35,718	27,329	20,359
Advances refunding escrow	387,002	-	-	-	-	-	-	-	-	-
Total expenditures	241,017,401	221,094,870	211,794,931	224,241,607	284,875,511	292,689,579	312,394,620	350,889,640	321,313,880	317,095,196
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(61,232,165)	7,297,620	(10,752,635)	37,319,344	88,364,192	21,336,953	(2,523,818)	(30,364,208)	(32,559,530)	(38,652,781)

continued

continued

CITY OF HENDERSON, NEVADA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
OTHER FINANCING SOURCES (USES)										
Loss of capital assets	2,401,927	6,296,745	3,472,086	9,076,990	1,507,242	29,346,542	212,637	326,968	546,145	52,403
Sale of capital assets	-	-	-	-	2,050	9,090	-	5,425	1,538	4,782
Capital leases	1,700,725	45,120	809,200	1,634,354	2,050	-	-	-	446,894	-
Issuance of debt	31,590,000	-	-	-	56,000,000	-	-	-	-	-
Refunding debt issued	12,940,000	3,780,000	98,165,000	-	3,885,000	2,065,000	1,102,000	17,960,000	(15)	-
Premium on refunding debt issued	-	37,414	8,015,686	-	-	-	-	-	-	-
Discount on bonds issued	91,584	-	-	-	1,221,917	-	-	-	-	-
Transfers from other funds	(239,835)	(3,744,100)	(105,040,493)	-	(2,509,555)	-	-	-	-	-
Transfers to other funds	32,303,657	36,753,193	29,841,998	43,284,979	48,947,686	47,525,919	37,529,016	51,655,773	59,932,273	57,142,122
Transfers from other funds	(29,711,687)	(33,599,109)	(30,068,975)	(50,349,524)	(50,270,494)	(51,094,426)	(40,782,403)	(56,905,797)	(61,359,567)	(52,745,083)
Total other financing sources (uses)	38,148,434	9,769,263	5,194,502	3,653,799	38,783,846	27,852,125	(1,878,550)	13,042,369	(432,697)	4,454,314
NET CHANGE IN FUND BALANCES	\$ (23,083,731)	\$ 17,066,883	\$ (5,538,133)	\$ 40,973,143	\$ 147,148,638	\$ 49,189,078	\$ (4,402,368)	\$ (17,321,839)	\$ (32,992,227)	\$ (34,198,467)

Debt service as a percentage of noncapital expenditures⁽⁶⁾

	25.5%	13.1%	10.9%	10.5%	9.1%	10.0%	7.8%	7.8%	8.0%	8.2%
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(1) Previous to fiscal year 2003, special assessment debt for which the City was not liable was erroneously recorded in the City's financial statements. Assessment revenues, assessment interest income, and principal and interest debt service payments were all recorded in the Special Assessment Debt Service Fund. A prior period adjustment was made in fiscal year 2003 to take this debt off the City's financial statements.

(2) In fiscal year 2003, 2005 and 2006 there were large property owner contributions related to special assessment bonds for which the City is not liable.

(3) Prior to 2002, miscellaneous interest was included in the Miscellaneous category.

(4) Fiscal year 2002 was the first year of this category reported in the City's financial statements.

(5) Fiscal year 2002 was the first year of this category reported in the City's financial statements.

(6) Fiscal year 2002's large capital outlay is due to the City Hall expansion.

(7) Fiscal year 2002's large capital outlay is due to the construction of several major recreation facilities.

(8) This ratio is computed by dividing principal and interest by total expenditures less amounts that are capitalized on the accrual basis government-wide statement of net assets.

(9) Increase due mainly to construction of special assessment infrastructure.

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

(11) Increase due to higher cash and investment balances, higher interest rates, and market value increases.

(12) Increase due to a significant land sale to Cushman Equipment for which the City gave up land with minimal value.

(13) Due to decreased return on investments.

(14) Increase due to construction for Heritage Park and Aquatics Center.

(15) Installment purchase agreement for energy conservation projects.

(16) Due to decrease in consolidated tax and decrease in intergovernmental contributions for the justice facility expansion.

CITY OF HENDERSON, NEVADA

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year Ended	Real Property		Personal Property		Total Direct Tax Rate		Ratio of Total Assessed To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2002	\$ 5,033,711,060	\$ 14,382,031,600	\$ 586,433,720	\$ 1,675,524,914	\$ 5,620,144,780	\$ 16,057,556,514	35%
2003	6,022,498,387	17,207,138,249	550,303,670	1,572,296,200	6,572,802,057	18,779,434,449	35%
2004	6,856,028,148	19,588,651,851	577,185,611	1,649,101,746	7,433,213,759	21,237,753,597	35%
2005	7,350,381,130	21,001,088,943	515,315,133	1,472,328,951	7,865,696,263	22,473,417,894	35%
2006	9,866,711,823	28,190,605,209	572,046,058	1,634,417,309	10,438,757,881	29,825,022,518	35%
2007	14,049,539,660	40,141,541,886	730,618,857	2,087,482,449	14,780,158,517	42,229,024,335	35%
2008	15,947,429,061	45,564,083,031	695,030,105	1,985,800,300	16,642,459,166	47,549,883,331	35%
2009	16,304,394,985	46,583,985,671	584,783,077	1,670,808,791	16,889,178,062	48,254,794,462	35%
2010	12,995,450,318	37,129,858,051	482,709,443	1,379,169,837	13,478,159,761	38,509,027,888	35%
2011	9,497,480,081	27,135,657,374	400,059,544	1,143,027,269	9,897,539,625	28,278,684,643	35%

Source: Clark County Assessor's Office

CITY OF HENDERSON, NEVADA

**Property Tax Rates - Direct and Overlapping(1) Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years**

Fiscal Year	CITY OF HENDERSON			OVERLAPPING RATES				Total Direct & Overlapping Rates	
	Total Tax Levy	Debt Service Fund	Total City Rate	State of Nevada	School District	County	Special District		Total Overlapping Rates
2002	0.3813	0.3295	0.7108	0.1500	1.3034	0.6352	0.0993	2.1879	2.8987
2003	0.5163	0.1945	0.7108	0.1500	1.3034	0.6352	0.0969	2.1855	2.8963
2004	0.4886	0.2222	0.7108	0.1700	1.3034	0.6502	0.0995	2.2231	2.9339
2005	0.4880	0.2228	0.7108	0.1700	1.3034	0.6652	0.0974	2.2360	2.9468
2006	0.4880	0.2228	0.7108	0.1700	1.3034	0.6575	0.0669	2.1978	2.9086
2007	0.4880	0.2228	0.7108	0.1700	1.3034	0.6566	0.0665	2.1965	2.9073
2008	0.4880	0.2228	0.7108	0.1700	1.3034	0.6541	0.0713	2.1988	2.9096
2009	0.4880	0.2228	0.7108	0.1700	1.3034	0.6541	0.0684	2.1959	2.9067
2010	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0692	2.1967	2.9075
2011	0.5608	0.1500	0.7108	0.1700	1.3034	0.6541	0.0662	2.1937	2.9045

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

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

Source: State of Nevada Department of Taxation's "Local Government Finance Redbook"

CITY OF HENDERSON, NEVADA

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assessed Valuation	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assessed Valuation
Basic Management Incorporated	\$ 186,432,844	1	1.88%			
Greenspun Corporation	135,721,423	2	1.37%			
Station Casinos Incorporated	98,714,706	3	1.00%	\$ 90,070,400	1	1.60%
Green Valley Ranch Gaming, LLC	89,791,490	4	0.91%	17,018,730	10	0.30%
Lake at Las Vegas Joint Venture	76,093,407	5	0.77%	89,015,020	3	1.58%
Marnell Corrao Associates	66,158,451	6	0.67%			
W.L. Nevada Incorporated	51,122,530	7	0.52%			
Focus Property Group	43,429,062	8	0.44%			
Harsch Investment Properties	34,174,547	9	0.35%			
Ranch Center Associates Limited Partnership	33,438,926	10	0.34%			
Del Webb Communities Incorporated				89,102,330	2	1.59%
Silver Springs Incorporated				68,182,300	4	1.21%
Foothill Partners				36,626,200	5	0.65%
Sierra-Nevada Multifamily Investments				29,566,670	6	0.53%
Sentinel Realty Partners III Limited Partnership				29,495,120	7	0.53%
Ranch Center Associates Limited Partnership				26,083,210	8	0.45%
Levi Strauss & Company				21,165,160	9	0.38%
	\$ 815,077,386		8.25%	\$ 496,325,140		8.82%

Source: Clark County Assessor's Office

Note: Taxable assessed value is 35% of appraised value.

CITY OF HENDERSON, NEVADA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2002	\$ 34,106,224	\$ 33,664,830	98.71%	\$ 441,394	\$ 34,106,224	100.00%
2003	42,300,099	41,781,856	98.77%	518,243	42,300,099	100.00%
2004	47,178,698	46,916,703	99.44%	261,995	47,178,698	100.00%
2005	54,280,325	54,065,416	99.60%	214,840	54,280,256	99.99%
2006	62,713,038	62,408,721	99.51%	301,474	62,710,195	99.99%
2007	78,844,849	78,138,203	99.10%	691,474	78,829,677	99.98%
2008	88,884,923	87,304,802	98.22%	1,490,409	88,795,211	99.90%
2009	94,649,215	92,160,401	97.37%	2,050,264	94,210,665	99.54%
2010	91,506,330	89,058,480	97.32%	1,608,206	90,666,686	99.08%
2011	70,966,805	69,557,584	98.01%	*	69,557,584	98.01%

Source: Clark County Comptroller's Office

* Still in process of being collected

CITY OF HENDERSON, NEVADA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-type Activities			Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Tax Allocation Bonds	Special Assessment Bonds ⁽²⁾	Notes/Loans Payable	Capital Leases	Revenue Bonds	Total Primary Government			
2002	\$ 161,500,000	\$ 16,340,000	\$ 154,675,000	\$ 183,278	\$ 3,420,295	\$ 173,843,159	\$ 509,961,732	Not available	2,434	
2003	149,945,000	16,340,000	3,135,000	163,743	2,879,877	165,141,779	337,605,399	Not available	1,553	
2004	137,665,000	16,340,000	2,500,000	143,004	2,640,179	155,592,473	314,880,656	Not available	1,369	
2005	125,240,000	16,340,000	1,215,000	120,985	4,175,309	253,896,193	400,987,487	Not available	1,663	
2006	171,795,000	16,340,000	585,000	97,608	56,007	241,864,554	430,738,169	4.87%	1,714	
2007	158,455,000	15,840,000	365,000	-	10,614	229,959,046	404,629,660	4.61%	1,555	
2008	147,314,000	15,320,000	305,000	-	-	217,507,507	380,446,507	3.96%	1,411	
2009	135,027,000	14,780,000	235,000	17,960,000	-	204,454,978	372,456,978	3.86%	1,391	
2010	123,215,000	14,215,000	165,000	17,403,000	297,931	192,056,192	347,352,123	3.47%	1,300	
2011	111,111,000	13,625,000	-	16,807,000	148,968	179,323,139	321,015,107	3.63%	1,191	

Notes:

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

(1) See Table 14 for personal income and population data. Personal income data was not kept prior to fiscal year 2006.

Source for 2006 forward is Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or www.appliedanalysis.com.

(2) Previous to fiscal year 2003, special assessment debt for which the City was not liable was erroneously recorded in the City's financial statements.

CITY OF HENDERSON, NEVADA

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended	General Obligation		Less: Amounts Available in the		Total	Percentage of Actual Taxable Value of Property ⁽¹⁾		Per capita ⁽²⁾
	Bonds		Debt Service Fund			Property ⁽¹⁾	Per capita ⁽²⁾	
2002	\$	161,500,000	\$	7,358,902	\$ 154,141,098	0.96%	736	
2003		149,945,000		3,111,752	146,833,248	0.78%	675	
2004		137,665,000		1,573,486	136,091,514	0.64%	592	
2005		125,240,000		846,962	124,393,038	0.55%	516	
2006		171,795,000		4,352,167	167,442,833	0.56%	666	
2007		158,455,000		6,740,546	151,714,454	0.36%	583	
2008		147,314,000		6,072,215	141,241,785	0.30%	524	
2009		135,027,000		9,708,219	125,318,781	0.26%	468	
2010		123,215,000		6,964,868	116,250,132	0.30%	435	
2011		111,111,000		2,901,962	108,209,038	0.38%	401	

Notes: (1) See Schedule of the Assessed Value and Estimated Actual Value of Taxable Property on Table 5 for property value data.

(2) Population data can be found on Table 14.

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

CITY OF HENDERSON, NEVADA

**Direct and Overlapping Governmental Activities Debt
June 30, 2011**

	Total General Obligation Debt	Less: Debt Service Fund Balance	Net Debt Outstanding	% Applicable	Applicable Net Debt
City of Henderson	\$ 304,059,139	\$ 2,901,962	\$ 301,157,177	100.00%	\$ 301,157,177
Henderson District Public Libraries	2,938,800	319,829	2,618,971	100.00%	2,618,971
Clark County	602,315,000	164,175,212	438,139,788	15.31%	67,079,202
Clark County School District	3,860,905,000	361,212,422	3,499,692,578	15.31%	535,802,934
Las Vegas-Clark County Library District	53,765,000	11,546,057	42,218,943	18.56%	7,835,836
Total Overlapping Debt					613,336,943
Total Direct and Overlapping Debt					\$ 914,494,120

Source for debt amounts for overlapping entities is the various governments; percentage applicable is derived from the State of Nevada Department of Taxation's "Local Government Finance Redbook."

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Henderson. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF HENDERSON, NEVADA

**Legal Debt Margin Information
Last Ten Fiscal Years**

	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Assessed value	\$ 5,620,144,780	\$ 6,572,802,057	\$ 7,433,213,759	\$ 7,865,696,263	\$ 10,438,757,881	\$ 14,780,158,517	\$ 16,642,459,166	\$ 16,889,178,062	\$ 13,478,159,761	\$ 9,897,539,625
Legal debt margin										
Debt limit (15% of Assessed Value)	843,021,717	985,920,309	1,114,982,064	1,179,854,439	1,565,813,682	2,217,023,778	2,496,368,875	2,533,376,709	2,021,723,964	1,484,630,944
Debt applicable to limit:										
Total Bonded Debt (including Special Assessment Bonds)	506,358,159	334,561,779	(3)	396,691,193	430,584,554	404,619,046	380,446,507	354,496,978	329,651,192	304,059,139
Less:										
Special Assessment Bonds ⁽¹⁾	(154,675,000)	(3,135,000)	(2,500,000)	(1,215,000)	(585,000)	(365,000)	(305,000)	(235,000)	(165,000)	-
Tax Allocation Bonds ⁽²⁾	(16,340,000)	(16,340,000)	(16,340,000)	(16,340,000)	(16,340,000)	(15,840,000)	(15,320,000)	(14,780,000)	(14,215,000)	(13,625,000)
Total Amount of Debt Applicable to Debt Limit	335,343,159	315,086,779	293,257,473	379,136,193	413,659,554	388,414,046	364,821,507	339,481,978	315,271,192	290,434,139
Legal Debt Margin	\$ 507,678,558	\$ 670,833,530	\$ 821,724,591	\$ 800,718,246	\$ 1,152,154,128	\$ 1,828,609,732	\$ 2,131,547,368	\$ 2,193,894,731	\$ 1,706,452,772	\$ 1,194,196,805
Total debt applicable to limit as a percentage of debt limit	39.78%	31.96%	26.30%	32.13%	26.42%	17.52%	14.61%	13.40%	15.59%	19.56%

Notes:

- (1) Does not include matured and unredeemed bonds.
- (2) The Tax Allocation Bonds issued by the City of Henderson Redevelopment Agency do not constitute indebtedness within the meaning of the statutory debt limitations.
- (3) Previous to fiscal year 2003, Special Assessment Debt for which the City was not liable was erroneously recorded in the City's financial statements and transactions were recorded in the Special Assessment Debt Service Fund. A prior period adjustment was made in fiscal year 2003 to take this off the City's financial statements.

CITY OF HENDERSON, NEVADA

Pledged Revenue Bond Coverage
Last Ten Fiscal Years

Year	Water and Sewer Bonds				Special Assessment Bonds ⁽³⁾				Tax Allocation Bonds				
	Utility Service Charges	Less: Operating Expenses ⁽¹⁾	Net Available Revenue	Debt Service	Special Assessment Collections	Coverage	Debt Service	Interest	Principal	Tax Increment	Debt Service	Interest	Coverage
2002	\$ 61,855,110	\$ 45,328,954	\$ 16,526,156	\$ 8,711,980	\$ 7,989,062	99%	\$ 6,690,270	\$ 8,901,034	\$ 5,190,000	\$ -	\$ -	\$ -	n/a
2003	65,173,704	49,687,020	15,486,684	8,793,913	6,791,514	99%	249,569	308,662	225,000	2,216,090	664,051	664,051	334%
2004	70,402,702	54,112,436	16,290,266	9,414,780	6,032,181	105%	1,818,361 ⁽²⁾	288,400	635,000	2,164,528	869,304	869,304	249%
2005	73,476,651	62,765,675	10,710,976	9,835,026	8,232,075	59%	327,861	186,436	1,285,000	2,441,067	869,304	869,304	281%
2006	81,777,436	65,388,482	16,388,954	12,213,868	12,031,251	68%	119,197	93,575	630,000	3,255,300	869,304	869,304	374%
2007	88,773,681	74,799,486	13,974,195	11,966,440	11,543,004	59%	167,366	52,013	220,000	10,651,636	859,634	859,634	783%
2008	86,731,158	80,547,344	6,183,814	12,472,896	10,923,574	26%	69,440	31,825	60,000	13,033,976	839,724	839,724	959%
2009	87,844,239	81,881,425	5,962,814	13,088,390	10,176,709	26%	341,924	25,650	70,000	13,623,262	865,314	865,314	969%
2010	88,353,887	78,934,746	9,419,141	13,128,082	9,593,468	41%	190,674	19,000	70,000	12,934,879	793,176	793,176	952%
2011	93,751,805	79,778,387	13,973,418	13,742,139	8,970,572	62%	179,582	11,875	165,000	8,206,796	590,000	590,000	605%

Notes: (1) Total operating expenses, exclusive of depreciation.

(2) Includes payoff of assessments used for debt service in the following fiscal year.

(3) Previous to fiscal year 2003, special assessment debt for which the City was not liable was erroneously recorded in the City's financial statements. Assessment revenue, assessment interest income, and principal and interest debt service payments were all recorded in the Special Assessment Debt Service Fund. A prior period adjustment was made in fiscal year 2003 to take this debt off the City's financial statements.

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

CITY OF HENDERSON, NEVADA

Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2002	209,486	Not available	Not available	6.20%
2003	217,448	Not available	Not available	5.30%
2004	229,984	Not available	Not available	4.79%
2005	241,134	Not available	Not available	4.20%
2006	251,321	8,836,009,011	35,158	4.00%
2007	260,161	8,783,653,632	33,762	4.20%
2008	269,538	9,606,345,252	35,640	5.00%
2009	267,687	9,653,025,150	36,061	9.60%
2010	267,270	10,003,816,464	37,430	13.80%
2011	269,641	8,841,491,222	32,790	12.70%

Sources:

- (1) City of Henderson Community Development Department
(2) Data on personal income was not kept prior to 2006. For 2006 forward, the source for personal income is Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or www.appliedanalysis.com.
(3) Nevada Department of Employment, Training and Rehabilitation.

CITY OF HENDERSON, NEVADA

Principal Employers
Current Year and Nine Years Ago

Name	2011			2002		
	Employees ⁽¹⁾	Rank	Percentage of Total City Employment	Employees ⁽²⁾	Rank	Percentage of Total City Employment ⁽³⁾
City of Henderson	2,955	1	2.37%	2,463	1	-
St. Rose Dominican-Siena	1,500-1,999	2	1.23-1.64%			
M Resort	1,000-1,499	3	0.82-1.23%			
Sunset Station Hotel & Casino	1,000-1,499	4	0.82-1.23%	1,000+	4	-
Green Valley Ranch Gaming, LLC	1,000-1,499	5	0.82-1.23%	1,000+	2	-
Medco Health LLC	700-799	6	0.57-0.65%			
St. Rose Dominican Hospital	700-799	7	0.57-0.65%	1,000+	3	-
Fiesta Lake Mead Station	500-599	8	0.41-0.49%			
Good Humor - Breyers Ice Cream	400-499	9	0.40-0.41%	500-749	8	-
Poly-West Inc.	400-499	10	0.40-0.41%			
The Reserve Hotel Casino				750-1,000	5	-
Ethel M. Chocolates				500-749	6	-
Ford Motor Credit Co.				500-749	7	-
Hyatt Regency Hotel Casino				400-499	9	-
Timet				400-499	10	-

Source:

(1) City of Henderson - City of Henderson Finance Department; all others from Applied Analysis, 10100 W. Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or www.appliedanalysis.com
For privacy purposes, exact employment numbers are unavailable.

(2) City of Henderson Economic Development Phone Survey, 2002

(3) This information was not available for 2002.

CITY OF HENDERSON, NEVADA

Full-Time Equivalent City Government Employees by Function/Program ⁽¹⁾

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Functions/Programs						
Governmental activities						
General government	331	347	352	363	352	347
Judicial	78	84	90	96	94	95
Public safety	678	774	817	824	827	862
Public works	102	111	118	141	140	145
Culture and recreation	182	182	191	204	190	190
Community support	19	19	19	19	22	23
Business-type activities						
Water	137	148	150	157	147	152
Sewer	91	111	119	122	116	115
Development services center	149	155	156	133	62	55
Other business activities	17	28	32	35	30	31
Total	1,784	1,959	2,044	2,094	1,980	2,015

Source: City of Henderson Finance Department

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

CITY OF HENDERSON, NEVADA

Operating Indicators by Function/Program ⁽¹⁾⁽³⁾

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Functions/Programs						
Governmental activities						
Judicial						
Average warrants cleared per day	9	6	5	10	11	13
Public safety						
Police reports	28,961	28,103	27,417	26,761	26,466	24,419
Police calls for service	135,772	144,452	159,821	162,184	160,594	154,392
# of EMS incidents	14,885	14,823	15,185	15,079	16,164	17,115
# of EMS transports	9,975	9,887	10,276	10,593	11,333	11,969
Total fire responses	940	834	723	611	552	570
Public works						
Lane miles of street maintenance	338	142	14	179	340	227
Lane miles of existing street reconstruction	16	74	24	43	34	95
# of scheduled inspections (off-site improvements)	41,994	39,320	33,194	30,151	20,658	17,347
# of off-site (non-building) projects	206	155	157	55	288	105
Culture and recreation						
Parks and Recreation class registrations	323,193	341,139	344,766	478,357	267,008	316,490
Community support						
# of requests for information on business relocations	103	109	136	129	160	101
# of local business requests for information/assistance/outreach	342	447	414	659	746	573
# of jobs created	1,034	770	1,190	425	411	250
Business-type activities						
Water						
Average daily water consumption (MGD) ⁽²⁾	68	71	69	68	67	68
# of requests for line location	37,110	31,684	40,534	26,638	31,633	34,620
# of hydrant major repairs	258	248	198	220	227	255
# of line repairs	243	360	283	257	464	423
Sewer						
Lines video inspected (feet)	180,239	90,002	150,129	157,609	172,267	133,271
Lines cleaned (feet)	1,106,675	1,252,317	1,568,312	1,951,831	2,224,640	2,314,701
Development services center						
# of plan review activities	28,097	23,424	18,463	11,939	11,808	12,401
Building permits issued	19,075	15,704	12,402	9,794	10,814 ⁽⁴⁾	9,684

Source: Various City departments

- (1) Indicators are not available for the general government function.
(2) Millions of gallons per day.
(3) Information was not available for ten years' reporting, but will be accumulated over time as it becomes available.
(4) Increase due to increase in small dollar permits (e.g. residential remodels), while large commercial/residential development permits decreased resulting in an overall decrease in Development Services Center revenue.

CITY OF HENDERSON, NEVADA

Capital Asset Statistics by Function/Program ^{(1) (2)}

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011
Functions/Programs						
Governmental activities						
Public safety						
# of police stations	2	2	2	3	3	3
# of fire stations	9	9	9	9	9	9
# of patrol units	117	154	149	140	148	144
Public works						
Streets (miles)	737	788	804	804	812	817
Traffic signals	131	135	141	144	149	152
Culture and recreation						
Park acreage	1,029	1,067	1,109	1,131	1,155	1,249
# of parks	39	41	43	44	44	45
# of swimming pools	9	9	9	13	15	15
# of tennis courts	42	42	43	43	43	44
# of recreation centers	6	6	6	6	7	7
Business-type activities						
Water						
Water mains (miles)	1,080	1,124	1,280	1,384	1,462	1,462
# of treatment plants	1	1	1	1	1	1
# of water pump stations	27	27	27	31	31	31
Sewer						
Number of sewage treatment plants	2	2	2	2	2	2
Number of sewer lift stations	12	12	12	13	13	13
Miles of sanitary sewer lines	920	953	958	1,029	1,080	1,082

Source: Various City departments

(1) Indicators are not available for the general government function, judicial, community support, or development services center functions.

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

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COMPLIANCE SECTION

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Henderson, Nevada, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 2, 2011. 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.

Internal Control over Financial Reporting. Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

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

We noted certain matters that were reported to the City's management in a separate letter dated November 2, 2011.

This report is intended for the information and use of the Honorable Mayor, Members of the City Council, management of the City, federal awarding agencies and pass-through entities. However, this report is a matter of public record, and therefore, its distribution is not limited.

A handwritten signature in cursive script that reads "Percy Bowler Taylor" followed by a stylized flourish or mark.

November 2, 2011

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

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

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

Compliance. We have audited the compliance of the City of Henderson (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance. Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Schedule of Expenditures of Federal Awards. We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Henderson, Nevada, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 2, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Honorable Mayor, Members of the City Council, management of the City, federal awarding agencies and pass-through entities. However, this report is a matter of public record, and therefore, its distribution is not limited.

A handwritten signature in dark ink that reads "Percy Bowler Taylor" followed by a stylized mark that appears to be a checkmark or a flourish.

November 2, 2011

CITY OF HENDERSON, NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Food and Nutrition Service</i>			
Passed through State of Nevada Department of Education:			
<i>Child Nutrition Cluster:</i>			
Child and Adult Care Food Program			
Safekey Milk Grant FY11	10.558	--	\$ 14,984
			<hr/>
Total U.S. Department of Agriculture			14,984
			<hr/>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Community Planning and Development</i>			
Direct Programs:			
Community Development Block Grants/Entitlement Grants			
Entitlement Funds	14.218	--	709,247
Program income	14.218	--	111,252
Amount Provided to Subrecipients	14.218	--	228,553
American Recovery and Reinvestment Act (ARRA)	14.218	--	160,995
Total Community Development Block Grants/Entitlement Grants			<hr/> 1,210,047
			<hr/>
Passed through State of Nevada, Community Development			
Block Grants:			
NSP HERA Entitlement	14.218	--	<hr/> 1,717,856
			<hr/>
HOME Investment Partnerships Program			
HOME Grant - Program Income/Projects	14.239	--	231,850
HOME Grant - Administration	14.239	--	79,835
Total HOME Investment Partnerships Program			
Passed through State of Nevada, Housing Division:			
HOME Investment Partnerships Program			
Program Income/Projects	14.239	--	<hr/> 400,000
			<hr/> 711,685
			<hr/>
Total Department of Housing and Urban Development			3,639,588
			<hr/>
<u>U.S. Department of the Interior</u>			
<i>Bureau of Land Management</i>			
Southern Nevada Public Land Management			
Amargosa Trail	15.235*	NAF04HN08	1,197,086
Burkholder Trail	15.235*	NAF04HN09	808,878
St. Rose Trail Phase 2	15.235*	NAF05HN15	833,467
Hidden Falls Park	15.235*	NAF05HN13	3,456,100
Heritage Recreation Area	15.235*	NAF05HN12	28,051
Cornerstone Lake Park	15.235*	NAF05HN18	1,166,503
River Mountain Trail 13-14	15.235*	NAF05HN17	1,495,748
Amargosa Trailheads	15.235*	NAF05HN19	2,413,759
Bird View Preserve Improvement	15.235*	NAF05HN24	919,289
UPRR Right of Way	15.235*	NAF05HN22	90,590
UPRR Phase III	15.235*	NAF05HN23	1,018,638
UPRR Phase II	15.235*	NAF05HN20	3,993

CITY OF HENDERSON, NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of the Interior (continued)</u>			
<i>Bureau of Land Management (continued)</i>			
Southern Nevada Public Land Management			
Mission View Park	15.235*	NAF05HN21	118,845
McCullough Hills Trail	15.235*	NAF05HN25	105,793
Arroyo Grande Project Green	15.235*	FAA060150	271,181
Whitney Mesa Trailhead	15.235*	FAA060156	306,332
Wetlands Trail Phase II	15.235*	FAA060158	43,002
Heritage Park Phase II	15.235*	FAA060163	1,597,809
Southeast Valley Acquisition	15.235*	FAA080033	29,897
Reunion Trails Park	15.235*	FAA060176	2,960,447
Downs 5/Downtown Trail	15.235*	FAA060173	300,430
Lake Mead Parkway Trail	15.235*	FAA060175	147,576
McCullough Vista Park	15.235*	FAA080028	231,429
Green Valley Flood Control Panel	15.235*	FAA080045	3,023
Whitney Mesa Nature Preserve Phase II	15.235*	L09AC15525	66,901
Paradise Point Park	15.235*	L11AC20013	1,127
			19,615,894
<i>Bureau of Reclamation</i>			
Water Conservation Field Services Program (WCFSP)			
Bureau of Reclamation Irrigation	15.530	R09AP30009	6,000
Total U.S. Department of the Interior			19,621,894
<u>U.S. Department of Justice</u>			
<i>Bureau of Justice Assistance</i>			
Direct:			
Bulletproof Vest Partnership Program 2010	16.607	--	23,555
Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0025	37,110
Edward Byrne Memorial State and Local Law Enforcement, Assistance Discretionary Grant Program	16.580	2008-DD-BX-0561	380,120
Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-JAG-12	5,351
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-13	26,599
Edward Byrne Memorial Competitive Grant Program American Recovery and Reinvestment Act	16.808	2009-SB-B9-1637-HPD	133,914
<i>Office of Juvenile Justice and Delinquency Prevention</i>			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	29-AL-5	15,947
Missing children's assistance	16.543	2008-MC-CX-K002	11,357

CITY OF HENDERSON, NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice (continued)</u>			
<i>Bureau of Justice Assistance (continued)</i>			
Direct (continued):			
<i>Office of Community Oriented Policing Services</i>			
Public Safety Partnership and Community Policing Grants	16.710*	2008CKWX0168	1,433,871
Public Safety Partnership and Community Policing Grants	16.710*	2009CKWX0416	496,904
 <i>Office of Drug Enforcement Administration</i>			
Domestic Cannabis Eradication	n/a	2010-96	<u>12,251</u>
Total Direct			2,576,979
 <i>Office of Juvenile Justice and Delinquency Prevention</i>			
Passed through State of Nevada Juvenile Justice Commission:			
Enforcing Underage Drinking Laws Program	16.727	COH-PD-2011-G0245	24,381
 <i>Office on Violence Against Women</i>			
Passed through State of Nevada Office of Attorney General			
Violence Against Women Formula Grants	16.588	2009-STOP-01	19,950
Violence Against Women Formula Grants	16.588	2010-STOP-01	<u>20,112</u>
Total U.S. Department of Justice			<u>2,641,422</u>
 <u>U.S. Department of Transportation</u>			
<i>Federal Motor Carrier Safety Administration</i>			
National Motor Carrier Safety	20.218	MH103210000000	44,056
 <i>Federal Highway Administration</i>			
Highway Planning and Construction - American Recovery and Reinvestment Act (ARRA)			
	20.205	--	1,006,273
 Highway Planning and Construction			
I-515 Sunset Intrchg Landscape	20.205		32,378
Safe Rts Grant Infrastructure	20.205		19,198
 <i>Highway Research and Development Program</i>			
Passed through the State of Nevada Department of Transportation			
Safe Rte to School Grant	20.200		94,194
 <i>National Highway Traffic Safety Administration</i>			
Passed through State of Nevada, Department of Motor Vehicles and Public Safety - Office of Traffic Safety:			
State and Community Highway Safety			
Joining Forces 2010	20.600	210-JF-1.07	42,224
Joining Forces 2011	20.600	29-JF-1.06	78,535
Joining Forces Initiative 2010	20.600	21-406PT-1.1	6,611
Drugged Driving and the DRE	20.600	21-AL-8.1	<u>3,303</u>
Total U.S. Department of Transportation			<u>1,326,772</u>

* Major Program

CITY OF HENDERSON, NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Energy</u>			
<i>Energy Efficiency and Conservation Block Grant Program (ARRA)</i>			
Solar PV Arrays @ NCPS-ARRA	81.128*	--	211,681
Energy Efficient Retrofits-ARRA	81.128*	--	831,084
Energy Audit Training -ARRA	81.128*	--	37,500
FCS-17 Hydroelectric Proj-ARRA	81.128*	--	465,575
Idle Reduction 2010 (ARRA)	81.128*	COH-PD-2010-G0246	50,000
			1,595,840
 <i>Office of Energy Efficiency and Renewable Energy</i>			
Passed through State of Nevada Housing Division			
Weatherization Assistance for Low-Income Persons - American			
Recovery and Reinvestment Act (ARRA)	81.042	DOE/2011/4	1,637,677
DOE Base Projects 10/11	81.042	DOE/2011/4	53,033
			3,286,550
 <u>U.S. Department of Health and Human Services</u>			
<i>Administration on Aging</i>			
Passed through State of Nevada, Division of Aging Services:			
<i>Aging Cluster:</i>			
Special Programs for the Aging: Title III, Part C: Nutrition Services			
Senior Nutrition Congregate 2010	93.045	03-031-07-1X-10	33,539
Senior Nutrition Homebound 2010	93.045	03-31-04-2X-10	78,079
Senior Nutrition Congregate 2011	93.045	03-031-07-1X-11	108,767
Senior Nutrition Homebound 2011	93.045	03-031-04-2X-11	157,507
Sr Nutrition Equipment 2010	93.045	03-031-66-1X-10	18,500
			396,392
 Nutrition Services Incentive Program			
Sr. Nutrition NSIP S1	93.053	03-031-57-NX-10	25,078
Sr. Nutrition NSIP 2011	93.053	03-031-57-NX-11	35,801
			60,879
 <i>Administration For Children and Families</i>			
Passed through State of Nevada, Department of Business and			
Industry-Housing Division, Weatherization Assistance Program			
Low Income Home Energy Assistance	93.568		79,720
			79,720
 Total U.S. Department of Health and Human Services			
			536,991

CITY OF HENDERSON, NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>Department of Homeland Security</u>			
<i>Homeland Security Grant Program</i>			
DHS - Citizen Corp 2008	97.067	--	15,989
<i>Buffer Zone Protection Program (BZPP)</i>			
DHS--UASI-Radios FFY09	97.078	--	468,633
<i>Pre-Disaster Mitigation</i>			
Pittman/Pecos Channel	97.047	--	199,245
Passed through the State of Nevada, Department of Motor Vehicles and Public Safety, Division of Emergency Management:			
Emergency Management Performance Grants			
Fire Department	97.042	9704209	<u>80,509</u>
Total Department of Homeland Security			<u>764,376</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through the Nevada Division of Environmental Protection			
Capitalization Grants for Clean Water State Revolving Funds			
American Recovery and Reinvestment Act (ARRA)			
Pittman Wash Relocation	66.458		<u>968,331</u>
Total U.S. Environmental Protection Agency			<u>968,331</u>
Total Expenditures of Federal Awards			<u><u>\$ 32,800,908</u></u>

CITY OF HENDERSON, NEVADA

Notes to Schedule of Expenditures of Federal Awards June 30, 2011

Note 1. Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Henderson (the City), except for those activities of the City's Redevelopment Agency (the Agency). The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The Agency is a component unit of the City. A separate report has been issued for the Agency.

Note 2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

Note 3. Relationship to Financial Statements

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the Grant Special Revenue fund.

Note 4. Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided \$228,553 of federal awards to subrecipients related to Community Development Block Grants/Entitlement Grants (CFDA number 14.218).

Note 5. Outstanding loan balances

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

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

(continued)

CITY OF HENDERSON, NEVADA

Notes to Schedule of Expenditures of Federal Awards (continued)
June 30, 2011

Note 5. Outstanding loan balances (continued)

At June 30, 2011, the balances of loans outstanding are as follows:

Federal CFDA	Program Title	Loan Balances
14.218	Community Development Block Grants/Entitlement Grants - Receivable	\$ 593,961
14.239	Home Investment Partnership Program – Receivable	1,606,699
66.458	Capitalization Grants for Clean Water State Revolving Funds - Payable	1,659,396
	Total	<u>\$ 3,860,056</u>

Note 6. Program Clusters

Federal programs relating to the aging of the City’s population, which are considered together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
93.045	Special Programs for the Aging – Nutrition Services	\$ 396,392
93.053	Nutrition Services Incentive Program	60,879
	Total	<u>\$ 457,271</u>

Note 7. American Recovery and Reinvestment Act (“ARRA”)

Expenditures of ARRA funding are included in the following federal programs:

Federal CFDA	Program Title	ARRA Expenditures
14.218	Community Development Block Grants/Entitlement Grants	\$ 160,995
16.808	Edward Byrne Memorial Competitive Grant Program	133,914
20.205	Highway Planning and Construction	1,006,273
66.458	Capitalization Grants for Clean Water State Revolving Funds	968,331
81.128	Energy Efficiency and Conservation Block Grant Program	1,595,840
81.042	Weatherization Assistance for Low-income Persons	1,637,677
	Total	<u>\$ 5,503,030</u>

CITY OF HENDERSON, NEVADA

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditors’ Results

Financial Statements:

Type of auditors’ report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	None reported

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133	None reported

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>	
15.235	Southern Nevada Public Land Management	
16.710	Public Safety Partnership and Community Policing Grants	
81.128	Energy Efficiency and Conservation Block Grant Program	
Dollar threshold used to distinguish between Type A and Type B programs		\$984,027
Auditee qualified as a low risk auditee under Section 530 of OMB Circular A-133		No

CITY OF HENDERSON, NEVADA

Schedule of Findings and Questioned Costs (continued)
For the Fiscal Year Ended June 30, 2011

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

No findings were noted.

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

No findings were noted.

CITY OF HENDERSON, NEVADA

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2011

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

2010-1

Criteria	Agreements that could have a potentially material effect on the City’s financial statements should be reviewed, with the salient provisions abstracted and summarized to support and document the rationale for the accounting treatment applied.
Condition/context	Certain Owner Participation Agreements (OPAs) and Disposition and Development Agreements (DDAs), each of which include material commitments that may potentially obligate the City’s Redevelopment Agency (the Agency) over the next several years, have not been abstracted. In addition, although Agency management appears familiar with the various OPAs and DDAs, documentation supporting prior decisions regarding the accounting treatment for certain provisions of each OPA or DDA has not been created and reviewed by an appropriate level of management.
Effect	A material commitment to a developer and a \$9.1 million liability to various developers were not reported in the prior year financial statements, and a \$2.3 million adjustment to the amount owed to developers was not recorded in the current year.
Cause	The majority of OPAs and DDAs were originally written and maintained by individuals who are no longer with the Agency. However, current management has not adequately summarized and documented its understanding of the material provisions of all of the agreements, including documenting its rationale for the accounting treatment applied to each agreement.
Recommendation	We recommend that management create documentation summarizing its understanding of the salient, material provisions of the OPAs and DDAs and the rationale for the accounting treatment applied to those provisions. These abstracts should be updated periodically to document the status of the related development, the perceived financial condition of the developer and the perceived value of collateral for notes receivable, if any. The abstracts and updates thereto should be reviewed periodically by an appropriate level of management to provide reasonable assurance that all material provisions are properly reported and adequately disclosed in the notes to the City’s basic financial statements.
Status	Corrected

CITY OF HENDERSON, NEVADA

Summary Schedule of Prior Audit Findings (continued)
For the Fiscal Year Ended June 30, 2011

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

2010-2

Criteria	Notes receivable are periodically evaluated for impairment based on evolving events and circumstances that may be impairment indicators (<i>i.e.</i> , those that increase the risk that the recorded balance may not be collectible).
Condition/context	The City’s Redevelopment Agency (the Agency) has several notes receivable from developers which, due to the current economic climate and the hardships being experienced by developers, should be evaluated for impairment.
Effect	The Agency’s notes receivable were overstated by \$775,000 due to an unrecorded impairment charge.
Cause	Due to ineffective monitoring, a formal impairment analysis on the Agency’s notes receivable was not completed.
Recommendation	The collectibility of the Agency’s notes receivable from developers should be evaluated at least annually for impairment based on evolving events and circumstances that may be indicators of impairment. The perceived financial condition of the counterparty, as well as the Agency’s collateral should be considered in determining if the receivable is impaired.
Status	Corrected

CITY OF HENDERSON, NEVADA

Summary Schedule of Prior Audit Findings (continued)
For the Fiscal Year Ended June 30, 2011

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

2010-3

Criteria	Accurate and complete subsidiary ledgers are maintained for CDBG/HOME low income program loans receivable.
Condition/context	The subsidiary ledger for CDBG/HOME program loans receivable was not accurate and complete.
Effect	The general ledger was improperly adjusted to agree to the inaccurate subsidiary ledger and as a result, was understated by \$1,341,718.
Cause	Ineffective monitoring and review of the subsidiary ledger for all CDBG/HOME low income program loans receivable.
Recommendation	The CDBG/HOME low income program loan subsidiary ledger should be periodically reconciled to the actual note receivable documentation (<i>i.e.</i> , original note agreements, subsequent amendments, documentation of advances, <i>etc.</i>) to verify that all activity has been properly recorded.
Status	Corrected.

CITY OF HENDERSON, NEVADA

Summary Schedule of Prior Audit Findings (continued)
For the Fiscal Year Ended June 30, 2011

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

2010-4

Programs:	Community Development Block Grants/ Entitlement Grants (CFDA # 14.218) Recreation Resource Management (CFDA #15.225) Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government (CFDA #16.804) Highway Planning and Construction (CFDA #20.205) Weatherization Assistance for Low-income Persons (CFDA #81.042) Energy Efficiency and Conservation Block Grant Program (CFDA # 81.128)
Specific requirements:	The schedule of expenditures of federal awards (SEFA) should be complete and accurate.
Condition / context:	The unaudited SEFA included four programs with incorrect/missing CFDA numbers, one program which included expenditures of state grant funding and one program which was incorrectly not identified as American Recovery and Reinvestment Act (ARRA).
Questioned costs	Not applicable
Effect	The unaudited SEFA was not complete and accurate.
Cause	Controls over the preparation of the SEFA did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	Management should instruct personnel as to the importance of compliance with the requirements applicable to ensuring the completeness and accuracy of the SEFA, and it should exercise additional control by monitoring such compliance.
Status	Corrected.

CITY OF HENDERSON, NEVADA

Summary Schedule of Prior Audit Findings (continued)
For the Fiscal Year Ended June 30, 2011

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

2010-5

Programs:	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government (CFDA #16.804) Energy Efficiency and Conservation Block Grant Program (CFDA # 81.128)
Specific requirements:	Periodic Federal Financial Reports (FFRs) should only include federal expenditures that were incurred during the reporting period.
Condition / context:	FFRs inappropriately excluded \$260,482 of payroll and other expenditures that were incurred during the reporting period.
Questioned costs	Not applicable
Effect	FFRs were not completed correctly.
Cause	Controls over the preparation of FFRs did not function as intended, due to ineffective monitoring for compliance therewith.
Recommendation	Management should instruct personnel as to the importance of compliance with the requirements applicable to ensuring the completeness and accuracy of FFRs, and it should exercise additional control by monitoring such compliance.
Status	Corrected.

CITY OF HENDERSON, NEVADA

**SCHEDULE OF BUSINESS LICENSE FEES
SUBJECT TO THE PROVISIONS OF NRS 354.5989
FOR THE YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Nevada Revised Statutes (NRS) 354.5989: As required by NRS 354.624, Section 4(a), all fees imposed by the City are subject to the provisions of NRS 354.5989. The City may adopt new business license fees only if the revenue from the fees is less than the calculated maximum prescribed by the statute. Total revenues for the year ended June 30, 2011, from business license fees did not exceed the allowable maximum revenue in the flat or fixed fee revenue category.

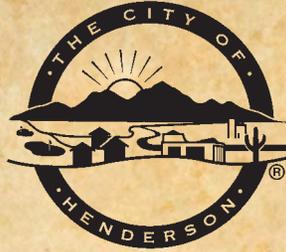
Fees calculated as a percentage of gross revenue:

Business license revenue for the year based on percentage of gross		<u>\$ 5,360,795</u>
Less maximum allowable revenue:		
Prior actual revenue (Base)	\$ 5,546,501	
Times change in Consumer Price Index	<u>3.60%</u>	
Total adjustment to Base	<u>199,674</u>	
Adjusted business license gross revenue		<u>5,746,175</u>
Amount over (under) allowable maximum		<u><u>\$ (385,380)</u></u>

Fees calculated on a flat or fixed rate:

Business license revenue for the year based on a flat or fixed rate		\$ 1,996,628
Less maximum allowable revenue:		
Prior actual revenue (Base)	\$ 2,076,135	
Percentage change in population of the City of Henderson	0.89%	
Percentage change in CPI for the year ending June 30 preceding the year for which the limit is being calculated	<u>3.60%</u>	
Total adjustment to Base	4.49% <u>93,218</u>	
Adjusted business license gross revenue		<u>2,169,353</u>
Amount over (under) allowable maximum		<u><u>\$ (172,725)</u></u>

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A Place To Call Home

Mayor and Council

Andy Hafen, Mayor

Gerri Schroder, Council Ward I

Debra March, Council Ward II

Kathleen Vermillion, Council Ward III

Sam Bateman, Council Ward IV

City Manager's Office

Mark T. Calhoun, City Manager

Bristol S. Ellington, Assistant City Manager

Finance Department

Richard A. Derrick, Finance Director

