

**CITY OF HENDERSON, NEVADA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Prepared by:  
Department of Finance

Steven M. Hanson  
Finance Director

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CITY OF HENDERSON, NEVADA

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For the Year Ended June 30, 2009

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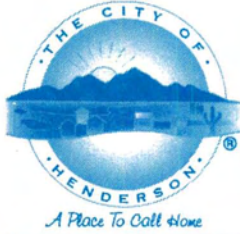
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**CITY OF HENDERSON**  
240 Water Street  
P. O. Box 95050  
Henderson, NV 89009

November 4, 2009

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, 2009 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 Gallina, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Henderson for the fiscal year ended June 30, 2009 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, 2009, 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 which ranks as one of the nation’s top growth areas. With a population of approximately 274,293, 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.

### **Factors Affecting Financial Condition**

**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 19 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, Loew's Resort, Sunset Station, Fiesta Henderson, and Green Valley Ranch Station.

In light of the significant economic downturn, the Finance Department has prepared a comprehensive 5-year plan to address the shortfall in revenue. During fiscal year 2009 several measures were implemented in order to work toward a balanced budget. These immediate, mid-term and long-term cost saving approaches can be applied City-wide. The City has already implemented salary and benefit savings through a hiring freeze for all non-critical positions, an employee buyout program, overtime restrictions, suspension of City's deferred compensation match, as well as the suspension of car allowance benefits, provide an option for 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. Savings to expenses were also realized through a prohibition of all non-essential travel, reduction to base operating budgets, stricter cell phone policies, consolidation of service contracts, surrendering of one-time funds, and deferring of capital projects.

In the first few months of fiscal year 2010, the City implemented a policy to close City Hall on Fridays, and implemented some operating cuts that will not affect services provided to our citizens. Further reductions are pending council action. In addition each department has been tasked with identifying additional cost saving opportunities. The City has built up reserves in some funds that can help to bridge the operating loss for the short term as other strategies are investigated and implemented.

The local housing market has experienced a significant slow down in construction and sales activity. In June 2009, the median price for new homes and resale homes combined was down 42% from June 2008. Total home sales during this same 12 month period was up 30% from the prior 12 months. This improved housing affordability can be, however, detrimental to consumer and business confidence due to losses of equity.

Indicators show that consumers are saving at the highest rate in 15 years, and outstanding consumer and commercial loan balances are being paid down. Both of these statistics indicate a fundamental change in spending which can prolong economic recovery.

In early fiscal year 2010, the official Clark County unemployment estimate was 12.3% with the National rate at 9.5%. Most of the job losses were in the construction, leisure and hospitality, and professional and business service categories. However, the M Resort opened in Henderson in March 2009 and created approximately 1,500 jobs. The first phase of the City Center in Las Vegas is due to open later this year. Upon completion of the project, 12,000 new permanent positions will be created for the Las Vegas Valley.

The City has reduced its workforce through the hiring freeze and employee buyout program, while still delivering award-winning service to residents. Compared with other local municipalities, the City of Henderson continues to maintain the lowest employee-to-resident ratio at 7 employees per 1,000 residents. Historically, combined with conservative budgeting, the City has had the ability to sustain municipal service levels.

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

**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 19 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 2010 include, but are contingent upon available funding: Municipal Facilities to fund the completion of the Heritage Park Senior Center and several maintenance/renovation projects at City recreation centers and fire stations. The City will continue to partner with the Clark County Regional Flood Control District, the Regional Transportation Commission and developers to fund projects to include flood channels, street projects, and parks.

Under virtually any population growth scenario, existing revenue generating sources such as sales and property taxes and traditional bond financing for capital projects, would be hard pressed to keep up with the normal demand for streets, storm sewers, fire stations, and other facilities. Large capital improvement projects take many years to plan, finance, and complete. Funding for these projects will be needed long before the number of residents moving into the area will support the facility construction costs. It might be several years before population growth is sufficient to generate the revenue needed for ongoing operating expenses.

The City is monitoring the impact of the property tax legislation passed during the 2005 Legislative session. The State passed a law to impose a cap on the increase in the taxable value of property. For primary residences, a 3% cap was implemented and an 8% cap on land, commercial buildings, business personal property, and other property. Property values, which had been increasing at above historical average rates for several years, have started to decline in light of oversupply of resale and foreclosure homes. This tax abatement reduced the amount of property tax dollars for the City by an estimated \$10 million for fiscal year 2010. Due to decreases in assessed value in our city, the abatement amount has been decreasing. The amount of abatement for subsequent years will depend upon assessed value of property.

An ongoing challenge facing the City is the economic impact of the housing slowdown and the impact it has had on sales tax revenues. The decline in residential construction activity has resulted in a drop in sales of building supplies and other home-improvement related items. The City's Consolidated Tax collection, of which 85% is related to sales tax, was down 16% in fiscal year 2009 compared to fiscal year 2008. In addition the State of Nevada is now retaining an additional \$890,000 per year that had previously been remitted to the City.

**Cash Management Policies and Practices.** Cash temporarily idle during the year was invested in U. S. Treasury and agency obligations, banker's acceptances, and the State Treasurer's investment pool. The average yield on investments was approximately 3.46%.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, investments were either in U.S. Treasury and agency obligations; insured by Federal Depository Insurance; or collateralized. One hundred percent of the categorized investments held by the City at June 30, 2009 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Investment income includes changes (appreciation or depreciation) in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in

the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

**Risk Management.** The City has obtained \$10,000,000 in excess Commercial General Liability Insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$640 million blanket property insurance policy on all buildings and building contents with a \$100,000 deductible; a \$100,000,000 Boiler & Machinery policy with a \$100,000 deductible; \$5.4 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 \$10.8 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 adjusting firm; the excess insurance company and its administrator; and, applicable departments in handling claims filed against the City. In addition the City obtains an actuarial analysis on a biannual basis. At June 30, 2009 the Self Insurance Fund had \$5,813,288 in working capital. No current claims are expected to be settled in a manner which would adversely affect the fund's financial condition.

On July 1, 1992 the city became 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, per plan year with plan benefits subject to a \$2,000,000 lifetime maximum is maintained. A third party administrator is used to pay claims.

On April 1, 1993 the City became self insured for worker's compensation claims. A third party administrator is utilized for claim payment. The City has a \$1,500,000 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, 2009 through April 1, 2010.

**Pension Information.** The employees of the City are covered by the State of Nevada Public Employees' Retirement System. The City does not exercise any control over the plan and is not liable for any of the plan's unfunded obligations. The Plan was established on July 1, 1948 by the Nevada Legislature and is governed by the Public Employees' Retirement Board, whose seven members are appointed by the Governor.

### **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, 2008.

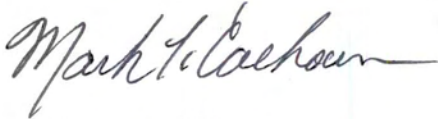
This was the 27th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted 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.

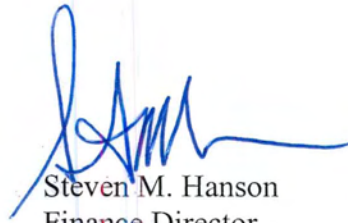
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department's Accounting Division staff as well as certain members of the City Manager's staff, Public Works Department, and the Neighborhood Services staff. We would 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 Gallina, LLP, the City's independent auditors.

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

Respectfully submitted,



Mark T. Calhoun  
City Manager



Steven M. Hanson  
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, 2008

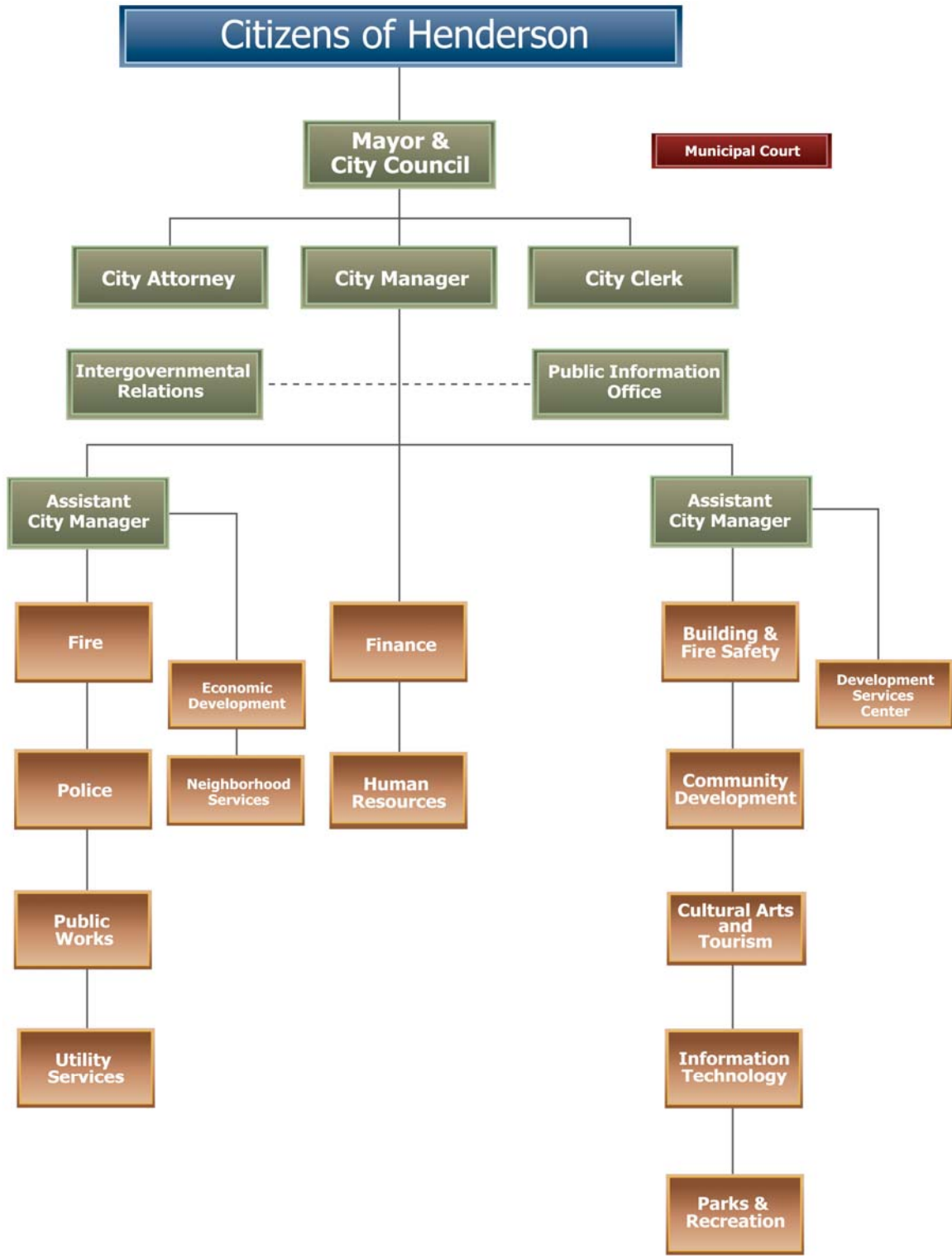
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director





**MAYOR AND COUNCIL**

**Andy A. Hafen, Mayor**  
**Steven D. Kirk, Councilman**  
**Gerri Schroder, Councilwoman**  
**Kathleen Boutin, Councilwoman**  
**Debra March, Councilwoman**

**CITY OFFICIALS**

**Mark T. Calhoun, City Manager**  
**Elizabeth Macias Quillin, City Attorney**  
**Monica M. Simmons, City Clerk**



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of and for the year ended June 30, 2009, which collectively comprise the City of Henderson's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of City of Henderson. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2009, on our consideration of City of Henderson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Gallina LLP*

Roseville, California  
November 2, 2009

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## Management's Discussion & Analysis

As management of the City of Henderson, we offer readers of the City of Henderson's financial statements this narrative overview and analysis of the financial activities of the City of Henderson for the fiscal year ended June 30, 2009. Please read this in conjunction with the transmittal letter at the beginning of the report and the City's financial statements following this section.

### Financial Highlights

- The assets of the City of Henderson exceeded its liabilities at June 30, 2009 by \$2,609,686,295 (net assets). Of this amount, \$200,763,010 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$125,165,632. See the sections on Governmental Activities and Business-type Activities below for explanations on the increase.
- As of June 30, 2009, the City of Henderson's governmental funds reported combined ending fund balances of \$384,668,222, a decrease of \$17,321,839 in comparison with the prior year. This decrease is mainly due to lower consolidated tax revenues and interest income as well as increased expenses in the areas of Public Safety, Public Works, and Community Support. Approximately 72% of ending fund balances or \$278,356,195 is available for spending at the City's discretion (unreserved fund balance).
- As of June 30, 2009 unreserved fund balance in the general fund was \$23,495,121 or 11% of general fund expenditures.

### Financial Statement Overview

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Henderson that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Henderson include general government, judicial, public safety, public works, culture and recreation, and community support. The business-type

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

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

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

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

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

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

**Proprietary funds.** The City of Henderson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Henderson uses enterprise funds to account for its Water and Sewer activities, and the Development Services Center, all of which are considered major funds. Data from the two 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 of Henderson's various functions. The City of Henderson uses internal service funds to account for its engineering services, its City vehicles, its self-insurance activities, to account for loan activities to other funds for special assessment districts and to account for general citywide services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water activities, the Sewer activities, Development Services activities, which are considered major funds of the City of Henderson. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

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

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

**Other information.** The combining statements referred to earlier in connection with 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 of Henderson, assets exceeded liabilities by \$2,609,686,295 at June 30, 2009.

The largest portion of the City of Henderson’s net assets (73%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Henderson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Henderson’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Henderson’s Net Assets

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$538,262,315	\$531,206,698	\$300,880,641	\$386,111,705	\$839,142,956	\$917,318,403
Capital assets	1,291,521,813	1,165,849,438	992,638,074	908,785,428	2,284,159,887	2,074,634,866
Total assets	1,829,784,128	1,697,056,136	1,293,518,715	1,294,897,133	3,123,302,843	2,991,953,269
Long-term liabilities	223,059,390	206,414,356	217,673,939	231,284,404	440,733,329	437,698,760
Other liabilities	47,461,436	36,951,828	25,421,783	32,782,018	72,883,219	69,733,846
Total liabilities	270,520,826	243,366,184	243,095,722	264,066,422	513,616,548	507,432,606
Net assets:						
Invested in capital assets, net of related debt	1,125,613,020	1,005,171,173	787,891,869	714,572,047	1,913,504,889	1,719,743,220
Restricted	351,250,098	358,318,888	144,168,298	205,135,190	495,418,316	563,454,078
Unrestricted	82,400,184	90,199,891	118,362,826	111,123,474	200,763,010	201,323,365
Total net assets	\$1,559,263,302	\$1,453,689,952	\$1,050,422,993	\$1,030,830,711	\$2,609,686,295	\$2,484,520,663

An additional portion of the City of Henderson’s net assets (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$200,763,010, may be used to meet the City’s ongoing obligations to citizens and creditors.



As of June 30, 2009 the City of Henderson is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year.

There was an increase of \$120,441,847 in net assets invested in capital assets net of related debt for governmental activities. This was due mainly to construction in progress. See Capital Assets section for further explanation.

There was an increase of \$73,319,822 in net assets invested in capital assets net of related debt for business-type activities. Most of this increase is due to contributed assets and construction in progress. See Capital Assets section for further explanation.

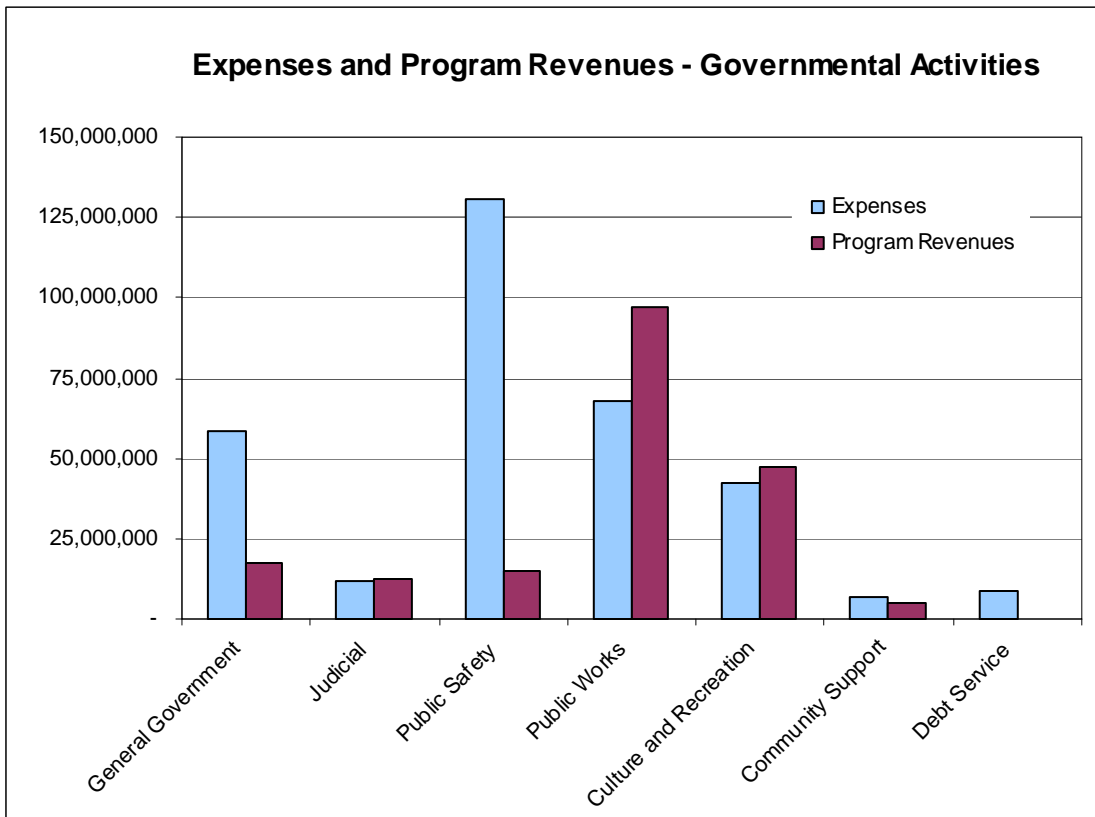
The City of Henderson's net assets increased by \$125,165,632 during the current fiscal year, an increase in governmental net assets of \$105,573,350 and an increase in business-type activities of \$19,592,282. See explanations for the increases in the sections for Governmental Activities and Business-type Activities.

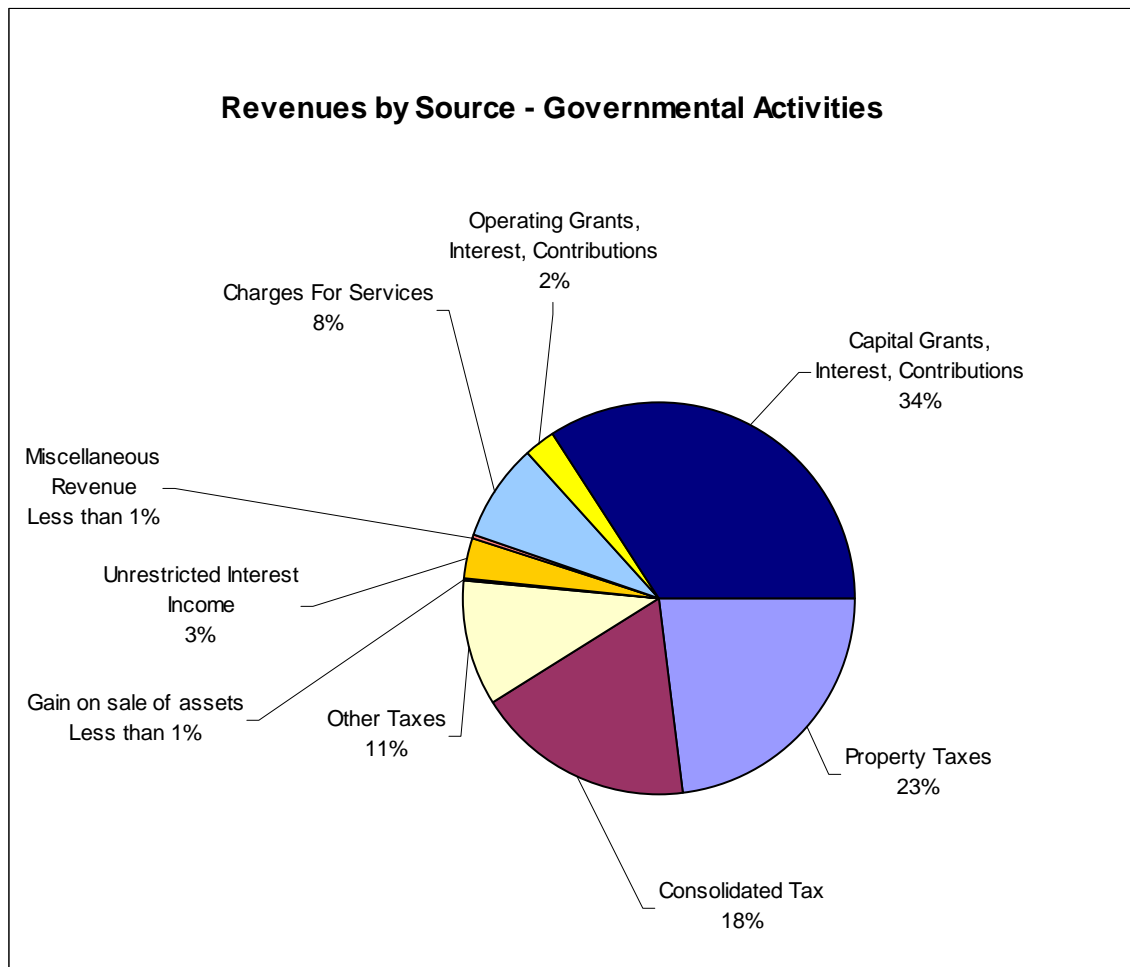
## City of Henderson's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues						
Charges for services	\$35,110,115	\$33,304,072	\$103,395,532	\$111,996,915	\$138,505,647	\$145,300,987
Operating grants, interest, and contributions	10,612,335	8,660,441	203,810	77,098	10,816,145	8,737,539
Capital grants, interest and Contributions	148,125,739	155,138,614	52,362,486	95,819,296	200,488,225	250,957,910
General revenues:						
Property taxes	99,811,843	94,998,902	-	-	99,811,843	94,998,902
Consolidated tax	77,752,314	92,537,034	-	-	77,752,314	92,537,034
Other taxes	45,366,226	48,591,040	6,062,248	7,221,693	51,428,474	55,812,733
Unrestricted interest income	14,103,960	18,584,119	13,236,639	20,942,193	27,340,599	39,526,312
Gain on sale of assets	401,596	709,299	-	71,595	401,596	780,894
Other	1,505,326	1,532,688	901,151	816,127	2,406,477	2,348,815
Total revenues	432,789,454	454,056,209	176,161,866	236,944,917	608,951,320	691,001,126
Expenses:						
General government	58,435,823	61,804,917	-	-	58,435,823	61,804,917
Judicial	11,822,052	10,493,174	-	-	11,822,052	10,493,174
Public safety	130,688,497	120,255,700	-	-	130,688,497	120,255,700
Public works	67,681,146	62,305,206	-	-	67,681,146	62,305,206
Culture and recreation	42,439,125	45,459,685	-	-	42,439,125	45,459,685
Community Support	6,678,845	5,457,316	-	-	6,678,845	5,457,316
Interest on long-term debt	8,558,064	8,921,624	-	-	8,558,064	8,921,624
Water	-	-	79,665,871	76,910,784	79,665,871	76,910,784
Sewer	-	-	47,967,454	46,917,885	47,967,454	46,917,885
Development Center	-	-	20,423,265	27,144,018	20,423,265	27,144,018
Other business-type activities	-	-	9,425,546	11,249,375	9,425,546	11,249,375
Total expenses	326,303,552	314,697,622	157,482,136	162,222,062	483,785,688	476,919,684
Increase in net assets before Transfers, & Special Item	106,485,902	139,358,587	18,679,730	74,722,855	125,165,632	214,081,442
Special Item-Donated Land	-	(13,888,499)	-	-	-	(13,888,499)
Transfers	(912,552)	(1,423,913)	912,552	1,423,913	-	-
Increase in net assets	105,573,350	124,046,175	19,592,282	76,146,768	125,165,632	200,192,943
Net assets, July 1, as originally reported	1,453,689,952	1,329,643,777	1,040,448,631	969,702,688	2,494,138,583	2,299,346,465
Prior Period Adjustment	-	-	(9,617,920)	(5,400,825)	(9,617,920)	(5,400,825)
Net assets, July 1, as adjusted	1,453,689,952	1,329,643,777	1,030,830,711	964,301,863	2,484,520,663	2,293,945,640
Net assets, June 30	\$1,559,263,302	\$1,453,689,952	\$1,050,422,993	\$1,040,448,631	\$2,609,686,295	\$2,494,138,583

**Governmental Activities.** Governmental activities increased the City of Henderson’s net assets by \$105,573,350 thereby accounting for 84% of the total growth in net assets of the City of Henderson. Key elements of this increase are as follows:

- Operating grants and contributions increased by \$1,951,894 or 23% due in large part to contributions from Clark County School District for Heritage Park & Aquatics Center
- Consolidated tax, which is derived in large part from sales taxes, decreased by \$14,784,720 or 16% due to the significant downturn in the economy.
- Interest income decreased \$4,480,159 or 24% due to a lower return on investments.
- Community support expenses increased by \$1,221,529 or 22% due in large part to the construction of the Nathan Adelson Adult Daycare Center

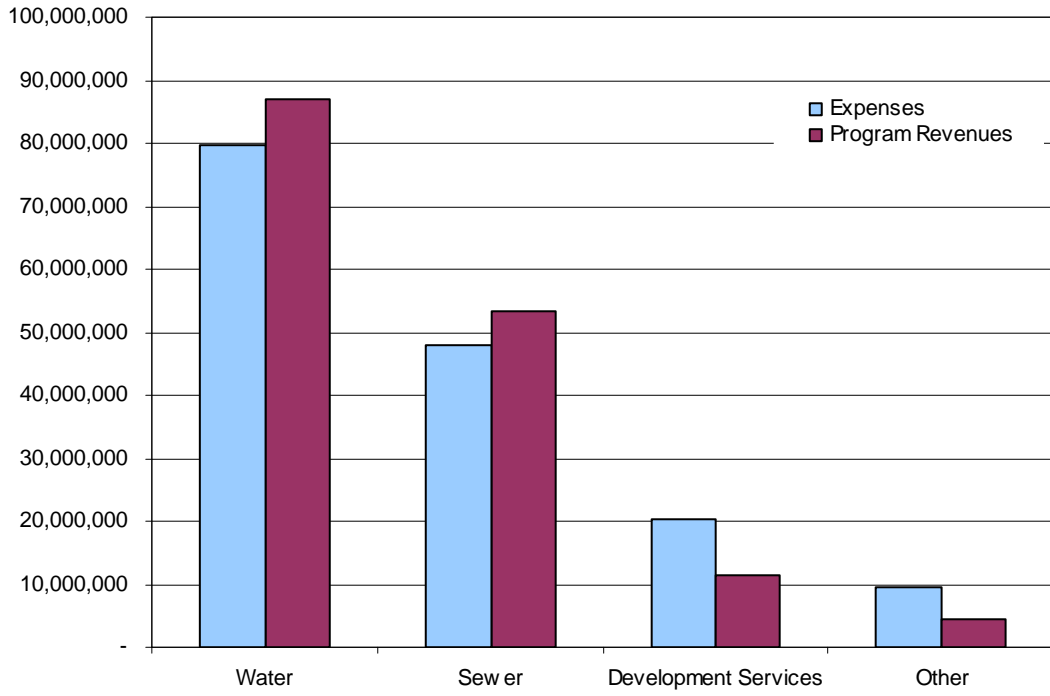




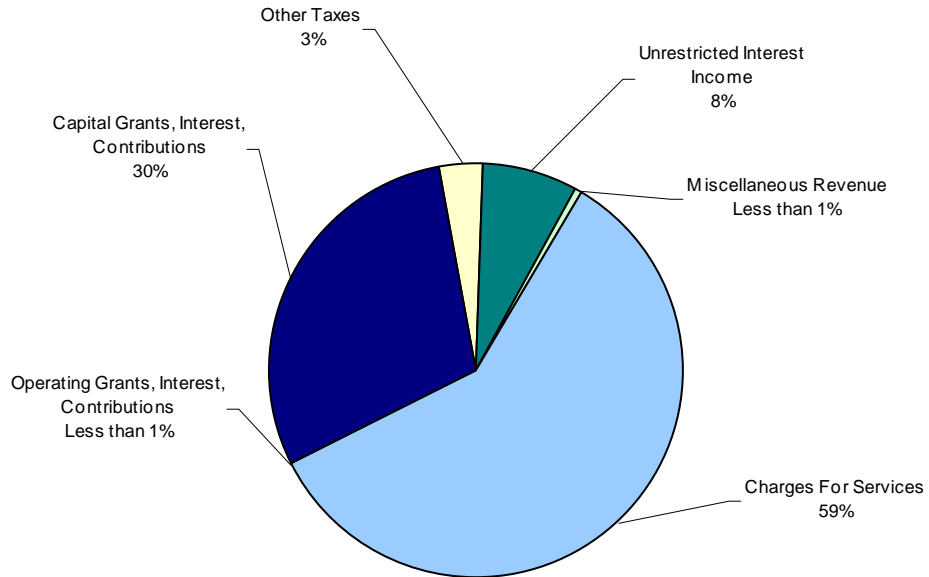
**Business-type activities.** Business-type activities increased the City of Henderson’s net assets by \$19,592,282 accounting for 16% of the total growth in the government’s net assets. Key elements of this increase are as follows:

- Capital grants and contributions decreased by \$43,456,810 or 45% due to construction slow-down.
- Other taxes, which relates to room taxes, transportation taxes and sales taxes decreased by \$1,159,445 or 16% due to economic downturn.
- Interest income decreased by \$7,705,554 or 37% due to lower cash and investment balances and lower rate of return on investments.
- Development services costs decreased by \$6,720,753 or 25% due to slowdown in construction and reduced number of employees in this department.
- Other business-type activity costs, which includes a municipal golf course and the cultural arts and tourism department, decreased by \$1,823,829 or 16% due to decreased revenues resulting from downturn in economy.
- The prior period adjustment of \$9,617,920 relates to the incorrect reporting of an investment in a joint venture for Clean Water Coalition, which addressed water quality issues in the Las Vegas Wash and Las Vegas Bay of Lake Mead. It has been determined that the City of Henderson does not have an explicit, measurable right to the net resources of the joint venture.

### Expenses and Program Revenues - Business-type Activities



### Revenues by Source - Business-type Activities



## Financial Analysis of the City's Funds

**Governmental funds.** The focus of the City of Henderson's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Henderson's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Henderson's governmental funds reported combined ending fund balances of \$384,668,222, a decrease of \$17,321,839 in comparison with the prior year. Approximately 72% of this balance (\$278,356,195) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$68,390,563), 2) to pay debt service (\$12,051,323), 3) for land held for resale (\$14,916,151), 4) for a variety of other purposes (\$10,953,990).

**General Fund.** The general fund is the chief operating fund of the City of Henderson. At the end of the current fiscal year, unreserved fund balance of the general fund was \$23,495,121, while total fund balance was \$24,988,638. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11% of total general fund expenditures, while total fund balance represents 12% of that same amount.

The fund balance of the general fund decreased by \$6,181,868 during the current fiscal year. Key factors for this net decrease are as follows:

There was an increase in general fund expenditures, the most significant of these being for Public Safety. This increase was \$4,951,248 and was due to staffing level increases in public safety and the purchase of fire rescue equipment. Other increases were mainly due to increased staffing levels and salaries.

There was also a decrease in intergovernmental revenues of \$14,125,785, which comprised mostly of sales tax revenue due to the economic downturn.

Transfers in from other funds increased by \$11,980,074 and transfers to other funds decreased by \$1,316,262 in comparison to the previous fiscal year.

**General Obligation Debt Service Fund.** The general obligation debt service fund has a total fund balance of \$9,708,219, all of which is reserved for payment of debt service. The net increase in the fund balance was \$3,636,004 due mainly to transfers in from other funds for their respective share of debt service for approximately \$11 million. These transfers in were offset by a \$14.6 million transfer to the general fund for property owner taxes collected in this fund that is to be used for Parks and Recreation activities. Property taxes were approximately \$26 million, an increase of approximately \$1.6 million due to a general increase in assessed value. Debt service payments were approximately \$19 million compared to a similar amount in the previous fiscal year.

**Special Assessment Districts Debt Service Fund.** The special assessment districts debt service fund has a total fund balance of \$965,321, all of which is reserved for payment of debt service. The net increase in the fund balance was \$83,279, which is insignificant.

**Special Assessment Districts Capital Projects Fund.** The special assessment districts capital projects fund has a total fund balance of \$133,475,638 which is unreserved. The net increase in fund balance was

\$1,436,816. The increase to fund balance was due mainly to approximately \$1.3 million in interest earnings, which was a decrease under the previous year of approximately \$4.3 million.

**Municipal Facilities Acquisition & Construction Capital Projects Fund.** The municipal facilities acquisition & construction capital projects fund has a reserved for encumbrances fund balance of \$55,606,715, an unreserved fund balance of \$37,828,297, and a total fund balance of \$93,435,012. The net decrease in fund balance was \$20,524,077. The most significant increase to fund balance was a \$10.8 million contribution from Clark County for the Justice Facility expansion and garage. This increase was offset by professional services, operating expenses, and capital outlay related to a new aquatics center, construction costs for the Justice Facility expansion and garage, and the North Community Police Station.

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

Unrestricted net assets of the water fund at the end of the fiscal year amounted to \$64,005,395, and total growth in net assets was \$9,582,421. Unrestricted net assets of the sewer fund at the end of the fiscal year were \$56,497,855, and total growth in net assets was \$14,807,568. Unrestricted net assets in the development services fund at the end of the fiscal year were \$6,703,885, and the total decrease in net assets was \$1,475,139. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Henderson's business-type activities.

### **General Fund Budgetary Highlights**

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by \$2.2 million, or 0.9% 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. Many budgeted capital purchases and projects had not been completed by the end of Fiscal Year 2008, and were re-appropriated in Fiscal Year 2009.

Actual expenditures were 88.1% of appropriations, or \$28.6 million lower than the final budget. All functions are well within appropriation authority. The savings were mainly due to staffing vacancies that occurred during the fiscal year, as well as projects that were not completed by the end of the fiscal year and will be re-appropriated to the subsequent year. The main areas of savings are summarized below:

- Actual General Government expenditures were \$11.5 million below the final budget. Several projects within Building Maintenance, Community Development, and Information technology were not completed by year-end and were deferred to the subsequent year, in addition to \$3.6 million in vacancy savings.
- Actual Public Safety expenditures were \$7.9 million below the final budget, primarily due to vacancy savings, as well as projects that were deferred to the subsequent year.
- Actual Public Works expenditures were \$3.7 million below the final budget, primarily due to projects that were deferred to the subsequent year.
- Actual Culture and Recreation expenditures were \$4.6 million below the final budget, mainly due to vacancy savings as well as projects that were deferred to the subsequent year.

## Capital Assets and Debt Administration

**Capital assets.** The City of Henderson’s investment in capital assets for its governmental and business-type activities as of June 30, 2009 amounts to \$2,284,159,887 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges and a municipal golf course. The total increase in the City of Henderson’s investment in capital assets was \$209,525,021 (\$125,672,375 for governmental activities and \$83,852,646 for business-type activities).

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

- Construction in progress for governmental activities increased by \$78,645,901. This increase is due in large part to approximately \$27 million for Heritage Park Phase II, including at senior center and aquatics center; \$27 million for the Justice Facility and Garage; \$13 million in projects related to parks and trails related to the Southern Nevada Public Land Management Act; \$7 million for the North Community Police Station.
- Improvements other than buildings for business type activities increased by \$174,694,335. This increase is due in large part to approximately \$113 million for the Water Reclamation Facility Expansion; \$10.6 million for Utility Support Services Building improvements; \$9 million for water transmission main improvements; and \$46 million in donated water and sewer lines. Any increases were offset by depreciation.
- Machinery & Equipment for business type activities increased \$1,715,074 due to approximately \$1.3 million in asset management equipment; \$0.9 million for a program to monitor water and sewer utility infrastructure; and \$0.3 million in geographic information systems. Any increases were offset by depreciation.
- Construction in progress for business type activities decreased by \$91,779,994 due in large part to completed projects described above in Improvement other than buildings for the Water Reclamation Facility Expansion, the Utility Support Services Building improvements, and the water transmission main improvements. Decreases were offset mainly due to approximately \$37 million for a satellite Water Reclamation Facility.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$180,884,927	\$173,065,667	\$25,215,735	\$25,215,735	\$206,100,662	\$198,281,402
Buildings	155,464,861	160,648,565	22,806,585	23,583,354	178,271,446	184,231,919
Improvements other than buildings	122,066,841	112,471,794	845,557,686	670,863,351	967,624,527	783,335,145
Machinery and equipment	29,663,417	32,878,699	8,905,930	7,190,856	38,569,347	40,069,555
Infrastructure	692,033,902	654,022,749	-	-	692,033,902	654,022,749
Construction in progress	111,407,865	32,761,964	90,152,138	181,932,132	201,560,003	214,694,096
<b>Total</b>	<b>\$1,291,521,813</b>	<b>\$1,165,849,438</b>	<b>\$992,638,074</b>	<b>\$908,785,428</b>	<b>\$2,284,159,887</b>	<b>\$2,074,634,866</b>

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



**Long-term debt.** At the end of the current fiscal year, the City of Henderson had total bonded debt outstanding of \$354,496,978. Of this amount, \$135,027,000 is considered general obligation debt, \$14,780,000 is tax allocation debt, and \$235,000 is considered special assessment debt for which the City is obligated in some manner. The remainder of the City of Henderson’s bonded debt represents bonds to be paid from the City’s Water and Sewer activities.

### City of Henderson’s Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$135,027,000	\$147,314,000	\$-	\$-	\$135,027,000	\$147,314,000
Tax allocation bonds	14,780,000	15,320,000	-	-	14,780,000	15,320,000
Special assessment debt with government commitment	235,000	305,000	-	-	235,000	305,000
Water & sewer bonds	-	-	204,454,978	217,507,507	204,454,978	217,507,507
Total	\$150,042,000	\$162,939,000	\$204,454,978	\$217,507,507	\$354,496,978	\$380,446,507

In March 2009, the City issued an installment-purchase agreement in the amount of \$17,960,000. The agreement was executed for the purpose of financing all or a portion of the cost of acquiring, constructing, improving, and equipping energy conservation projects for City facilities.

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

As of June 30, 2009, the City’s net general obligation bonded debt subject to the legal debt margin of \$339,481,978 was below the legal limit of \$2,533,376,709.

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

### Other Factors

- The City will maintain the property tax rate in the City of Henderson which is \$.7108 per \$100 in assessed valuation, one of the lowest in the state of Nevada.
- The City is monitoring the impact of the property tax legislation passed during the 2005 Legislative session. Property values have declined in light of oversupply of resale and foreclosure homes. These reduced values impact the total property tax abatements imposed by the Legislative caps.
- During the most recent legislative session, the State Legislature passed Assembly Bill 543, which essentially takes the revenue generated from the 4 cents per \$100 of assessed value and redirects it to the State general fund. The impact to the City of Henderson over the next two fiscal years is approximately \$6 million (\$3 million in fiscal year 2010 and \$3 million in fiscal year 2011. This bill ends in 2011.
- The State Legislature also passed Assembly Bill 552. This Bill increases the fee paid to the State by cities and counties for collection of the sales and use tax. The fee is increased from 0.75 to 1.75

percent. This fee is permanent and will impact the City of Henderson over the next two years is approximately \$1.8 million (\$890,000 in fiscal year 2010 and \$890,000 in fiscal year 2011).

- Another Bill with a fiscal impact to the City is Assembly Bill 521. This bill expands the list of substances which are deemed to be known carcinogens and further expands coverage for cancer as an occupational disease of firefighters. The projected impact to the City over the next two years is approximately \$2.07 million (\$1.035 million in fiscal year 2010 and \$1.035 million in fiscal year 2011). This figure reflects the overall claim liability to the City.

These factors were considered in preparing the City of Henderson's budget for the 2009/2010 fiscal year.

During the current fiscal year unreserved fund balance in the general fund decreased to \$23,495,121. The City of Henderson has appropriated approximately \$8 million of this amount for spending in the 2009/2010 fiscal year budget. It is intended that this use of available fund balance will pay for one time capital purchases.

### **Requests for Information**

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

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# CITY OF HENDERSON, NEVADA

## Statement of Net Assets June 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash and investments	\$ 453,384,068	\$ 281,209,757	\$ 734,593,825
Receivables:			
Accounts	8,897,390	10,834,278	19,731,668
Interest receivable	1,939,263	1,950,440	3,889,703
Delinquent property taxes	2,634,552	--	2,634,552
Special assessments	2,646,394	--	2,646,394
Notes	11,383,553	--	11,383,553
Due from other governments	30,654,363	674,044	31,328,407
Internal balances	10,928,393	(10,928,393)	--
Other assets	32,335	3,674,201	3,706,536
Land held for resale	14,916,151	--	14,916,151
Deferred charges	845,853	957,528	1,803,381
Restricted assets - cash and investments:			
Customer deposits	--	1,591,118	1,591,118
Water and sewer bond debt service	--	10,917,668	10,917,668
Capital assets (net of accumulated depreciation):			
Land	180,884,927	25,215,735	206,100,662
Buildings	155,464,861	22,806,585	178,271,446
Improvements other than buildings	122,066,841	845,557,686	967,624,527
Machinery and equipment	29,663,417	8,905,930	38,569,347
Infrastructure	692,033,902	--	692,033,902
Construction in progress	111,407,865	90,152,138	201,560,003
Total Assets	1,829,784,128	1,293,518,715	3,123,302,843
<b>LIABILITIES</b>			
Accounts payable and accrued wages	24,132,632	13,350,783	37,483,415
Accrued interest payable	1,211,314	--	1,211,314
Construction contracts/retention payable	3,854,180	5,363,586	9,217,766
Deposits	10,688,922	139,413	10,828,335
Due to other governments	1,049,296	--	1,049,296
Unearned revenue	6,525,092	2,868,577	9,393,669
Current liabilities partially payable from restricted assets	--	3,699,424	3,699,424
Noncurrent liabilities:			
Due within one year	30,008,867	5,290,501	35,299,368
Due within one year, partially payable from restricted assets		13,128,083	13,128,083
Due in more than one year	193,050,523	199,255,355	392,305,878
Total liabilities	270,520,826	243,095,722	513,616,548
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,125,613,020	787,891,869	1,913,504,889
Restricted for:			
General government	13,041,922	--	13,041,922
Judicial	775,040	--	775,040
Debt service	9,462,226	8,809,362	18,271,588
Public safety	6,692,699	--	6,692,699
Public works	19,158,705	--	19,158,705
Culture and recreation	2,977,571	--	2,977,571
Capital projects	234,376,678	--	234,376,678
Redevelopment	37,954,767	--	37,954,767
Claims	26,810,490	--	26,810,490
System development	--	135,358,936	135,358,936
Unrestricted	82,400,184	118,362,826	200,763,010
Total Net Assets	\$ 1,559,263,302	\$ 1,050,422,993	\$ 2,609,686,295

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

**CITY OF HENDERSON, NEVADA**

**Statement of Activities  
For the Year Ended June 30, 2009**

FUNCTIONS/PROGRAMS	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
<b>Governmental Activities:</b>							
General government	\$ 58,435,823	\$ 12,745,977	\$ --	\$ 4,837,528	\$ (40,852,318)	\$ --	\$ (40,852,318)
Judicial	11,822,052	1,393,124	11,963	10,815,819	398,854	--	398,854
Public safety	130,688,497	13,280,891	1,556,694	23,907	(115,827,005)	--	(115,827,005)
Public works	67,681,146	204,048	722,063	96,077,126	29,322,091	--	29,322,091
Culture and recreation	42,439,125	7,476,274	5,010,723	34,629,971	4,677,843	--	4,677,843
Community support	6,678,845	9,801	3,310,892	1,741,388	(1,616,764)	--	(1,616,764)
Debt service:							
Administrative and other costs	765,376	--	--	--	(765,376)	--	(765,376)
Interest and fiscal charges	7,792,688	--	--	--	(7,792,688)	--	(7,792,688)
<b>Total Governmental Activities</b>	<b>326,303,552</b>	<b>35,110,115</b>	<b>10,612,335</b>	<b>148,125,739</b>	<b>(132,455,363)</b>	<b>--</b>	<b>(132,455,363)</b>
<b>Business-Type Activities:</b>							
Water	79,665,871	57,153,017	10,259	29,737,434	--	7,234,839	7,234,839
Sewer	47,967,454	30,691,222	--	22,616,506	--	5,340,274	5,340,274
Development services center	20,423,265	11,308,929	102,648	--	--	(9,011,688)	(9,011,688)
Other business activities	9,425,546	4,242,364	90,903	8,546	--	(5,083,733)	(5,083,733)
<b>Total Business-Type Activities</b>	<b>157,482,136</b>	<b>103,395,532</b>	<b>203,810</b>	<b>52,362,486</b>	<b>--</b>	<b>(1,520,308)</b>	<b>(1,520,308)</b>
<b>Total</b>	<b>\$ 483,785,688</b>	<b>\$ 138,505,647</b>	<b>\$ 10,816,145</b>	<b>\$ 200,488,225</b>	<b>(132,455,363)</b>	<b>(1,520,308)</b>	<b>(133,975,671)</b>
<b>General Revenues</b>							
Ad valorem taxes					99,811,843	--	99,811,843
Bond premium amortization					562,130	711,771	1,273,901
Consolidated tax					77,752,314	--	77,752,314
Franchise fees					30,586,472	--	30,586,472
Motor vehicle fuel tax					3,968,117	--	3,968,117
Room taxes					886,641	1,772,043	2,658,684
Sales tax					9,924,996	4,290,205	14,215,201
Unrestricted investment earnings					14,103,960	13,236,639	27,340,599
Gain on sale of assets					401,596	--	401,596
Miscellaneous					943,196	189,380	1,132,576
Transfers					(912,552)	912,552	--
<b>Total General Revenues and Transfers</b>					<b>238,028,713</b>	<b>21,112,590</b>	<b>259,141,303</b>
<b>Change in Net Assets</b>					<b>105,573,350</b>	<b>19,592,282</b>	<b>125,165,632</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>					<b>1,453,689,952</b>	<b>1,040,448,631</b>	<b>2,494,138,583</b>
<b>PRIOR PERIOD ADJUSTMENT</b>						<b>(9,617,920)</b>	<b>(9,617,920)</b>
<b>NET ASSETS, BEGINNING OF YEAR, RESTATED</b>					<b>1,453,689,952</b>	<b>1,030,830,711</b>	<b>2,484,520,663</b>
<b>NET ASSETS, END OF YEAR</b>					<b>\$ 1,559,263,302</b>	<b>\$ 1,050,422,993</b>	<b>\$ 2,609,686,295</b>

The accompanying notes are an integral part of these financial statements

**CITY OF HENDERSON, NEVADA**

**Balance Sheet  
Governmental Funds  
June 30, 2009**

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>							
Cash and investments	\$ 22,612,284	\$ 9,385,868	\$ 960,931	\$ 135,893,661	\$ 95,917,834	\$ 103,541,978	\$ 368,312,556
Receivables:							
Accounts	8,434,631	--	--	--	160,642	104,404	8,699,677
Special assessments	--	--	2,646,394	--	--	--	2,646,394
Accrued interest	131,477	81,845	4,879	3,059	558,664	637,262	1,417,186
Notes	--	--	--	--	--	10,898,578	10,898,578
Delinquent property taxes	1,809,937	824,615	--	--	--	--	2,634,552
Advances to other funds	--	--	--	--	--	3,209,917	3,209,917
Due from other funds	530,815	--	--	--	--	--	530,815
Due from employees	11,239	--	--	--	--	--	11,239
Due from other governments	14,199,843	240,506	--	--	5,356,766	10,529,013	30,326,128
Land held for resale	--	--	--	--	--	14,916,151	14,916,151
Total assets	<u>\$ 47,730,226</u>	<u>\$ 10,532,834</u>	<u>\$ 3,612,204</u>	<u>\$ 135,896,720</u>	<u>\$ 101,993,906</u>	<u>\$ 143,837,303</u>	<u>\$ 443,603,193</u>
<b>LIABILITIES</b>							
Accounts payable and accrued wages	\$ 11,809,858	\$ --	\$ 489	\$ --	\$ 5,828,328	\$ 4,347,694	\$ 21,986,369
Compensated absences payable	228,312	--	--	--	--	--	228,312
Termination benefits payable	1,089,691	--	--	--	--	--	1,089,691
Construction contracts payable	2,191	--	--	--	2,730,566	1,121,423	3,854,180
Deposits	6,834,417	--	--	--	--	3,854,505	10,688,922
Due to other governments	874,922	--	--	--	--	174,374	1,049,296
Due to other funds	--	--	--	--	--	530,815	530,815
Advances from other funds	--	--	--	2,421,082	--	3,209,917	5,630,999
Deferred revenue	1,902,197	824,615	2,646,394	--	--	8,503,181	13,876,387
Total liabilities	<u>22,741,588</u>	<u>824,615</u>	<u>2,646,883</u>	<u>2,421,082</u>	<u>8,558,894</u>	<u>21,741,909</u>	<u>58,934,971</u>
<b>FUND BALANCES</b>							
Reserved for:							
Encumbrances	1,493,517	--	--	--	55,606,715	11,290,331	68,390,563
Debt service	--	9,708,219	965,321	--	--	1,377,783	12,051,323
Land held for resale	--	--	--	--	--	14,916,151	14,916,151
Notes receivable	--	--	--	--	--	2,395,397	2,395,397
Sinking fund	--	--	--	--	--	5,348,676	5,348,676
Advances	--	--	--	--	--	3,209,917	3,209,917
Unreserved, reported in:							
General fund	23,495,121	--	--	--	--	--	23,495,121
Special revenue funds	--	--	--	--	--	48,293,562	48,293,562
Capital projects funds	--	--	--	133,475,638	37,828,297	35,263,577	206,567,512
Total fund balance	<u>24,988,638</u>	<u>9,708,219</u>	<u>965,321</u>	<u>133,475,638</u>	<u>93,435,012</u>	<u>122,095,394</u>	<u>384,668,222</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 47,730,226</u>	<u>\$ 10,532,834</u>	<u>\$ 3,612,204</u>	<u>\$ 135,896,720</u>	<u>\$ 101,993,906</u>	<u>\$ 143,837,303</u>	<u>\$ 443,603,193</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, 2009

Fund Balances - Governmental Funds		\$ 384,668,222
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	1,814,652,675	
Less: Accumulated depreciation	<u>(545,329,844)</u>	1,269,322,831
<p>Other assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.</p>		
Bond costs - deferred charges	919,762	
Less: Current year amortization	(73,909)	
Accrued interest on long-term notes receivable	<u>484,975</u>	1,330,828
<p>Long -term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
General obligation bonds payable	(133,779,646)	
Installment purchase payable	(17,960,000)	
Tax allocation bonds payable	(14,780,000)	
Special assessment bonds payable	(235,000)	
Other post employment benefits	(8,245,790)	
Termination benefits payable	(1,557,099)	
Compensated absences	<u>(31,889,688)</u>	(208,447,223)
Interest payable		(1,211,314)
<p>Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>		
		7,351,295
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets and liabilities of the internal service funds are reported with governmental activities.</p>		
		95,320,270
<p>Internal balances are receivable from business-type activities</p>		
		<u>10,928,393</u>
Net Assets - Governmental Activities		<u><u>\$ 1,559,263,302</u></u>

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

# CITY OF HENDERSON, NEVADA

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2009

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
<b>REVENUES:</b>							
Property taxes	\$ 44,779,299	\$ 26,074,756	\$ --	\$ --	\$ 12,527,201	\$ 15,897,708	\$ 99,278,964
Special assessments	--	--	341,924	--	--	--	341,924
Franchise fees	30,586,472	--	--	--	--	--	30,586,472
Licenses and permits	8,137,847	--	--	--	--	--	8,137,847
Intergovernmental	82,978,973	--	--	--	12,955,819	45,072,624	141,007,416
Charges for services	15,163,227	--	--	--	842,345	16,005,572	16,005,572
Fines and forfeitures	5,748,134	--	--	--	--	1,084,388	6,832,522
Developer/property owner contributions	--	--	--	--	--	2,054,291	2,054,291
Impact fees	--	--	--	--	653,793	389,940	1,043,733
Miscellaneous interest	893,093	545,455	217,616	1,346,443	4,166,463	5,031,048	12,200,118
Miscellaneous	458,083	--	12,153	--	15,650	2,550,687	3,036,573
Total revenues	<u>188,745,128</u>	<u>26,620,211</u>	<u>571,693</u>	<u>1,346,443</u>	<u>30,318,926</u>	<u>72,923,031</u>	<u>320,525,432</u>
<b>EXPENDITURES:</b>							
Current:							
General government	43,531,094	--	--	--	285,294	6,205,359	50,021,747
Judicial	10,666,651	--	--	--	--	594,270	11,260,921
Public safety	108,718,633	--	--	--	168,340	14,277,793	123,164,766
Public works	11,494,313	--	--	--	2,592,662	650,851	14,737,826
Culture and recreation	33,165,125	--	--	--	1,012,602	7,752,222	41,929,949
Community support	1,722,170	--	--	--	--	5,736,723	7,458,893
Total current	<u>209,297,986</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,058,898</u>	<u>35,217,218</u>	<u>248,574,102</u>
Capital outlay:							
General government	201,243	--	--	--	63,398	4,166,072	4,430,713
Judicial	--	--	--	--	--	106,517	106,517
Public safety	1,932,315	--	--	--	529,975	804,687	3,266,977
Public works	46,807	--	--	293,308	42,417,388	4,649,463	47,406,966
Culture and recreation	96,290	--	--	--	9,273,308	17,014,074	26,383,672
Community support	--	--	--	--	--	100,000	100,000
Total capital outlay	<u>2,276,655</u>	<u>--</u>	<u>--</u>	<u>293,308</u>	<u>52,284,069</u>	<u>26,840,813</u>	<u>81,694,845</u>
Debt service:							
Principal retirement	--	12,287,000	70,000	--	--	540,000	12,897,000
Interest and fiscal charges	--	6,797,011	25,650	--	--	865,314	7,687,975
Administrative and other costs	--	26,635	9,083	--	--	--	35,718
Total debt service	<u>--</u>	<u>19,110,646</u>	<u>104,733</u>	<u>--</u>	<u>--</u>	<u>1,405,314</u>	<u>20,620,693</u>
Total expenditures	<u>211,574,641</u>	<u>19,110,646</u>	<u>104,733</u>	<u>293,308</u>	<u>56,342,967</u>	<u>63,463,345</u>	<u>350,889,640</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(22,829,513)</u>	<u>7,509,565</u>	<u>466,960</u>	<u>1,053,135</u>	<u>(26,024,041)</u>	<u>9,459,686</u>	<u>(30,364,208)</u>

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

continued



**CITY OF HENDERSON, NEVADA**

Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)

Governmental Funds

For the Year Ended June 30, 2009

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition and Construction Capital Projects	Other Governmental Funds	Total
OTHER FINANCING SOURCES (USES)							
Land sales	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 326,968	\$ 326,968
Sale of capital assets	5,425	--	--	--	--	--	5,425
Proceeds from issuance of debt	--	--	--	--	17,960,000	--	17,960,000
Transfers:							
Transfers from other funds	29,538,608	11,103,948	--	383,681	7,662,536	2,967,000	51,655,773
Transfers to other funds	(12,896,388)	(14,977,509)	(383,681)	--	(20,122,572)	(8,525,647)	(56,905,797)
Total other financing sources (uses)	<u>16,647,645</u>	<u>(3,873,561)</u>	<u>(383,681)</u>	<u>383,681</u>	<u>5,499,964</u>	<u>(5,231,679)</u>	<u>13,042,369</u>
NET CHANGE IN FUND BALANCES	(6,181,868)	3,636,004	83,279	1,436,816	(20,524,077)	4,228,007	(17,321,839)
FUND BALANCES, BEGINNING OF YEAR	<u>31,170,506</u>	<u>6,072,215</u>	<u>882,042</u>	<u>132,038,822</u>	<u>113,959,089</u>	<u>117,867,387</u>	<u>401,990,061</u>
6 FUND BALANCES, END OF YEAR	<u><u>\$ 24,988,638</u></u>	<u><u>\$ 9,708,219</u></u>	<u><u>\$ 965,321</u></u>	<u><u>\$ 133,475,638</u></u>	<u><u>\$ 93,435,012</u></u>	<u><u>\$ 122,095,394</u></u>	<u><u>\$ 384,668,222</u></u>

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

**CITY OF HENDERSON, NEVADA**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
Governmental Funds  
For the Year Ended June 30, 2009

Net Change in Fund Balances - Governmental Funds		\$ (17,321,839)
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Governmental funds report capital outlay as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.</p>		
Expenditures for capital assets	86,109,158	
Sale/disposition of assets	(241,412)	
Less: Current year depreciation	<u>(65,871,616)</u>	
		19,996,130
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
Changes in deferred revenue	273,315	
Donated capital assets	<u>108,218,894</u>	
		108,492,209
<p>Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments and costs of issuance</p>		
Debt issued	(17,960,000)	
Bond issuance costs	(729,658)	
Accrued interest	(217,753)	
Principal payments	<u>12,897,000</u>	
		(6,010,411)
<p>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</p>		
Amortization of current year bond premium, discount and costs	562,130	
Change in other post employment benefit (OPEB) liability	(4,185,485)	
Change in long-term compensated absences	<u>(3,244,054)</u>	
		(6,867,409)
<p>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.</p>		
		<u>7,284,670</u>
Change in Net Assets of Governmental Activities		<u>\$ 105,573,350</u>

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

**CITY OF HENDERSON, NEVADA**

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 46,637,628	\$ 44,906,618	\$ 44,779,299	\$ (127,319)
Franchise fees	34,769,693	30,479,806	30,586,472	106,666
Licenses and permits	9,633,981	8,502,309	8,137,847	(364,462)
Intergovernmental	106,183,796	83,720,607	82,978,973	(741,634)
Charges for services	15,398,553	14,452,502	15,163,227	710,725
Fines and forfeits	4,747,926	5,185,605	5,748,134	562,529
Miscellaneous interest	1,648,031	1,048,031	893,093	(154,938)
Miscellaneous	441,410	306,533	458,083	151,550
Total revenues	<u>219,461,018</u>	<u>188,602,011</u>	<u>188,745,128</u>	<u>143,117</u>
<b>EXPENDITURES</b>				
Current:				
General government	53,079,074	54,341,056	43,531,094	10,809,962
Judicial	11,155,147	11,081,972	10,666,651	415,321
Public safety	117,169,826	115,393,551	108,718,633	6,674,918
Public works	13,557,289	14,433,580	11,494,313	2,939,267
Culture and recreation	38,772,148	37,106,415	33,165,125	3,941,290
Community support	2,100,997	2,139,335	1,722,170	417,165
Total current	<u>235,834,481</u>	<u>234,495,909</u>	<u>209,297,986</u>	<u>25,197,923</u>
Capital outlay:				
General government	574,000	905,073	201,243	703,830
Judicial	--	18,511	--	18,511
Public safety	981,988	3,149,172	1,932,315	1,216,857
Public works	33,500	767,461	46,807	720,654
Culture and recreation	496,867	789,066	96,290	692,776
Total capital outlay	<u>2,086,355</u>	<u>5,629,283</u>	<u>2,276,655</u>	<u>3,352,628</u>
Total expenditures	<u>237,920,836</u>	<u>240,125,192</u>	<u>211,574,641</u>	<u>28,550,551</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(18,459,818)</u>	<u>(51,523,181)</u>	<u>(22,829,513)</u>	<u>28,693,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	--	--	5,425	5,425
Transfers from other funds	24,113,910	42,865,004	29,538,608	(13,326,396)
Transfers to other funds	<u>(13,875,388)</u>	<u>(12,896,388)</u>	<u>(12,896,388)</u>	<u>--</u>
Total other financing sources (uses)	<u>10,238,522</u>	<u>29,968,616</u>	<u>16,647,645</u>	<u>(13,320,971)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(8,221,296)</u>	<u>(21,554,565)</u>	<u>(6,181,868)</u>	<u>15,372,697</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>22,163,403</u>	<u>31,170,506</u>	<u>31,170,506</u>	<u>--</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 13,942,107</u>	<u>\$ 9,615,941</u>	<u>\$ 24,988,638</u>	<u>\$ 15,372,697</u>

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

**CITY OF HENDERSON, NEVADA**

Statement of Net Assets  
Proprietary Funds  
June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
<b>CURRENT ASSETS:</b>						
Cash and investments	\$ 109,502,775	\$ 157,134,254	\$ 11,929,574	\$ 2,643,154	\$ 281,209,757	\$ 85,071,512
Receivables:						
Accounts receivable	7,298,603	3,151,385	87,209	297,081	10,834,278	197,713
Accrued interest	772,154	1,083,689	80,308	14,289	1,950,440	522,077
Due from other governments	1,480	672,564	--	--	674,044	328,235
Inventories - bulk fuel	--	--	--	--	--	15,336
Customer deposits (restricted assets, cash and investments)	1,591,118	--	--	--	1,591,118	--
Water and sewer debt service bonds (restricted assets, cash and investments)	5,582,286	5,335,382	--	--	10,917,668	--
Total current assets	<u>124,748,416</u>	<u>167,377,274</u>	<u>12,097,091</u>	<u>2,954,524</u>	<u>307,177,305</u>	<u>86,134,873</u>
<b>NONCURRENT ASSETS:</b>						
Capital Assets:						
Land	1,717,277	9,695,529	--	13,802,929	25,215,735	--
Buildings	6,646,640	15,977,751	--	8,611,177	31,235,568	753,377
Improvements other than buildings	618,266,702	530,167,191	1,193,737	24,445,835	1,174,073,465	473,374
Machinery and equipment	13,069,024	5,615,123	2,905,786	2,427,762	24,017,695	46,501,548
Construction in progress	16,621,328	73,386,240	144,570	--	90,152,138	--
Total capital assets	<u>656,320,971</u>	<u>634,841,834</u>	<u>4,244,093</u>	<u>49,287,703</u>	<u>1,344,694,601</u>	<u>47,728,299</u>
Less accumulated depreciation	(208,825,284)	(124,101,036)	(2,953,475)	(16,176,732)	(352,056,527)	(25,529,317)
Net capital assets	<u>447,495,687</u>	<u>510,740,798</u>	<u>1,290,618</u>	<u>33,110,971</u>	<u>992,638,074</u>	<u>22,198,982</u>
Other Assets:						
Deferred charges	191,067	766,461	--	--	957,528	--
Deposits	3,674,201	--	--	--	3,674,201	5,760
Advances to other funds	--	--	--	--	--	2,421,082
Total noncurrent assets	<u>451,360,955</u>	<u>511,507,259</u>	<u>1,290,618</u>	<u>33,110,971</u>	<u>997,269,803</u>	<u>24,625,824</u>
Total assets	<u>576,109,371</u>	<u>678,884,533</u>	<u>13,387,709</u>	<u>36,065,495</u>	<u>1,304,447,108</u>	<u>110,760,697</u>

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

continued

**CITY OF HENDERSON, NEVADA**

Statement of Net Assets (continued)  
 Proprietary Funds  
 June 30, 2009

13

	Business-Type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable and accrued wages	\$ 5,454,286	\$ 7,403,853	\$ 284,263	\$ 208,381	\$ 13,350,783	\$ 2,146,263
Termination benefits payable	81,964	126,856	92,292	41,055	342,167	156,197
Compensated absences payable	1,784,374	1,414,611	1,284,789	464,560	4,948,334	2,161,389
Construction contracts	1,097,693	4,265,893	--	--	5,363,586	--
Deposits	--	--	127,808	11,605	139,413	--
Unearned revenue	--	--	2,868,577	--	2,868,577	--
Claims and judgements payable	--	--	--	--	--	10,499,061
Customer deposits (partially payable from restricted assets)	1,591,118	--	--	--	1,591,118	--
Accrued bond interest (partially payable from restricted assets)	829,253	1,279,053	--	--	2,108,306	--
Current portion of bonds payable (partially payable from restricted assets)	5,199,108	7,928,975	--	--	13,128,083	--
<b>Total current liabilities</b>	<b>16,037,796</b>	<b>22,419,241</b>	<b>4,657,729</b>	<b>725,601</b>	<b>43,840,367</b>	<b>14,962,910</b>
<b>NONCURRENT LIABILITIES:</b>						
Provisional credits/refunding agreements	350,720	1,843	--	--	352,563	--
Other post employment benefit (OPEB) liability	740,056	588,205	735,477	144,839	2,208,577	477,517
General obligation bonds (net of current portion)	48,650,039	148,044,176	--	--	196,694,215	--
<b>Total noncurrent liabilities</b>	<b>49,740,815</b>	<b>148,634,224</b>	<b>735,477</b>	<b>144,839</b>	<b>199,255,355</b>	<b>477,517</b>
<b>Total liabilities</b>	<b>65,778,611</b>	<b>171,053,465</b>	<b>5,393,206</b>	<b>870,440</b>	<b>243,095,722</b>	<b>15,440,427</b>
<b>NET ASSETS</b>						
Invested in capital, net of related debt	393,814,551	359,675,729	1,290,618	33,110,971	787,891,869	22,198,982
Restricted for:						
Debt service	4,753,033	4,056,329	--	--	8,809,362	--
Claims	--	--	--	--	--	26,810,490
System development	47,757,781	87,601,155	--	--	135,358,936	--
Unrestricted	64,005,395	56,497,855	6,703,885	2,084,084	129,291,219	46,310,798
<b>Total net assets</b>	<b>\$ 510,330,760</b>	<b>\$ 507,831,068</b>	<b>\$ 7,994,503</b>	<b>\$ 35,195,055</b>	<b>1,061,351,386</b>	<b>\$ 95,320,270</b>
Adjustment to reflect the consolidation of Internal Service Funds' activities related to Enterprise Funds					(10,928,393)	
<b>Net Assets of Business-Type Activities</b>					<b>\$ 1,050,422,993</b>	

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, 2009

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Utilities fees	\$ 55,642,170	\$ 30,125,321	\$ --	\$ --	\$ 85,767,491	\$ --
Connection fees	233,042	19,334	--	--	252,376	
Late charges	974,557	498,750	--	--	1,473,307	
Rental fees	--	--	--	297,019	297,019	
Licenses - gaming	--	--	--	635,073	635,073	
Licenses and permits	--	--	3,642,578	--	3,642,578	
Charges for services	--	--	7,454,554	3,317,968	10,772,522	40,793,812
Miscellaneous	303,248	47,817	354,668	132,151	837,884	
Total operating revenues	<u>57,153,017</u>	<u>30,691,222</u>	<u>11,451,800</u>	<u>4,382,211</u>	<u>103,678,250</u>	<u>40,793,812</u>
<b>OPERATING EXPENSES</b>						
Salaries and wages	11,243,725	9,288,108	8,872,289	2,406,384	31,810,506	8,468,337
Employee benefits	4,264,940	3,336,147	3,080,785	828,962	11,510,834	3,148,375
Water purchases	20,912,512	--	--	--	20,912,512	
Services and supplies	17,927,336	14,908,657	6,942,492	4,982,807	44,761,292	15,081,435
Claims and legal fees	--	--	--	--	--	11,866,178
Depreciation	23,544,577	14,732,301	174,162	1,209,271	39,660,311	5,195,896
Total operating expenses	<u>77,893,090</u>	<u>42,265,213</u>	<u>19,069,728</u>	<u>9,427,424</u>	<u>148,655,455</u>	<u>43,760,221</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(20,740,073)</u>	<u>(11,573,991)</u>	<u>(7,617,928)</u>	<u>(5,045,213)</u>	<u>(44,977,205)</u>	<u>(2,966,409)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Room taxes	--	--	--	1,772,043	1,772,043	
Interest revenue	5,180,044	7,413,731	552,447	90,416	13,236,638	3,414,661
Sales taxes	--	4,290,205	--	--	4,290,205	--
Interest expense	(2,083,122)	(5,578,146)	--	--	(7,661,268)	(13,860)
Miscellaneous	139,882	1,506,691	--	--	1,646,573	71,968
Gain (loss) on disposition of assets	--	--	--	--	--	229,785
Bond premium amortization	248,008	463,763	--	--	711,771	
Total nonoperating revenues (expenses)	<u>3,484,812</u>	<u>8,096,244</u>	<u>552,447</u>	<u>1,862,459</u>	<u>13,995,962</u>	<u>3,702,554</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(17,255,261)</u>	<u>(3,477,747)</u>	<u>(7,065,481)</u>	<u>(3,182,754)</u>	<u>(30,981,243)</u>	<u>736,145</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>29,737,434</u>	<u>21,118,953</u>	<u>--</u>	<u>48,663</u>	<u>50,905,050</u>	<u>966,976</u>
<b>TRANSFERS</b>						
Transfers in	353,260	419,487	5,592,713	2,152,313	8,517,773	3,549,795
Transfers out	(3,253,012)	(3,253,125)	(2,371)	(527)	(6,509,035)	(308,509)
Total transfers	<u>(2,899,752)</u>	<u>(2,833,638)</u>	<u>5,590,342</u>	<u>2,151,786</u>	<u>2,008,738</u>	<u>3,241,286</u>
<b>CHANGES IN NET ASSETS</b>	<u>9,582,421</u>	<u>14,807,568</u>	<u>(1,475,139)</u>	<u>(982,305)</u>	<u>21,932,545</u>	<u>4,944,407</u>
NET ASSETS, BEGINNING OF YEAR	500,748,339	502,641,420	9,469,642	36,177,360		90,375,863
PRIOR PERIOD ADJUSTMENT	--	(9,617,920)	--	--		
NET ASSETS, BEGINNING OF YEAR, RESTATED	<u>500,748,339</u>	<u>493,023,500</u>	<u>9,469,642</u>	<u>36,177,360</u>		<u>90,375,863</u>
NET ASSETS, END OF YEAR	<u>\$ 510,330,760</u>	<u>\$ 507,831,068</u>	<u>\$ 7,994,503</u>	<u>\$ 35,195,055</u>		<u>\$ 95,320,270</u>
					Adjustment to reflect the consolidation of interna service funds' activities related to enterprise funds	
						<u>(2,340,263)</u>
					Change in net assets	<u>\$ 19,592,282</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, 2009**

15

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from customers	\$ 57,468,687	\$ 31,044,224	\$ 8,334,699	\$ 4,388,664	\$ 101,236,274	\$ 1,527,037
Cash received from interfund services provided	--	--	--	--	--	39,011,107
Cash from other sources	139,882	5,796,896	--	1,772,043	7,708,821	71,968
Cash payments to suppliers for goods and services	(43,190,438)	(13,253,634)	(10,065,043)	(5,805,007)	(72,314,122)	(27,326,701)
Cash payments to employees for services	(11,227,693)	(9,158,369)	(10,224,954)	(2,375,968)	(32,986,984)	(7,678,534)
Net cash provided by (used for) operating activities	<u>3,190,438</u>	<u>14,429,117</u>	<u>(11,955,298)</u>	<u>(2,020,268)</u>	<u>3,643,989</u>	<u>5,604,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	353,260	419,487	5,592,713	2,152,313	8,517,773	3,549,795
Transfers out	(3,253,012)	(3,253,125)	(2,371)	(527)	(6,509,035)	(308,509)
Payments on advances to other funds	--	--	--	--	--	256,780
Net cash provided by (used for) noncapital financing activities	<u>(2,899,752)</u>	<u>(2,833,638)</u>	<u>5,590,342</u>	<u>2,151,786</u>	<u>2,008,738</u>	<u>3,498,066</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(24,665,904)	(57,450,092)	(453,382)	--	(82,569,378)	(1,733,376)
Principal payments on bonds and leases	(5,170,686)	(7,917,704)	--	--	(13,088,390)	--
Interest paid on bonds and leases	(2,511,968)	(7,664,741)	--	--	(10,176,709)	(13,860)
Due to other funds	--	--	--	--	--	(360,000)
Proceeds from sale of capital assets	--	--	--	--	--	317,581
(Increase) decrease in deposits/deferred charges	554,696	60,599	--	--	615,295	--
Increase (decrease) in provisional credits	(151,019)	(11,682)	--	--	(162,701)	--
Capital contributions	2,062,933	2,798,832	--	--	4,861,765	--
Net cash provided by (used for) capital and related financing activities	<u>(29,881,948)</u>	<u>(70,184,788)</u>	<u>(453,382)</u>	<u>--</u>	<u>(100,520,118)</u>	<u>(1,789,655)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	5,538,353	8,005,783	635,387	94,065	14,273,588	3,513,965
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(24,052,909)	(50,583,526)	(6,182,951)	225,583	(80,593,803)	10,827,253
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	140,729,088	213,053,162	18,112,525	2,417,571	374,312,346	74,244,259
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 116,676,179</u>	<u>\$ 162,469,636</u>	<u>\$ 11,929,574</u>	<u>\$ 2,643,154</u>	<u>\$ 293,718,543</u>	<u>\$ 85,071,512</u>

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

continued



**CITY OF HENDERSON, NEVADA**

Statement of Cash Flows (continued)  
 Proprietary Funds  
 For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	\$ (20,740,073)	\$ (11,573,991)	\$ (7,617,928)	\$ (5,045,213)	\$ (44,977,205)	\$ (2,966,409)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	23,544,577	14,732,301	174,162	1,209,271	39,660,311	5,195,896
Miscellaneous revenues	139,882	5,796,896	--	1,772,043	7,708,821	71,968
Changes in assets and liabilities:						
(Increases) decrease:						
Accounts receivable	317,151	199,771	(52,857)	6,453	470,518	(192,952)
Due from other governments	(1,480)	153,231	22,484	--	174,235	(168,361)
Increase (decrease):						
Accounts payable and accrued wages	(1,276,769)	4,728,515	(551,929)	(74,073)	2,825,744	1,008,444
Termination benefits payable	81,964	126,856	92,292	41,055	342,167	156,197
Deposits	838,463	(1,000)	(9,925)	1,250	828,788	--
Unearned revenue	--	--	(3,086,728)	--	(3,086,728)	--
Compensated absences payable	(81,841)	(36,113)	(1,214,338)	(3,009)	(1,335,301)	521,508
Claims and judgments	--	--	--	--	--	1,703,948
Other post employment benefits (OPEB) liability	368,564	302,651	289,469	71,955	1,032,639	274,638
Total adjustments	<u>23,930,511</u>	<u>26,003,108</u>	<u>(4,337,370)</u>	<u>3,024,945</u>	<u>48,621,194</u>	<u>8,571,286</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 3,190,438</u>	<u>\$ 14,429,117</u>	<u>\$ (11,955,298)</u>	<u>\$ (2,020,268)</u>	<u>\$ 3,643,989</u>	<u>\$ 5,604,877</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Contribution of assets	27,674,501	18,320,121	--	48,663	46,043,285	966,976

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

**CITY OF HENDERSON, NEVADA**

Statement of Fiduciary Net Assets  
Agency Funds  
June 30, 2009

**ASSETS**

Cash and investments	\$	72,861,844
Delinquent assessments receivable		<u>1,078,524</u>
Total assets	\$	<u><u>73,940,368</u></u>

**LIABILITIES**

Due to developers	\$	18,416,243
Due to employees		116,436
Due to others		<u>55,407,689</u>
Total liabilities	\$	<u><u>73,940,368</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, 2009

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

**A. The Reporting Entity**

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

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

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

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

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

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.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

## 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.

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.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

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

The City reports deferred revenue in the fund financial statements balance sheets. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The City reports the following major governmental funds:

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

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

The **Special Assessment Districts Debt Service Fund** accounts for the accumulation of resources and payment of special assessment debt principal and interest from special assessment levies when the government is obligated in some manner for the payment.

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.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

1. **Cash and Investments** (continued)

Cash and cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments with original maturities of three months or less, from the date of acquisition, which are readily convertible to cash. Since all cash in proprietary funds is pooled with the rest of the City's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

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

2. **Receivables and Payables**

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

3. **Property Taxes**

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



# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

3. **Property Taxes** (continued)

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1<sup>st</sup>, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25th, the levy date, and property is liened on July 1st. Taxes on real property are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August, and the first Mondays in October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 15 percent per year from the date the taxes were due, if four or more installments were delinquent, until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

4. **Restricted Assets**

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

5. **Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$10,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated.

General infrastructure assets acquired prior to July 1, 2002 consist of the road network assets, storm drain network assets and bridges that were acquired or that received substantial improvements subsequent to July 1, 1980. The road network and storm drain network assets acquired prior to July 1, 2001 are reported at estimated historical cost using deflated replacement cost. Bridges are valued at initial installation cost.

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

**5. Capital Assets** (continued)

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

Road Network

Asphalt  
Sidewalks  
Curbs and gutters  
Streetlights  
Traffic signals

Storm Drain Network

Storm drain infrastructure  
Storm drain drop inlets

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

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

**6. Water Delivery Deposit**

The City and Basic Management, Inc. (BMI), executed a water delivery contract on May 22, 1990. BMI agreed to deliver water entitlements from Lake Mead to the City for payment under the terms of the agreement. Mutual review of the contract by the City and BMI resulted in modifications to the terms of the agreement. On September 20, 2005, the City and BMI amended the original agreement in which the City agreed to take an additional 4,000 acre feet of water per year. The amended agreement required the City to place a refundable deposit of \$5,515,782 with BMI on October 1, 2005 that would pay for the additional water to be delivered. The refundable deposit accrues interest at 4.5% annually and will be applied monthly. The balance of the refundable deposit as of June 30, 2009, is \$3,674,201.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

7. **Compensated Absences**

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

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

The City has entered into refunding agreements whereby developers construct water and sewage transmission lines from their property to existing City lines at the expense of the developers. The developers are to be reimbursed by the City from the collection of connection fees or user charges.

These agreements are principally for the term of ten years with all liability canceled either by reimbursement to the developers from subsequent connection fee assessments in the related areas or upon expiration of the term of the agreements.

9. **Long-Term Debt**

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Issuance costs are reported as deferred charges and amortized over the term of the related bond.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts are recorded as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

10. **Equity Classifications**

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

- a. **Invested in Capital Assets, Net of Related Debt** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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

11. **Use of Estimates**

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

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

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

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

Capital Assets:	
Infrastructure assets	\$ 1,140,296,560
Other capital assets	<u>674,356,115</u>
Governmental Capital Assets	<u><u>\$ 1,814,652,675</u></u>
Accumulated Depreciation:	
Infrastructure assets	448,262,658
Other capital assets	<u>97,067,186</u>
Accumulated Depreciation	<u><u>\$ 545,329,844</u></u>

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

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

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

Gain on sale of assets on the statement of activities	401,596
Loss on disposition of assets on the statement of activities included in the general government function	(80,830)
Amount resulting from internal service fund activities included elsewhere on the reconciliation	(229,785)
Sale of capital assets included in the net change in fund balances – governmental funds	(5,425)
Land sales included in the net change in fund balances – governmental funds	<u>(326,968)</u>
Net Difference in Reporting Sales/Disposition of Assets	<u><u>\$ (241,412)</u></u>

CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

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

Property taxes and miscellaneous revenues appear in the governmental funds as they are current financial resources, but were previously recognized as revenue in the statement of activities	\$ 532,880
Deferred revenues in prior years is included in beginning net assets on the statement of activities, but is recorded as revenues in the governmental funds	<u>(259,565)</u>
Change in Deferred Revenue	<u><u>\$ 273,315</u></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 \$10,928,393 difference are as follows:

Internal service fund loss allocation to business-type activities – Prior years	\$ 8,588,130
Internal service fund loss allocation to business-type activities – Current year	<u>2,340,263</u>
	<u><u>\$ 10,928,393</u></u>

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**A. Budgetary Information**

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

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

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

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. The most significant change occurred in the Capital Projects Funds (\$74,196,969). Nevada Law requires budgetary control to be exercised at the function level.

**B. Excess of Expenditures/Expenses Over Appropriations**

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

Multipurpose Special Revenue Fund - Judicial	\$ 5,263
Multipurpose Special Revenue Fund - Community Support	36,348
Special Ad Valorem Transportation Capital Projects Fund - General Government	8,797
Self Insurance Internal Service Fund	76,161

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 4: **Cash and Investments**

The following is a reconciliation of the City’s deposit and investment balances as of June 30, 2009:

Cash:	
Cash on hand	\$ 11,710
Deposits in bank	51,965,998
Investments	<u>767,986,747</u>
 Total Cash and Investments	 <u><u>\$ 819,964,455</u></u>

Total cash and investments at June 30, 2009 were presented on the City’s financial statements as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 453,384,068	\$ --	\$ 453,384,068
Business-type activities	281,209,757	12,508,786	293,718,543
Fiduciary funds	<u>72,861,844</u>	<u>--</u>	<u>72,861,844</u>
 Total Cash and Investments	 <u><u>\$ 807,455,669</u></u>	 <u><u>\$ 12,508,786</u></u>	 <u><u>\$ 819,964,455</u></u>

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

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

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

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, the recorded amount of the City’s deposits was \$51,965,998 and the bank balance was \$50,320,816. Of the bank statement balance \$750,000 was covered by federal depository insurance and \$49,570,816 was subject to collateralization.



**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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:

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

At June 30, 2009, the City had the following investments:

	Par	Cost	Fair Value	Weighted Average Maturity (Years)
<b>Pooled Investments</b>				
Money Market Funds	\$ 82,675,381	\$ 82,675,381	\$ 82,675,381	0.00
Farm Credit Bank	37,000,000	36,995,500	37,169,770	2.66
Federal Home Loan Banks	74,800,000	74,827,918	76,364,528	1.47
Federal Home Loan Mortgage	226,150,000	226,179,433	227,385,616	2.66
Federal National Mortgage	124,480,000	125,023,269	125,818,378	2.57
Federal National Mortgage - CTF	356,708	356,708	425,864	2.41
US Treasury Notes	23,782,485	23,961,155	25,449,047	4.52
US Treasury Notes - Inflationary	1,316,749	1,316,749	1,450,420	5.54
State of Nevada Local Government Investment Pool	1,582,707	1,582,707	1,582,707	0.00
<b>Total Pooled Investments</b>	<b>572,144,030</b>	<b>572,918,820</b>	<b>578,321,711</b>	<b>2.18</b>
<b>Non-Pooled Investments</b>				
<i>Special Assessment Bond Proceeds Investments</i>				
Milestone Money Market Fund	25,921,771	25,921,771	25,921,771	0.00
Federal National Mortgage Assn Pool	626,350	620,343	618,640	0.00
Federal Home Loan Mtg Corp Discount Note	994,000	970,854	993,901	0.08
AIM Money Market Fund	158,442,957	158,442,957	158,442,957	0.00
<i>Other Bond Proceeds Investments</i>				
Sewer Bonds - AIM Money Market Funds	1,885,357	1,885,357	1,885,357	0.00
Redevelopment Bonds - AIM Money Market Funds	1,802,410	1,802,410	1,802,410	0.00
<b>Total Non-Pooled Investments</b>	<b>189,672,845</b>	<b>189,643,692</b>	<b>189,665,036</b>	<b>0.08</b>
<b>Total Investments</b>	<b>\$ 761,816,875</b>	<b>\$ 762,562,512</b>	<b>\$ 767,986,747</b>	<b>2.26</b>

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, 2009, in accordance with State laws as defined in the table found on page 32, 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, 2009

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&amp;P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
<b>Pooled Investments</b>			
Money Market Mutual Funds	AAA	AAA	10.77%
Federal Farm Credit Bank	AAA	AAA	4.84%
Federal Home Loan Banks	AAA	AAA	9.94%
Federal Home Loan Mortgage	AAA	AAA	29.61%
Federal National Mortgage	AAA	AAA	16.38%
Federal National Mortgage - CTF	n/a	n/a	0.06%
US Treasury Notes	AAA	AAA	3.31%
US Treasury Notes - Inflationary	AAA	AAA	0.19%
State of Nevada Local Government Investments	n/a	n/a	0.20%
<b>Total Pooled Investments</b>			<u>75.30%</u>
<b>Non-Pooled Investments</b>			
<i>Special Assessment Bond Proceeds Investments</i>			
Milestone Money Market Fund	AAA	AAA	3.38%
Federal National Mortgage Assn Pool	AAA	n/a	0.08%
Federal Home Loan Mtg Corp Discount Note	AAA	n/a	0.13%
AIM Money Market Fund	AAA	AAA	20.63%
<i>Other Bonds Proceeds Investments</i>			
Sewer Bonds - AIM Money Market Funds	AAA	AAA	0.25%
Redevelopment Bonds - AIM Money Market Funds	AAA	AAA	0.23%
<b>Total Non-Pooled Investments</b>			<u>24.70%</u>
<b>Total</b>			<u>100.00%</u>

**Custodial Credit Risk**

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 5: **Interfund Balances and Activity**

The composition of interfund balances as of June 30, 2009 is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 530,815

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

**Advances to/from other funds:**

Receivable Fund	Payable Fund	Amount
Internal Service Funds	Special Assessment Districts - Capital Projects Fund	\$ 2,421,082
Nonmajor Governmental Funds	Nonmajor Governmental Funds	3,209,917
		\$ 5,630,999

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 to other governmental funds for a land purchase.

**Internal Balances:**

	Amount
Effects of prior years internal service activity	\$ (8,588,130)
Effects of current year internal service activity	(2,340,263)
	\$ (10,928,393)

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**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

<u>Transfers Out</u>	Transfers In			
	General Fund	General Obligation Debt Service Fund	Special Assessment Districts Capital Project Fund	Municipal Facilities Acquisition & Construction Capital Projects Fund
General Fund	\$ --	\$ 759,230	\$ --	\$ --
General Obligation Debt Service Fund	14,677,509	--	--	300,000
Special Assessment Districts Debt Service Fund	--	--	383,681	--
Municipal Facilities Acquisition and Capital Construction Capital Projects Fund	10,601,099	6,624,063	--	--
Other Governmental Funds	4,000,000	3,711,620	--	814,027
Water Fund	--	3,012	--	3,250,000
Sewer Fund	--	3,125	--	3,250,000
Development Services Fund	--	2,371	--	--
Other Enterprise Funds	--	527	--	--
Internal Service Funds	260,000	--	--	48,509
<b>Total</b>	<b>\$ 29,538,608</b>	<b>\$ 11,103,948</b>	<b>\$ 383,681</b>	<b>\$ 7,662,536</b>

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

Transfers In						
Other Governmental Funds	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Internal Services Funds	Total
\$ 2,967,000	\$ --	\$ --	\$ 4,129,179	\$ 1,845,947	\$ 3,195,032	\$ 12,896,388
--	--	--	--	--	--	14,977,509
--	--	--	--	--	--	383,681
--	353,260	419,487	1,463,534	306,366	354,763	20,122,572
--	--	--	--	--	--	8,525,647
--	--	--	--	--	--	3,253,012
--	--	--	--	--	--	3,253,125
--	--	--	--	--	--	2,371
--	--	--	--	--	--	527
--	--	--	--	--	--	308,509
<u>\$ 2,967,000</u>	<u>\$ 353,260</u>	<u>\$ 419,487</u>	<u>\$ 5,592,713</u>	<u>\$ 2,152,313</u>	<u>\$ 3,549,795</u>	<u>\$ 63,723,341</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, 2009

### Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2009
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 173,065,667	\$ 7,939,151	\$ (119,891)	\$ --	\$ 180,884,927
Construction in progress	32,761,964	80,968,776	--	(2,322,875)	111,407,865
Total capital assets, not being depreciated	<u>205,827,631</u>	<u>88,907,927</u>	<u>(119,891)</u>	<u>(2,322,875)</u>	<u>292,292,792</u>
Capital assets, being depreciated:					
Buildings	203,197,349	734,056	(45,459)	99,148	203,985,094
Improvements other than buildings	134,850,058	11,834,981	(81,888)	1,430,040	148,033,191
Machinery and equipment	80,081,723	4,344,648	(7,234,696)	581,662	77,773,337
Infrastructure	1,048,884,942	91,209,223	(9,630)	212,025	1,140,296,560
Total capital assets, being depreciated	<u>1,467,014,072</u>	<u>108,122,908</u>	<u>(7,371,673)</u>	<u>2,322,875</u>	<u>1,570,088,182</u>
Less accumulated depreciation for:					
Buildings	(42,548,784)	(6,016,906)	45,457	--	(48,520,233)
Improvements other than buildings	(22,378,264)	(3,669,974)	81,888	--	(25,966,350)
Machinery and equipment	(47,203,024)	(7,970,535)	7,063,639	--	(48,109,920)
Infrastructure	(394,862,193)	(53,410,095)	9,630	--	(448,262,658)
Total accumulated depreciation	<u>(506,992,265)</u>	<u>(71,067,510)</u>	<u>7,200,614</u>	<u>--</u>	<u>(570,859,161)</u>
Total capital assets, being depreciated, net	<u>960,021,807</u>	<u>37,055,398</u>	<u>(171,059)</u>	<u>2,322,875</u>	<u>999,229,021</u>
Governmental activities capital assets, net	<u>\$ 1,165,849,438</u>	<u>\$ 125,963,325</u>	<u>\$ (290,950)</u>	<u>\$ --</u>	<u>\$ 1,291,521,813</u>
<b>Business-Type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 25,215,735	\$ --	\$ --	\$ --	\$ 25,215,735
Construction in progress	181,932,132	78,169,770	(2,518,345)	(167,431,419)	90,152,138
Total capital assets, not being depreciated	<u>207,147,867</u>	<u>78,169,770</u>	<u>(2,518,345)</u>	<u>(167,431,419)</u>	<u>115,367,873</u>
Capital assets, being depreciated:					
Buildings	31,275,502	--	(39,934)	--	31,235,568
Improvements other than buildings	962,082,609	47,792,573	(334,859)	164,533,142	1,174,073,465
Machinery and equipment	22,226,752	81,019	(1,188,353)	2,898,277	24,017,695
Total capital assets, being depreciated	<u>1,015,584,863</u>	<u>47,873,592</u>	<u>(1,563,146)</u>	<u>167,431,419</u>	<u>1,229,326,728</u>
Less accumulated depreciation for:					
Buildings	(7,692,148)	(776,769)	39,934	--	(8,428,983)
Improvements other than buildings	(291,219,258)	(37,631,380)	334,859	--	(328,515,779)
Machinery and equipment	(15,035,896)	(1,264,222)	1,188,353	--	(15,111,765)
Total accumulated depreciation	<u>(313,947,302)</u>	<u>(39,672,371)</u>	<u>1,563,146</u>	<u>--</u>	<u>(352,056,527)</u>
Total capital assets, being depreciated, net	<u>701,637,561</u>	<u>8,201,221</u>	<u>--</u>	<u>167,431,419</u>	<u>877,270,201</u>
Business-type activities capital assets, net	<u>\$ 908,785,428</u>	<u>\$ 86,370,991</u>	<u>\$ (2,518,345)</u>	<u>\$ --</u>	<u>\$ 992,638,074</u>



**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

**Governmental Activities:**

General government	\$ 4,156,108
Judicial	633,808
Public safety	2,584,063
Public works	53,365,753
Culture & recreation	5,130,742
Community support	1,140
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>5,195,896</u>
Total	<u><u>\$ 71,067,510</u></u>

**Business-Type Activities:**

Water	\$ 23,544,577
Sewer	14,732,301
Development services	174,162
Convention center	134,732
Municipal golf course	<u>1,074,539</u>
Total Depreciation Expense - Business-Type Activities	39,660,311
Transfer of assets from governmental activities to business-type activities	<u>12,060</u>
Total Additions and Transfers In	<u><u>\$ 39,672,371</u></u>

Note 7: **Long-Term Debt**

A. **New Debt Issuance**

In March 2009, the City entered into an Installment-Purchase Agreement, Series 2009 in the amount of \$17,960,000. The agreement was executed for the purpose of financing all or a portion of the cost of acquiring, constructing, improving, and equipping energy conservation projects for City facilities. The agreement will mature annually on February 1 of each year starting in 2010 and ending in 2024. Interest on the agreement is payable on August 1 and February 1, commencing on August 1, 2009. Interest is fixed at 4.97%.

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**B. Changes to Long-Term Debt**

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

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds Payable:					
\$10,530,000 1997 Refunding serial bonds due in annual installments through April 1, 2011; interest varies between 4.5% and 5.5%	\$ 4,045,000	\$ --	\$ (1,275,000)	\$ 2,770,000	\$ 1,345,000
\$50,000,000 2000 Various Purpose Bonds due in annual installments through April 1, 2011; interest varies between 5.00% and 6.00%	4,620,000	--	(2,250,000)	2,370,000	2,370,000
\$12,940,000 2001 Refunding Serial Bonds due in annual installments through June 1, 2013; interest varies between 3.5% and 4.5%	6,560,000	--	(1,205,000)	5,355,000	1,255,000
\$5,205,000 2003B Park Refunding Bonds due in annual installments through May 1, 2010; interest varies between 2.0% and 2.75%	440,000	--	(220,000)	220,000	220,000
\$34,505,000 2004A Park and Recreation Refunding Bonds due annually beginning in June 2008 through June 2018; interest varies between 2.25% and 5.0%	32,390,000	--	(2,895,000)	29,495,000	3,005,000
\$43,355,000 2004B Refunding Bonds due annually beginning in April 2008 through April 2020; interest varies between 2.50% and 5.25%	41,335,000	--	(2,075,000)	39,260,000	2,135,000
\$3,885,000 2005B Medium-Term Various Purpose Bonds due annually beginning in June 2006 through June 2009; interest varies between 3.125% and 5.0%	940,000	--	(940,000)	--	--
\$56,000,000 2005D Various Purpose Bonds due annually beginning in June 2007 through June 2035; interest varies between 4.0% and 5.0%	53,930,000	--	(1,095,000)	52,835,000	1,140,000

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**B. Changes to Long-Term Debt** (continued)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
Governmental Activities (continued):					
\$2,065,000 2006 Medium-Term Bonds (Energy Retrofit Project) due annually beginning in September 2007 through September 2016; interest fixed at 3.7913%	\$ 1,892,000	\$ --	\$ (180,000)	\$ 1,712,000	\$ 187,000
\$1,162,000 2008 Medium-Term Bonds due annually beginning in March 2009 through 2015; interest is fixed at 3.24%.	1,162,000	--	(152,000)	1,010,000	155,000
	<u>147,314,000</u>	<u>--</u>	<u>(12,287,000)</u>	<u>135,027,000</u>	<u>11,812,000</u>
Tax Allocation Bonds Payable:					
\$12,045,000 2002 Henderson Redevelopment tax allocation bond due annually beginning in October 2006 through October 2025; interest varies between 3.5% and 5.25%	11,260,000	--	(415,000)	10,845,000	430,000
\$4,295,000 2002 Henderson Redevelopment tax allocation bond due annually beginning in October 2006 through October 2025; interest varies between 5.1% and 7.2%	4,060,000	--	(125,000)	3,935,000	135,000
	<u>15,320,000</u>	<u>--</u>	<u>(540,000)</u>	<u>14,780,000</u>	<u>565,000</u>
Special Assessment Bonds Payable:					
\$7,000,000 1991 Improvement District T-2 bonds due in annual installments through August 1, 2011; interest at 9.50%	305,000	--	(70,000)	235,000	70,000
Unamortized Bond Premium	6,411,147	--	(562,130)	5,849,017	--
Unamortized Bond Discount/Deferred Refunding Charge	(7,838,559)	--	742,188	(7,096,371)	--
\$17,960,000 2009 Installment Purchase Agreement due annually beginning on February 2010 through 2024; interest is fixed at 4.97%.	--	17,960,000	--	17,960,000	557,000
Compensated Absences Payable	31,844,471	6,190,385	(3,755,467)	34,279,389	4,128,245
Other post employment benefits (OPEB) liability	4,263,184	4,460,123	--	8,723,307	--
Termination benefits payable	--	2,802,987	--	2,802,987	2,377,561
Claims Payable	8,795,113	11,672,460	(9,968,512)	10,499,061	10,499,061
Total Governmental Activities	<u>206,414,356</u>	<u>43,085,955</u>	<u>(26,440,921)</u>	<u>223,059,390</u>	<u>30,008,867</u>

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**B. Changes to Long-Term Debt** (continued)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	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 1, 2011; interest at 4.0%	\$ 1,907,659	\$ --	\$ (518,338)	\$ 1,389,321	\$ 539,279
\$12,300,000 1992 Sewer serial bonds due in semi-annual installments through January 1, 2012; interest at 4.0%	3,796,248	--	(785,494)	3,010,754	817,228
\$987,525 1993 Water serial bonds due every five years in installations through December 1, 2012; interest varies between 4.85% and 6.50% (interest is due at time principal is paid)	542,883	35,861	--	578,744	--
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest at 4%	5,116,341	--	(704,004)	4,412,337	732,446
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 1, 2015; interest rate at 3.825%	4,441,562	--	(521,869)	3,919,693	542,022
\$95,000,000 1998 Water and Sewer bonds Series A due in annual installments through September 1, 2018; interest varies between 4.0% to 5.5%	4,415,000	--	(4,415,000)	--	--
\$5,500,000 2000 Water bonds due in annual installments through January 1, 2021; interest rate at 3.65%	4,472,814	--	(228,685)	4,244,129	237,108
\$5,000,000 2003C Water and Sewer Refunding bonds due in annual installments through June 1, 2009; interest varies between 2.0% and 5.0%	460,000	--	(460,000)	--	--
\$110,000,000 2004 Sewer bonds due in annual installments through June 1, 2034; interest varies between 3.0% and 5.25%	104,145,000	--	(2,110,000)	102,035,000	2,215,000
\$22,618,000 2005 Water bonds due in annual installments through September 1, 2018; interest rate at 5.0%	22,618,000	--	--	22,618,000	1,802,000

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**B. Changes to Long-Term Debt** (continued)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
Business-Type Activities (continued):					
\$33,927,000 2005 Sewer bonds in annual installments through September 1, 2018; interest rate at 5.0%	\$ 33,927,000	\$ --	\$ --	\$ 33,927,000	\$ 2,703,000
\$5,365,000 2005C Water and Sewer refunding bonds due in annual installments through December 1, 2008; interest varies between 3.0% and 4.0%	1,850,000	--	(1,850,000)	--	--
\$29,815,000 2007 Water and Sewer refunding bonds due in annual installments thru March 2017; interest varies between 4.0% and 5.0%	29,815,000	--	(1,495,000)	28,320,000	3,540,000
	<u>217,507,507</u>	<u>35,861</u>	<u>(13,088,390)</u>	<u>204,454,978</u>	<u>13,128,083</u>
Unamortized Bond Premium	8,367,902	--	(711,771)	7,656,131	--
Refunding Loss/Bond Discount Costs	(2,565,842)	--	277,031	(2,288,811)	--
Provisional Credits/Refunding Agreements	515,264	--	(162,701)	352,563	--
Compensated Absences Payable	6,283,635	306,717	(1,642,018)	4,948,334	4,948,334
Other post employment benefits (OPEB) liability	1,175,938	1,032,639	--	2,208,577	--
Termination benefits payable	--	342,167	--	342,167	342,167
Total Business-Type Activities	<u>231,284,404</u>	<u>1,717,384</u>	<u>(15,327,849)</u>	<u>217,673,939</u>	<u>18,418,584</u>
Total Long-Term Obligations	<u>\$ 437,698,760</u>	<u>\$ 44,803,339</u>	<u>\$ (41,768,770)</u>	<u>\$ 440,733,329</u>	<u>\$ 48,427,451</u>

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**C. Payment Requirements for Debt Service**

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

Year Ending June 30:	Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 13,128,083	\$ 9,593,468	\$ 11,812,000	\$ 6,313,929
2011	13,742,136	8,970,573	12,104,000	5,814,447
2012	14,060,981	8,332,421	11,077,000	5,359,613
2013	13,788,841	7,839,785	9,375,000	4,831,843
2014	14,047,915	7,075,969	8,338,000	4,388,452
2015-2019	59,508,179	26,320,727	39,091,000	15,572,858
2020-2024	20,803,843	16,963,343	13,375,000	8,750,120
2025-2029	24,490,000	11,458,937	11,705,000	6,102,187
2030-2034	30,885,000	4,771,050	14,765,000	3,102,540
2035-2039	--	--	3,385,000	169,250
	<u>\$ 204,454,978</u>	<u>\$ 101,326,273</u>	<u>\$ 135,027,000</u>	<u>\$ 60,405,239</u>

Year Ending June 30:	Special Assessment Bonds		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 70,000	\$ 19,000	\$ 565,000	\$ 793,176
2011	80,000	11,875	590,000	765,671
2012	85,000	4,038	615,000	735,127
2013	--	--	650,000	702,789
2014	--	--	680,000	669,121
2015-2019	--	--	3,975,000	2,761,069
2020-2024	--	--	5,190,000	1,505,892
2025-2029	--	--	2,515,000	148,534
	<u>\$ 235,000</u>	<u>\$ 34,913</u>	<u>\$ 14,780,000</u>	<u>\$ 8,081,379</u>

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

**C. Payment Requirements for Debt Service** (continued)

Annual requirements to pay principal and interest on installment purchase agreement are as follows:

Year Ending June 30:	Installment Purchase Agreement	
	Principal	Interest
2010	\$ 557,000	\$ 810,789
2011	596,000	864,929
2012	671,000	835,308
2013	752,000	801,960
2014	838,000	764,585
2015-2019	5,692,000	3,102,422
2020-2024	8,854,000	1,393,042
	<u>\$ 17,960,000</u>	<u>\$ 8,573,035</u>

**D. Special Assessment Bonds**

Principal and interest are payable from the assessments levied. District T-2 is obligated, to the extent that it has legally available surplus funds, to apply such surplus funds to the purchase of property in the assessment district that is not sold as a result of foreclosure proceedings. The City has issued various special assessment debt with an outstanding balance of \$285,865,000. The City of Henderson is only acting as an agent for these bonds and is not liable for the debt.

**E. 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, 2009, outstanding general obligation bonds in the amount of \$32,430,000 are considered defeased.

## CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 8: **Retirement Plan**

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

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

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

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

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



**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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

<u>Fiscal Year</u>	<u>Contribution Rate</u>		<u>Total Required Contribution</u>	<u>Actual % Contributed of Required Contribution</u>
	<u>Regular Members</u>	<u>Police/Fire</u>		
2008/09	20.50%	33.50%	\$ 35,578,092	100%
2007/08	20.50%	33.50%	\$ 36,216,707	100%
2006/07	19.75%	32.00%	\$ 32,052,626	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). In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEPB). Retirees who receive coverage through the PEPB receive a direct subsidy from the City. The City also offers its retirees dental, vision and life insurance benefits which is mandated by Nevada Revised Statutes.

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

As of June 30, 2009, the City had 168 retirees receiving benefits and 1,141 active employees.

*Annual OPEB Cost and Net OPEB Obligation:* For fiscal year ended June 30, 2009, the City's OPEB annual required contribution (ARC) is \$6,175,050. The ARC includes (a) the normal cost for the year for current active employees of \$3,820,000 and (b) a component for amortization of the total unfunded actuarial accrued liabilities (UAAL) of the OPEB plan consisting of current retirees, current vested terminated, and current active employees of \$2,355,050. The City's estimated contribution to the OPEB plan for fiscal year ended June 30, 2009 is \$682,228.

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

The net OPEB obligation at fiscal year ended June 30, 2009 includes the ARC, interest expense on the beginning balance of the net OPEB obligation, less an adjustment to the ARC to offset the amount included in the ARC for amortization of past contribution deficiencies. The net OPEB obligation increased \$5,492,762 resulting in an ending net OPEB obligation balance of \$10,931,884. 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, 2008 and 2009 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 (Asset)</u>
June 30, 2008	\$ 5,881,000	\$ 441,878	7.51%	\$ 5,439,122
June 30, 2009	\$ 6,175,050	\$ 682,288	11.05%	\$ 10,931,884

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

*Funded Status and Funding Progress:* Using the most recent actuarial valuation dated July 1, 2007, the following is the funded status of the OPEB Plan:

Actuarial accrued liability (AAL)	\$ 51,442,000
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 51,442,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll	147,095,944
UAAL as percentage of covered payroll	34.97%

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.

## CITY OF HENDERSON, NEVADA

### Notes to Financial Statements For the Year Ended June 30, 2009

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

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

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

Note 10: **Risk Management**

State and local governments are subject to many types of claims such as worker's compensation, contractual actions, personal injuries and property damage.

GASB Statement No. 10 requires that a liability for claims be reported if information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, there are also situations in which incidents occur before the balance sheet date but claims are not reported or asserted when the financial statements are prepared. The "incurred but not reported" claims have been estimated based upon the City's past experience adjusted for current trends. The claims are included in the appropriate liability accounts.

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

**Liability Insurance** - The City has obtained \$10,000,000 in excess Commercial General Liability Insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverage: a \$640 million blanket property insurance policy on all buildings and building contents with a \$100,000 deductible; a \$100,000,000 Boiler & Machinery policy with a \$100,000 deductible; \$5.4 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 \$10.8 million Fire Engine and Equipment Physical Damage policy with a \$10,000 deductible.

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

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

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** - On July 1, 1992, the City became 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, per plan year with plan benefits subject to a \$2,000,000 lifetime maximum is maintained. A third party administrator is used to pay claims.

**Worker's Compensation** - On April 1, 1993, the City became self-insured for worker's compensation claims. A third party administrator is utilized for claim payment. The City has a \$1,500,000 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, 2009 through April 1, 2010.

Changes in the funds' claims liability amounts for the year ended June 30, 2009 and 2008 were:

	Liability Balance Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balances at End of Fiscal Year
Fiscal Year 2008/09:				
Liability	\$ 1,369,921	\$ 1,163,840	\$ 1,163,840	\$ 1,369,921
Workmen's Compensation	5,936,149	3,324,978	1,531,919	7,729,208
Health Insurance	1,489,043	7,183,642	7,272,753	1,399,932
	<u>\$ 8,795,113</u>	<u>\$ 11,672,460</u>	<u>\$ 9,968,512</u>	<u>\$ 10,499,061</u>
Fiscal Year 2007/08:				
Liability	\$ 1,369,921	\$ 798,791	\$ 798,791	\$ 1,369,921
Workmen's Compensation	5,230,908	1,593,088	887,847	5,936,149
Health Insurance	1,380,177	7,696,424	7,587,558	1,489,043
	<u>\$ 7,981,006</u>	<u>\$ 10,088,303</u>	<u>\$ 9,274,196</u>	<u>\$ 8,795,113</u>

## CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

### Note 11: Commitments and Contingencies

#### A. **Construction in Progress**

Construction in progress in the total amount of \$201,560,003 at June 30, 2009 is reflected in the government-wide statements. Management estimates it will require an additional outlay of approximately \$283,566,991 to complete these projects.

#### B. **Litigation**

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

#### C. **Lake Las Vegas**

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

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

# CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 11: **Commitments and Contingencies** (continued)

**D. Redevelopment Agency**

The City of Henderson Redevelopment Agency entered into several promissory notes in the original aggregate amount of \$9,350,000 as part of an Owner Participation Agreement with various developers. In addition, the Agency has entered into several short fall promissory notes with developers to provide the Agency amounts necessary to make payments due on the Series B Bonds Note when due. The indebtedness represented by each note is payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on specific parcels of land and is not to be payable from any other source. Because the requirements to repay the notes are contingent on the Agency receiving sufficient Site Tax Increment on the specific parcels, these potential future obligations of the Agency have not been reflected in the financial statements in the past.

Note 12: **Restricted Net Assets**

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

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 12: **Restricted Net Assets** (continued)

Restricted net assets at June 30, 2009 for governmental activities are as follows:

Restricted for general government		
Equipment repair and maintenance	11,713,520	
Multipurpose	1,328,402	
	13,041,922	\$ 13,041,922
Judicial		
Municipal court administrative	775,040	
	775,040	775,040
Debt service		
General obligation debt	8,506,207	
Special assessment debt	956,019	
	9,462,226	9,462,226
Public safety		
Sales tax police	6,252,605	
Forfeited assets	440,094	
	6,692,699	6,692,699
Public works		
Gas tax	9,761,709	
Lake Las Vegas	5,348,676	
Flood control	172,406	
RTC/County funded	535,095	
Ad valorem transportation	3,340,819	
	19,158,705	19,158,705
Culture and recreation		
Special recreation	2,977,571	
	2,977,571	2,977,571
Capital projects		
Special assessments districts	133,475,638	
Municipal facilities	93,435,012	
Park development	7,466,028	
	234,376,678	234,376,678
Redevelopment		
Redevelopment agency	37,954,767	
	37,954,767	37,954,767
Claims		
Self-insurance	5,785,958	
Workman's compensation	13,063,926	
Health insurance	7,960,606	
	26,810,490	26,810,490
Total restricted net assets - governmental activities		\$ 351,250,098

**CITY OF HENDERSON, NEVADA**

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 12: **Restricted Net Assets** (continued)

Restricted net assets at June 30, 2009 for business-type activities are as follows:

Debt service		
Water fund	\$ 4,753,033	
Sewer fund	<u>4,056,329</u>	
		\$ 8,809,362
System development		
Water fund	47,757,781	
Sewer fund	<u>87,601,155</u>	
		<u>135,358,936</u>
Total restricted net assets - business-type activities		<u>\$ 144,168,298</u>

Note 13: **Prior Period Adjustment**

In previous years, pursuant to an interlocal agreement dated November 20, 2002 with the City of Las Vegas, the City of Henderson and the Clark County Water Reclamation District, the Sewer Fund reported an investment in joint venture as a separate line item on the government-wide statements. After further analysis of this interlocal agreement, it has been determined that the agreement did not indicate that the City had an explicit, measurable right to the net resources of the joint venture and as such, should not be reported as an asset on the City's books. As a result, this correction was recorded during the year ended June 30, 2009 as a prior period adjustment and net assets at July 1, 2008 were adjusted by \$9,617,920. Respectively, net income of the Sewer Fund for the year ended June 30, 2008 would have decreased by the \$9,617,920 decrease in assets.

Note 14: **New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The City has determined that this statement will not have a significant impact on the City's reporting process. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks and computer software. GASB No. 51 will be effective for the fiscal year ended June 30, 2010.

The GASB has issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of this new statement are effective for financial statements for periods beginning after June 15, 2009. The City does not use derivative instruments.



## CITY OF HENDERSON, NEVADA

Notes to Financial Statements  
For the Year Ended June 30, 2009

Note 14: **New Accounting Pronouncements** (continued)

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The definitions of the general fund, special revenue fund types, capital project fund type, debt service fund type and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities chosen to be reported in special revenue funds. The requirements of the Statement are effective for financial statements for period beginning after June 15, 2010. Fund balance reclassifications made to conform to the provisions of this statement are required to be applied retroactively by restating beginning fund balance.

**CITY OF HENDERSON, NEVADA**

Required Supplementary Information (Unaudited)  
June 30, 2009

Other Postemployment Benefits Plan - Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) ÷ (5)
July 1, 2007	--	\$ 51,442,000	0.00%	\$ 51,442,000	\$ 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. Multi-year trend information is not available as this is the first valuation under GASB 45. In the future, information from the three most recent valuations will be presented.

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**CITY OF HENDERSON, NEVADA**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009

**ASSETS**

	Special Revenue Funds	Capital Project Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and investments	\$ 64,855,621	\$ 38,686,357	\$ 103,541,978
Receivables:			
Accounts	12,049	92,355	104,404
Accrued interest	395,745	241,517	637,262
Notes	9,295,864	1,602,714	10,898,578
Advances to other funds	--	3,209,917	3,209,917
Due from other governments	8,698,451	1,830,562	10,529,013
Land held for resale	14,916,151	--	14,916,151
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 98,173,881</u></u>	<u><u>\$ 45,663,422</u></u>	<u><u>\$ 143,837,303</u></u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>			
Accounts payable and accrued wages	\$ 4,165,862	\$ 181,832	\$ 4,347,694
Construction contracts payable	1,100,617	20,806	1,121,423
Deposits	200,000	3,654,505	3,854,505
Due to other governments	--	174,374	174,374
Due to other funds	530,815	--	530,815
Advances from other funds	3,209,917	--	3,209,917
Deferred revenue	6,900,467	1,602,714	8,503,181
Total liabilities	<u>16,107,678</u>	<u>5,634,231</u>	<u>21,741,909</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	9,734,634	1,555,697	11,290,331
Debt service	1,377,783	--	1,377,783
Land held for resale	14,916,151	--	14,916,151
Notes receivable	2,395,397	--	2,395,397
Sinking fund	5,348,676	--	5,348,676
Advances	--	3,209,917	3,209,917
Unreserved - undesignated	48,293,562	35,263,577	83,557,139
Total fund balances	<u>82,066,203</u>	<u>40,029,191</u>	<u>122,095,394</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 98,173,881</u></u>	<u><u>\$ 45,663,422</u></u>	<u><u>\$ 143,837,303</u></u>

# CITY OF HENDERSON, NEVADA

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2009

	Special Revenue Funds	Capital Projects Funds	Total
<b>REVENUES</b>			
Property taxes	\$ 13,623,262	\$ 2,274,446	\$ 15,897,708
Intergovernmental	41,538,249	3,534,375	45,072,624
Charges for services	615,728	226,617	842,345
Fines and forfeitures	1,084,388	--	1,084,388
Developer/property owner contributions	2,024,601	29,690	2,054,291
Impact fees	--	389,940	389,940
Miscellaneous interest	2,995,831	2,035,217	5,031,048
Miscellaneous	1,959,298	591,389	2,550,687
Total revenues	63,841,357	9,081,674	72,923,031
<b>EXPENDITURES</b>			
Current:			
General government	5,749,132	456,227	6,205,359
Judicial	594,270	--	594,270
Public safety	13,840,293	437,500	14,277,793
Public works	650,851	--	650,851
Culture and recreation	6,040,870	1,711,352	7,752,222
Community support	5,736,723	--	5,736,723
Total current	32,612,139	2,605,079	35,217,218
Capital outlay:			
General government	1,466,072	2,700,000	4,166,072
Judicial	106,517	--	106,517
Public safety	804,687	--	804,687
Public works	3,387,914	1,261,549	4,649,463
Culture and recreation	16,173,738	840,336	17,014,074
Community support	100,000	--	100,000
Total capital outlay	22,038,928	4,801,885	26,840,813
Debt service:			
Principal retirement	540,000	--	540,000
Interest and fiscal charges	865,314	--	865,314
Total debt service	1,405,314	--	1,405,314
Total expenditures	56,056,381	7,406,964	63,463,345
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>7,784,976</b>	<b>1,674,710</b>	<b>9,459,686</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Land sales	--	326,968	326,968
Transfers in	2,950,000	17,000	2,967,000
Transfers out	(5,729,906)	(2,795,741)	(8,525,647)
Total other financing sources (uses)	(2,779,906)	(2,451,773)	(5,231,679)
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,005,070</b>	<b>(777,063)</b>	<b>4,228,007</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>77,061,133</b>	<b>40,806,254</b>	<b>117,867,387</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 82,066,203</b>	<b>\$ 40,029,191</b>	<b>\$ 122,095,394</b>

**CITY OF HENDERSON, NEVADA**

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009

**ASSETS**

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization	Equipment Repair and Maintenance	Multipurpose	Lake Las Vegas	Sales and Use Tax	Total
Cash and investments	\$ 23,974,491	\$ 9,447,257	\$ 400,403	\$ 817,833	\$ 8,418,738	\$ 12,203,088	\$ --	\$ 5,315,956	\$ 4,277,855	\$ 64,855,621
Receivables:										
Accounts	12,049	--	--	--	--	--	--	--	--	12,049
Accrued interest	122,345	58,757	2,454	--	72,652	74,667	3,123	32,720	29,027	395,745
Notes	2,395,397	--	--	--	--	--	6,900,467	--	--	9,295,864
Due from other governments	102,646	551,103	52,081	--	--	--	5,660,482	--	2,332,139	8,698,451
Land held for resale	14,916,151	--	--	--	--	--	--	--	--	14,916,151
<b>TOTAL ASSETS</b>	<b>\$ 41,523,079</b>	<b>\$ 10,057,117</b>	<b>\$ 454,938</b>	<b>\$ 817,833</b>	<b>\$ 8,491,390</b>	<b>\$ 12,277,755</b>	<b>\$ 12,564,072</b>	<b>\$ 5,348,676</b>	<b>\$ 6,639,021</b>	<b>\$ 98,173,881</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>										
Accounts payable and accrued wages	\$ 158,395	\$ 278,719	\$ 14,844	\$ 42,793	\$ --	\$ 517,477	\$ 2,767,218	\$ --	\$ 386,416	\$ 4,165,862
Construction contracts payable	--	16,689	--	--	--	46,758	1,037,170	--	--	1,100,617
Deposits	200,000	--	--	--	--	--	--	--	--	200,000
Due to other funds	--	--	--	--	--	--	530,815	--	--	530,815
Advances from other funds	3,209,917	--	--	--	--	--	--	--	--	3,209,917
Deferred revenue	--	--	--	--	--	--	6,900,467	--	--	6,900,467
<b>Total liabilities</b>	<b>3,568,312</b>	<b>295,408</b>	<b>14,844</b>	<b>42,793</b>	<b>--</b>	<b>564,235</b>	<b>11,235,670</b>	<b>--</b>	<b>386,416</b>	<b>16,107,678</b>
<b>FUND BALANCES</b>										
Reserved for:										
Encumbrances	76,135	175,392	--	236	--	881,242	8,578,813	--	22,816	9,734,634
Debt service	1,377,783	--	--	--	--	--	--	--	--	1,377,783
Land held for resale	14,916,151	--	--	--	--	--	--	--	--	14,916,151
Notes receivable	2,395,397	--	--	--	--	--	--	--	--	2,395,397
Sinking fund	--	--	--	--	--	--	--	5,348,676	--	5,348,676
Unreserved - undesignated	19,189,301	9,586,317	440,094	774,804	8,491,390	10,832,278	(7,250,411)	--	6,229,789	48,293,562
<b>Total fund balances</b>	<b>37,954,767</b>	<b>9,761,709</b>	<b>440,094</b>	<b>775,040</b>	<b>8,491,390</b>	<b>11,713,520</b>	<b>1,328,402</b>	<b>5,348,676</b>	<b>6,252,605</b>	<b>82,066,203</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 41,523,079</b>	<b>\$ 10,057,117</b>	<b>\$ 454,938</b>	<b>\$ 817,833</b>	<b>\$ 8,491,390</b>	<b>\$ 12,277,755</b>	<b>\$ 12,564,072</b>	<b>\$ 5,348,676</b>	<b>\$ 6,639,021</b>	<b>\$ 98,173,881</b>

**CITY OF HENDERSON, NEVADA**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2009**

	Redevelopment Agency	Gas Tax	Forfeited Assets	Municipal Court Administrative Fee	Financial Stabilization	Equipment Repair and Maintenance	Multipurpose	Lake Las Vegas	Sales and Use Tax	Total
<b>REVENUES</b>										
Property taxes	\$ 13,623,262	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,623,262
Intergovernmental	385,276	2,965,512	--	--	--	197,436	28,065,029	--	9,924,996	41,538,249
Charges for services	--	--	--	--	--	511,545	104,183	--	--	615,728
Fines and forfeitures	--	--	313,020	771,368	--	--	--	--	--	1,084,388
Developer/property owner contributions	--	--	--	--	--	2,024,601	--	--	--	2,024,601
Miscellaneous interest	1,173,264	381,221	16,645	--	465,001	495,369	24,372	215,989	223,970	2,995,831
Miscellaneous	53,474	--	--	--	--	750,000	1,147,027	--	8,797	1,959,298
Total revenues	<u>15,235,276</u>	<u>3,346,733</u>	<u>329,665</u>	<u>771,368</u>	<u>465,001</u>	<u>3,978,951</u>	<u>29,340,611</u>	<u>215,989</u>	<u>10,157,763</u>	<u>63,841,357</u>
<b>EXPENDITURES</b>										
Current:										
General government	4,492,716	--	--	--	--	1,256,416	--	--	--	5,749,132
Judicial	--	--	--	589,007	--	--	5,263	--	--	594,270
Public safety	--	--	223,749	--	--	71,803	1,420,336	--	12,124,405	13,840,293
Public works	--	342,997	--	--	--	302,155	5,699	--	--	650,851
Culture and recreation	--	--	--	--	--	229,358	5,811,512	--	--	6,040,870
Community support	--	--	--	--	--	--	5,736,723	--	--	5,736,723
Total current	<u>4,492,716</u>	<u>342,997</u>	<u>223,749</u>	<u>589,007</u>	<u>--</u>	<u>1,859,732</u>	<u>12,979,533</u>	<u>--</u>	<u>12,124,405</u>	<u>32,612,139</u>
Capital outlay:										
General government	--	--	--	--	--	1,466,072	--	--	--	1,466,072
Judicial	--	--	--	106,517	--	--	--	--	--	106,517
Public safety	--	--	--	--	--	499,815	304,872	--	--	804,687
Public works	--	2,386,879	--	--	--	1,001,035	--	--	--	3,387,914
Culture and recreation	--	--	--	--	--	339,356	15,834,382	--	--	16,173,738
Community support	--	--	--	--	--	--	100,000	--	--	100,000
Total capital outlay	<u>--</u>	<u>2,386,879</u>	<u>--</u>	<u>106,517</u>	<u>--</u>	<u>3,306,278</u>	<u>16,239,254</u>	<u>--</u>	<u>--</u>	<u>22,038,928</u>
Debt service:										
Principal retirement	540,000	--	--	--	--	--	--	--	--	540,000
Interest and fiscal charges	865,314	--	--	--	--	--	--	--	--	865,314
Total debt service	<u>1,405,314</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,405,314</u>
Total expenditures	<u>5,898,030</u>	<u>2,729,876</u>	<u>223,749</u>	<u>695,524</u>	<u>--</u>	<u>5,166,010</u>	<u>29,218,787</u>	<u>--</u>	<u>12,124,405</u>	<u>56,056,381</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>9,337,246</u>	<u>616,857</u>	<u>105,916</u>	<u>75,844</u>	<u>465,001</u>	<u>(1,187,059)</u>	<u>121,824</u>	<u>215,989</u>	<u>(1,966,642)</u>	<u>7,784,976</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	--	--	--	--	--	2,950,000	--	--	--	2,950,000
Transfers out	--	(317,673)	--	--	(4,000,000)	(412,233)	(1,000,000)	--	--	(5,729,906)
Total other financing sources (uses)	<u>--</u>	<u>(317,673)</u>	<u>--</u>	<u>--</u>	<u>(4,000,000)</u>	<u>2,537,767</u>	<u>(1,000,000)</u>	<u>--</u>	<u>--</u>	<u>(2,779,906)</u>
<b>NET CHANGE IN FUND BALANCES</b>	9,337,246	299,184	105,916	75,844	(3,534,999)	1,350,708	(878,176)	215,989	(1,966,642)	5,005,070
<b>FUND BALANCES, BEGINNING OF YEAR</b>	28,617,521	9,462,525	334,178	699,196	12,026,389	10,362,812	2,206,578	5,132,687	8,219,247	77,061,133
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 37,954,767</u>	<u>\$ 9,761,709</u>	<u>\$ 440,094</u>	<u>\$ 775,040</u>	<u>\$ 8,491,390</u>	<u>\$ 11,713,520</u>	<u>\$ 1,328,402</u>	<u>\$ 5,348,676</u>	<u>\$ 6,252,605</u>	<u>\$ 82,066,203</u>

**CITY OF HENDERSON, NEVADA**

Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009

**ASSETS**

	<u>Land Sales</u>	<u>Special Recreation</u>	<u>Park Development</u>	<u>Flood Control</u>	<u>RTC/ County Funded</u>	<u>Special Ad Valorem Transportation</u>	<u>Total</u>
Cash and investments	\$ 25,821,809	\$ 2,572,214	\$ 7,443,375	\$ 171,350	\$ 475,220	\$ 2,202,389	\$ 38,686,357
Receivables:							
Accounts	5,751	--	--	--	86,604	--	92,355
Accrued interest	162,532	16,638	46,050	1,056	--	15,241	241,517
Notes	1,602,714	--	--	--	--	--	1,602,714
Advances to other funds	3,209,917	--	--	--	--	--	3,209,917
Due from other governments	--	529,394	--	--	--	1,301,168	1,830,562
<b>TOTAL ASSETS</b>	<u><u>\$ 30,802,723</u></u>	<u><u>\$ 3,118,246</u></u>	<u><u>\$ 7,489,425</u></u>	<u><u>\$ 172,406</u></u>	<u><u>\$ 561,824</u></u>	<u><u>\$ 3,518,798</u></u>	<u><u>\$ 45,663,422</u></u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>							
Accounts payable and accrued wages	\$ 8,232	\$ 140,675	\$ 23,397	\$ --	\$ 9,528	\$ --	\$ 181,832
Construction contracts payable	--	--	--	--	17,201	3,605	20,806
Deposits	3,654,505	--	--	--	--	--	3,654,505
Due to other governments	--	--	--	--	--	174,374	174,374
Deferred revenue	1,602,714	--	--	--	--	--	1,602,714
<b>Total liabilities</b>	<u><u>5,265,451</u></u>	<u><u>140,675</u></u>	<u><u>23,397</u></u>	<u><u>--</u></u>	<u><u>26,729</u></u>	<u><u>177,979</u></u>	<u><u>5,634,231</u></u>
<b>FUND BALANCES</b>							
Reserved for:							
Encumbrances	1,112,926	112,314	248,245	--	78,135	4,077	1,555,697
Advances	3,209,917	--	--	--	--	--	3,209,917
Unreserved - undesignated	21,214,429	2,865,257	7,217,783	172,406	456,960	3,336,742	35,263,577
<b>TOTAL FUND BALANCES</b>	<u><u>25,537,272</u></u>	<u><u>2,977,571</u></u>	<u><u>7,466,028</u></u>	<u><u>172,406</u></u>	<u><u>535,095</u></u>	<u><u>3,340,819</u></u>	<u><u>40,029,191</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 30,802,723</u></u>	<u><u>\$ 3,118,246</u></u>	<u><u>\$ 7,489,425</u></u>	<u><u>\$ 172,406</u></u>	<u><u>\$ 561,824</u></u>	<u><u>\$ 3,518,798</u></u>	<u><u>\$ 45,663,422</u></u>



**CITY OF HENDERSON, NEVADA**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Capital Projects Funds  
 For the Year Ended June 30, 2009

	Land Sales	Special Recreation	Park Development	Flood Control	RTC/ County Funded	Special Ad Valorem Transportation	Total
<b>REVENUES</b>							
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,274,446	\$ 2,274,446
Intergovernmental	--	2,272,906	--	--	1,261,469	--	3,534,375
Charges for services	--	226,617	--	--	--	--	226,617
Developer/property owner contributions	--	--	--	29,690	--	--	29,690
Impact fees	--	--	389,940	--	--	--	389,940
Miscellaneous interest	1,477,645	102,658	352,911	6,966	--	95,037	2,035,217
Miscellaneous	591,389	--	--	--	--	--	591,389
<b>Total revenues</b>	<b>2,069,034</b>	<b>2,602,181</b>	<b>742,851</b>	<b>36,656</b>	<b>1,261,469</b>	<b>2,369,483</b>	<b>9,081,674</b>
<b>EXPENDITURES</b>							
Current:							
General government	447,430	--	--	--	--	8,797	456,227
Public safety	437,500	--	--	--	--	--	437,500
Culture and recreation	--	1,668,319	43,033	--	--	--	1,711,352
<b>Total current</b>	<b>884,930</b>	<b>1,668,319</b>	<b>43,033</b>	<b>--</b>	<b>--</b>	<b>8,797</b>	<b>2,605,079</b>
Capital outlay:							
General government	2,700,000	--	--	--	--	--	2,700,000
Public works	--	--	--	--	1,261,469	80	1,261,549
Culture and recreation	--	202,955	637,381	--	--	--	840,336
<b>Total capital outlay</b>	<b>2,700,000</b>	<b>202,955</b>	<b>637,381</b>	<b>--</b>	<b>1,261,469</b>	<b>80</b>	<b>4,801,885</b>
<b>Total expenditures</b>	<b>3,584,930</b>	<b>1,871,274</b>	<b>680,414</b>	<b>--</b>	<b>1,261,469</b>	<b>8,877</b>	<b>7,406,964</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,515,896)</b>	<b>730,907</b>	<b>62,437</b>	<b>36,656</b>	<b>--</b>	<b>2,360,606</b>	<b>1,674,710</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Land sales	326,968	--	--	--	--	--	326,968
Transfers in	--	17,000	--	--	--	--	17,000
Transfers out	(527)	(436,259)	--	--	--	(2,358,955)	(2,795,741)
<b>Total other financing sources (uses)</b>	<b>326,441</b>	<b>(419,259)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(2,358,955)</b>	<b>(2,451,773)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,189,455)</b>	<b>311,648</b>	<b>62,437</b>	<b>36,656</b>	<b>--</b>	<b>1,651</b>	<b>(777,063)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>26,726,727</b>	<b>2,665,923</b>	<b>7,403,591</b>	<b>135,750</b>	<b>535,095</b>	<b>3,339,168</b>	<b>40,806,254</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 25,537,272</b>	<b>\$ 2,977,571</b>	<b>\$ 7,466,028</b>	<b>\$ 172,406</b>	<b>\$ 535,095</b>	<b>\$ 3,340,819</b>	<b>\$ 40,029,191</b>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
General Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Property taxes	\$ 44,906,618	\$ 44,779,299	\$ (127,319)
Franchise fees	30,479,806	30,586,472	106,666
Licenses and permits	8,502,309	8,137,847	(364,462)
Intergovernmental	83,720,607	82,978,973	(741,634)
Charges for services	14,452,502	15,163,227	710,725
Fines and forfeits	5,185,605	5,748,134	562,529
Miscellaneous interest	1,048,031	893,093	(154,938)
Miscellaneous	306,533	458,083	151,550
Total revenues	<u>188,602,011</u>	<u>188,745,128</u>	<u>143,117</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Mayor and Council:			
Salaries and wages	404,665	338,490	66,175
Employee benefits	267,545	211,850	55,695
Services and supplies	402,445	192,565	209,880
Total Mayor and Council	<u>1,074,655</u>	<u>742,905</u>	<u>331,750</u>
City Manager:			
Salaries and wages	1,514,475	1,521,109	(6,634)
Employee benefits	589,578	520,683	68,895
Services and supplies	1,000,189	681,208	318,981
Total City Manager	<u>3,104,242</u>	<u>2,723,000</u>	<u>381,242</u>
Finance:			
Salaries and wages	3,552,086	3,226,255	325,831
Employee benefits	1,355,355	1,212,455	142,900
Services and supplies	996,895	490,110	506,785
Total Finance	<u>5,904,336</u>	<u>4,928,820</u>	<u>975,516</u>
Budget and Strategic Management:			
Salaries and wages	605,610	510,016	95,594
Employee benefits	290,587	212,120	78,467
Services and supplies	214,760	7,292	207,468
Total Budget and Strategic Management	<u>1,110,957</u>	<u>729,428</u>	<u>381,529</u>

continued

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual (continued)  
General Fund  
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
GENERAL GOVERNMENT (continued)			
Information Technology:			
Salaries and wages	\$ 4,919,851	\$ 4,750,417	\$ 169,434
Employee benefits	1,928,128	1,719,454	208,674
Services and supplies	2,831,384	1,442,482	1,388,902
Capital outlay	600,758	146,236	454,522
Total Information Technology	<u>10,280,121</u>	<u>8,058,589</u>	<u>2,221,532</u>
City Clerk:			
Salaries and wages	1,189,378	1,204,165	(14,787)
Employee benefits	509,068	419,540	89,528
Services and supplies	1,237,572	554,098	683,474
Capital outlay	29,100	--	29,100
Total City Clerk	<u>2,965,118</u>	<u>2,177,803</u>	<u>787,315</u>
Human Resources:			
Salaries and wages	2,192,310	2,125,374	66,936
Employee benefits	820,060	759,469	60,591
Services and supplies	594,741	395,234	199,507
Total Human Resources	<u>3,607,111</u>	<u>3,280,077</u>	<u>327,034</u>
City Attorney:			
Salaries and wages	2,995,992	2,924,945	71,047
Employee benefits	1,087,110	976,658	110,452
Services and supplies	2,138,317	1,452,281	686,036
Capital outlay	24,025	--	24,025
Total City Attorney	<u>6,245,444</u>	<u>5,353,884</u>	<u>891,560</u>
Community Development:			
Salaries and wages	3,427,032	3,094,036	332,996
Employee benefits	1,264,878	1,110,869	154,009
Services and supplies	2,062,545	825,036	1,237,509
Total Community Development	<u>6,754,455</u>	<u>5,029,941</u>	<u>1,724,514</u>
Building Maintenance:			
Salaries and wages	1,870,257	1,447,890	422,367
Employee benefits	838,485	589,961	248,524
Services and supplies	4,524,928	3,822,898	702,030
Capital outlay	164,000	55,006	108,994
Total Building Maintenance	<u>7,397,670</u>	<u>5,915,755</u>	<u>1,481,915</u>

continued

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual (continued)  
General Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>GENERAL GOVERNMENT (continued)</b>			
Miscellaneous:			
Salaries and wages	\$ 4,427,505	\$ 3,661,057	\$ 766,448
Employee benefits	906,100	814,996	91,104
Services and supplies	1,381,225	316,082	1,065,143
Capital outlay	87,190	--	87,190
Total Miscellaneous	<u>6,802,020</u>	<u>4,792,135</u>	<u>2,009,885</u>
Total General Government	<u>55,246,129</u>	<u>43,732,337</u>	<u>11,513,792</u>
<b>JUDICIAL</b>			
Municipal Court:			
Salaries and wages	4,571,038	4,504,301	66,737
Employee benefits	1,885,299	1,812,769	72,530
Services and supplies	646,443	644,087	2,356
Total Municipal Court	<u>7,102,780</u>	<u>6,961,157</u>	<u>141,623</u>
City Attorney-Criminal:			
Salaries and wages	1,777,367	1,707,027	70,340
Employee benefits	702,283	666,895	35,388
Services and supplies	214,960	171,543	43,417
Total City Attorney-Criminal	<u>2,694,610</u>	<u>2,545,465</u>	<u>149,145</u>
City Attorney-Court Programs:			
Salaries and wages	834,904	786,021	48,883
Employee benefits	328,199	283,095	45,104
Services and supplies	121,479	90,913	30,566
Capital outlay	18,511	--	18,511
Total City Attorney-Court Programs	<u>1,303,093</u>	<u>1,160,029</u>	<u>143,064</u>
Total Judicial	<u>11,100,483</u>	<u>10,666,651</u>	<u>433,832</u>
<b>PUBLIC SAFETY</b>			
Fire:			
Salaries and wages	27,387,038	24,877,507	2,509,531
Employee benefits	10,082,142	9,160,110	922,032
Services and supplies	3,605,376	3,509,060	96,316
Capital outlay	1,651,644	1,573,341	78,303
Total Fire	<u>42,726,200</u>	<u>39,120,018</u>	<u>3,606,182</u>
Police:			
Salaries and wages	42,804,516	41,995,956	808,560
Employee benefits	19,099,133	18,047,354	1,051,779
Services and supplies	10,519,105	9,373,293	1,145,812
Capital outlay	1,497,528	358,974	1,138,554
Total Police	<u>73,920,282</u>	<u>69,775,577</u>	<u>4,144,705</u>

continued

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual (continued)  
General Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>PUBLIC SAFETY (continued)</b>			
Building Inspection:			
Salaries and wages	\$ 1,212,075	\$ 1,184,647	\$ 27,428
Employee benefits	403,741	373,036	30,705
Services and supplies	280,425	197,670	82,755
Total Building Inspection	<u>1,896,241</u>	<u>1,755,353</u>	<u>140,888</u>
 Total Public Safety	 <u>118,542,723</u>	 <u>110,650,948</u>	 <u>7,891,775</u>
<b>PUBLIC WORKS</b>			
Streets:			
Salaries and wages	1,019,924	913,720	106,204
Employee benefits	388,369	318,872	69,497
Services and supplies	788,052	760,387	27,665
Total Streets	<u>2,196,345</u>	<u>1,992,979</u>	<u>203,366</u>
 Street Lighting:			
Salaries and wages	1,295,486	1,313,541	(18,055)
Employee benefits	518,337	422,910	95,427
Services and supplies	3,247,148	2,612,504	634,644
Total Street Lighting	<u>5,060,971</u>	<u>4,348,955</u>	<u>712,016</u>
 Flood Control:			
Salaries and wages	841,535	817,864	23,671
Employee benefits	320,085	317,952	2,133
Services and supplies	864,892	808,083	56,809
Capital outlay	168,433	--	168,433
Total Flood Control	<u>2,194,945</u>	<u>1,943,899</u>	<u>251,046</u>
 Public Works General Services:			
Salaries and wages	2,157,383	1,802,208	355,175
Employee benefits	730,693	626,747	103,946
Services and supplies	2,261,676	779,525	1,482,151
Capital outlay	599,028	46,807	552,221
Total Public Works General Services	<u>5,748,780</u>	<u>3,255,287</u>	<u>2,493,493</u>
 Total Public Works	 <u>15,201,041</u>	 <u>11,541,120</u>	 <u>3,659,921</u>
<b>CULTURE AND RECREATION</b>			
Parks:			
Salaries and wages	7,550,242	7,355,404	194,838
Employee benefits	3,034,601	2,692,306	342,295
Services and supplies	5,469,533	4,200,320	1,269,213
Capital outlay	7,870	1,822	6,048
Total Parks	<u>16,062,246</u>	<u>14,249,852</u>	<u>1,812,394</u>

continued

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual (continued)  
General Fund  
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
CULTURE AND RECREATION (continued)			
Recreation:			
Salaries and wages	\$ 12,353,529	\$ 11,390,737	\$ 962,792
Employee benefits	3,424,083	2,868,574	555,509
Services and supplies	5,274,427	4,657,784	616,643
Capital outlay	781,196	94,468	686,728
Total Recreation	<u>21,833,235</u>	<u>19,011,563</u>	<u>2,821,672</u>
 Total Culture and Recreation	 <u>37,895,481</u>	 <u>33,261,415</u>	 <u>4,634,066</u>
 COMMUNITY SUPPORT			
Economic Development:			
Salaries and wages	349,240	343,237	6,003
Employee benefits	132,255	131,327	928
Services and supplies	269,939	251,387	18,552
Total Economic Development	<u>751,434</u>	<u>725,951</u>	<u>25,483</u>
 Neighborhood Services:			
Salaries and wages	734,634	572,633	162,001
Employee benefits	256,407	222,143	34,264
Services and supplies	396,860	201,443	195,417
Total Neighborhood Services	<u>1,387,901</u>	<u>996,219</u>	<u>391,682</u>
 Total Community Support	 <u>2,139,335</u>	 <u>1,722,170</u>	 <u>417,165</u>
 Total Expenditures	 <u>240,125,192</u>	 <u>211,574,641</u>	 <u>28,550,551</u>
 DEFICIENCY OF REVENUES UNDER EXPENDITURES	 <u>(51,523,181)</u>	 <u>(22,829,513)</u>	 <u>28,693,668</u>
 OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	--	5,425	5,425
Transfers in	42,865,004	29,538,608	(13,326,396)
Transfers out	(12,896,388)	(12,896,388)	--
Total other financing sources (uses)	<u>29,968,616</u>	<u>16,647,645</u>	<u>(13,320,971)</u>
 NET CHANGE IN FUND BALANCES	 <u>(21,554,565)</u>	 <u>(6,181,868)</u>	 <u>15,372,697</u>
 FUND BALANCES, BEGINNING OF YEAR	 <u>31,170,506</u>	 <u>31,170,506</u>	 <u>--</u>
 FUND BALANCES, END OF YEAR	 <u>\$ 9,615,941</u>	 <u>\$ 24,988,638</u>	 <u>\$ 15,372,697</u>

## CITY OF HENDERSON, NEVADA

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual Redevelopment Agency Special Revenue Fund For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Property taxes	\$ 12,625,917	\$ 13,623,262	\$ 997,345
Intergovernmental revenue	385,275	385,276	1
Miscellaneous interest	751,996	1,173,264	421,268
Miscellaneous	256,040	53,474	(202,566)
Total revenues	14,019,228	15,235,276	1,216,048
<b>EXPENDITURES</b>			
General government:			
Salaries and wages	868,917	897,783	(28,866)
Employee benefits	370,561	328,531	42,030
Services and supplies	6,555,724	3,266,402	3,289,322
Total general government	7,795,202	4,492,716	3,302,486
Debt Service:			
Principal	540,000	540,000	--
Interest and fiscal charges	817,622	865,314	(47,692)
Total debt service	1,357,622	1,405,314	(47,692)
Total expenditures	9,152,824	5,898,030	3,254,794
<b>NET CHANGE IN FUND BALANCES</b>	4,866,404	9,337,246	4,470,842
<b>FUND BALANCE, BEGINNING OF YEAR</b>	28,617,520	28,617,521	1
<b>FUND BALANCE, END OF YEAR</b>	\$ 33,483,924	\$ 37,954,767	\$ 4,470,843

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Gas Tax Special Revenue Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 2,839,804	\$ 2,965,512	\$ 125,708
Miscellaneous interest	180,000	381,221	201,221
Total revenues	3,019,804	3,346,733	326,929
<b>EXPENDITURES</b>			
Public works:			
Salaries and wages	--	4,688	(4,688)
Employee benefits	--	1,436	(1,436)
Services and supplies	373,922	336,873	37,049
Capital outlay	3,833,543	2,386,879	1,446,664
Total expenditures	4,207,465	2,729,876	1,477,589
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,187,661)	616,857	1,804,518
<b>OTHER FINANCING USES</b>			
Transfers out	(180,000)	(317,673)	(137,673)
<b>NET CHANGE IN FUND BALANCES</b>	(1,367,661)	299,184	1,666,845
<b>FUND BALANCE, BEGINNING OF YEAR</b>	9,462,525	9,462,525	--
<b>FUND BALANCE, END OF YEAR</b>	\$ 8,094,864	\$ 9,761,709	\$ 1,666,845



**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Forfeited Assets Special Revenue Fund  
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Fines and forfeits	\$ 230,000	\$ 313,020	\$ 83,020
Miscellaneous interest	3,100	16,645	13,545
Miscellaneous	--	--	--
Total revenues	<u>233,100</u>	<u>329,665</u>	<u>96,565</u>
EXPENDITURES			
Public safety:			
Services and supplies	<u>281,264</u>	<u>223,749</u>	<u>57,515</u>
Total expenditures	<u>281,264</u>	<u>223,749</u>	<u>57,515</u>
NET CHANGE IN FUND BALANCES	(48,164)	105,916	154,080
FUND BALANCE, BEGINNING OF YEAR	<u>334,178</u>	<u>334,178</u>	--
FUND BALANCE, END OF YEAR	<u>\$ 286,014</u>	<u>\$ 440,094</u>	<u>\$ 154,080</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Municipal Court Administrative Fee Special Revenue Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Fines and forfeits	\$ 670,000	\$ 771,368	\$ 101,368
EXPENDITURES			
Judicial:			
Salaries and wages	56,366	61,968	(5,602)
Employee benefits	25,326	21,215	4,111
Services and supplies	506,787	505,824	963
Capital outlay	192,865	106,517	86,348
Total expenditures	<u>781,344</u>	<u>695,524</u>	<u>85,820</u>
NET CHANGE IN FUND BALANCES	(111,344)	75,844	187,188
FUND BALANCE, BEGINNING OF YEAR	<u>699,196</u>	<u>699,196</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 587,852</u>	<u>\$ 775,040</u>	<u>\$ 187,188</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Financial Stabilization Special Revenue Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Miscellaneous interest	\$ 300,000	\$ 465,001	\$ 165,001
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>--</u>
Total other financing sources (uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(3,700,000)	(3,534,999)	165,001
FUND BALANCE, BEGINNING OF YEAR	<u>12,026,389</u>	<u>12,026,389</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 8,326,389</u></u>	<u><u>\$ 8,491,390</u></u>	<u><u>\$ 165,001</u></u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Equipment Repair and Maintenance Special Revenue Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Charges for services	\$ 515,576	\$ 511,545	\$ (4,031)
Intergovernmental	197,436	197,436	--
Developer/property owner contributions	6,311,214	2,024,601	(4,286,613)
Miscellaneous interest	296,000	495,369	199,369
Miscellaneous	--	750,000	750,000
Total revenues	<u>7,320,226</u>	<u>3,978,951</u>	<u>(3,341,275)</u>
<b>EXPENDITURES</b>			
General government:			
Salaries and wages	72,905	68,956	3,949
Employee benefits	46,457	26,840	19,617
Services and supplies	1,407,577	1,160,620	246,957
Capital outlay	1,822,277	1,466,072	356,205
Total general government	<u>3,349,216</u>	<u>2,722,488</u>	<u>626,728</u>
Judicial:			
Capital outlay	3,966	--	3,966
Total judicial	<u>3,966</u>	<u>--</u>	<u>3,966</u>
Public safety:			
Services and supplies	78,956	71,803	7,153
Capital outlay	525,375	499,815	25,560
Total public safety	<u>604,331</u>	<u>571,618</u>	<u>32,713</u>
Public works:			
Salaries and wages	9,123	2,778	6,345
Employee benefits	65	966	(901)
Services and supplies	1,961,159	298,411	1,662,748
Capital outlay	3,936,441	1,001,035	2,935,406
Total public works	<u>5,906,788</u>	<u>1,303,190</u>	<u>4,603,598</u>
Culture and recreation:			
Salaries and wages	512,216	--	512,216
Services and supplies	--	229,358	(229,358)
Capital outlay	2,105,752	339,356	1,766,396
Total culture and recreation	<u>2,617,968</u>	<u>568,714</u>	<u>2,049,254</u>
Total expenditures	<u>12,482,269</u>	<u>5,166,010</u>	<u>7,316,259</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,162,043)</u>	<u>(1,187,059)</u>	<u>3,974,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,950,000	2,950,000	--
Transfers out	(296,000)	(412,233)	(116,233)
Total other financing sources (uses)	<u>2,654,000</u>	<u>2,537,767</u>	<u>(116,233)</u>
NET CHANGES IN FUND BALANCES	(2,508,043)	1,350,708	3,858,751
FUND BALANCE, BEGINNING OF YEAR	<u>10,362,812</u>	<u>10,362,812</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,854,769</u>	<u>\$ 11,713,520</u>	<u>\$ 3,858,751</u>

## CITY OF HENDERSON, NEVADA

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual Multipurpose Special Revenue Fund For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 41,234,393	\$ 28,065,029	\$ (13,169,364)
Charges for services	--	104,183	104,183
Miscellaneous interest	--	24,372	24,372
Miscellaneous	--	1,147,027	1,147,027
Total revenues	<u>41,234,393</u>	<u>29,340,611</u>	<u>(11,893,782)</u>
<b>EXPENDITURES</b>			
Judicial:			
Services and supplies	--	5,263	(5,263)
Total judicial	<u>--</u>	<u>5,263</u>	<u>(5,263)</u>
Public safety:			
Salaries and wages	726,374	566,815	159,559
Employee benefits	168,305	59,082	109,223
Services and supplies	994,379	794,439	199,940
Capital outlay	1,323,649	304,872	1,018,777
Total public safety	<u>3,212,707</u>	<u>1,725,208</u>	<u>1,487,499</u>
Public works:			
Services and supplies	54,402	5,699	48,703
Capital outlay	173,775	--	173,775
Total public works	<u>228,177</u>	<u>5,699</u>	<u>222,478</u>
Culture and recreation:			
Salaries and wages	307,224	232,840	74,384
Employee benefits	118,687	78,389	40,298
Services and supplies	9,075,120	5,500,283	3,574,837
Capital outlay	22,698,681	15,834,382	6,864,299
Total culture and recreation	<u>32,199,712</u>	<u>21,645,894</u>	<u>10,553,818</u>
Community support:			
Salaries and wages	562,494	562,859	(365)
Employee benefits	183,451	228,666	(45,215)
Services and supplies	4,833,382	4,945,198	(111,816)
Capital outlay	221,048	100,000	121,048
Total community support	<u>5,800,375</u>	<u>5,836,723</u>	<u>(36,348)</u>
Total expenditures	<u>41,440,971</u>	<u>29,218,787</u>	<u>12,222,184</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(206,578)	121,824	328,402
<b>OTHER FINANCING USES</b>			
Transfers out	(1,000,000)	(1,000,000)	--
<b>NET CHANGES IN FUND BALANCES</b>	(1,206,578)	(878,176)	328,402
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,206,578</u>	<u>2,206,578</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,000,000</u>	<u>\$ 1,328,402</u>	<u>\$ 328,402</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Lake Las Vegas Special Revenue Fund  
For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Developer/property owner contributions	\$ 1,750,000	\$ --	\$ (1,750,000)
Miscellaneous interest	160,000	215,989	55,989
Total revenues	<u>1,910,000</u>	<u>215,989</u>	<u>(1,694,011)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>5,132,687</u>	<u>5,132,687</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,042,687</u>	<u>\$ 5,348,676</u>	<u>\$ (1,694,011)</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Sales and Use Tax Special Revenue Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 10,381,883	\$ 9,924,996	\$ (456,887)
Miscellaneous interest	150,000	223,970	73,970
Miscellaneous	--	8,797	8,797
Total revenues	<u>10,531,883</u>	<u>10,157,763</u>	<u>(374,120)</u>
 <b>EXPENDITURES</b>			
Public safety:			
Salaries and wages	9,628,058	7,384,285	2,243,773
Employee benefits	5,082,450	3,631,431	1,451,019
Services and supplies	1,432,027	1,108,689	323,338
Capital outlay	65,038	--	65,038
Total expenditures	<u>16,207,573</u>	<u>12,124,405</u>	<u>4,083,168</u>
 <b>NET CHANGES IN FUND BALANCES</b>	 (5,675,690)	 (1,966,642)	 3,709,048
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	 <u>8,219,247</u>	 <u>8,219,247</u>	 <u>--</u>
 <b>FUND BALANCE, END OF YEAR</b>	 <u><u>\$ 2,543,557</u></u>	 <u><u>\$ 6,252,605</u></u>	 <u><u>\$ 3,709,048</u></u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 General Obligation Debt Service Fund  
 For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Property taxes	\$ 25,888,679	\$ 26,074,756	\$ 186,077
Miscellaneous interest	300,000	545,455	245,455
Total revenues	<u>26,188,679</u>	<u>26,620,211</u>	<u>431,532</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal retirement	12,287,000	12,287,000	--
Interest and fiscal charges	6,808,261	6,797,011	11,250
Administrative and other costs	171,079	26,635	144,444
Total expenditures	<u>19,266,340</u>	<u>19,110,646</u>	<u>155,694</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>6,922,339</u>	<u>7,509,565</u>	<u>587,226</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	11,475,198	11,103,948	(371,250)
Transfers out	<u>(14,977,509)</u>	<u>(14,977,509)</u>	<u>--</u>
Total other financing sources (uses)	<u>(3,502,311)</u>	<u>(3,873,561)</u>	<u>(371,250)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,420,028	3,636,004	215,976
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>6,072,215</u>	<u>6,072,215</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 9,492,243</u>	<u>\$ 9,708,219</u>	<u>\$ 215,976</u>



**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Special Assessment Districts Debt Service Fund  
 For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Special assessments	\$ 324,146	\$ 341,924	\$ 17,778
Miscellaneous interest	225,123	217,616	(7,507)
Miscellaneous	14,575	12,153	(2,422)
Total revenues	<u>563,844</u>	<u>571,693</u>	<u>7,849</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal retirement	70,000	70,000	--
Interest and fiscal charges	25,650	25,650	--
Administrative and other costs	35,600	9,083	26,517
Total expenditures	<u>131,250</u>	<u>104,733</u>	<u>26,517</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	432,594	466,960	34,366
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(383,681)</u>	<u>(383,681)</u>	<u>--</u>
<b>NET CHANGE IN FUND BALANCES</b>	48,913	83,279	34,366
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>882,042</u>	<u>882,042</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 930,955</u></u>	<u><u>\$ 965,321</u></u>	<u><u>\$ 34,366</u></u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Special Assessment Districts Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Miscellaneous interest	\$ 2,102,500	\$ 1,346,443	\$ (756,057)
Total revenues	<u>2,102,500</u>	<u>1,346,443</u>	<u>(756,057)</u>
EXPENDITURES			
Public works:			
Services and supplies	33,861,300	--	33,861,300
Capital outlay	<u>--</u>	<u>293,308</u>	<u>(293,308)</u>
Total expenditures	<u>33,861,300</u>	<u>293,308</u>	<u>33,567,992</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(31,758,800)</u>	<u>1,053,135</u>	<u>32,811,935</u>
OTHER FINANCING SOURCES			
Transfers in	<u>383,681</u>	<u>383,681</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(31,375,119)	1,436,816	32,811,935
FUND BALANCE, BEGINNING OF YEAR	<u>132,038,822</u>	<u>132,038,822</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 100,663,703</u></u>	<u><u>\$ 133,475,638</u></u>	<u><u>\$ 32,811,935</u></u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Municipal Facilities Acquisition & Construction Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 12,450,708	\$ 12,527,201	\$ 76,493
Intergovernmental	8,800,000	12,955,819	4,155,819
Impact fees	--	653,793	653,793
Miscellaneous interest	3,000,000	4,166,463	1,166,463
Miscellaneous	335,000	15,650	(319,350)
Total revenues	<u>24,585,708</u>	<u>30,318,926</u>	<u>5,733,218</u>
<b>EXPENDITURES</b>			
General government:			
Services and supplies	775,930	285,294	490,636
Capital outlay	714,120	63,398	650,722
Total general government	<u>1,490,050</u>	<u>348,692</u>	<u>1,141,358</u>
Public safety:			
Services and supplies	3,494,563	168,340	3,326,223
Capital outlay	32,512,997	529,975	31,983,022
Total public safety	<u>36,007,560</u>	<u>698,315</u>	<u>35,309,245</u>
Public works:			
Salaries and wages	--	5,223	(5,223)
Employee benefits	--	196	(196)
Services and supplies	5,174,531	2,587,243	2,587,288
Capital outlay	64,829,792	42,417,388	22,412,404
Total public works	<u>70,004,323</u>	<u>45,010,050</u>	<u>24,994,273</u>
Culture and recreation:			
Services and supplies	1,976,991	1,012,602	964,389
Capital outlay	15,345,852	9,273,308	6,072,544
Total culture and recreation	<u>17,322,843</u>	<u>10,285,910</u>	<u>7,036,933</u>
Total expenditures	<u>124,824,776</u>	<u>56,342,967</u>	<u>68,481,809</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(100,239,068)</u>	<u>(26,024,041)</u>	<u>74,215,027</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from issuance of debt	17,960,000	17,960,000	--
Transfers in	7,813,000	7,662,536	(150,464)
Transfers out	(30,920,324)	(20,122,572)	10,797,752
Total other financing sources (uses)	<u>(5,147,324)</u>	<u>5,499,964</u>	<u>10,647,288</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(105,386,392)</u>	<u>(20,524,077)</u>	<u>84,862,315</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>113,959,089</u>	<u>113,959,089</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 8,572,697</u>	<u>\$ 93,435,012</u>	<u>\$ 84,862,315</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Land Sales Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES</b>			
Miscellaneous interest	\$ 500,000	1,477,645	\$ 977,645
Miscellaneous	559,800	591,389	31,589
Total revenues	<u>1,059,800</u>	<u>2,069,034</u>	<u>1,009,234</u>
<b>EXPENDITURES</b>			
General government:			
Salaries and wages	--	17	(17)
Employee benefits	--	153	(153)
Services and supplies	2,296,261	447,260	1,849,001
Capital outlay	<u>7,253,009</u>	<u>2,700,000</u>	<u>4,553,009</u>
Total general government	<u>9,549,270</u>	<u>3,147,430</u>	<u>6,401,840</u>
Public Safety:			
Services and supplies	<u>875,000</u>	<u>437,500</u>	<u>437,500</u>
Total public safety	<u>875,000</u>	<u>437,500</u>	<u>437,500</u>
Total expenditures	<u>10,424,270</u>	<u>3,584,930</u>	<u>6,839,340</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(9,364,470)</u>	<u>(1,515,896)</u>	<u>7,848,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Land sales	286,277	326,968	40,691
Transfers out	<u>(500,527)</u>	<u>(527)</u>	<u>500,000</u>
Total other financing sources (uses)	<u>(214,250)</u>	<u>326,441</u>	<u>540,691</u>
<b>NET CHANGE IN FUND BALANCES</b>	(9,578,720)	(1,189,455)	8,389,265
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>26,726,727</u>	<u>26,726,727</u>	--
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 17,148,007</u>	<u>\$ 25,537,272</u>	<u>\$ 8,389,265</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Special Recreation Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 2,500,000	\$ 2,272,906	\$ (227,094)
Charges for services	--	226,617	226,617
Miscellaneous interest	32,000	102,658	70,658
Miscellaneous	<u>157,000</u>	<u>--</u>	<u>(157,000)</u>
Total revenues	<u>2,689,000</u>	<u>2,602,181</u>	<u>(86,819)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Services and supplies	2,002,956	1,668,319	334,637
Capital outlay	<u>510,800</u>	<u>202,955</u>	<u>307,845</u>
Total expenditures	<u>2,513,756</u>	<u>1,871,274</u>	<u>642,482</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>175,244</u>	<u>730,907</u>	<u>555,663</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	17,000	17,000	--
Transfers out	<u>(384,138)</u>	<u>(436,259)</u>	<u>(52,121)</u>
Total other financing sources (uses)	<u>(367,138)</u>	<u>(419,259)</u>	<u>(52,121)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(191,894)	311,648	503,542
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>2,665,923</u>	<u>2,665,923</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 2,474,029</u></u>	<u><u>\$ 2,977,571</u></u>	<u><u>\$ 503,542</u></u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Park Development Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>REVENUES</b>			
Impact fees	\$ 596,066	\$ 389,940	\$ (206,126)
Miscellaneous interest	343,000	352,911	9,911
Total revenues	<u>939,066</u>	<u>742,851</u>	<u>(196,215)</u>
<b>EXPENDITURES</b>			
Culture and recreation:			
Salaries and wages	--	214	(214)
Employee benefits	--	108	(108)
Services and supplies	410,806	42,711	368,095
Capital outlay	<u>4,544,146</u>	<u>637,381</u>	<u>3,906,765</u>
Total expenditures	<u>4,954,952</u>	<u>680,414</u>	<u>4,274,538</u>
<b>NET CHANGE IN FUND BALANCES</b>	(4,015,886)	62,437	4,078,323
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>7,403,591</u>	<u>7,403,591</u>	<u>--</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,387,705</u>	<u>\$ 7,466,028</u>	<u>\$ 4,078,323</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Flood Control Capital Projects Fund  
For the Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance
<b>REVENUES</b>			
Developer/property owner contributions	\$ --	\$ 29,690	\$ 29,690
Miscellaneous interest	9,000	6,966	(2,034)
Total revenues	9,000	36,656	27,656
<b>EXPENDITURES</b>			
Public works:			
Services and Supplies	260	--	260
Total expenditures	260	--	260
<b>NET CHANGE IN FUND BALANCES</b>	8,740	36,656	27,916
<b>FUND BALANCE, BEGINNING OF YEAR</b>	135,750	135,750	--
<b>FUND BALANCE, END OF YEAR</b>	\$ 144,490	\$ 172,406	\$ 27,916

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 RTC/County Funded Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 1,012,156	\$ 1,261,469	\$ 249,313
Total revenues	<u>1,012,156</u>	<u>1,261,469</u>	<u>249,313</u>
EXPENDITURES			
Public works:			
Capital outlay	<u>1,547,251</u>	<u>1,261,469</u>	<u>285,782</u>
Total expenditures	<u>1,547,251</u>	<u>1,261,469</u>	<u>285,782</u>
NET CHANGE IN FUND BALANCES	(535,095)	--	535,095
FUND BALANCE, BEGINNING OF YEAR	<u>535,095</u>	<u>535,095</u>	--
FUND BALANCE, END OF YEAR	<u>\$ --</u>	<u>\$ 535,095</u>	<u>\$ 535,095</u>



**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget (GAAP Basis) and Actual  
 Special Ad Valorem Transportation Capital Projects Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES			
Property taxes - transportation	\$ 2,486,958	\$ 2,274,446	\$ (212,512)
Miscellaneous interest	50,000	95,037	45,037
Total revenues	<u>2,536,958</u>	<u>2,369,483</u>	<u>(167,475)</u>
EXPENDITURES			
General government			
Services and supplies	--	8,797	(8,797)
Total general government	<u>--</u>	<u>8,797</u>	<u>(8,797)</u>
Public works:			
Services and supplies	389,889	--	389,889
Capital outlay	555,507	80	555,427
Total public works	<u>945,396</u>	<u>80</u>	<u>945,316</u>
Total expenditures	<u>945,396</u>	<u>8,877</u>	<u>936,519</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,591,562	2,360,606	769,044
OTHER FINANCING USES			
Transfers out	<u>(2,358,955)</u>	<u>(2,358,955)</u>	<u>--</u>
NET CHANGE IN FUND BALANCES	(767,393)	1,651	769,044
FUND BALANCE, BEGINNING OF YEAR	<u>3,339,168</u>	<u>3,339,168</u>	<u>--</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,571,775</u>	<u>\$ 3,340,819</u>	<u>\$ 769,044</u>

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**CITY OF HENDERSON, NEVADA**

Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2009

**ASSETS**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
<b>CURRENT ASSETS:</b>								
Cash and investments	\$ 6,894,940	\$ 35,951,052	\$ 1,526,035	\$ 8,015,569	\$ 20,923,295	\$ 9,290,467	\$ 2,470,154	\$ 85,071,512
Receivables:								
Accounts receivable	4,300	--	86,250	--	--	107,163	--	197,713
Accrued interest	39,811	212,187	9,057	53,506	129,807	62,543	15,166	522,077
Due from other governments	327,009	1,226	--	--	--	--	--	328,235
Inventories - bulk fuel	--	15,336	--	--	--	--	--	15,336
Total current assets	<u>7,266,060</u>	<u>36,179,801</u>	<u>1,621,342</u>	<u>8,069,075</u>	<u>21,053,102</u>	<u>9,460,173</u>	<u>2,485,320</u>	<u>86,134,873</u>
<b>NONCURRENT ASSETS:</b>								
Capital assets:								
Buildings	48,398	704,979	--	--	--	--	--	753,377
Improvements other than buildings	--	473,374	--	--	--	--	--	473,374
Machinery and equipment	54,646	44,761,139	--	14,665	69,537	--	1,601,561	46,501,548
Total capital assets	<u>103,044</u>	<u>45,939,492</u>	<u>--</u>	<u>14,665</u>	<u>69,537</u>	<u>--</u>	<u>1,601,561</u>	<u>47,728,299</u>
Less accumulated depreciation	<u>(95,778)</u>	<u>(24,617,369)</u>	<u>--</u>	<u>(7,333)</u>	<u>(30,132)</u>	<u>--</u>	<u>(778,705)</u>	<u>(25,529,317)</u>
Net capital assets	<u>7,266</u>	<u>21,322,123</u>	<u>--</u>	<u>7,332</u>	<u>39,405</u>	<u>--</u>	<u>822,856</u>	<u>22,198,982</u>
Other assets:								
Deposits	--	--	--	--	--	5,760	--	5,760
Advances to other funds	--	--	2,421,082	--	--	--	--	2,421,082
Total noncurrent assets	<u>7,266</u>	<u>21,322,123</u>	<u>2,421,082</u>	<u>7,332</u>	<u>39,405</u>	<u>5,760</u>	<u>822,856</u>	<u>24,625,824</u>
<b>Total assets</b>	<u>7,273,326</u>	<u>57,501,924</u>	<u>4,042,424</u>	<u>8,076,407</u>	<u>21,092,507</u>	<u>9,465,933</u>	<u>3,308,176</u>	<u>110,760,697</u>

continued

**CITY OF HENDERSON, NEVADA**

Combining Statement of Net Assets (continued)  
Internal Service Funds  
June 30, 2009

**LIABILITIES**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
<b>CURRENT LIABILITIES:</b>								
Accounts payable and accrued wages	299,973	428,805	--	821,539	85,765	62,206	447,975	2,146,263
Termination benefits payable	88,267	--	--	--	67,930	--	--	156,197
Compensated absences payable	1,583,017	346,501	--	64,327	84,404	37,723	45,417	2,161,389
Claims and judgments payable	--	--	--	1,369,921	7,729,208	1,399,932	--	10,499,061
Total current liabilities	<u>1,971,257</u>	<u>775,306</u>	<u>--</u>	<u>2,255,787</u>	<u>7,967,307</u>	<u>1,499,861</u>	<u>493,392</u>	<u>14,962,910</u>
<b>NONCURRENT LIABILITIES:</b>								
Other post employment benefits (OPEB) liability	310,243	94,008	--	27,330	21,869	5,466	18,601	477,517
Total liabilities	<u>2,281,500</u>	<u>869,314</u>	<u>--</u>	<u>2,283,117</u>	<u>7,989,176</u>	<u>1,505,327</u>	<u>511,993</u>	<u>15,440,427</u>

**NET ASSETS**

Invested in capital assets, net of related debt	7,266	21,322,123	--	7,332	39,405	--	822,856	22,198,982
Restricted for claims	--	--	--	5,785,958	13,063,926	7,960,606	--	26,810,490
Unrestricted	<u>4,984,560</u>	<u>35,310,487</u>	<u>4,042,424</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,973,327</u>	<u>46,310,798</u>
Total net assets	<u>\$ 4,991,826</u>	<u>\$ 56,632,610</u>	<u>\$ 4,042,424</u>	<u>\$ 5,793,290</u>	<u>\$ 13,103,331</u>	<u>\$ 7,960,606</u>	<u>\$ 2,796,183</u>	<u>\$ 95,320,270</u>

**CITY OF HENDERSON, NEVADA**

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
OPERATING REVENUES								
Charges for services	\$ 6,659,914	\$ 12,203,531	\$ 126,900	\$ --	\$ 4,641,505	\$ 11,044,784	\$ 6,117,178	\$ 40,793,812
OPERATING EXPENSES								
Salaries and wages	5,829,918	1,367,412	--	439,861	390,488	75,447	365,211	8,468,337
Employee benefits	2,164,508	533,361	--	156,439	133,088	29,581	131,398	3,148,375
Services and supplies	1,673,689	3,744,892	--	1,137,608	1,231,903	2,396,249	4,897,094	15,081,435
Claims	--	--	--	1,163,840	3,324,978	7,183,642	--	11,672,460
Legal fees	--	--	--	186,387	7,331	--	--	193,718
Depreciation	3,315	5,005,310	--	2,933	13,907	--	170,431	5,195,896
Total operating expenses	<u>9,671,430</u>	<u>10,650,975</u>	<u>--</u>	<u>3,087,068</u>	<u>5,101,695</u>	<u>9,684,919</u>	<u>5,564,134</u>	<u>43,760,221</u>
OPERATING INCOME (LOSS)	<u>(3,011,516)</u>	<u>1,552,556</u>	<u>126,900</u>	<u>(3,087,068)</u>	<u>(460,190)</u>	<u>1,359,865</u>	<u>553,044</u>	<u>(2,966,409)</u>
NONOPERATING REVENUES (EXPENSES)								
Interest revenue	260,146	1,398,379	59,268	360,444	856,137	395,138	85,149	3,414,661
Interest expense	--	--	--	--	(2,610)	--	(11,250)	(13,860)
Miscellaneous	21,909	50,059	--	--	--	--	--	71,968
Gain on disposition of assets	--	229,785	--	--	--	--	--	229,785
Total nonoperating revenues (expenses)	<u>282,055</u>	<u>1,678,223</u>	<u>59,268</u>	<u>360,444</u>	<u>853,527</u>	<u>395,138</u>	<u>73,899</u>	<u>3,702,554</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(2,729,461)</u>	<u>3,230,779</u>	<u>186,168</u>	<u>(2,726,624)</u>	<u>393,337</u>	<u>1,755,003</u>	<u>626,943</u>	<u>736,145</u>
CAPITAL CONTRIBUTIONS	<u>--</u>	<u>966,976</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>966,976</u>
TRANSFERS								
Transfers in	3,423,871	--	--	57,994	67,930	--	--	3,549,795
Transfers out	--	(260,000)	(48,509)	--	--	--	--	(308,509)
Total transfers in (out)	<u>3,423,871</u>	<u>(260,000)</u>	<u>(48,509)</u>	<u>57,994</u>	<u>67,930</u>	<u>--</u>	<u>--</u>	<u>3,241,286</u>
CHANGES IN NET ASSETS	694,410	3,937,755	137,659	(2,668,630)	461,267	1,755,003	626,943	4,944,407
NET ASSETS, BEGINNING OF YEAR	<u>4,297,416</u>	<u>52,694,855</u>	<u>3,904,765</u>	<u>8,461,920</u>	<u>12,642,064</u>	<u>6,205,603</u>	<u>2,169,240</u>	<u>90,375,863</u>
NET ASSETS, END OF YEAR	<u>\$ 4,991,826</u>	<u>\$ 56,632,610</u>	<u>\$ 4,042,424</u>	<u>\$ 5,793,290</u>	<u>\$ 13,103,331</u>	<u>\$ 7,960,606</u>	<u>\$ 2,796,183</u>	<u>\$ 95,320,270</u>

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**CITY OF HENDERSON, NEVADA**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash received from users	\$ 1,247,730	\$ --	\$ --	\$ --	\$ --	\$ 279,307	\$ --	\$ 1,527,037
Cash received from interfund services provided	5,242,766	12,203,531	40,650	--	4,641,505	10,765,477	6,117,178	39,011,107
Cash from other sources	21,909	50,059	--	--	--	--	--	71,968
Cash payments to suppliers for goods and services	(3,668,625)	(4,199,625)	--	(1,853,930)	(2,891,289)	(9,754,970)	(4,958,262)	(27,326,701)
Cash payments to employees for services	(5,186,514)	(1,352,279)	--	(420,869)	(306,058)	(72,858)	(339,956)	(7,678,534)
Net cash provided by (used for) operating activities	<u>(2,342,734)</u>	<u>6,701,686</u>	<u>40,650</u>	<u>(2,274,799)</u>	<u>1,444,158</u>	<u>1,216,956</u>	<u>818,960</u>	<u>5,604,877</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers in	3,423,871	--	--	57,994	67,930	--	--	3,549,795
Transfers out	--	(260,000)	(48,509)	--	--	--	--	(308,509)
Payments on advances to other funds	--	--	256,780	--	--	--	--	256,780
Net cash provided by (used for) noncapital financing activities	<u>3,423,871</u>	<u>(260,000)</u>	<u>208,271</u>	<u>57,994</u>	<u>67,930</u>	<u>--</u>	<u>--</u>	<u>3,498,066</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and construction of capital assets	--	(1,679,496)	--	--	--	--	(53,880)	(1,733,376)
Interest paid on bonds and leases	--	--	--	--	(2,610)	--	(11,250)	(13,860)
Due to other funds	--	--	--	--	--	--	(360,000)	(360,000)
Proceeds from sale of capital assets	--	317,581	--	--	--	--	--	317,581
Net cash provided by (used for) capital and related financing activities	<u>--</u>	<u>(1,361,915)</u>	<u>--</u>	<u>--</u>	<u>(2,610)</u>	<u>--</u>	<u>(425,130)</u>	<u>(1,789,655)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest on investments	265,162	1,429,753	57,587	389,523	878,690	405,989	87,261	3,513,965
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,346,299	6,509,524	306,508	(1,827,282)	2,388,168	1,622,945	481,091	10,827,253
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,548,641</u>	<u>29,441,528</u>	<u>1,219,527</u>	<u>9,842,851</u>	<u>18,535,127</u>	<u>7,667,522</u>	<u>1,989,063</u>	<u>74,244,259</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 6,894,940</u>	<u>\$ 35,951,052</u>	<u>\$ 1,526,035</u>	<u>\$ 8,015,569</u>	<u>\$ 20,923,295</u>	<u>\$ 9,290,467</u>	<u>\$ 2,470,154</u>	<u>\$ 85,071,512</u>

continued



**CITY OF HENDERSON, NEVADA**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2009

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Citywide Services</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES								
Operating income (loss)	<u>(3,011,516)</u>	<u>1,552,556</u>	<u>126,900</u>	<u>(3,087,068)</u>	<u>(460,190)</u>	<u>1,359,865</u>	<u>553,044</u>	<u>\$ (2,966,409)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities								
Depreciation	3,315	5,005,310	--	2,933	13,907	--	170,431	5,195,896
Miscellaneous revenues	21,909	50,059	--	--	--	--	--	71,968
Changes in assets and liabilities:								
(Increases) decrease:								
Accounts receivable	(591)	--	(86,250)	--	--	(106,111)	--	(192,952)
Due from other governments	(168,827)	466	--	--	--	--	--	(168,361)
Increase (decrease):								
Accounts payable and accrued wages	80,575	32,811	--	781,047	2,650	46,660	64,701	1,008,444
Termination benefits payable	88,267	--	--	--	67,930	--	--	156,197
Compensated absences payable	455,183	13,796	--	14,557	15,267	2,907	19,798	521,508
Claims and judgments	--	--	--	--	1,793,059	(89,111)	--	1,703,948
Other post employment benefits (OPEB) liability	188,951	46,688	--	13,732	11,535	2,746	10,986	274,638
Total adjustments	<u>668,782</u>	<u>5,149,130</u>	<u>(86,250)</u>	<u>812,269</u>	<u>1,904,348</u>	<u>(142,909)</u>	<u>265,916</u>	<u>8,571,286</u>
Net cash provided by (used for) operating activities	<u>\$ (2,342,734)</u>	<u>\$ 6,701,686</u>	<u>\$ 40,650</u>	<u>\$ (2,274,799)</u>	<u>\$ 1,444,158</u>	<u>\$ 1,216,956</u>	<u>\$ 818,960</u>	<u>\$ 5,604,877</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Contribution of assets	--	966,976	--	--	--	--	--	966,976

**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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,000,000	\$ 6,659,914	\$ 659,914
Total operating revenues	6,000,000	6,659,914	659,914
<b>OPERATING EXPENSES</b>			
Salaries and wages	6,687,534	5,829,918	857,616
Employee benefits	2,198,275	2,164,508	33,767
Services and supplies	1,906,897	1,673,689	233,208
Depreciation	16,210	3,315	12,895
Total operating expenses	10,808,916	9,671,430	1,137,486
<b>OPERATING LOSS</b>	(4,808,916)	(3,011,516)	1,797,400
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	150,000	260,146	110,146
Miscellaneous	--	21,909	21,909
Total nonoperating revenues (expenses)	150,000	282,055	132,055
<b>LOSS BEFORE TRANSFERS</b>	(4,658,916)	(2,729,461)	1,929,455
<b>TRANSFERS</b>			
Transfers in	3,474,518	3,423,871	(50,647)
<b>CHANGES IN NET ASSETS</b>	\$ (1,184,398)	694,410	\$ 1,878,808
<b>NET ASSETS, BEGINNING OF YEAR</b>		4,297,416	
<b>NET ASSETS, END OF YEAR</b>		\$ 4,991,826	

**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, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 12,203,531	\$ 12,203,531	\$ --
Total operating revenues	<u>12,203,531</u>	<u>12,203,531</u>	<u>--</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	1,537,637	1,367,412	170,225
Employee benefits	577,348	533,361	43,987
Services and supplies	6,588,984	3,744,892	2,844,092
Depreciation	<u>5,528,490</u>	<u>5,005,310</u>	<u>523,180</u>
Total operating expenses	<u>14,232,459</u>	<u>10,650,975</u>	<u>3,581,484</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,028,928)</u>	<u>1,552,556</u>	<u>3,581,484</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	1,050,000	1,398,379	348,379
Miscellaneous	800,000	50,059	(749,941)
Gain on disposition of assets	<u>232,000</u>	<u>229,785</u>	<u>(2,215)</u>
Total nonoperating revenues (expenses)	<u>2,082,000</u>	<u>1,678,223</u>	<u>(403,777)</u>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<u>53,072</u>	<u>3,230,779</u>	<u>3,177,707</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>--</u>	<u>966,976</u>	<u>966,976</u>
<b>TRANSFERS</b>			
Transfers out	<u>(2,260,000)</u>	<u>(260,000)</u>	<u>2,000,000</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (2,206,928)</u>	3,937,755	<u>\$ 6,144,683</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>		<u>52,694,855</u>	
<b>NET ASSETS, END OF YEAR</b>		<u>\$ 56,632,610</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, 2009

	Final Budget	Actual Amounts	Variance
OPERATING REVENUES			
Charges for services	\$ 127,000	\$ 126,900	\$ (100)
Total operating revenues	127,000	126,900	(100)
OPERATING INCOME	127,000	126,900	(100)
NONOPERATING REVENUES			
Interest revenue	5,000	59,268	54,268
INCOME BEFORE TRANSFERS	132,000	186,168	54,168
TRANSFERS			
Transfers out	(5,000)	(48,509)	(43,509)
CHANGES IN NET ASSETS	\$ 127,000	137,659	\$ 10,659
NET ASSETS, BEGINNING OF YEAR		3,904,765	
NET ASSETS, END OF YEAR		\$ 4,042,424	

**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, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Insurance premiums	\$ --	\$ --	\$ --
Total operating revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	494,134	439,861	54,273
Employee benefits	394,692	156,439	238,253
Services and supplies	995,352	1,137,608	(142,256)
Claims	893,796	1,163,840	(270,044)
Legal fees	230,000	186,387	43,613
Depreciation	2,933	2,933	--
Total operating expenses	<u>3,010,907</u>	<u>3,087,068</u>	<u>(76,161)</u>
<b>OPERATING LOSS</b>	<u>(3,010,907)</u>	<u>(3,087,068)</u>	<u>(76,161)</u>
<b>NONOPERATING REVENUES</b>			
Interest revenue	<u>270,000</u>	<u>360,444</u>	<u>90,444</u>
<b>LOSS BEFORE TRANSFERS</b>	<u>(2,740,907)</u>	<u>(2,726,624)</u>	<u>14,283</u>
<b>TRANSFERS</b>			
Transfers in	<u>53,135</u>	<u>57,994</u>	<u>4,859</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (2,687,772)</u>	<u>\$ (2,668,630)</u>	<u>\$ 19,142</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>		<u>8,461,920</u>	
<b>NET ASSETS, END OF YEAR</b>		<u>\$ 5,793,290</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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Insurance premiums	\$ 4,600,000	\$ 4,641,505	\$ 41,505
Total operating revenues	4,600,000	4,641,505	41,505
<b>OPERATING EXPENSES</b>			
Salaries and wages	312,117	390,488	(78,371)
Employee benefits	131,132	133,088	(1,956)
Services and supplies	1,549,162	1,231,903	317,259
Claims	4,541,638	3,324,978	1,216,660
Legal	20,400	7,331	13,069
Depreciation	13,907	13,907	--
Total operating expenses	6,568,356	5,101,695	1,466,661
<b>OPERATING INCOME</b>	(1,968,356)	(460,190)	1,508,166
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	620,000	856,137	236,137
Interest expense	(1,400)	(2,610)	(1,210)
Total nonoperating revenues (expenses)	618,600	853,527	234,927
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,349,756)	393,337	1,743,093
<b>TRANSFERS</b>			
Transfers in	--	67,930	67,930
<b>CHANGES IN NET ASSETS</b>	\$ (1,349,756)	461,267	\$ 1,811,023
<b>NET ASSETS, BEGINNING OF YEAR</b>		12,642,064	
<b>NET ASSETS, END OF YEAR</b>		\$ 13,103,331	

**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, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES			
Insurance premiums	\$ 10,350,000	\$ 11,044,784	\$ 694,784
Total operating revenues	<u>10,350,000</u>	<u>11,044,784</u>	<u>694,784</u>
OPERATING EXPENSES			
Salaries and wages	74,930	75,447	(517)
Employee benefits	28,585	29,581	(996)
Services and supplies	2,080,527	2,396,249	(315,722)
Claims	<u>9,707,225</u>	<u>7,183,642</u>	<u>2,523,583</u>
Total operating expenses	<u>11,891,267</u>	<u>9,684,919</u>	<u>2,206,348</u>
OPERATING INCOME (LOSS)	<u>(1,541,267)</u>	<u>1,359,865</u>	<u>2,901,132</u>
NONOPERATING REVENUES			
Interest revenue	<u>250,000</u>	<u>395,138</u>	<u>145,138</u>
CHANGES IN NET ASSETS	<u>\$ (1,291,267)</u>	1,755,003	<u>\$ 3,046,270</u>
NET ASSETS, BEGINNING OF YEAR		<u>6,205,603</u>	
NET ASSETS, END OF YEAR		<u>\$ 7,960,606</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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,223,206	\$ 6,117,178	\$ (106,028)
Total operating revenues	6,223,206	6,117,178	(106,028)
<b>OPERATING EXPENSES</b>			
Salaries and wages	381,666	365,211	16,455
Employee benefits	134,550	131,398	3,152
Services and supplies	6,264,799	4,897,094	1,367,705
Depreciation	173,187	170,431	2,756
Total operating expenses	6,954,202	5,564,134	1,390,068
<b>OPERATING INCOME (LOSS)</b>	(730,996)	553,044	1,284,040
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	50,000	85,149	35,149
Interest expense	(35,000)	(11,250)	23,750
Total nonoperating revenues (expenses)	15,000	73,899	58,899
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(715,996)	626,943	1,342,939
<b>TRANSFERS</b>			
Transfers out	(371,250)	--	371,250
<b>CHANGES IN NET ASSETS</b>	\$ (1,087,246)	626,943	\$ 1,714,189
<b>NET ASSETS, BEGINNING OF YEAR</b>		2,169,240	
<b>NET ASSETS, END OF YEAR</b>		\$ 2,796,183	



**CITY OF HENDERSON, NEVADA**

Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
June 30, 2009

	<u>Cultural Arts &amp; Tourism</u>	<u>Municipal Golf Course</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and investments	\$ 1,046,196	\$ 1,596,958	\$ 2,643,154
Receivables:			
Accounts receivable	--	297,081	297,081
Accrued interest	4,207	10,082	14,289
Total current assets	<u>1,050,403</u>	<u>1,904,121</u>	<u>2,954,524</u>
<b>NONCURRENT ASSETS:</b>			
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	24,445,835
Machinery and equipment	290,876	2,136,886	2,427,762
Total capital assets	<u>4,639,712</u>	<u>44,647,991</u>	<u>49,287,703</u>
Less accumulated depreciation	<u>(2,310,625)</u>	<u>(13,866,107)</u>	<u>(16,176,732)</u>
Net capital assets	2,329,087	30,781,884	33,110,971
Total noncurrent assets	<u>2,329,087</u>	<u>30,781,884</u>	<u>33,110,971</u>
Total assets	<u>3,379,490</u>	<u>32,686,005</u>	<u>36,065,495</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued wages	191,030	17,351	208,381
Termination benefits payable	41,055	--	41,055
Compensated absences payable	464,560	--	464,560
Deposits	11,605	--	11,605
Total current liabilities	<u>708,250</u>	<u>17,351</u>	<u>725,601</u>
<b>NONCURRENT LIABILITIES</b>			
Other post employment benefit (OPEB) liability	<u>144,839</u>	<u>--</u>	<u>144,839</u>
Total liabilities	<u>853,089</u>	<u>17,351</u>	<u>870,440</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,329,087	30,781,884	33,110,971
Unrestricted	<u>197,314</u>	<u>1,886,770</u>	<u>2,084,084</u>
Total net assets	<u>\$ 2,526,401</u>	<u>\$ 32,668,654</u>	<u>\$ 35,195,055</u>

**CITY OF HENDERSON, NEVADA**

Combining Statement of Revenues, Expenses and Changes in Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2009

	<u>Cultural Arts &amp; Tourism</u>	<u>Municipal Golf Course</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Rental fees	\$ 297,019	\$ --	\$ 297,019
Licenses - gaming	635,073	--	635,073
Charges for services	94,697	3,223,271	3,317,968
Miscellaneous	<u>132,151</u>	--	<u>132,151</u>
Total operating revenues	<u>1,158,940</u>	<u>3,223,271</u>	<u>4,382,211</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	2,406,384	--	2,406,384
Employee benefits	828,962	--	828,962
Services and supplies	1,685,493	3,297,314	4,982,807
Depreciation	<u>134,732</u>	<u>1,074,539</u>	<u>1,209,271</u>
Total operating expenses	<u>5,055,571</u>	<u>4,371,853</u>	<u>9,427,424</u>
<b>OPERATING LOSS</b>	<u>(3,896,631)</u>	<u>(1,148,582)</u>	<u>(5,045,213)</u>
<b>NONOPERATING REVENUES</b>			
Room taxes	1,772,043	--	1,772,043
Interest revenue	<u>24,270</u>	<u>66,146</u>	<u>90,416</u>
Total nonoperating revenues	<u>1,796,313</u>	<u>66,146</u>	<u>1,862,459</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(2,100,318)</u>	<u>(1,082,436)</u>	<u>(3,182,754)</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>2,431</u>	<u>46,232</u>	<u>48,663</u>
<b>TRANSFERS</b>			
Transfers in	2,152,313	--	2,152,313
Transfers out	<u>(527)</u>	--	<u>(527)</u>
Total transfers	<u>2,151,786</u>	--	<u>2,151,786</u>
<b>CHANGES IN NET ASSETS</b>	53,899	(1,036,204)	(982,305)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,472,502</u>	<u>33,704,858</u>	<u>36,177,360</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,526,401</u>	<u>\$ 32,668,654</u>	<u>\$ 35,195,055</u>

**CITY OF HENDERSON, NEVADA**

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2009

	Cultural Arts & Tourism	Municipal Golf Course	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,158,940	\$ 3,229,724	\$ 4,388,664
Cash from other sources	1,772,043	--	1,772,043
Cash payments for goods and services	(2,508,036)	(3,296,971)	(5,805,007)
Cash payments to employees for services	(2,375,968)	--	(2,375,968)
Net cash provided by (used for) operating activities	<u>(1,953,021)</u>	<u>(67,247)</u>	<u>(2,020,268)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	2,152,313	--	2,152,313
Transfers out	(527)	--	(527)
Net cash provided by (used for) noncapital financing activities	<u>2,151,786</u>	<u>--</u>	<u>2,151,786</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	24,381	69,684	94,065
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	223,146	2,437	225,583
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>823,050</u>	<u>1,594,521</u>	<u>2,417,571</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,046,196</u>	<u>\$ 1,596,958</u>	<u>\$ 2,643,154</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating income (loss)	<u>\$ (3,896,631)</u>	<u>\$ (1,148,582)</u>	<u>\$ (5,045,213)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	134,732	1,074,539	1,209,271
Miscellaneous revenues	1,772,043	--	1,772,043
Changes in assets and liabilities:			
(Increases) decrease:			
Accounts receivable	--	6,453	6,453
Increase (decrease):			
Accounts payable and accrued wages	(74,416)	343	(74,073)
Termination benefits payable	41,055	--	41,055
Deposits	1,250	--	1,250
Compensated absences payable	(3,009)	--	(3,009)
Other post employment benefits (OPEB) liability	71,955	--	71,955
Total adjustments	<u>1,943,610</u>	<u>1,081,335</u>	<u>3,024,945</u>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ (1,953,021)</u>	<u>\$ (67,247)</u>	<u>\$ (2,020,268)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contribution of assets	2,431	46,232	48,663

**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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Utility fees	\$ 62,110,000	\$ 55,642,170	\$ (6,467,830)
Connection fees	320,000	233,042	(86,958)
Late charges	847,308	974,557	127,249
Miscellaneous	300,000	303,248	3,248
Total operating revenues	63,577,308	57,153,017	(6,424,291)
<b>OPERATING EXPENSES</b>			
Salaries and wages	12,478,096	11,243,725	1,234,371
Employee benefits	4,704,026	4,264,940	439,086
Water purchases	23,336,576	20,912,512	2,424,064
Services and supplies	22,611,292	17,927,336	4,683,956
Depreciation	25,206,215	23,544,577	1,661,638
Total operating expenses	88,336,205	77,893,090	10,443,115
<b>OPERATING LOSS</b>	(24,758,897)	(20,740,073)	4,018,824
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	2,835,000	5,180,044	2,345,044
Interest expense	(2,520,841)	(2,083,122)	437,719
Miscellaneous	54,041	139,882	85,841
Bond amortization	--	248,008	248,008
Total nonoperating revenues (expenses)	368,200	3,484,812	3,116,612
<b>LOSS BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(24,390,697)	(17,255,261)	7,135,436
<b>CAPITAL CONTRIBUTIONS</b>	3,000,000	29,737,434	26,737,434
<b>TRANSFERS</b>			
Transfers in	225,109	353,260	128,151
Transfers out	(3,253,012)	(3,253,012)	--
Total transfers in (out)	(3,027,903)	(2,899,752)	128,151
<b>CHANGES IN NET ASSETS</b>	\$ (24,418,600)	9,582,421	\$ 34,001,021
<b>NET ASSETS, BEGINNING OF YEAR</b>		500,748,339	
<b>NET ASSETS, END OF YEAR</b>		\$ 510,330,760	

**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, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Utility fees	\$ 29,775,000	\$ 30,125,321	\$ 350,321
Connection fees	105,000	19,334	(85,666)
Late charges	365,400	498,750	133,350
Miscellaneous	15,000	47,817	32,817
Total operating revenues	<u>30,260,400</u>	<u>30,691,222</u>	<u>430,822</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	9,762,806	9,288,108	474,698
Employee benefits	3,574,812	3,336,147	238,665
Services and supplies	21,637,403	14,908,657	6,728,746
Depreciation	15,497,513	14,732,301	765,212
Total operating expenses	<u>50,472,534</u>	<u>42,265,213</u>	<u>8,207,321</u>
<b>OPERATING LOSS</b>	<u>(20,212,134)</u>	<u>(11,573,991)</u>	<u>8,638,143</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	3,885,000	7,413,731	3,528,731
Sales tax	5,000,000	4,290,205	(709,795)
Interest expense	(7,574,180)	(5,578,146)	1,996,034
Miscellaneous	377,853	1,506,691	1,128,838
Bond amortization	--	463,763	463,763
Total nonoperating revenues (expenses)	<u>1,688,673</u>	<u>8,096,244</u>	<u>6,407,571</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND EXTRAORDINARY ITEM</b>	<u>(18,523,461)</u>	<u>(3,477,747)</u>	<u>15,045,714</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>7,000,000</u>	<u>21,118,953</u>	<u>14,118,953</u>
<b>TRANSFERS</b>			
Transfers in	286,957	419,487	132,530
Transfers out	(3,253,125)	(3,253,125)	--
	<u>(2,966,168)</u>	<u>(2,833,638)</u>	<u>132,530</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (14,489,629)</u>	14,807,568	<u>\$ 29,297,197</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>		502,641,420	
<b>PRIOR PERIOD ADJUSTMENT</b>		<u>(9,617,920)</u>	
<b>NET ASSETS, BEGINNING OF YEAR, RESTATED</b>		<u>493,023,500</u>	
<b>NET ASSETS, END OF YEAR</b>		<u>\$ 507,831,068</u>	

**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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Licenses and permits	\$ 2,769,085	\$ 3,642,578	\$ 873,493
Charges for services	6,006,444	7,454,554	1,448,110
Miscellaneous	37,823	354,668	316,845
Total operating revenues	8,813,352	11,451,800	2,638,448
<b>OPERATING EXPENSES</b>			
Salaries and wages	10,711,833	8,872,289	1,839,544
Employee benefits	3,734,004	3,080,785	653,219
Services and supplies	6,702,226	6,942,492	(240,266)
Depreciation	783,991	174,162	609,829
Total operating expenses	21,932,054	19,069,728	2,862,326
<b>OPERATING INCOME (LOSS)</b>	(13,118,702)	(7,617,928)	5,500,774
<b>NONOPERATING REVENUES</b>			
Interest revenue	451,315	552,447	101,132
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(12,667,387)	(7,065,481)	5,601,906
<b>TRANSFERS</b>			
Transfers in	5,388,315	5,592,713	204,398
Transfers out	(2,371)	(2,371)	--
Total transfers in (out)	5,385,944	5,590,342	204,398
<b>CHANGES IN NET ASSETS</b>	\$ (7,281,443)	(1,475,139)	\$ 5,806,304
<b>NET ASSETS, BEGINNING OF YEAR</b>		9,469,642	
<b>NET ASSETS, END OF YEAR</b>		\$ 7,994,503	

**CITY OF HENDERSON, NEVADA**

Schedule of Revenues, Expenses and Changes in Net Assets -  
 Budget (GAAP Basis) and Actual  
 Cultural Arts & Tourism Enterprise Fund  
 For the Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>			
Rental fees	\$ 277,619	\$ 297,019	\$ 19,400
Licenses - gaming	600,000	635,073	35,073
Charges for services	205,157	94,697	(110,460)
Miscellaneous	<u>80,707</u>	<u>132,151</u>	<u>51,444</u>
Total operating revenues	<u>1,163,483</u>	<u>1,158,940</u>	<u>(4,543)</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	2,550,767	2,406,384	144,383
Employee benefits	945,618	828,962	116,656
Services and supplies	2,407,923	1,685,493	722,430
Depreciation	<u>162,000</u>	<u>134,732</u>	<u>27,268</u>
Total operating expenses	<u>6,066,308</u>	<u>5,055,571</u>	<u>1,010,737</u>
<b>OPERATING LOSS</b>	<u>(4,902,825)</u>	<u>(3,896,631)</u>	<u>1,006,194</u>
<b>NONOPERATING REVENUES</b>			
Room tax	1,875,000	1,772,043	(102,957)
Interest revenue	13,852	24,270	10,418
Miscellaneous	<u>40,000</u>	<u>--</u>	<u>(40,000)</u>
Total nonoperating revenues	<u>1,928,852</u>	<u>1,796,313</u>	<u>(132,539)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>(2,973,973)</u>	<u>(2,100,318)</u>	<u>873,655</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>--</u>	<u>2,431</u>	<u>2,431</u>
<b>TRANSFERS</b>			
Transfers in	2,110,890	2,152,313	41,423
Transfers out	<u>(527)</u>	<u>(527)</u>	<u>--</u>
Total transfers	<u>2,110,363</u>	<u>2,151,786</u>	<u>41,423</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (863,610)</u>	53,899	<u>\$ 917,509</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>		<u>2,472,502</u>	
<b>NET ASSETS, END OF YEAR</b>		<u>\$ 2,526,401</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, 2009

	Final Budget	Actual Amounts	Variance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,416,339	\$ 3,223,271	\$ (193,068)
Total operating revenues	3,416,339	3,223,271	(193,068)
<b>OPERATING EXPENSES</b>			
Services and supplies	3,431,927	3,297,314	134,613
Depreciation	1,896,281	1,074,539	821,742
Total operating expenses	5,328,208	4,371,853	956,355
<b>OPERATING LOSS</b>	(1,911,869)	(1,148,582)	763,287
<b>NONOPERATING REVENUES</b>			
Interest revenue	30,000	66,146	36,146
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	(1,881,869)	(1,082,436)	799,433
<b>CAPITAL CONTRIBUTIONS</b>	--	46,232	46,232
<b>CHANGES IN NET ASSETS</b>	\$ (1,881,869)	(1,036,204)	\$ 845,665
<b>NET ASSETS, BEGINNING OF YEAR</b>		33,704,858	
<b>NET ASSETS, END OF YEAR</b>		\$ 32,668,654	



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**CITY OF HENDERSON, NEVADA**

Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2009

**ASSETS**

	<u>Bridges</u>	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Special Assessment Districts</u>	<u>Total</u>
Cash and investments	\$ 182,312	\$ 116,436	\$ 18,166,738	\$ 75,225	\$ 67,193	\$ 54,253,940	\$ 72,861,844
Delinquent assessments receivable	--	--	--	--	--	1,078,524	1,078,524
Total assets	<u>\$ 182,312</u>	<u>\$ 116,436</u>	<u>\$ 18,166,738</u>	<u>\$ 75,225</u>	<u>\$ 67,193</u>	<u>\$ 55,332,464</u>	<u>\$ 73,940,368</u>

**LIABILITIES**

Due to developers	\$ 182,312	\$ --	\$ 18,166,738	\$ --	\$ 67,193	\$ --	\$ 18,416,243
Due to employees	--	116,436	--	--	--	--	116,436
Due to others	--	--	--	75,225	--	55,332,464	55,407,689
Total liabilities	<u>\$ 182,312</u>	<u>\$ 116,436</u>	<u>\$ 18,166,738</u>	<u>\$ 75,225</u>	<u>\$ 67,193</u>	<u>\$ 55,332,464</u>	<u>\$ 73,940,368</u>

**CITY OF HENDERSON, NEVADA**

Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>BRIDGES AGENCY FUND</b>				
Assets:				
Cash and investments	\$ 176,039	\$ 6,840	\$ 567	\$ 182,312
Liabilities:				
Due to developers	\$ 176,039	\$ 6,840	\$ 567	\$ 182,312
<b>SECTION 125 PLAN FUND</b>				
Assets:				
Cash and investments	\$ 131,683	\$ 880,662	\$ 895,909	\$ 116,436
Liabilities:				
Due to employees	\$ 131,683	\$ 880,662	\$ 895,909	\$ 116,436
<b>TRAFFIC SIGNAL AGENCY FUND</b>				
Assets:				
Cash and investments	\$ 16,821,249	\$ 2,305,033	\$ 959,544	\$ 18,166,738
Liabilities:				
Due to developers	\$ 16,821,249	\$ 2,305,033	\$ 959,544	\$ 18,166,738
<b>FORFEITED ASSETS AGENCY FUND</b>				
Assets:				
Cash and investments	\$ 95,674	\$ 694,474	\$ 714,923	\$ 75,225
Liabilities:				
Due to others	\$ 95,674	\$ 694,474	\$ 714,923	\$ 75,225
<b>PAVING FRONTAGE AGENCY FUND</b>				
Assets:				
Cash and investments	\$ 64,881	\$ 2,521	\$ 209	\$ 67,193
Liabilities:				
Due to developers	\$ 64,881	\$ 2,521	\$ 209	\$ 67,193
<b>SPECIAL ASSESSMENT DISTRICTS FUND</b>				
Assets:				
Cash and investments	\$ 51,488,587	\$ 69,524,459	\$ 66,759,106	\$ 54,253,940
Delinquent assessments receivable	2,060,885	141,714	1,124,075	1,078,524
	<u>\$ 53,549,472</u>	<u>\$ 69,666,173</u>	<u>\$ 67,883,181</u>	<u>\$ 55,332,464</u>
Liabilities:				
Due to others	\$ 53,549,472	\$ 69,666,173	\$ 67,883,181	\$ 55,332,464
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets:				
Cash and investments	\$ 68,778,113	\$ 73,413,989	\$ 69,330,258	\$ 72,861,844
Delinquent assessments receivable	2,060,885	141,714	1,124,075	1,078,524
Total assets	<u>\$ 70,838,998</u>	<u>\$ 73,555,703</u>	<u>\$ 70,454,333</u>	<u>\$ 73,940,368</u>
Liabilities:				
Due to developers	\$ 17,062,169	\$ 2,314,394	\$ 960,320	\$ 18,416,243
Due to employees	131,683	880,662	895,909	116,436
Due to others	53,645,146	70,366,647	68,598,104	55,407,689
Total liabilities	<u>\$ 70,838,998</u>	<u>\$ 73,555,703</u>	<u>\$ 70,454,333</u>	<u>\$ 73,940,368</u>

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## CITY OF HENDERSON, NEVADA

Net Assets by Component  
 Last Eight Fiscal Years <sup>(1)</sup>  
 (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
<b>Governmental activities</b>								
Invested in capital assets, 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
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
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
Total governmental activities net assets	<u>707,085,647</u>	<u>826,324,846</u>	<u>888,522,756</u>	<u>986,042,982</u>	<u>1,179,996,398</u>	<u>1,329,643,777</u>	<u>1,453,689,952</u>	<u>1,559,263,302</u>
<b>Business-type activities</b>								
Invested in capital assets, 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
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
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
Total business-type activities net assets	<u>603,795,094</u>	<u>669,845,035</u>	<u>718,468,745</u>	<u>812,826,978</u>	<u>897,934,410</u>	<u>969,702,688</u>	<u>1,040,448,631</u>	<u>1,050,422,993</u>
<b>Primary government</b>								
Invested in capital assets, 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	1,913,504,889
Restricted	287,386,542	340,563,793	319,821,830	361,610,844	519,748,853	561,849,343	573,071,998	495,418,396
Unrestricted	87,708,673	102,805,742	115,127,802	150,712,885	187,883,099	222,391,868	201,323,365	200,763,010
Total primary government net assets	<u>\$ 1,310,880,741</u>	<u>\$ 1,496,169,881</u>	<u>\$ 1,606,991,501</u>	<u>\$ 1,798,869,960</u>	<u>\$ 2,077,930,808</u>	<u>\$ 2,299,346,465</u>	<u>\$ 2,494,138,583</u>	<u>\$ 2,609,686,295</u>

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2002. Therefore, ten years of data is not available but will be accumulated over time.

## CITY OF HENDERSON, NEVADA

Changes in Net Assets, Last Eight Fiscal Years <sup>(1)</sup>  
(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
<b>Expenses</b>								
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	\$ 58,435,823
Judicial	3,328,455	3,466,048	3,744,366	4,071,409	8,213,691	9,109,288	10,493,174	11,822,052
Public safety	63,620,351	71,866,188	80,847,907	85,409,518	96,526,544	104,481,376	120,255,700	130,688,497
Public works	34,706,359	39,233,451	43,332,760	47,890,227	52,313,279	58,704,749	62,305,206	67,681,146
Culture and recreation	24,214,562	29,115,265	31,297,696	34,451,551	34,842,692	39,819,367	45,459,685	42,439,125
Community support	--	--	--	4,139,404	4,629,662	4,865,916	5,457,316	6,678,845
Interest on long-term debt	9,975,364	9,654,350	6,531,533	8,223,235	8,256,103	9,681,974	8,921,624	8,558,064
Total governmental activities expenses	171,098,332	188,251,609	207,974,905	232,213,620	259,122,062	277,036,743	314,697,622	326,303,552
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
Sewer	24,456,660	26,798,508	28,355,583	33,345,399	35,457,292	42,732,326	46,917,885	47,967,454
Development services center	14,640,305	16,023,169	17,504,160	20,156,904	23,262,603	24,884,187	27,144,018	20,423,265
Other business activities	1,987,119	2,084,085	2,293,279	5,408,306 <sup>(2)</sup>	7,177,527	10,207,163	11,249,375	9,425,546
Total business-type activities expenses	88,915,537	95,845,289	104,914,381	123,379,971	133,332,364	151,229,988	162,222,062	157,482,136
Total primary government expenses	\$ 260,013,869	\$ 284,096,898	\$ 312,889,286	\$ 355,593,591	\$ 392,454,426	\$ 428,266,731	\$ 476,919,684	\$ 483,785,688
<b>Program Revenues</b>								
Governmental activities								
Charges for services								
General government	\$ 8,508,772	\$ 8,489,068	\$ 10,150,406	\$ 11,580,621	\$ 11,951,567	\$ 12,244,183	\$ 12,950,767	\$ 12,745,977
Public safety	7,840,924	6,931,524	7,246,283	9,597,481	9,251,604	10,277,019	11,232,187	13,280,891
Culture and recreation	4,576,029	5,417,340	6,211,966	6,813,310	7,465,133	7,586,970	7,750,831	7,476,274
Other activities	2,260,966	1,867,927	2,260,916	1,385,210	771,394	1,004,103	1,370,287	1,606,973
Operating grants, interest, and contributions	8,559,922	7,399,249	6,143,018	7,021,016	8,755,233	8,665,051	8,660,441	10,612,335
Capital grants, interest and contributions	79,349,672	127,547,721	75,017,037	100,639,769	193,814,750 <sup>(3)</sup>	123,717,507	155,138,614	148,125,739
Total governmental activities program revenues	111,096,285	157,652,829	107,029,626	137,037,407	232,009,681	163,494,833	197,103,127	193,848,189
Business-type activities								
Charges for services								
Water	40,628,677	42,055,446	45,868,959	48,069,761	54,441,921	59,189,399	57,802,864	57,153,017
Sewer	21,029,042	22,990,929	24,497,374	25,406,890	27,303,279	29,584,283	28,928,294	30,691,222
Development services center	11,769,384	12,187,168	13,729,811	16,785,647	21,118,876	25,537,979	20,327,017	11,308,929
Other activities	895,417	913,701	1,013,188	3,124,853 <sup>(2)</sup>	3,768,621	4,549,417	4,938,740	4,242,364
Operating grants, interest, and contributions	81,695	134,873	--	--	79,574	56,134	77,098	203,810
Capital grants, interest and contributions	64,112,915	72,736,573	60,996,441	104,082,490	77,036,081	66,134,052	95,819,296	52,362,486 <sup>(9)</sup>
Total business-type activities program revenues	138,517,130	151,018,690	146,105,773	197,469,641	183,748,352	185,051,264	207,893,309	155,961,828
Total primary government program revenues	\$ 249,613,415	\$ 308,671,519	\$ 253,135,399	\$ 334,507,048	\$ 415,758,033	\$ 348,546,097	\$ 404,996,436	\$ 349,810,017
<b>Net Revenue (Expense)</b>								
Governmental activities	\$ (60,002,047)	\$ (30,598,780)	\$ (100,945,279)	\$ (95,176,213)	\$ (27,112,381)	\$ (113,541,910)	\$ (117,594,495)	\$ (132,455,363)
Business-type activities	49,601,593	55,173,401	41,191,392	74,089,670	50,415,988	33,821,276	45,671,247	(1,520,308)
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)

continued

## CITY OF HENDERSON, NEVADA

continued

Changes in Net Assets, Last Eight Fiscal Years <sup>(1)</sup>  
(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
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities								
Property taxes	\$ 39,251,126	\$ 46,203,872	\$ 51,078,663	\$ 58,498,497	\$ 68,017,019	\$ 84,670,413 <sup>(5)</sup>	\$ 94,998,902	\$ 99,811,843
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 <sup>(10)</sup>
Other taxes	22,217,960	23,354,134	25,726,071	28,899,364	41,156,213 <sup>(4)</sup>	46,983,771	48,591,040	45,366,226
Unrestricted interest income	8,347,893	4,488,772	1,286,329	3,486,212	6,421,835	13,885,771 <sup>(6)</sup>	18,584,119	14,103,960
Gain on sale of assets	2,014,836	6,924,002	4,555,063	7,660,298	2,499,958	25,902,150 <sup>(7)</sup>	709,299	401,596
Other	814,406	827,226	772,737	1,034,919	1,268,340	1,083,413	1,532,688	1,505,326
Special item - land donation	--	--	--	--	--	--	(13,888,499) <sup>(8)</sup>	--
Transfers	(1,904,556)	4,143,041	1,433,387	(3,570,382)	(13,285,666)	(8,923,423)	(1,423,913)	(912,552)
Total governmental activities	<u>129,146,613</u>	<u>149,837,979</u>	<u>163,143,189</u>	<u>192,696,439</u>	<u>209,065,797</u>	<u>263,189,289</u>	<u>241,640,670</u>	<u>238,028,713</u>
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
Unrestricted interest income	14,411,298	10,402,806	2,537,604	9,922,035	12,808,610	20,441,004 <sup>(6)</sup>	20,942,193	13,236,639
Gain on sale of assets	--	102	737,836	--	369,085	--	71,595	--
Other	221,518	153,472	149,096	401,898	1,204,034	1,297,264	816,127	901,151
Transfers	1,904,556	(4,143,041)	(1,433,387)	3,570,382	13,285,666	8,923,423	1,423,913	912,552
Total business-type activities	<u>20,544,874</u>	<u>10,876,540</u>	<u>7,432,318</u>	<u>20,268,563</u>	<u>34,691,444</u>	<u>37,947,002</u>	<u>30,475,521</u>	<u>21,112,590</u>
Total primary government	<u>\$ 149,691,487</u>	<u>\$ 160,714,519</u>	<u>\$ 170,575,507</u>	<u>\$ 212,965,002</u>	<u>\$ 243,757,241</u>	<u>\$ 301,136,291</u>	<u>\$ 272,116,191</u>	<u>\$ 259,141,303</u>
<b>Change in Net Assets</b>								
Governmental activities	\$ 69,144,566	\$ 119,239,199	\$ 62,197,910	\$ 97,520,226	\$ 181,953,416	\$ 149,647,379	\$ 124,046,175	\$ 105,573,350
Business-type activities	70,146,467	66,049,941	48,623,710	94,358,233	85,107,432	71,768,278	76,146,768	19,592,282
Total primary government	<u>\$ 139,291,033</u>	<u>\$ 185,289,140</u>	<u>\$ 110,821,620</u>	<u>\$ 191,878,459</u>	<u>\$ 267,060,848</u>	<u>\$ 221,415,657</u>	<u>\$ 200,192,943</u>	<u>\$ 125,165,632</u>

- (1) The City implemented GASB 34, the new reporting standard, in fiscal year 2002. Therefore, ten years of data is not available but will be accumulated over time.
- (2) Fiscal year 2005 was the first year of a new enterprise fund - The Municipal Golf Course Enterprise Fund.
- (3) Increase due mainly to property owner contributions for two special assessment districts for which the City is not liable.
- (4) Increase due to new police sales tax.
- (5) 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.
- (6) Increase due to higher cash and investment balances, higher interest rates, and market value increases.
- (7) Increase due to a significant land sale to Cashman Equipment for which the City gave up land with a minimal value.
- (8) Land donation to the Nevada System of Higher Education for the development of the Nevada State College campus.
- (9) Decrease due to construction slowdown.
- (10) Decrease due to economic downturn.

## CITY OF HENDERSON, NEVADA

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

	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>General Fund</b>										
Reserved	\$ 2,837,634	\$ 2,891,491	\$ 1,590,752	\$ 1,171,208	\$ 1,485,055	\$ 2,441,612	\$ 1,824,112	\$ 2,805,128	\$ 2,711,026	\$ 1,493,517
Unreserved	20,832,217	21,194,791	23,799,764	19,034,111	24,619,246	25,935,187	29,690,577	30,921,060	28,459,480	23,495,121
<b>Total general fund</b>	<u>\$ 23,669,851</u>	<u>\$ 24,086,282</u>	<u>\$ 25,390,516</u>	<u>\$ 20,205,319</u>	<u>\$ 26,104,301</u>	<u>\$ 28,376,799</u>	<u>\$ 31,514,689</u>	<u>\$ 33,726,188</u>	<u>\$ 31,170,506</u>	<u>\$ 24,988,638</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 38,086,889	\$ 34,095,841	\$ 45,386,133	\$ 14,626,732 <sup>1</sup>	\$ 16,243,039	\$ 18,474,423	\$ 18,664,267	\$ 26,723,103	\$ 97,960,369 <sup>2</sup>	\$ 104,818,510
Unreserved reported in:										
Special revenue funds	13,837,192	16,170,422	19,798,276	25,928,594	27,873,164	24,619,959	35,745,946	46,242,339	47,320,144	48,293,562
Capital projects funds	149,619,800	129,615,602	92,152,637	113,879,658	98,861,666	138,584,132	271,278,449	299,700,799	225,539,042	206,567,512
<b>Total all other governmental funds</b>	<u>\$ 201,543,881</u>	<u>\$ 179,881,865</u>	<u>\$ 157,337,046</u>	<u>\$ 154,434,984</u>	<u>\$ 142,977,869</u>	<u>\$ 181,678,514</u>	<u>\$ 325,688,662</u>	<u>\$ 372,666,241</u>	<u>\$ 370,819,555</u>	<u>\$ 359,679,584</u>

(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.



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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, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>REVENUES</b>										
Property taxes	\$ 29,376,061	\$ 34,126,689	\$ 39,251,126	\$ 46,026,738	\$ 51,356,138	\$ 58,586,097	\$ 67,975,114	\$ 84,254,727 <sup>(10)</sup>	\$ 93,860,687	\$ 99,278,964
Special assessments <sup>(1)</sup>	8,897,444	7,368,844	6,690,270	249,569	1,818,361	327,861	119,197	167,366	569,805	341,924
Franchise fees	12,195,108	15,799,641	18,298,174	19,353,127	21,227,833	24,044,878	26,926,859	29,625,623	31,468,210	30,586,472
Licenses and permits	6,811,159	4,798,572	5,324,227	5,848,669	6,856,573	7,305,463	7,576,403	8,307,293	8,425,573	8,137,847
Intergovernmental	60,920,367	67,347,896	72,315,724	83,419,931	92,449,462	113,330,062	134,872,918	135,650,905	131,086,100	141,007,416
Charges for services	12,602,220	15,553,012	10,982,168	10,701,889	11,787,181	14,177,088	14,101,639	14,235,157	14,951,513	16,005,572
Fines and forfeitures	1,950,238	2,214,936	2,542,172	2,746,306	2,998,041	3,488,205	3,882,563	5,063,104	5,805,668	6,832,522
Developer/property owner contributions	711,875	393,055	2,072,897	52,138,390 <sup>(2)</sup>	6,285,655	32,766,222 <sup>(2)</sup>	104,223,589 <sup>(2)</sup>	13,059,728	935,266	2,054,291
Impact fees	2,231,063	1,585,260	1,879,908	1,642,738	1,499,185	1,740,702	1,682,336	1,822,171	1,106,267	1,043,733
Miscellaneous interest <sup>(1)</sup>	--	--	17,839,187 <sup>(3)</sup>	4,237,315	2,185,135	4,077,673	10,323,301	20,303,238 <sup>(11)</sup>	20,091,695	12,200,118 <sup>(13)</sup>
Miscellaneous	23,716,030	27,861,810	2,589,383	2,027,818	2,578,732	1,716,700	1,555,784	1,537,220	1,570,018	3,036,573
Total revenues	159,411,565	177,049,715	179,785,236	228,392,490	201,042,296	261,560,951	373,239,703	314,026,532	309,870,802	320,525,432
<b>EXPENDITURES:</b>										
Current:										
General government	28,749,710	32,825,067	29,429,868	38,872,226	38,744,260	43,830,786	49,357,693	46,801,843	50,337,021	50,021,747
Judicial	2,377,881	2,663,526	3,091,282	3,299,332	3,534,995	3,925,781	7,968,743	8,944,032	10,064,915	11,260,921
Public safety	52,462,142	54,219,156	59,984,033	67,602,705	76,177,155	83,802,164	92,794,238	102,635,703	116,405,664	123,164,766
Public works	5,093,490	6,741,962	10,234,461	9,691,837	10,605,798	9,724,823	10,836,921	15,147,356	16,114,452	14,737,826
Culture and recreation	16,324,343	20,067,759	23,085,100	26,292,703	27,158,204	29,145,097	32,704,002	35,164,827	41,240,791	41,929,949
Community support	--	--	--	--	--	3,934,384 <sup>(4)</sup>	4,336,894	4,827,210	5,319,549	7,458,893
Capital outlay: <sup>(5)</sup>	65,624,070	48,962,914								
General government	--	--	13,692,027	30,468,023 <sup>(6)</sup>	8,946,349	2,183,786	4,069,183	4,200,063	12,711,239	4,430,713
Judicial	--	--	414,600	164,437	36,980	423,691	83,877	244,586	228,469	106,517
Public safety	--	--	5,013,913	2,407,674	1,819,101	3,569,721	2,831,162	3,454,662	1,849,100	3,266,977
Public works	--	--	15,474,773	10,830,530	17,941,669	19,477,102	51,342,238 <sup>(9)</sup>	37,982,680	32,325,572	47,406,966
Culture and recreation	--	--	32,926,366 <sup>(7)</sup>	10,232,027	4,288,848	2,552,555	6,430,666	8,017,239	4,783,396	26,383,672 <sup>(14)</sup>
Community support	--	--	--	--	--	232,570 <sup>(4)</sup>	285,161	242,515	4,971	100,000
Debt service:										
Principal retirement <sup>(1)</sup>	15,235,991	18,627,331	25,323,400	11,922,984	13,690,740	13,732,019	13,983,377	16,222,606	12,883,000	12,897,000
Interest and fiscal charges <sup>(1)</sup>	18,585,084	20,177,997	19,925,550	9,210,228	6,130,208	7,661,944	7,765,721	8,791,399	8,079,540	7,687,975
Administrative and other costs	333,039	1,027,779	1,835,026	100,164	2,720,624	45,184	85,635	12,858	46,941	35,718
Advance refunding escrow	--	5,261,414	587,002	--	--	--	--	--	--	--
Total expenditures	204,785,750	210,574,905	241,017,401	221,094,870	211,794,931	224,241,607	284,875,511	292,689,579	312,394,620	350,889,640
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,374,185)	(33,525,190)	(61,232,165)	7,297,620	(10,752,635)	37,319,344	88,364,192	21,336,953	(2,523,818)	(30,364,208)

CITY OF HENDERSON, NEVADA

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

	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>OTHER FINANCING SOURCES (USES)</b>										
Land sales	307,459	7,357,532	2,401,927	6,296,745	3,472,086	9,076,990	1,507,242	29,346,542 <sup>(12)</sup>	212,637	326,968
Inception of capital leases	387,871	573,611	1,700,725	45,120	809,200	1,634,354	--	--	--	--
Bonds issued	49,786,443	--	31,590,000	--	--	--	56,000,000	2,065,000	1,162,000	--
Proceeds from issuance of debt	--	--	--	--	--	--	--	--	--	17,960,000 <sup>(15)</sup>
Refunding debt issued	--	23,980,000	12,940,000	3,780,000	98,165,000	--	3,885,000	--	--	--
Premium on refunding debt issued	--	--	91,584	37,414	8,015,686	--	--	--	--	--
Premium on bonds issued	--	--	10,090	--	--	--	1,221,917	--	--	--
Discount on bonds issued	--	--	(239,835)	--	--	--	--	--	--	--
Payments to refunded bond escrow agent	--	(21,937,212)	(12,938,027)	(3,744,100)	(105,040,493)	--	(2,509,555)	--	--	--
Sale of capital assets	1,995	--	--	--	--	--	2,050	9,090	--	5,425
Transfers from other funds	40,968,792	28,563,307	32,303,657	36,753,193	29,841,998	43,284,979	48,947,686	47,525,919	37,529,016	51,655,773
Transfers to other funds	(28,738,959)	(26,257,633)	(29,711,687)	(33,399,109)	(30,068,975)	(50,342,524)	(50,270,494)	(51,094,426)	(40,782,203)	(56,905,797)
Total other financing sources (uses)	<u>62,713,601</u>	<u>12,279,605</u>	<u>38,148,434</u>	<u>9,769,263</u>	<u>5,194,502</u>	<u>3,653,799</u>	<u>58,783,846</u>	<u>27,852,125</u>	<u>(1,878,550)</u>	<u>13,042,369</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 17,339,416</u>	<u>\$ (21,245,585)</u>	<u>\$ (23,083,731)</u>	<u>\$ 17,066,883</u>	<u>\$ (5,558,133)</u>	<u>\$ 40,973,143</u>	<u>\$ 147,148,038</u>	<u>\$ 49,189,078</u>	<u>\$ (4,402,368)</u>	<u>\$ (17,321,839)</u>
Debt service as a percentage of noncapital expenditures <sup>(8)</sup>	24.3%	24.0%	25.5%	13.1%	10.9%	10.5%	9.1%	10.0%	7.8%	7.8%

- (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 years 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 2005 was the first year of the community support function. Previous to that, it was reported in general government.
- (5) Fiscal year 2002 was the first year capital outlay was broken out by function.
- (6) Fiscal year 2003'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 recreational facilities.
- (8) Prior to the implementation of GASB 34 in fiscal year 2002, this ratio was computed by dividing principal and interest by total expenditures, less capital outlay. Fiscal year 2002 and forward, 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 Cashman 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.

**CITY OF HENDERSON, NEVADA**

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

Fiscal Year Ended	Real Property		Personal Property		Total		Ratio of Total Assessed To Total Estimated Actual Value	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Total Direct Tax Rate		
2000	3,738,591,770	10,681,690,771	304,963,340	871,323,829	4,043,555,110	0.7040	11,553,014,600	35.0%
2001	4,276,595,470	12,218,844,200	387,678,320	1,107,652,343	4,664,273,790	0.7108	13,326,496,543	35.0%
2002	5,033,711,060	14,382,031,600	586,433,720	1,675,524,914	5,620,144,780	0.7108	16,057,556,514	35.0%
2003	6,022,498,387	17,207,138,249	550,303,670	1,572,296,200	6,572,802,057	0.7108	18,779,434,449	35.0%
2004	6,856,028,148	19,588,651,851	577,185,611	1,649,101,746	7,433,213,759	0.7108	21,237,753,597	35.0%
2005	7,350,381,130	21,001,088,943	515,315,133	1,472,328,951	7,865,696,263	0.7108	22,473,417,894	35.0%
2006	9,866,711,823	28,190,605,209	572,046,058	1,634,417,309	10,438,757,881	0.7108	29,825,022,518	35.0%
2007	14,049,539,660	40,141,541,886	730,618,857	2,087,482,449	14,780,158,517	0.7108	42,229,024,334	35.0%
2008	15,947,429,061	45,564,083,031	695,030,105	1,985,800,300	16,642,459,166	0.7108	47,549,883,331	35.0%
2009	16,304,394,985	46,583,985,671	584,783,077	1,670,808,791	16,889,178,062	0.7108	48,254,794,462	35.0%

Source: Clark County Assessor's Office

## CITY OF HENDERSON, NEVADA

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

Fiscal Year	CITY OF HENDERSON			OVERLAPPING RATES				Total Overlapping Rates	Total Direct & Overlapping Rates
	General Fund	Debt Service Fund	Total City Rate	State of Nevada	School District	County	Special District		
2000	0.3745	0.3295	0.7040	0.1500	1.3034	0.6579	0.0995	2.2108	2.9148
2001	0.3813	0.3295	0.7108	0.1500	1.3034	0.6527	0.0976	2.2037	2.9145
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

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	2009			2000		
	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assessed Valuation	Taxable Assessed Value	Rank	Approximate Percentage of Taxable Assessed Valuation
Basic Management Incorporated	\$ 254,577,603	1	1.51%	\$ 13,598,740	10	0.34%
Focus Property Group	253,748,209	2	1.50%			
Greenspun Corporation	184,879,646	3	1.09%			
Lake at Las Vegas Joint Venture	181,400,234	4	1.07%	48,023,300	3	1.19%
Station Casinos Incorporated	139,071,394	5	0.82%	56,514,610	2	1.40%
Green Valley Ranch Gaming L.L.C.	118,129,612	6	0.70%			
W. L. Nevada, Inc.	85,400,000	7	0.51%			
Pardee Homes	64,492,142	8	0.38%			
Pulte Homes	62,228,920	9	0.37%			
Richard C. MacDonald Properties	60,644,822	10	0.36%			
Silver Springs Incorporated				59,567,170	1	1.47%
Del Webb Communities Incorporated				41,005,980	4	1.01%
Camden Subsidiary Incorporated				29,293,370	5	0.72%
Ranch Center Associates Limited Partnership				24,611,810	6	0.61%
Levi Strauss & Company				20,102,930	7	0.50%
Ameristar Casino Las Vegas Incorporated				14,432,730	8	0.36%
Foothills Partners				13,775,340	9	0.34%
	<u>\$ 1,404,572,582</u>		<u>8.31%</u>	<u>\$ 320,925,980</u>		<u>7.94%</u>

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
2000	25,322,606	25,029,900	98.52%	292,706	25,322,606	100.00%
2001	28,965,448	28,637,652	98.29%	327,796	28,965,448	100.00%
2002	34,106,224	33,664,830	98.53%	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	54,277,712	54,065,416	99.61%	209,680	54,275,096	99.99%
2006	62,713,038	62,408,721	99.51%	301,416	62,710,137	99.99%
2007	78,844,849	78,138,203	99.10%	627,715	78,765,918	99.90%
2008	88,851,680	87,304,802	98.26%	1,032,831	88,337,633	99.42%
2009	94,631,989	92,160,401	97.39%	*	92,160,401	97.39%

Source: Clark County Comptroller's Office  
\* Still in the process of being collected

CITY OF HENDERSON, NEVADA

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities		Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Tax Allocation Bonds	Special Assessment Bonds <sup>(2)</sup>	Notes/Loans Payable	Capital Leases	Revenue Bonds	Total Primary Government		
2000	180,105,000	--	156,255,000	10,219,009	2,339,462	185,284,154	534,202,625	Not available	2,804
2001	171,495,000	--	144,615,000	10,201,678	2,276,229	179,074,501	507,662,408	Not available	2,542
2002	161,500,000	16,340,000	154,675,000	183,278	3,420,295	173,843,159	509,961,732	Not available	2,419
2003	149,945,000	16,340,000	3,135,000	163,743	2,879,877	165,141,779	337,605,399	Not available	1,513
2004	137,665,000	16,340,000	2,500,000	143,004	2,640,179	155,592,473	314,880,656	Not available	1,338
2005	125,240,000	16,340,000	1,215,000	120,985	4,175,309	253,896,193	400,987,487	Not available	1,644
2006	171,795,000	16,340,000	585,000	97,608	56,007	241,864,554	430,738,169	4.87%	1,682
2007	158,455,000	15,840,000	365,000	--	10,614	229,959,046	404,629,660	4.61%	1,524
2008	147,314,000	15,320,000	305,000	--	--	217,507,507	380,446,507	3.96%	1,410
2009	135,027,000	14,780,000	235,000	17,960,000	--	204,454,978	372,456,978	3.86%	1,358

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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](http://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	General Obligation Bonds	Less: Amounts Available in the Debt Service Fund	Total	Percentage of Actual Taxable Value of Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2000	180,105,000	5,120,770	174,984,230	1.51%	918
2001	171,495,000	5,264,172	166,230,828	1.25%	832
2002	161,500,000	7,358,902	154,141,098	0.96%	731
2003	149,945,000	3,111,752	146,833,248	0.78%	658
2004	137,665,000	1,573,486	136,091,514	0.64%	578
2005	125,240,000	846,962	124,393,038	0.55%	510
2006	171,795,000	4,352,167	167,442,833	0.56%	654
2007	158,455,000	6,740,546	151,714,454	0.36%	571
2008	147,314,000	6,072,215	141,241,785	0.30%	523
2009	135,027,000	9,708,219	125,318,781	0.26%	457

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, 2009

	<u>Total General Obligation Debt</u>	<u>Less Debt Service Fund Balance</u>	<u>Net Debt Outstanding</u>	<u>% Applicable</u>	<u>Applicable Net Debt</u>
City of Henderson	\$ 354,261,978	\$ 9,708,219	\$ 344,553,759	100%	<u>\$ 344,553,759</u>
Henderson District Public Libraries	3,285,200	319,748	2,965,452	100%	2,965,452
Clark County	623,495,000	139,798,458	483,696,542	14.57%	70,474,586
Clark County School District	4,670,965,000	588,448,396	4,082,516,604	14.57%	594,822,669
Las Vegas-Clark County Library District	66,700,000	7,971,664	58,728,336	17.61%	<u>10,342,060</u>
Total Overlapping Debt					<u>678,604,767</u>
Total Direct and Overlapping Debt					<u>\$ 1,023,158,526</u>

Source for debt amounts for overlapping entities is the various local 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, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Assessed value	\$ 4,043,555,110	\$ 4,664,273,790	\$ 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
<b>Legal debt margin</b>										
Debt limit (15% of Assessed Value)	606,533,267	699,641,069	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
Debt applicable to limit:										
Total Bonded Debt (including Special Assessment Bonds)	521,644,154	495,184,501	506,358,159	334,561,779 <sup>(3)</sup>	312,097,473	396,691,193	430,584,554	404,619,046	380,446,507	354,496,978
Less:										
Special Assessment Bonds (1)	(156,255,000)	(144,615,000)	(154,675,000)	(3,135,000)	(2,500,000)	(1,215,000)	(585,000)	(365,000)	(305,000)	(235,000)
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)
Total Amount of Debt Applicable to Debt Limit	365,389,154	350,569,501	335,343,159	315,086,779	293,257,473	379,136,193	413,659,554	388,414,046	364,821,507	339,481,978
Legal Debt Margin	\$ 241,144,113	\$ 349,071,568	\$ 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
Total debt applicable to limit as a percentage of debt limit	60.24%	50.11%	39.78%	31.96%	26.30%	32.13%	26.42%	17.52%	14.61%	13.40%

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 debt off the City's financial statements.

CITY OF HENDERSON, NEVADA

Pledged Revenue Bond Coverage  
Last Ten Fiscal Years

Year	Water & Sewer Bonds						Special Assessment Bonds <sup>(3)</sup>				Tax Allocation Bonds			
	Utility Service Charges	Less: Operating Expenses <sup>(1)</sup>	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
				Principal	Interest			Principal	Interest			Principal	Interest	
2000	49,622,738	34,775,955	14,846,783	7,941,884	9,407,221	86%	8,897,444	7,565,000	11,441,650	47%		--	--	n/a
2001	59,126,172	38,074,205	21,051,967	8,313,009	7,673,932	132%	7,368,844	10,000,000	10,761,336	35%		--	--	n/a
2002	61,855,110	45,328,954	16,526,156	8,711,980	7,989,062	99%	6,690,270	5,190,000	8,901,034	47%		--	--	n/a
2003	65,173,704	49,687,020	15,486,684	8,793,913	6,791,514	99%	249,569	225,000	308,662	47%	2,216,090	--	664,051	334%
2004	70,402,702	54,112,436	16,290,266	9,414,780	6,032,181	105%	1,818,361 <sup>(2)</sup>	635,000	288,400	197%	2,164,528	--	869,304	249%
2005	73,476,651	62,765,675	10,710,976	9,835,026	8,232,075	59%	327,861	1,285,000	186,436	22%	2,441,067	--	869,304	281%
2006	81,777,436	65,388,482	16,388,954	12,213,868	12,031,251	68%	119,197	630,000	93,575	16%	3,255,300	--	869,304	374%
2007	88,773,681	74,799,486	13,974,195	11,966,440	11,543,004	59%	167,366	220,000	52,013	62%	10,651,636	500,000	859,634	783%
2008	86,731,158	80,547,344	6,183,814	12,472,896	10,923,574	26%	69,440	60,000	31,825	76%	13,033,976	520,000	839,724	959%
2009	87,844,239	81,881,425	5,962,814	13,088,390	10,176,709	26%	341,924	70,000	25,650	357%	13,623,262	540,000	865,314	969%

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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 <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2000	190,512	Not available	Not available	4.19%
2001	199,695	Not available	Not available	4.34%
2002	210,850	Not available	Not available	6.20%
2003	223,070	Not available	Not available	5.30%
2004	235,292	Not available	Not available	4.79%
2005	243,897	Not available	Not available	4.20%
2006	256,128	8,836,009,011	34,498	4.00%
2007	265,589	8,783,653,632	33,072	4.20%
2008	269,826	9,606,345,252	35,602	5.00%
2009	274,293	9,653,025,150	35,192	9.60%

Sources:

(1) City of Henderson Planning Department

(2) Data on personal income was not kept prior to 2006. For 2006, the source for personal income is Applied Analysis, 10100 W Charleston Boulevard, Suite 200, Las Vegas, Nevada 89135 or [www.appliedanalysis.com](http://www.appliedanalysis.com)

(3) Nevada Department of Employment, Training and Rehabilitation

## CITY OF HENDERSON, NEVADA

Principal Employers  
Current Year and Nine Years Ago

Name	2009			2000		
	Employees <sup>(1)</sup>	Rank	Percentage of Total City Employment	Employees <sup>(2)</sup>	Rank	Percentage of Total City Employment <sup>(3)</sup>
City of Henderson	3,055	1	2.27%	1,800+	1	--
Green Valley Ranch Gaming LLC	1,500-1,999	2	1.11-1.48%			
M Resort	1,500-1,999	3	1.11-1.48%			
St Rose Dominican-Siena	1,500-1,999	4	1.11-1.48%	750-1,000	3	--
Sunset Station Hotel & Casino	1,000-1,499	5	0.74-1.11%	1,000+	2	--
St Rose Dominican Hospital	800-899	6	0.59-0.67%			
Fiesta Lake Mead Station	700-799	7	0.52-0.59%			
Medco Health LLC	700-799	8	0.52-0.59%			
Zappos.com	700-799	9	0.52-0.59%			
Ford Motor Credit Co	500-599	10	0.37-0.44%			
The Reserve Hotel Casino				750-1,000	4	--
Providian Financial				500-749	5	--
Hyatt Regency Hotel Casino				500-749	6	--
Good Humor - Breyers Ice Cream				400-499	7	--
Jokers Wild Casino				300-399	8	--
Railroad Pass Hotel Casino				300-399	9	--
Levi-Strauss & Company				200-299	10	--

(1) Source: 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](http://www.appliedanalysis.com)

For privacy purposes, exact employment numbers are unavailable.

(2) Source: City of Henderson Economic Development Phone Survey, 2000

(3) This information was not available for 2000.

## CITY OF HENDERSON, NEVADA

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

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Functions/Programs				
<b>Governmental activities</b>				
General government	331	347	352	363
Judicial	78	84	90	96
Public safety	678	774	817	824
Public works	102	111	118	141
Culture and recreation	182	182	191	204
Community support	19	19	19	19
<b>Business-type activities</b>				
Water	137	148	150	157
Sewer	91	111	119	122
Development services center	149	155	156	133
Other business activities	17	28	32	35
<b>Total</b>	<u>1,784</u>	<u>1,959</u>	<u>2,044</u>	<u>2,094</u>

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 <sup>(1) (3)</sup>

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
<b>Functions/Programs</b>				
<b>Governmental activities</b>				
<b>Judicial</b>				
Average warrants cleared per day	9	6	5	10
<b>Public safety</b>				
Police reports	27,253	26,048	33,702	26,873
Police calls for service	122,518	127,548	153,241	144,732
Police total 911 calls received	92,045	103,139	103,751	91,560
# of EMS incidents	14,885	14,823	15,185	15,079
# of EMS transports	9,975	9,887	10,276	10,593
Total fire responses	940	834	723	611
<b>Public works</b>				
Lane miles of street maintenance	338	142	14	179
Lane miles of existing street reconstruction	16	74	24	43
# of scheduled inspections (off-site improvements)	41,994	39,320	33,194	30,151
# of off-site (non-building) projects	206	155	157	55
<b>Culture and recreation</b>				
Parks and Recreation class registrations	323,193	341,139	344,766	478,357
<b>Community support</b>				
# of requests for information on business relocations	103	109	136	129
# of local business requests for information/assistance/outreach	342	447	414	659
# of jobs created	1,034	770	1,190	425
<b>Business-type activities</b>				
<b>Water</b>				
Average daily water consumption (MGD) <sup>(2)</sup>	68	71	69	68
# of requests for line location	37,110	31,684	40,534	26,638
# of hydrant major repairs	258	248	198	220
# of line repairs	243	360	283	257
<b>Sewer</b>				
Lines video inspected (feet)	180,239	90,002	150,129	157,609
Lines cleaned (feet)	1,106,675	1,252,317	1,568,312	1,951,831
<b>Development Services Center</b>				
# of plan review activities	19,531	14,823	9,507	5,241
Building permits issued	19,075	15,704	12,402	8,428

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



**CITY OF HENDERSON, NEVADA**  
 Capital Asset Statistics by Function/Program <sup>(1)(2)</sup>

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

Source: Various City departments

(1) Indicators are not available for the general government, 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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**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  
City Manager  
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, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 2, 2009. 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**

In planning and performing our audit, we considered the City of Henderson'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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Internal Control Over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Henderson's 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. 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 we reported to management of the City of Henderson in a separate letter dated November 2, 2009.

This report is intended solely for the information and use of management, others within the entity, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Roseville, California  
November 2, 2009



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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  
City Manager  
City of Henderson, Nevada

Compliance

We have audited the compliance of the City of Henderson, with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City of Henderson'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 of Henderson's management. Our responsibility is to express an opinion on the City of Henderson'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 of Henderson'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 on the City of Henderson's compliance with those requirements.

In our opinion, the City of Henderson complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

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

#### Internal Control Over Compliance

The management of the City of Henderson is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Henderson's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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. Accordingly, we do not express an opinion on the effectiveness of the City of Henderson's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant* deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 City of Henderson as of and for the year ended June 30, 2009, and have issued our report thereon dated November 2, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Henderson'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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

This report is intended solely for the information and use of management, others within the entity, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
November 2, 2009

**CITY OF HENDERSON, NEVADA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<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 Snack Program 07-08	10.558	--	\$ 4,903
Safekey Snack Program 08-09	10.558	--	31,121
			<u>36,024</u>
Total U.S. Department of Agriculture			<u>\$ 36,024</u>
<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*	--	842,817
Program Income	14.218*	--	10,000
Amount Provided to Subrecipients	14.218*	--	2,268,080
NSP HERA Entitlement	14.218*	--	8,887
Total Community Development Block Grants/Entitlement Grants			<u>3,129,784</u>
Community Development Block Grants/Brownfields			
Economic Development Initiative			
Project Grants	14.246	--	<u>11,000</u>
HOME Investment Partnerships Program			
HOME Grant - Program Income/Projects	14.239*	--	593,241
HOME Grant - Administration	14.239*	--	76,095
Total HOME Investment Partnerships Program			<u>669,336</u>
Total Direct			<u>3,810,120</u>
Passed through State of Nevada, Housing Division:			
HOME Investment Partnerships Program			
Program Income/Projects	14.239*	--	<u>50,000</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 3,860,120</u>

\* Major Program



**CITY OF HENDERSON, NEVADA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<i>U.S. Department of the Interior</i>			
<i>Bureau of Land Management</i>			
Direct:			
Distribution of Receipts to State and Local Governments			
Whitney Mesa Preserve	15.227*	NAA010005 NAF04HN07	\$ 1,567,795
Amargosa Trail	15.227*	NAA010005 NAF04HN08	154,285
Burkholder Trail	15.227*	NAA010005 NAF04HN09	89,057
Cactus Wren Trail	15.227*	NAA010005 NAF04HN11	777,908
St. Rose Trail Phase 2	15.227*	NAA010005 NAF05HN15	422,965
Hidden Falls Park	15.227*	NAA010005 NAF05HN13	115,364
Amador Vista Park	15.227*	NAA010005 NAF05HN14	1,009,231
Heritage Recreation Area	15.227*	NAA010005 NAF05HN12	2,919,964
Anthem East Trails	15.227*	NAA010005 NAF05HN16	1,117,827
Cornerstone Lake Park	15.227*	NAA010005 NAF05HN18	98,570
River Mountain Trail 13-14	15.227*	NAA010005 NAF05HN17	153,752
Amargosa Trailheads	15.227*	NAA010005 NAF05HN19	130,670
Bird View Preserve Improvement	15.227*	NAA010005 NAF05HN24	91,926
UPRR Right of Way	15.227*	NAA010005 NAF05HN22	9,208
UPRR Phase III	15.227*	NAA010005 NAF05HN23	971,581
UPRR Phase II	15.227*	NAA010005 NAF05HN20	38,586
Mission View Park	15.227*	NAA010005 NAF05HN21	43,931
McCullough Hills Trail	15.227*	NAA010005 NAF05HN25	218,835
Arroyo Grande Project Green	15.227*	NAA010005 FAA060150	3,025,247
Whitney Mesa Trailhead	15.227*	NAA010005 FAA060156	109,928
Wetlands Trail Phase II	15.227*	NAA010005 FAA060158	143,286
Heritage Park Phase II	15.227*	NAA010005 FAA060163	5,510,216
Southeast Valley Acquisition	15.227*	NAA010005 FAA080033	17,920
Reunion Trails Park	15.227*	NAA010005 FAA060176	455,779
Downs 5/Downtown Trail	15.227*	NAA010005 FAA060173	1,030,953
Lake Mead Parkway Trail	15.227*	NAA010005 FAA060175	221,551
PPP Upper Pittman Wash W Henderson Drainage Corridor	15.227*	NAA010005 FAA080013	13,627
PPP Lower Pittman Wash Corridor Feasibility Study	15.227*	NAA010005 FAA080016	147,478
PPP Black Mountain Nature Preserve	15.227*	NAA010005 FAA080012	153,353
PPP MacDonald Canyons Nature Park Study	15.227*	NAA010005 FAA080015	159,984
PPP RMLT to McCullough Hills Trail Connection & Equestrian	15.227*	NAA010005 FAA080017	120,866
PPP Nevada State College to Wetlands Corridor	15.227*	NAA010005 FAA080014	31,930
McCullough Vista Park	15.227*	NAA010005 FAA080028	21,251
			<u>21,094,824</u>
 Green Valley Flood Control Panel	 15.225	 NAA010005 FAA080045	 <u>3,008</u>
<i>Bureau of Reclamation</i>			
Water Conservation Plan			
Bureau of Reclamation Turf Conversion	15.BBM	07FG300005	<u>70,685</u>
Total U.S. Department of the Interior			<u>\$ 21,168,517</u>

\* Major Program

**CITY OF HENDERSON, NEVADA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice</u>			
<i>Bureau of Justice Assistance</i>			
Direct:			
Bulletproof Vest Partnership Program 2007	16.607	--	\$ 16,492
Bulletproof Vest Partnership Program 2008	16.607	--	7,068
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2008-DD-BX-0014	107,411
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0915	1,065
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0549	20,199
<i>Office of Juvenile Justice and Delinquency Prevention</i>			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	29-AL-5	28,396
<i>Office of Community Oriented Policing Services</i>			
Pubic Safety Partnership and Community Policing Grants	16.710	2008CKWX0168	124,650
Pubic Safety Partnership and Community Policing Grants	16.710	2008CKWX0167	124,650
<i>National Institute of Justice</i>			
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2007-CD-BX-0075	8,476
Total Direct			<u>438,407</u>
<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-2009-G0181	24,745
<i>Violence Against Women Office</i>			
Passed through State of Nevada Office of Attorney General			
Violence Against Women Formula Grants	16.588	2007-STOP-01	32,047
Violence Against Women Formula Grants	16.588	2008-STOP-01	10,486
Grants to Encourage Arrest Polices and Enforcement of Protection Orders	16.590	2004-GTEAP-HCA	5,263
Total U.S. Department of Justice			<u>\$ 510,948</u>
<u>U.S. Department of Transportation</u>			
<i>Federal Motor Carrier Safety Administration</i>			
National Motor Carrier Safety	20.218	27XX32MH08HEND15780	65,854
Total Federal Motor Carrier Safety Administration			<u>65,854</u>

**CITY OF HENDERSON, NEVADA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Transportation</u> (continued)			
<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 2008	20.600	28-JF-1.08	\$ 85,865
Joining Forces 2009	20.600	29-JF-1.06	132,625
Optimizing Traffic Records	20.600	27-408TR-1.M8	39,850
OTS Mini Grant 2008	20.600	28-K8-18-15.1	708
Total State and Community Highway Safety			<u>259,048</u>
Total U.S. Department of Transportation			<u>\$ 324,902</u>
<u>U.S. National Endowment for the Arts</u>			
<i>National Endowment for the Arts, National Foundation on the Arts and the Humanities</i>			
Promotion of the Arts-Grants to Organizations	45.024	08-7900-7076	<u>10,000</u>
Total U.S. National Endowment for the Arts			<u>\$ 10,000</u>
<u>U.S. Environmental Protection Agency</u>			
Congressionally Mandated Projects	66.202	XP96908901	<u>1,497,554</u>
Total U.S. Environmental Protection Agency			<u>\$ 1,497,554</u>
<u>U.S. Department of Energy</u>			
<i>Office of Energy Efficiency and Renewable Energy</i>			
Passed through State of Nevada Housing Division			
Weatherization Assistance for Low-Income Persons	81.042	--	<u>63,306</u>
Total U.S. Department of Energy			<u>\$ 63,306</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Centers for Disease Control and Prevention</i>			
<i>Cooperative Agreements for State-Based Diabetes Control Program</i>			
Diabetes Demonstration Project	93.988	1H75DP001876-01	<u>16,441</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 Grant 2008	93.045	03-031-07-1X-08	43,504
Senior Nutrition Homebound 2009	93.045	03-031-04-2X-09	140,066
Senior Nutrition Congregate 2009	93.045	03-031-07-1X-09	52,674
Total Special Programs for the Aging: Title III, Part C: Nutrition Services			<u>236,244</u>

\* Major Program

**CITY OF HENDERSON, NEVADA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
<i>Administration on Aging (continued)</i>			
Passed through State of Nevada, Division of Aging Services (continued):			
<i>Aging Cluster (continued):</i>			
Nutrition Services Incentive			
Black Mountain Senior Nutrition 2008	93.053	03-031-57-NX-08	\$ 16,239
Black Mountain Senior Nutrition 2008 Supplement #1	93.053	03-031-57-NX-08	12,274
Black Mountain Senior Nutrition 2009	93.053	03-031-57-NX-09	22,209
			<hr/>
Total Nutrition Services Incentive			50,722
			<hr/>
<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	LIHEA/09/04	36,035
			<hr/>
Total U.S. Department of Health and Human Services			\$ 339,442
			<hr/>
<u>Department of Homeland Security</u>			
FEMA			
FY2007 Assistance to Firefighters Grant	97.044	EMW-2007-FO-06450	326,000
FY2008 Assistance to Firefighters Grant	97.044	EMW-2008-FO-05878	212,560
Total FEMA			<hr/> 538,560 <hr/>
Passed through the State of Nevada, Department of Motor Vehicles and Public Safety, Division of Emergency Management:			
Emergency Management Performance Grants			
Fire Department 2008	97.042	9704208	117,685
Passed through State of Nevada, Department of Public Safety, Division of Emergency Management:			
State Homeland Security Program (SHSP)			
SHSP Law Enforcement	97.073	DHS 2005 SHSP	23,907
Passed through State of Nevada, Department of Public Safety, Safety, Division of Emergency Management:			
Buffer Zone Protection Program (BZPP)	97.078	97078B07	185,901
			<hr/>
Total Department of Homeland Security			\$ 866,053
			<hr/>
<b>Total Expenditures of Federal Awards Excluding Loans</b>			<b>\$ 28,676,866</b>
			<hr/>

**CITY OF HENDERSON, NEVADA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218*	--	\$ 144,113
HOME Investment Partnerships Program	14.239*	--	<u>3,053,427</u>
<b>Federal Loan Balances with a Continuing Compliance Requirement</b>			<u>3,197,540</u>
<b>Total Expenditures of Federal Awards Including Loans</b>			<u><u>\$ 31,874,406</u></u>

\* Major Program

## CITY OF HENDERSON, NEVADA

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

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, except for those activities of the City of Henderson Redevelopment Agency. The City of Henderson'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 City of Henderson Redevelopment Agency is a component unit of the City of Henderson. A separate report has been issued for the City of Henderson Redevelopment Agency.

Note 2: **Basis of Accounting**

The Schedule of Expenditures of Federal Awards is prepared on the modified 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 Multipurpose Special Revenue fund.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of Henderson provided federal awards to subrecipients as follows:

Federal CFDA	Program Title	Amount Provided to Subrecipients
14.218	Community Development Block Grants/Entitlement Grants	\$ 1,121,837

**CITY OF HENDERSON, NEVADA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2009

Note 5: **Program Clusters**

Federal programs, which are considered together as a program cluster, include the following:

<u>Federal</u> <u>CFDA</u>	<u>Program Title</u>	<u>Federal</u> <u>Expenditures</u>
<u>Aging Cluster:</u>		
93.045	Senior Nutrition Grant 2008	\$ 43,504
93.045	Senior Nutrition Homebound 2009	140,066
93.045	Senior Nutrition Congregate 2009	52,674
93.053	Black Mountain Senior Nutrition 2008	16,239
93.053	Black Mountain Senior Nutrition 2008, Supplement # 1	12,274
93.053	Black Mountain Senior Nutrition 2009	<u>22,209</u>
	TOTAL	<u>\$ 286,966</u>

**CITY OF HENDERSON, NEVADA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

**Section 1**

<u>Financial Statements</u>	<u>Summary of Auditor's Results</u>
1. Type of auditor's report issued:	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None Reported
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None Reported
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)?	No

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/ Entitlement Grants
14.239	HOME Investment Partnerships Program
15.227	Distribution of Receipts to State and Local Governments



**CITY OF HENDERSON, NEVADA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

**Section 1** (continued)

Financial Statements

Summary of Auditor's Results

- |   |            |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs?       | \$ 956,232 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No         |

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**CITY OF HENDERSON, NEVADA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2009

Finding/Program

Findings/Noncompliance

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None

**CITY OF HENDERSON, NEVADA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2009

Audit Reference Number	Status of Prior Audit Findings
<p><b>Finding 07-SA-1</b></p> <p>Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grant Program CFDA 16.580</p> <p>Award No. 2005-DD-BX-1193 Year: 2006-2007</p>	<p><i>Federal Grantor:</i> U.S. Department of Justice</p> <p><i>Pass-Through Entity:</i> None</p> <p><i>Compliance Requirement:</i> Equipment and Real Property Management</p> <p><i>Reporting Requirement:</i> Significant Deficiency and Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</p> <p><u>Recommendation</u></p> <p>We recommend that the Department develop a complete list of all capital assets purchased with program funds, update the list as needed when equipment is purchased or disposed of, and perform physical inventories of the equipment at least biannually to comply with federal requirements.</p> <p><u>Status</u></p> <p>Implemented.</p>

**CITY OF HENDERSON, NEVADA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2009

Audit Reference Number	Status of Prior Audit Findings
<b>Finding 08-SA-1</b>  Community Development Block Grants/Entitlement Grants CFDA 14.218	<i>Federal Grantor: U.S. Department of Housing and Urban                      Development</i>  <i>Pass-Through Entity: None</i>  <i>Compliance Requirement: Procurement and Suspension and Debarment</i> <i>Reporting Requirement: Material Weakness and Material                      Non-Compliance in Relation to a Compliance                      Supplement Audit Objective</i>
Award No. Various Year: 2007-2008	<u>Recommendation</u>  We recommend that the Department implement procedures which require that on any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient, that the Department conduct a review to ensure that the other party to the transaction is not suspended or debarred. Lists of suspended and debarred parties are available online from the Excluded Parties List System at < <a href="http://www.epls.gov">http://www.epls.gov</a> >.
	<u>Status</u>  Implemented.

**CITY OF HENDERSON, NEVADA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2009

Audit Reference Number	Status of Prior Audit Findings
<b>Finding 08-SA-2</b>  Distribution of Receipts to State and Local Governments CFDA 15.227	<i>Federal Grantor:</i> U.S. Department of the Interior <i>Pass-Through Entity:</i> None <i>Compliance Requirement:</i> Procurement and Suspension and Debarment <i>Reporting Requirement:</i> Significant Deficiency; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective
Award No. Various Year: 2007-2008	<u>Recommendation</u>  We recommend that the Department implement procedures which require that on any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient, that the Department conduct a review to ensure that the other party to the transaction is not suspended or debarred. Lists of suspended and debarred parties are available online from the Excluded Parties List System at < <a href="http://www.epls.gov">http://www.epls.gov</a> >.
	<u>Status</u>
	Implemented.

**CITY OF HENDERSON, NEVADA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2009

Audit Reference Number	Status of Prior Audit Findings
<b>Finding 08-SA-3</b>	<i>Federal Grantor: U.S. Department of Health and Human Services</i> <i>Pass-Through Entity: State of Nevada, Division of Aging Services</i> <i>Compliance Requirement: Reporting</i> <i>Reporting Requirement: Significant Deficiency; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i>
Aging Cluster CFDA 93.044, 93.045 and 93.053	
Award No. Various Year: 2007-2008	<u>Recommendation</u>  We recommend that the Department implement procedures which will verify the accuracy of the count of the homebound meals served each day and reconcile the meals reported to back-up documents prior to submission of the report.  <u>Status</u>  Implemented.

## AUDITOR'S COMMENTS

### STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and Nevada Administrative Code is contained in Note 3 to the financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taking during 2008-09 relating to the potential violations reported in the June 30, 2008 audit report:

- Actual expenditures and expenses were monitored during the year ended June 30, 2009. There were, however, overexpenditures during the current year as reported in Note 3 to the financial statements.

### PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2008.

### CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report.

### NEVADA REVISED STATUTE 354.6115

The financial statements of the Financial Stabilization Special Revenue Fund are located in this report.

### NEVADA REVISED STATUTE 354.598155

The Special Ad Valorem Transportation Capital Projects Fund expended the following amounts during the year ended June 30, 2009:

General Government – Services and Supplies	\$ 8,797
Public Works – Capital Outlay	80
Transfer to General Obligation Debt Service Fund	<u>2,358,955</u>
	<u>\$ 2,367,832</u>

\*\*\*\*\*

The City of Henderson's continuing efforts toward superior financial reporting and presentation were again acknowledged by the Government Finance Officers Association when the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for its June 30, 2008 Comprehensive Annual Financial Report. We congratulate the City on this achievement.

**THE CITY OF HENDERSON, NEVADA**  
**SCHEDULE OF FEES IMPOSED SUBJECT TO THE**  
**PROVISIONS OF NRS 354.5989**  
**LIMITATION OF FEES FOR BUSINESS LICENSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Flat Fixed Fees:

Business license revenue for the year ended June 30, 2008 (Base Year)	\$ 2,304,556
--	--------------

Adjustment to Base:

1. Percentage increase in population of the local government	1.66%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	<u>3.80%</u>	
	5.46%	<u>125,829</u>
Adjusted Base at June 30, 2009		2,430,385
Actual Revenue		<u>2,177,167</u>
Amount Under Allowable Amount		<u>\$ (253,218)</u>

Fees Calculated as a Percentage of Gross Revenue:

Business license revenue for the year ended June 30, 2008	\$ 10,275,047
--	---------------

1. Percentage increase in the Consumer Price Index	3.80%	<u>390,452</u>
Adjusted Base at June 30, 2009		10,665,499
Actual Revenue		<u>6,807,347</u>
Amount Under Allowable Amount		<u>\$ (3,858,152)</u>



**INDEPENDENT ACCOUNTANT'S REPORT ON  
NEVADA REVISED STATUTE 354.6241**

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

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5)(a):

- The identified funds are being used expressly for the purpose for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2009 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenue, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2009 (except as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the City of Henderson, Nevada.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

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

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
November 2, 2009