



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.

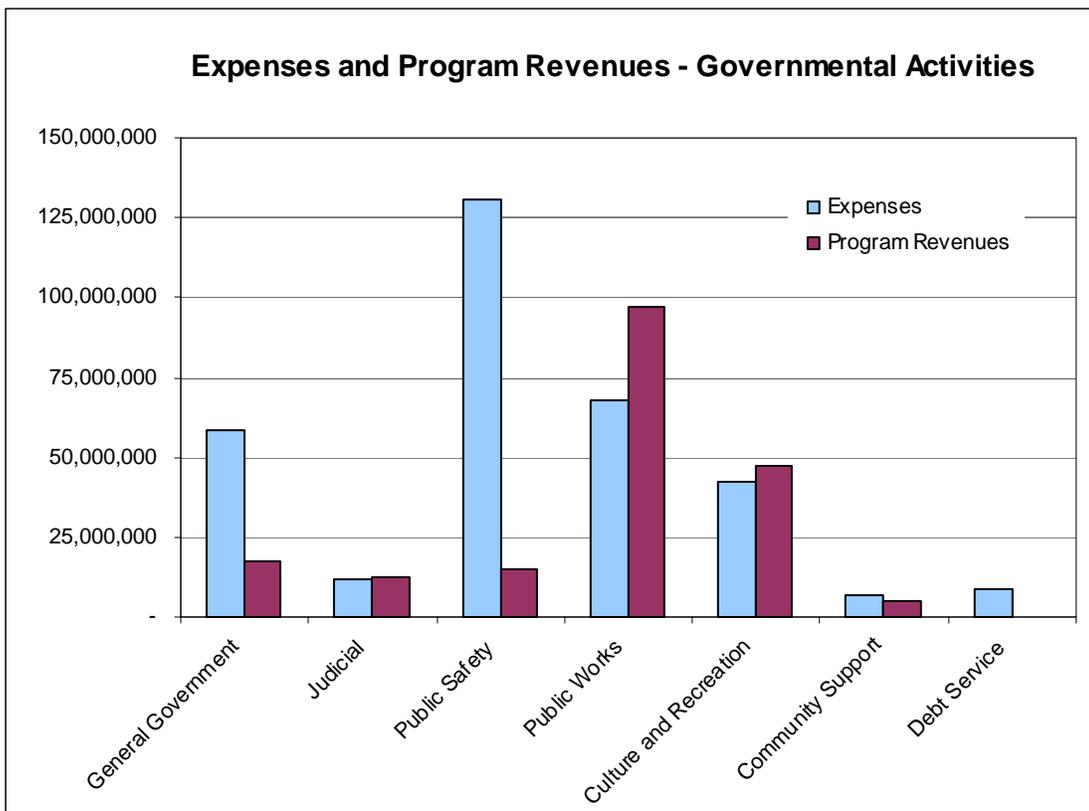
The City of Henderson's net assets increased by \$125,165,632 during the current fiscal year, an increase in governmental net assets of \$105,573,350 and an increase in business-type activities of \$19,592,282. See explanations for the increases in the sections for Governmental Activities and Business-type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

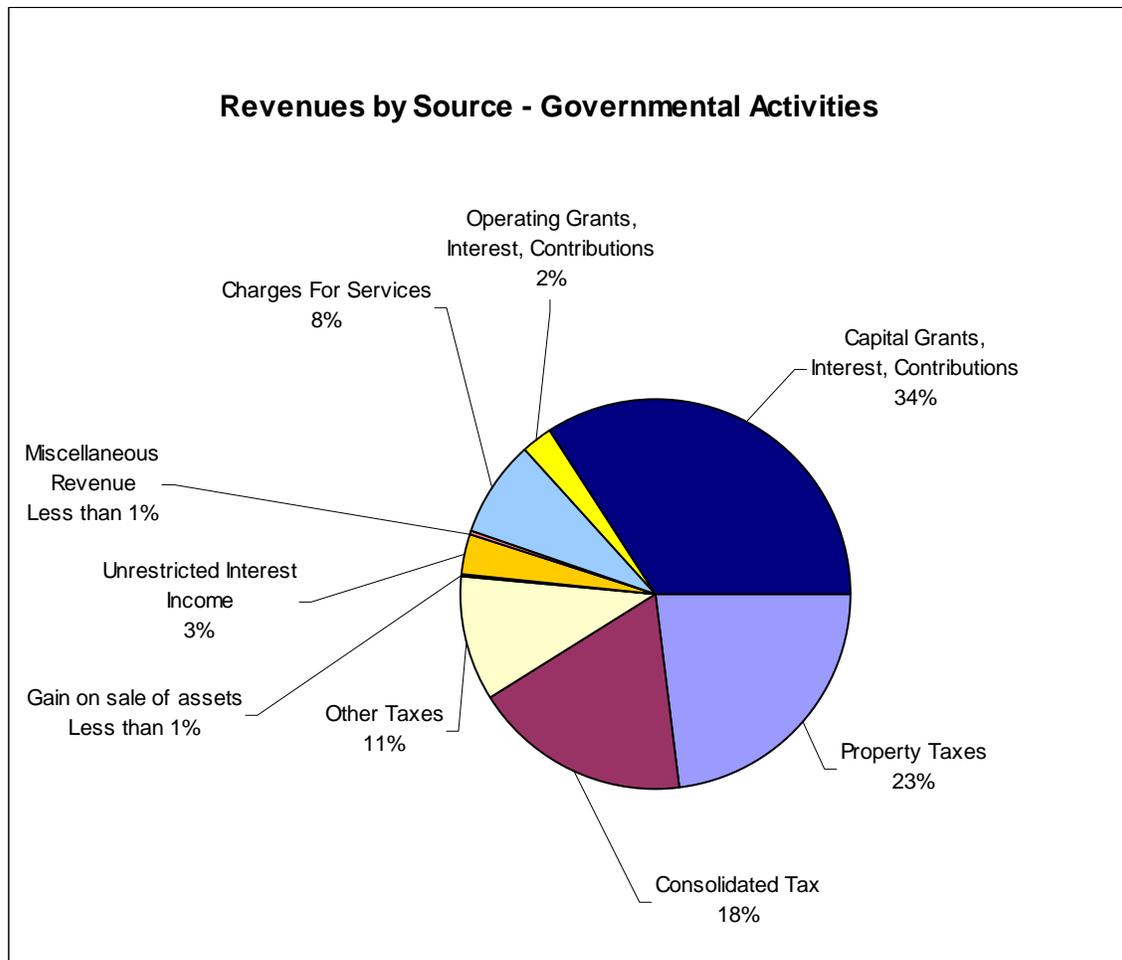
City of Henderson's Changes in Net Assets

	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

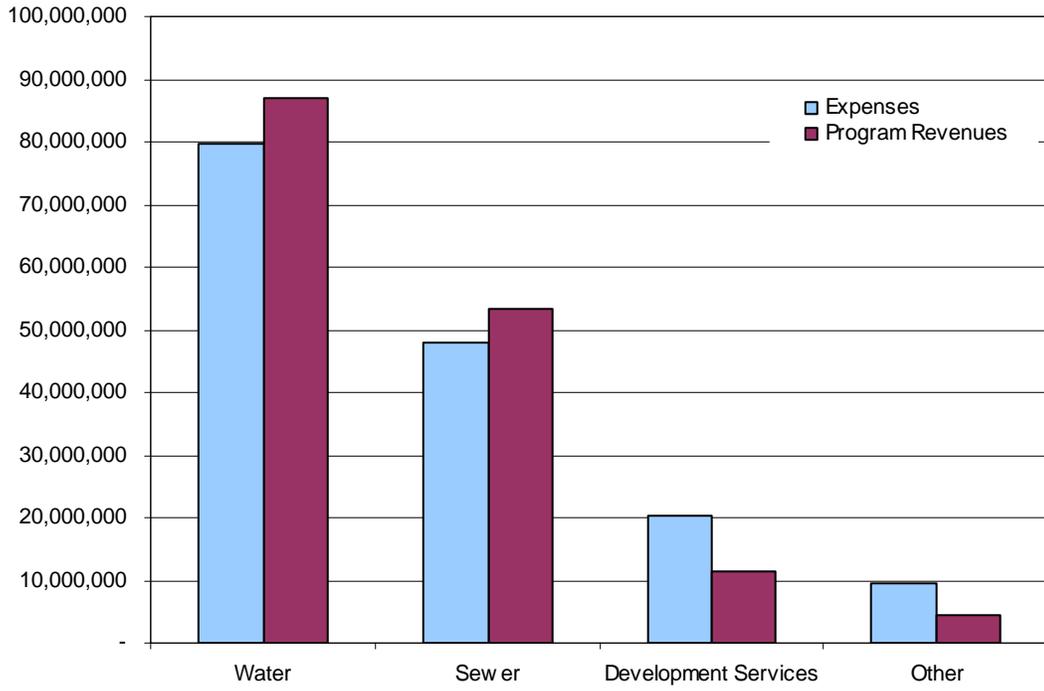




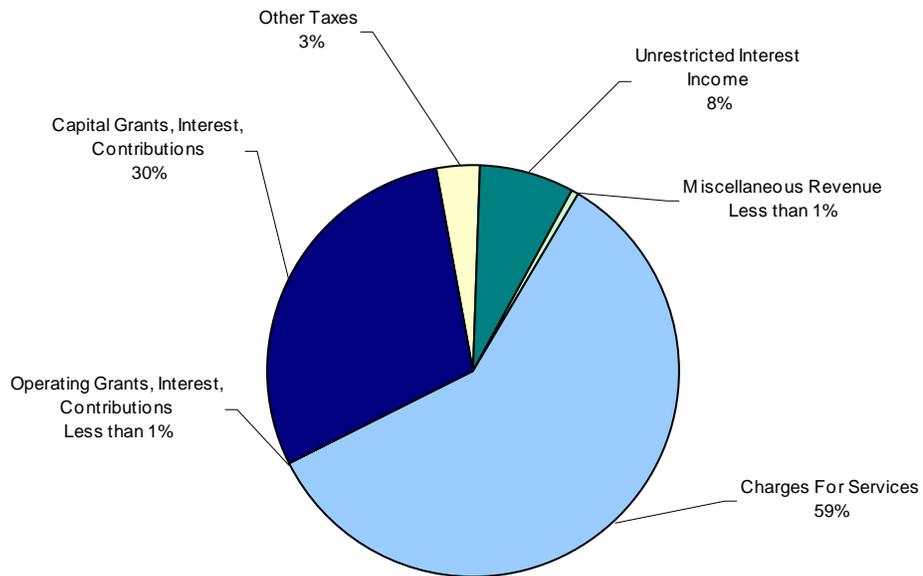
Business-type activities. Business-type activities increased the City of Henderson’s net assets by \$19,592,282 accounting for 16% of the total growth in the government’s net assets. Key elements of this increase are as follows:

- 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
Total	\$1,291,521,813	\$1,165,849,438	\$992,638,074	\$908,785,428	\$2,284,159,887	\$2,074,634,866

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	
ASSETS			
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
LIABILITIES			
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
NET ASSETS			
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	Interest, and Contributions	Capital Grants, Interest, and Contributions	Governmental Activities	Business- Type Activities	
						Total	Total
Governmental Activities:							
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)
Total Governmental Activities	326,303,552	35,110,115	10,612,335	148,125,739	(132,455,363)	--	(132,455,363)
Business-Type Activities:							
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)
Total Business-Type Activities	157,482,136	103,395,532	203,810	52,362,486	--	(1,520,308)	(1,520,308)
Total	\$ 483,785,688	\$ 138,505,647	\$ 10,816,145	\$ 200,488,225	(132,455,363)	(1,520,308)	(133,975,671)
General Revenues							
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	--
Total General Revenues and Transfers					238,028,713	21,112,590	259,141,303
Change in Net Assets					105,573,350	19,592,282	125,165,632
NET ASSETS, BEGINNING OF YEAR					1,453,689,952	1,040,448,631	2,494,138,583
PRIOR PERIOD ADJUSTMENT						(9,617,920)	(9,617,920)
NET ASSETS, BEGINNING OF YEAR, RESTATED					1,453,689,952	1,030,830,711	2,484,520,663
NET ASSETS, END OF YEAR					\$ 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

**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
ASSETS							
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>
LIABILITIES							
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>
FUND BALANCES							
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>
TOTAL LIABILITIES AND FUND BALANCES	<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
REVENUES:							
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>
EXPENDITURES:							
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		
REVENUES				
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>
EXPENDITURES				
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>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(18,459,818)</u>	<u>(51,523,181)</u>	<u>(22,829,513)</u>	<u>28,693,668</u>
OTHER FINANCING SOURCES (USES)				
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	(13,875,388)	(12,896,388)	(12,896,388)	--
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>
NET CHANGES IN FUND BALANCES	<u>(8,221,296)</u>	<u>(21,554,565)</u>	<u>(6,181,868)</u>	<u>15,372,697</u>
FUND BALANCES, BEGINNING OF YEAR	<u>22,163,403</u>	<u>31,170,506</u>	<u>31,170,506</u>	<u>--</u>
FUND BALANCES, END OF YEAR	<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
ASSETS						
CURRENT ASSETS:						
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>
NONCURRENT ASSETS:						
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

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	Business-Type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable and accrued wages	\$ 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	--
Total current liabilities	16,037,796	22,419,241	4,657,729	725,601	43,840,367	14,962,910
NONCURRENT LIABILITIES:						
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	--
Total noncurrent liabilities	49,740,815	148,634,224	735,477	144,839	199,255,355	477,517
Total liabilities	65,778,611	171,053,465	5,393,206	870,440	243,095,722	15,440,427
NET ASSETS						
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
Total net assets	\$ 510,330,760	\$ 507,831,068	\$ 7,994,503	\$ 35,195,055	1,061,351,386	\$ 95,320,270
Adjustment to reflect the consolidation of Internal Service Funds' activities related to Enterprise Funds					(10,928,393)	
Net Assets of Business-Type Activities					\$ 1,050,422,993	

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
OPERATING REVENUES						
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>
OPERATING EXPENSES						
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>
OPERATING INCOME (LOSS)	<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>
NONOPERATING REVENUES (EXPENSES)						
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>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<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>
CAPITAL CONTRIBUTIONS	<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>
TRANSFERS						
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>
CHANGES IN NET ASSETS	<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>--</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>\$ 21,932,545</u>	<u>\$ 95,320,270</u>
					Adjustment to reflect the consolidation of interna service funds' activities related to enterprise funds	(2,340,263)
					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**

	Business-type Activities - Enterprise Funds					Governmental
	Water Fund	Sewer Fund	Development Services Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 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>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
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>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
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>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	5,538,353	8,005,783	635,387	94,065	14,273,588	3,513,965
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(24,052,909)</u>	<u>(50,583,526)</u>	<u>(6,182,951)</u>	<u>225,583</u>	<u>(80,593,803)</u>	<u>10,827,253</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>140,729,088</u>	<u>213,053,162</u>	<u>18,112,525</u>	<u>2,417,571</u>	<u>374,312,346</u>	<u>74,244,259</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<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>

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

continued

CITY OF HENDERSON, NEVADA

Statement of Cash Flows (continued)
 Proprietary Funds
 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	23,930,511	26,003,108	(4,337,370)	3,024,945	48,621,194	8,571,286
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 3,190,438	\$ 14,429,117	\$ (11,955,298)	\$ (2,020,268)	\$ 3,643,989	\$ 5,604,877
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Contribution of assets	27,674,501	18,320,121	--	48,663	46,043,285	966,976

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

4. **Restricted Assets**

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

5. **Capital Assets**

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

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

CITY OF HENDERSON, NEVADA

Notes to Financial Statements
For the Year Ended June 30, 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 & 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)
Pooled Investments				
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
Total Pooled Investments	572,144,030	572,918,820	578,321,711	2.18
Non-Pooled Investments				
<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
Total Non-Pooled Investments	189,672,845	189,643,692	189,665,036	0.08
Total Investments	\$ 761,816,875	\$ 762,562,512	\$ 767,986,747	2.26

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:

	S&P	Moody's	% of Portfolio
Pooled Investments			
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%
Total Pooled Investments			75.30%
Non-Pooled Investments			
<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%
Total Non-Pooled Investments			24.70%
Total			100.00%

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	<u>3,209,917</u>
		<u><u>\$ 5,630,999</u></u>

The amounts owed to the Internal Service Funds represent loans to the Special Assessment Districts to be repaid from Special Assessments. The amount of \$3,209,917 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	<u>(2,340,263)</u>
	<u><u>\$ (10,928,393)</u></u>

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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>	<u>Transfers In</u>			
	<u>General Fund</u>	<u>General Obligation Debt Service Fund</u>	<u>Special Assessment Districts Capital Project Fund</u>	<u>Municipal Facilities Acquisition & Construction Capital Projects Fund</u>
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
Total	<u>\$ 29,538,608</u>	<u>\$ 11,103,948</u>	<u>\$ 383,681</u>	<u>\$ 7,662,536</u>

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:

	<u>Balance July 1, 2008</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Completed Construction</u>	<u>Balance June 30, 2009</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 173,065,667	\$ 7,939,151	\$ (119,891)	\$ --	\$ 180,884,927
Construction in progress	<u>32,761,964</u>	<u>80,968,776</u>	<u>--</u>	<u>(2,322,875)</u>	<u>111,407,865</u>
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	<u>1,048,884,942</u>	<u>91,209,223</u>	<u>(9,630)</u>	<u>212,025</u>	<u>1,140,296,560</u>
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	<u>(394,862,193)</u>	<u>(53,410,095)</u>	<u>9,630</u>	<u>--</u>	<u>(448,262,658)</u>
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>
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 25,215,735	\$ --	\$ --	\$ --	\$ 25,215,735
Construction in progress	<u>181,932,132</u>	<u>78,169,770</u>	<u>(2,518,345)</u>	<u>(167,431,419)</u>	<u>90,152,138</u>
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	<u>22,226,752</u>	<u>81,019</u>	<u>(1,188,353)</u>	<u>2,898,277</u>	<u>24,017,695</u>
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	<u>(15,035,896)</u>	<u>(1,264,222)</u>	<u>1,188,353</u>	<u>--</u>	<u>(15,111,765)</u>
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 July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable:					
\$10,530,000 1997 Refunding serial bonds due in annual installments through April 1, 2011; interest varies between 4.5% and 5.5%	\$ 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)

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Revenue Bonds Payable:					
\$7,221,110 1991 Sewer serial bonds due in semi-annual installments through July 1, 2011; interest at 4.0%	\$ 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>
TOTAL ASSETS	<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

LIABILITIES

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>

FUND BALANCES

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>

TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 98,173,881</u></u>	<u><u>\$ 45,663,422</u></u>	<u><u>\$ 143,837,303</u></u>
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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
REVENUES			
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
EXPENDITURES			
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
EXCESS OF REVENUES OVER EXPENDITURES	7,784,976	1,674,710	9,459,686
OTHER FINANCING SOURCES (USES)			
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)
NET CHANGE IN FUND BALANCES	5,005,070	(777,063)	4,228,007
FUND BALANCES, BEGINNING OF YEAR	77,061,133	40,806,254	117,867,387
FUND BALANCES, END OF YEAR	\$ 82,066,203	\$ 40,029,191	\$ 122,095,394

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
TOTAL ASSETS	\$ 41,523,079	\$ 10,057,117	\$ 454,938	\$ 817,833	\$ 8,491,390	\$ 12,277,755	\$ 12,564,072	\$ 5,348,676	\$ 6,639,021	\$ 98,173,881

LIABILITIES AND FUND BALANCES

LIABILITIES										
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
Total liabilities	3,568,312	295,408	14,844	42,793	--	564,235	11,235,670	--	386,416	16,107,678
FUND BALANCES										
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
Total fund balances	37,954,767	9,761,709	440,094	775,040	8,491,390	11,713,520	1,328,402	5,348,676	6,252,605	82,066,203
TOTAL LIABILITIES AND FUND BALANCES	\$ 41,523,079	\$ 10,057,117	\$ 454,938	\$ 817,833	\$ 8,491,390	\$ 12,277,755	\$ 12,564,072	\$ 5,348,676	\$ 6,639,021	\$ 98,173,881

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
REVENUES										
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>
EXPENDITURES										
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>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<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>
OTHER FINANCING SOURCES (USES)										
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>
NET CHANGE IN FUND BALANCES	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
FUND BALANCES, BEGINNING OF YEAR	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
FUND BALANCES, END OF YEAR	<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
TOTAL ASSETS	<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

LIABILITIES							
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
Total liabilities	<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>
FUND BALANCES							
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
TOTAL FUND BALANCES	<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>
TOTAL LIABILITIES AND FUND BALANCES	<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
REVENUES							
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
Total revenues	2,069,034	2,602,181	742,851	36,656	1,261,469	2,369,483	9,081,674
EXPENDITURES							
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
Total current	884,930	1,668,319	43,033	--	--	8,797	2,605,079
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
Total capital outlay	2,700,000	202,955	637,381	--	1,261,469	80	4,801,885
Total expenditures	3,584,930	1,871,274	680,414	--	1,261,469	8,877	7,406,964
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,515,896)	730,907	62,437	36,656	--	2,360,606	1,674,710
OTHER FINANCING SOURCES (USES)							
Land sales	326,968	--	--	--	--	--	326,968
Transfers in	--	17,000	--	--	--	--	17,000
Transfers out	(527)	(436,259)	--	--	--	(2,358,955)	(2,795,741)
Total other financing sources (uses)	326,441	(419,259)	--	--	--	(2,358,955)	(2,451,773)
NET CHANGE IN FUND BALANCES	(1,189,455)	311,648	62,437	36,656	--	1,651	(777,063)
FUND BALANCES, BEGINNING OF YEAR	26,726,727	2,665,923	7,403,591	135,750	535,095	3,339,168	40,806,254
FUND BALANCES, END OF YEAR	\$ 25,537,272	\$ 2,977,571	\$ 7,466,028	\$ 172,406	\$ 535,095	\$ 3,340,819	\$ 40,029,191

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
REVENUES			
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>
EXPENDITURES			
GENERAL GOVERNMENT			
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

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
GENERAL GOVERNMENT (continued)			
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>
JUDICIAL			
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>
PUBLIC SAFETY			
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
PUBLIC SAFETY (continued)			
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>
 PUBLIC WORKS			
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>
 CULTURE AND RECREATION			
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
REVENUES			
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
EXPENDITURES			
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
NET CHANGE IN FUND BALANCES	4,866,404	9,337,246	4,470,842
FUND BALANCE, BEGINNING OF YEAR	28,617,520	28,617,521	1
FUND BALANCE, END OF YEAR	\$ 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
REVENUES			
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
EXPENDITURES			
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
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,187,661)	616,857	1,804,518
OTHER FINANCING USES			
Transfers out	(180,000)	(317,673)	(137,673)
NET CHANGE IN FUND BALANCES	(1,367,661)	299,184	1,666,845
FUND BALANCE, BEGINNING OF YEAR	9,462,525	9,462,525	--
FUND BALANCE, END OF YEAR	\$ 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	281,264	223,749	57,515
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	<u>\$ 670,000</u>	<u>\$ 771,368</u>	<u>\$ 101,368</u>
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	<u>192,865</u>	<u>106,517</u>	<u>86,348</u>
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><u>\$ 587,852</u></u>	<u><u>\$ 775,040</u></u>	<u><u>\$ 187,188</u></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
REVENUES			
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>
EXPENDITURES			
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>
OTHER FINANCING SOURCES (USES)			
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	<u>(2,508,043)</u>	<u>1,350,708</u>	<u>3,858,751</u>
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>