

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the City of Henderson, Nevada, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Henderson, Nevada's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Henderson, Nevada as of June 30, 1998 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 1998 on our consideration of the City of Henderson, Nevada's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Henderson, Nevada, taken as a whole. The accompanying combining, individual fund and account group financial statements and the schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The statistical section has been furnished to us and was not subjected to the auditing procedures applied in the audit of the general purpose financial statements. Accordingly, we do not express an opinion on the statistical section.

Kafoury, Armstrong & Co.

Reno, Nevada
September 30, 1998

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF HENDERSON, NEVADA

ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET
JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS AND OTHER DEBITS	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	1998	1997
ASSETS:											
Cash and investments	\$ 20,479,776	\$ 5,300,021	\$ 32,821,554	\$ 121,923,407	\$ 136,021,787	\$ 15,428,459	\$ 7,471,835	\$ -	\$ -	\$ 339,446,839	\$ 250,552,578
Receivables:											
Accounts	2,061,498	-	-	7,579	6,536,853	41,458	-	-	-	8,647,388	6,994,792
Special assessments	-	-	139,042,933	-	-	-	-	-	-	139,042,933	149,082,645
Interest	150,250	60,122	217,796	287,521	2,006,398	193,156	58,752	-	-	2,973,995	4,741,440
Property tax - delinquent	122,900	-	147,036	47,636	-	-	-	-	-	317,572	222,949
Notes	-	-	-	-	-	6,318	-	-	-	6,318	5,878
Due from other funds	367,508	-	-	-	-	1,162,300	-	-	-	1,529,808	429,141
Due from other governments	9,183,747	331,282	121,501	1,316,476	-	74,210	-	-	-	11,027,216	8,705,521
Land held for resale	-	4,396,571	-	-	-	-	-	-	-	4,396,571	1,983,207
Inventory-bulk fuel	-	-	-	-	-	15,336	-	-	-	15,336	15,336
Deposits	-	-	-	315,052	-	3,530	-	-	-	318,582	243,265
Advances to other funds	-	-	-	-	-	343,923	-	-	-	343,923	389,779
Restricted assets:											
Cash and investments	-	-	-	-	3,918,184	-	-	-	-	3,918,184	3,573,885
Banked water	-	-	-	-	3,553,928	-	-	-	-	3,553,928	2,910,563
Property, plant and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-	276,368,519	8,873,114	-	134,158,866	-	419,400,499	378,864,491
Notes receivable (net of current portion)	-	-	-	-	6,000,000	14,092	-	-	-	6,014,092	2,503,071
OTHER DEBITS:											
Amount available in Debt Service Fund	-	-	-	-	-	-	-	-	33,143,060	33,143,060	33,539,378
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	266,671,301	266,671,301	216,612,093
TOTAL ASSETS AND OTHER DEBITS	\$ 32,365,679	\$ 10,087,996	\$ 172,350,820	\$ 123,897,671	\$ 434,405,669	\$ 26,155,896	\$ 7,530,587	\$ 134,158,866	\$ 299,814,361	\$ 1,240,767,545	\$ 1,061,370,012

(Continued)

CITY OF HENDERSON, NEVADA

ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET (Continued)
 JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

LIABILITIES, EQUITY, AND OTHER CREDITS	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	1998	1997
LIABILITIES:											
Accounts payable and accrued wages	\$ 5,230,644	\$ 99,899	\$ 1,036	\$ 664,585	\$ 4,072,417	\$ 666,856	\$ -	\$ -	\$ -	\$ 10,735,437	\$ 9,357,368
Compensated absences payable	362,512	-	-	-	1,150,316	1,242,724	-	-	8,358,009	11,113,561	9,666,610
Claims and judgments payable	-	-	-	-	-	1,094,959	-	-	-	1,094,959	1,155,116
Construction contracts	62,011	-	-	1,267,188	1,374,354	-	-	-	-	2,703,553	1,534,385
Capital lease obligations - current	-	-	-	-	-	162,401	-	-	-	162,401	219,459
Matured bonds principal and interest	-	-	16,755	-	-	-	-	-	-	16,755	36,756
Deposits	1,017,771	-	-	104,775	-	-	-	-	-	1,122,546	1,113,843
Payable from restricted assets:											
Customer deposits	-	-	-	-	114,842	-	-	-	-	114,842	91,823
Construction deposits	-	-	-	-	195,674	-	-	-	-	195,674	148,240
Accrued bond interest	-	-	-	-	1,166,720	-	-	-	-	1,166,720	1,065,657
Current portion of bonds	-	-	-	-	4,678,499	-	-	-	-	4,678,499	4,917,746
Due to other governments	944,157	-	-	-	-	-	-	-	-	944,157	712,509
Due to other funds	833,370	-	-	367,508	26,732	302,198	-	-	-	1,529,808	429,141
Due to developers	-	-	-	-	-	-	3,254,282	-	-	3,254,282	1,872,632
Due to employees	-	-	-	-	-	-	31,277	-	-	31,277	33,742
Due to others	-	-	-	-	-	-	98,961	-	-	98,961	40,638
Advances from other funds	-	-	-	343,923	-	-	-	-	-	343,923	389,779
Provisional credits	-	-	-	-	423,247	-	-	-	-	423,247	432,132
General obligation bonds payable, net	-	-	-	-	96,549,951	-	-	-	129,805,000	226,354,951	177,084,142
Arbitrage rebate tax	-	-	-	355,666	-	-	-	-	-	355,666	31,086
Capital lease obligations	-	-	-	-	-	80,964	-	-	1,073,662	1,154,626	1,055,821
Special assessment bonds payable, with governmental commitment	-	-	-	-	-	-	-	-	142,210,000	142,210,000	151,415,000
Deferred revenues	306,660	-	139,042,933	58,870	-	-	-	-	-	139,408,463	149,326,790
Deferred revenues - property taxes	122,900	-	147,036	47,636	-	-	-	-	-	317,572	222,949
Notes payable	-	-	-	-	-	-	-	-	6,367,690	6,367,690	2,500,000
Landfill postclosure costs	-	-	-	-	-	-	-	-	12,000,000	12,000,000	12,000,000
Total liabilities	8,880,025	99,899	139,207,760	3,210,151	109,752,752	3,550,102	3,384,520	-	299,814,361	567,899,570	526,853,364
EQUITY AND OTHER CREDITS:											
Contributed capital	-	-	-	-	324,071,488	9,196,897	-	-	-	333,268,385	286,603,417
Investment in general fixed assets	-	-	-	-	-	-	-	134,158,866	-	134,158,866	115,749,993
Net assets - pool participants	-	-	-	-	-	-	3,102,261	-	-	3,102,261	2,137,496
Retained earnings:											
Unreserved	-	-	-	-	581,429	7,100,132	-	-	-	7,681,561	5,686,749
Reserve for future claims	-	-	-	-	-	6,308,765	-	-	-	6,308,765	5,458,285
Fund Balance:											
Reserved for encumbrances	1,117,348	-	-	-	-	-	-	-	-	1,117,348	981,436
Reserved for note receivable	-	-	-	-	-	-	-	-	-	-	2,500,000
Reserved for advances to other funds	-	-	-	-	-	-	-	-	-	-	389,779
Reserved for repairs	-	384,787	-	-	-	-	-	-	-	384,787	73,981
Reserved for debt service	-	-	33,143,060	-	-	-	-	-	-	33,143,060	33,494,269
Reserved for sinking fund	-	-	-	-	-	-	1,043,806	-	-	1,043,806	821,251
Reserved for deposits	-	-	-	315,052	-	-	-	-	-	315,052	240,052
Reserved for land held for resale	-	4,396,571	-	-	-	-	-	-	-	4,396,571	-
Unreserved - undesignated	22,368,306	5,206,739	-	120,372,468	-	-	-	-	-	147,947,513	80,379,940
Total equity and other credits	23,485,654	9,988,097	33,143,060	120,687,520	324,652,917	22,605,794	4,146,067	134,158,866	-	672,867,975	534,516,648
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 32,365,679	\$ 10,087,996	\$ 172,350,820	\$ 123,897,671	\$ 434,405,669	\$ 26,155,896	\$ 7,530,587	\$ 134,158,866	\$ 299,814,361	\$ 1,240,767,545	\$ 1,061,370,012

See notes to financial statements.

CITY OF HENDERSON, NEVADA

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum only)	
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	1998	1997
REVENUES:							
Property taxes	\$ 10,247,627	\$ 487,963	\$ 9,051,966	\$ 306,644	\$ -	\$ 20,094,200	\$ 17,679,388
Franchise fees	8,287,523	-	-	-	-	8,287,523	6,887,730
Licenses and permits	8,129,130	-	-	-	-	8,129,130	6,901,812
Intergovernmental	48,347,171	1,327,076	-	3,549,798	-	53,224,045	46,540,307
Charges for services	8,521,274	-	-	-	-	8,521,274	6,652,160
Fines and forfeits	1,379,404	219,738	-	-	-	1,599,142	1,330,029
Developer contributions	-	5,000	-	657,728	106,080	768,808	627,646
Impact fees	-	-	-	1,643,077	-	1,643,077	1,484,460
Special assessments	-	-	8,841,083	-	-	8,841,083	10,450,756
Miscellaneous	1,654,382	320,454	11,857,572	6,971,897	55,028	20,859,333	18,485,769
Total revenues	86,566,511	2,360,231	29,750,621	13,129,144	161,108	131,967,615	117,040,057
EXPENDITURES:							
Current:							
General government	20,275,789	259,165	-	-	-	20,534,954	17,519,663
Judicial	1,988,504	-	-	-	-	1,988,504	1,797,149
Public safety	38,857,953	-	-	-	-	38,857,953	34,031,028
Highways and streets	4,714,164	-	-	-	-	4,714,164	4,168,418
Culture and recreation	10,484,248	-	-	-	-	10,484,248	9,196,625
Capital outlay	-	1,540,362	-	20,438,064	-	21,978,426	54,414,751
Debt service:							
Principal retirement	-	2,500,000	14,085,000	-	-	16,585,000	14,550,000
Interest and fiscal charges	-	162,500	17,684,199	-	-	17,846,699	16,029,338
Administrative and other costs	-	-	365,327	-	-	365,327	282,917
Total expenditures	76,320,658	4,462,027	32,134,526	20,438,064	-	133,355,275	151,989,889
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,245,853	(2,101,796)	(2,383,905)	(7,308,920)	161,108	(1,387,660)	(34,949,832)

(Continued)

CITY OF HENDERSON, NEVADA

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	1998	1997
OTHER FINANCING SOURCES (USES):							
Land sales	\$ -	\$ -	\$ -	\$ 2,364,341	\$ -	\$ 2,364,341	\$ 258,643
Proceeds of refunding bonds	-	-	-	-	-	-	10,530,000
Proceeds from issuance of debt	367,690	6,000,000	-	58,687,427	-	65,055,117	16,810,310
Proceeds from capital leases	389,866	-	-	-	-	389,866	45,615
Payment to escrow agent-refunded bonds	-	-	-	-	-	-	(10,526,150)
Operating transfers in	10,198,927	334,492	4,650,463	6,615,860	60,000	21,859,742	14,215,269
Operating transfers out	(7,547,375)	(220,640)	(2,617,767)	(6,892,667)	-	(17,278,449)	(15,689,095)
Total other financing sources	<u>3,409,108</u>	<u>6,113,852</u>	<u>2,032,696</u>	<u>60,774,961</u>	<u>60,000</u>	<u>72,390,617</u>	<u>15,644,592</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	13,654,961	4,012,056	(351,209)	53,466,041	221,108	71,002,957	(19,305,240)
FUND BALANCES, BEGINNING OF YEAR, RESTATED	9,830,693	7,511,569	33,494,269	67,221,479	822,698	118,880,708	138,185,948
RESIDUAL EQUITY TRANSFER OUT	-	(1,535,528)	-	-	-	(1,535,528)	-
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 23,485,654</u>	<u>\$ 9,988,097</u>	<u>\$ 33,143,060</u>	<u>\$ 120,687,520</u>	<u>\$ 1,043,806</u>	<u>\$ 188,348,137</u>	<u>\$ 118,880,708</u>

See notes to financial statements.

CITY OF HENDERSON, NEVADA

GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	General Fund			Special Revenue Funds		
	Budget (GAAP Basis)	Actual	Variance Favorable (Unfavorable)	Budget (GAAP Basis)	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Property taxes	\$ 10,785,847	\$ 10,247,627	\$ (538,220)	\$ 853,201	\$ 487,963	\$ (365,238)
Franchise fees	7,434,776	8,287,523	852,747	-	-	-
Licenses and permits	7,884,660	8,129,130	244,470	-	-	-
Intergovernmental	46,571,007	48,347,171	1,776,164	1,042,000	1,327,076	285,076
Charges for services	8,444,221	8,521,274	77,053	-	-	-
Fines and forfeits	1,334,312	1,379,404	45,092	251,000	219,738	(31,262)
Developer contributions	-	-	-	-	5,000	5,000
Miscellaneous	1,151,646	1,654,382	502,736	448,382	320,454	(127,928)
Total revenues	<u>83,606,469</u>	<u>86,566,511</u>	<u>2,960,042</u>	<u>2,594,583</u>	<u>2,360,231</u>	<u>(234,352)</u>
EXPENDITURES:						
Current:						
General government	21,475,499	20,275,789	1,199,710	511,283	259,165	252,118
Judicial	2,006,581	1,988,504	18,077	-	-	-
Public safety	39,103,988	38,857,953	246,035	-	-	-
Highways and streets	5,650,656	4,714,164	936,492	-	-	-
Culture and recreation	11,014,597	10,484,248	530,349	-	-	-
Capital outlay	-	-	-	2,566,189	1,540,362	1,025,827
Debt service:						
Principal retirement	-	-	-	-	2,500,000	(2,500,000)
Interest and fiscal charges	-	-	-	-	162,500	(162,500)
Total expenditures	<u>79,251,321</u>	<u>76,320,658</u>	<u>2,930,663</u>	<u>3,077,472</u>	<u>4,462,027</u>	<u>(1,384,555)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,355,148</u>	<u>10,245,853</u>	<u>5,890,705</u>	<u>(482,889)</u>	<u>(2,101,796)</u>	<u>(1,618,907)</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	-	367,690	367,690	-	6,000,000	6,000,000
Proceeds from capital leases	383,782	389,866	6,084	-	-	-
Operating transfers in	9,564,000	10,198,927	634,927	334,500	334,492	(8)
Operating transfers out	(9,529,071)	(7,547,375)	1,981,696	-	(220,640)	(220,640)
Total other financing sources	<u>418,711</u>	<u>3,409,108</u>	<u>2,990,397</u>	<u>334,500</u>	<u>6,113,852</u>	<u>5,779,352</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>4,773,859</u>	<u>13,654,961</u>	<u>8,881,102</u>	<u>(148,389)</u>	<u>4,012,056</u>	<u>4,160,445</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	9,826,432	9,830,693	4,261	7,504,277	7,511,569	7,292
RESIDUAL EQUITY TRANSFER OUT	-	-	-	(1,535,528)	(1,535,528)	-
FUND BALANCES, END OF YEAR	<u>\$ 14,600,291</u>	<u>\$ 23,485,654</u>	<u>\$ 8,885,363</u>	<u>\$ 5,820,360</u>	<u>\$ 9,988,097</u>	<u>\$ 4,167,737</u>

(Continued)

CITY OF HENDERSON, NEVADA

GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUND TYPES

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1998**

	Debt Service Funds			Capital Projects Funds		
	Budget (GAAP Basis)	Actual	Variance Favorable (Unfavorable)	Budget (GAAP Basis)	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Property taxes	\$ 9,217,090	\$ 9,051,966	\$ (165,124)	\$ 425,000	\$ 306,644	\$ (118,356)
Intergovernmental	-	-	-	9,323,787	3,549,798	(5,773,989)
Land sales	-	-	-	2,369,970	-	(2,369,970)
Developer contributions	-	-	-	700,000	657,728	(42,272)
Impact fees	-	-	-	1,550,000	1,643,077	93,077
Special assessments	408,600	8,841,083	8,432,483	-	-	-
Miscellaneous	10,560,356	11,857,572	1,297,216	8,338,776	6,971,897	(1,366,879)
Total revenues	<u>20,186,046</u>	<u>29,750,621</u>	<u>9,564,575</u>	<u>22,707,533</u>	<u>13,129,144</u>	<u>(9,578,389)</u>
EXPENDITURES:						
Capital outlay	-	-	-	61,741,500	20,438,064	41,303,436
Debt service:						
Principal retirement	14,085,000	14,085,000	-	-	-	-
Interest and fiscal charges	17,667,070	17,684,199	(17,129)	-	-	-
Administrative and other costs	584,291	365,327	218,964	-	-	-
Total expenditures	<u>32,336,361</u>	<u>32,134,526</u>	<u>201,835</u>	<u>61,741,500</u>	<u>20,438,064</u>	<u>41,303,436</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(12,150,315)</u>	<u>(2,383,905)</u>	<u>9,766,410</u>	<u>(39,033,967)</u>	<u>(7,308,920)</u>	<u>31,725,047</u>
OTHER FINANCING SOURCES (USES):						
Land sales	-	-	-	-	2,364,341	2,364,341
Proceeds from issuance of debt	-	-	-	40,187,427	58,687,427	18,500,000
Operating transfers in	4,633,391	4,650,463	17,072	6,792,621	6,615,860	(176,761)
Operating transfers out	(810,024)	(2,617,767)	(1,807,743)	(6,868,577)	(6,892,667)	(24,090)
Total other financing sources	<u>3,823,367</u>	<u>2,032,696</u>	<u>(1,790,671)</u>	<u>40,111,471</u>	<u>60,774,961</u>	<u>20,663,490</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(8,326,948)</u>	<u>(351,209)</u>	<u>7,975,739</u>	<u>1,077,504</u>	<u>53,466,041</u>	<u>52,388,537</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>33,539,378</u>	<u>33,494,269</u>	<u>(45,109)</u>	<u>67,203,663</u>	<u>67,221,479</u>	<u>17,816</u>
FUND BALANCES, END OF YEAR	<u>\$ 25,212,430</u>	<u>\$ 33,143,060</u>	<u>\$ 7,930,630</u>	<u>\$ 68,281,167</u>	<u>\$ 120,687,520</u>	<u>\$ 52,406,353</u>

See notes to financial statements.

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CITY OF HENDERSON, NEVADA

ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Enterprise	Internal Service	Totals (Memorandum only)	
			1998	1997
OPERATING REVENUES:				
Charges for services	\$ -	\$ 13,725,803	\$ 13,725,803	\$ 10,489,676
Utility fees	36,451,514	-	36,451,514	33,287,716
Connection fees	1,234,127	-	1,234,127	623,486
Developer contributions	361,227	-	361,227	206,782
Late charges	565,713	-	565,713	497,333
Rental fees	210,024	-	210,024	216,155
Licenses - gaming	461,946	-	461,946	206,247
Room tax	226,718	-	226,718	42,046
Miscellaneous	108,300	-	108,300	112,215
Total operating revenues	39,619,569	13,725,803	53,345,372	45,681,656
OPERATING EXPENSES:				
Salaries, wages and benefits	8,369,451	5,617,546	13,986,997	12,137,693
Water purchases	8,311,174	-	8,311,174	8,632,646
Services and supplies	12,331,941	3,381,120	15,713,061	14,722,565
Claims	-	2,546,835	2,546,835	1,870,983
Legal fees	-	107,341	107,341	275,299
Depreciation	7,841,621	2,331,656	10,173,277	8,823,543
Total operating expenses	36,854,187	13,984,498	50,838,685	46,462,729
OPERATING INCOME (LOSS)	2,765,382	(258,695)	2,506,687	(781,073)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	8,360,409	759,364	9,119,773	7,536,044
Interest expense	(5,113,136)	(27,029)	(5,140,165)	(5,699,285)
Miscellaneous	28,265	335,892	364,157	366,143
Gain (loss) on the disposition of assets	(29,658)	231,339	201,681	23,276
Total nonoperating revenues	3,245,880	1,299,566	4,545,446	1,999,482
INCOME BEFORE OPERATING TRANSFERS	6,011,262	1,040,871	7,052,133	1,218,409
OPERATING TRANSFERS:				
Operating transfers in	-	3,044,686	3,044,686	2,012,595
Operating transfers out	(7,472,171)	(153,808)	(7,625,979)	(538,769)
Total operating transfers	(7,472,171)	2,890,878	(4,581,293)	1,473,826
NET INCOME (LOSS)	(1,460,909)	3,931,749	2,470,840	2,692,235
CURRENT YEAR'S DEPRECIATION OF FEDERAL GRANTS TRANSFERRED TO CONTRIBUTED CAPITAL	374,452	-	374,452	376,022
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	1,667,886	9,477,148	11,145,034	7,850,081
RETAINED EARNINGS, END OF YEAR, RESTATED	\$ 581,429	\$ 13,408,897	\$ 13,990,326	\$ 11,145,034

See notes to financial statements.

CITY OF HENDERSON, NEVADA

ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Enterprise	Internal Service	Totals (Memorandum only)	
			1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 38,945,861	\$ 3,472,492	\$ 42,418,353	\$ 35,787,199
Cash received from quasi-external operating transactions	-	9,137,913	9,137,913	9,022,036
Cash from other sources	28,265	401,075	429,340	366,918
Cash payments to suppliers for goods and services	(21,860,039)	(7,045,934)	(28,905,973)	(26,412,024)
Cash payments to employees for services	(6,085,196)	(4,228,279)	(10,313,475)	(9,232,663)
Net cash provided by operating activities	<u>11,028,891</u>	<u>1,737,267</u>	<u>12,766,158</u>	<u>9,531,466</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	-	3,044,686	3,044,686	2,012,595
Operating transfers out	(7,472,171)	(153,808)	(7,625,979)	(538,769)
Net cash provided by (used for) noncapital financing activities	<u>(7,472,171)</u>	<u>2,890,878</u>	<u>(4,581,293)</u>	<u>1,473,826</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of banked water	(643,365)	-	(643,365)	(198,887)
Acquisition and construction of fixed assets	(11,713,143)	(2,162,683)	(13,875,826)	(9,625,892)
Amounts used for advance refunding	-	-	-	(18,800,850)
Principal payments on bonds and lease obligations	(4,917,746)	(219,458)	(5,137,204)	(4,421,074)
Interest paid on bonds and leases	(4,685,165)	(27,029)	(4,712,194)	(5,507,778)
Decrease in provisional credits	(13,327)	-	(13,327)	(7,550)
Proceeds from sale of fixed assets	1,236,557	249,846	1,486,403	37,208
Capital contributions	26,868,781	-	26,868,781	25,921,734
Proceeds from issuance of debt	-	-	-	19,053,091
Residual equity transfer from special revenue fund	-	1,147,888	1,147,888	-
Net cash provided by (used for) capital and related financing activities	<u>6,132,592</u>	<u>(1,011,436)</u>	<u>5,121,156</u>	<u>6,450,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Loans made to others	(6,000,000)	-	(6,000,000)	-
Interest on investments	6,435,800	566,209	7,002,009	7,548,075
Net cash provided by investing activities	<u>435,800</u>	<u>566,209</u>	<u>1,002,009</u>	<u>7,548,075</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,125,112	4,182,918	14,308,030	25,003,369
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	<u>129,814,859</u>	<u>11,245,541</u>	<u>141,060,400</u>	<u>116,057,031</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	<u>\$ 139,939,971</u>	<u>\$ 15,428,459</u>	<u>\$ 155,368,430</u>	<u>\$ 141,060,400</u>

(Continued)

CITY OF HENDERSON, NEVADA

ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals</u>	
			<u>(Memorandum only)</u>	
			<u>1998</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 2,765,382	\$ (258,695)	\$ 2,506,687	\$ (781,073)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,841,621	2,331,656	10,173,277	8,823,543
Miscellaneous revenues	28,265	335,892	364,157	366,143
Bond discount	-	-	-	385,576
(Increase) decrease in accounts receivable	(673,708)	40,916	(632,792)	(1,020,091)
(Increase) decrease in notes receivable	-	(11,461)	(11,461)	5,543
Decrease in advances to other funds	-	45,856	45,856	-
Increase in due from other funds	-	(1,121,394)	(1,121,394)	-
(Increase) in prepaid items	-	-	-	138,996
Decrease in water rights	-	-	-	6,250,000
(Increase) decrease in due from other governments	-	(3,815)	(3,815)	68,642
(Increase) decrease in inventory	-	-	-	(2,071)
Increase in deposits	-	(317)	(317)	-
Increase (decrease) in accounts payable and accrued wages	810,419	(31,641)	778,778	1,054,017
Increase in compensated absences payable	159,727	168,229	327,956	152,120
Increase (decrease) in claims and judgments payable	-	(60,157)	(60,157)	92,309
Increase in amounts payable from restricted accounts	70,453	-	70,453	61,562
Increase in due to other funds	26,732	302,198	328,930	-
Decrease in due to joint venture	-	-	-	(6,063,750)
Total adjustments	<u>8,263,509</u>	<u>1,995,962</u>	<u>10,259,471</u>	<u>10,312,539</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 11,028,891</u>	<u>\$ 1,737,267</u>	<u>\$ 12,766,158</u>	<u>\$ 9,531,466</u>

NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Convention Center Fund received contributions of fixed assets from other funds totaling \$166,560 for the year ended June 30, 1998.
 The Water Fund received contributions of fixed assets totaling \$8,132,725 and \$11,969,908 for the years ended June 30, 1998 and 1997, respectively.
 The Sewer Fund received contributions of fixed assets totaling \$8,469,715 and \$8,517,871 for the years ended June 30, 1998 and 1997, respectively.
 The Engineering Fund received contributions of fixed assets from other funds totaling \$91,879 for the year ended June 30, 1998.
 The City Shop Fund received contributions of fixed assets from other funds totaling \$1,776,535 and \$1,150,074 for the years ended June 30, 1998 and 1997, respectively.
 The Revolving Fund received an advance from other funds totaling \$389,779 for the year ended June 30, 1998.

See notes to financial statements.

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CITY OF HENDERSON, NEVADA
INVESTMENT TRUST FUND
COMBINED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1998

Net increase in net assets resulting from operations:	
Investment income	\$ 139,459
Net increase in fair value of investments	21,169
Capital share transactions	<u>804,137</u>
Total income	964,765
Net assets, beginning of year	<u>2,137,496</u>
Net assets, end of year	<u><u>\$ 3,102,261</u></u>

See notes to financial statements.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1998

I. 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 generally accepted accounting principles (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 all the fund types and account groups of the City and its component unit. Blended component units, although legally separate entities, are in substance, part of the City's operations and so 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 Henderson Redevelopment Agency were identified.

The 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 Finance Department, 240 Water Street, Henderson, Nevada 89015.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The following fund types and account groups are used by the City:

Governmental Funds - are used to account for the City's general government activities. Governmental Fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Governmental Funds (continued)

The major revenues susceptible to accrual are property taxes, special assessments, sales taxes, cigarette taxes, motor vehicle privilege taxes, liquor taxes, gaming taxes, gasoline taxes and interest revenue. Licenses and permits, franchise fees, charges for services and fines and forfeits are not susceptible to accrual because generally they are not measurable until received in cash.

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

The City reports deferred revenue on its combined, combining and individual fund balance sheets. Deferred revenues arise when a 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.

Governmental Funds include the following fund types:

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 **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **debt service funds** account for the servicing of general long-term debt not being financed by proprietary funds.

The **capital projects funds** account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting", the City applies all applicable FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements issued after November 30, 1989.

Proprietary Funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The trust fund accounts for assets held by the City under the terms of a formal trust agreement.

The **expendable trust fund** is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The **investment trust fund** is accounted for in essentially the same manner as proprietary fund types, using the full accrual basis of accounting. This fund is used to account for assets of governmental external investment pools.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the City holds for others in an agency capacity.

Account Groups. The **General Fixed Assets Account Group** is used to account for fixed assets not accounted for in proprietary or trust funds. The **General Long-Term Debt Account Group** is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Cash and Investments

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

Cash and cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments with original maturities of three months or less, from the date of acquisition, which are readily convertible to cash.

State statutes authorize the City to invest in obligations of the U.S. Treasury, repurchase agreements, bankers acceptances, commercial paper and negotiable certificates of deposit. 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 "interfund receivable / payable" (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."

3. Property Taxes

The Clark County Assessor assesses all real and personal 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 (Continued) FOR THE YEAR ENDED JUNE 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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. Inventories

The City maintains material inventory balances in one of its proprietary funds. Inventory in the City Shop Internal Service Fund consists of motor vehicle fuel which is an expendable supply held for consumption. It is valued at the lower of cost or market cost and the City uses the first-in first-out basis in determining cost. No other funds have inventories which are material.

5. 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.

6. Property, Plant, & Equipment

Property, plant and equipment purchased in all funds, except for the Proprietary Funds, are recorded as expenditures at the time of purchase and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at historical cost. Donated assets are recorded at their estimated fair market value on the date donated. Public domain (infrastructure) general fixed assets, consisting of improvements such as bridges, curbs and gutters, streets and sidewalks are not capitalized in the General Fixed Assets Account Group. No depreciation has been provided on the general fixed assets.

Property, plant and equipment of the Proprietary Funds are recorded at cost including capitalized interest incurred during the construction phase on debt financed projects. Assets contributed from the General Fixed Assets Account Group or from other Proprietary Funds are recorded at their net book value but not to exceed their estimated fair market value on the date of contribution. Assets donated from individuals or other sources are also recorded at their estimated fair market value on the date donated. Depreciation is computed using the straight-line method for all assets over the estimated useful lives of the assets, which are:

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities and Equity (continued)

6. Property, Plant & Equipment (continued)

<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

7. Banked Water

During 1994, the City entered into a Cooperative Agreement ("Edison Contract") to recharge underground storage aquifers among Southern Nevada Municipal Water Purveyors, (the "Purveyors"). The Purveyors desire to create an arrangement intended to allow each Purveyor, if it so chooses, to have stored for its account in the Las Vegas Valley groundwater basin by July 1, 2006 approximately the total quantity of water that the Purveyor will be obligated to make available to Southern California Edison Company from July 2, 2006 through July 1, 2026 pursuant to the Edison Contract. The City believes this program will provide an economical source of future supply for customers. The City believes the inventory method of accounting for recharged water will match the water cost with future revenues related thereto.

8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested or accumulated vacation leave and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

9. 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.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities and Equity (continued)

10. Long-Term Debt

The City records long-term debt of governmental funds in the General Long-Term Debt Account Group. Other governmental fund obligations not expected to be financed with current available financial resources are also recorded in the General Long-Term Debt Account Group. Long-term debt and other obligations financed by proprietary funds are recorded as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received are reported as debt service expenditures. For proprietary fund types, 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. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

11. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

12. Memorandum Only-Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

13. Comparative Data and Reclassifications

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are legally adopted for all funds except the Investment Trust and Agency Funds and use a basis of accounting consistent with generally accepted accounting principles. Encumbrance accounting is employed as an extension of formal budget integration in the governmental fund types. Encumbrances are commitments to unperformed (executory) contracts for goods and services such as open purchase orders. They are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed. While all appropriations lapse at fiscal year end, outstanding encumbrances (reported as a reservation of fund balance) are customarily reauthorized in the subsequent year.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

Prior to April 15, the Finance Director 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 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. Most significant of these changes occurred in the General Fund (\$14,698,888) and the Capital Projects Funds (\$128,088,150). Nevada Law requires budgetary control to be exercised at the function level or, with respect to proprietary funds, the total of operating and non-operating expenses.

B. Excess of Expenditures/Expenses Over Appropriations

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

General Obligation Debt Service Fund	\$ 542
Redevelopment Agency Special Revenue Fund	\$2,398,596

These conditions are allowable for repayment of bonds and medium-term obligations under Nevada Revised Statutes 354.626.

Convention Center Enterprise Fund	\$ 10,003
City Shop Internal Service Fund	\$ 351,203
Self Insurance Internal Service Fund	\$ 208,284
Health Insurance Internal Service Fund	\$ 208,735

The above are apparent violations of Nevada Revised Statutes (NRS) 354.626 as further described in Nevada Administrative Code (NAC) 354.480

C. Deficit Fund Balances/Retained Earnings

As of June 30, 1998, the following funds had deficit fund balances/retained earnings:

Capital Projects Funds:	
HUD Proceeds Fund	\$ 94,444
Flood Control Fund	\$ 178,872
Enterprise Funds:	
Convention Center Fund	\$ 277,003
Sewer Fund	\$1,498,350

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

D. Financial Stabilization Fund

A transfer out of the Financial Stabilization Fund was made during the year. NRS 354.6115 provides that the money in the fund be used only if the total actual revenue of the local government falls short of the total anticipated revenue in the General Fund for the fiscal year in which the local government uses that money. The statute does not require that interest be charged to the fund.

The transfer from the Financial Stabilization Fund to the General Fund included only the investment earnings credited to the fund. The General Fund actual revenues did not fall short of the anticipated revenues for the current fiscal year.

The statute does not specify whether investment earnings voluntarily credited to the fund fall within the definition of what must remain in the fund and as such, the above transfer could be construed as a potential violation of NRS 354.6115.

E. Physical Inventory

Nevada Administrative Code 354.750 requires that each local government conduct a physical inventory of its property and equipment at least once every two years. At least one department in the City has not conducted a complete physical inventory within the past two years. This is a potential violation of the Nevada Administrative Code.

III. CASH AND INVESTMENTS

A. Deposits

State statutes govern the City's deposit policies. City monies must be deposited in insured banks and savings and loan associations within the City. 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. Permissible state investments include obligations of the U.S. Treasury, U.S. agencies and instrumentalities, certificates of deposit, banker's acceptance and repurchase agreements. Allowable City investments are similar except that some state investments are longer term and include securities issued by municipalities outside of Nevada.

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.

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as the external 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.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

III. CASH AND INVESTMENTS (continued)

A. Deposits (continued)

At year-end, the carrying amount of the City's deposits was (\$2,526,260) and the bank balance was \$3,388,416. Of the bank balance, \$300,000 was covered by Federal Depository Insurance and \$3,088,416 was covered by collateral held by the City's agent in the City's name. Cash on hand at June 30, 1998 was \$8,688.

B. Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies having maturity dates that do not extend more than ten years from the date of purchase, the state treasurer's investment pool, negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada, banker's acceptances not exceeding 180 days maturity and eligible by law for rediscount with the Federal Reserve Banks and commercial paper issued by a corporation organized and operating in the U.S. that is purchased from a registered broker-dealer, with a remaining term of less than 270 days rated "A-1", "P-1" or better (purchases of banker's acceptances or commercial paper may not exceed 20 percent of the money available for local government investment). The City's investments are categorized as either (1) insured or registered or securities held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or, (3) uninsured and unregistered for which the securities are held by the counterparty's trust department but not in the City's name as follows:

	Categories			<u>Market Value</u>
	1	2	3	
U.S. Government Securities	\$185,729,626	\$ -	\$ -	\$185,729,626
Commercial Paper	6,420,152	-	-	6,420,152
	\$192,149,778	\$ -	\$ -	192,149,778
Money Market Fund				151,153,990
Investment in Local Government Pooled Investment Fund				2,578,827
Total investments				\$345,882,595

The Local Government Pooled Investment Fund 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.

C. External Investment Pool

The City administers an external investment pool combining a portion of City of Henderson's money with voluntary investments from Henderson District Public Libraries. The City Council has overall responsibility for investment of City funds including the external investment pool in accordance with NRS 355.175. The City of Henderson Chief Investment official is the City's Finance Director under authority delegated by the City Council. The Finance Director may delegate investment responsibilities to finance department staff members. Monthly, Norwest Bank, Charles Schwab Institutional, and the State of Nevada Local Government Pooled Investment Fund each determine the fair value of the pool's investments held by them. Each participant's share is equal to their original investment plus or minus monthly allocation of interest income, and realized an unrealized gains and losses. The City has not provided nor obtained any legally binding guarantees to support the value of shares.

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

III. CASH AND INVESTMENTS (continued)

C. External Investment Pool (continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Principal Amount/ Number of Shares</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>
U.S. Government Securities	\$181,871,072	\$182,685,000	0% - 8.3%	July 1, 1998 - March 27, 2008
Commercial Paper	6,420,152	6,500,000	0% - 6.17%	July 1, 1998- October 1, 1998
Money Market Fund	3,179,208	3,179,208	Variable	July 1, 1998
Local Government Pooled Investment Fund	<u>2,578,827</u>	\$ 2,578,827	Variable	July 1, 1998
Total Pooled Investments	<u>\$194,049,259</u>			

**External Investment Pool Condensed Financial Statements
Statement of Net Assets
June 30, 1998**

ASSETS:

Investments in securities:	
U.S. Government Agencies	\$181,871,072
Commercial Paper	6,420,152
Money Market Fund	3,179,208
Local Government Pooled Investment Fund	2,578,827
Interest receivable	<u>2,815,719</u>

Total assets \$196,864,978

NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS:

Net assets consist of:	
Internal participant shares	\$193,762,717
External participant shares	<u>3,102,261</u>

Total participant shares outstanding (\$1.00 par) \$196,864,978

Price per share (\$196,864,978/196,864,978) \$ 1.00

**Statement of Changes in Net Assets
For the Year Ended June 30, 1998**

Net increase in net assets resulting from operations:	
Investment income	\$ 10,546,345
Net decrease in fair value of investments	(131,498)
Capital share transactions	<u>33,532,965</u>
Total increase	43,947,812
Net assets, beginning of year	<u>152,917,166</u>
Net assets, end of year	<u>\$196,864,978</u>

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

IV. INTERFUND BALANCES

The composition of interfund balances as of June 30, 1998 is as follows:

Due to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	HUD Proceeds – Capital Projects Fund	\$ 208,444
General Fund	Flood Control – Capital Projects Fund	124,484
General Fund	RTC/County Funded – Capital Projects Fund	34,580
Self Insurance – Internal Service Fund	General Fund	833,370
Self Insurance – Internal Service Fund	Convention Center- Enterprise Funds	6,973
Self Insurance – Internal Service Fund	Water – Enterprise Funds	4,649
Self Insurance – Internal Service Fund	Sewer – Enterprise Funds	15,110
Self Insurance – Internal Service Fund	Engineering – Internal Service Funds	<u>302,198</u>
Total		<u><u>\$ 1,529,808</u></u>

Advances to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Revolving Fund – Internal Service Fund	Special Assessment Districts - Capital Projects Fund	<u><u>\$ 343,923</u></u>

V. PROPERTY, PLANT AND EQUIPMENT

Changes in the General Fixed Assets during the year ended June 30, 1998, were as follows:

	<u>Balance July 1, 1997</u>	<u>Additions and Transfers in</u>	<u>Deletions and Transfers out</u>	<u>Completed Construction</u>	<u>Balance June 30, 1998</u>
Land	\$ 7,863,592	\$ 11,383,369	\$ -	\$ 8,634,229	\$ 27,881,190
Buildings	45,745,948	20,940	(18,000)	5,935,510	51,684,398
Improvements other than buildings	18,228,529	323,067	(5,550)	8,685,230	27,231,276
Machinery and equipment	11,467,697	2,071,942	(1,287,574)	976,397	13,228,462
Construction in progress	32,444,227	5,920,679	-	(24,231,366)	14,133,540
Total	<u><u>\$115,749,993</u></u>	<u><u>\$ 19,719,997</u></u>	<u><u>\$ (1,311,124)</u></u>	<u><u>\$ -</u></u>	<u><u>\$134,158,866</u></u>

The following is a summary of proprietary fund type fixed assets for the City at June 30, 1998:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Land	\$ 4,258,550	\$ -	\$ 4,258,550
Buildings	12,920,521	753,377	13,673,898
Improvements other than buildings	301,056,232	227,968	301,284,200
Machinery and equipment	3,749,330	17,857,156	21,606,486
Construction in progress	11,292,691	278,369	11,571,060
Total	<u>333,277,324</u>	<u>19,116,870</u>	<u>352,394,194</u>
Less accumulated depreciation	(56,908,805)	(10,243,756)	(67,152,561)
Net property, plant and equipment	<u><u>\$ 276,368,519</u></u>	<u><u>\$ 8,873,114</u></u>	<u><u>\$ 285,241,633</u></u>

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

VI. LEASES

A. Capital Lease Obligations

The assets acquired through capital leases are as follows:

Asset	General Fixed Assets	Internal Service Fund
Machinery and equipment	\$ 1,721,630	\$ 1,421,124
Less accumulated depreciation	-	378,339
Total	<u>\$ 1,721,630</u>	<u>\$ 1,042,785</u>

The future minimum lease payments for the capital leases and the present value of net minimum lease payments at June 30, 1998, are summarized in the following table:

Year Ending June 30	General Long-Term Debt Account Group	Internal Service Funds
1999	226,152	176,636
2000	226,152	61,493
2001	217,862	25,677
2002	182,814	-
2003	175,575	-
Thereafter	313,956	-
Total minimum lease payments	<u>1,342,511</u>	<u>263,806</u>
Less amount representing interest	<u>268,849</u>	<u>20,441</u>
Present value of net minimum lease payments	<u>\$ 1,073,662</u>	<u>\$ 243,365</u>

VII. LONG-TERM DEBT

A. 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 the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 1998, \$49,045,000 outstanding general obligation bonds are considered defeased.

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

B. Changes to Long-Term Debt:

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

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
General Long-Term Debt Account Group:				
General Obligation Bonds Payable:				
\$3,000,000 1987 Boulder Highway Improvement serial bonds due in annual installment through December 1, 1997; interest varies between 6.9% and 8.5%	\$ 125,000	\$ -	\$ (125,000)	\$ -
\$4,050,000 1988 Park Improvement serial bonds due in annual installments through January 1, 1999; interest varies between 7.0% and 7.25%	325,000	-	(155,000)	170,000
\$1,025,000 1989 Flood Control refunding bonds due in annual installments through February 1, 2005; interest varies between 6.5% and 6.8%	795,000	-	(75,000)	720,000
\$4,215,000 1989 Various Purpose refunding bonds due in annual installments through October 1, 2000; interest varies between 6.20% and 6.90%	1,565,000	-	(345,000)	1,220,000
\$1,310,000 1991 Public Building serial bonds due in annual installments through April 1, 2002; interest varies between 5.55% and 6.8%	85,000	-	-	85,000
\$14,690,000 1991 Public Building serial bonds due in annual installments through April 1, 2004; interest varies between 6.0% and 7.7%	5,175,000	-	(600,000)	4,575,000
\$10,750,000 1992 Refunding and Building serial bonds due in annual installments through November 1, 2006; interest varies between 4.375% and 5.5%	8,695,000	-	(735,000)	7,960,000
\$29,795,000 1993 Refunding and Park serial bonds due in annual installments through May 1, 2013; interest varies between 4.75% and 5.6%	25,320,000	-	(1,340,000)	23,980,000
\$10,250,000 1994 Building serial bonds due in annual installments through March 1, 2004; interest varies between 3.8% and 5.0%	9,040,000	-	(860,000)	8,180,000
\$14,550,000 1997 Building serial bonds due in annual installments through June 1, 2012; interest varies between 4.75% and 6.5%	14,550,000	-	-	14,550,000

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
General Long-Term Debt Account Group (continued):				
General Obligation Bonds Payable (continued):				
\$10,530,000 1997 Refunding serial bonds due in annual installments through April 1, 2011; interest varies between 4.5% and 5.5%	10,510,000	-	(70,000)	10,440,000
\$40,000,000 Parks and Recreation Bonds Series 1997A due in annual installments through June 1, 2017; interest varies between 4.875% to 6.25%	-	40,000,000	(575,000)	39,425,000
\$18,500,000 Building Bonds Series 1997B due in annual installments through June 1, 2007; interest varies between 4.0% to 5.5%	-	18,500,000	-	18,500,000
Special Assessment Bonds Payable:				
\$4,200,000 1990 Improvement District No. 862 serial bonds due in semi-annual installments through August 1, 1997; interest varies between 6.30% and 6.70%	1,470,000	-	(1,470,000)	-
\$7,000,000 1991 Improvement District T-2 bonds due in annual installments through August 1, 2011; interest at 9.50%	6,150,000	-	(205,000)	5,945,000
\$4,932,000 1992 Improvement District No. 818 bonds due in annual installments through April 1, 2002; interest varies between 6.0% and 7.0%	1,705,000	-	(455,000)	1,250,000
\$30,350,000 1993 Improvement District T-4 Series A bonds due in annual installments through November 1, 2012; interest varies between 5.5% and 8.5%	27,260,000	-	(2,910,000)	24,350,000
\$1,795,000 1993 Improvement District T-5 bonds due in annual installments through March 1, 2013; interest at 8.50%	1,625,000	-	(55,000)	1,570,000
\$14,840,000 1993 Improvement District T-6 bonds due in annual installments through November 1, 2013; interest varies between 4.5% and 7.25%	11,830,000	-	(1,005,000)	10,825,000
\$46,000,000 1994 Improvement District T-1 bonds due in annual installments through August 1, 2013; interest at 8.50%	44,555,000	-	(1,300,000)	43,255,000
\$29,650,000 1995 Improvement District T-4 Series B bonds due in annual installments through November 1, 2012; interest varies between 4.25% and 7.3%	26,825,000	-	(1,765,000)	25,060,000

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Special Assessment Bonds Payable (continued):				
\$30,000,000 1996 Improvement District T-10 bonds due in annual installments through August 1, 2015; interest varies between 4.25% and 7.5%	29,995,000	-	(40,000)	29,955,000
Capital Lease Obligations:				
Capital lease payable to Emergency One in annual installments of \$112,046 including principal and interest through May 2005	664,165	-	(64,294)	599,871
Capital lease payable to Advanta Public Finance in monthly installments of \$507 including principal and interest through June 2000	14,986	-	(4,353)	10,633
Capital lease payable to Xerox Corporation in monthly installments of \$2,217 including principal and interest through May 2001	98,343	-	(20,546)	77,797
Capital lease payable to Motorola in annual installments of \$10,652 including principal and interest through March 2001	34,963	-	(7,712)	27,251
Capital lease payable to Xerox Corporation in monthly installments of \$905 including principal and interest through October 2002	-	39,238	(4,323)	34,915
Capital lease payable to the CIT Group in semi-annual installments of \$29,954 principal and interest through February 2005	-	344,544	(21,349)	323,195
Notes Payable:				
\$2,500,000 1997 Henderson Redevelopment Agency note payable; due June 1, 2002; interest rate at 6.5%	2,500,000	-	(2,500,000)	-
\$6,000,000 1998 Henderson Redevelopment Agency note payable; due June 1, 2002; interest rate at 6.5%	-	6,000,000	-	6,000,000
Norwest Bank note payable; due July 31, 1999; interest rate at 6.0%	-	367,690	-	367,690
Compensated Absences Payable	7,239,014	1,118,995	-	8,358,009
Landfill Postclosure Costs	12,000,000	-	-	12,000,000
	<u>250,151,471</u>	<u>66,370,467</u>	<u>(16,707,577)</u>	<u>299,814,361</u>

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Enterprise Fund:				
Bonds Payable:				
\$4,050,000 1989 Sewer serial bonds due in annual installments through January 1, 1999; interest varies between 6.5% and 6.75%	355,000	-	(170,000)	185,000
\$2,025,000 1989 Water serial bonds due in annual installments through January 1, 1999; interest varies between 6.50% and 6.75%	175,000	-	(85,000)	90,000
\$7,221,110 1991 Sewer serial bonds due in semi-annual installments through July 1, 2011; interest at 4.0%	6,438,766	-	(335,281)	6,103,485
\$12,300,000 1992 Sewer serial bonds due in semi-annual installments through January 1, 2012; interest at 4.0%	10,662,724	-	(508,088)	10,154,636
\$26,410,000 1993 Water serial bonds due in annual installments through December 1, 2004; interest varies between 4.25% and 6.375%	5,840,000	-	(230,000)	5,610,000
\$987,525 1993 Water serial bonds due every five years in installments through December 1, 2012; interest varies between 4.85% and 6.50% (interest is due at time principal is paid)	1,266,453	58,688	(490,001)	835,140
\$5,398,000 1993 Water Refunding bonds due in annual installments through June 1 2009; interest varies between 3.90% and 5.375%	4,750,000	-	(336,000)	4,414,000
\$8,097,000 1993 Sewer Refunding bonds due in annual installments through June 1, 2009; interest varies between 3.90% and 5.375%	7,125,000	-	(504,000)	6,621,000
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest rate at 4%	11,270,467	-	(455,378)	10,815,089
\$26,255,000 1994 Water Bonds due in annual installments through December 1, 2008; interest varies between 5.5% and 8.5%	13,240,000	-	(730,000)	12,510,000
\$5,645,000 1994 Sewer Bonds due in annual installments through December 1, 2008; interest varies between 5.5% and 8.5%	2,860,000	-	(160,000)	2,700,000

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Enterprise Fund (continued):				
Bonds Payable (continued):				
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 1, 2015; interest rate at 3.825%	9,047,708	-	(343,999)	8,703,709
\$31,875,000 1997 Water Refunding bonds due in annual installments through September 1, 2017; interest varies between 3.7% and 6.5%	31,875,000	-	(525,000)	31,350,000
\$2,750,000 1997 Sewer Refunding bonds due in annual installments through September 1, 2014; interest varies between 3.7% and 6.5%	2,750,000	-	(45,000)	2,705,000
Unamortized refunding loss	(1,839,230)	-	270,621	(1,568,609)
Arbitrage Rebates	<u>2,400</u>	<u>-</u>	<u>(2,400)</u>	<u>-</u>
	<u>105,819,288</u>	<u>58,688</u>	<u>(4,649,526)</u>	<u>101,228,450</u>
Internal Service Funds:				
Capital Lease Obligations:				
Capital lease payable to Tymco, Inc. in annual payments of \$37,374 including principal and interest through April 1998	35,594	-	(35,594)	-
Capital lease payable to Tymco, Inc. in annual payments of \$37,374 including principal and interest through October 1998	74,594	-	(36,167)	38,427
Capital lease payable to Caterpillar Financial Services in quarterly payments of \$8,179 including principal and interest through December 1998	46,798	-	(30,770)	16,028
Capital lease payable to Caterpillar Financial Services in quarterly payments of \$8,339 including principal and interest through January 1999	55,290	-	(30,945)	24,345
Capital lease payable to Caterpillar Financial Services in quarterly payments of \$8,179 including principal interest through January 1999	54,232	-	(30,353)	23,879
Capital lease payable to EKCC in monthly payments of \$456 including principal and interest through June 16, 1999	9,413	-	(4,661)	4,752

CITY OF HENDERSON, NEVADA

**NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998**

VII. Long-Term Debt (continued):

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

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Internal Service Funds (continued):				
Capital Lease Obligations (continued):				
Capital lease payable to Xerox Corporation in monthly payments of \$1,126 including principal and interest through May 1, 2000	33,448	-	(10,796)	22,652
Capital lease payable to Emergency One in annual payments of \$25,680 including principal and interest through December 2000	67,037	-	(20,792)	46,245
Capital lease payable to Emergency One in annual payments of \$25,680 including principal and interest through July 2001	86,417	-	(19,380)	67,037
	<u>462,823</u>	<u>-</u>	<u>(219,458)</u>	<u>243,365</u>
	356,433,582	66,429,155	(21,576,561)	401,286,176
Less current portion:				
Proprietary Funds:				
Bonds Payable	4,917,746	-	(239,247)	4,678,499
Capital Lease Payable	219,459	-	(57,058)	162,401
Total long-term debt	<u>\$ 351,296,377</u>	<u>\$ 66,429,155</u>	<u>\$ (21,280,256)</u>	<u>\$ 396,445,276</u>

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

VII. Long-Term Debt (continued)

C. Payment requirements for debt service

The annual requirements to pay principal and interest on all bonds, capital lease obligations, and notes payable outstanding are as follows:

Year Ending June 30	General Obligation Bonds	General Obligation Revenue Bonds	Capital Leases	Special Assessment Bonds	Notes Payable	Total
1999	\$ 13,045,580	\$ 9,625,319	\$ 402,788	\$ 17,995,517	\$ 191,691	\$ 41,260,895
2000	13,636,016	9,634,572	287,645	15,946,752	191,691	39,696,676
2001	14,179,614	9,651,090	243,539	15,889,934	-	39,964,177
2002	14,443,768	9,672,141	182,814	15,641,613	7,718,798	47,659,134
2003	14,462,759	9,353,383	175,575	15,438,366	-	39,430,083
Thereafter	117,334,573	102,770,884	313,956	166,244,602	-	386,664,015
Total	<u>\$ 187,102,310</u>	<u>\$ 150,707,389</u>	<u>\$ 1,606,317</u>	<u>\$ 247,156,784</u>	<u>\$ 8,102,180</u>	<u>\$ 594,674,980</u>

D. Special Assessment Bonds

Principal and interest are payable from the assessments levied in each district. With the exception of the Single Developer or "T" district series of local improvement bonds, the City is obligated to honor any deficiencies to the extent that lien foreclosures are insufficient to cover debt requirements. With the T-2, T-4, T-5, T-6, T-1, and T-10 districts, the City's commitment for the local improvement bonds is limited only to the initiation of foreclosure proceedings. District T-2 is also obligated to the extent that it has legally available surplus funds which it shall apply to the purchase of property in the assessment district that is not sold as a result of foreclosure proceedings.

VIII. 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.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

VIII. RETIREMENT PLAN (continued)

Monthly benefit allowances for regular members are computed at 2.5% of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 30 years of accredited police and fire service. A member who retired on or after July 1, 1977 or is an active member whose effective date of membership is before July 1, 1985 and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

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

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

<u>Fiscal year</u>	<u>Contribution Rate</u>		<u>Total Contribution</u>
	<u>Regular Members</u>	<u>Police / Fire</u>	
1997/98	18.75%	27%	\$10,513,142
1996/97	18.75%	27%	\$ 8,764,951
1995/96	18.75%	27%	\$ 7,574,850

PERS issues a publicly available financial report which 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 (702)687-4200.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

IX. MISCELLANEOUS INCOME

Miscellaneous income for all governmental fund types is \$20,804,305.

The most significant portion of that total consists of interest income from investments of \$18,617,859 which was allocated as follows:

General Fund	\$ 582,188
Special Revenue Funds:	
Redevelopment Agency	3,005
Gas Tax	68,610
Forfeited Assets	3,916
Financial Stabilization	150,248
Extraordinary Repairs Capital Improvements	18,175
Total special revenue funds	<u>243,954</u>
Debt Service Funds:	
General Obligation Debt	583,275
Special Assessment Districts	11,131,955
Total debt service funds	<u>11,715,230</u>
Capital Projects Funds:	
Land Sales	190,796
Special Recreation	45,107
Bond Proceeds	2,082,760
Park Development	402,451
Special Assessment Districts	1,945,281
Flood Control	11
Municipal Facilities	1,410,081
Total capital projects funds	<u>6,076,487</u>
Total	<u>\$ 18,617,859</u>

Special Assessment Districts - Debt Service Funds miscellaneous income includes \$9,539,305 in interest on assessments receivable.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

X. CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

	Enterprise Funds			
	Convention Center Fund	Water Fund	Sewer Fund	Total
Contributed capital, July 1, 1997	\$ 4,150,890	\$ 136,003,524	\$ 140,658,187	\$ 280,812,601
Additions/Reductions:				
Developers - tap fees	-	7,299,896	8,102,879	15,402,775
System Development	-	9,169,547	17,699,233	26,868,780
Contributions from other funds	166,560	834,671	360,553	1,361,784
Depreciation on fixed assets acquired by grants	-	-	(374,452)	(374,452)
Net Additions	166,560	17,304,114	25,788,213	43,258,887
Contributed capital, June 30, 1998	\$ 4,317,450	\$ 153,307,638	\$ 166,446,400	\$ 324,071,488

	Internal Service Funds				Total
	Engineering Fund	City Shop Fund	Revolving Fund	Self Insurance Fund	
Contributed capital, July 1, 1997	\$250,391	\$5,085,521	\$ -	\$454,904	\$5,790,816
Contributions from other funds	91,879	1,776,535	1,537,667	-	3,406,081
Contributed capital, June 30, 1998	\$342,270	\$6,862,056	\$1,537,667	\$454,904	\$9,196,897

XI. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains three Enterprise Funds which provide water and sewer service and operate a convention center. Segment information for the year ended June 30, 1998 is as follows:

	Convention Center Fund	Water Fund	Sewer Fund	Total
Operating revenues	\$ 898,688	\$ 25,152,775	\$ 13,568,106	\$ 39,619,569
Depreciation and amortization	\$ 136,514	\$ 3,882,689	\$ 3,822,418	\$ 7,841,621
Operating income	\$ 129,914	\$ 1,787,812	\$ 847,656	\$ 2,765,382
Nonoperating revenues (expenses), net	33,416	944,264	2,268,200	3,245,880
Operating transfer out	-	(2,991,138)	(4,481,033)	(7,472,171)
Net income (loss)	\$ 163,330	\$ (259,062)	\$ (1,365,177)	\$ (1,460,909)
Property, plant and equipment:				
Additions	\$ 197,666	\$ 10,673,213	\$ 18,683,158	\$ 29,554,037
Deletions	\$ 18,077	\$ 1,491,277	\$ 1,012,510	\$ 2,521,864
Total assets	\$ 4,106,931	\$ 213,627,631	\$ 216,671,107	\$ 434,405,669
Working capital	\$ 589,941	\$ 67,928,326	\$ 69,422,952	\$ 137,941,219
Bonds payable	\$ -	\$ 53,477,130	\$ 47,751,320	\$ 101,228,450
Current capital contributions (net)	\$ 166,560	\$ 17,333,982	\$ 25,788,213	\$ 43,288,755
Total fund equity	\$ 4,040,447	\$ 155,664,420	\$ 164,948,050	\$ 324,652,917

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

XII. RISK MANAGEMENT

State and local governments are subject to many types of claims such as workmen'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 maintains \$10,000,000 in excess Commercial General Liability insurance with a \$1,000,000 self-insured retention ("SIR") along with various other property and liability coverage including a \$147.2 million blanket property insurance policy on all buildings and furnishings with a \$10,000 deductible. The self-insurance fund was established to cover all claims that fall under the deductibles and the \$1,000,000 SIR. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Workmen's Compensation - The City withdrew from the State Industrial Insurance System for workmen's compensation claims and established the Workmen's Compensation Self Insurance Fund on April 1, 1993. The City maintains a commercial stop-loss policy for claims in excess of \$325,000 per participant up to a maximum of \$1,000,000 for each occurrence. For incidents occurring prior to April 1, 1993 liability is maintained by the State Industrial Insurance System. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Group Health Insurance - The City became self-insured for employee medical coverage on July 1, 1992. The Health Insurance Self Insurance Fund provides group life, disability and travel accident insurance policies; also provided are medical plan and Health Maintenance Organization benefits. The City provides coverage of up to \$35,000 per participant for health insurance claims. For those claims in excess of \$35,000, the City has purchased commercial insurance covering up to \$1,000,000 per participant's lifetime. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Changes in the funds' claims liability amounts for the years ended June 30, 1998 and 1997 were:

	Liability Balance Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance at End of Fiscal Year
Fiscal Year 1997/98:				
Liability	\$ 1,046,601	\$ 806,311	\$ 934,708	\$ 918,204
Workmen's Compensation	38,371	178,789	217,160	-
Health Insurance	70,144	1,561,735	1,455,124	176,755
	<u>\$ 1,155,116</u>	<u>\$ 2,546,835</u>	<u>\$ 2,606,992</u>	<u>\$ 1,094,959</u>
Fiscal Year 1996/97:				
Liability	\$ 923,561	\$ 499,240	\$ 376,200	\$ 1,046,601
Workmen's Compensation	32,789	268,007	262,425	38,371
Health Insurance	106,457	1,103,736	1,140,049	70,144
	<u>\$ 1,062,807</u>	<u>\$ 1,870,983</u>	<u>\$ 1,778,674</u>	<u>\$ 1,155,116</u>

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

XIII. COMMITMENTS AND CONTINGENCIES

A. Construction in Progress

Construction in progress in the total amount of \$25,704,600 at June 30, 1998 is reflected in the General Fixed Assets Account Group and Proprietary Funds. Management estimates it will require an additional outlay of approximately \$10,000,000 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. The City intends to make contributions from property tax revenue that will be generated from increased assessed valuation resulting from the development. The developer estimates assessed valuation at complete build-out to be \$1,215,655,000 (35% of actual value).

D. Landfill Closure

The City has leased and operated a landfill from the Bureau of Land Management (BLM) since November, 1965. The site was used for the disposal of municipal solid waste and was closed in 1975.

The current lease with the BLM requires the City to permanently close the landfill. The City expects to enter into an agreement with the Nevada Division of Environmental Protection and the Clark County Health District whereby the City will investigate environmental conditions associated with the landfill, implement necessary remedial measures (e.g., installation of a final cover system and surface water run-on/run-off controls), and maintain the constructed remedial measures. The City has recorded an estimated contingent liability of \$12,000,000 in the General Long-term Debt Account Group to reflect costs which the City estimates that it may incur under the above-referenced agreement.

CITY OF HENDERSON, NEVADA

NOTES TO FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED JUNE 30, 1998

XIV. SUBSEQUENT EVENTS

On July 2, 1998 the City redeemed a portion of 1994 Improvement District No. T-1 in the amount of \$19,500,000.

Subsequent to year end, the following bonds were authorized and issued:

\$50,000,000 1998 Improvement District T-12 Bonds Series A, due in annual installments through August 1, 2018; interest at 7.375%

\$95,000,000 General Obligation (Limited Tax) Water and Sewer Bonds Series 1998A, due in annual installments through September 1, 2018; interest varies between 4.0% and 5.375%

\$14,660,000 General Obligation (Limited Tax) Park and Recreation Bonds Series 1998B, due in annual installments through June 1, 2018; interest varies between 4.45% and 6.0%

XV. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

Statement No. 31 issued by the Governmental Accounting Standards Board (Statement) was implemented during the year. Under the guidance provided in the Statement, the June 30, 1997 balances of investments, investment income and ending fund balance/retained earnings were restated by \$216,160. (The 1997 year is the earliest year presented in these financial statements.) The restatements, at the fund level, were not significant in amount. The cumulative effect on fund balance/retained earnings of applying the Statement prior to 1997 was immaterial and as such was not separately disclosed as an adjustment to the July 1, 1997 fund balance/retained earnings amounts.

GENERAL FUND

The general fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.



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CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 20,479,776	\$ 2,418,045
Accounts receivable	2,061,498	920,304
Accrued interest receivable	150,250	3,545,312
Property taxes receivable - delinquent	122,900	86,281
Due from other funds	367,508	-
Due from other governments	9,183,747	7,267,928
Note receivable	-	2,500,000
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 32,365,679</u>	<u>\$ 16,737,870</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable and accrued wages	\$ 5,230,644	\$ 4,358,419
Compensated absences payable	362,512	362,512
Construction contracts	62,011	67,479
Deposits	1,017,771	1,063,803
Due to other governments	944,157	712,509
Due to other funds	833,370	-
Due to developers	-	27,669
Deferred revenues - other	306,660	228,505
Deferred revenues - property taxes	122,900	86,281
Total liabilities	<hr/> <u>8,880,025</u>	<hr/> <u>6,907,177</u>

FUND BALANCES:

Reserved for encumbrances	1,117,348	981,436
Reserved for note receivable	-	2,500,000
Unreserved - undesignated	22,368,306	6,349,257
Total fund balances	<hr/> <u>23,485,654</u>	<hr/> <u>9,830,693</u>

TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,365,679</u>	<u>\$ 16,737,870</u>
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CITY OF HENDERSON, NEVADA

GENERAL FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Property taxes	\$ 10,785,847	\$ 10,247,627	\$ (538,220)	\$ 8,857,738	\$ 6,712,296	\$ (2,145,442)
Franchise fees	7,434,776	8,287,523	852,747	7,353,706	6,887,730	(465,976)
Licenses and permits	7,884,660	8,129,130	244,470	6,747,580	6,901,812	154,232
Intergovernmental	46,571,007	48,347,171	1,776,164	41,808,889	40,993,470	(815,419)
Charges for services	8,444,221	8,521,274	77,053	6,234,467	6,652,160	417,693
Fines and forfeits	1,334,312	1,379,404	45,092	1,332,950	1,234,714	(98,236)
Miscellaneous interest	300,000	582,188	282,188	200,000	366,955	166,955
Miscellaneous	851,646	1,072,194	220,548	1,052,192	880,394	(171,798)
Total revenues	<u>83,606,469</u>	<u>86,566,511</u>	<u>2,960,042</u>	<u>73,587,522</u>	<u>70,629,531</u>	<u>(2,957,991)</u>
EXPENDITURES:						
General government	21,475,499	20,275,789	1,199,710	19,584,676	17,293,313	2,291,363
Judicial	2,006,581	1,988,504	18,077	1,882,406	1,797,149	85,257
Public safety	39,103,988	38,857,953	246,035	34,192,739	34,031,028	161,711
Highways and streets	5,650,656	4,714,164	936,492	5,046,179	4,168,418	877,761
Culture and recreation	11,014,597	10,484,248	530,349	9,495,552	9,196,625	298,927
Total expenditures	<u>79,251,321</u>	<u>76,320,658</u>	<u>2,930,663</u>	<u>70,201,552</u>	<u>66,486,533</u>	<u>3,715,019</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,355,148</u>	<u>10,245,853</u>	<u>5,890,705</u>	<u>3,385,970</u>	<u>4,142,998</u>	<u>757,028</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	367,690	367,690	-	-	-	-
Proceeds from capital leases	383,782	389,866	6,084	338,524	45,615	(292,909)
Sale of fixed assets	500	-	(500)	500	-	(500)
Operating transfers in	9,564,000	10,198,927	634,927	515,413	980,681	465,268
Operating transfers out	<u>(9,529,071)</u>	<u>(7,547,375)</u>	<u>1,981,696</u>	<u>(7,417,435)</u>	<u>(5,037,131)</u>	<u>2,380,304</u>
Total other financing sources (uses)	<u>786,901</u>	<u>3,409,108</u>	<u>2,622,207</u>	<u>(6,562,998)</u>	<u>(4,010,835)</u>	<u>2,552,163</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>5,142,049</u>	<u>13,654,961</u>	<u>8,512,912</u>	<u>(3,177,028)</u>	<u>132,163</u>	<u>3,309,191</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>9,826,432</u>	<u>9,830,693</u>	<u>4,261</u>	<u>9,698,530</u>	<u>9,698,530</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 14,968,481</u>	<u>\$ 23,485,654</u>	<u>\$ 8,517,173</u>	<u>\$ 6,521,502</u>	<u>\$ 9,830,693</u>	<u>\$ 3,309,191</u>

CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
GENERAL GOVERNMENT:						
Mayor and Council:						
Salaries and wages	\$ 160,000	\$ 158,211	\$ 1,789	\$ 170,000	\$ 153,113	\$ 16,887
Employee benefits	51,000	49,604	1,396	55,000	59,024	(4,024)
Services and supplies	334,289	261,232	73,057	322,040	214,058	107,982
Capital outlay	760	-	760	1,559	1,559	-
Total Mayor and Council	546,049	469,047	77,002	548,599	427,754	120,845
City Manager:						
Salaries and wages	457,000	468,852	(11,852)	410,000	410,705	(705)
Employee benefits	134,000	137,351	(3,351)	115,000	121,108	(6,108)
Services and supplies	198,703	151,149	47,554	207,910	170,339	37,571
Capital outlay	16,000	5,881	10,119	72,633	49,972	22,661
Total City Manager	805,703	763,233	42,470	805,543	752,124	53,419
Finance:						
Salaries and wages	1,215,000	1,217,878	(2,878)	1,140,000	1,119,719	20,281
Employee benefits	359,000	360,523	(1,523)	350,000	331,716	18,284
Services and supplies	1,521,963	1,849,032	(327,069)	1,757,571	1,632,765	124,806
Capital outlay	69,834	45,868	23,966	137,500	83,200	54,300
Total Finance	3,165,797	3,473,301	(307,504)	3,385,071	3,167,400	217,671
Management Information Systems:						
Salaries and wages	1,200,000	1,167,607	32,393	695,000	657,863	37,137
Employee benefits	335,000	334,418	582	200,000	187,783	12,217
Services and supplies	1,341,573	779,771	561,802	1,205,184	780,015	425,169
Capital outlay	944,293	1,304,376	(360,083)	927,705	301,781	625,924
Total Management Information Systems	3,820,866	3,586,172	234,694	3,027,889	1,927,442	1,100,447
City Clerk:						
Salaries and wages	449,000	450,181	(1,181)	375,000	382,327	(7,327)
Employee benefits	138,000	139,647	(1,647)	120,000	119,060	940
Services and supplies	353,258	296,383	56,875	430,362	472,764	(42,402)
Capital outlay	192,557	9,604	182,953	21,900	20,851	1,049
Total City Clerk	1,132,815	895,815	237,000	947,262	995,002	(47,740)

CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
GENERAL GOVERNMENT:						
Human Resources:						
Salaries and wages	\$ 802,000	\$ 816,782	\$ (14,782)	\$ 750,000	\$ 794,238	\$ (44,238)
Employee benefits	208,000	209,410	(1,410)	214,800	205,312	9,488
Services and supplies	457,255	482,085	(24,830)	299,533	284,401	15,132
Capital outlay	23,460	19,163	4,297	83,641	68,568	15,073
Total Human Resources	1,490,715	1,527,440	(36,725)	1,347,974	1,352,519	(4,545)
City Attorney:						
Salaries and wages	1,047,000	1,052,251	(5,251)	940,000	926,846	13,154
Employee benefits	300,000	302,204	(2,204)	265,000	256,999	8,001
Services and supplies	368,753	332,059	36,694	335,144	361,572	(26,428)
Capital outlay	6,800	7,917	(1,117)	34,773	20,770	14,003
Total City Attorney	1,722,553	1,694,431	28,122	1,574,917	1,566,187	8,730
Community Development:						
Salaries and wages	1,230,000	1,253,385	(23,385)	1,005,000	998,180	6,820
Employee benefits	361,000	368,344	(7,344)	300,000	293,375	6,625
Services and supplies	446,690	366,081	80,609	512,635	267,630	245,005
Capital outlay	101,037	89,451	11,586	118,598	47,689	70,909
Total Community Development	2,138,727	2,077,261	61,466	1,936,233	1,606,874	329,359
Building Maintenance:						
Salaries and wages	1,202,000	1,201,343	657	1,040,000	1,026,510	13,490
Employee benefits	388,000	390,289	(2,289)	330,000	334,529	(4,529)
Services and supplies	2,062,938	1,867,292	195,646	1,798,849	1,467,946	330,903
Capital outlay	403,032	376,496	26,536	611,173	468,358	142,815
Total Building Maintenance	4,055,970	3,835,420	220,550	3,780,022	3,297,343	482,679
Economic Development:						
Salaries and wages	387,000	386,940	60	490,000	352,190	137,810
Employee benefits	110,000	172,066	(62,066)	140,000	97,551	42,449
Services and supplies	213,720	168,576	45,144	153,986	139,986	14,000
Capital outlay	14,287	10,693	3,594	34,330	17,531	16,799
Total Economic Development	725,007	738,275	(13,268)	818,316	607,258	211,058

CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
GENERAL GOVERNMENT:						
Miscellaneous:						
Salaries and wages	\$ 860,000	\$ 851,239	\$ 8,761	\$ 1,193,500	\$ 1,308,649	\$ (115,149)
Employee benefits	94,000	89,220	4,780	85,000	83,306	1,694
Services and supplies	280,141	207,791	72,350	127,850	192,756	(64,906)
Capital outlay	637,156	67,144	570,012	6,500	8,699	(2,199)
Total Miscellaneous	1,871,297	1,215,394	655,903	1,412,850	1,593,410	(180,560)
Total General Government	21,475,499	20,275,789	1,199,710	19,584,676	17,293,313	2,291,363
JUDICIAL:						
Municipal Court:						
Salaries and wages	1,329,000	1,329,422	(422)	1,220,000	1,190,154	29,846
Employee benefits	420,000	421,470	(1,470)	390,000	376,538	13,462
Services and supplies	252,481	234,632	17,849	252,255	213,973	38,282
Capital outlay	5,100	2,980	2,120	20,151	16,484	3,667
Total Judicial	2,006,581	1,988,504	18,077	1,882,406	1,797,149	85,257
PUBLIC SAFETY:						
Fire:						
Salaries and wages	8,300,000	8,244,931	55,069	7,178,325	7,747,757	(569,432)
Employee benefits	3,000,000	3,031,055	(31,055)	2,490,400	2,732,521	(242,121)
Services and supplies	1,933,624	1,943,738	(10,114)	1,463,067	1,472,047	(8,980)
Capital outlay	714,630	634,890	79,740	630,073	97,264	532,809
Total Fire	13,948,254	13,854,614	93,640	11,761,865	12,049,589	(287,724)
Police:						
Salaries and wages	13,470,000	13,673,789	(203,789)	12,000,000	11,899,055	100,945
Employee benefits	4,740,000	4,851,421	(111,421)	4,000,000	4,128,335	(128,335)
Services and supplies	3,378,489	3,155,655	222,834	2,911,750	2,828,533	83,217
Capital outlay	428,705	173,237	255,468	572,476	499,550	72,926
Total Police	22,017,194	21,854,102	163,092	19,484,226	19,355,473	128,753

CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
PUBLIC SAFETY:						
Building Inspection:						
Salaries and wages	\$ 2,150,000	\$ 2,197,082	\$ (47,082)	\$ 2,099,934	\$ 1,869,199	\$ 230,735
Employee benefits	575,000	577,460	(2,460)	500,000	505,346	(5,346)
Services and supplies	307,370	274,430	32,940	236,717	209,508	27,209
Capital outlay	106,170	100,265	5,905	109,997	41,913	68,084
Total Building Inspection	3,138,540	3,149,237	(10,697)	2,946,648	2,625,966	320,682
Total Public Safety	39,103,988	38,857,953	246,035	34,192,739	34,031,028	161,711
HIGHWAYS AND STREETS:						
Paved Streets:						
Salaries and wages	833,000	807,509	25,491	725,000	721,799	3,201
Employee benefits	255,000	248,280	6,720	220,000	227,959	(7,959)
Services and supplies	888,798	778,709	110,089	1,114,915	840,783	274,132
Capital outlay	518,680	234,105	284,575	341,675	128,714	212,961
Total Paved Streets	2,495,478	2,068,603	426,875	2,401,590	1,919,255	482,335
Street Lighting:						
Salaries and wages	481,000	490,741	(9,741)	460,000	435,174	24,826
Employee benefits	140,000	142,441	(2,441)	125,000	127,517	(2,517)
Services and supplies	1,329,818	1,087,551	242,267	1,156,695	1,071,449	85,246
Capital outlay	365,550	142,191	223,359	235,341	161,497	73,844
Total Street Lighting	2,316,368	1,862,924	453,444	1,977,036	1,795,637	181,399
Floods:						
Salaries and wages	50,000	82,955	(32,955)	-	-	-
Employee benefits	18,000	28,248	(10,248)	-	-	-
Services and supplies	147,792	191,437	(43,645)	44,900	14,146	30,754
Capital outlay	317,431	201,005	116,426	206,080	120,061	86,019
Total Floods	533,223	503,645	29,578	250,980	134,207	116,773

CITY OF HENDERSON, NEVADA

GENERAL FUND

COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
HIGHWAYS AND STREETS:						
Public Works General Service:						
Salaries and wages	\$ 158,000	\$ 157,858	\$ 142	\$ 160,000	\$ 176,586	\$ (16,586)
Employee benefits	48,000	47,662	338	60,100	53,394	6,706
Services and supplies	22,905	14,216	8,689	101,346	83,009	18,337
Capital outlay	76,682	59,256	17,426	95,127	6,330	88,797
Total Public Works General Service	305,587	278,992	26,595	416,573	319,319	97,254
Total Highways and Streets	5,650,656	4,714,164	936,492	5,046,179	4,168,418	877,761
CULTURE AND RECREATION:						
Parks Maintenance:						
Salaries and wages	1,890,000	1,907,564	(17,564)	1,660,200	1,630,285	29,915
Employee benefits	620,000	628,192	(8,192)	530,800	527,941	2,859
Services and supplies	1,621,237	1,342,985	278,252	1,300,019	1,190,496	109,523
Capital outlay	-	-	-	9,000	8,989	11
Total Parks Maintenance	4,131,237	3,878,741	252,496	3,500,019	3,357,711	142,308
Recreation:						
Salaries and wages	3,490,719	3,295,387	195,332	3,390,000	3,178,400	211,600
Employee benefits	561,100	534,782	26,318	490,000	508,316	(18,316)
Services and supplies	1,909,827	1,820,928	88,899	1,357,931	1,365,045	(7,114)
Capital outlay	-	1,225	(1,225)	-	514	(514)
Total Recreation	5,961,646	5,652,322	309,324	5,237,931	5,052,275	185,656
Swimming Pools:						
Salaries and wages	525,582	586,479	(60,897)	450,000	485,301	(35,301)
Employee benefits	54,600	58,025	(3,425)	45,000	51,205	(6,205)
Services and supplies	200,850	176,146	24,704	155,502	152,612	2,890
Total Swimming Pools	781,032	820,650	(39,618)	650,502	689,118	(38,616)

CITY OF HENDERSON, NEVADA

GENERAL FUND

**COMPARATIVE STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) (Continued)
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>
CULTURE AND RECREATION:						
Senior Citizens Activities:						
Salaries and wages	\$ 87,282	\$ 80,407	\$ 6,875	\$ 71,600	\$ 69,248	\$ 2,352
Employee benefits	15,550	15,706	(156)	15,000	15,111	(111)
Services and supplies	37,850	36,422	1,428	20,500	13,162	7,338
Total Senior Citizens Activities	<u>140,682</u>	<u>132,535</u>	<u>8,147</u>	<u>107,100</u>	<u>97,521</u>	<u>9,579</u>
Total Culture and Recreation	<u>11,014,597</u>	<u>10,484,248</u>	<u>530,349</u>	<u>9,495,552</u>	<u>9,196,625</u>	<u>298,927</u>
TOTAL EXPENDITURES	<u>\$ 79,251,321</u>	<u>\$ 76,320,658</u>	<u>\$ 2,930,663</u>	<u>\$ 70,201,552</u>	<u>\$ 66,486,533</u>	<u>\$ 3,715,019</u>

CITY OF HENDERSON, NEVADA

GENERAL FUND

**COMPARATIVE STATEMENTS OF OPERATING TRANSFERS OUT - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
OPERATING:						
Engineering Service Fund	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 1,501,800	\$ 1,501,800	\$ -
Building Fund	6,529,071	4,547,375	1,981,696	-	-	-
Municipal Facilities Acquisition and Construction Fund	-	-	-	5,472,635	3,092,331	2,380,304
City Shop Fund	-	-	-	443,000	443,000	-
TOTAL TRANSFERS TO OTHER FUNDS	<u>\$ 9,529,071</u>	<u>\$ 7,547,375</u>	<u>\$ 1,981,696</u>	<u>\$ 7,417,435</u>	<u>\$ 5,037,131</u>	<u>\$ 2,380,304</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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

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

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

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

Municipal Court Administrative Fee Special Revenue - to account for court assessments which are to be used to improve Operations of The court.

Financial Stabilization Special Revenue - to account for resources to stabilize governmental operations in the event of a shortfall in General Fund revenue.

Graffiti Reward and Abatement Special Revenue - to account for graffiti-related court assessments which are to be used to pay rewards for information resulting in the conviction of graffiti ordinance violators.

Extraordinary Repairs Capital Improvements Special Revenue - to account for an allocation of bond proceeds sold for each capital project restricted by State law to be used in the extraordinary maintenance, repair, or improvement of the capital project.

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CITY OF HENDERSON, NEVADA

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	Redevelopment Agency Special Revenue	Gas Tax Special Revenue	Revolving Fund Special Revenue	Forfeited Assets Special Revenue	Municipal Court Administrative Fee Special Revenue	Financial Stabilization Special Revenue	Graffiti Reward and Abatement Special Revenue	Extraordinary Repairs Capital Improvement Special Revenue	Totals	
									1998	1997
Cash and investments	\$ 1,361,955	\$ 823,239	\$ -	\$ 39,297	\$ 233,405	\$ 2,460,665	\$ 2,238	\$ 379,222	\$ 5,300,021	\$ 5,416,911
Interest receivable	2,205	13,167	-	788	-	38,397	-	5,565	60,122	-
Due from other governments	9,654	321,628	-	-	-	-	-	-	331,282	205,044
Land held for resale	4,396,571	-	-	-	-	-	-	-	4,396,571	1,983,207
Advances to other funds	-	-	-	-	-	-	-	-	-	389,779
TOTAL ASSETS	\$ 5,770,385	\$ 1,158,034	\$ -	\$ 40,085	\$ 233,405	\$ 2,499,062	\$ 2,238	\$ 384,787	\$ 10,087,996	\$ 7,994,941

LIABILITIES AND FUND BALANCES

LIABILITIES:										
Accounts payable	\$ 4,506	\$ 89,188	\$ -	\$ 6,205	\$ -	\$ -	\$ -	\$ -	\$ 99,899	\$ 483,372
FUND BALANCES:										
Reserved for advances to other funds	-	-	-	-	-	-	-	-	-	389,779
Reserved for repairs	-	-	-	-	-	-	-	384,787	384,787	73,981
Reserved for land held for resale	4,396,571	-	-	-	-	-	-	-	4,396,571	-
Unreserved - undesignated	1,369,308	1,068,846	-	33,880	233,405	2,499,062	2,238	-	5,206,739	7,047,809
Total fund balances	5,765,879	1,068,846	-	33,880	233,405	2,499,062	2,238	384,787	9,988,097	7,511,569
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,770,385	\$ 1,158,034	\$ -	\$ 40,085	\$ 233,405	\$ 2,499,062	\$ 2,238	\$ 384,787	\$ 10,087,996	\$ 7,994,941

CITY OF HENDERSON, NEVADA

SPECIAL REVENUE FUNDS

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)**

	Redevelopment	Gas Tax	Revolving	Forfeited	Municipal	Financial	Graffiti Reward	Extraordinary	Totals	
	Agency	Special	Fund	Assets	Court	Stabilization	and	Repairs Capital		
	Special	Special	Special	Special	Administrative	Special	Abatement	Improvement	1998	1997
	Revenue	Revenue	Revenue	Revenue	Fee	Special	Special	Special		
					Special	Revenue	Revenue	Revenue		
					Revenue					
REVENUES:										
Property taxes	\$ 487,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,963	\$ 53,615
Intergovernmental	-	1,327,076	-	-	-	-	-	-	1,327,076	1,088,497
Developer contributions	-	5,000	-	-	-	-	-	-	5,000	1,917
Fines and forfeits	-	-	-	23,035	195,728	-	975	-	219,738	95,315
Miscellaneous interest	3,005	68,610	-	3,916	-	150,248	-	18,175	243,954	359,677
Miscellaneous	4,800	71,700	-	-	-	-	-	-	76,500	167,805
Total revenues	<u>495,768</u>	<u>1,472,386</u>	<u>-</u>	<u>26,951</u>	<u>195,728</u>	<u>150,248</u>	<u>975</u>	<u>18,175</u>	<u>2,360,231</u>	<u>1,766,826</u>
EXPENDITURES:										
General government	229,387	-	-	25,197	4,581	-	-	-	259,165	226,350
Construction contracts	-	1,458,598	-	-	-	-	-	-	1,458,598	1,927,824
Equipment	-	-	-	35,702	13,950	-	-	-	49,652	85,178
Engineering and other	-	32,112	-	-	-	-	-	-	32,112	54,465
Debt service:										
Principle retirement	2,500,000	-	-	-	-	-	-	-	2,500,000	-
Interest	162,500	-	-	-	-	-	-	-	162,500	-
Total expenditures	<u>2,891,887</u>	<u>1,490,710</u>	<u>-</u>	<u>60,899</u>	<u>18,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,462,027</u>	<u>2,293,817</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,396,119)</u>	<u>(18,324)</u>	<u>-</u>	<u>(33,948)</u>	<u>177,197</u>	<u>150,248</u>	<u>975</u>	<u>18,175</u>	<u>(2,101,796)</u>	<u>(526,991)</u>
OTHER FINANCING SOURCES (USES):										
Proceeds from issuance of debt	6,000,000	-	-	-	-	-	-	-	6,000,000	2,500,000
Operating transfers in	-	41,992	-	-	-	-	-	292,500	334,492	72,750
Operating transfers out	-	(69,070)	-	-	-	(151,570)	-	-	(220,640)	(187,000)
Total other financing sources (uses)	<u>6,000,000</u>	<u>(27,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,570)</u>	<u>-</u>	<u>292,500</u>	<u>6,113,852</u>	<u>2,385,750</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>3,603,881</u>	<u>(45,402)</u>	<u>-</u>	<u>(33,948)</u>	<u>177,197</u>	<u>(1,322)</u>	<u>975</u>	<u>310,675</u>	<u>4,012,056</u>	<u>1,858,759</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>2,161,998</u>	<u>1,114,248</u>	<u>1,535,528</u>	<u>67,828</u>	<u>56,208</u>	<u>2,500,384</u>	<u>1,263</u>	<u>74,112</u>	<u>7,511,569</u>	<u>5,652,810</u>
RESIDUAL EQUITY TRANSFER OUT	<u>-</u>	<u>-</u>	<u>(1,535,528)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,535,528)</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 5,765,879</u>	<u>\$ 1,068,846</u>	<u>\$ -</u>	<u>\$ 33,880</u>	<u>\$ 233,405</u>	<u>\$ 2,499,062</u>	<u>\$ 2,238</u>	<u>\$ 384,787</u>	<u>\$ 9,988,097</u>	<u>\$ 7,511,569</u>

CITY OF HENDERSON, NEVADA
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
ASSETS:		
Cash and investments	\$ 1,361,955	\$ 187,662
Accrued interest receivable	2,205	-
Due from other governments	9,654	3,617
Land held for resale	4,396,571	1,983,207
Total assets	<u>\$ 5,770,385</u>	<u>\$ 2,174,486</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Accounts payable	<u>\$ 4,506</u>	<u>\$ 12,488</u>
FUND BALANCE:		
Reserved for land held for resale	4,396,571	-
Unreserved - undesignated	<u>1,369,308</u>	<u>2,161,998</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,770,385</u>	<u>\$ 2,174,486</u>

CITY OF HENDERSON, NEVADA

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Property taxes	\$ 853,201	\$ 487,963	\$ (365,238)	\$ 60,414	\$ 53,615	\$ (6,799)
Miscellaneous interest	1,799	3,005	1,206	206	243	37
Miscellaneous	-	4,800	4,800	2,280	3,880	1,600
Total revenues	855,000	495,768	(359,232)	62,900	57,738	(5,162)
EXPENDITURES:						
General government	493,291	229,387	263,904	292,264	215,759	76,505
Equipment	-	-	-	-	1,245	(1,245)
Debt service:						
Principal retirement	-	2,500,000	(2,500,000)	-	-	-
Interest	-	162,500	(162,500)	-	-	-
Total expenditures	493,291	2,891,887	(2,398,596)	292,264	217,004	75,260
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	361,709	(2,396,119)	(2,757,828)	(229,364)	(159,266)	70,098
OTHER FINANCING SOURCES:						
Proceeds from issuance of debt	-	6,000,000	6,000,000	2,500,000	2,500,000	-
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES	361,709	3,603,881	3,242,172	2,270,636	2,340,734	70,098
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	2,161,998	2,161,998	-	(178,736)	(178,736)	-
FUND BALANCES, END OF YEAR	\$ 2,523,707	\$ 5,765,879	\$ 3,242,172	\$ 2,091,900	\$ 2,161,998	\$ 70,098

CITY OF HENDERSON, NEVADA

GAS TAX SPECIAL REVENUE FUND

**COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 823,239	\$ 1,382,591
Accrued interest receivable	13,167	-
Due from other governments	321,628	201,427
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,158,034</u>	<u>\$ 1,584,018</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable	\$ 89,188	\$ 469,770
FUND BALANCES:		
Unreserved - undesignated	1,068,846	1,114,248
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,158,034</u>	<u>\$ 1,584,018</u>

CITY OF HENDERSON, NEVADA

GAS TAX SPECIAL REVENUE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 1,042,000	\$ 1,327,076	\$ 285,076	\$ 1,080,000	\$ 1,088,497	\$ 8,497
Developer contributions	-	5,000	5,000	-	1,917	1,917
Miscellaneous interest	95,000	68,610	(26,390)	105,000	106,260	1,260
Miscellaneous	189,583	71,700	(117,883)	194,498	163,925	(30,573)
Total revenues	1,326,583	1,472,386	145,803	1,379,498	1,360,599	(18,899)
EXPENDITURES:						
Construction contracts	2,306,189	1,458,598	847,591	2,877,877	1,927,824	950,053
Engineering and other	100,000	32,112	67,888	70,000	54,465	15,535
Total expenditures	2,406,189	1,490,710	915,479	2,947,877	1,982,289	965,588
DEFICIENCY OF REVENUES UNDER EXPENDITURES						
	(1,079,606)	(18,324)	1,061,282	(1,568,379)	(621,690)	946,689
OTHER FINANCING SOURCES (USES):						
Operating transfers in	42,000	41,992	(8)	-	-	-
Operating transfers out	(74,000)	(69,070)	4,930	(50,000)	(119,205)	(69,205)
Total other financing uses	(32,000)	(27,078)	4,922	(50,000)	(119,205)	(69,205)
DEFICIENCY OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES						
	(1,111,606)	(45,402)	1,066,204	(1,618,379)	(740,895)	877,484
FUND BALANCES, BEGINNING OF YEAR, RESTATED						
	1,111,606	1,114,248	2,642	1,855,143	1,855,143	-
FUND BALANCES, END OF YEAR, RESTATED						
	\$ -	\$ 1,068,846	\$ 1,068,846	\$ 236,764	\$ 1,114,248	\$ 877,484

CITY OF HENDERSON, NEVADA
REVOLVING FUND SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ -	\$ 1,145,749
Advances to other funds	-	389,779
	-	389,779
TOTAL ASSETS	\$ -	\$ 1,535,528

FUND BALANCES

FUND BALANCES:		
Reserved for advances to other funds	\$ -	\$ 389,779
Unreserved - undesignated	-	1,145,749
	-	1,145,749
TOTAL FUND BALANCES	\$ -	\$ 1,535,528

CITY OF HENDERSON, NEVADA

REVOLVING FUND SPECIAL REVENUE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Miscellaneous interest	\$ -	\$ -	\$ -	\$ 90,000	\$ 97,487	\$ 7,487
OTHER FINANCING USES:						
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(67,795)</u>	<u>22,205</u>
EXCESS OF REVENUES OVER OTHER FINANCING USES	-	-	-	-	29,692	29,692
FUND BALANCES, BEGINNING OF YEAR	1,535,528	1,535,528	-	1,505,836	1,505,836	-
RESIDUAL EQUITY TRANSFER OUT	<u>(1,535,528)</u>	<u>(1,535,528)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,505,836</u>	<u>\$ 1,535,528</u>	<u>\$ 29,692</u>

CITY OF HENDERSON, NEVADA
FORFEITED ASSETS SPECIAL REVENUE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 39,297	\$ 68,942
Accrued interest receivable	788	-
Total assets	\$ 40,085	\$ 68,942

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable	\$ 6,205	\$ 1,114
FUND BALANCES:		
Unreserved - undesignated	33,880	67,828
TOTAL LIABILITIES AND FUND BALANCES	\$ 40,085	\$ 68,942

CITY OF HENDERSON, NEVADA

FORFEITED ASSETS SPECIAL REVENUE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Fines and forfeits	\$ 50,000	\$ 23,035	\$ (26,965)	\$ 34,550	\$ 35,710	\$ 1,160
Miscellaneous interest	4,000	3,916	(84)	5,750	5,315	(435)
Total revenues	<u>54,000</u>	<u>26,951</u>	<u>(27,049)</u>	<u>40,300</u>	<u>41,025</u>	<u>725</u>
EXPENDITURES:						
General government	15,729	25,197	(9,468)	-	7,918	(7,918)
Equipment	100,000	35,702	64,298	76,144	52,013	24,131
Total expenditures	<u>115,729</u>	<u>60,899</u>	<u>54,830</u>	<u>76,144</u>	<u>59,931</u>	<u>16,213</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(61,729)	(33,948)	27,781	(35,844)	(18,906)	16,938
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>67,708</u>	<u>67,828</u>	<u>120</u>	<u>86,734</u>	<u>86,734</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 5,979</u>	<u>\$ 33,880</u>	<u>\$ 27,901</u>	<u>\$ 50,890</u>	<u>\$ 67,828</u>	<u>\$ 16,938</u>

CITY OF HENDERSON, NEVADA

**MUNICIPAL COURT ADMINISTRATIVE FEE
SPECIAL REVENUE FUND**

**COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 233,405	\$ 56,208

FUND BALANCES

FUND BALANCES:		
Unreserved - undesignated	\$ 233,405	\$ 56,208

CITY OF HENDERSON, NEVADA

**MUNICIPAL COURT ADMINISTRATIVE FEE
SPECIAL REVENUE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance-Favorable (Unfavorable)</u>
REVENUES:						
Fines and forfeits	\$ 200,000	\$ 195,728	\$ (4,272)	\$ 40,000	\$ 59,392	\$ 19,392
EXPENDITURES:						
General government	-	4,581	(4,581)	-	2,673	(2,673)
Equipment	60,000	13,950	46,050	56,507	31,920	24,587
Total expenditures	<u>60,000</u>	<u>18,531</u>	<u>41,469</u>	<u>56,507</u>	<u>34,593</u>	<u>21,914</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	140,000	177,197	37,197	(16,507)	24,799	41,306
FUND BALANCES, BEGINNING OF YEAR	<u>56,208</u>	<u>56,208</u>	<u>-</u>	<u>31,409</u>	<u>31,409</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 196,208</u>	<u>\$ 233,405</u>	<u>\$ 37,197</u>	<u>\$ 14,902</u>	<u>\$ 56,208</u>	<u>\$ 41,306</u>

CITY OF HENDERSON, NEVADA
FINANCIAL STABILIZATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 2,460,665	\$ 2,500,384
Accrued interest receivable	38,397	-
Total assets	<u>\$ 2,499,062</u>	<u>\$ 2,500,384</u>

FUND BALANCES

FUND BALANCES:		
Unreserved - undesignated	<u>\$ 2,499,062</u>	<u>\$ 2,500,384</u>

CITY OF HENDERSON, NEVADA

FINANCIAL STABILIZATION SPECIAL REVENUE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Miscellaneous interest	\$ 142,000	\$ 150,248	\$ 8,248	\$ 130,000	\$ 149,010	\$ 19,010
OTHER FINANCING USES:						
Operating transfers out	<u>(142,000)</u>	<u>(151,570)</u>	<u>(9,570)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) OTHER FINANCING USES	-	(1,322)	(1,322)	130,000	149,010	19,010
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>2,495,985</u>	<u>2,500,384</u>	<u>4,399</u>	<u>2,306,932</u>	<u>2,351,374</u>	<u>44,442</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 2,495,985</u>	<u>\$ 2,499,062</u>	<u>\$ 3,077</u>	<u>\$ 2,436,932</u>	<u>\$ 2,500,384</u>	<u>\$ 63,452</u>

CITY OF HENDERSON, NEVADA

**GRAFFITI REWARD AND ABATEMENT
SPECIAL REVENUE FUND**

**COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 2,238	\$ 1,263

FUND BALANCES

FUND BALANCES:		
Unreserved - undesignated	<u>\$ 2,238</u>	<u>\$ 1,263</u>

CITY OF HENDERSON, NEVADA

**GRAFFITI REWARD AND ABATEMENT
SPECIAL REVENUE FUND**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Fines and forfeits	\$ 1,000	\$ 975	\$ (25)	\$ 300	\$ 213	\$ (87)
EXPENDITURES:						
General government	2,263	-	2,263	1,350	-	1,350
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,263)	975	2,238	(1,050)	213	1,263
FUND BALANCES, BEGINNING OF YEAR	1,263	1,263	-	1,050	1,050	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 2,238</u>	<u>\$ 2,238</u>	<u>\$ -</u>	<u>\$ 1,263</u>	<u>\$ 1,263</u>

CITY OF HENDERSON, NEVADA

EXTRAORDINARY REPAIRS CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND

**COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 379,222	\$ 74,112
Accrued interest receivable	5,565	-
Total assets	<u>\$ 384,787</u>	<u>\$ 74,112</u>

FUND BALANCE

FUND BALANCE:		
Reserved for repairs	<u>\$ 384,787</u>	<u>\$ 74,112</u>

CITY OF HENDERSON, NEVADA

EXTRAORDINARY REPAIRS CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Miscellaneous interest	\$ 16,000	\$ 18,175	\$ 2,175	\$ -	\$ 1,362	\$ 1,362
OTHER FINANCING SOURCES:						
Operating transfers in	292,500	292,500	-	-	72,750	72,750
TOTAL REVENUES AND OTHER FINANCING SOURCES	308,500	310,675	2,175	-	74,112	74,112
FUND BALANCES, BEGINNING OF YEAR, RESTATED	73,981	74,112	131	-	-	-
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 382,481</u>	<u>\$ 384,787</u>	<u>\$ 2,306</u>	<u>\$ -</u>	<u>\$ 74,112</u>	<u>\$ 74,112</u>

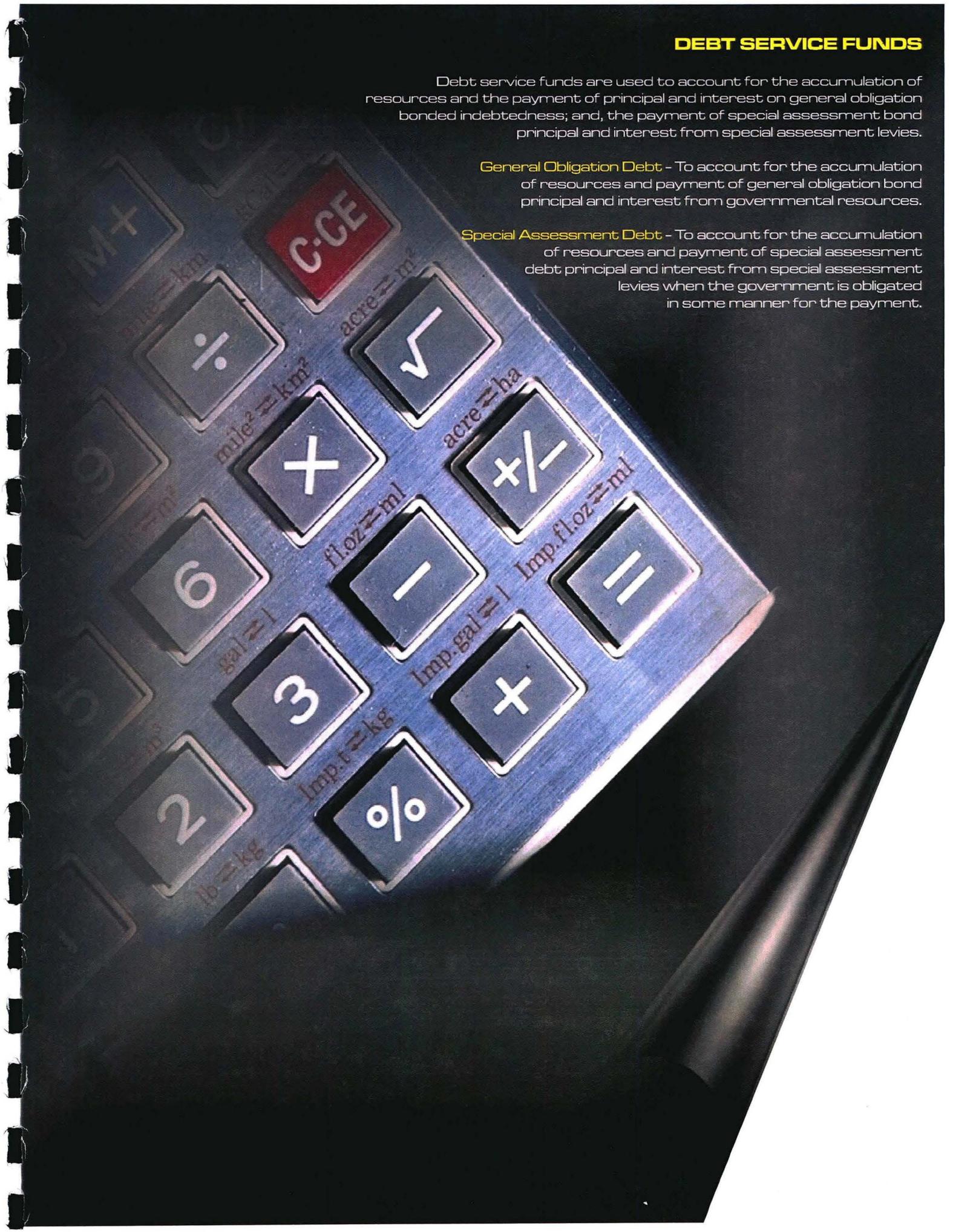
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DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and the payment of principal and interest on general obligation bonded indebtedness; and, the payment of special assessment bond principal and interest from special assessment levies.

General Obligation Debt - To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

Special Assessment Debt - To account for the accumulation of resources and payment of special assessment debt principal and interest from special assessment levies when the government is obligated in some manner for the payment.



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CITY OF HENDERSON, NEVADA

DEBT SERVICE FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	General Obligation Debt	Special Assessment District Debt	Totals	
			1998	1997
Cash and investments	\$ 8,612,177	\$ 24,209,377	\$ 32,821,554	\$ 32,486,776
Special assessments receivable:				
Delinquent	-	110,040	110,040	49,086
Deferred	-	138,932,893	138,932,893	149,033,559
Total special assessments receivable	-	139,042,933	139,042,933	149,082,645
Accrued interest receivable	157,876	59,920	217,796	895,945
Property taxes receivable - delinquent	147,036	-	147,036	103,226
Due from other governments	121,501	-	121,501	154,271
TOTAL ASSETS	\$ 9,038,590	\$ 163,312,230	\$ 172,350,820	\$ 182,722,863

LIABILITIES AND FUND BALANCES

LIABILITIES:				
Accounts payable	\$ 542	\$ 494	\$ 1,036	\$ 5,967
Matured bonds and bond interest payable	-	16,755	16,755	36,756
Deferred revenues	-	139,042,933	139,042,933	149,082,645
Deferred revenues - property taxes	147,036	-	147,036	103,226
Total liabilities	147,578	139,060,182	139,207,760	149,228,594
FUND BALANCES:				
Reserved for debt service	8,891,012	24,252,048	33,143,060	33,494,269
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,038,590	\$ 163,312,230	\$ 172,350,820	\$ 182,722,863

CITY OF HENDERSON, NEVADA

DEBT SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	General Obligation Debt	Special Assessment District Debt	Totals	
			1998	1997
REVENUES:				
Property taxes	\$ 9,051,966	\$ -	\$ 9,051,966	\$ 8,007,834
Special assessments	-	8,841,083	8,841,083	10,450,756
Miscellaneous interest	583,275	11,131,955	11,715,230	11,862,772
Miscellaneous	-	142,342	142,342	182,257
Total revenues	<u>9,635,241</u>	<u>20,115,380</u>	<u>29,750,621</u>	<u>30,503,619</u>
EXPENDITURES:				
Debt service:				
Principal retirement	4,880,000	9,205,000	14,085,000	14,550,000
Interest and fiscal charges	6,133,893	11,550,306	17,684,199	16,029,338
Administrative and other costs	2,249	363,078	365,327	282,917
Total expenditures	<u>11,016,142</u>	<u>21,118,384</u>	<u>32,134,526</u>	<u>30,862,255</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES				
	<u>(1,380,901)</u>	<u>(1,003,004)</u>	<u>(2,383,905)</u>	<u>(358,636)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds of refunding bonds	-	-	-	10,530,000
Payment to escrow agent - refunded bonds	-	-	-	(10,526,150)
Operating transfers in	3,879,070	771,393	4,650,463	4,825,801
Operating transfers out	(587,665)	(2,030,102)	(2,617,767)	(2,560,753)
Total other financing sources (uses)	<u>3,291,405</u>	<u>(1,258,709)</u>	<u>2,032,696</u>	<u>2,268,898</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	1,910,504	(2,261,713)	(351,209)	1,910,262
FUND BALANCES, BEGINNING OF YEAR, RESTATED				
	<u>6,980,508</u>	<u>26,513,761</u>	<u>33,494,269</u>	<u>31,584,007</u>
FUND BALANCES, END OF YEAR, RESTATED				
	<u>\$ 8,891,012</u>	<u>\$ 24,252,048</u>	<u>\$ 33,143,060</u>	<u>\$ 33,494,269</u>

CITY OF HENDERSON, NEVADA
GENERAL OBLIGATION DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 8,612,177	\$ 6,852,393
Accrued interest receivable	157,876	-
Property taxes receivable - delinquent	147,036	103,226
Due from other governments	121,501	149,320
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 9,038,590</u>	<u>\$ 7,104,939</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 542	\$ -
Matured bonds and bond interest payable	-	21,205
Deferred revenues - property taxes	147,036	103,226
Total liabilities	<u>147,578</u>	<u>124,431</u>

FUND BALANCES:

Reserved for debt service	<u>8,891,012</u>	<u>6,980,508</u>
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TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,038,590</u>	<u>\$ 7,104,939</u>
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CITY OF HENDERSON, NEVADA

GENERAL OBLIGATION DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Property taxes	\$ 9,217,090	\$ 9,051,966	\$ (165,124)	\$ 9,750,000	\$ 8,007,834	\$ (1,742,166)
Miscellaneous interest	528,000	583,275	55,275	250,000	381,889	131,889
Miscellaneous	-	-	-	2,000	826	(1,174)
Total revenues	9,745,090	9,635,241	(109,849)	10,002,000	8,390,549	(1,611,451)
EXPENDITURES:						
Debt Service:						
Principal retirement	4,880,000	4,880,000	-	3,890,000	3,890,000	-
Interest and fiscal charges	6,133,893	6,133,893	-	3,638,068	3,728,599	(90,531)
Administrative and other costs	1,707	2,249	(542)	75,622	75,622	-
Total expenditures	11,015,600	11,016,142	(542)	7,603,690	7,694,221	(90,531)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	(1,270,510)	(1,380,901)	(110,391)	2,398,310	696,328	(1,701,982)
OTHER FINANCING SOURCES (USES):						
Proceeds of refunding bonds	-	-	-	10,530,000	10,530,000	-
Payment to escrow agent - refunded bonds	-	-	-	(10,526,150)	(10,526,150)	-
Operating transfers in	3,877,865	3,879,070	1,205	2,562,035	2,562,035	-
Operating transfers out	(528,000)	(587,665)	(59,665)	(40,000)	(432,513)	(392,513)
Total other financing sources	3,349,865	3,291,405	(58,460)	2,525,885	2,133,372	(392,513)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES						
	2,079,355	1,910,504	(168,851)	4,924,195	2,829,700	(2,094,495)
FUND BALANCES, BEGINNING OF YEAR, RESTATED						
	6,967,693	6,980,508	12,815	4,150,808	4,150,808	-
FUND BALANCES, END OF YEAR, RESTATED						
	\$ 9,047,048	\$ 8,891,012	\$ (156,036)	\$ 9,075,003	\$ 6,980,508	\$ (2,094,495)

CITY OF HENDERSON, NEVADA
SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 24,209,377	\$ 25,634,383
Special assessments receivable:		
Delinquent	110,040	49,086
Deferred	138,932,893	149,033,559
Total special assessments receivable	<u>139,042,933</u>	<u>149,082,645</u>
Accrued interest receivable	59,920	895,945
Due from other governments	<u>-</u>	<u>4,951</u>
TOTAL ASSETS	<u><u>\$ 163,312,230</u></u>	<u><u>\$ 175,617,924</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable	\$ 494	\$ 5,967
Matured bonds and bond interest payable	16,755	15,551
Deferred revenues	139,042,933	149,082,645
Total liabilities	<u>139,060,182</u>	<u>149,104,163</u>
FUND BALANCES:		
Reserved for debt service	<u>24,252,048</u>	<u>26,513,761</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 163,312,230</u></u>	<u><u>\$ 175,617,924</u></u>

CITY OF HENDERSON, NEVADA

SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Special assessments	\$ 408,600	\$ 8,841,083	\$ 8,432,483	\$ 4,491,275	\$ 10,450,756	\$ 5,959,481
Miscellaneous interest	10,032,356	11,131,955	1,099,599	10,925,385	11,480,883	555,498
Miscellaneous	-	142,342	142,342	-	181,431	181,431
Total revenues	10,440,956	20,115,380	9,674,424	15,416,660	22,113,070	6,696,410
EXPENDITURES:						
Debt Service:						
Principal retirement	9,205,000	9,205,000	-	10,660,000	10,660,000	-
Interest and fiscal charges	11,533,177	11,550,306	(17,129)	12,441,645	12,300,739	140,906
Administrative and other costs	582,584	363,078	219,506	432,400	207,295	225,105
Total expenditures	21,320,761	21,118,384	202,377	23,534,045	23,168,034	366,011
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(10,879,805)	(1,003,004)	9,876,801	(8,117,385)	(1,054,964)	7,062,421
OTHER FINANCING SOURCES (USES):						
Operating transfers in	755,526	771,393	15,867	-	2,263,766	2,263,766
Operating transfers out	(282,024)	(2,030,102)	(1,748,078)	(1,570,549)	(2,128,240)	(557,691)
Total other financing sources (uses)	473,502	(1,258,709)	(1,732,211)	(1,570,549)	135,526	1,706,075
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES	(10,406,303)	(2,261,713)	8,144,590	(9,687,934)	(919,438)	8,768,496
FUND BALANCES, BEGINNING OF YEAR, RESTATED	26,571,685	26,513,761	(57,924)	27,433,199	27,433,199	-
FUND BALANCES, END OF YEAR, RESTATED	\$ 16,165,382	\$ 24,252,048	\$ 8,086,666	\$ 17,745,265	\$ 26,513,761	\$ 8,768,496

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CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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

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

Bond Proceeds - to account for costs of improving and bettering streets within the City; flood control; improving and equipping artificial lights, lighting equipment, and traffic control equipment; and acquisition, development, improvement and expansion of public parks, playgrounds and recreation facilities within the City. Financing is provided by the sale of general obligation bonds.

HUD Proceeds - to account for costs of providing loans and grants given for the purpose of housing rehabilitation and the construction of capital improvements, such as streets and street lighting. Primary funding is provided by Federal grants.

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

Special Assessment Districts - to account for the cost of public improvements such as street lighting, streets, curbs, gutters, water and sewer benefiting certain property owners. Funding is provided by the issuance of Special assessment district bonds.

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

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

Municipal Facilities Acquisition & Construction Fund - to account for costs associated with the acquisition, construction and improvement of public building facilities.

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

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CITY OF HENDERSON, NEVADA

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	Land Sales	Special Recreation	Bond Proceeds	HUD Proceeds	Park Development	Special Assessment Districts	Flood Control	RTC/ County Funded	Municipal Facilities Acquisition and Construction	Special Ad Valorem Transportation	Totals	
											1998	1997
Cash and investments	\$ 3,571,802	\$ 727,215	\$ 46,199,259	\$ -	\$ 7,318,325	\$ 35,651,753	\$ -	\$ -	\$ 28,455,053	\$ -	\$ 121,923,407	\$ 67,864,794
Accounts receivable	80	-	-	-	-	2,000	-	129	5,370	-	7,579	128,969
Accrued interest receivable	53,435	12,148	-	-	107,730	114,208	-	-	-	-	287,521	218,397
Property taxes receivable - delinquent	-	-	-	-	-	-	-	-	47,636	-	47,636	33,442
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	388,234
Due from other governments	-	261,316	-	210,855	35,000	-	7,920	801,334	51	-	1,316,476	1,007,883
Deposits	315,052	-	-	-	-	-	-	-	-	-	315,052	240,052
TOTAL ASSETS	\$ 3,940,369	\$ 1,000,679	\$ 46,199,259	\$ 210,855	\$ 7,461,055	\$ 35,767,961	\$ 7,920	\$ 801,463	\$ 28,508,110	\$ -	\$ 123,897,671	\$ 69,881,771

LIABILITIES AND FUND BALANCES (DEFICITS)

LIABILITIES:

Accounts payable and accrued wages	\$ 192,942	\$ 191,182	\$ 23,820	\$ 37,985	\$ 28,607	\$ -	\$ -	\$ 143,835	\$ 46,214	\$ -	\$ 664,585	\$ 549,115
Construction contracts	975	-	17,325	-	258,437	605,000	62,308	311,012	12,131	-	1,267,188	1,164,449
Deposits	104,775	-	-	-	-	-	-	-	-	-	104,775	50,040
Due to other funds	-	-	-	208,444	-	-	124,484	34,580	-	-	367,508	429,141
Advances from other funds	-	-	-	-	-	343,923	-	-	-	-	343,923	389,779
Arbitrage rebate tax	-	-	132,487	-	-	-	-	-	223,179	-	355,666	28,686
Deferred revenues	-	-	-	58,870	-	-	-	-	-	-	58,870	15,640
Deferred revenues - property taxes	-	-	-	-	-	-	-	-	47,636	-	47,636	33,442
Total liabilities	298,692	191,182	173,632	305,299	287,044	948,923	186,792	489,427	329,160	-	3,210,151	2,660,292

FUND BALANCES (DEFICITS):

Reserved for deposits	315,052	-	-	-	-	-	-	-	-	-	315,052	240,052
Unreserved - undesignated	3,326,625	809,497	46,025,627	(94,444)	7,174,011	34,819,038	(178,872)	312,036	28,178,950	-	120,372,468	66,981,427
Total fund balances (deficits)	3,641,677	809,497	46,025,627	(94,444)	7,174,011	34,819,038	(178,872)	312,036	28,178,950	-	120,687,520	67,221,479

TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)

TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,940,369	\$ 1,000,679	\$ 46,199,259	\$ 210,855	\$ 7,461,055	\$ 35,767,961	\$ 7,920	\$ 801,463	\$ 28,508,110	\$ -	\$ 123,897,671	\$ 69,881,771
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CITY OF HENDERSON, NEVADA

CAPITAL PROJECTS FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
FOR THE YEAR JUNE 30, 1998
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Land Sales	Special Recreation	Bond Proceeds	HUD Proceeds	Park Development	Special Assessment Districts	Flood Control	RTC/ County Funded	Municipal Facilities Acquisition and Construction	Special Ad Valorem Transportation	Totals	
											1998	1997
REVENUES:												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,473	\$ 277,171	\$ 306,644	\$ 2,905,643
Intergovernmental	-	1,053,456	-	611,684	-	-	44,166	1,840,492	-	-	3,549,798	4,458,340
Developer contributions	-	-	-	-	7,100	137,524	-	513,104	-	-	657,728	515,459
Impact fees	-	-	-	-	1,643,077	-	-	-	-	-	1,643,077	1,484,460
Miscellaneous interest	190,796	45,107	2,082,760	-	402,451	1,945,281	11	-	1,410,081	-	6,076,487	4,528,665
Miscellaneous	148,647	22,608	735	-	35,000	687,928	-	-	492	-	895,410	90,696
Total revenues	339,443	1,121,171	2,083,495	611,684	2,087,628	2,770,733	44,177	2,353,596	1,440,046	277,171	13,129,144	13,983,263
EXPENDITURES -												
CAPITAL OUTLAY:												
Construction contracts	403,617	127,788	101,884	192,746	703,691	7,646,835	223,080	1,777,560	277,880	-	11,455,081	40,027,386
Equipment	1,076,963	706,985	-	-	-	-	-	-	232,260	-	2,016,208	2,374,673
Land	-	-	-	-	177,970	-	-	-	1,640,344	-	1,818,314	6,747,330
Engineering and other	317,349	242,918	1,055,010	505,299	285,835	219,336	548	258,639	1,912,582	-	4,797,516	2,967,878
Intergovernmental	-	-	-	-	-	-	-	-	-	350,945	350,945	230,017
Total expenditures	1,797,929	1,077,691	1,156,894	698,045	1,167,496	7,866,171	223,628	2,036,199	4,063,066	350,945	20,438,064	52,347,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,458,486)	43,480	926,601	(86,361)	920,132	(5,095,438)	(179,451)	317,397	(2,623,020)	(73,774)	(7,308,920)	(38,364,021)
OTHER FINANCING SOURCES (USES):												
Land sales	2,364,341	-	-	-	-	-	-	-	-	-	2,364,341	258,643
Proceeds from issuance of debt	-	-	40,187,427	-	-	-	-	-	18,500,000	-	58,687,427	14,310,310
Operating transfers in	-	-	-	-	-	2,068,485	-	-	4,547,375	-	6,615,860	8,307,037
Operating transfers out	-	(90,178)	(2,000,731)	-	-	(771,393)	-	-	(4,030,365)	-	(6,892,667)	(7,904,211)
Total other financing sources (uses)	2,364,341	(90,178)	38,186,696	-	-	1,297,092	-	-	19,017,010	-	60,774,961	14,971,779
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	905,855	(46,698)	39,113,297	(86,361)	920,132	(3,798,346)	(179,451)	317,397	16,393,990	(73,774)	53,466,041	(23,392,242)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, RESTATED	2,735,822	856,195	6,912,330	(8,083)	6,253,879	38,617,384	579	(5,361)	11,784,960	73,774	67,221,479	90,613,721
FUND BALANCES (DEFICITS), END OF YEAR, RESTATED	\$ 3,641,677	\$ 809,497	\$ 46,025,627	\$ (94,444)	\$ 7,174,011	\$ 34,819,038	\$ (178,872)	\$ 312,036	\$ 28,178,950	\$ -	\$ 120,687,520	\$ 67,221,479

CITY OF HENDERSON, NEVADA

LAND SALES CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 3,571,802	\$ 2,260,958
Accounts receivable	80	80
Accrued interest receivable	53,435	-
Due from other funds	-	388,234
Deposits	<u>315,052</u>	<u>240,052</u>
TOTAL ASSETS	<u><u>\$ 3,940,369</u></u>	<u><u>\$ 2,889,324</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 192,942	\$ 99,519
Construction contracts	975	3,943
Deposits	<u>104,775</u>	<u>50,040</u>
Total liabilities	<u><u>298,692</u></u>	<u><u>153,502</u></u>

FUND BALANCES:

Reserved for deposits	315,052	240,052
Unreserved - undesignated	<u>3,326,625</u>	<u>2,495,770</u>
Total fund balances	<u><u>3,641,677</u></u>	<u><u>2,735,822</u></u>

TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,940,369</u></u>	<u><u>\$ 2,889,324</u></u>
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CITY OF HENDERSON, NEVADA

LAND SALES CAPITAL PROJECTS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Land sales	\$ 2,369,970	\$ -	\$ (2,369,970)	\$ 260,000	\$ -	\$ (260,000)
Miscellaneous interest	190,000	190,796	796	383,500	363,421	(20,079)
Miscellaneous	150,000	148,647	(1,353)	94,300	89,236	(5,064)
Total revenues	<u>2,709,970</u>	<u>339,443</u>	<u>(2,370,527)</u>	<u>737,800</u>	<u>452,657</u>	<u>(285,143)</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	959,215	403,617	555,598	25,000	373,965	(348,965)
Equipment	1,310,472	1,076,963	233,509	2,630,374	1,319,902	1,310,472
Land	2,902,112	-	2,902,112	1,426,956	-	1,426,956
Engineering and other	269,346	317,349	(48,003)	427,454	413,430	14,024
Total expenditures	<u>5,441,145</u>	<u>1,797,929</u>	<u>3,643,216</u>	<u>4,509,784</u>	<u>2,107,297</u>	<u>2,402,487</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,731,175)</u>	<u>(1,458,486)</u>	<u>1,272,689</u>	<u>(3,771,984)</u>	<u>(1,654,640)</u>	<u>2,117,344</u>
OTHER FINANCING SOURCES (USES):						
Land sales	-	2,364,341	2,364,341	-	258,643	258,643
Operating transfers out	-	-	-	(2,762,422)	(2,762,422)	-
Total other financing sources (uses)	<u>-</u>	<u>2,364,341</u>	<u>2,364,341</u>	<u>(2,762,422)</u>	<u>(2,503,779)</u>	<u>258,643</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(2,731,175)</u>	<u>905,855</u>	<u>3,637,030</u>	<u>(6,534,406)</u>	<u>(4,158,419)</u>	<u>2,375,987</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>2,731,175</u>	<u>2,735,822</u>	<u>4,647</u>	<u>6,894,241</u>	<u>6,894,241</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ -</u>	<u>\$ 3,641,677</u>	<u>\$ 3,641,677</u>	<u>\$ 359,835</u>	<u>\$ 2,735,822</u>	<u>\$ 2,375,987</u>

CITY OF HENDERSON, NEVADA
SPECIAL RECREATION CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 727,215	\$ 753,490
Accrued interest receivable	12,148	-
Due from other governments	261,316	256,455
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,000,679</u>	<u>\$ 1,009,945</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Accounts payable	\$ 191,182	\$ 153,750
 FUND BALANCES:		
Unreserved - undesignated	809,497	856,195
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,000,679</u>	<u>\$ 1,009,945</u>

CITY OF HENDERSON, NEVADA

SPECIAL RECREATION CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 1,110,000	\$ 1,053,456	\$ (56,544)	\$ 900,000	\$ 979,915	\$ 79,915
Miscellaneous interest	40,000	45,107	5,107	44,000	49,768	5,768
Miscellaneous	-	22,608	22,608	-	-	-
Total revenues	1,150,000	1,121,171	(28,829)	944,000	1,029,683	85,683
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	503,498	127,788	375,710	507,670	412,564	95,106
Equipment	1,051,973	706,985	344,988	689,278	264,399	424,879
Engineering and other	202,116	242,918	(40,802)	367,100	317,578	49,522
Total expenditures	1,757,587	1,077,691	679,896	1,564,048	994,541	569,507
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(607,587)	43,480	651,067	(620,048)	35,142	655,190
OTHER FINANCING USES:						
Operating transfers out	(87,686)	(90,178)	(2,492)	(15,000)	(15,000)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(695,273)	(46,698)	648,575	(635,048)	20,142	655,190
FUND BALANCES, BEGINNING OF YEAR, RESTATED	854,870	856,195	1,325	836,053	836,053	-
FUND BALANCES, END OF YEAR, RESTATED	\$ 159,597	\$ 809,497	\$ 649,900	\$ 201,005	\$ 856,195	\$ 655,190

CITY OF HENDERSON, NEVADA
BOND PROCEEDS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 46,199,259	\$ 6,895,748
Accrued interest receivable	-	23,588
	-	23,588
TOTAL ASSETS	\$ 46,199,259	\$ 6,919,336

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 23,820	\$ 7,006
Construction contracts	17,325	-
Arbitrage rebate tax	132,487	-
Total liabilities	173,632	7,006

FUND BALANCES:

Unreserved - undesignated	46,025,627	6,912,330
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,199,259	\$ 6,919,336

CITY OF HENDERSON, NEVADA

BOND PROCEEDS CAPITAL PROJECTS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -
Miscellaneous interest	2,050,000	2,082,760	32,760	333,600	366,569	32,969
Miscellaneous	-	735	735	500	460	(40)
Total revenues	<u>2,050,000</u>	<u>2,083,495</u>	<u>33,495</u>	<u>424,100</u>	<u>457,029</u>	<u>32,929</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	472,225	101,884	370,341	2,703,067	1,400,093	1,302,974
Equipment	32,137	-	32,137	41,350	9,839	31,511
Land	-	-	-	2,400	-	2,400
Engineering and other	1,567,496	1,055,010	512,486	341,252	54,699	286,553
Total expenditures	<u>2,071,858</u>	<u>1,156,894</u>	<u>914,964</u>	<u>3,088,069</u>	<u>1,464,631</u>	<u>1,623,438</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,858)</u>	<u>926,601</u>	<u>948,459</u>	<u>(2,663,969)</u>	<u>(1,007,602)</u>	<u>1,656,367</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	40,187,427	40,187,427	-	-	-	-
Operating transfers in	-	-	-	20,500	20,500	-
Operating transfers out	(1,995,000)	(2,000,731)	(5,731)	(11,000)	(10,038)	962
Total other financing sources	<u>38,192,427</u>	<u>38,186,696</u>	<u>(5,731)</u>	<u>9,500</u>	<u>10,462</u>	<u>962</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>38,170,569</u>	<u>39,113,297</u>	<u>942,728</u>	<u>(2,654,469)</u>	<u>(997,140)</u>	<u>1,657,329</u>
FUND BALANCES, BEGINNING OF YEAR	<u>6,912,330</u>	<u>6,912,330</u>	<u>-</u>	<u>7,909,470</u>	<u>7,909,470</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 45,082,899</u>	<u>\$ 46,025,627</u>	<u>\$ 942,728</u>	<u>\$ 5,255,001</u>	<u>\$ 6,912,330</u>	<u>\$ 1,657,329</u>

CITY OF HENDERSON, NEVADA
HUD PROCEEDS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ -	\$ 11,889
Due from other governments	210,855	246,300
	210,855	246,300
TOTAL ASSETS	\$ 210,855	\$ 258,189

LIABILITIES AND FUND DEFICITS

LIABILITIES:

Accounts payable and accrued wages	\$ 37,985	\$ 43,700
Construction contracts	-	206,932
Due to other funds	208,444	-
Deferred revenues	58,870	15,640
Total liabilities	305,299	266,272

FUND DEFICITS:

Unreserved - undesignated	(94,444)	(8,083)
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TOTAL LIABILITIES AND FUND DEFICITS	\$ 210,855	\$ 258,189
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CITY OF HENDERSON, NEVADA

HUD PROCEEDS CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND DEFICITS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 1,610,371	\$ 611,684	\$ (998,687)	\$ 1,859,644	\$ 1,380,668	\$ (478,976)
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	525,224	192,746	332,478	882,667	775,784	106,883
Equipment	-	-	-	-	1,906	(1,906)
Land	296,262	-	296,262	186,654	68,250	118,404
Engineering and other	780,802	505,299	275,503	782,240	534,728	247,512
Total expenditures	1,602,288	698,045	904,243	1,851,561	1,380,668	470,893
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,083	(86,361)	(94,444)	8,083	-	(8,083)
FUND DEFICITS, BEGINNING OF YEAR	(8,083)	(8,083)	-	(8,083)	(8,083)	-
FUND DEFICITS, END OF YEAR	\$ -	\$ (94,444)	\$ (94,444)	\$ -	\$ (8,083)	\$ (8,083)

CITY OF HENDERSON, NEVADA
PARK DEVELOPMENT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 7,318,325	\$ 6,433,864
Accrued interest receivable	107,730	-
Due from other governments	35,000	-
	\$ 7,461,055	\$ 6,433,864
TOTAL ASSETS	\$ 7,461,055	\$ 6,433,864

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 28,607	\$ 172,657
Construction contracts	258,437	7,328
Total liabilities	287,044	179,985

FUND BALANCES:

Unreserved - undesignated	7,174,011	6,253,879
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TOTAL LIABILITIES AND FUND BALANCES	\$ 7,461,055	\$ 6,433,864
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CITY OF HENDERSON, NEVADA

PARK DEVELOPMENT CAPITAL PROJECTS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Developer contributions	\$ -	\$ 7,100	\$ 7,100	\$ -	\$ 5,873	\$ 5,873
Impact fees	1,550,000	1,643,077	93,077	1,340,000	1,484,460	144,460
Miscellaneous interest	370,000	402,451	32,451	351,600	352,331	731
Miscellaneous	1,800	35,000	33,200	-	-	-
Total revenues	<u>1,921,800</u>	<u>2,087,628</u>	<u>165,828</u>	<u>1,691,600</u>	<u>1,842,664</u>	<u>151,064</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	2,606,981	703,691	1,903,290	2,396,075	355,379	2,040,696
Equipment	-	-	-	69,275	-	69,275
Land	178,500	177,970	530	-	75,810	(75,810)
Engineering and other	589,095	285,835	303,260	635,000	54,454	580,546
Total expenditures	<u>3,374,576</u>	<u>1,167,496</u>	<u>2,207,080</u>	<u>3,100,350</u>	<u>485,643</u>	<u>2,614,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,452,776)	920,132	2,372,908	(1,408,750)	1,357,021	2,765,771
OTHER FINANCING USES:						
Operating transfers out	-	-	-	(5,500)	(5,500)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,452,776)	920,132	2,372,908	(1,414,250)	1,351,521	2,765,771
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>6,242,558</u>	<u>6,253,879</u>	<u>11,321</u>	<u>4,902,358</u>	<u>4,902,358</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 4,789,782</u>	<u>\$ 7,174,011</u>	<u>\$ 2,384,229</u>	<u>\$ 3,488,108</u>	<u>\$ 6,253,879</u>	<u>\$ 2,765,771</u>

CITY OF HENDERSON, NEVADA

SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 35,651,753	\$ 39,353,789
Accounts receivable	2,000	128,889
Accrued interest receivable	114,208	185,615
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 35,767,961</u>	<u>\$ 39,668,293</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ -	\$ 15,223
Construction contracts	605,000	605,000
Due to other funds	-	40,907
Advances from other funds	343,923	389,779
Total liabilities	<hr/> 948,923	<hr/> 1,050,909

FUND BALANCES:

Unreserved - undesignated	<hr/> 34,819,038	<hr/> 38,617,384
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TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 35,767,961</u>	<u>\$ 39,668,293</u>
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CITY OF HENDERSON, NEVADA

SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Developer contributions	\$ 700,000	\$ 137,524	\$ (562,476)	\$ 366,000	\$ 475,592	\$ 109,592
Miscellaneous interest	1,751,000	1,945,281	194,281	2,519,500	2,866,573	347,073
Miscellaneous	183,526	687,928	504,402	-	-	-
Total revenues	<u>2,634,526</u>	<u>2,770,733</u>	<u>136,207</u>	<u>2,885,500</u>	<u>3,342,165</u>	<u>456,665</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	24,836,803	7,646,835	17,189,968	30,956,108	30,300,989	655,119
Engineering and other	265,630	219,336	46,294	759,914	692,329	67,585
Total expenditures	<u>25,102,433</u>	<u>7,866,171</u>	<u>17,236,262</u>	<u>31,716,022</u>	<u>30,993,318</u>	<u>722,704</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(22,467,907)</u>	<u>(5,095,438)</u>	<u>17,372,469</u>	<u>(28,830,522)</u>	<u>(27,651,153)</u>	<u>1,179,369</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	263,550	2,068,485	1,804,935	1,570,549	2,123,728	553,179
Operating transfers out	(755,526)	(771,393)	(15,867)	(2,037,000)	(2,263,766)	(226,766)
Total other financing sources (uses)	<u>(491,976)</u>	<u>1,297,092</u>	<u>1,789,068</u>	<u>(466,451)</u>	<u>(140,038)</u>	<u>326,413</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER FINANCING USES	<u>(22,959,883)</u>	<u>(3,798,346)</u>	<u>19,161,537</u>	<u>(29,296,973)</u>	<u>(27,791,191)</u>	<u>1,505,782</u>
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>38,616,861</u>	<u>38,617,384</u>	<u>523</u>	<u>66,408,575</u>	<u>66,408,575</u>	<u>-</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 15,656,978</u>	<u>\$ 34,819,038</u>	<u>\$ 19,162,060</u>	<u>\$ 37,111,602</u>	<u>\$ 38,617,384</u>	<u>\$ 1,505,782</u>

CITY OF HENDERSON, NEVADA
FLOOD CONTROL CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ -	\$ 579
Due from other governments	7,920	-
	7,920	-
TOTAL ASSETS	\$ 7,920	\$ 579

LIABILITIES AND FUND BALANCES

LIABILITIES:		
Construction contracts	\$ 62,308	\$ -
Due to other funds	124,484	-
	186,792	-
	186,792	-
FUND BALANCE (DEFICIT):		
Unreserved - undesignated	(178,872)	579
	(178,872)	579
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,920	\$ 579

CITY OF HENDERSON, NEVADA

FLOOD CONTROL CAPITAL PROJECTS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE (DEFICIT)- BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Intergovernmental	\$ 446,400	\$ 44,166	\$ (402,234)	\$ -	\$ -	\$ -
Miscellaneous interest	21	11	(10)	296	49	(247)
Total revenues	<u>446,421</u>	<u>44,177</u>	<u>(402,244)</u>	<u>296</u>	<u>49</u>	<u>(247)</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	446,443	223,080	223,363	-	-	-
Engineering and other	557	548	9	7,126	6,300	826
Total expenditures	<u>447,000</u>	<u>223,628</u>	<u>223,372</u>	<u>7,126</u>	<u>6,300</u>	<u>826</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(579)	(179,451)	(178,872)	(6,830)	(6,251)	579
FUND BALANCES, BEGINNING OF YEAR	<u>579</u>	<u>579</u>	<u>-</u>	<u>6,830</u>	<u>6,830</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (178,872)</u>	<u>\$ (178,872)</u>	<u>\$ -</u>	<u>\$ 579</u>	<u>\$ 579</u>

CITY OF HENDERSON, NEVADA
RTC/COUNTY FUNDED CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Accounts receivable	\$ 129	\$ -
Due from other governments	801,334	382,873
	801,334	382,873
TOTAL ASSETS	\$ 801,463	\$ 382,873

LIABILITIES AND FUND BALANCE (DEFICIT)

LIABILITIES:

Accounts payable and accrued wages	\$ 143,835	\$ -
Construction contracts	311,012	-
Due to other funds	34,580	388,234
Total liabilities	489,427	388,234

FUND BALANCE (DEFICIT):

Unreserved - undesignated	312,036	(5,361)
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TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 801,463	\$ 382,873
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CITY OF HENDERSON, NEVADA

RTC/COUNTY FUNDED CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 6,157,016	\$ 1,840,492	\$ (4,316,524)	\$ 3,773,522	\$ 2,007,757	\$ (1,765,765)
Developer contributions	-	513,104	513,104	-	33,994	33,994
Miscellaneous	2,207,429	-	(2,207,429)	33,950	-	(33,950)
Total revenues	<u>8,364,445</u>	<u>2,353,596</u>	<u>(6,010,849)</u>	<u>3,807,472</u>	<u>2,041,751</u>	<u>(1,765,721)</u>
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	7,561,688	1,777,560	5,784,128	3,380,913	1,944,063	1,436,850
Land	61,000	-	61,000	61,000	-	61,000
Engineering and other	736,396	258,639	477,757	385,782	123,272	262,510
Total expenditures	<u>8,359,084</u>	<u>2,036,199</u>	<u>6,322,885</u>	<u>3,827,695</u>	<u>2,067,335</u>	<u>1,760,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,361	317,397	312,036	(20,223)	(25,584)	(5,361)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>(5,361)</u>	<u>(5,361)</u>	<u>-</u>	<u>20,223</u>	<u>20,223</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 312,036</u>	<u>\$ 312,036</u>	<u>\$ -</u>	<u>\$ (5,361)</u>	<u>\$ (5,361)</u>

CITY OF HENDERSON, NEVADA
MUNICIPAL FACILITIES ACQUISITION AND
CONSTRUCTION CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 28,455,053	\$ 12,154,477
Accounts receivable	5,370	-
Accrued interest receivable	-	9,194
Property taxes receivable - delinquent	47,636	33,442
Due from other governments	51	48,481
	<u>51</u>	<u>48,481</u>
TOTAL ASSETS	\$ 28,508,110	\$ 12,245,594

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 46,214	\$ 57,260
Construction contracts	12,131	341,246
Arbitrage rebate tax	223,179	28,686
Deferred revenues - property taxes	47,636	33,442
Total liabilities	<u>329,160</u>	<u>460,634</u>

FUND BALANCES:

Unreserved - undesignated	<u>28,178,950</u>	<u>11,784,960</u>
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TOTAL LIABILITIES AND FUND BALANCES	\$ 28,508,110	\$ 12,245,594
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CITY OF HENDERSON, NEVADA

MUNICIPAL FACILITIES ACQUISITION AND CONSTRUCTION CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:						
Property taxes	\$ 25,000	\$ 29,473	\$ 4,473	\$ 2,500,000	\$ 2,601,852	\$ 101,852
Miscellaneous interest	1,395,000	1,410,081	15,081	350,000	529,954	179,954
Miscellaneous	-	492	492	1,000	1,000	-
Total revenues	1,420,000	1,440,046	20,046	2,851,000	3,132,806	281,806
EXPENDITURES - CAPITAL OUTLAY:						
Construction contracts	8,846,788	277,880	8,568,908	4,766,576	4,464,549	302,027
Equipment	2,023,096	232,260	1,790,836	939,259	778,627	160,632
Land	2,015,172	1,640,344	374,828	8,618,442	6,603,270	2,015,172
Engineering and other	226,699	1,912,582	(1,685,883)	3,649,937	771,088	2,878,849
Total expenditures	13,111,755	4,063,066	9,048,689	17,974,214	12,617,534	5,356,680
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(11,691,755)	(2,623,020)	9,068,735	(15,123,214)	(9,484,728)	5,638,486
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of debt	-	18,500,000	18,500,000	14,550,000	14,310,310	(239,690)
Operating transfers in	6,529,071	4,547,375	(1,981,696)	8,543,113	6,162,809	(2,380,304)
Operating transfers out	(4,030,365)	(4,030,365)	-	(2,847,485)	(2,847,485)	-
Total other financing sources	2,498,706	19,017,010	16,518,304	20,245,628	17,625,634	(2,619,994)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(9,193,049)	16,393,990	25,587,039	5,122,414	8,140,906	3,018,492
FUND BALANCES, BEGINNING OF YEAR	11,784,960	11,784,960	-	3,644,054	3,644,054	-
FUND BALANCES, END OF YEAR	\$ 2,591,911	\$ 28,178,950	\$ 25,587,039	\$ 8,766,468	\$ 11,784,960	\$ 3,018,492

CITY OF HENDERSON, NEVADA
SPECIAL AD VALOREM TRANSPORTATION
CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
Due from other governments	\$ -	\$ 73,774

FUND BALANCES

FUND BALANCES:		
Unreserved - undesignated	\$ -	\$ 73,774

CITY OF HENDERSON, NEVADA

SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
REVENUES:						
Property taxes	\$ 400,000	\$ 277,171	\$ (122,829)	\$ 600,000	\$ 303,791	\$ (296,209)
EXPENDITURES - CAPITAL OUTLAY:						
Intergovernmental	<u>473,774</u>	<u>350,945</u>	<u>122,829</u>	<u>600,000</u>	<u>230,017</u>	<u>369,983</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,774)	(73,774)	-	-	73,774	73,774
FUND BALANCES, BEGINNING OF YEAR	<u>73,774</u>	<u>73,774</u>	-	-	-	-
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 73,774</u></u>	<u><u>\$ 73,774</u></u>

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Convention Center Enterprise Fund - to account for costs of operating the City's Convention Center. Resources for operating the Center are derived from user fees, a room tax imposed by the City and the allocation of a portion of gaming license revenues to this fund.

Water Fund - to account 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, operating, maintenance, financing and related debt service; And, billing and collection.

Sewer Fund - to account 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.



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CITY OF HENDERSON, NEVADA

ENTERPRISE FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	Convention			Totals	
	Center	Water	Sewer	1998	1997
CURRENT ASSETS:					
Cash and investments	\$ 646,849	\$ 66,364,109	\$ 69,010,829	\$ 136,021,787	\$ 126,240,974
Accounts receivable	724	4,427,909	2,108,220	6,536,853	5,863,145
Accrued interest receivable	8,852	815,788	1,181,758	2,006,398	81,786
Total current assets	<u>656,425</u>	<u>71,607,806</u>	<u>72,300,807</u>	<u>144,565,038</u>	<u>132,185,905</u>
RESTRICTED ASSETS, CASH AND INVESTMENTS:					
Customer deposits	-	114,881	-	114,881	91,823
Construction deposits	-	195,674	-	195,674	148,240
Water and sewer bond debt service	-	1,711,984	1,895,645	3,607,629	3,039,564
Bond reserve	-	-	-	-	294,258
Total restricted assets	<u>-</u>	<u>2,022,539</u>	<u>1,895,645</u>	<u>3,918,184</u>	<u>3,573,885</u>
BANKED WATER	<u>-</u>	<u>3,553,928</u>	<u>-</u>	<u>3,553,928</u>	<u>2,910,563</u>
PROPERTY, PLANT AND EQUIPMENT:					
Land	-	949,624	3,308,926	4,258,550	4,258,550
Buildings	2,875,092	3,355,357	6,690,072	12,920,521	12,910,417
Improvements other than buildings	1,368,570	157,908,324	141,779,338	301,056,232	282,648,563
Machinery and equipment	199,794	1,077,154	2,472,382	3,749,330	5,878,430
Construction in progress	-	1,510,498	9,782,193	11,292,691	549,191
Total property, plant and equipment	<u>4,443,456</u>	<u>164,800,957</u>	<u>164,032,911</u>	<u>333,277,324</u>	<u>306,245,151</u>
Less accumulated depreciation	<u>(992,950)</u>	<u>(28,357,599)</u>	<u>(27,558,256)</u>	<u>(56,908,805)</u>	<u>(50,322,833)</u>
Net property, plant and equipment	<u>3,450,506</u>	<u>136,443,358</u>	<u>136,474,655</u>	<u>276,368,519</u>	<u>255,922,318</u>
OTHER ASSETS:					
Note receivable	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,106,931</u>	<u>\$ 213,627,631</u>	<u>\$ 216,671,107</u>	<u>\$ 434,405,669</u>	<u>\$ 394,592,671</u>

(Continued)

CITY OF HENDERSON, NEVADA

ENTERPRISE FUNDS

COMBINING BALANCE SHEETS (Continued) JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

LIABILITIES AND FUND EQUITY

	Convention			Totals	
	Center	Water	Sewer	1998	1997
CURRENT LIABILITIES (payable from current assets):					
Accounts payable and accrued wages	\$ 27,226	\$ 2,931,741	\$ 1,113,450	\$ 4,072,417	\$ 3,261,998
Compensated absences payable	32,285	681,641	436,390	1,150,316	990,589
Construction contracts	-	61,449	1,312,905	1,374,354	302,457
Due to other funds	6,973	4,649	15,110	26,732	-
Total current liabilities (payable from current assets)	66,484	3,679,480	2,877,855	6,623,819	4,555,044
CURRENT LIABILITIES (payable from restricted assets):					
Customer deposits	-	114,842	-	114,842	91,823
Construction deposits	-	195,674	-	195,674	148,240
Accrued bond interest	-	387,596	779,124	1,166,720	1,065,657
Current portion of bonds	-	2,069,000	2,609,499	4,678,499	4,917,746
Total current liabilities (payable from restricted assets)	-	2,767,112	3,388,623	6,155,735	6,223,466
LONG-TERM LIABILITIES:					
Provisional credits	-	108,489	314,758	423,247	432,132
General obligation bonds (net of current portion)	-	51,408,130	45,141,821	96,549,951	100,899,142
Arbitrage	-	-	-	-	2,400
Total long-term liabilities	-	51,516,619	45,456,579	96,973,198	101,333,674
Total liabilities	66,484	57,963,211	51,723,057	109,752,752	112,112,184
FUND EQUITY:					
Contributed capital:					
Federal government	-	-	9,633,908	9,633,908	10,008,360
Other contributed capital	4,317,450	153,307,638	156,812,492	314,437,580	270,804,241
Total contributed capital	4,317,450	153,307,638	166,446,400	324,071,488	280,812,601
Retained earnings (deficit):					
Unreserved	(277,003)	2,356,782	(1,498,350)	581,429	1,667,886
Total fund equity	4,040,447	155,664,420	164,948,050	324,652,917	282,480,487
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,106,931	\$ 213,627,631	\$ 216,671,107	\$ 434,405,669	\$ 394,592,671

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CITY OF HENDERSON, NEVADA

ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Convention			Totals	
	Center	Water	Sewer	1998	1997
OPERATING REVENUES:					
Utility fees	\$ -	\$ 23,882,401	\$ 12,569,113	\$ 36,451,514	\$ 33,287,716
Connection fees	-	790,224	443,903	1,234,127	623,486
Developer contributions	-	-	361,227	361,227	206,782
Late charges	-	387,267	178,446	565,713	497,333
Rental fees	210,024	-	-	210,024	216,155
Licenses - gaming	461,946	-	-	461,946	206,247
Room tax	226,718	-	-	226,718	42,046
Miscellaneous	-	92,883	15,417	108,300	112,215
Total operating revenues	<u>898,688</u>	<u>25,152,775</u>	<u>13,568,106</u>	<u>39,619,569</u>	<u>35,191,980</u>
OPERATING EXPENSES:					
Salaries and wages	242,872	3,714,937	2,521,634	6,479,443	5,656,481
Employee benefits	68,131	1,078,963	742,914	1,890,008	1,652,757
Water purchases	-	8,311,174	-	8,311,174	8,632,646
Services and supplies	321,257	6,377,200	5,633,484	12,331,941	11,167,722
Depreciation	136,514	3,882,689	3,822,418	7,841,621	7,297,146
Total operating expenses	<u>768,774</u>	<u>23,364,963</u>	<u>12,720,450</u>	<u>36,854,187</u>	<u>34,406,752</u>
OPERATING INCOME	<u>129,914</u>	<u>1,787,812</u>	<u>847,656</u>	<u>2,765,382</u>	<u>785,228</u>
NONOPERATING REVENUES (EXPENSES):					
Interest revenue	29,690	3,886,337	4,444,382	8,360,409	6,962,354
Interest expense	-	(2,940,684)	(2,172,452)	(5,113,136)	(5,657,367)
Miscellaneous	15,000	10,775	2,490	28,265	123,592
System development fees	-	-	-	-	-
Gain (loss) on the disposition of assets	(11,274)	(12,164)	(6,220)	(29,658)	4,131
Total nonoperating revenues	<u>33,416</u>	<u>944,264</u>	<u>2,268,200</u>	<u>3,245,880</u>	<u>1,432,710</u>
INCOME BEFORE OPERATING TRANSFERS	<u>163,330</u>	<u>2,732,076</u>	<u>3,115,856</u>	<u>6,011,262</u>	<u>2,217,938</u>
OPERATING TRANSFERS:					
Operating transfers out	<u>-</u>	<u>(2,991,138)</u>	<u>(4,481,033)</u>	<u>(7,472,171)</u>	<u>-</u>
NET INCOME (LOSS)	<u>163,330</u>	<u>(259,062)</u>	<u>(1,365,177)</u>	<u>(1,460,909)</u>	<u>2,217,938</u>
CURRENT YEAR'S DEPRECIATION OF FEDERAL GRANTS TRANSFERRED TO CONTRIBUTED CAPITAL					
	<u>-</u>	<u>-</u>	<u>374,452</u>	<u>374,452</u>	<u>376,022</u>
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR, RESTATED					
	<u>(440,333)</u>	<u>2,615,844</u>	<u>(507,625)</u>	<u>1,667,886</u>	<u>(926,074)</u>
RETAINED EARNINGS (DEFICIT) END OF YEAR, RESTATED	<u>\$ (277,003)</u>	<u>\$ 2,356,782</u>	<u>\$ (1,498,350)</u>	<u>\$ 581,429</u>	<u>\$ 1,667,886</u>

CITY OF HENDERSON, NEVADA

ENTERPRISE FUNDS

COMBINING STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Convention			Totals	
	Center	Water	Sewer	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 897,964	\$ 24,996,103	\$ 13,051,794	\$ 38,945,861	\$ 34,246,342
Cash from other sources	15,000	10,775	2,490	28,265	123,592
Cash payments to suppliers for goods and services	(383,812)	(15,600,102)	(5,876,125)	(21,860,039)	(20,026,782)
Cash payments to employees for services	(233,308)	(3,356,669)	(2,495,219)	(6,085,196)	(5,505,915)
Net cash provided by operating activities	<u>295,844</u>	<u>6,050,107</u>	<u>4,682,940</u>	<u>11,028,891</u>	<u>8,837,237</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers out	-	(2,991,138)	(4,481,033)	(7,472,171)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of banked water	-	(643,365)	-	(643,365)	(198,887)
Acquisition and construction of fixed assets	(31,106)	(2,781,499)	(8,900,538)	(11,713,143)	(7,899,860)
Amounts used for advance refunding	-	-	-	-	(18,800,850)
Principal payments on bonds	-	(2,396,000)	(2,521,746)	(4,917,746)	(4,214,524)
Interest paid on bonds	-	(2,561,559)	(2,123,606)	(4,685,165)	(5,465,860)
Decrease in provisional credits	-	(10,083)	(3,244)	(13,327)	(7,550)
Proceeds from sale of fixed assets	-	651,836	584,721	1,236,557	6,428
Capital contributions	-	9,169,547	17,699,234	26,868,781	25,921,734
Proceeds from issuance of debt	-	-	-	-	19,053,091
Net cash provided by (used for) capital and related financing activities	<u>(31,106)</u>	<u>1,428,877</u>	<u>4,734,821</u>	<u>6,132,592</u>	<u>8,393,722</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Loans made to others	-	-	(6,000,000)	(6,000,000)	-
Interest on investments	20,838	3,152,338	3,262,624	6,435,800	6,974,385
Net cash provided by (used for) investing activities	<u>20,838</u>	<u>3,152,338</u>	<u>(2,737,376)</u>	<u>435,800</u>	<u>6,974,385</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	285,576	7,640,184	2,199,352	10,125,112	24,205,344
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	<u>361,273</u>	<u>60,746,464</u>	<u>68,707,122</u>	<u>129,814,859</u>	<u>105,609,515</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	<u>\$ 646,849</u>	<u>\$ 68,386,648</u>	<u>\$ 70,906,474</u>	<u>\$ 139,939,971</u>	<u>\$ 129,814,859</u>

(Continued)

CITY OF HENDERSON, NEVADA

ENTERPRISE FUNDS

COMBINING STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	<u>Convention Center</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME					
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income	\$ 129,914	\$ 1,787,812	\$ 847,656	\$ 2,765,382	\$ 785,228
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	136,514	3,882,689	3,822,418	7,841,621	7,297,146
Miscellaneous revenues	15,000	10,775	2,490	28,265	123,592
Bond discount	-	-	-	-	385,576
Increase in accounts receivable	(724)	(156,672)	(516,312)	(673,708)	(1,084,634)
Decrease in prepaid items	-	-	-	-	138,996
Decrease in water rights	-	-	-	-	6,250,000
Increase in accounts payable and accrued wages	543	312,342	497,534	810,419	844,612
Increase in compensated absences payable	7,624	138,059	14,044	159,727	98,909
Increase in amounts payable from restricted accounts	-	70,453	-	70,453	61,562
Increase in due to other funds	6,973	4,649	15,110	26,732	-
Decrease in due to joint venture	-	-	-	-	(6,063,750)
Total adjustments	165,930	4,262,295	3,835,284	8,263,509	8,052,009
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 295,844	\$ 6,050,107	\$ 4,682,940	\$ 11,028,891	\$ 8,837,237

NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Convention Center Fund received contributions of fixed assets from other funds totaling \$166,560 for the year ended June 30, 1998.

The Water Fund received contributions of fixed assets totaling \$8,132,725 and \$11,969,908 for the years ended June 30, 1998 and 1997, respectively.

The Sewer Fund received contributions of fixed assets totaling \$8,469,715 and \$8,517,871 for the years ended June 30, 1998 and 1997, respectively.

CITY OF HENDERSON, NEVADA
CONVENTION CENTER ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 646,849	\$ 361,273
Accounts receivable	724	-
Accrued interest receivable	8,852	-
Total current assets	656,425	361,273
PROPERTY, PLANT AND EQUIPMENT:		
Buildings	2,875,092	2,864,988
Improvements other than buildings	1,368,570	1,195,989
Machinery and equipment	199,794	202,890
Total property, plant and equipment	4,443,456	4,263,867
Less accumulated depreciation	(992,950)	(863,239)
Net property, plant and equipment	3,450,506	3,400,628
TOTAL ASSETS	\$ 4,106,931	\$ 3,761,901

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued wages	\$ 27,226	\$ 26,683
Compensated absences payable	32,285	24,661
Due to other funds	6,973	-
Total current liabilities	66,484	51,344
FUND EQUITY:		
Contributed capital	4,317,450	4,150,890
Accumulated deficit	(277,003)	(440,333)
Total fund equity	4,040,447	3,710,557
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,106,931	\$ 3,761,901

CITY OF HENDERSON, NEVADA

CONVENTION CENTER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN ACCUMULATED DEFICIT FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Rental fees	\$ 210,024	\$ 216,155
Licenses - gaming	461,946	206,247
Room tax	226,718	42,046
Total operating revenues	898,688	464,448
OPERATING EXPENSES:		
Salaries and wages	242,872	206,831
Employee benefits	68,131	59,615
Services and supplies	321,257	120,900
Depreciation	136,514	134,988
Total operating expenses	768,774	522,334
OPERATING INCOME (LOSS)	129,914	(57,886)
NONOPERATING REVENUES:		
Interest revenue	29,690	20,052
Miscellaneous	15,000	-
Loss on disposition of assets	(11,274)	-
Total nonoperating revenues	33,416	20,052
NET INCOME (LOSS)	163,330	(37,834)
ACCUMULATED DEFICIT, BEGINNING OF YEAR, RESTATED	(440,333)	(402,499)
ACCUMULATED DEFICIT, END OF YEAR, RESTATED	\$ (277,003)	\$ (440,333)

CITY OF HENDERSON, NEVADA

CONVENTION CENTER ENTERPRISE FUND

**COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 897,964	\$ 464,448
Cash from other sources	15,000	-
Cash payments to suppliers for goods and services	(383,812)	(172,758)
Cash payments to employees for services	(233,308)	(203,931)
Net cash provided by operating activities	<u>295,844</u>	<u>87,759</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of fixed assets	<u>(31,106)</u>	<u>(53,877)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>20,838</u>	<u>20,052</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	285,576	53,934
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	<u>361,273</u>	<u>307,339</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	<u>\$ 646,849</u>	<u>\$ 361,273</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	<u>\$ 129,914</u>	<u>\$ (57,886)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	136,514	134,988
Miscellaneous revenues	15,000	-
Increase in accounts receivable	(724)	-
Increase in accounts payable and accrued wages	543	9,776
Increase in compensated absences payable	7,624	881
Increase in due to other funds	6,973	-
Total adjustments	<u>165,930</u>	<u>145,645</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 295,844</u>	<u>\$ 87,759</u>

NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Convention Center Fund received contributions of fixed assets from other funds totaling \$166,560 for the year ended June 30, 1998.

CITY OF HENDERSON, NEVADA

CONVENTION CENTER ENTERPRISE FUND

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING REVENUES:						
Rental fees	\$ 210,000	\$ 210,024	\$ 24	\$ 185,000	\$ 216,155	\$ 31,155
Licenses - gaming	400,000	461,946	61,946	210,000	206,247	(3,753)
Room tax	250,000	226,718	(23,282)	40,950	42,046	1,096
Total operating revenues	<u>860,000</u>	<u>898,688</u>	<u>38,688</u>	<u>435,950</u>	<u>464,448</u>	<u>28,498</u>
OPERATING EXPENSES:						
Salaries and wages	235,000	242,872	(7,872)	190,000	206,831	(16,831)
Employee benefits	68,000	68,131	(131)	60,000	59,615	385
Services and supplies	321,771	321,257	514	132,243	120,900	11,343
Depreciation	134,000	136,514	(2,514)	162,708	134,988	27,720
Total operating expenses	<u>758,771</u>	<u>768,774</u>	<u>(10,003)</u>	<u>544,951</u>	<u>522,334</u>	<u>22,617</u>
OPERATING INCOME (LOSS)	101,229	129,914	28,685	(109,001)	(57,886)	51,115
NONOPERATING REVENUES:						
Interest revenue	25,000	29,690	4,690	18,000	20,052	2,052
Miscellaneous	-	15,000	15,000	-	-	-
Gain (loss) on the disposition of assets	9,165	(11,274)	(20,439)	-	-	-
Total nonoperating revenues	<u>34,165</u>	<u>33,416</u>	<u>(749)</u>	<u>18,000</u>	<u>20,052</u>	<u>2,052</u>
NET INCOME (LOSS)	<u>\$ 135,394</u>	<u>\$ 163,330</u>	<u>\$ 27,936</u>	<u>\$ (91,001)</u>	<u>\$ (37,834)</u>	<u>\$ 53,167</u>

CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 66,364,109	\$ 59,214,237
Accounts receivable	4,427,909	4,271,237
Accrued interest receivable	815,788	81,786
Total current assets	71,607,806	63,567,260
RESTRICTED ASSETS, CASH AND INVESTMENTS:		
Customer deposits	114,881	91,823
Construction deposits	195,674	148,240
Water bond debt service	1,711,984	1,195,394
Bond reserve	-	96,770
Total restricted assets	2,022,539	1,532,227
BANKED WATER	3,553,928	2,910,563
PROPERTY, PLANT AND EQUIPMENT:		
Land	949,624	949,624
Buildings	3,355,357	3,355,357
Improvements other than buildings	157,908,324	148,769,981
Machinery and equipment	1,077,154	2,347,124
Construction in progress	1,510,498	196,935
Total property, plant and equipment	164,800,957	155,619,021
Less accumulated depreciation	(28,357,599)	(25,302,187)
Net property, plant and equipment	136,443,358	130,316,834
TOTAL ASSETS	\$ 213,627,631	\$ 198,326,884

(Continued)

CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS (Continued) JUNE 30, 1998 AND 1997

LIABILITIES AND FUND EQUITY

	<u>1998</u>	<u>1997</u>
CURRENT LIABILITIES (payable from current assets):		
Accounts payable and accrued wages	\$ 2,931,741	\$ 2,619,399
Compensated absences payable	681,641	543,582
Construction contracts	61,449	302,457
Total current liabilities (payable from current assets)	3,674,831	3,465,438
CURRENT LIABILITIES (payable, in part, from restricted assets):		
Customer deposits	114,842	91,823
Construction deposits	195,674	148,240
Accrued bond interest	387,596	256,236
Current portion of bonds	2,069,000	2,396,000
Due to other funds	4,649	-
Total current liabilities (payable, in part, from restricted assets)	2,771,761	2,892,299
LONG-TERM LIABILITIES:		
Provisional credits	108,489	120,414
General obligation bonds (net of current portion)	51,408,130	53,229,365
Total long-term liabilities	51,516,619	53,349,779
Total liabilities	57,963,211	59,707,516
FUND EQUITY:		
Contributed capital	153,307,638	136,003,524
Retained earnings - unreserved	2,356,782	2,615,844
Total fund equity	155,664,420	138,619,368
TOTAL LIABILITIES AND FUND EQUITY	\$ 213,627,631	\$ 198,326,884

CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Utility fees	\$ 23,882,401	\$ 22,348,246
Connection fees	790,224	603,377
Late charges	387,267	343,399
Miscellaneous	92,883	88,589
Total operating revenues	25,152,775	23,383,611
OPERATING EXPENSES:		
Salaries and wages	3,714,937	3,172,861
Employee benefits	1,078,963	924,996
Water purchases	8,311,174	8,632,646
Services and supplies	6,377,200	6,657,996
Depreciation	3,882,689	3,541,507
Total operating expenses	23,364,963	22,930,006
OPERATING INCOME	1,787,812	453,605
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	3,886,337	3,182,745
Interest expense	(2,940,684)	(3,331,460)
Miscellaneous	10,775	65,110
Gain (loss) on disposition of assets	(12,164)	4,722
Total nonoperating revenues (expenses)	944,264	(78,883)
INCOME BEFORE OPERATING TRANSFERS	2,732,076	374,722
OPERATING TRANSFERS:		
Operating transfers out	(2,991,138)	-
NET INCOME (LOSS)	(259,062)	374,722
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	2,615,844	2,241,122
RETAINED EARNINGS, END OF YEAR, RESTATED	\$ 2,356,782	\$ 2,615,844

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CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 24,996,103	\$ 22,687,248
Cash from other sources	10,775	65,110
Cash payments to suppliers for goods and services	(15,600,102)	(15,052,927)
Cash payments to employees for services	(3,356,669)	(3,080,952)
Net cash provided by operating activities	6,050,107	4,618,479
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers out	(2,991,138)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of banked water	(643,365)	(198,887)
Acquisition and construction of fixed assets	(2,781,499)	(5,269,919)
Amounts used for advance refunding	-	(18,800,850)
Principal payments on bonds	(2,396,000)	(1,821,000)
Interest paid on bonds	(2,561,559)	(3,178,731)
Decrease in provisional credits	(10,083)	(6,317)
Proceeds from sale of fixed assets	651,836	6,428
Capital contributions	9,169,547	11,754,310
Proceeds from issuance of bonds	-	19,053,091
Net cash provided by capital and related financing activities	1,428,877	1,538,125
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	3,152,338	3,194,776
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,640,184	9,351,380
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED (including \$1,532,227 and \$1,492,521 in restricted accounts in 1998 and 1997, respectively)	60,746,464	51,395,084
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED (including \$2,022,539 and \$1,532,227 in restricted accounts in 1998 and 1997, respectively)	\$ 68,386,648	\$ 60,746,464

(Continued)

CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (Continued) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,787,812	\$ 453,605
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,882,689	3,541,507
Miscellaneous revenues	10,775	65,110
Bond discount	-	385,576
Increase in accounts receivable	(156,672)	(835,359)
Decrease in prepaid items	-	138,996
Decrease in water rights	-	6,250,000
Increase in accounts payable and accrued wages	312,342	559,209
Increase in compensated absences payable	138,059	62,023
Increase in amounts payable from restricted accounts	70,453	61,562
Increase in due to other funds	4,649	-
Decrease in due to joint venture	-	(6,063,750)
Total adjustments	<u>4,262,295</u>	<u>4,164,874</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 6,050,107</u>	<u>\$ 4,618,479</u>

NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Water Fund received contributions of fixed assets totaling \$8,132,725 and \$11,969,908 for the years ended June 30, 1998 and 1997, respectively.

CITY OF HENDERSON, NEVADA

WATER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
OPERATING REVENUES:						
Utility fees	\$ 25,475,000	\$ 23,882,401	\$ (1,592,599)	\$ 22,419,300	\$ 22,348,246	\$ (71,054)
Connection fees	550,000	790,224	240,224	850,000	603,377	(246,623)
Late charges	350,000	387,267	37,267	300,000	343,399	43,399
Miscellaneous	8,500	63,015	54,515	19,810	88,589	68,779
Total operating revenues	26,383,500	25,122,907	(1,260,593)	23,589,110	23,383,611	(205,499)
OPERATING EXPENSES:						
Salaries and wages	3,600,000	3,714,937	(114,937)	3,119,600	3,172,861	(53,261)
Employee benefits	1,075,000	1,078,963	(3,963)	859,159	924,996	(65,837)
Water purchases	9,000,000	8,311,174	688,826	8,578,100	8,632,646	(54,546)
Services and supplies	9,768,447	6,377,200	3,391,247	8,693,460	6,657,996	2,035,464
Depreciation	3,950,000	3,882,689	67,311	3,641,432	3,541,507	99,925
Total operating expenses	27,393,447	23,364,963	4,028,484	24,891,751	22,930,006	1,961,745
OPERATING INCOME (LOSS)	(1,009,947)	1,757,944	2,767,891	(1,302,641)	453,605	1,756,246
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	2,756,000	3,886,337	1,130,337	2,945,000	3,182,745	237,745
Interest expense	(3,335,476)	(2,940,684)	394,792	(3,444,758)	(3,331,460)	113,298
Miscellaneous	10,000,000	10,775	(9,989,225)	-	65,110	65,110
Gain (loss) on disposition of assets	-	(12,164)	(12,164)	4,500	4,722	222
Total nonoperating revenues (expenses)	9,420,524	944,264	(8,476,260)	(495,258)	(78,883)	416,375
INCOME (LOSS) BEFORE OPERATING TRANSFERS	8,410,577	2,702,208	(5,708,369)	(1,797,899)	374,722	2,172,621
OPERATING TRANSFERS:						
Operating transfers out	(2,756,000)	(2,991,138)	(235,138)	-	-	-
NET INCOME (LOSS)	\$ 5,654,577	\$ (288,930)	\$ (5,943,507)	\$ (1,797,899)	\$ 374,722	\$ 2,172,621

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CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 69,010,829	\$ 66,665,464
Accounts receivable	2,108,220	1,591,908
Accrued interest receivable	1,181,758	-
Total current assets	<u>72,300,807</u>	<u>68,257,372</u>
RESTRICTED ASSETS, CASH AND INVESTMENTS:		
Sewer bond debt service	1,895,645	1,844,170
Bond reserve	-	197,488
Total restricted assets	<u>1,895,645</u>	<u>2,041,658</u>
PROPERTY, PLANT AND EQUIPMENT:		
Land	3,308,926	3,308,926
Buildings	6,690,072	6,690,072
Improvements other than buildings	141,779,338	132,682,593
Machinery and equipment	2,472,382	3,328,416
Construction in progress	9,782,193	352,256
Total property, plant and equipment	<u>164,032,911</u>	<u>146,362,263</u>
Less accumulated depreciation	<u>(27,558,256)</u>	<u>(24,157,407)</u>
Net property, plant and equipment	<u>136,474,655</u>	<u>122,204,856</u>
OTHER ASSETS:		
Note receivable	<u>6,000,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 216,671,107</u>	<u>\$ 192,503,886</u>

(Continued)

CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS (Continued)

JUNE 30, 1998 AND 1997

LIABILITIES AND FUND EQUITY

	<u>1998</u>	<u>1997</u>
CURRENT LIABILITIES (payable from current assets):		
Accounts payable and accrued wages	\$ 1,113,450	\$ 615,916
Compensated absences payable	436,390	422,346
Construction contracts	1,312,905	-
Due to other funds	15,110	-
Total current liabilities (payable from current assets)	<u>2,877,855</u>	<u>1,038,262</u>
CURRENT LIABILITIES (payable, in part, from restricted assets):		
Accrued bond interest	779,124	809,421
Current portion of bonds	2,609,499	2,521,746
Total current liabilities (payable, in part, from restricted assets)	<u>3,388,623</u>	<u>3,331,167</u>
LONG-TERM LIABILITIES:		
Provisional credits	314,758	311,718
General obligation bonds (net of current portion)	45,141,821	47,669,777
Arbitrage	-	2,400
Total long-term liabilities	<u>45,456,579</u>	<u>47,983,895</u>
Total liabilities	<u>51,723,057</u>	<u>52,353,324</u>
FUND EQUITY:		
Contributed capital:		
Federal government	9,633,908	10,008,360
Other contributed capital	156,812,492	130,649,827
Total contributed capital	<u>166,446,400</u>	<u>140,658,187</u>
Accumulated deficit	<u>(1,498,350)</u>	<u>(507,625)</u>
Total fund equity	<u>164,948,050</u>	<u>140,150,562</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 216,671,107</u>	<u>\$ 192,503,886</u>

CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN ACCUMULATED DEFICIT FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Utility fees	\$ 12,569,113	\$ 10,939,470
Connection fees	443,903	20,109
Developer contributions	361,227	206,782
Late charges	178,446	153,934
Miscellaneous	15,417	23,626
Total operating revenues	13,568,106	11,343,921
OPERATING EXPENSES:		
Salaries and wages	2,521,634	2,276,789
Employee benefits	742,914	668,146
Services and supplies	5,633,484	4,388,826
Depreciation	3,822,418	3,620,651
Total operating expenses	12,720,450	10,954,412
OPERATING INCOME	847,656	389,509
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	4,444,382	3,759,557
Interest expense	(2,172,452)	(2,325,907)
Miscellaneous	2,490	58,482
Loss on the disposition of fixed assets	(6,220)	(591)
Total nonoperating revenues	2,268,200	1,491,541
INCOME BEFORE OPERATING TRANSFERS	3,115,856	1,881,050
OPERATING TRANSFERS:		
Operating transfers out	(4,481,033)	-
NET INCOME (LOSS)	(1,365,177)	1,881,050
CURRENT YEAR'S DEPRECIATION ON ASSETS PURCHASED WITH FEDERAL GRANTS TRANSFERRED TO CONTRIBUTED CAPITAL		
	374,452	376,022
ACCUMULATED DEFICIT, BEGINNING OF YEAR, RESTATED	(507,625)	(2,764,697)
ACCUMULATED DEFICIT, END OF YEAR, RESTATED	\$ (1,498,350)	\$ (507,625)

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CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 13,051,794	\$ 11,094,646
Cash from other sources	2,490	58,482
Cash payments to suppliers for goods and services	(5,876,125)	(4,801,097)
Cash payments to employees for services	(2,495,219)	(2,221,032)
Net cash provided by operating activities	4,682,940	4,130,999
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers out	(4,481,033)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of fixed assets	(8,900,538)	(2,576,064)
Principal payments on bonds	(2,521,746)	(2,393,524)
Interest paid on bonds	(2,123,606)	(2,287,129)
Decrease in provisional credits	(3,244)	(1,233)
Proceeds from sale of fixed assets	584,721	-
Capital contributions	17,699,234	14,167,424
Net cash provided by capital and related financing activities	4,734,821	6,909,474
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loans made to others	(6,000,000)	-
Interest on investments	3,262,624	3,759,557
Net cash provided by (used for) investing activities	(2,737,376)	3,759,557
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,199,352	14,800,030
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED (including \$2,041,658 and \$2,069,682 in restricted accounts in 1998 and 1997, respectively)	68,707,122	53,907,092
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED (including \$1,895,645 and \$2,041,658 in restricted accounts in 1998 and 1997, respectively)	\$ 70,906,474	\$ 68,707,122

(Continued)

CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

**COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 847,656	\$ 389,509
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,822,418	3,620,651
Miscellaneous revenues	2,490	58,482
Increase in accounts receivable	(516,312)	(249,275)
Decrease in accounts payable and accrued wages	497,534	275,627
Increase in compensated absences payable	14,044	36,005
Increase in due to other funds	15,110	-
Total adjustments	<u>3,835,284</u>	<u>3,741,490</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 4,682,940</u>	 <u>\$ 4,130,999</u>

NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Sewer Fund received contributions of fixed assets totaling \$8,469,715 and \$8,517,871 for the years ended June 30, 1998 and 1997, respectively.

CITY OF HENDERSON, NEVADA

SEWER ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
OPERATING REVENUES:						
Utility fees	\$ 11,872,829	\$ 12,569,113	\$ 696,284	\$ 9,766,075	\$ 10,939,470	\$ 1,173,395
Connection fees	254,000	443,903	189,903	50,000	20,109	(29,891)
Developer contributions	361,217	361,227	10	373,500	206,782	(166,718)
Late charges	150,000	178,446	28,446	130,000	153,934	23,934
Miscellaneous	3,500	15,417	11,917	26,500	23,626	(2,874)
Total operating revenues	12,641,546	13,568,106	926,560	10,346,075	11,343,921	997,846
OPERATING EXPENSES:						
Salaries and wages	2,600,000	2,521,634	78,366	2,362,560	2,276,789	85,771
Employee benefits	750,000	742,914	7,086	653,038	668,146	(15,108)
Services and supplies	8,912,169	5,633,484	3,278,685	5,784,695	4,388,826	1,395,869
Depreciation	3,660,104	3,822,418	(162,314)	3,661,238	3,620,651	40,587
Total operating expenses	15,922,273	12,720,450	3,201,823	12,461,531	10,954,412	1,507,119
OPERATING INCOME (LOSS)	(3,280,727)	847,656	4,128,383	(2,115,456)	389,509	2,504,965
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	4,157,000	4,444,382	287,382	3,620,000	3,759,557	139,557
Interest expense	(2,200,741)	(2,172,452)	28,289	(2,310,868)	(2,325,907)	(15,039)
System development	12,500,000	-	(12,500,000)	-	-	-
Miscellaneous	-	2,490	2,490	-	58,482	58,482
Loss on disposition of assets	-	(6,220)	(6,220)	-	(591)	(591)
Total nonoperating revenues	14,456,259	2,268,200	(12,188,059)	1,309,132	1,491,541	182,409
INCOME (LOSS) BEFORE OPERATING TRANSFERS	11,175,532	3,115,856	(8,059,676)	(806,324)	1,881,050	2,687,374
OPERATING TRANSFERS:						
Operating transfers out	(4,157,000)	(4,481,033)	(324,033)	-	-	-
NET INCOME (LOSS)	\$ 7,018,532	\$ (1,365,177)	\$ (8,383,709)	\$ (806,324)	\$ 1,881,050	\$ 2,687,374

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Totals	
							1998	1997
CURRENT ASSETS:								
Cash and investments	\$ 4,864,984	\$ 2,756,292	\$ 1,125,865	\$ 2,428,749	\$ 2,145,644	\$ 2,106,925	\$ 15,428,459	\$ 11,245,540
Accounts receivable	41,458	-	-	-	-	-	41,458	82,374
Accrued interest receivable	16,971	59,349	18,331	38,739	31,868	27,898	193,156	-
Note receivable - current	3,071	-	3,247	-	-	-	6,318	5,878
Due from other funds	-	-	-	1,162,300	-	-	1,162,300	40,907
Due from other governments	74,210	-	-	-	-	-	74,210	70,395
Inventory-bulk fuel	-	15,336	-	-	-	-	15,336	15,336
Deposits	-	-	-	-	-	3,530	3,530	3,213
Advances to other funds	-	-	343,923	-	-	-	343,923	-
Total current assets	5,000,694	2,830,977	1,491,366	3,629,788	2,177,512	2,138,353	17,268,690	11,463,643
PROPERTY, PLANT AND EQUIPMENT:								
Buildings	48,398	704,979	-	-	-	-	753,377	753,377
Improvements other than buildings	1,817	226,151	-	-	-	-	227,968	111,575
Machinery and equipment	995,871	16,805,122	-	-	56,163	-	17,857,156	13,952,387
Construction in progress	-	278,369	-	-	-	-	278,369	-
Total property, plant and equipment	1,046,086	18,014,621	-	-	56,163	-	19,116,870	14,817,339
Less accumulated depreciation	(688,186)	(9,516,092)	-	-	(39,478)	-	(10,243,756)	(7,625,159)
Net property, plant and equipment	357,900	8,498,529	-	-	16,685	-	8,873,114	7,192,180
OTHER ASSETS:								
Note receivable (net of current portion)	-	-	14,092	-	-	-	14,092	3,071
TOTAL ASSETS	\$ 5,358,594	\$ 11,329,506	\$ 1,505,458	3,629,788	\$ 2,194,197	\$ 2,138,353	\$ 26,155,896	\$ 18,658,894

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEETS (Continued)
JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

LIABILITIES AND FUND EQUITY

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Totals	
							1998	1997
CURRENT LIABILITIES:								
Accounts payable and accrued wages	\$ 414,523	\$ 167,238	\$ -	\$ 6,326	\$ 10,024	\$ 68,745	\$ 666,856	\$ 698,497
Compensated absences payable	1,047,544	176,565	-	-	18,615	-	1,242,724	1,074,495
Claims and judgments payable	-	-	-	918,204	-	176,755	1,094,959	1,155,116
Capital lease obligations - current	16,620	145,781	-	-	-	-	162,401	219,459
Due to other funds	302,198	-	-	-	-	-	302,198	-
Total current liabilities	<u>1,780,885</u>	<u>489,584</u>	<u>-</u>	<u>924,530</u>	<u>28,639</u>	<u>245,500</u>	<u>3,469,138</u>	<u>3,147,567</u>
LONG-TERM LIABILITIES:								
Capital lease obligations (net of current portion)	10,785	70,179	-	-	-	-	80,964	243,364
Total liabilities	<u>1,791,670</u>	<u>559,763</u>	<u>-</u>	<u>924,530</u>	<u>28,639</u>	<u>245,500</u>	<u>3,550,102</u>	<u>3,390,931</u>
FUND EQUITY:								
Contributed capital	342,270	6,862,056	1,537,667	454,904	-	-	9,196,897	5,790,816
Retained earnings:								
Unreserved	3,224,654	3,907,687	(32,209)	-	-	-	7,100,132	4,018,862
Reserve for future claims	-	-	-	2,250,354	2,165,558	1,892,853	6,308,765	5,458,285
Total fund equity	<u>3,566,924</u>	<u>10,769,743</u>	<u>1,505,458</u>	<u>2,705,258</u>	<u>2,165,558</u>	<u>1,892,853</u>	<u>22,605,794</u>	<u>15,267,963</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,358,594</u>	<u>\$ 11,329,506</u>	<u>\$ 1,505,458</u>	<u>\$ 3,629,788</u>	<u>\$ 2,194,197</u>	<u>\$ 2,138,353</u>	<u>\$ 26,155,896</u>	<u>\$ 18,658,894</u>

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CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Totals</u>	
							<u>1998</u>	<u>1997</u>
OPERATING REVENUES:								
Charges for services	4,719,118	\$ 4,517,433	\$ 23,525	\$ 1,162,301	\$ 696,886	\$ 2,606,540	\$ 13,725,803	\$ 10,489,676
OPERATING EXPENSES:								
Salaries and wages	3,700,954	590,464	-	-	147,456	-	4,438,874	3,810,697
Employee benefits	986,460	152,099	-	-	40,113	-	1,178,672	1,017,758
Services and supplies	951,512	1,141,972	-	289,635	189,001	809,000	3,381,120	3,554,843
Claims	-	-	-	806,311	178,789	1,561,735	2,546,835	1,870,983
Legal fees	-	-	-	107,341	-	-	107,341	275,299
Depreciation	94,472	2,228,919	-	-	8,265	-	2,331,656	1,526,397
Total operating expenses	5,733,398	4,113,454	-	1,203,287	563,624	2,370,735	13,984,498	12,055,977
OPERATING INCOME (LOSS)	(1,014,280)	403,979	23,525	(40,986)	133,262	235,805	(258,695)	(1,566,301)
NONOPERATING REVENUES (EXPENSES):								
Interest revenue	71,941	189,444	98,074	174,209	125,188	100,508	759,364	573,690
Interest expense	(2,680)	(24,349)	-	-	-	-	(27,029)	(41,918)
Miscellaneous	155,726	57,672	-	-	-	122,494	335,892	242,551
Gain (loss) on the disposition of assets	-	231,339	-	-	-	-	231,339	19,145
Total nonoperating revenues	224,987	454,106	98,074	174,209	125,188	223,002	1,299,566	793,468
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(789,293)	858,085	121,599	133,223	258,450	458,807	1,040,871	(772,833)
OPERATING TRANSFERS:								
Operating transfers in	3,000,000	44,686	-	-	-	-	3,044,686	2,012,595
Operating transfers out	-	-	(153,808)	-	-	-	(153,808)	(538,769)
Total operating transfers	3,000,000	44,686	(153,808)	-	-	-	2,890,878	1,473,826
NET INCOME (LOSS)	2,210,707	902,771	(32,209)	133,223	258,450	458,807	3,931,749	700,993
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	1,013,947	3,004,916	-	2,117,131	1,907,108	1,434,046	9,477,148	8,776,155
RETAINED EARNINGS, END OF YEAR, RESTATED	3,224,654	\$ 3,907,687	\$ (32,209)	\$ 2,250,354	\$ 2,165,558	\$ 1,892,853	\$ 13,408,897	\$ 9,477,148

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Totals	
							1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from users	\$ 3,296,103	\$ -	\$ 52,042	\$ -	\$ -	\$ 124,347	\$ 3,472,492	\$ 1,540,857
Cash received from quasi-external operating transactions	1,441,401	4,517,433	-	-	696,886	2,482,193	9,137,913	9,022,036
Cash from other sources	155,726	57,672	-	65,500	-	122,177	401,075	243,326
Cash payments to suppliers for goods and services	(1,499,268)	(1,461,208)	-	(1,370,420)	(519,659)	(2,195,379)	(7,045,934)	(6,385,242)
Cash payments to employees for services	(3,526,987)	(565,526)	-	-	(135,766)	-	(4,228,279)	(3,726,748)
Net cash provided by (used for) operating activities	(133,025)	2,548,371	52,042	(1,304,920)	41,461	533,338	1,737,267	694,229
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Operating transfers in	3,000,000	44,686	-	-	-	-	3,044,686	2,012,595
Operating transfers out	-	-	(153,808)	-	-	-	(153,808)	(538,769)
Net cash provided by (used for) noncapital financing activities	3,000,000	44,686	(153,808)	-	-	-	2,890,878	1,473,826
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Acquisition of fixed assets	(109,258)	(2,038,413)	-	-	(15,012)	-	(2,162,683)	(1,726,032)
Principal payments on lease obligations	(15,456)	(204,002)	-	-	-	-	(219,458)	(206,550)
Interest paid on lease obligations	(2,680)	(24,349)	-	-	-	-	(27,029)	(41,918)
Proceeds from sale of fixed assets	-	249,846	-	-	-	-	249,846	30,780
Residual equity transfer from special revenue fund	-	-	1,147,888	-	-	-	1,147,888	-
Net cash provided by (used for) capital and related financing activities	(127,394)	(2,016,918)	1,147,888	-	(15,012)	-	(1,011,436)	(1,943,720)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest on investments	54,970	130,095	79,743	135,471	93,320	72,610	566,209	573,690
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,794,551	706,234	1,125,865	(1,169,449)	119,769	605,948	4,182,918	798,025
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	2,070,433	2,050,058	-	3,598,198	2,025,875	1,500,977	11,245,541	10,447,516
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	\$ 4,864,984	\$ 2,756,292	\$ 1,125,865	\$ 2,428,749	\$ 2,145,644	\$ 2,106,925	\$ 15,428,459	\$ 11,245,541

(Continued)

CITY OF HENDERSON, NEVADA

INTERNAL SERVICE FUNDS

**COMBINING STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1997)**

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Totals</u>	
							<u>1998</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:								
Operating income (loss)	\$ (1,014,280)	\$ 403,979	\$ 23,525	\$ (40,986)	\$ 133,262	\$ 235,805	\$ (258,695)	\$ (1,566,301)
Adjustments to reconcile operating income (loss) in net cash provided by (used for) operating activities:								
Depreciation expense	94,472	2,228,919	-	-	8,265	-	2,331,656	1,526,397
Miscellaneous revenues	155,726	57,672	-	-	-	122,494	335,892	242,551
(Increase) decrease in accounts receivable	(24,584)	-	-	65,500	-	-	40,916	64,543
(Increase) decrease in notes receivable	5,878	-	(17,339)	-	-	-	(11,461)	5,543
Decrease in advance to other funds	-	-	45,856	-	-	-	45,856	-
(Increase) decrease in due from other funds	40,907	-	-	(1,162,301)	-	-	(1,121,394)	-
(Increase) decrease in due from other governments	(3,815)	-	-	-	-	-	(3,815)	68,642
Increase in inventory	-	-	-	-	-	-	-	(2,071)
Increase in deposits	-	-	-	-	-	(317)	(317)	-
Increase (decrease) in accounts payable and accrued wages	172,025	(165,643)	-	(38,736)	(68,032)	68,745	(31,641)	209,405
Increase in compensated absences payable	138,448	23,444	-	-	6,337	-	168,229	53,211
Increase (decrease) in claims and judgments payable	-	-	-	(128,397)	(38,371)	106,611	(60,157)	92,309
Increase in due to other funds	302,198	-	-	-	-	-	302,198	-
Total adjustments	<u>881,255</u>	<u>2,144,392</u>	<u>28,517</u>	<u>(1,263,934)</u>	<u>(91,801)</u>	<u>297,533</u>	<u>1,995,962</u>	<u>2,260,530</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (133,025)</u>	<u>\$ 2,548,371</u>	<u>52,042</u>	<u>\$ (1,304,920)</u>	<u>\$ 41,461</u>	<u>\$ 533,338</u>	<u>\$ 1,737,267</u>	<u>\$ 694,229</u>

NET CASH TRANSACTIONS AFFECTING FINANCING
POSITION:

The Engineering Fund received contributions of fixed assets from other funds totaling \$91,879 for the year ended June 30, 1998.

The City Shop Fund received contributions of fixed assets from other funds totaling \$1,776,535 and \$1,150,074 for the years ended June 30, 1998 and 1997, respectively.

The Revolving Fund received an advance from other funds totaling \$389,779 for the year ended June 30, 1998.

CITY OF HENDERSON, NEVADA

ENGINEERING INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 4,864,984	\$ 2,070,433
Accounts receivable	41,458	16,874
Accrued interest receivable	16,971	-
Note receivable - current	3,071	5,878
Due from other funds	-	40,907
Due from other governments	74,210	70,395
Total current assets	<u>5,000,694</u>	<u>2,204,487</u>
PROPERTY, PLANT AND EQUIPMENT:		
Buildings	48,398	48,398
Improvements other than buildings	1,817	1,817
Machinery and equipment	995,871	788,364
Total property, plant and equipment	<u>1,046,086</u>	<u>838,579</u>
Less accumulated depreciation	<u>(688,186)</u>	<u>(587,344)</u>
Net property, plant and equipment	<u>357,900</u>	<u>251,235</u>
OTHER ASSETS:		
Note receivable (net of current portion)	<u>-</u>	<u>3,071</u>
TOTAL ASSETS	<u>\$ 5,358,594</u>	<u>\$ 2,458,793</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued wages	\$ 414,523	\$ 242,498
Compensated absences payable	1,047,544	909,096
Capital lease obligations - current	16,620	15,457
Due to other funds	302,198	-
Total current liabilities	<u>1,780,885</u>	<u>1,167,051</u>
LONG-TERM LIABILITIES:		
Capital lease obligations (net of current portion)	<u>10,785</u>	<u>27,404</u>
Total liabilities	<u>1,791,670</u>	<u>1,194,455</u>
FUND EQUITY:		
Contributed capital	342,270	250,391
Retained earnings - unreserved	<u>3,224,654</u>	<u>1,013,947</u>
Total fund equity	<u>3,566,924</u>	<u>1,264,338</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,358,594</u>	<u>\$ 2,458,793</u>

CITY OF HENDERSON, NEVADA

ENGINEERING INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Charges for services	\$ 4,719,118	\$ 2,563,403
OPERATING EXPENSES:		
Salaries and wages	3,700,954	3,206,136
Employee benefits	986,460	855,965
Services and supplies	951,512	1,024,784
Depreciation	94,472	68,868
Total operating expenses	<u>5,733,398</u>	<u>5,155,753</u>
OPERATING LOSS	<u>(1,014,280)</u>	<u>(2,592,350)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	71,941	119,727
Interest expense	(2,680)	(6,122)
Miscellaneous	155,726	127,222
Loss on the disposition of fixed assets	-	(2,432)
Total nonoperating revenues	<u>224,987</u>	<u>238,395</u>
LOSS BEFORE OPERATING TRANSFERS	(789,293)	(2,353,955)
OPERATING TRANSFERS IN	<u>3,000,000</u>	<u>1,501,800</u>
NET INCOME (LOSS)	2,210,707	(852,155)
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	<u>1,013,947</u>	<u>1,866,102</u>
RETAINED EARNINGS, END OF YEAR, RESTATED	<u>\$ 3,224,654</u>	<u>\$ 1,013,947</u>

CITY OF HENDERSON, NEVADA

ENGINEERING INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	\$ 3,296,103	\$ 1,423,739
Cash received from quasi-external operating transactions	1,441,401	1,212,881
Cash from other sources	155,726	127,222
Cash payments to suppliers for goods and services	(1,499,268)	(1,908,799)
Cash payments to employees for services	(3,526,987)	(3,142,004)
Net cash used for operating activities	<u>(133,025)</u>	<u>(2,286,961)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers in	<u>3,000,000</u>	<u>1,501,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of fixed assets	(109,258)	(111,217)
Principal payments on lease obligations	(15,456)	(13,994)
Interest paid on lease obligations	(2,680)	(6,122)
Net cash used for capital and related financing activities	<u>(127,394)</u>	<u>(131,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>54,970</u>	<u>119,727</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,794,551	(796,767)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	<u>2,070,433</u>	<u>2,867,200</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	<u>\$ 4,864,984</u>	<u>\$ 2,070,433</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Operating loss	\$ (1,014,280)	\$ (2,592,350)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation expense	94,472	68,868
Miscellaneous revenues	155,726	127,222
Increase in accounts receivable	(24,584)	(968)
Decrease in notes receivable	5,878	5,543
Decrease in due from other funds	40,907	-
(Increase) decrease in due from other governments	(3,815)	68,642
(Decrease) increase in accounts payable and accrued wages	172,025	(2,919)
Increase in compensated absences payable	138,448	39,001
Increase in due to other funds	302,198	-
Total adjustments	<u>881,255</u>	<u>305,389</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (133,025)</u>	<u>\$ (2,286,961)</u>
NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:		

The Engineering Fund received contributions of fixed assets from other funds totaling \$91,879 for the year ended June 30, 1998.

CITY OF HENDERSON, NEVADA

ENGINEERING INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING REVENUES:						
Charges for services	\$ 3,017,450	\$ 4,719,118	\$ 1,701,668	\$ 2,397,250	\$ 2,563,403	\$ 166,153
OPERATING EXPENSES:						
Salaries and wages	3,550,178	3,700,954	(150,776)	3,283,768	3,206,136	77,632
Employee benefits	985,000	986,460	(1,460)	839,084	855,965	(16,881)
Services and supplies	1,158,857	951,512	207,345	1,274,425	1,024,784	249,641
Depreciation	80,800	94,472	(13,672)	87,000	68,868	18,132
Total operating expenses	<u>5,774,835</u>	<u>5,733,398</u>	<u>41,437</u>	<u>5,484,277</u>	<u>5,155,753</u>	<u>328,524</u>
OPERATING LOSS	<u>(2,757,385)</u>	<u>(1,014,280)</u>	<u>1,743,105</u>	<u>(3,087,027)</u>	<u>(2,592,350)</u>	<u>494,677</u>
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	80,000	71,941	(8,059)	116,000	119,727	3,727
Interest expense	(1,305)	(2,680)	(1,375)	(18,986)	(6,122)	12,864
Miscellaneous	100,000	155,726	55,726	99,400	127,222	27,822
Loss on the disposition of assets	-	-	-	-	(2,432)	(2,432)
Total nonoperating revenues	<u>178,695</u>	<u>224,987</u>	<u>46,292</u>	<u>196,414</u>	<u>238,395</u>	<u>41,981</u>
LOSS BEFORE OPERATING TRANSFERS	<u>(2,578,690)</u>	<u>(789,293)</u>	<u>1,789,397</u>	<u>(2,890,613)</u>	<u>(2,353,955)</u>	<u>536,658</u>
OPERATING TRANSFERS IN	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>1,501,800</u>	<u>1,501,800</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ 421,310</u>	<u>\$ 2,210,707</u>	<u>\$ 1,789,397</u>	<u>\$ (1,388,813)</u>	<u>\$ (852,155)</u>	<u>\$ 536,658</u>

CITY OF HENDERSON, NEVADA

CITY SHOP INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 2,756,292	\$ 2,050,058
Accrued interest receivable	59,349	-
Inventory-bulk fuel	15,336	15,336
Total current assets	<u>2,830,977</u>	<u>2,065,394</u>
PROPERTY, PLANT AND EQUIPMENT:		
Buildings	704,979	704,979
Improvements other than buildings	226,151	109,758
Machinery and equipment	16,805,122	13,122,872
Construction in progress	278,369	-
Total property, plant and equipment	<u>18,014,621</u>	<u>13,937,609</u>
Less accumulated depreciation	<u>(9,516,092)</u>	<u>(7,006,602)</u>
Net property, plant and equipment	<u>8,498,529</u>	<u>6,931,007</u>
TOTAL ASSETS	<u>\$ 11,329,506</u>	<u>\$ 8,996,401</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued wages	\$ 167,238	\$ 332,881
Compensated absences payable	176,565	153,121
Capital lease obligations - current	145,781	204,002
Total current liabilities	<u>489,584</u>	<u>690,004</u>
LONG-TERM LIABILITIES:		
Capital lease obligations (net of current portion)	<u>70,179</u>	<u>215,960</u>
Total liabilities	<u>559,763</u>	<u>905,964</u>
FUND EQUITY:		
Contributed capital	6,862,056	5,085,521
Retained earnings - unreserved	3,907,687	3,004,916
Total fund equity	<u>10,769,743</u>	<u>8,090,437</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,329,506</u>	<u>\$ 8,996,401</u>

CITY OF HENDERSON, NEVADA

CITY SHOP INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Charges for services	\$ 4,517,433	\$ 3,684,422
OPERATING EXPENSES:		
Salaries and wages	590,464	511,866
Employee benefits	152,099	134,966
Services and supplies	1,141,972	1,070,687
Depreciation	2,228,919	1,449,310
Total operating expenses	<u>4,113,454</u>	<u>3,166,829</u>
OPERATING INCOME	<u>403,979</u>	<u>517,593</u>
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	189,444	32,059
Interest expense	(24,349)	(35,796)
Miscellaneous	57,672	33,819
Gain on the disposition of fixed assets	231,339	21,577
Total nonoperating revenues	<u>454,106</u>	<u>51,659</u>
INCOME BEFORE OPERATING TRANSFERS	858,085	569,252
OPERATING TRANSFERS IN	<u>44,686</u>	<u>443,000</u>
NET INCOME	902,771	1,012,252
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	<u>3,004,916</u>	<u>1,992,664</u>
RETAINED EARNINGS, END OF YEAR, RESTATED	<u><u>\$ 3,907,687</u></u>	<u><u>\$ 3,004,916</u></u>

CITY OF HENDERSON, NEVADA

CITY SHOP INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from quasi-external operating transactions	\$ 4,517,433	\$ 3,684,422
Cash from other sources	57,672	34,594
Cash payments to suppliers for goods and services	(1,461,208)	(975,347)
Cash payments to employees for services	<u>(565,526)</u>	<u>(493,870)</u>
Net cash provided by operating activities	<u>2,548,371</u>	<u>2,249,799</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers in	<u>44,686</u>	<u>443,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of fixed assets	(2,038,413)	(1,614,292)
Principal payments on lease obligations	(204,002)	(192,556)
Interest paid on lease obligations	(24,349)	(35,796)
Proceeds from sale of fixed assets	<u>249,846</u>	<u>30,780</u>
Net cash used for capital and related financing activities	<u>(2,016,918)</u>	<u>(1,811,864)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	<u>130,095</u>	<u>32,059</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	706,234	912,994
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	<u>2,050,058</u>	<u>1,137,064</u>
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	<u>\$ 2,756,292</u>	<u>\$ 2,050,058</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	<u>\$ 403,979</u>	<u>\$ 517,593</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	2,228,919	1,449,310
Miscellaneous revenues	57,672	33,819
Decrease in accounts receivable	-	775
Increase in inventory	-	(2,071)
Increase (decrease) in accounts payable and accrued wages	(165,643)	237,380
Increase in compensated absences payable	<u>23,444</u>	<u>12,993</u>
Total adjustments	<u>2,144,392</u>	<u>1,732,206</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,548,371</u>	<u>\$ 2,249,799</u>
NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:		

The City Shop Fund received contributions of fixed assets from other funds totaling \$1,776,535 and \$1,150,074 for the years ended June 30, 1998 and 1997, respectively.

CITY OF HENDERSON, NEVADA

CITY SHOP INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING REVENUES:						
Charges for services	\$ 4,517,433	\$ 4,517,433	\$ -	\$ 3,684,422	\$ 3,684,422	\$ -
OPERATING EXPENSES:						
Salaries and wages	575,000	590,464	(15,464)	510,000	511,866	(1,866)
Employee benefits	153,000	152,099	901	132,700	134,966	(2,266)
Services and supplies	1,254,526	1,141,972	112,554	1,045,911	1,070,687	(24,776)
Depreciation	1,779,725	2,228,919	(449,194)	1,575,725	1,449,310	126,415
Total operating expenses	<u>3,762,251</u>	<u>4,113,454</u>	<u>(351,203)</u>	<u>3,264,336</u>	<u>3,166,829</u>	<u>97,507</u>
OPERATING INCOME	<u>755,182</u>	<u>403,979</u>	<u>(351,203)</u>	<u>420,086</u>	<u>517,593</u>	<u>97,507</u>
NONOPERATING REVENUES (EXPENSES):						
Interest revenue	180,000	189,444	9,444	40,000	32,059	(7,941)
Interest expense	(24,349)	(24,349)	-	(35,796)	(35,796)	-
Miscellaneous		57,672	57,672	-	33,819	33,819
Gain on disposition of assets	250,000	231,339	(18,661)	-	21,577	21,577
Total nonoperating revenues	<u>405,651</u>	<u>454,106</u>	<u>48,455</u>	<u>4,204</u>	<u>51,659</u>	<u>47,455</u>
INCOME BEFORE OPERATING TRANSFERS	1,160,833	858,085	(302,748)	424,290	569,252	144,962
OPERATING TRANSFERS IN	<u>44,686</u>	<u>44,686</u>	<u>-</u>	<u>443,000</u>	<u>443,000</u>	<u>-</u>
NET INCOME	<u>\$ 1,205,519</u>	<u>\$ 902,771</u>	<u>\$ (302,748)</u>	<u>\$ 867,290</u>	<u>\$ 1,012,252</u>	<u>\$ 144,962</u>

CITY OF HENDERSON, NEVADA

REVOLVING INTERNAL SERVICE FUND

BALANCE SHEET

JUNE 30, 1998

ASSETS

1998

CURRENT ASSETS:

Cash and investments	\$ 1,125,865
Accrued interest receivable	18,331
Note receivable - current	3,247
Advances to other funds	343,923
Total current assets	<u>1,491,366</u>

OTHER ASSETS:

Note receivable (net of current portion)	<u>14,092</u>
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TOTAL ASSETS	\$ <u>1,505,458</u>
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FUND EQUITY

FUND EQUITY:

Contributed capital	1,537,667
Retained deficit - unreserved	(32,209)
Total fund equity	<u>1,505,458</u>

TOTAL FUND EQUITY	\$ <u>1,505,458</u>
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CITY OF HENDERSON, NEVADA

REVOLVING INTERNAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED DEFICIT
FOR THE YEAR ENDED JUNE 30, 1998

	<u>1998</u>
OPERATING REVENUES:	
Charges for services	\$ 23,525
NONOPERATING REVENUE:	
Interest revenue	98,074
INCOME BEFORE OPERATING TRANSFERS	121,599
OPERATING TRANSFERS OUT	<u>(153,808)</u>
NET LOSS	(32,209)
RETAINED EARNINGS, BEGINNING OF YEAR	<u>-</u>
RETAINED DEFICIT, END OF YEAR	<u><u>\$ (32,209)</u></u>

CITY OF HENDERSON, NEVADA

REVOLVING INTERNAL SERVICE FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 1998

	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from users	\$ <u>52,042</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers out	<u>(153,808)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Residual equity transfer from special revenue fund	<u>1,147,888</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>79,743</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,125,865
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,125,865</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ <u>23,525</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) in note receivable	(17,339)
Decrease in advance from other funds	<u>45,856</u>
Total adjustments	<u>28,517</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 52,042</u>
NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITIONS:	
The Revolving Fund received an advance from other funds totaling \$389,779 for the year ended June 30, 1998.	

CITY OF HENDERSON, NEVADA

REVOLVING INTERNAL SERVICE FUND

STATEMENT OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	1998		Variance- Favorable (Unfavorable)
	Budget	Actual	
OPERATING REVENUES:			
Charges for services	\$ 26,482	\$ 23,525	\$ (2,957)
NONOPERATING REVENUES:			
Interest revenue	69,000	98,074	29,074
Miscellaneous	23,526	-	(23,526)
Total nonoperating revenues	<u>92,526</u>	<u>98,074</u>	<u>5,548</u>
INCOME BEFORE OPERATING TRANSFERS	119,008	121,599	2,591
OPERATING TRANSFERS OUT	<u>(92,526)</u>	<u>(153,808)</u>	<u>(61,282)</u>
NET INCOME (LOSS)	<u>\$ 26,482</u>	<u>\$ (32,209)</u>	<u>\$ (58,691)</u>

CITY OF HENDERSON, NEVADA
SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 2,428,749	\$ 3,598,198
Accounts receivable	-	65,500
Accrued interest receivable	38,739	-
Due from other funds	1,162,300	-
	<u>1,162,300</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 3,629,788</u>	<u>\$ 3,663,698</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 6,326	\$ 45,062
Claims and judgments payable	918,204	1,046,601
Total current liabilities	<u>924,530</u>	<u>1,091,663</u>
FUND EQUITY:		
Contributed capital	454,904	454,904
Retained earnings - reserve for future claims	2,250,354	2,117,131
Total fund equity	<u>2,705,258</u>	<u>2,572,035</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,629,788</u>	<u>\$ 3,663,698</u>

CITY OF HENDERSON, NEVADA

SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Charges for services	\$ 1,162,301	\$ 1,095,738
OPERATING EXPENSES:		
Services and supplies	289,635	319,150
Claims	806,311	499,240
Legal fees	107,341	275,299
Total operating expenses	<u>1,203,287</u>	<u>1,093,689</u>
OPERATING INCOME (LOSS)	<u>(40,986)</u>	<u>2,049</u>
NONOPERATING REVENUE:		
Interest revenue	<u>174,209</u>	<u>213,113</u>
INCOME BEFORE OPERATING TRANSFERS	<u>133,223</u>	<u>215,162</u>
OPERATING TRANSFERS:		
Operating transfers in	-	67,795
Operating transfers out	-	(538,769)
Total operating transfers	<u>-</u>	<u>(470,974)</u>
NET INCOME (LOSS)	133,223	(255,812)
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	<u>2,117,131</u>	<u>2,372,943</u>
RETAINED EARNINGS, END OF YEAR, RESTATED	<u>\$ 2,250,354</u>	<u>\$ 2,117,131</u>

CITY OF HENDERSON, NEVADA

SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from quasi-external operating transactions	\$ -	\$ 1,095,738
Cash from other sources	65,500	-
Cash payments to suppliers for goods and services	(1,370,420)	(887,475)
Net cash provided by (used for) operating activities	(1,304,920)	208,263
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers in	-	67,795
Operating transfers out	-	(538,769)
Net cash used by noncapital financing activities	-	(470,974)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	135,471	213,113
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(1,169,449)	(49,598)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED		
	3,598,198	3,647,796
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED		
	\$ 2,428,749	\$ 3,598,198
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (40,986)	\$ 2,049
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Decrease (increase) in accounts receivable	65,500	64,736
Increase in due from other funds	(1,162,301)	-
Increase (decrease) in accounts payable	(38,736)	18,438
Increase (decrease) in claims and judgments payable	(128,397)	123,040
Total adjustments	(1,263,934)	206,214
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
	\$ (1,304,920)	\$ 208,263

CITY OF HENDERSON, NEVADA

SELF INSURANCE INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
OPERATING REVENUES:						
Charges for services	\$ 1,162,301	\$ 1,162,301	\$ -	\$ 1,095,738	\$ 1,095,738	\$ -
OPERATING EXPENSES:						
Services and supplies	80,003	289,635	(209,632)	348,014	319,150	28,864
Claims	615,000	806,311	(191,311)	439,620	499,240	(59,620)
Legal fees	300,000	107,341	192,659	1,445,746	275,299	1,170,447
Total operating expenses	<u>995,003</u>	<u>1,203,287</u>	<u>(208,284)</u>	<u>2,233,380</u>	<u>1,093,689</u>	<u>1,139,691</u>
OPERATING INCOME (LOSS)	<u>167,298</u>	<u>(40,986)</u>	<u>(208,284)</u>	<u>(1,137,642)</u>	<u>2,049</u>	<u>1,139,691</u>
NONOPERATING REVENUE:						
Interest revenue	<u>175,000</u>	<u>174,209</u>	<u>(791)</u>	<u>200,000</u>	<u>213,113</u>	<u>13,113</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>342,298</u>	<u>133,223</u>	<u>(209,075)</u>	<u>(937,642)</u>	<u>215,162</u>	<u>1,152,804</u>
OPERATING TRANSFERS:						
Operating transfers in	-	-	-	90,000	67,795	(22,205)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(538,769)</u>	<u>(538,769)</u>	<u>-</u>
Total operating transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(448,769)</u>	<u>(470,974)</u>	<u>(22,205)</u>
NET INCOME (LOSS)	<u>\$ 342,298</u>	<u>\$ 133,223</u>	<u>\$ (209,075)</u>	<u>\$ (1,386,411)</u>	<u>\$ (255,812)</u>	<u>\$ 1,130,599</u>

CITY OF HENDERSON, NEVADA

WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 2,145,644	\$ 2,025,875
Accrued interest receivable	31,868	-
Total current assets	<u>2,177,512</u>	<u>2,025,875</u>
PROPERTY, PLANT AND EQUIPMENT:		
Machinery and equipment	56,163	41,151
Less accumulated depreciation	<u>(39,478)</u>	<u>(31,213)</u>
Net property, plant and equipment	<u>16,685</u>	<u>9,938</u>
TOTAL ASSETS	<u>\$ 2,194,197</u>	<u>\$ 2,035,813</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued wages	\$ 10,024	\$ 78,056
Compensated absences payable	18,615	12,278
Claims and judgments payable	-	38,371
Total current liabilities	<u>28,639</u>	<u>128,705</u>
FUND EQUITY:		
Retained earnings - reserve for future claims	<u>2,165,558</u>	<u>1,907,108</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,194,197</u>	<u>\$ 2,035,813</u>

CITY OF HENDERSON, NEVADA

WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Charges for services	\$ 696,886	\$ 622,178
OPERATING EXPENSES:		
Salaries and wages	147,456	92,695
Employee benefits	40,113	26,827
Services and supplies	189,001	228,162
Claims	178,789	268,007
Depreciation	8,265	8,219
Total operating expenses	<u>563,624</u>	<u>623,910</u>
OPERATING INCOME (LOSS)	<u>133,262</u>	<u>(1,732)</u>
NONOPERATING REVENUES:		
Interest revenue	<u>125,188</u>	<u>122,845</u>
NET INCOME	258,450	121,113
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	<u>1,907,108</u>	<u>1,785,995</u>
RETAINED EARNINGS, END OF YEAR, RESTATED	<u>\$ 2,165,558</u>	<u>\$ 1,907,108</u>

CITY OF HENDERSON, NEVADA

WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from quasi-external operating transactions	\$ 696,886	\$ 622,178
Cash payments to suppliers for goods and services	(519,659)	(513,496)
Cash payments to employees for services	(135,766)	(90,874)
Net cash provided by operating activities	41,461	17,808
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of fixed assets	(15,012)	(523)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	93,320	122,845
NET INCREASE IN CASH AND CASH EQUIVALENTS	119,769	140,130
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	2,025,875	1,885,745
CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	\$ 2,145,644	\$ 2,025,875
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 133,262	\$ (1,732)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	8,265	8,219
Increase (decrease) in accounts payable and accrued wages	(68,032)	4,522
Increase in compensated absences	6,337	1,217
Increase (decrease) in claims and judgments payable	(38,371)	5,582
Total adjustments	(91,801)	19,540
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 41,461	\$ 17,808

CITY OF HENDERSON, NEVADA

WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
OPERATING REVENUES:						
Charges for services	\$ 625,406	\$ 696,886	71,480	\$ 523,702	\$ 622,178	98,476
OPERATING EXPENSES:						
Salaries and wages	137,000	147,456	(10,456)	93,000	92,695	305
Employee benefits	40,000	40,113	(113)	29,000	26,827	2,173
Services and supplies	843,691	189,001	654,690	288,825	228,162	60,663
Claims	-	178,789	(178,789)	525,000	268,007	256,993
Depreciation	8,800	8,265	535	8,000	8,219	(219)
Total operating expenses	<u>1,029,491</u>	<u>563,624</u>	<u>465,867</u>	<u>943,825</u>	<u>623,910</u>	<u>319,915</u>
OPERATING INCOME (LOSS)	<u>(404,085)</u>	<u>133,262</u>	<u>537,347</u>	<u>(420,123)</u>	<u>(1,732)</u>	<u>418,391</u>
NONOPERATING REVENUE:						
Interest revenue	<u>120,000</u>	<u>125,188</u>	<u>5,188</u>	<u>125,000</u>	<u>122,845</u>	<u>(2,155)</u>
NET INCOME (LOSS)	<u>\$ (284,085)</u>	<u>\$ 258,450</u>	<u>\$ 542,535</u>	<u>\$ (295,123)</u>	<u>\$ 121,113</u>	<u>\$ 416,236</u>

CITY OF HENDERSON, NEVADA

HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

JUNE 30, 1998 AND 1997

ASSETS

	<u>1998</u>	<u>1997</u>
CURRENT ASSETS:		
Cash and investments	\$ 2,106,925	\$ 1,500,977
Accrued interest receivable	27,898	-
Deposits	<u>3,530</u>	<u>3,213</u>
TOTAL ASSETS	<u>\$ 2,138,353</u>	<u>\$ 1,504,190</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 68,745	\$ -
Claims and judgments payable	<u>176,755</u>	<u>70,144</u>
Total current liabilities	245,500	70,144
FUND EQUITY:		
Retained earnings - reserve for future claims	<u>1,892,853</u>	<u>1,434,046</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,138,353</u>	<u>\$ 1,504,190</u>

CITY OF HENDERSON, NEVADA

HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Charges for services	\$ 2,606,540	\$ 2,523,935
OPERATING EXPENSES:		
Services and supplies	809,000	912,060
Claims	1,561,735	1,103,736
Total operating expenses	<u>2,370,735</u>	<u>2,015,796</u>
OPERATING INCOME	<u>235,805</u>	<u>508,139</u>
NONOPERATING REVENUES:		
Interest revenue	100,508	85,946
Miscellaneous	122,494	81,510
Total nonoperating revenues	<u>223,002</u>	<u>167,456</u>
NET INCOME	458,807	675,595
RETAINED EARNINGS, BEGINNING OF YEAR, RESTATED	<u>1,434,046</u>	<u>758,451</u>
RETAINED EARNINGS, END OF YEAR, RESTATED	<u>\$ 1,892,853</u>	<u>\$ 1,434,046</u>

CITY OF HENDERSON, NEVADA

HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from users	\$ 124,347	\$ 117,118
Cash received from quasi-external operating transactions	2,482,193	2,406,817
Cash from other sources	122,177	81,510
Cash payments to suppliers for goods and services	(2,195,379)	(2,100,125)
Net cash provided by operating activities	533,338	505,320
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	72,610	83,115
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 605,948	 591,266
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, RESTATED	 1,500,977	 909,711
 CASH AND CASH EQUIVALENTS, END OF YEAR, RESTATED	 \$ 2,106,925	 \$ 1,500,977
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 235,805	\$ 508,139
Adjustments to reconcile operating income to net cash provided by operating activities:		
Miscellaneous revenues	122,494	81,510
Increase in deposits	(317)	-
Increase (decrease) in accounts payable	68,745	(48,016)
Increase (decrease) in claims and judgments payable	106,611	(36,313)
Total adjustments	297,533	(2,819)
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 533,338	 \$ 505,320

CITY OF HENDERSON, NEVADA

HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			1997		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
OPERATING REVENUES:						
Charges for services	\$ 2,535,300	\$ 2,606,540	\$ 71,240	\$ 2,182,000	\$ 2,523,935	\$ 341,935
OPERATING EXPENSES:						
Services and supplies	957,000	809,000	148,000	936,200	912,060	24,140
Claims	1,205,000	1,561,735	(356,735)	1,129,117	1,103,736	25,381
Total operating expenses	2,162,000	2,370,735	(208,735)	2,065,317	2,015,796	49,521
OPERATING INCOME	373,300	235,805	(137,495)	116,683	508,139	391,456
NONOPERATING REVENUES:						
Interest revenue	90,000	100,508	10,508	80,000	85,946	5,946
Miscellaneous	-	122,494	122,494	-	81,510	81,510
Total nonoperating revenues	90,000	223,002	133,002	80,000	167,456	87,456
NET INCOME	\$ 463,300	\$ 458,807	\$ (4,493)	\$ 196,683	\$ 675,595	\$ 478,912

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TRUST AND AGENCY FUNDS

Trust Funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

EXPENDABLE TRUST FUND

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

INVESTMENT TRUST FUND

Investment Trust - to account for assets of the City's external investment pools.

AGENCY FUNDS

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

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

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

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

CITY OF HENDERSON, NEVADA

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEETS

JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1997)

ASSETS

	<u>Expendable</u> <u>Trust</u>	<u>Investment</u> <u>Trust</u>	<u>Agency</u>				<u>Totals</u>	
	<u>Lake</u> <u>Las Vegas</u>	<u>Investment</u> <u>Trust</u>	<u>Bridges</u>	<u>Section</u> <u>125</u> <u>Plan</u>	<u>Traffic</u> <u>Signal</u>	<u>Forfeited</u> <u>Assets</u>	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 1,029,094	3,058,221	\$ 166,508	\$ 31,752	\$ 3,087,774	\$ 98,486	\$ 7,471,835	\$ 4,879,539
Accrued interest receivable	14,712	44,040	-	-	-	-	58,752	-
Total assets	<u>\$ 1,043,806</u>	<u>\$ 3,102,261</u>	<u>\$ 166,508</u>	<u>\$ 31,752</u>	<u>\$ 3,087,774</u>	<u>\$ 98,486</u>	<u>\$ 7,530,587</u>	<u>\$ 4,879,539</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:								
Due to developers	\$ -	\$ -	\$ 166,508	\$ -	\$ 3,087,774	\$ -	\$ 3,254,282	\$ 1,844,963
Due to employees	-	-	-	31,277	-	-	31,277	33,742
Due to others	-	-	-	475	-	98,486	98,961	40,638
Total liabilities	<u>-</u>	<u>-</u>	<u>166,508</u>	<u>31,752</u>	<u>3,087,774</u>	<u>98,486</u>	<u>3,384,520</u>	<u>1,919,343</u>
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS								
	-	3,102,261	-	-	-	-	3,102,261	2,137,496
FUND BALANCES:								
Reserved for sinking fund	<u>1,043,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,043,806</u>	<u>822,700</u>
TOTAL LIABILITIES, NET ASSETS AND FUND BALANCES	<u>\$ 1,043,806</u>	<u>\$ 3,102,261</u>	<u>\$ 166,508</u>	<u>\$ 31,752</u>	<u>\$ 3,087,774</u>	<u>\$ 98,486</u>	<u>\$ 7,530,587</u>	<u>\$ 4,879,539</u>

CITY OF HENDERSON, NEVADA

LAKE LAS VEGAS EXPENDABLE TRUST FUND

**COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash and investments	\$ 1,029,094	\$ 822,698
Accrued interest receivable	14,712	-
Total assets	<u>\$ 1,043,806</u>	<u>\$ 822,698</u>

FUND BALANCES

FUND BALANCES:		
Reserved for sinking fund	<u>\$ 1,043,806</u>	<u>\$ 822,698</u>

CITY OF HENDERSON, NEVADA

LAKE LAS VEGAS EXPENDABLE TRUST FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997**

	1998			1997		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:						
Developer contributions	\$ 120,000	\$ 106,080	\$ (13,920)	\$ 1,798,000	\$ 110,270	\$ (1,687,730)
Interest	40,000	55,028	15,028	60,000	46,548	(13,452)
Total revenues	<u>160,000</u>	<u>161,108</u>	<u>1,108</u>	<u>1,858,000</u>	<u>156,818</u>	<u>(1,701,182)</u>
OTHER FINANCING SOURCES:						
Operating transfers in	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	220,000	221,108	1,108	1,887,000	185,818	(1,701,182)
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>821,251</u>	<u>822,698</u>	<u>1,447</u>	<u>632,201</u>	<u>636,880</u>	<u>4,679</u>
FUND BALANCES, END OF YEAR, RESTATED	<u>\$ 1,041,251</u>	<u>\$ 1,043,806</u>	<u>\$ 2,555</u>	<u>\$ 2,519,201</u>	<u>\$ 822,698</u>	<u>\$ (1,696,503)</u>

CITY OF HENDERSON, NEVADA

ALL AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 1998

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
BRIDGES AGENCY FUND				
Assets:				
Cash and investments	\$ 141,306	\$ 38,831	\$ 13,629	\$ 166,508
Liabilities:				
Due to developers	\$ 141,306	\$ 38,831	\$ 13,629	\$ 166,508
SECTION 125 PLAN FUND				
Assets:				
Cash and investments	\$ 33,742	\$ 98,584	\$ 100,574	\$ 31,752
Liabilities:				
Due to employees	33,742	98,109	100,574	31,277
Due to others	-	475	-	475
Total liabilities	\$ 33,742	\$ 98,584	\$ 100,574	\$ 31,752
TRAFFIC SIGNAL AGENCY FUND				
Assets:				
Cash and investments	\$ 1,703,657	\$ 1,542,541	\$ 158,424	\$ 3,087,774
Liabilities:				
Due to developers	\$ 1,703,657	\$ 1,542,541	\$ 158,424	\$ 3,087,774
FORFEITED ASSETS AGENCY FUND				
Assets:				
Cash and investments	\$ 40,638	\$ 67,165	\$ 9,317	\$ 98,486
Liabilities:				
Due to others	\$ 40,638	\$ 67,165	\$ 9,317	\$ 98,486
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and investments	\$ 1,919,343	\$ 1,747,121	\$ 281,944	\$ 3,384,520
Liabilities:				
Due to developers	1,844,963	1,581,372	172,053	3,254,282
Due to employees	33,742	98,109	100,574	31,277
Due to others	40,638	67,640	9,317	98,961
Total liabilities	\$ 1,919,343	\$ 1,747,121	\$ 281,944	\$ 3,384,520

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

To account for fixed assets not used in proprietary fund operations.



CITY OF HENDERSON, NEVADA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
GENERAL FIXED ASSETS:		
Land	\$ 12,700,734	\$ 4,064,734
Land/rental buildings	794,844	616,874
Land held for resale	14,385,612	3,181,984
Buildings	51,684,398	45,745,948
Improvements other than buildings	27,231,276	18,228,529
Machinery and equipment	13,228,462	11,467,697
Construction in progress	14,133,540	32,444,227
	<hr/>	<hr/>
TOTAL GENERAL FIXED ASSETS	\$ 134,158,866	\$ 115,749,993
	<hr/> <hr/>	<hr/> <hr/>
INVESTMENT IN GENERAL FIXED ASSETS:		
General fund	\$ 8,011,275	\$ 7,005,911
Special revenue funds	208,670	170,423
Government grants	2,555,429	2,477,380
Capital projects funds	111,259,523	105,552,941
Internal service funds	276,544	282,205
Enterprise funds	9,890	7,738
Private grants	11,837,535	253,395
	<hr/>	<hr/>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 134,158,866	\$ 115,749,993
	<hr/> <hr/>	<hr/> <hr/>

CITY OF HENDERSON, NEVADA

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

JUNE 30, 1998

	Total	Land	Buildings	Improvements other than Buildings	Equipment	Construction in Progress
General government:						
City council	\$ 86,449	\$ -	\$ -	\$ 1,467	\$ 84,982	\$ -
City clerk	225,913	-	-	5,229	220,684	-
City manager	91,252	-	-	1,096	90,156	-
Human resources	267,332	-	-	4,910	262,422	-
City attorney	178,945	-	4,141	-	174,804	-
Municipal court	16,564,593	-	16,142,835	-	421,758	-
Finance	453,258	-	-	6,314	310,743	136,201
Community development	15,124,241	14,385,612	-	8,459	730,170	-
Print shop	275,783	-	-	-	275,783	-
City hall	10,548,482	309,971	8,421,684	71,888	521,843	1,223,096
Management information systems	1,452,649	-	15,853	40,745	1,388,425	7,626
Engineering supervised property	10,426,959	10,253,146	142,171	-	-	31,642
Total general government	<u>55,695,856</u>	<u>24,948,729</u>	<u>24,726,684</u>	<u>140,108</u>	<u>4,481,770</u>	<u>1,398,565</u>
Public safety:						
Fire	12,663,202	1,100,000	2,868,860	265,276	2,168,007	6,261,059
Police	18,126,363	507,565	9,935,557	34,130	4,052,488	3,596,623
Building	172,663	-	-	1,650	171,013	-
Total public safety	<u>30,962,228</u>	<u>1,607,565</u>	<u>12,804,417</u>	<u>301,056</u>	<u>6,391,508</u>	<u>9,857,682</u>
Public works:						
Street maintenance	1,922,605	5,000	-	1,852,386	65,219	-
Street lighting	67,078	-	18,370	1,150	47,558	-
City yard	51,510	3,840	-	46,470	1,200	-
General services	265,969	244,698	-	2,695	18,576	-
Total public works	<u>2,307,162</u>	<u>253,538</u>	<u>18,370</u>	<u>1,902,701</u>	<u>132,553</u>	<u>-</u>
Parks and recreation:						
Parks	12,099,803	1,071,358	1,692,614	8,305,682	1,030,149	-
Recreation	28,000,189	-	11,308,257	12,963,227	851,412	2,877,293
Swimming pool	3,878,694	-	53,010	3,616,452	209,232	-
Senior center	21,964	-	5,692	2,050	14,222	-
Total parks and recreation	<u>44,000,650</u>	<u>1,071,358</u>	<u>13,059,573</u>	<u>24,887,411</u>	<u>2,105,015</u>	<u>2,877,293</u>
Grants:						
Department of Housing and Urban Development	1,187,175	-	1,075,354	-	111,821	-
Emergency Management	4,550	-	-	-	4,550	-
Total grants	<u>1,191,725</u>	<u>-</u>	<u>1,075,354</u>	<u>-</u>	<u>116,371</u>	<u>-</u>
Redevelopment Agency						
	<u>1,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,245</u>	<u>-</u>
TOTAL	<u>\$ 134,158,866</u>	<u>\$ 27,881,190</u>	<u>\$ 51,684,398</u>	<u>\$ 27,231,276</u>	<u>\$ 13,228,462</u>	<u>\$ 14,133,540</u>

CITY OF HENDERSON, NEVADA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED JUNE 30, 1998

	General Fixed Assets July 1, 1997	Additions	Deletions	General Fixed Assets June 30, 1998
General government:				
City council	\$ 81,972	\$ 22,557	\$ 18,080	\$ 86,449
City clerk	195,633	48,859	18,579	225,913
City manager	49,169	46,638	4,555	91,252
Human resources	234,205	83,033	49,906	267,332
City attorney	200,769	58,173	79,997	178,945
Municipal court	16,557,984	35,732	29,123	16,564,593
Finance	326,215	239,893	112,850	453,258
Community development	3,825,750	11,348,942	50,451	15,124,241
Print shop	261,256	39,238	24,711	275,783
City hall	9,910,912	648,149	10,579	10,548,482
Management information systems	1,223,495	665,572	436,418	1,452,649
Engineering supervised property	1,622,898	8,854,879	50,818	10,426,959
Total general government	<u>34,490,258</u>	<u>22,091,665</u>	<u>886,067</u>	<u>55,695,856</u>
Public safety:				
Fire	12,395,210	349,810	81,818	12,663,202
Police	16,422,694	1,819,850	116,181	18,126,363
Building	126,482	88,204	42,023	172,663
Total public safety	<u>28,944,386</u>	<u>2,257,864</u>	<u>240,022</u>	<u>30,962,228</u>
Public works:				
Street maintenance	1,923,616	1,041	2,052	1,922,605
Street lighting	69,531	11,875	14,328	67,078
City yard	51,510	-	-	51,510
General services	257,369	10,967	2,367	265,969
Total public works	<u>2,302,026</u>	<u>23,883</u>	<u>18,747</u>	<u>2,307,162</u>
Parks and recreation:				
Parks	11,847,694	373,494	121,385	12,099,803
Recreation	33,090,683	3,580,876	8,671,370	28,000,189
Swimming pool	3,853,999	26,694	1,999	3,878,694
Senior center	28,755	3,488	10,279	21,964
Total parks and recreation	<u>48,821,131</u>	<u>3,984,552</u>	<u>8,805,033</u>	<u>44,000,650</u>
Grants:				
Department of Housing and Urban Development	1,182,836	42,852	38,513	1,187,175
Emergency management	8,111	750	4,311	4,550
Total grants	<u>1,190,947</u>	<u>43,602</u>	<u>42,824</u>	<u>1,191,725</u>
Redevelopment Agency	1,245	-	-	1,245
TOTAL	<u>\$ 115,749,993</u>	<u>\$ 28,401,566</u>	<u>\$ 9,992,693</u>	<u>\$ 134,158,866</u>

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