



FINANCIAL SECTION

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada



P B T K

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TAYLOR & KERN**

Certified Public Accountants
Business Advisors

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Henderson, Nevada, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Henderson, Nevada, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Grant Special Revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Management's discussion and analysis, beginning on page 3A, and the schedule of funding progress for the City's Other Postemployment Benefits Plan (OPEB) on page 58, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, therefore, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical tables, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

November 2, 2011

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Management's Discussion and Analysis

As management of the City of Henderson (the City), we offer readers of the City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. Please read this in conjunction with the transmittal letter at the beginning of the report and the City's financial statements following this section.

Financial Highlights

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

Financial Statement Overview

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

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

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

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

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

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

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

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

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

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

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison for the City's General Fund and the Grant Special Revenue Fund has been provided to demonstrate compliance with this budget. Budget comparisons for other funds are provided elsewhere in the report.

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

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

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

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

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

Government-wide Financial Analysis

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

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

Net Assets

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

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

As of June 30, 2011, the City is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year.

There was an increase of \$49.9 million in net assets invested in capital assets net of related debt for governmental activities. This was due mainly to the acquisition and construction of infrastructure and buildings. See Capital Assets section for further explanation.

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

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

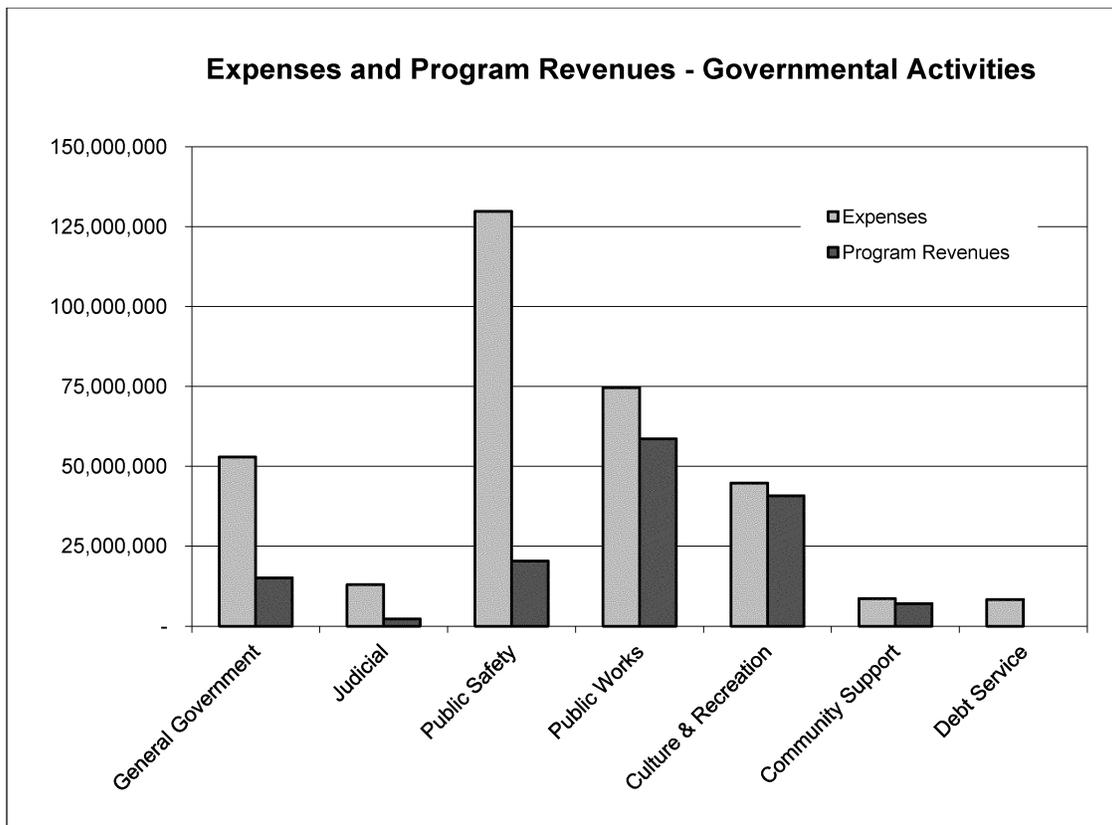
Changes in Net Assets

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

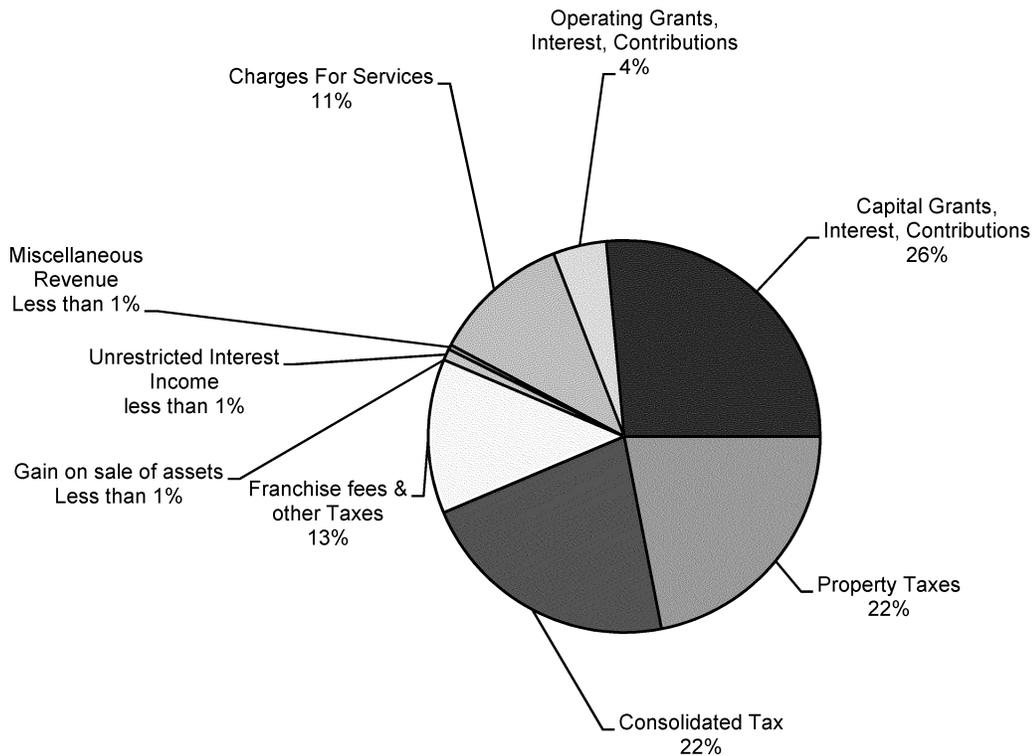
Governmental Activities. Governmental activities increased the City's net assets by \$8,770,174. Significant changes are as follows:

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

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



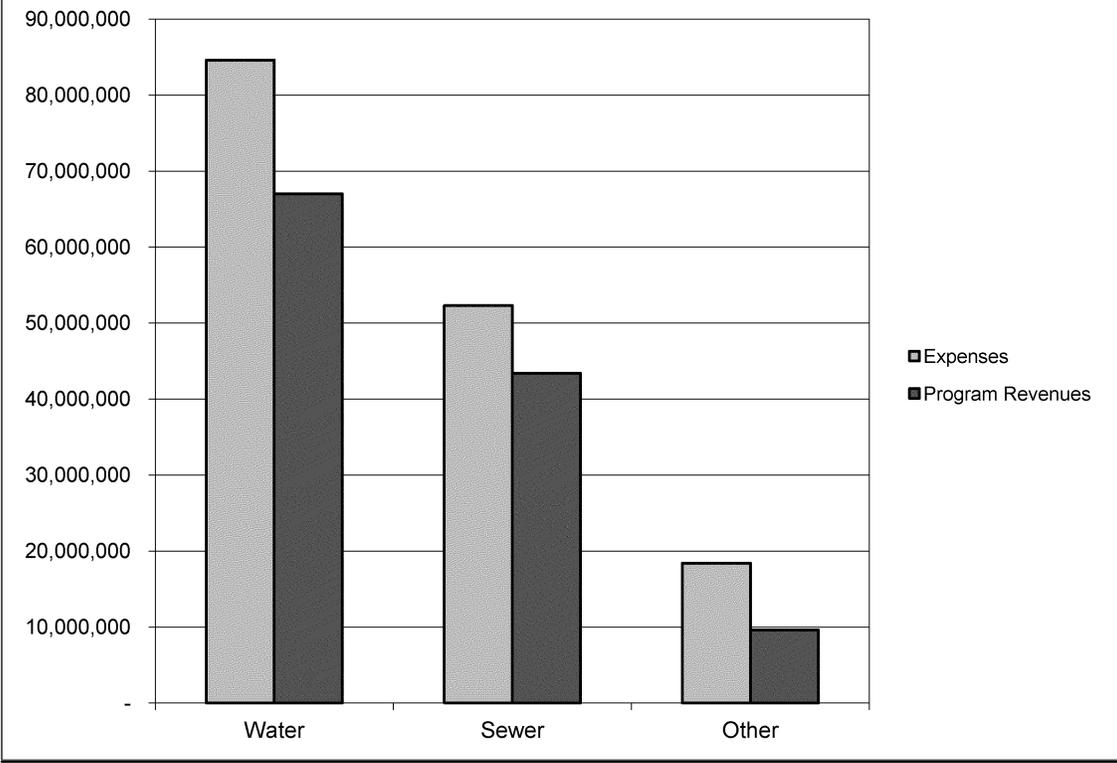
Revenues by Source - Governmental Activities



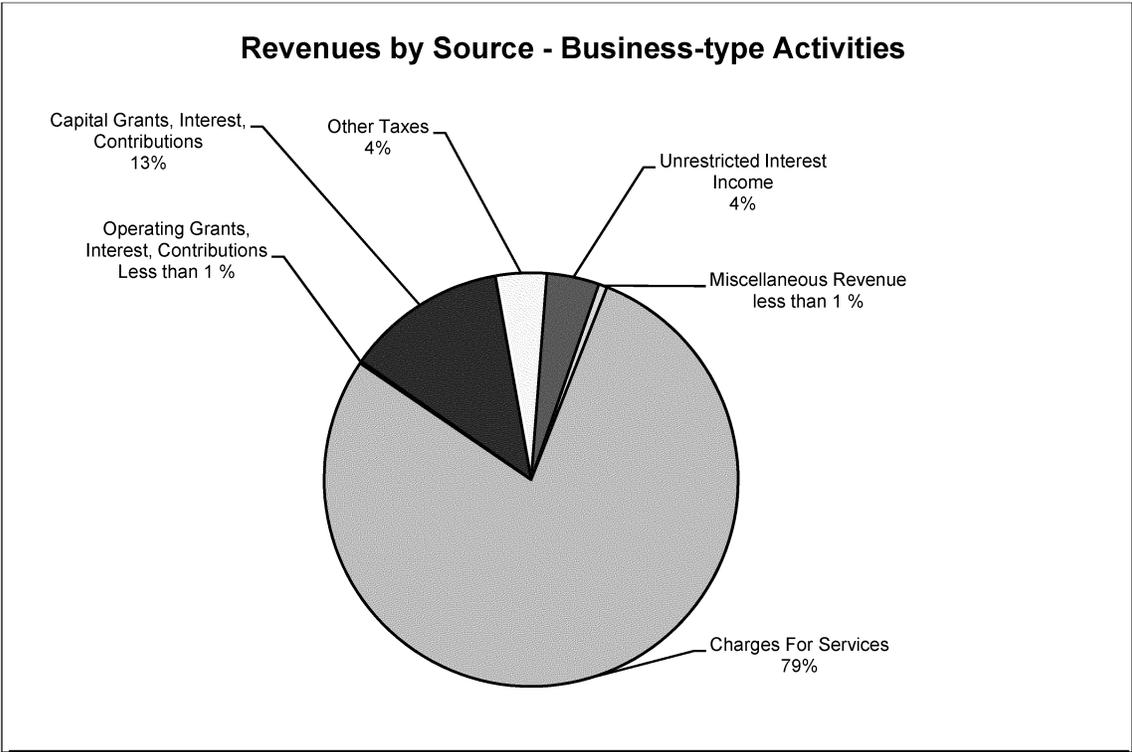
Business-type activities. Business-type activities decreased the City's net assets by \$27,026,157. Key elements of this decrease are as follows:

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

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the City's Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased by \$6.2 million, or 2.9% over the original budget. This increase was mainly due to the re-authorization of outstanding encumbrances and unspent appropriations for capital purchases and professional services from the prior year in all functions. Some budgeted capital purchases and projects had not been completed by the end of fiscal year 2011, and were re-appropriated in fiscal year 2012.

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

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

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

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$2,540,488,593 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges and a municipal golf course. The total increase in the City’s investment in capital assets was \$41.5 million (approximately \$36.5 million for governmental activities and approximately \$5.0 million for business-type activities).

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

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

Capital Assets (net of depreciation)

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

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$304,059,139. Of this amount, \$111,111,000 is considered general obligation debt and \$13,625,000 is tax allocation debt. The remainder of the City’s bonded debt represents bonds to be paid from the City’s Water and Sewer activities.

Outstanding Bonds

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

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

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

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

Other Factors

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

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

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

Requests for Information

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



BASIC FINANCIAL STATEMENTS

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

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CITY OF HENDERSON, NEVADA

Statement of Net Assets
June 30, 2011

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Activities

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Balance Sheet
Governmental Funds
June 30, 2011

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Reconciliation of the Balance Sheet
to the Statement of Net Assets
Governmental Funds
June 30, 2011

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

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

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

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

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

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

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

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

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

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. Net assets and liabilities of the Internal Service Funds are reported with governmental activities. 82,202,708

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

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2011

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

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

Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources.

However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

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

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

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

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

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of current year bond premium, discount and costs	543,096	
Change in other post employment benefit (OPEB) liability	(1,383,108)	
Change in long-term compensated absences	<u>(977,848)</u>	(1,817,860)

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

(6,869,991)

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

The accompanying notes are an integral part of these financial statements

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CITY OF HENDERSON, NEVADA

Statement of Net Assets
Proprietary Funds
June 30, 2011

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

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

The accompanying notes are an integral part of these financial statements

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CITY OF HENDERSON, NEVADA

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

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

(continued)

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

ASSETS

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

LIABILITIES

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

The accompanying notes are an integral part of these financial statements

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies

A. The Reporting Entity

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

In evaluating how to define the financial reporting entity, management considered all potential component units using standards prescribed under GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*. Component units would include any legally separate organizations for which the City Council is financially accountable. Financial accountability would result where the City Council appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Financial accountability may also result where an organization is fiscally dependent on the City. Based on these criteria, no component units or other reportable organizations other than the City of Henderson Redevelopment Agency were identified.

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

B. Government-wide and Fund Financial Statements

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Proprietary fund operating revenues, such as charges for services, and operating expenses result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings and nonoperating expenses result from nonexchange transactions or ancillary activities.

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

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

In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major enterprise funds:

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

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Additionally, the City reports the following fund types:

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

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

D. Assets, Liabilities and Equity

1. Cash and Investments

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

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

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit and money market mutual funds. All investments are stated at fair value (Note 4).

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (*i.e.*, the current portion of interfund loans) or “advances to/from other funds” (*i.e.*, the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances” (Note 5).

3. Property taxes

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

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1st, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25th, the levy date, and property is liened on July 1st. Taxes on real property are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August, and the first Mondays in October, January, and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 15 percent per year from the date the taxes were due, if four or more installments were delinquent, until paid.

If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

4. Restricted Assets

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

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

5. Capital Assets

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

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

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

5. Capital Assets (continued)

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

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

6. Water Delivery Deposit

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

7. Compensated Absences

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

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

8. Provisional Credits (Enterprise Fund)

The City has entered into refunding agreements whereby developers construct water and sewage transmission lines from their property to existing City lines at the expense of the developers. The developers are to be reimbursed by the City from the collection of connection fees or user charges. These agreements are principally for the term of ten years with all liability canceled either by reimbursement to the developers from subsequent connection fee assessments in the related areas or upon expiration of the term of the agreements (Note 7).

9. Long-term Debt

In the government-wide and proprietary fund statements, long-term debt and other long-term obligations (Note 7) are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Issuance costs are reported as deferred charges and amortized over the term of the related bond.

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

10. Equity Classifications

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

- a. **Invested in Capital Assets, Net of Related Debt** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

10. Equity Classifications (continued)

- b. **Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or by (2) law through constitutional provisions or enabling legislation (Note 12).
- c. **Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, proprietary fund equity is classified the same as in the government-wide statements. In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Fund Balance Definitions* (GASB 54), which became effective for periods beginning after June 15, 2010. Under GASB 54, governmental fund equity is classified as fund balance and is further classified as follows (Note 12):

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

CITY OF HENDERSON, NEVADA

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

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Equity (continued)

10. Equity Classifications (continued)

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

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

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

11. Use of Estimates

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

CITY OF HENDERSON, NEVADA

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

Note 2. Reconciliation of Government-wide and Fund Financial Statements

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

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

Capital Assets:	
Infrastructure assets	\$ 1,335,202,318
Other capital assets	813,872,115
	<u>\$ 2,149,074,433</u>
Accumulated Depreciation	
Infrastructure assets	\$ 567,314,609
Other capital assets	120,748,326
	<u>\$ 688,062,935</u>

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

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

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

Gain on sale of assets on the statement of activities	\$ 4,782
Loss on disposition of assets in the statement of activities included in the general government function	(867,795)
Amount resulting from internal service fund activities included elsewhere on the reconciliation	392,846
Sale of capital assets included in the net change in fund balances – governmental funds	(4,782)
Land sales included in the net change in fund balances – governmental funds	(52,493)
Net Difference in Reporting Sales/Dispositions of Assets	<u>\$ (527,442)</u>

CITY OF HENDERSON, NEVADA

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

Note 2. Reconciliation of Government-wide and Fund Financial Statements (continued)

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

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

Property taxes and miscellaneous revenues appear in the governmental funds as they are current financial resources but were previously recognized in the statement of activities	\$ (693,770)
Deferred revenue in prior years is included in beginning net assets on the statement of activities, but is recorded as revenues in the governmental funds	<u>(853,100)</u>
Change in Deferred Revenue	<u>\$ (1,546,870)</u>

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

The proprietary fund statement of net assets includes a reconciliation between net assets - total enterprise funds and net assets of business-type activities as reported in the government-wide statement of net assets. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.” The details of this \$19,915,622 difference are as follows:

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

Note 3. Stewardship, Compliance and Accountability

A. Budgetary Information

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

CITY OF HENDERSON, NEVADA

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

Note 3. Stewardship, Compliance and Accountability (continued)

A. Budgetary Information (continued)

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

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

Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available. The most significant change occurred in the Capital Projects Funds (\$63,851,187). Nevada Law requires budgetary control to be exercised at the function level.

B. Excess of Expenditures/Expenses Over Appropriations

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

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

CITY OF HENDERSON, NEVADA

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

Note 4. Cash and Investments

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

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

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Governmental activities	\$ 358,105,532	\$ 4,192,957	\$ 362,298,489
Business-type activities	167,945,534	12,725,164	180,670,698
Fiduciary funds	<u>71,947,589</u>	<u>-</u>	<u>71,947,589</u>
Total Cash and Investments	<u>\$ 597,998,655</u>	<u>\$ 16,918,121</u>	<u>\$ 614,916,776</u>

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

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

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

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, the recorded amount of the City's deposits was \$178,920,839 and the bank balance was \$185,013,481. Of the bank statement balance \$29,527,051 was covered by federal depository insurance and \$154,078,020 was subject to collateralization.

CITY OF HENDERSON, NEVADA

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

Note 4. Cash and Investments (continued)

The City invests monies both by individual fund and through pooling of monies. The pooling of monies, referred to as an internal investment pool, is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the City's Finance Director is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month. The City investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Finance Director are regulated by Nevada Revised Statutes (NRS 355.170).

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

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

CITY OF HENDERSON, NEVADA

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

Note 4. Cash and Investments (continued)

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

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

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

Interest Rate Risk

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

Concentration of Credit Risk

At June 30, 2011, in accordance with State laws as defined in the table found on page 34, the City was not in violation of the maximum percentage of total portfolio per investment type, nor the maximum percentage per single issuer restrictions.

CITY OF HENDERSON, NEVADA

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

Note 4. Cash and Investments (continued)

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

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

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

Custodial Credit Risk

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

CITY OF HENDERSON, NEVADA

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

Note 5. Interfund Balances and Activity

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Special Revenue Fund	\$ 2,963,975

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

Advances to/from other funds:

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

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

Internal Balances:

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

CITY OF HENDERSON, NEVADA

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

Note 5. Interfund Balances and Activity (continued)

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

CITY OF HENDERSON, NEVADA

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 6. Capital Assets

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

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

CITY OF HENDERSON, NEVADA

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

Note 6. Capital Assets (continued)

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

Governmental Activities:

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

Total Depreciation Expense – Governmental activities 82,147,791

Reinstate fully-depreciated assets deleted erroneously in the prior year	<u>122,742</u>
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Total Additions and Transfers In \$ 82,270,533

Business-type Activities:

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

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations

A. Changes in Long-term Obligations

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

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations (continued)

A. Changes in Long-term Obligations (continued)

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

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations (continued)

B. Future Debt Service Requirements

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 7. Long-term Obligations (continued)

C. Special Assessment Bonds

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

D. Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2011, all defeased debt had been repaid.

E. Termination benefits payable

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

Note 8. Retirement Plan

The City is a public employer participating in the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing multiple-employer defined benefit plan administered by PERS. All full-time employees are covered under the system. In addition, part-time employees working at least twenty hours per week are covered. The City has no liability for unfunded PERS obligations, as provided by Nevada Revised Statute (NRS) 286.110(4).

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

CITY OF HENDERSON, NEVADA

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

Note 8. Retirement Plan (continued)

Monthly benefit allowances for regular members with an effective date prior to January 1, 2010, are computed at 2.50% for service earned through June 30, 2001, and 2.67 % for service earned on or after July 1, 2001, with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). Monthly benefit allowances for regular members with an effective date on or after January 1, 2010, are computed at 2.50% of average compensation for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation (36 consecutive months of highest compensation). PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service or any age with 30 years of service.

Police and firemen with an effective date of membership prior to January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 25 years of accredited police and fire service. Police and firemen with an effective date of membership on or after January 1, 2010, are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 60 with 10 years of accredited police and fire service and age 50 with 20 years of accredited police and fire service. A member who retired on or after July 1, 1977, or is an active member whose effective date of membership is before July 1, 1985, and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

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

CITY OF HENDERSON, NEVADA

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

Note 8. Retirement Plan (continued)

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

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

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

Note 9. Other Post-employment Benefits (OPEB)

Plan Description: Eligible retirees can purchase health care coverage through two plans offered by the City of Henderson: a self-funded PPO and a fully-insured medical plan (Health Plan of Nevada). The City also offers its retirees dental, vision and life insurance benefits which is mandated by Nevada Revised Statutes. In addition to the plans offered by the City, eligible retirees may receive coverage through the Nevada Public Employees Benefit Program (PEBP). Retirees who receive coverage through the PEBP receive a direct subsidy from the City. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing or calling the plan at the following address or phone number:

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

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

CITY OF HENDERSON, NEVADA

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

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

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

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

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

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

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

CITY OF HENDERSON, NEVADA

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

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

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

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

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

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

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

Note 10. Risk Management

State and local governments are subject to many types of claims such as worker's compensation, contractual actions, personal injuries and property damage. GASB Statement No. 10 requires that a liability for claims be reported if information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

CITY OF HENDERSON, NEVADA

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

Note 10. Risk Management (continued)

In addition, there are also situations in which incidents occur before the balance sheet date but claims are not reported or asserted when the financial statements are prepared. The “incurred but not reported” claims have been estimated based upon the City’s past experience adjusted for current trends. The claims are included in the appropriate liability accounts.

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

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

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

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

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

CITY OF HENDERSON, NEVADA

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

Note 10. Risk Management (continued)

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

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

Note 11. Commitments and Contingencies

A. Construction in Progress

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

B. Litigation

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

C. Lake Las Vegas

The City and the developers of Lake Las Vegas have established a sinking fund for the accumulation of \$30,000,000 to be used for storm water treatment and/or conveyance in the event that the Federal Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection determine that more stringent

CITY OF HENDERSON, NEVADA

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

Note 11. Commitments and Contingencies (continued)

storm water treatment standards are required solely as a result of the creation of Lake Las Vegas. The sinking fund will be maintained for a period of thirty years commencing in 1989, after which the City will be allowed to utilize the fund proceeds, if any, for any appropriate municipal purpose. Developer contributions with accumulated interest were expected to constitute \$4,500,000 of the total; however, the developer contributions are uncertain at this time.

D. Redevelopment Agency

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

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

E. Operating Lease

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

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

CITY OF HENDERSON, NEVADA

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

Note 11. Commitments and Contingencies (continued)

F. Encumbrances

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

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

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

Note 12. Components of Fund Balances and Restricted Net Assets

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

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

CITY OF HENDERSON, NEVADA

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

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

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

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

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

Note 13. Recently Issued Accounting Pronouncements

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

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

CITY OF HENDERSON, NEVADA

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

Note 13. Recently Issued Accounting Pronouncements (continued)

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

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

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

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

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

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

CITY OF HENDERSON, NEVADA

Required Supplementary Information (Unaudited)
June 30, 2011

Other Postemployment Benefits Plan – Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) – (1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage Of Covered Payroll (4) ÷ (5)
July 1, 2009	-	\$39,207,000	0.00%	\$ 39,207,000	\$ 144,050,046	27.22%
July 1, 2007	-	\$51,442,000	0.00%	\$ 51,442,000	\$ 147,095,944	34.97%

Notes to Required Supplementary Information:

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



GOVERNMENTAL FUNDS

2011

Comprehensive Annual Financial Report

City of Henderson, Nevada

Non-major Special Revenue Funds

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

City of Henderson Redevelopment Agency -

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

Gas Tax Special Revenue -

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

Forfeited Assets Special Revenue -

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

Municipal Court Administrative Fee Special Revenue -

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

Financial Stabilization Special Revenue -

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

Equipment Repair & Maintenance Special Revenue -

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

Lake Las Vegas Fund -

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

Sales & Use Tax Special Revenue -

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

Multipurpose Special Revenue -

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

Code Enforcement Special Revenue -

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

Commissary Special Revenue -

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

GOVERNMENTAL FUNDS

continued

Non-major Debt Service Fund

Special Assessment Districts Debt Service Fund -

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

Non-major Capital Projects Funds

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

Land Sales -

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

Special Recreation -

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

Park Development -

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

Flood Control -

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

RTC/County -

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

Special Ad Valorem Transportation Fund -

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

Capital Replacement Fund -

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

Lake Las Vegas -

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



2011

Comprehensive Annual Financial Report

City of Henderson, Nevada

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CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2011

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

(continued)

CITY OF HENDERSON, NEVADA

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

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

(continued)

CITY OF HENDERSON, NEVADA

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

General Fund

For the Year Ended June 30, 2011

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

(continued)

CITY OF HENDERSON, NEVADA

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

General Fund

For the Year Ended June 30, 2011

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

(continued)

CITY OF HENDERSON, NEVADA

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

General Fund

For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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



2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

PROPRIETARY FUNDS

Internal Service Funds

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

Engineering -

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

City Shop -

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

Revolving Fund -

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

Self Insurance -

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

Workmen's Compensation Self Insurance -

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

Health Insurance Self Insurance -

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

Citywide Services -

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

Internal Service Funds Non-major Enterprise Funds

Cultural Arts & Tourism Enterprise Fund -

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

Municipal Golf Course Enterprise Fund -

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

Development Services Fund -

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

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CITY OF HENDERSON, NEVADA

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

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

(continued)

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

	Engineering	City Shop	Revolving	Self Insurance	Workmen's Compensation Self Insurance	Health Insurance Self Insurance	Citywide Services	Total
OPERATING REVENUES								
Charge for services	\$ 6,594,073	\$ 2,855,280	\$ 135,126	\$ 2,448,176	\$ 5,530,401	\$ 11,425,908	\$ 7,079,348	\$ 36,068,312
OPERATING EXPENSES								
Salaries and wages	5,287,446	1,307,094	-	392,802	289,611	81,939	242,148	7,601,040
Employee benefits	1,903,347	519,763	-	132,355	106,362	30,135	82,544	2,774,506
Services and supplies	2,643,957	3,919,853	-	912,461	1,313,289	2,220,248	5,530,123	16,539,931
Claims	-	-	-	2,056,616	2,677,916	9,624,326	-	14,358,858
Legal	-	-	-	24,328	2,252	-	-	26,580
Depreciation	9,834,750	4,465,488	-	2,933	-	-	173,364	4,641,785
Total operating expenses	19,665,500	10,212,198	-	3,521,495	4,389,430	11,956,648	6,028,179	45,942,700
OPERATING INCOME (LOSS)	<u>(3,240,677)</u>	<u>(7,356,918)</u>	<u>135,126</u>	<u>(1,073,319)</u>	<u>1,140,971</u>	<u>(530,740)</u>	<u>1,051,169</u>	<u>(9,874,388)</u>
NONOPERATING REVENUES (EXPENSES)								
Interest revenue	72,459	343,347	25,688	90,872	365,006	140,011	30,932	1,068,315
Interest expense	-	-	-	-	(7,846)	-	-	(7,846)
Miscellaneous	61,660	28,023	-	-	-	-	-	89,683
Gain (loss) on disposition of capital assets	-	35,430	-	-	-	-	(428,276)	(392,846)
Total nonoperating revenues (expenses)	<u>134,119</u>	<u>406,800</u>	<u>25,688</u>	<u>90,872</u>	<u>357,160</u>	<u>140,011</u>	<u>(397,344)</u>	<u>757,306</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(3,106,558)</u>	<u>(6,950,118)</u>	<u>160,814</u>	<u>(982,447)</u>	<u>1,498,131</u>	<u>(390,729)</u>	<u>653,825</u>	<u>(9,117,082)</u>
CAPITAL CONTRIBUTIONS								
	-	1,026,062	-	-	-	-	-	1,026,062
TRANSFERS								
Transfers in	1,597,516	-	-	-	-	-	-	1,597,516
Transfers out	-	(6,850,000)	(5,000)	-	-	-	(149,175)	(7,004,175)
	<u>1,597,516</u>	<u>(6,850,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,175)</u>	<u>(5,406,659)</u>
CHANGES IN NET ASSETS	<u>(1,509,042)</u>	<u>(12,774,056)</u>	<u>155,814</u>	<u>(982,447)</u>	<u>1,498,131</u>	<u>(390,729)</u>	<u>504,650</u>	<u>(13,497,679)</u>
NET ASSETS, BEGINNING OF YEAR	5,664,901	54,806,036	3,887,645	6,024,772	14,935,013	8,866,275	1,515,745	95,700,387
NET ASSETS, END OF YEAR	<u>\$ 4,155,859</u>	<u>\$ 42,031,980</u>	<u>\$ 4,043,459</u>	<u>\$ 5,042,325</u>	<u>\$ 16,433,144</u>	<u>\$ 8,475,546</u>	<u>\$ 2,020,395</u>	<u>\$ 82,202,708</u>

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CITY OF HENDERSON, NEVADA

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

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

(continued)

CITY OF HENDERSON, NEVADA

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

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

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

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

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contribution of assets

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Engineering Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
City Shop Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Revolving Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
 Budget (GAAP Basis) and Actual
 Self Insurance Internal Service Fund
 For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Workmen's Compensation Self Insurance Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Health Insurance Self Insurance Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

Schedule of Revenues, Expenses and Changes in Net Assets -
Budget (GAAP Basis) and Actual
Citywide Services Internal Service Fund
For the Year Ended June 30, 2011

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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



FIDUCIARY FUNDS

2011

Comprehensive Annual Financial Report
City of Henderson, Nevada

Internal Service Funds

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

Bridges -

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

Section 125 Agency Fund -

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

Traffic Signal Agency Fund -

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

Forfeited Assets Fund -

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

Paving Frontage Agency Fund -

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

Special Assessment Districts Agency Fund -

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

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CITY OF HENDERSON, NEVADA

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

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

CITY OF HENDERSON, NEVADA

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

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

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