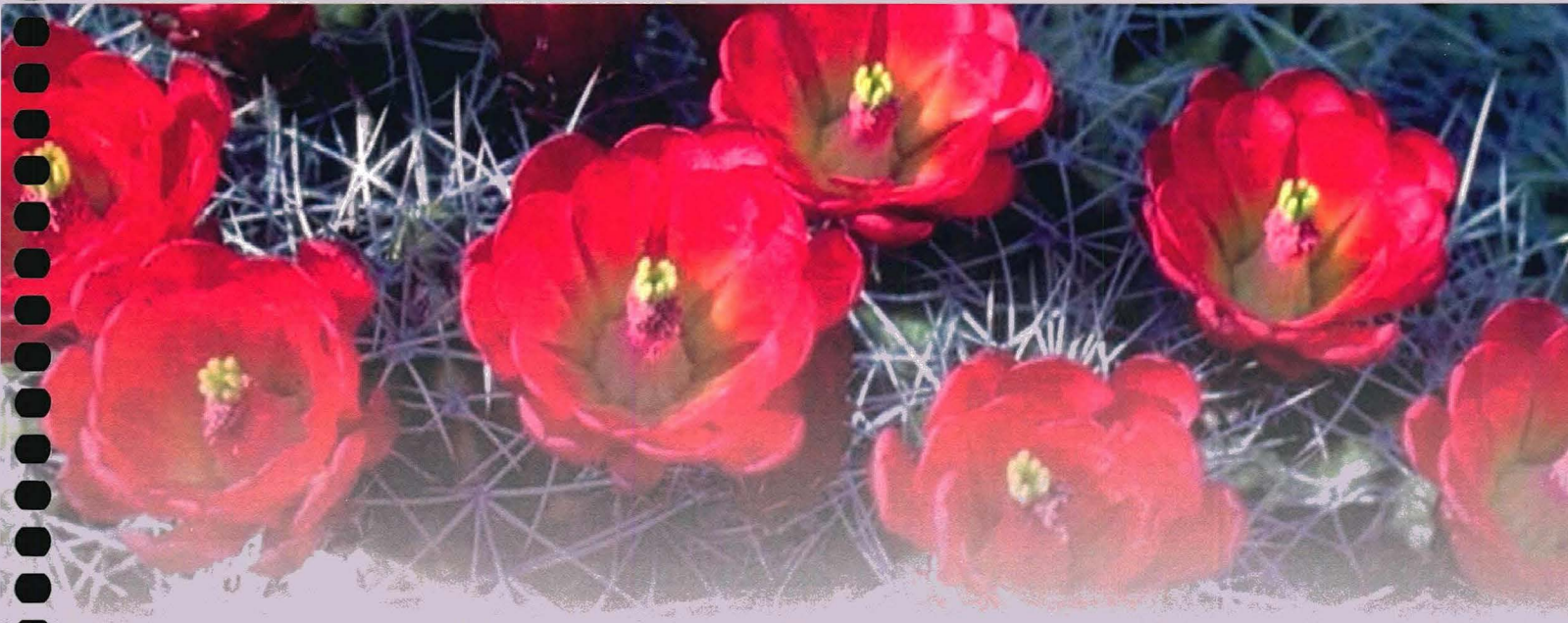


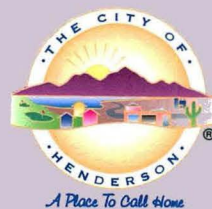
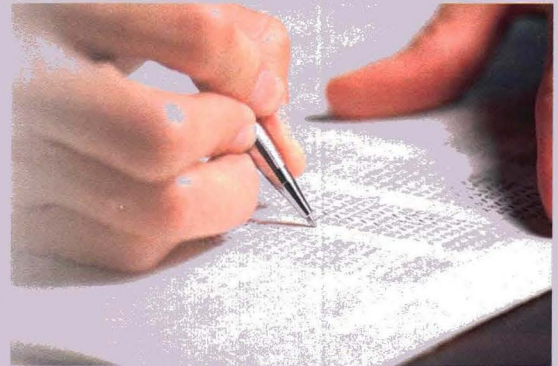
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# City of Henderson, Nevada



## Comprehensive Annual Financial Report

For Fiscal Year Ended  
June 30, 2002



**CITY OF HENDERSON, NEVADA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**Prepared by:  
Department of Finance**

**Steven M. Hanson  
Finance Director**



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# CITY OF HENDERSON, NEVADA

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## Introductory Section





November 13, 2002

*A Place To Call Home*

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

The comprehensive annual financial report for the City of Henderson for the fiscal year ended June 30, 2002 is hereby submitted. State law requires that local governments provide for an annual audit by independent certified public accountants of its financial statements in accordance with generally accepted auditing standards.

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

The City of Henderson's financial statements have been audited by Kafoury, Armstrong, & Co., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Henderson for the fiscal year ended June 30, 2002 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Henderson's financial statements for fiscal year ended June 30, 2002, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Henderson was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the compliance section of this report.

November 13, 2002

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

### **Profile of the Government**

The City of Henderson is located in the southeastern part of Clark County, Nevada which ranks as the nation's top growth area. With a population of approximately 210,850, Henderson ranks as the second largest city in the State of Nevada. The City of Henderson was incorporated in 1953. The City Charter was approved in its present form by the Nevada legislature in 1971, and has been amended subsequent thereto.

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

The City provides a full range of services including police and fire protection; Municipal Court; detention facilities; water and sewer services; the construction and maintenance of boulevards, streets and other public infrastructure; recreational facilities and activities; and, cultural events. In addition to general government activities, the City Council exercises oversight responsibility for the Henderson Redevelopment Agency. Consequently, this activity has been included in the financial report as a blended component unit.

The City of Henderson maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, as augmented, that was approved by the City Council and the State of Nevada's Department of Taxation. Prior to April 15, the Finance Director submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council 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.

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

November 13, 2002

functions (General Fund) or funds if the City Council is notified at the next regular meeting and the action is noted in the official minutes. Revisions which affect the total fund appropriations or transfers between funds are accomplished through formal City Council approval. Various supplemental appropriations were approved for the year to reflect necessary changes in spending and the corresponding additional resources available.

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

### **Factors Affecting Financial Condition**

**Local economy.** The state and local economy are continuing to rebound from the national recession. Recovery is expected to continue through Fiscal Year 2003, with most economic indicators showing growth. Throughout the national and local economic weakening of the past year, the City of Henderson has continued to maintain a strong financial position. The City focused on building financial reserves since the last recession in 1991. Combined with conservative budgeting and one of the lowest employee-to-resident ratios, the City has had the ability to maintain and enhance current municipal service levels during the current economic downturn.

The City of Henderson continues to experience rapid increases in population. Located just seven miles from the famous Las Vegas Strip and a mile from Lake Mead, Henderson is known throughout the nation for its premiere master planned residential communities, outstanding parks and recreational facilities, cultural activities, and a rapidly growing business community. The median household income in Henderson continues to outpace the county and the state averages. The availability of relatively high-paying jobs and affordable housing continues to attract new citizens. Some of the nation's best known and most respected corporations have established major operations in Henderson. These include, but are not limited to, Ocean Spray Cranberries, Inc., Ethel M. Chocolates, Good Humor-Breyers, and Levi Strauss & Company. Henderson also has defined gaming districts which include casino/resort development such as Hyatt at Lake Las Vegas, Sunset Station, Fiesta, and Green Valley Ranch Station. In addition the City opened the Nevada State College in September 2002.

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

**Long Term Financial Planning.** The City of Henderson has many long range plans. These plans include adding seventeen uniformed and support positions to the Police Department and adding two Fire Department Peak Load Rescue units to enhance coverage in the City and



November 13, 2002

improve response times. Also included in these plans is creating a pay-as-you-go capital improvement program with initial funding of \$500,000 for Fiscal Year 2003, which will provide resources for capital investments from reserves, allowing the City to avoid debt financing and will result in saving taxpayer money by avoiding interest payments. Other projects include implementing a new case management system for the municipal court; remodeling the Henderson Justice Facility; developing and planning for southwest Henderson and other annexed areas; updating the City of Henderson Comprehensive Master Plan; development and implementation of a city-wide Electronic Records Management system; implementing a new integrated Financial and Human Resources Management System; adding staffing and operating expenditures for the new Liberty Pointe Complex, which includes a 7,500 seat outdoor amphitheater, a promenade open walkway, and an 84,000 square foot multigenerational recreation/aquatic complex; and adding staff for the new Downtown Recreation Center and several new parks.

The City of Henderson continues to update the Capital Improvement Plan, a multi-year planning document that identifies and prioritizes the need for a variety of public improvements and coordinates the City's financing and construction time frames. Some of these capital projects for fiscal year 2003 include: RTC/County funded traffic improvement projects including \$1.8 million for an interchange at the Valley Automall and Highway 95, and \$.9 million for intersection improvement projects; Park Development funded projects including \$2.8 million for two new parks and \$0.6 million for improvements to existing parks; Municipal Facilities funded projects include \$23.7 million for the City Hall addition-Phase III and \$0.9 million toward the Downtown Recreation Center.

**Cash management policies and practiced.** Cash temporarily idle during the year was invested in U. S. Treasury and agency obligations, banker's acceptances, and the State Treasurer's investment pool. The average yield on investments was approximately 4.55%.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, investments were either in U.S. Treasury and agency obligations; insured by Federal Depository Insurance; or collateralized. One hundred percent of the categorized investments held by the City at June 30, 2002 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Investment income includes (appreciation or depreciation) in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

**Risk management.** The City has obtained \$10,000,000 in excess Commercial General Liability Insurance with a \$1,000,000 self-insured retention (SIR). In addition, the City continues to maintain the following coverages; a \$292 million blanket property insurance policy on all buildings and \$18 million building contents with a \$50,000 deductible; a \$50,000,000 Boiler & Machinery policy with a \$10,000 deductible; \$2.7 million Inland Marine coverage on a

November 13, 2002

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 \$5.6 million Fire Truck Physical Damage policy with a \$50,000 deductible.

The City maintains its self-insurance fund to cover all claims made or occurring prior to the securement of the excess liability policy and all claims that fall under the \$1,000,000 SIR. The City's risk manager works with the City Attorney's office; an outside claims adjusting firm; the excess insurance company and its administrator; and, applicable departments in handling claims filed against the City. In addition the City obtains an actuarial analysis on an annual basis. At June 30, 2002 the Self Insurance Fund had \$4,389,451 in working capital. No current claims are expected to be settled in a manner which would adversely affect the fund's financial condition.

On July 1, 1992 the city became self insured for employee health benefits, providing medical dental and vision care. A specific stop loss policy of \$50,000 per participant with a \$1,000,000 lifetime maximum is maintained. A third party administrator is used to pay claims under the stop loss threshold.

On April 1, 1993 the City became self insured for workmen's compensation claims. A third party administrator is utilized for claim payment. The City has a \$750,000 SIR for all police and fire employees per occurrence and \$500,000 SIR for all other employees per occurrence., with a maximum of \$25 million on all claims per coverage period.

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Henderson for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This was the twentieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

November 13, 2002

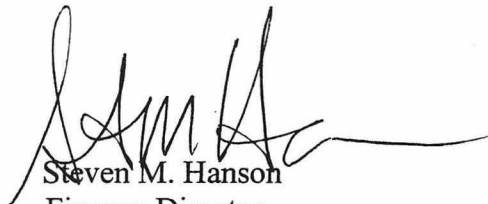
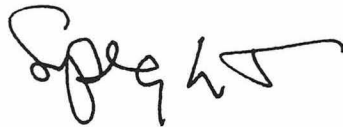
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department's Accounting Division staff as well as certain members of the City Manager's staff, Public Works Department, and the Neighborhood Services staff. We would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

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

Respectfully submitted,



Philip D. Speight  
City Manager



Steven M. Hanson  
Finance Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Henderson,  
Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

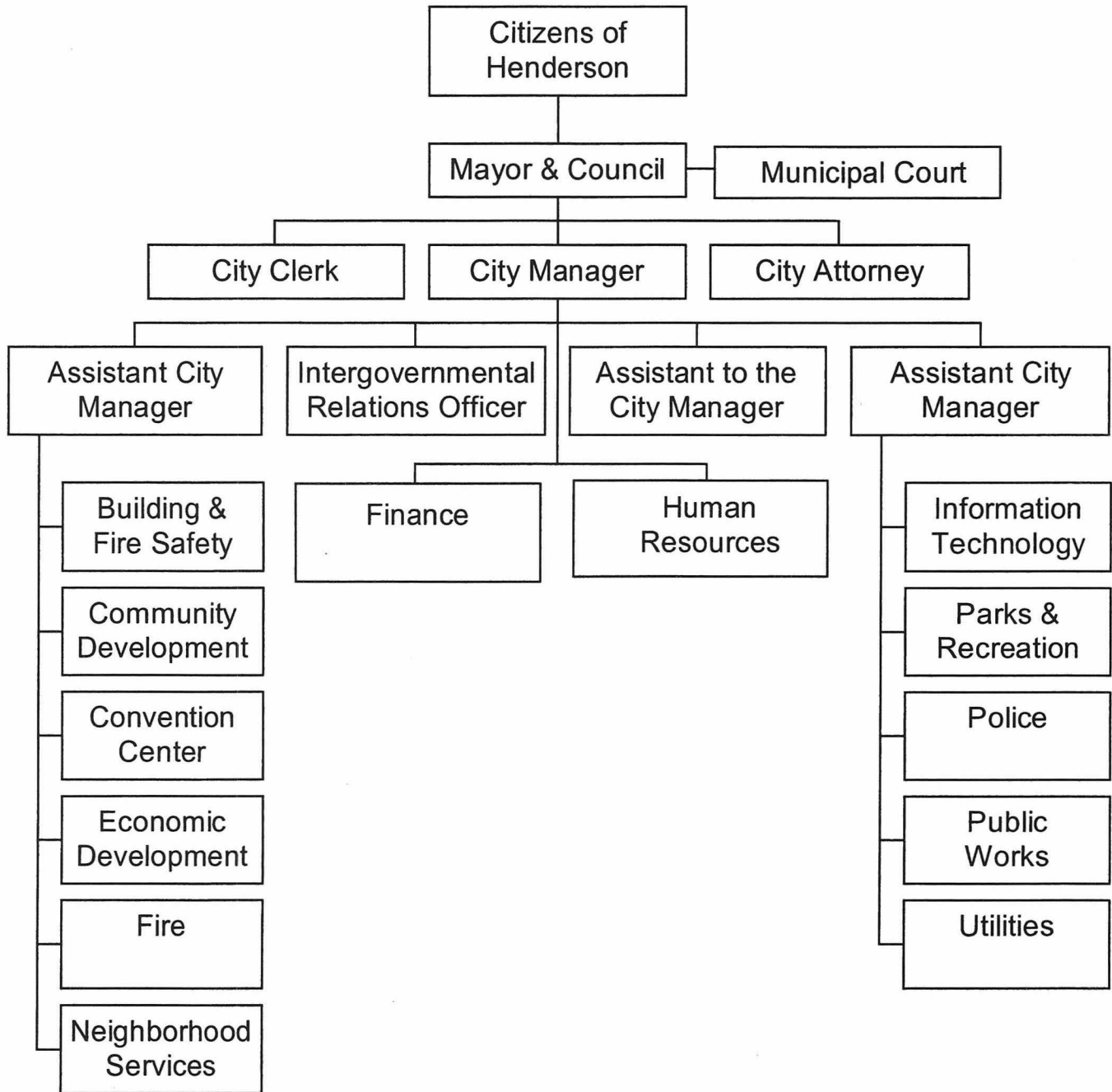
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



*Imelda Cruz*  
President

*Jeffrey L. Esser*  
Executive Director

# CITY OF HENDERSON ORGANIZATION CHART



\*The Municipal Court Judges are elected officials. The Municipal Court Administrator reports to the City Manager.

**MAYOR AND COUNCIL**

**James B. Gibson, Mayor**  
**Amanda A. Cyphers, Councilman**  
**Andy A. Hafen, Councilman**  
**Jack K. Clark, Councilman**  
**Steven D. Kirk, Councilman**

**CITY OFFICIALS**

**Philip D. Speight , City Manager**  
**Shauna Hughes, City Attorney**  
**Monica M. Simmons, City Clerk**

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## Financial Section

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of and for the year ended June 30, 2002, which collectively comprise City of Henderson's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of City of Henderson. Our responsibility is to express opinions 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Henderson, Nevada, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 2002 on our consideration of City of Henderson's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Henderson's basic financial statements. The accompanying nonmajor combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The nonmajor combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we express no opinion on them.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
October 30, 2002

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## Management's Discussion & Analysis

As management of the City of Henderson, we offer readers of the City of Henderson's financial statements this narrative overview and analysis of the financial activities of the City of Henderson for the fiscal year ended June 30, 2002. Please read this in conjunction with the transmittal letter at the beginning of the report and the City's financial statements following this section.

### Financial Highlights

- The assets of the City of Henderson exceeded its liabilities at June 30, 2002 by \$1,332,531,001 (net assets). Of this amount, \$236,105,982 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$142,668,810. See the sections on Governmental Activities and Business-type Activities below for explanations on the increase.
- As of June 30, 2002, the City of Henderson's governmental funds reported combined ending fund balances of \$182,727,562, a decrease of \$23,083,731 in comparison with the prior year. This decrease is due in large part to the expansion of City Hall and the construction of the downtown recreation center. Approximately three-quarters of ending fund balances or \$135,750,677 is available for spending at the City's discretion (unreserved fund balance).
- As of June 30, 2002 unreserved fund balance in the general fund was \$23,799,764 or 19.7% of general fund expenditures.

### Financial Statement Overview

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Henderson that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges

(business-type activities). The governmental activities of the City of Henderson include general government, judicial, public safety, public works, and culture and recreation. The business-type activities of the City of Henderson include Water and Sewer operations, the Development Services Center, and a Convention Center.

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

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

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

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

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

**Proprietary funds.** The City of Henderson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Henderson uses enterprise funds to account for its Water and Sewer activities, the Development Services Center, and the Convention Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Henderson's various functions. The City of Henderson uses internal service funds to account for its engineering services, its City vehicles, self-insurance activities, and to account for loan activities to other funds for special assessment districts. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Henderson's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**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 nonmajor governmental are presented immediately following the notes to the financial statements. Internal service funds are presented after the governmental fund statements.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Henderson, assets exceeded liabilities by \$1,332,531,001 at June 30, 2002.

The largest portion of the City of Henderson's net assets (59%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Henderson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Henderson's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Henderson's Net Assets

	Governmental Activities		Business Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	\$391,025,400	\$379,546,331	\$315,377,913	\$295,815,179	\$706,403,313	\$ 675,361,510
Capital assets	733,197,685	644,164,560	473,694,126	428,350,586	1,206,891,811	1,072,515,146
Total assets	1,124,223,085	1,023,710,891	789,072,039	724,165,765	1,913,295,124	1,747,876,656
Long-term liabilities	368,931,105	349,335,435	177,332,486	183,602,348	546,263,591	532,937,783
Other liabilities	26,556,073	18,161,892	7,944,459	6,914,790	34,500,532	25,076,682
Total liabilities	395,487,178	367,497,327	185,276,945	190,517,138	580,764,123	558,014,465
Net assets:						
Invested in capital assets, net of related debt	439,431,261	402,290,797	347,713,193	306,589,282	787,144,454	708,880,079
Restricted	117,787,257	107,755,898	191,493,308	178,932,041	309,280,565	286,687,939
Unrestricted	171,517,389	146,166,869	64,588,593	48,127,304	236,105,982	194,294,173
Total net assets	\$728,735,907	\$656,213,564	\$603,795,094	\$533,648,627	\$1,332,531,001	\$ 1,189,862,191

An additional portion of the City of Henderson's net assets (23%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$236,105,982, may be used to meet the City's ongoing obligations to citizens and creditors.

As of June 30, 2002 the City of Henderson is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same held true for the previous fiscal year.

There was an increase of \$41,123,911 in net assets invested in capital assets net of related debt for business-type activities. Most of this increase is due to increases in contributed assets and construction in progress. See discussion on Capital Assets below for further explanations.

The City of Henderson's net assets increased by \$142,668,810 during the current fiscal year, an increase in governmental net assets of \$72,522,343 and an increase in business-type activities of \$70,146,467. See explanations for the increases in the sections for Governmental Activities and Business-type Activities.

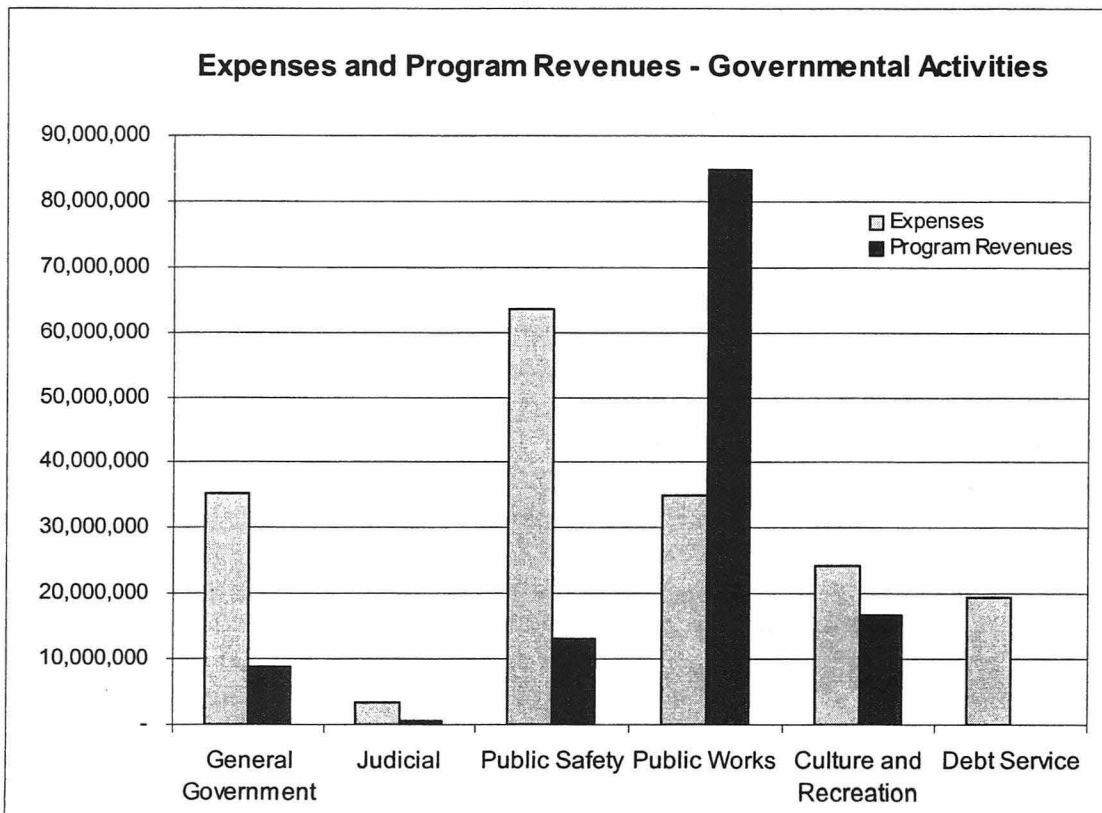
### City of Henderson's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues:						
Program revenues						
Charges for services	\$23,186,691	\$ 20,426,090	\$74,322,520	\$ 71,586,926	\$97,509,211	\$ 92,013,016
Operating grants, interest, and contributions	8,559,922	8,948,582	81,695	83,692	8,641,617	9,032,274
Capital grants, interest and Contributions	92,332,413	69,679,630	64,112,915	55,234,610	156,445,328	124,914,240
General revenues:						
Property taxes	39,251,126	34,126,689	-	-	39,251,126	34,126,689
Consolidated tax	58,404,948	53,465,516	-	-	58,404,948	53,465,516
Other taxes	22,217,960	18,963,905	4,007,502	1,618,588	26,225,462	20,582,493
Unrestricted interest income	8,347,893	12,741,973	14,411,298	20,714,011	22,759,191	33,455,984
Gain on sale of assets	2,014,836	11,588,727	-	-	2,014,836	11,588,727
Other	814,406	446,604	221,518	197,132	1,035,924	643,736
Total revenues	255,130,195	230,387,716	157,157,448	149,434,959	412,287,643	379,822,675
Expenses:						
General government	35,253,241	25,636,692	-	-	35,253,241	25,636,692
Judicial	3,328,455	3,005,764	-	-	3,328,455	3,005,764
Public safety	63,620,351	57,742,273	-	-	63,620,351	57,742,273
Public works	34,871,698	37,172,046	-	-	34,871,698	37,172,046
Culture and recreation	24,214,562	22,112,050	-	-	24,214,562	22,112,050
Interest on long-term debt	19,414,989	20,689,120	-	-	19,414,989	20,689,120
Water	-	-	47,831,453	36,012,456	47,831,453	36,012,456
Sewer	-	-	24,456,660	21,504,984	24,456,660	21,504,984
Development Center	-	-	14,640,305	13,431,957	14,640,305	13,431,957
Convention Center	-	-	1,987,119	1,439,788	1,987,119	1,439,788
Total expenses	180,703,296	166,357,945	88,915,537	72,389,185	269,618,833	238,747,130
Increase in net assets before transfers	74,426,899	64,029,771	68,241,911	77,045,774	142,668,810	141,075,545
Transfers	(1,904,556)	(7,426,520)	1,904,556	7,426,520	-	-
Increase in net assets	72,522,343	56,603,251	70,146,467	84,472,294	142,668,810	141,075,545
Net assets, July 1	656,213,564	599,610,313	533,648,627	449,176,333	1,189,862,191	1,048,786,646
Net assets, June 30	\$728,735,907	\$656,213,564	\$603,795,094	\$533,648,627	\$1,332,531,001	\$1,189,862,191

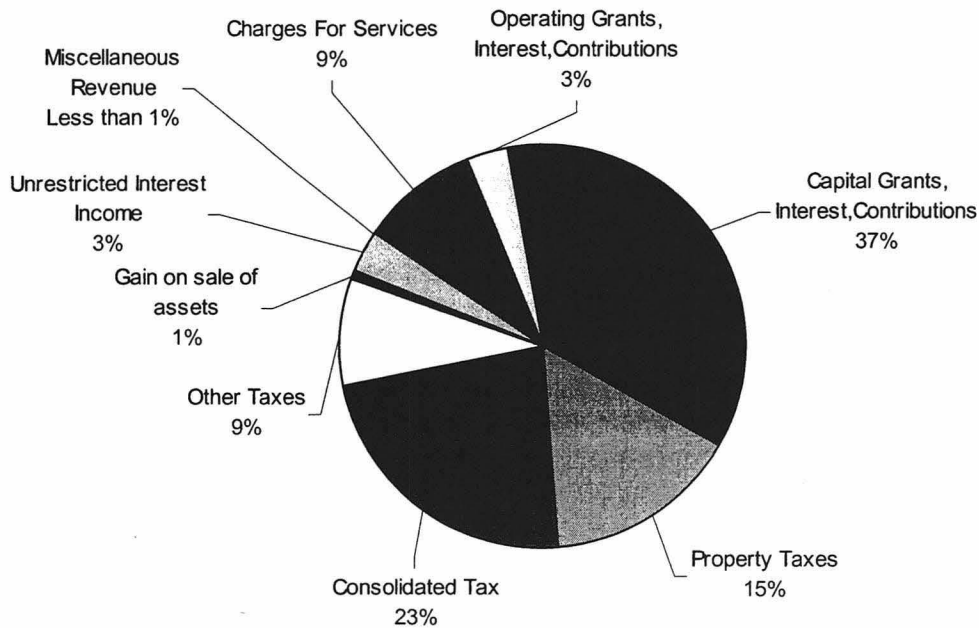


**Governmental Activities.** Governmental activities increased the City of Henderson's net assets by \$72,522,343 thereby accounting for 51% of the total growth in net assets of the City of Henderson. Key elements of this increase are as follows:

- Capital grants and contributions increased by \$22,652,783 (32%). This is due in large part to special assessment revenue of \$15,250,000 for a new special assessment district T-13 in the current fiscal year. The remaining increase is due to contribution of capital assets. See discussion on capital assets below.
- Other taxes increased \$3,254,055 (17%). This is due in large part to an increase in rates by Nevada Power, which in turn increased the franchise fees collected by the City. The rest of the increase is due to growth.
- Property taxes increased by \$5,124,437 (15%) due to growth in assessed value.
- There were large land sales in fiscal year 2001, which accounted for the large gain on sale of assets in that fiscal year. Fewer land sales occurred in fiscal year 2002.
- Interest income decreased by \$4,394,080 (34%) due to the downturn in the economy.
- Over half of the increase in expenses in general government is due to a loss on the disposition of assets because of a current fiscal year change in the capitalization threshold from \$500 to \$5,000 and to disposal of capital assets. Other increases in expenses are due to population growth and therefore an increase in services.

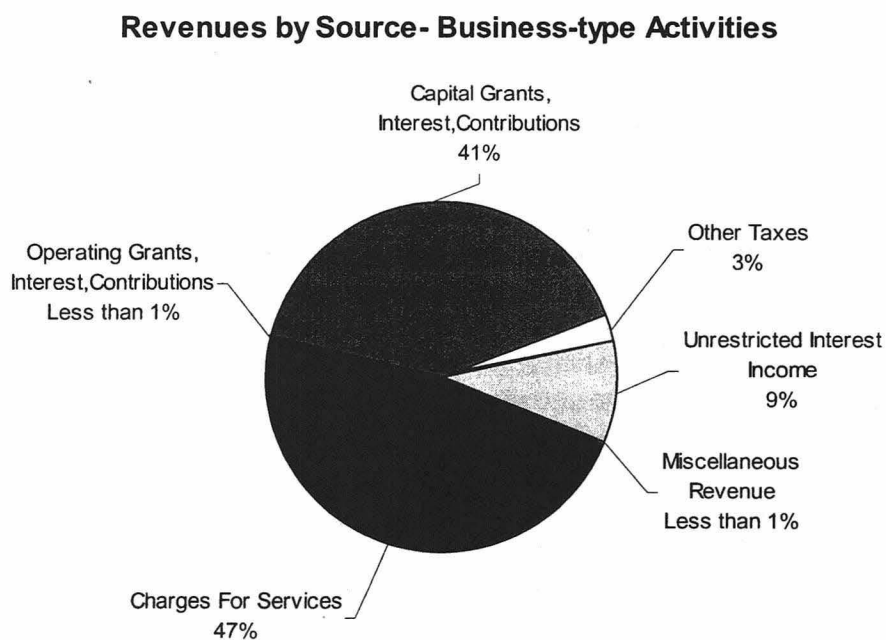
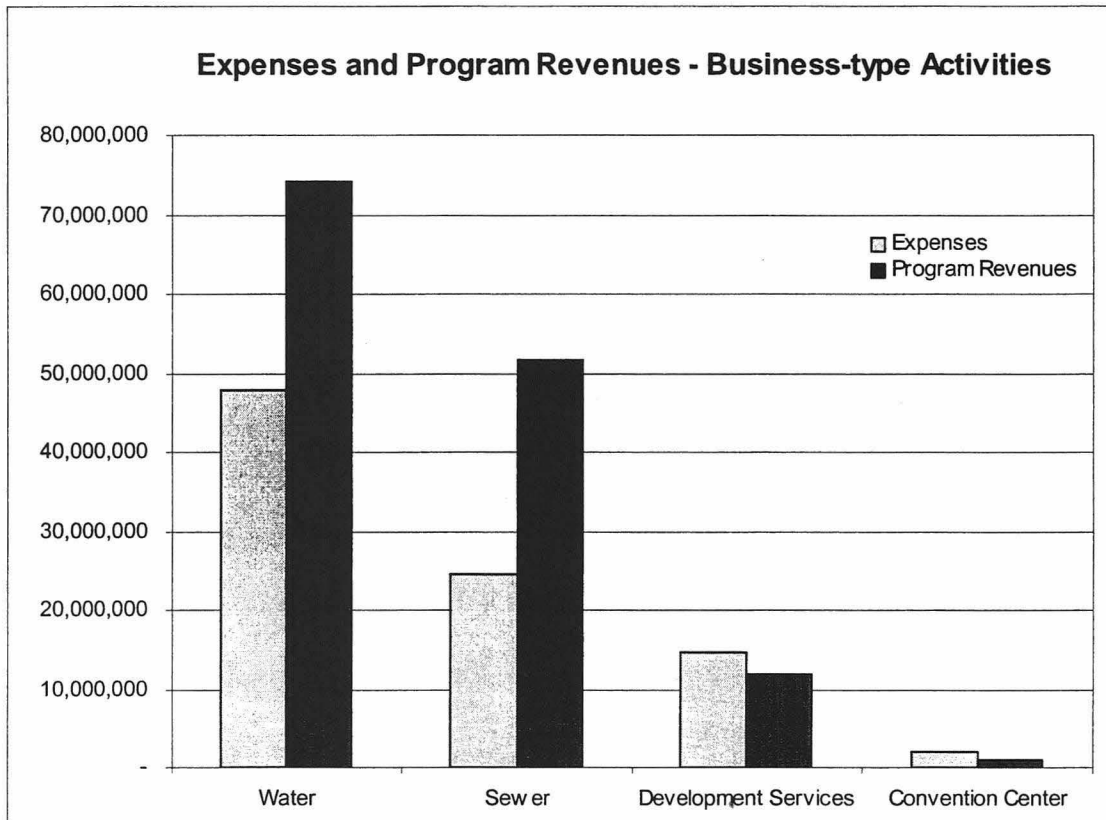


### Revenues by Source- Governmental Activities



**Business-type activities.** Business-type activities increased the City of Henderson's net assets by \$70,146,467 accounting for 49% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Capital grants and contributions increased \$8,878,305 (16%) due to an increase in a change in estimate in the valuation of contributed assets and to growth.
- Other taxes increased \$2,388,914 due to infrastructure sales tax, which is a ¼ cent sales tax for the purpose of funding future wastewater infrastructure. This tax began in the last quarter of fiscal year ended June 30 2001, and a full year was collected in the current fiscal year.
- Interest income decreased \$6,302,713 (30%) due to the downturn in the economy
- Water expenses increased \$11,818,997 (33%) primarily due to an approximate 27% rate increase in the cost of water by the Southern Nevada Water Authority. Depreciation expense increased by approximately \$4 million due to the prior period adjustment for water laterals not previously recorded (water depreciation expense was not restated in the above figures for 2001). Costs increased also due to growth.



## Financial Analysis of the City's Funds

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

As of the end of the current fiscal year, the City of Henderson's governmental funds reported combined ending fund balances of \$182,727,562, a decrease of \$23,083,731 in comparison with the prior year. Approximately three-quarters of this balance (\$135,750,677) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase order of the prior period (\$1,590,752), 2) to pay debt service (\$35,125,837), 3) for land held for resale (\$6,892,457), 4) for a variety of other purposes (\$3,367,839).

**General Fund.** The general fund is the chief operating fund of the City of Henderson. At the end of the current fiscal year, unreserved fund balance of the general fund was \$23,799,764, while total fund balance was \$25,390,516. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 20% of total general fund expenditures, while total fund balance represents 21% of that same amount.

The fund balance of the general fund increased by \$1,304,234 during the current fiscal year. Key factors for this growth are as follows:

Property taxes increased by \$2,352,893 due to growth in assessed value.

Franchise fees increased by \$2,498,533 due to a rate increase by Nevada Power Company, which in turn increased the franchise fees collected by the City. This accounted for \$1.7 million of the increase. The rest of the increase is due to growth.

Intergovernmental revenues increased by \$5,507,972. A majority of this increase (\$4.9 million) is due to the consolidated tax amount received from the State of Nevada. This increase is due to a change in the formula by the State of Nevada, which impacted the City positively, and to growth.

These increases were offset by a total increase in general fund expenditures, especially in public safety which increased by \$7,676,188 due to an increase in staff and the purchase of a new public safety software system.

**General Obligation Debt Service Fund.** The general obligation debt service fund has a total fund balance of \$7,358,902, all of which is reserved for payment of debt service. The net increase in the fund balance was \$2,094,730 due mainly to approximately a \$2 million increase in property taxes dedicated to debt service.

**Special Assessment Districts Debt Service Fund.** The special assessment districts debt service fund has a total fund balance of \$26,391,404, all of which is reserved for payment of debt service. The net increase in



the fund balance was \$4,560,069, due mainly to proceeds from issuance of special assessment debt reserved for debt service of approximately \$3 million for Local Improvement District T-13.

**Special Assessment Districts Capital Projects Fund.** The special assessment districts capital projects fund has a total fund balance of \$24,156,761, which is unreserved. The net increase in fund balance was \$4,466,765. The increase to fund balance was due mainly to approximately \$12 million in bond proceeds related to special assessment debt for Local Improvement District T-13. This was offset by approximately \$9 million to pay for construction projects related to special assessment districts.

**Municipal Facilities Acquisition & Construction Capital Projects Fund.** The municipal facilities acquisition & construction capital projects fund has a total fund balance of \$54,995,393, which is unreserved. The net decrease in fund balance was \$19,063,010. This decrease is due mainly to increased expenditures related to the expansion of City Hall, which amounted to approximately \$12.3 million and construction of the downtown recreation center, which amounted to approximately \$4.4 million.

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

Unrestricted net assets of the water fund at the end of the fiscal year amounted to \$31,361,703, and total growth in net assets was \$31,202,769. Unrestricted net assets of the sewer fund at the end of the fiscal year were \$31,428,042, and total growth in net assets were \$38,040,258. Unrestricted net assets in the development services fund at the end of the fiscal year were \$1,742,086, and total growth in net assets were \$1,787,375. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Henderson's business-type activities.

### **General Fund Budgetary Highlights**

Functions represent the City's legal level of budgetary control. The final budget expenditure appropriations increased \$8.5 million, or 6.8% over the original budget. Over \$6.6 million of this increase was due to the re-authorization of outstanding encumbrances and unspent appropriations for capital purchases and professional services from the prior year in all functions. Many budgeted capital purchases and projects had not been completed by the end of Fiscal Year 2001, and will be re-appropriated in Fiscal Year 2002. The remaining increases were primarily related to adjustments to the City's staff complement as a result of legislation passed at the conclusion of the 2001 Nevada Legislative Session, after the original budget was adopted. The City was provided additional resources from a change in the Consolidated Tax formula that was utilized to hire additional public safety and support personnel.

Actual expenditures were 90.4% of appropriations, or \$12.8 million lower than the final budget. All functions are well within appropriation authority. The savings were mainly due to staffing vacancies that occurred during the fiscal year, as well as projects that were not completed by the end of the fiscal year and will be re-appropriated to the subsequent year. The main areas of savings are summarized below:

- Actual General Government expenditures were \$8.9 million below the final budget. Several projects within Information Technology, City Manager's Office, and City Attorney's Office were not completed by year-end and were deferred to the subsequent year, in addition to \$2.6 million in vacancy savings.

- Actual Culture and Recreation expenditures were \$1.6 million below the final budget, mainly due to equipment purchases and projects that were deferred to the subsequent year, as well as vacancy savings.
- Actual Public Safety expenditures were \$1.3 million below the final budget, primarily due to vacancy savings, as well as projects that were deferred to the subsequent year.

### Capital Assets and Debt Administration

**Capital assets.** The City of Henderson's investment in capital assets for its governmental and business-type activities as of June 30, 2002 amounts to \$1,206,891,811 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City of Henderson's investment in capital assets was \$134,376,665 (\$89,033,125 for governmental activities and \$45,343,540 for business-type activities).

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

- Land in governmental activities increased \$9,407,872 due to donations of park land and land for a new fire station.
- Infrastructure increased \$32,650,077 due to developer contributions of streets, curbs, gutters, storm drains and other infrastructure from large construction activity within the City of Henderson.
- Construction in progress for governmental activities increased \$47,246,329. This increase is due in large part to the construction of the Green Valley Ranch Multigenerational Center, the expansion of City Hall, construction of the Downtown Recreational Center, and construction of a public safety mobile data system for the police department.
- Construction in progress for business type activities increased by \$14,204,766. This increase is due to over \$6.3 million in construction of transmission mains for better water distribution, over \$3.6 million in a project for better water treatment, over \$2.5 million to convert manual read water meters to radio read meters, and over \$1.8 million in the expansion of the water reclamation facility.

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

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$134,658,099	\$ 125,250,227	\$4,563,756	\$ 4,386,756	\$139,221,855	\$ 129,636,983
Buildings	59,155,597	59,770,971	10,692,415	10,797,671	69,848,012	70,568,642
Improvements other than buildings	47,969,326	49,065,624	424,777,610	395,183,620	472,746,936	444,249,244
Machinery and equipment	25,268,936	23,828,417	6,248,695	4,775,655	31,517,631	28,604,072
Infrastructure	359,611,471	326,961,394	-	-	359,611,471	326,961,394
Construction in progress	106,534,256	59,287,927	27,411,650	13,206,884	133,945,906	72,494,811
Total	\$733,197,685	\$644,164,560	\$473,694,126	\$428,350,586	\$1,206,891,811	\$1,072,515,146

Additional information on the City of Henderson's capital assets can be found in notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, the City of Henderson had total bonded debt outstanding of \$506,358,159. Of this amount, \$161,500,000 is considered general obligation debt, \$16,340,000 is tax allocation debt, and \$154,675,000 is considered special assessment debt for which the City is obligated in some manner. The remainder of the City of Henderson's bonded debt represents bonds to be paid from the City's Water and Sewer activities.

### City of Henderson's Outstanding Bonds

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
General obligation bonds	\$161,500,000	\$171,495,000	\$ -	\$ -	\$161,500,000	\$171,495,000
Tax allocation bonds	16,340,000	-	-	-	16,340,000	-
Special assessment debt with government commitment	154,675,000	144,615,000	-	-	154,675,000	144,615,000
Water & sewer bonds	-	-	173,843,159	179,074,501	173,843,159	179,074,501
Total	\$332,515,000	\$316,110,000	\$173,843,159	\$179,074,501	\$506,358,159	\$495,184,501

During the fiscal year, the City refinanced some of its existing debt to take advantage of favorable interest rates. The City of Henderson issued general obligation bonds to refinance previously outstanding general obligation bonds. The result is expected to result in a decrease in future debt service payments of \$1,035,165.

The City of Henderson maintains "AA-" rating from Standard and Poor's Ratings Service and "AA3" from Moody's Investors Service for the City's general obligation debt.

As of June 30, 2002, the City's net general obligation bonded debt subject to the legal debt margin of \$335,343,159 was below the legal limit of \$843,021,717 and net bonded debt per capita equaled \$808.54.

In May 2002, the City of Henderson issued \$15,250,000 in special assessment debt for Local Improvement District T-13.

In June 2002, the Henderson Redevelopment Agency issued \$16,340,000 in tax allocation bonds.

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

### Other Factors

- The unemployment rate for Clark County is currently 5.9%, compared to the statewide rate of 5.5%.
- Tourism continues to be a vital component of the Southern Nevada economy. Hotel occupancy rates have averaged in the range of 85-89% for the past five years.
- Inflationary trends in the region compare favorably to national indices.
- The City's borrowing rate continues to be attractive, between 3.5% and 4.5% for long-term debt.

All of these factors were considered in preparing the City of Henderson's budget for the 2003 fiscal year.

During the current fiscal year unreserved fund balance in the general fund increased to \$23,799,764. The City of Henderson has appropriated \$7,318,490 of this amount for spending in the 2002-2003 fiscal year budget. It is intended that this use of available fund balance will pay for one time capital purchases.

Water and Sewer rates were increased for the 2002-2003 budget year. Water rates will increase 6% on January 2, 2003 and sewer rates will increase 3.9% on September 3, 2002. These rate increases were necessary to cover increased costs due to increased power rates of 40%, increased potable water wholesale rates of 27%, and increased raw water wholesale rates of 56%.

### **Requests for Information**

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

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## Basic Financial Statements



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# CITY OF HENDERSON, NEVADA

## STATEMENT OF NET ASSETS

JUNE 30, 2002

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 211,006,116	\$ 282,734,389	\$ 493,740,505
Accounts receivable	5,883,049	10,916,079	16,799,128
Accrued interest receivable	1,248,329	1,678,612	2,926,941
Property taxes receivable - delinquent	693,808	-	693,808
Due from other governments	13,976,934	266,690	14,243,624
Internal balances	(5,638,804)	5,638,804	-
Other	366,543	-	366,543
Special assessments receivable	151,838,715	-	151,838,715
Notes receivable	558,113	-	558,113
Land held for resale	6,892,457	-	6,892,457
Deferred charges	4,200,140	-	4,200,140
Restricted assets-cash and investments:			
Customer deposits	-	216,450	216,450
Water and sewer bond debt service	-	8,025,120	8,025,120
Banked water	-	5,901,769	5,901,769
Capital assets (net of accumulated depreciation):			
Land	134,658,099	4,563,756	139,221,855
Buildings	59,155,597	10,692,415	69,848,012
Improvements other than buildings	47,969,326	424,777,610	472,746,936
Machinery and equipment	25,268,936	6,248,695	31,517,631
Infrastructure	359,611,471	-	359,611,471
Construction in progress	106,534,256	27,411,650	133,945,906
Total Assets	<u>1,124,223,085</u>	<u>789,072,039</u>	<u>1,913,295,124</u>
<b>LIABILITIES</b>			
Accounts payable and accrued wages	9,242,057	4,172,215	13,414,272
Accrued interest payable	4,702,219	-	4,702,219
Construction contracts/retention payable	8,644,948	815,324	9,460,272
Deposits	3,128,117	-	3,128,117
Due to other governments	741,756	-	741,756
Unearned revenues	96,976	-	96,976
Current liabilities partially payable from restricted assets	-	2,956,920	2,956,920
Noncurrent liabilities:			
Due within one year	21,223,500	3,065,427	24,288,927
Due within one year, partially payable from restricted assets	-	8,888,476	8,888,476
Due in more than one year	347,707,605	165,378,583	513,086,188
Total Liabilities	<u>395,487,178</u>	<u>185,276,945</u>	<u>580,764,123</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	439,431,261	347,713,193	787,144,454
Restricted for:			
General government	1,264,924	-	1,264,924
Judicial	379,608	-	379,608
Debt service	29,048,087	5,284,650	34,332,737
Public safety	313,806	-	313,806
Public works	6,005,917	-	6,005,917
Culture and recreation	4,072,314	-	4,072,314
Capital projects	53,272,219	3,993,334	57,265,553
Redevelopment	16,828,517	-	16,828,517
Claims	6,601,865	-	6,601,865
Banked water	-	5,901,769	5,901,769
Customer deposits	-	216,450	216,450
System development	-	176,097,105	176,097,105
Unrestricted	171,517,389	64,588,593	236,105,982
Total Net Assets	<u>\$ 728,735,907</u>	<u>\$ 603,795,094</u>	<u>\$ 1,332,531,001</u>

See notes to financial statements.

# CITY OF HENDERSON, NEVADA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2002

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>		
		<u>Charges for Services</u>	<u>Operating Grants, Interest, Contributions</u>	<u>Capital Grants, Interest, Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 35,253,241	\$ 8,508,772	\$ 46,500	\$ 149,563	\$ (26,548,406)	\$ -	\$ (26,548,406)
Judicial	3,328,455	744,105	-	-	(2,584,350)	-	(2,584,350)
Public safety	63,620,351	7,840,924	1,986,641	3,204,876	(50,587,910)	-	(50,587,910)
Public works	34,871,698	1,516,861	4,416,448	78,845,301	49,906,912	-	49,906,912
Culture and recreation	24,214,562	4,576,029	2,110,333	10,132,673	(7,395,527)	-	(7,395,527)
Debt Service:							
Administrative and other costs	661,184	-	-	-	(661,184)	-	(661,184)
Interest and fiscal charges	18,753,805	-	-	-	(18,753,805)	-	(18,753,805)
Total Governmental Activities	180,703,296	23,186,691	8,559,922	92,332,413	(56,624,270)	-	(56,624,270)
Business-Type Activities:							
Water	47,831,453	40,628,677	-	33,442,882	-	26,240,106	26,240,106
Sewer	24,456,660	21,029,042	-	30,670,033	-	27,242,415	27,242,415
Development Services	14,640,305	11,769,384	81,695	-	-	(2,789,226)	(2,789,226)
Convention Center	1,987,119	895,417	-	-	-	(1,091,702)	(1,091,702)
Total Business-type Activities	88,915,537	74,322,520	81,695	64,112,915	-	49,601,593	49,601,593
Total	\$ 269,618,833	\$ 97,509,211	\$ 8,641,617	\$ 156,445,328	(56,624,270)	49,601,593	(7,022,677)
General Revenues:							
Ad valorem taxes					39,251,126	-	39,251,126
Bond premium					6,360	54,840	61,200
Consolidated tax					58,404,948	-	58,404,948
Franchise taxes					18,298,174	-	18,298,174
Motor vehicle fuel tax					3,503,104	-	3,503,104
Room taxes					416,682	832,611	1,249,293
Sales tax					-	3,174,891	3,174,891
Unrestricted interest income					8,347,893	14,411,298	22,759,191
Gain on sale of assets					2,014,836	-	2,014,836
Miscellaneous revenue					808,046	166,678	974,724
Transfers					(1,904,556)	1,904,556	-
Total General Revenues and Transfers					129,146,613	20,544,874	149,691,487
Change in Net Assets					72,522,343	70,146,467	142,668,810
NET ASSETS, BEGINNING OF YEAR					656,213,564	533,648,627	1,189,862,191
NET ASSETS, END OF YEAR					\$ 728,735,907	\$ 603,795,094	\$ 1,332,531,001

See notes to financial statements.

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS

### BALANCE SHEET JUNE 30, 2002

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition & Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 19,239,652	\$ 7,071,931	\$ 26,385,153	\$ 24,228,517	\$ 58,711,733	\$ 48,014,380	\$ 183,651,366
Accounts receivable	5,314,114	-	-	-	193,707	266,522	5,774,343
Special assessments receivable	-	-	151,838,715	-	-	-	151,838,715
Accrued interest receivable	161,642	91,171	13,451	19,842	513,153	245,165	1,044,424
Property taxes receivable - delinquent	371,881	321,927	-	-	-	-	693,808
Due from other funds	416,220	-	-	-	-	-	416,220
Due from employees	347,067	-	-	-	-	-	347,067
Due from other governments	11,033,461	195,800	-	-	-	2,677,377	13,906,638
Notes receivable	-	-	-	-	-	558,113	558,113
Land held for resale	-	-	-	-	-	6,892,457	6,892,457
<b>TOTAL ASSETS</b>	<b>\$ 36,884,037</b>	<b>\$ 7,680,829</b>	<b>\$ 178,237,319</b>	<b>\$ 24,248,359</b>	<b>\$ 59,418,593</b>	<b>\$ 58,654,014</b>	<b>\$ 365,123,151</b>
<b>LIABILITIES</b>							
Accounts payable and accrued wages	\$ 7,135,040	\$ -	\$ 7,200	\$ -	\$ 457,441	\$ 1,233,255	\$ 8,832,936
Compensated absences payable	362,512	-	-	-	-	-	362,512
Construction contracts payable	23,261	-	-	-	3,965,759	4,655,928	8,644,948
Deposits	2,859,071	-	-	-	-	269,046	3,128,117
Due to other governments	741,756	-	-	-	-	-	741,756
Due to other funds	-	-	-	-	-	416,220	416,220
Advances from other funds	-	-	-	91,598	-	6,930,990	7,022,588
Deferred revenues	371,881	321,927	151,838,715	-	-	713,989	153,246,512
<b>Total liabilities</b>	<b>11,493,521</b>	<b>321,927</b>	<b>151,845,915</b>	<b>91,598</b>	<b>4,423,200</b>	<b>14,219,428</b>	<b>182,395,589</b>
<b>FUND BALANCES</b>							
Reserved for:							
Encumbrances	1,590,752	-	-	-	-	-	1,590,752
Debt	-	7,358,902	26,391,404	-	-	-	33,750,306
Repairs	-	-	-	-	-	861,192	861,192
Land held for resale	-	-	-	-	-	6,892,457	6,892,457
Debt service	-	-	-	-	-	1,375,531	1,375,531
Sinking fund	-	-	-	-	-	2,352,040	2,352,040
Construction	-	-	-	-	-	154,607	154,607
Unreserved - reported in:							
General Fund	23,799,764	-	-	-	-	-	23,799,764
Special Revenue Funds	-	-	-	-	-	19,798,276	19,798,276
Capital Projects Funds	-	-	-	24,156,761	54,995,393	13,000,483	92,152,637
<b>Total fund balances</b>	<b>25,390,516</b>	<b>7,358,902</b>	<b>26,391,404</b>	<b>24,156,761</b>	<b>54,995,393</b>	<b>44,434,586</b>	<b>182,727,562</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 36,884,037</b>	<b>\$ 7,680,829</b>	<b>\$ 178,237,319</b>	<b>\$ 24,248,359</b>	<b>\$ 59,418,593</b>	<b>\$ 58,654,014</b>	<b>\$ 365,123,151</b>

See notes to financial statements.

# CITY OF HENDERSON, NEVADA

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2002

Fund Balances - Governmental Funds		\$ 182,727,562
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	\$ 928,781,809	
Less: Accumulated depreciation	<u>(207,555,930)</u>	
		721,225,879
Other assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds.		
Bond costs - deferred charges	4,421,100	
Less: Current year amortization	<u>(220,960)</u>	
		4,200,140
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds payable	(161,500,000)	
Tax allocation bonds payable	(16,340,000)	
Special assessment bonds payable	(154,675,000)	
Notes payable	(183,278)	
Capital leases payable	(3,049,346)	
Compensated absences	(15,633,738)	
Arbitrage liability	(1,061,812)	
Landfill post-closure costs	<u>(12,000,000)</u>	
		(364,443,174)
Interest payable		(4,910,149)
Deferred revenue represents amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.		
		153,149,536
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities.		
		35,285,997
Internal balances are receivable from business-type activities.		<u>1,500,116</u>
Net Assets - Governmental Activities		<u><u>\$ 728,735,907</u></u>

See notes to financial statements.

# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2002

	General Fund	General Obligation Debt Service	Special Assessment Districts Debt Service	Special Assessment Districts Capital Projects	Municipal Facilities Acquisition & Construction Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	\$ 19,638,963	\$ 16,971,948	\$ -	\$ -	\$ -	\$ 2,640,215	\$ 39,251,126
Special assessments	-	-	6,690,270	-	-	-	6,690,270
Franchise fees	18,298,174	-	-	-	-	-	18,298,174
Licenses and permits	5,242,290	-	-	-	-	81,937	5,324,227
Intergovernmental	61,999,514	-	-	-	-	10,316,210	72,315,724
Charges for services	10,982,168	-	-	-	-	-	10,982,168
Fines and forfeits	2,050,606	-	-	-	-	491,566	2,542,172
Developer contributions	-	-	-	91,501	898,092	1,083,304	2,072,897
Impact fees	-	-	-	-	-	1,879,908	1,879,908
Miscellaneous interest	1,050,038	592,642	10,474,554	454,039	2,954,822	2,313,092	17,839,187
Miscellaneous	801,650	-	115,187	29,461	196,257	1,446,828	2,589,383
Total revenues	120,063,403	17,564,590	17,280,011	575,001	4,049,171	20,253,060	179,785,236
EXPENDITURES:							
Current:							
General government	25,651,690	-	-	-	2,005,415	1,772,763	29,429,868
Judicial	2,830,402	-	-	-	-	260,880	3,091,282
Public safety	59,051,676	-	-	-	8,072	924,285	59,984,033
Public works	5,965,419	-	-	18,764	1,558,853	2,691,425	10,234,461
Culture and recreation	20,697,722	-	-	-	412,420	1,974,958	23,085,100
Total current	114,196,909	-	-	18,764	3,984,760	7,624,311	125,824,744
Capital outlay:							
General government	1,943,915	-	-	-	11,748,112	-	13,692,027
Judicial	23,921	-	-	-	-	390,679	414,600
Public safety	2,843,668	-	-	-	588,746	1,581,499	5,013,913
Public works	698,908	-	-	8,771,823	1,018,411	4,985,631	15,474,773
Culture and recreation	959,271	-	-	-	4,513,093	27,454,002	32,926,366
Total capital outlay	6,469,683	-	-	8,771,823	17,868,362	34,411,811	67,521,679
Debt service:							
Principal retirement	-	10,115,000	5,190,000	-	-	10,018,400	25,323,400
Interest and fiscal charges	-	8,667,416	8,901,034	-	-	2,357,100	19,925,550
Administrative and other costs	-	97,414	1,196,557	-	-	541,055	1,835,026
Advance refunding escrow	-	587,002	-	-	-	-	587,002
Total debt service	-	19,466,832	15,287,591	-	-	12,916,555	47,670,978
Total expenditures	120,666,592	19,466,832	15,287,591	8,790,587	21,853,122	54,952,677	241,017,401
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(603,189)	(1,902,242)	1,992,420	(8,215,586)	(17,803,951)	(34,699,617)	(61,232,165)

(Continued)



# CITY OF HENDERSON, NEVADA

## GOVERNMENTAL FUNDS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>General Fund</u>	<u>General Obligation Debt Service</u>	<u>Special Assessment Districts Debt Service</u>	<u>Special Assessment Districts Capital Projects</u>	<u>Municipal Facilities Acquisition &amp; Construction Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):							
Land sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,401,927	\$ 2,401,927
Capital leases	1,700,725	-	-	-	-	-	1,700,725
Bonds issued	-	-	3,158,250	12,091,750	-	16,340,000	31,590,000
Refunding debt issued	-	12,940,000	-	-	-	-	12,940,000
Premium on refunding debt issued	-	91,584	-	-	-	-	91,584
Premium on bonds issued	-	-	-	-	-	10,090	10,090
Discount on bonds issued	-	-	-	-	-	(239,835)	(239,835)
Payments to refunded bond escrow agent	-	(12,938,027)	-	-	-	-	(12,938,027)
Transfers:							
Transfers in	6,056,763	10,531,534	139,300	729,901	9,368,308	5,477,851	32,303,657
Transfers out	(5,850,065)	(6,628,119)	(729,901)	(139,300)	(10,627,367)	(5,736,935)	(29,711,687)
Total other financing sources (uses)	<u>1,907,423</u>	<u>3,996,972</u>	<u>2,567,649</u>	<u>12,682,351</u>	<u>(1,259,059)</u>	<u>18,253,098</u>	<u>38,148,434</u>
NET CHANGE IN FUND BALANCES	1,304,234	2,094,730	4,560,069	4,466,765	(19,063,010)	(16,446,519)	(23,083,731)
FUND BALANCES, BEGINNING OF YEAR	<u>24,086,282</u>	<u>5,264,172</u>	<u>21,831,335</u>	<u>19,689,996</u>	<u>74,058,403</u>	<u>60,881,105</u>	<u>205,811,293</u>
FUND BALANCES, END OF YEAR	<u>\$ 25,390,516</u>	<u>\$ 7,358,902</u>	<u>\$ 26,391,404</u>	<u>\$ 24,156,761</u>	<u>\$ 54,995,393</u>	<u>\$ 44,434,586</u>	<u>\$ 182,727,562</u>

See notes to financial statements.

**CITY OF HENDERSON, NEVADA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Net Change in Fund Balances - Governmental Funds		\$ (23,083,731)
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 depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.		
Expenditures for capital assets	\$ 63,524,334	
Sale/disposition of assets	(5,741,824)	
Less: Current year depreciation	<u>(31,193,820)</u>	
		26,588,690
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	8,376,703	
Donated capital assets	<u>62,703,600</u>	
		71,080,303
Bond and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments and costs of issuance.		
Bonds and leases issued	(46,230,725)	
Bond issuance costs	2,176,300	
Bond premium	(95,314)	
Accrued interest	(369,036)	
Interest payments	2,009,143	
Principal payments	<u>38,533,054</u>	
		(3,976,578)
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	(220,960)	
Change in long-term compensated absences	(1,825,478)	
Change in arbitrage payable	<u>(220,234)</u>	
		(2,266,672)
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.		
		<u>4,180,331</u>
Change in Net Assets of Governmental Activities	\$	<u><u>72,522,343</u></u>

See notes to financial statements.

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 19,245,363	\$ 19,706,120	\$ 19,638,963	\$ (67,157)
Franchise fees	16,836,813	18,187,284	18,298,174	110,890
Licenses and permits	5,026,318	5,125,668	5,242,290	116,622
Intergovernmental	60,646,642	63,719,260	61,999,514	(1,719,746)
Charges for services	15,271,874	10,357,669	10,982,168	624,499
Fines and forfeits	1,970,558	1,969,298	2,050,606	81,308
Miscellaneous interest	735,000	926,072	1,050,038	123,966
Miscellaneous	767,539	728,991	801,650	72,659
Total revenues	<u>120,500,107</u>	<u>120,720,362</u>	<u>120,063,403</u>	<u>(656,959)</u>
EXPENDITURES:				
General government	34,640,514	36,463,696	27,595,605	8,868,091
Judicial	2,786,422	3,078,103	2,854,323	223,780
Public safety	58,618,183	63,181,496	61,895,344	1,286,152
Public works	6,130,410	7,528,621	6,664,327	864,294
Culture and recreation	22,770,423	23,229,254	21,656,993	1,572,261
Total expenditures	<u>124,945,952</u>	<u>133,481,170</u>	<u>120,666,592</u>	<u>12,814,578</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(4,445,845)</u>	<u>(12,760,808)</u>	<u>(603,189)</u>	<u>12,157,619</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	-	1,713,326	1,700,725	(12,601)
Transfers in	6,056,763	6,056,763	6,056,763	-
Transfers out	(5,155,565)	(6,870,065)	(5,850,065)	1,020,000
Total other financing sources	<u>901,198</u>	<u>900,024</u>	<u>1,907,423</u>	<u>1,007,399</u>
NET CHANGE IN FUND BALANCES	<u>(3,544,647)</u>	<u>(11,860,784)</u>	<u>1,304,234</u>	<u>13,165,018</u>
FUND BALANCES, BEGINNING OF YEAR	<u>10,165,184</u>	<u>24,086,282</u>	<u>24,086,282</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,620,537</u>	<u>\$ 12,225,498</u>	<u>\$ 25,390,516</u>	<u>\$ 13,165,018</u>

See notes to financial statements.

## CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS

JUNE 30, 2002

## Business-Type Activities-Enterprise Funds

	<u>Water</u>	<u>Sewer</u>	<u>Development Services</u>	<u>Nonmajor Convention Center</u>	<u>Totals Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>						
CURRENT ASSETS:						
Cash and investments	\$ 121,998,592	\$ 156,020,410	\$ 3,101,574	\$ 1,613,813	\$ 282,734,389	\$ 27,354,750
Accounts receivable	7,254,776	3,528,593	46,462	86,248	10,916,079	108,706
Accrued interest receivable	697,059	1,153,502	23,612	12,369	1,886,542	203,905
Due from other governments	254,212	-	12,478	-	266,690	70,296
Inventory-bulk fuel	-	-	-	-	-	15,336
Other	-	-	-	-	-	4,140
Total current assets	<u>130,204,639</u>	<u>160,702,505</u>	<u>3,184,126</u>	<u>1,712,430</u>	<u>295,803,700</u>	<u>27,757,133</u>
RESTRICTED ASSETS, CASH AND INVESTMENTS:						
Customer deposits	216,160	290	-	-	216,450	-
Water and sewer bond debt service	3,656,195	4,368,925	-	-	8,025,120	-
Total restricted assets	<u>3,872,355</u>	<u>4,369,215</u>	<u>-</u>	<u>-</u>	<u>8,241,570</u>	<u>-</u>
BANKED WATER	<u>5,901,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,901,769</u>	<u>-</u>
PROPERTY, PLANT AND EQUIPMENT:						
Land	1,166,330	3,397,426	-	-	4,563,756	-
Buildings	3,479,563	7,558,281	-	2,902,156	13,940,000	753,377
Improvements other than buildings	312,286,517	233,210,579	271,219	1,376,097	547,144,412	368,472
Machinery and equipment	4,549,337	3,592,322	1,842,515	207,814	10,191,988	27,909,207
Construction in progress	17,003,167	10,203,187	205,296	-	27,411,650	-
Total property, plant and equipment	338,484,914	257,961,795	2,319,030	4,486,067	603,251,806	29,031,056
Less accumulated depreciation	(80,013,908)	(48,027,211)	(50,596)	(1,465,965)	(129,557,680)	(17,059,250)
Net property, plant and equipment	<u>258,471,006</u>	<u>209,934,584</u>	<u>2,268,434</u>	<u>3,020,102</u>	<u>473,694,126</u>	<u>11,971,806</u>
OTHER ASSETS:						
Advances to other funds	-	6,930,990	-	-	6,930,990	91,598
Total other assets	<u>-</u>	<u>6,930,990</u>	<u>-</u>	<u>-</u>	<u>6,930,990</u>	<u>91,598</u>
Total assets	<u>\$ 398,449,769</u>	<u>\$ 381,937,294</u>	<u>\$ 5,452,560</u>	<u>\$ 4,732,532</u>	<u>\$ 790,572,155</u>	<u>\$ 39,820,537</u>

(Continued)

## CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS

## STATEMENT OF NET ASSETS (Continued)

JUNE 30, 2002

## Business-Type Activities-Enterprise Funds

Governmental  
Activities -  
Internal  
Service  
Funds

## LIABILITIES

## CURRENT LIABILITIES (payable from current assets):

<u>Water</u>	<u>Sewer</u>	<u>Development Services</u>	<u>Nonmajor Convention Center</u>	<u>Totals Enterprise Funds</u>	
\$ 2,897,301	\$ 888,078	\$ 302,780	\$ 84,056	\$ 4,172,215	\$ 409,121
Accounts payable and accrued wages					
Compensated absences payable	1,163,447	703,702	1,126,782	3,065,427	1,133,054
Construction contracts	800,343	14,981	-	815,324	-
Claims and judgments payable	-	-	-	-	2,621,416
Capital lease obligations, current	-	-	-	-	167,776
Total current liabilities (payable from current assets)	4,861,091	1,606,761	1,429,562	8,052,966	4,331,367

## CURRENT LIABILITIES (partially payable from restricted assets):

Customer deposits	216,160	290	-	-	216,450	-
Accrued bond interest	1,254,945	1,485,525	-	-	2,740,470	-
Current portion of bonds	3,955,562	4,932,914	-	-	8,888,476	-
Total current liabilities (partially payable from restricted assets)	5,426,667	6,418,729	-	-	11,845,396	-

## LONG-TERM LIABILITIES:

Provisional credits	87,856	18,520	-	-	106,376	-
Arbitrage rebate tax	-	168,678	-	-	168,678	-
General obligation bonds (net of current portion)	81,333,902	83,769,627	-	-	165,103,529	-
Capital lease obligations (net of current portion)	-	-	-	-	-	203,173
Total long-term liabilities	81,421,758	83,956,825	-	-	165,378,583	203,173
Total liabilities	91,709,516	91,982,315	1,429,562	155,552	185,276,945	4,534,540

## NET ASSETS

Invested in capital assets, net of related debt	204,400,887	138,023,770	2,268,434	3,020,102	347,713,193	11,600,857
Restricted for debt service	2,401,250	2,883,400	-	-	5,284,650	-
Restricted for capital projects	254,212	3,726,644	12,478	-	3,993,334	-
Restricted for claims	-	-	-	-	-	6,601,865
Restricted for banked water	5,901,769	-	-	-	5,901,769	-
Restricted for customer deposits	216,160	290	-	-	216,450	-
Restricted for system development	62,204,272	113,892,833	-	-	176,097,105	-
Unrestricted	31,361,703	31,428,042	1,742,086	1,556,878	66,088,709	17,083,275
Total net assets	\$ 306,740,253	\$ 289,954,979	\$ 4,022,998	\$ 4,576,980	605,295,210	\$ 35,285,997

Adjustment to reflect the consolidation of internal service  
fund activities related to enterprise funds

(1,500,116)

Net Assets of Business-Type Activities

\$ 603,795,094

See notes to financial statements.



## CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2002

	Business-Type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Development Services	Nonmajor Convention Center	Totals Enterprise Funds	
OPERATING REVENUES:						
Utility fees	\$ 39,132,332	\$ 20,570,525	\$ -	\$ -	\$ 59,702,857	\$ -
Connection fees	531,642	66,603	-	-	598,245	-
Developer contributions	197,391	-	81,695	-	279,086	-
Late charges	602,233	368,766	-	-	970,999	-
Rental fees	-	-	-	300,533	300,533	-
Licenses - gaming	-	-	-	568,436	568,436	-
Licenses and permits	-	-	5,702,911	-	5,702,911	-
Charges for services	-	-	6,053,902	-	6,053,902	16,864,864
Miscellaneous	362,470	23,148	100,357	27,471	513,446	-
Total operating revenues	40,826,068	21,029,042	11,938,865	896,440	74,690,415	16,864,864
OPERATING EXPENSES:						
Salaries and wages	6,207,749	3,933,297	7,436,277	794,189	18,371,512	4,101,375
Employee benefits	1,813,292	1,171,979	2,012,404	210,426	5,208,101	1,147,865
Water purchases	15,932,538	-	-	-	15,932,538	-
Services and supplies	8,187,962	8,082,137	4,490,460	752,507	21,513,066	4,461,646
Claims and legal fees	-	-	-	-	-	4,938,679
Depreciation	11,230,732	7,073,721	11,820	158,343	18,474,616	3,003,451
Total operating expenses	43,372,273	20,261,134	13,950,961	1,915,465	79,499,833	17,653,016
OPERATING INCOME (LOSS)	(2,546,205)	767,908	(2,012,096)	(1,019,025)	(4,809,418)	(788,152)
NONOPERATING REVENUES (EXPENSES):						
Room taxes	-	-	-	832,611	832,611	-
Interest revenue	6,358,169	7,812,343	161,096	79,690	14,411,298	1,302,933
Sales tax	-	3,174,891	-	-	3,174,891	-
Interest expense	(4,123,110)	(3,865,952)	-	-	(7,989,062)	(29,801)
Miscellaneous	92,865	72	-	-	92,937	156,291
Loss on disposition of assets	(285,139)	(300,968)	(139,621)	(63,038)	(788,766)	(166,961)
Bond premium amortization	21,936	32,904	-	-	54,840	-
Total nonoperating revenues	2,064,721	6,853,290	21,475	849,263	9,788,749	1,262,462
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(481,484)	7,621,198	(1,990,621)	(169,762)	4,979,331	474,310
CAPITAL CONTRIBUTIONS	34,934,253	33,669,060	1,501,632	-	70,104,945	1,360,182
TRANSFERS:						
Transfers in	-	-	2,276,364	-	2,276,364	1,700,000
Transfers out	(3,250,000)	(3,250,000)	-	-	(6,500,000)	(68,334)
Total transfers	(3,250,000)	(3,250,000)	2,276,364	-	(4,223,636)	1,631,666
CHANGES IN NET ASSETS	31,202,769	38,040,258	1,787,375	(169,762)	70,860,640	3,466,158
NET ASSETS, BEGINNING OF YEAR, AS ORIGINALLY REPORTED	227,042,022	248,196,691	2,235,623	4,746,742	482,221,078	31,819,839
PRIOR PERIOD ADJUSTMENT	48,495,462	3,718,030	-	-	52,213,492	-
NET ASSETS, BEGINNING OF YEAR, AS ADJUSTED	275,537,484	251,914,721	2,235,623	4,746,742	534,434,570	31,819,839
NET ASSETS, END OF YEAR	\$ 306,740,253	\$ 289,954,979	\$ 4,022,998	\$ 4,576,980	605,295,210	\$ 35,285,997
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(1,500,116)	
Net Assets of Business-Type Activities					\$ 603,795,094	

See notes to financial statements.

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# CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2002

	Business-Type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Sewer</u>	<u>Development Services</u>	<u>Nonmajor Convention Center</u>	<u>Totals Enterprise Funds</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 40,538,947	\$ 20,835,489	\$ 11,905,319	\$ 810,192	\$ 74,089,947	\$ 748,474
Cash received from quasi-external operating transactions	-	569,010	-	-	569,010	16,082,001
Cash from other sources	92,865	3,174,963	-	832,611	4,100,439	155,990
Cash payments to suppliers for goods and services	(24,917,641)	(9,156,310)	(6,843,548)	(948,212)	(41,865,711)	(10,166,474)
Cash payments to employees for services	(6,009,555)	(3,843,225)	(7,277,281)	(783,883)	(17,913,944)	(3,953,234)
Cash payments to other funds	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>9,704,616</u>	<u>11,579,927</u>	<u>(2,215,510)</u>	<u>(89,292)</u>	<u>18,979,741</u>	<u>2,866,757</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	-	2,276,364	-	2,276,364	1,700,000
Transfers out	(3,250,000)	(3,250,000)	-	-	(6,500,000)	(68,334)
Advances to other funds	-	-	-	-	-	81,868
Net cash provided by (used for) noncapital financing activities	<u>(3,250,000)</u>	<u>(3,250,000)</u>	<u>2,276,364</u>	<u>-</u>	<u>(4,223,636)</u>	<u>1,713,534</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of banked water	(203,262)	-	-	-	(203,262)	-
Acquisition and construction of capital assets	(14,505,439)	(4,409,147)	(337,496)	(18,821)	(19,270,903)	(1,673,400)
Principal payments on bonds and leases	(3,799,000)	(4,912,980)	-	-	(8,711,980)	(165,032)
Interest paid on bonds and leases	(3,938,799)	(3,923,850)	-	-	(7,862,649)	(32,752)
Proceeds from sale of fixed assets	-	-	-	-	-	122,336
Decrease in provisional credits	(1,652)	(246,340)	-	-	(247,992)	-
Capital contributions	8,906,281	16,008,714	-	-	24,914,995	-
Proceeds from issuance of debt	3,480,638	-	-	-	3,480,638	-
Net cash provided by (used for) capital and related financing activities	<u>(10,061,233)</u>	<u>2,516,397</u>	<u>(337,496)</u>	<u>(18,821)</u>	<u>(7,901,153)</u>	<u>(1,748,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Loans made to others	-	10,000,000	-	-	10,000,000	-
Interest on investments	5,554,932	9,353,409	163,934	80,147	15,152,422	1,233,907
Net cash provided by investing activities	<u>5,554,932</u>	<u>19,353,409</u>	<u>163,934</u>	<u>80,147</u>	<u>25,152,422</u>	<u>1,233,907</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,948,315	30,199,733	(112,708)	(27,966)	32,007,374	4,065,350
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>123,922,632</u>	<u>130,189,892</u>	<u>3,214,282</u>	<u>1,641,779</u>	<u>258,968,585</u>	<u>23,289,400</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 125,870,947</u>	<u>\$ 160,389,625</u>	<u>\$ 3,101,574</u>	<u>\$ 1,613,813</u>	<u>\$ 290,975,959</u>	<u>\$ 27,354,750</u>

(Continued)

## CITY OF HENDERSON, NEVADA

## PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2002

	Business-Type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	<u>Water</u>	<u>Sewer</u>	<u>Development Services</u>	<u>Nonmajor Convention Center</u>	<u>Totals Enterprise Funds</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (2,546,205)	\$ 767,908	\$ (2,012,096)	\$ (1,019,025)	\$ (4,809,418)	\$ (788,152)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	11,230,732	7,073,721	11,820	158,343	18,474,616	3,003,451
Miscellaneous revenues	92,865	3,174,963	-	832,611	4,100,439	156,291
(Increase) decrease in accounts receivable	(680,973)	(193,553)	(21,068)	(86,248)	(981,842)	52,118
Decrease in due from other funds	-	569,010	-	-	569,010	-
(Increase) decrease in due from other governments	393,852	-	(12,478)	-	381,374	(42,132)
(Decrease) in deposits	-	(320)	-	-	(320)	(293)
Increase (decrease) in accounts payable and accrued wages	1,258,235	134,781	(292,179)	20,081	1,120,918	(49,919)
Increase in compensated absences payable	148,000	53,417	110,491	4,946	316,854	123,609
(Decrease) in amounts payable from restricted accounts	(191,890)	-	-	-	(191,890)	-
Increase in claims and judgments	-	-	-	-	-	411,784
Total adjustments	<u>12,250,821</u>	<u>10,812,019</u>	<u>(203,414)</u>	<u>929,733</u>	<u>23,789,159</u>	<u>3,654,909</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 9,704,616</u>	<u>\$ 11,579,927</u>	<u>\$ (2,215,510)</u>	<u>\$ (89,292)</u>	<u>\$ 18,979,741</u>	<u>\$ 2,866,757</u>

## NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The Water Fund received contributions of capital assets totaling \$26,027,972 for the year ended June 30, 2002.

The Sewer Fund received contributions of capital assets totaling \$17,660,346 for the year ended June 30, 2002.

The Internal Service Funds received contributions of capital assets from other funds totaling \$1,360,182 for the year ended June 30, 2002.

The Development Services Fund received contributions of capital assets totaling \$1,501,632 for the year ended June 30, 2002.

See notes to financial statements.

**CITY OF HENDERSON, NEVADA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2002**

**ASSETS**

	<u>Agency Funds</u>
Cash and investments	\$ 8,044,632

**LIABILITIES**

Due to developers	7,934,884
Due to employees	48,428
Due to others	<u>61,320</u>
Total liabilities	<u>8,044,632</u>

<b>NET ASSETS</b>	<u><u>\$ -</u></u>
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See notes to financial statements.



# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. The Reporting Entity

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

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

The City of Henderson Redevelopment Agency ("Agency") is a blended component unit and is governed by a five-member board composed of the four City Council members and the Mayor. The Agency was set up in fiscal year 1996 as a separate and distinct legal entity to provide a diversified and strengthened economy in the central area of the City. For financial reporting purposes, the Agency is reported as if it were part of the City's operations, as a special revenue fund, since it operates within an established area in the City and its sole purpose is to plan and finance revitalization projects in the City's central area. Financial statements of the Agency can be obtained from the City of Henderson Finance Department, 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 component units. Eliminations have been made to minimize the double-counting of internal activities. Services provided by the General Fund to other funds are reported as expenditures or expenses, as appropriate, in the funds receiving the services and as reductions of expenditures in the General Fund. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are specifically associated with a function or business-type activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### B. Government-Wide and Fund Financial Statements (continued)

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. 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 and fiduciary fund financial statements. 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.

In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting", the City applies all applicable FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB pronouncements issued after November 30, 1989.

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 revenues to be available if they are collected within 60 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).

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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, operating, maintenance, financing and related debt service; and, billing and collection.

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

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

Additionally, the City reports the following fund types:

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

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

#### 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.

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, bankers acceptances, commercial paper, negotiable certificates of deposit and money market mutual funds. All investments are stated at fair value.

##### 2. Receivables and Payables

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

##### 3. Property Taxes

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

The Nevada Department of Taxation provides the maximum allowable tax rates for operating purposes to local governments for inclusion in their budgets. Each local government that receives property taxes must file a budget on or before June 1<sup>st</sup>, which provides for the allowable tax rate for the next fiscal year. The Nevada Tax Commission must certify all tax rates on June 25<sup>th</sup>, the levy date, and property is lienied on July 1<sup>st</sup>. 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.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### 3. Property Taxes (continued)

Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property.

##### 4. Restricted Assets

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

##### 5. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date donated.

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

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

##### Road Network

Asphalt  
Sidewalks  
Curbs and gutters  
Streetlights  
Traffic signals

##### Storm Drain Network

Storm drain infrastructure  
Storm drain drop inlets

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

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



# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### 6. Banked Water

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

##### 7. Compensated Absences

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

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

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

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

##### 9. Long-Term Debt

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

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



# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### 10. Equity Classifications

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

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

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

### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund 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	\$531,041,344
Other capital assets	<u>397,740,465</u>
Governmental Capital Assets	<u>\$928,781,809</u>
Accumulated depreciation:	
Infrastructure assets	\$171,429,873
Other capital assets	<u>36,126,057</u>
Accumulated Depreciation	<u>\$207,555,930</u>

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

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

Internal balances represent amounts owed between governmental and business-type activities.

Internal balances on the government-wide statement of net assets	\$ 5,638,804
Advances to other funds on the statement of net assets of the proprietary funds	(6,930,990)
Interest payable on advances on the statement of net assets of the proprietary funds	<u>(207,930)</u>
Net change in activity between governmental and business-type activities	<u>\$ 1,500,116</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – 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 included in the general government function	\$ 2,014,836
Loss on disposition of assets on the statement of activities	(5,521,694)
Amount resulting from internal service fund activities included elsewhere on the reconciliation	166,961
Land sales and other revenue included in the net change in fund balances – governmental funds	<u>(2,401,927)</u>
Net difference in reporting sales/disposition of assets	<u><u>\$(5,741,824)</u></u>

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:

Special assessment revenues increase net assets in the statement of activities, but do not appear in the governmental funds as they are not current financial resources	\$8,559,730
Miscellaneous revenues increase net assets in the statement of activities, but do not appear in the governmental funds as they are not current financial resources	120,810
Deferred revenues in prior years is included in beginning net asset on the statement of net activities, but is recorded as revenues in the governmental funds	<u>(303,837)</u>
Change in deferred revenue	<u><u>\$8,376,703</u></u>

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

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

Prior to April 15, the Finance Director submits a tentative budget for the ensuing fiscal year to the City Council, the Nevada State Department of Taxation and the Citizens via public hearings. The Nevada Department of Taxation notifies the City Council of whether or not the budget is in compliance with the law and appropriate regulations. Public hearings, at which all changes made to the tentative budget are indicated, are conducted on the third Tuesday in May. The City Council adopts the budget prior to June 1 and submits it to the Department of Taxation for final approval. The revenue classifications and expenditure functions shown in the 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 (\$66,826,524). Nevada Law requires budgetary control to be exercised at the function level.

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

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

##### Major Fund:

Municipal Facilities Acquisition & Construction Capital Projects Fund	\$6,235,307
--	-------------

##### Nonmajor Funds:

Multipurpose Special Revenue Fund	104,092
Workmen's Compensation Self Insurance Internal Service Fund	106,782
Health Insurance Self Insurance Internal Service Fund	774,510

While the above appear to be potential violations of NRS 354.626, they do not constitute potential statute violations as they fall under the exceptions to the statute as described below:

Municipal Facilities Acquisition & Construction Capital Projects Fund – Long term contracts

Multipurpose Special Revenue Fund – Receipt and expenditure of money received pursuant to a grant from the federal government

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

#### B. Excess of Expenditures/Expenses Over Appropriations (continued)

Workmen's Compensation Self Insurance Internal Service Fund – Self Insurance activity

Health Insurance Self Insurance Internal Service Funds – Self Insurance activity

The following is a potential violation of NRS 354.626. The City plans to monitor expenditures in 2002-2003 to help prevent potential violations of NRS 354.626.

Major Fund:	
Water Fund	\$2,879,698

#### C. Deficit Fund Balances

As of June 30, 2002, the following funds had deficit fund balances:

Nonmajor Funds:	
Land Sales Capital Projects Fund	\$3,341,927
HUD Proceeds Capital Projects Fund	\$70,430
RTC/County Funded Capital Projects Fund	\$76,637

The City plans to monitor these funds in 2002-2003 and eliminate the deficit fund balances.

### IV. CASH AND INVESTMENTS

#### A. Summary of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2002:

Cash on hand	\$ 15,706
Bank deposits	26,494,727
Investments	<u>483,516,274</u>
	<u>\$510,026,707</u>
Governmental Activities	\$211,006,116
Business-Type Activities	<u>290,975,959</u>
	501,982,075
Fiduciary cash and investments	<u>8,044,632</u>
	<u>\$510,026,707</u>

#### B. Deposits

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.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### IV. CASH AND INVESTMENTS (continued)

#### B. Deposits (continued)

State statutes do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible state investments. Permissible state investments include obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, bankers acceptances, commercial paper, negotiable certificates of deposit, and money market mutual funds. Allowable City investments are similar except that some state investments are longer term and include securities issued by municipalities outside of Nevada.

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

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

At year-end, the carrying amount of the City's deposits was \$26,494,727 and the bank balance was \$24,385,548. Of the bank balance, \$318,610 was covered by Federal Depository Insurance, \$23,807,492 was covered by collateral held by the City's agent in the City's name, while \$259,446 was uncollateralized. Cash on hand at June 30, 2002 was \$15,706.

#### C. Investments

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

	Categories			Fair Value
	1	2	3	
U.S. Government Securities	\$313,101,787	\$ -	\$ -	\$313,101,787
Money Market Funds				139,941,531
Investment in Local Government				
Pooled Investment Fund				30,472,956
Total Investments				<u>\$483,516,274</u>

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### IV. CASH AND INVESTMENTS (continued)

#### C. Investments (continued)

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

### V. INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of June 30, 2002 is as follows:

#### Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$416,220</u>

The amounts due to the General Fund represent expenditures paid by the General Fund on behalf of other funds.

#### Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund - Enterprise Fund	Nonmajor Governmental Fund	\$6,930,990
Internal Service Funds	Special Assessment Districts - Capital Projects Fund	91,598
		<u>\$7,022,588</u>

The amount owed to the Sewer Fund represents a cash loan to another fund.

The amounts owed to the Internal Service Funds represent loans to the Special Assessment Districts to be repaid from Special Assessments.

#### Internal balances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer Fund - Enterprise Fund	Nonmajor Governmental Funds	\$6,930,990
Sewer Fund - Enterprise Fund	Nonmajor Governmental Funds	207,930
Effects of prior year Internal Service activity		(785,943)
Effects of current year Internal Service activity		(714,173)
		<u>\$5,638,804</u>



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# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### V. INTERFUND BALANCES (continued)

Transfers Out	Transfers In			
	General Fund	General Obligation Debt Service Fund	Special Assessment Districts Debt Service Fund	Special Assessment Districts Capital Projects Fund
General Fund	\$ -	\$ -	\$ -	\$ -
General Obligation Debt Service Fund	6,056,763	-	-	-
Special Assessment Districts Debt Service Fund	-	-	-	729,901
Special Assessment Districts Capital Projects Fund	-	-	139,300	-
Municipal Facilities Acquisition & Construction Capital Projects Fund	-	10,531,534	-	-
Other Governmental Funds	-	-	-	-
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Internal Service Funds	-	-	-	-
Total	<u>\$6,056,763</u>	<u>\$10,531,534</u>	<u>\$139,300</u>	<u>\$729,901</u>

**Transfers In**

<b>Municipal Facilities Acquisition and Construction Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Development Services Fund</b>	<b>Internal Service Funds</b>	<b>Total</b>
\$1,229,503	\$644,198	\$2,276,364	\$1,700,000	\$5,850,065
571,356	-	-	-	6,628,119
-	-	-	-	729,901
-	-	-	-	139,300
-	95,833	-	-	10,627,367
999,115	4,737,820	-	-	5,736,935
3,250,000	-	-	-	3,250,000
3,250,000	-	-	-	3,250,000
<u>68,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,334</u>
<u>\$9,368,308</u>	<u>\$5,477,851</u>	<u>\$2,276,364</u>	<u>\$1,700,000</u>	<u>\$36,280,021</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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VI. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 was as follows:

	Balance July 1, 2001	Adjustments	Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2002
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 125,250,322	\$ -	\$ 10,169,245	\$ (761,468)	\$ -	\$ 134,658,099
Construction in progress	59,287,927	-	55,685,567	(2,098,905)	(6,340,333)	106,534,256
Total capital assets, not being depreciated	184,538,249	-	65,854,812	(2,860,373)	(6,340,333)	241,192,355
Capital assets, being depreciated:						
Buildings	73,465,298	(31,815)	3,013,963	(1,616,581)	165,367	74,996,232
Improvements other than buildings	60,456,183	(545,753)	116,981	(1,952,602)	647,158	58,721,967
Machinery and equipment	53,486,267	(9,022,768)	6,408,497	(2,933,039)	3,922,010	51,860,967
Infrastructure	473,442,743	-	55,992,803	-	1,605,798	531,041,344
Total capital assets, being depreciated	660,850,491	(9,600,336)	65,532,244	(6,502,222)	6,340,333	716,620,510
Less accumulated depreciation for:						
Buildings	(13,694,327)	12,477	(2,432,496)	273,711	-	(15,840,635)
Improvements other than buildings	(11,390,559)	374,762	(1,510,700)	1,773,856	-	(10,752,641)
Machinery and equipment	(29,070,951)	6,615,072	(5,388,698)	1,252,546	-	(26,592,031)
Infrastructure	(146,481,349)	-	(24,948,524)	-	-	(171,429,873)
Total accumulated depreciation	(200,637,186)	7,002,311	(34,280,418)	3,300,113	-	(224,615,180)
Total capital assets, being depreciated, net	460,213,305	(2,598,025)	31,251,826	(3,202,109)	6,340,333	492,005,330
Governmental activities capital assets, net	\$ 644,751,554	\$ (2,598,025)	\$ 97,106,638	\$ (6,062,482)	\$ -	\$ 733,197,685
<b>Business-Type Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 4,386,756	\$ -	\$ 177,000	\$ -	\$ -	\$ 4,563,756
Construction in progress	13,206,884	-	17,604,268	-	(3,399,502)	27,411,650
Total capital assets, not being depreciated	17,593,640	-	17,781,268	-	(3,399,502)	31,975,406
Capital assets, being depreciated:						
Buildings	13,704,618	(18,909)	254,291	-	-	13,940,000
Improvements other than buildings	500,507,375	(62,162)	44,014,319	-	2,684,880	547,144,412
Machinery and equipment	9,259,047	(2,316,044)	2,593,280	(58,917)	714,622	10,191,988
Total capital assets, being depreciated	523,471,040	(2,397,115)	46,861,890	(58,917)	3,399,502	571,276,400
Less accumulated depreciation for:						
Buildings	(2,906,947)	10,389	(351,027)	-	-	(3,247,585)
Improvements other than buildings	(105,323,755)	42,329	(17,085,376)	-	-	(122,366,802)
Machinery and equipment	(4,483,392)	1,555,631	(1,074,449)	58,917	-	(3,943,293)
Total accumulated depreciation	(112,714,094)	1,608,349	(18,510,852)	58,917	-	(129,557,680)
Total capital assets, being depreciated, net	410,756,946	(788,766)	28,351,038	-	3,399,502	441,718,720
Business-type activities capital assets, net	\$ 428,350,586	\$ (788,766)	\$ 46,132,306	\$ -	\$ -	\$ 473,694,126

The adjustments represent a change in the capitalization threshold from \$500 to \$5,000.

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

<b>Governmental Activities:</b>	
General government	\$ 1,096,200
Judicial	133,679
Public safety	2,450,453
Public works	25,117,541
Culture & recreation	2,395,947
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	3,003,451
Total depreciation expense-governmental activities	\$ 34,197,271
<b>Business-Type Activities:</b>	
Water	\$ 11,230,732
Sewer	7,073,721
Development services	11,820
Convention center	158,343
Total depreciation expense- business-type activities	\$ 18,474,616

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VII. LEASES

#### A. Capital Lease Obligations - Governmental Activity

The assets acquired through capital leases are as follows:

<u>Assets</u>	
Machinery and equipment	\$5,191,689
Less accumulated depreciation	<u>1,924,355</u>
Total	<u>\$3,267,334</u>

The future minimum lease payments for the capital leases and the present value of net minimum lease payments at June 30, 2002, are summarized in the following table:

<u>Year Ending June 30</u>	
2003	\$ 713,396
2004	937,281
2005	764,214
2006	452,694
2007	338,146
2008-2012	<u>872,633</u>
Total minimum lease payments	4,078,364
Less amount representing interest	<u>(658,069)</u>
Present value of net minimum lease payments	<u>\$3,420,295</u>

### VIII. LONG-TERM DEBT

#### A. Advance Refunding

In September 2001, the City issued \$12,940,000 in General Obligation Refunding Bonds. These proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments on \$12,820,000 of refunded debt. As a result, the refunded bonds are considered to be partially defeased and a portion of the liability of those bonds has been removed from the Statement of Net Assets. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$1,035,165 and resulted in an economic gain of \$516,628.

#### B. Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 2002, outstanding general obligation bonds in the amount of \$17,965,000 are considered defeased.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt

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

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Governmental Activities:					
General Obligation Bonds Payable:					
\$1,025,000 1989 Flood Control refunding bonds due in annual installments through February 1, 2005; interest varies between 6.5% and 6.8%	\$ 455,000	\$ -	\$ (100,000)	\$ 355,000	\$ 110,000
\$1,310,000 1991 Public Building serial bonds due April 1, 2002; interest varies between 5.55% and 6.8%	85,000	-	(85,000)	-	-
\$14,690,000 1991 Public Building serial bonds due in annual installments through April 1, 2004; interest varies between 6.0% and 7.7%	2,470,000	-	(2,470,000)	-	-
\$10,750,000 1992 Refunding and Building serial bonds due in annual installments through November 1, 2006; interest varies between 4.375% and 5.5%	5,525,000	-	(900,000)	4,625,000	945,000
\$29,795,000 1993 Refunding and Park serial bonds due in annual installments through May 1, 2013; interest varies between 4.75% and 5.6%	18,900,000	-	(11,960,000)	6,940,000	1,545,000
\$10,250,000 1994 Building serial bonds due in annual installments through March 1, 2004; interest varies between 3.8% and 5.0%	4,640,000	-	(1,475,000)	3,165,000	1,545,000
\$14,550,000 1997 Building serial bonds due in annual installments through June 1, 2012; interest varies between 4.75% and 6.5%	13,535,000	-	(475,000)	13,060,000	505,000
\$10,530,000 1997 Refunding serial bonds due in annual installments through April 1, 2011; interest varies between 4.5% and 5.5%	10,210,000	-	(545,000)	9,665,000	575,000
\$40,000,000 Parks and Recreation Bonds Series 1997A due in annual installments through June 1, 2017; interest varies between 4.875% and 6.25%	35,665,000	-	(1,465,000)	34,200,000	1,585,000
\$18,500,000 Building Bonds Series 1997B due in annual installments through June 1, 2007; interest varies between 4.0% and 5.5%	16,685,000	-	(1,365,000)	15,320,000	1,645,000



# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt (continued)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Governmental Activities (continued):					
General Obligation Bonds Payable (continued):					
\$14,660,000 Parks and Recreation Bonds Series 1998B due in annual installments through June 1, 2016; interest varies between 4.50% and 6.0%	\$ 13,325,000	\$ -	\$ (500,000)	\$ 12,825,000	\$ 530,000
\$50,000,000 2000 Various Purpose Bonds due in annual installments through April 1, 2011; interest varies between 5.00% and 6.00%	50,000,000	-	(1,595,000)	48,405,000	1,670,000
\$12,940,000 2001 Refunding Serial Bonds due in annual installments through June 1, 2013; interest varies between 3.5% and 4.5%	-	12,940,000	-	12,940,000	1,000,000
	171,495,000	12,940,000	(22,935,000)	161,500,000	11,655,000
Tax Allocation Bonds Payable:					
\$12,045,000 2002 Henderson Redevelopment tax allocation bond due in annual installments through October 2025; interest varies between 3.5% and 5.25%	-	12,045,000	-	12,045,000	-
\$4,295,000 2002 Henderson Redevelopment tax allocation bond due in annual installments through October 2025; interest varies between 5.1% and 7.2%	-	4,295,000	-	4,295,000	-
	-	16,340,000	-	16,340,000	-
Special Assessment Bonds Payable:					
\$7,000,000 1991 Improvement District T-2 bonds due in annual installments through August 1, 2011; interest at 9.50%	3,555,000	-	(195,000)	3,360,000	215,000
\$4,932,000 1992 Improvement District No. 818 bonds due in annual installments through April 1, 2002; interest varies between 6.0% and 7.0%	130,000	-	(130,000)	-	-
\$1,795,000 1993 Improvement District T-5 bonds due in annual installments through March 1, 2013; interest at 8.50%	1,375,000	-	(75,000)	1,300,000	80,000
\$14,840,000 1993 Improvement District T-6 bonds due in annual installments through November 1, 2013; interest varies between 4.5% and 7.25%	9,085,000	-	(665,000)	8,420,000	515,000
\$46,000,000 1994 Improvement District T-1 bonds due in annual installments through August 1, 2013; interest at 8.50%	21,040,000	-	(1,020,000)	20,020,000	1,030,000
\$50,000,000 1998 Improvement District T-12 Series A bonds due in annual installments through August 1, 2018; interest at 7.375%	48,305,000	-	(1,400,000)	46,905,000	1,480,000

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt (continued)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Special Assessment Bonds Payable (continued):					
\$18,760,000 1999 Improvement District T-4(C) Series A bonds due in annual installments through November 1, 2018; interest varies between 5.5% and 5.9%	\$ 18,700,000	\$ -	\$ (5,000)	\$ 18,695,000	\$ 5,000
\$19,540,000 1999 Improvement District T-4(R) Series A bonds due in annual installments through November 1, 2012; interest varies between 3.6% and 4.7%	14,215,000	-	(1,260,000)	12,955,000	955,000
\$5,540,000 1999 Improvement District T-4(R) Series B bonds due in annual installments through November 1, 2012; interest varies between 3.75% and 5.8%	4,230,000	-	(345,000)	3,885,000	265,000
\$21,845,000 2001 Improvement District T-10 Series A Refunding bonds due in annual installments through August 1, 2015; interest varies between 4% and 5%	21,845,000	-	(90,000)	21,755,000	1,095,000
\$2,135,000 2001 Improvement District T-10 Series B Refunding bonds due in annual installments through August 1, 2015; interest varies between 4.5% and 6.6%	2,135,000	-	(5,000)	2,130,000	105,000
\$9,000,000 2002 Improvement District T-13 Series A Bonds due in annual installments through March 1, 2022; interest varies between 3.75% and 6.8%	-	9,000,000	-	9,000,000	5,000
\$6,250,000 2002 Improvement District T-13 Series B bonds due in annual installments through March 1, 2022; interest at 6.9%	-	6,250,000	-	6,250,000	-
	144,615,000	15,250,000	(5,190,000)	154,675,000	5,750,000
Capital Lease Obligations:					
Capital lease payable to Emergency One in annual installments of \$112,046 including principal and interest through May 2005	377,903	-	(84,875)	293,028	90,978
Capital lease payable to the CIT Group in semi-annual installments of \$29,954 principal and interest through February 2005	188,216	-	(50,149)	138,067	52,971
Capital lease payable to GTE Leasing Acceptance Corporation in annual installments of \$123,082 including principal and interest through April 2004	328,050	-	(102,894)	225,156	109,226
Capital lease payable to LaSalle Bank in semi-annual installments of \$33,155 including principal and interest through August 2006	311,669	-	(50,057)	261,612	52,812

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt (continued)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Capital Lease Obligations (continued):					
Capital lease payable to Xerox Corporation in monthly installments of \$2,904 including principal and interest through December 2005	\$ 127,204	\$ -	\$ (23,783)	\$ 103,421	\$ 26,143
Capital lease payable to Xerox Corporation in monthly installments of \$1,645 including principal and interest through December 2005	72,034	-	(13,468)	58,566	14,804
Capital lease payable to Xerox Corporation in monthly installments of \$3,054 including principal and interest through January 2006	137,708	-	(24,618)	113,090	27,061
Capital lease payable to Xerox Corporation in monthly installments of \$2,568 including principal and interest through December 2005	112,500	-	(21,033)	91,467	23,121
Capital lease payable to Xerox Corporation in monthly installments of \$1,134 including principal and interest through November 2005	48,919	-	(9,358)	39,561	10,287
Capital lease payable to Xerox Corporation in monthly installments of \$862 including principal and interest through October 2005	36,045	-	(7,227)	28,818	7,943
Capital lease payable to Caterpillar Financial Services in quarterly payments of \$10,023 including principal and interest through August 2003	83,802	-	(35,862)	47,940	38,063
Capital lease payable to Caterpillar Financial Services in quarterly payments of \$10,023 including principal and interest through August 2003	83,802	-	(35,862)	47,940	38,063
Capital lease payable to Xerox Corporation in monthly payments of \$1,354 including principal and interest through December 2002	19,191	-	(12,520)	6,671	6,671
Capital lease payable to Elgin Sweeper Company in annual payments of \$98,909 including principal and interest through October 2004	349,186	-	(80,786)	268,400	84,979
Capital lease payable to Motorola in monthly payments of \$24,240 including principal and interest through December 2006	-	1,617,057	-	1,617,057	-
Capital lease payable to Xerox Corporation in monthly payments of \$976 including principal and interest through February 2007	-	48,717	(2,712)	46,005	8,554
Capital lease payable to Xerox Corporation in monthly payments of \$700 including principal and interest through March 2007	-	34,951	(1,455)	33,496	6,099
	2,276,229	1,700,725	(556,659)	3,420,295	597,775

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt (continued)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Note Payable:					
\$230,000 2000 Henderson Redevelopment Agency note payable in monthly payments of \$2,500 including principal and interest through November 2009	\$ 201,678	\$ -	\$ (18,400)	\$ 183,278	\$ 19,535
Arbitrage Payable	1,360,670	-	(298,858)	1,061,812	217,262
Compensated Absences Payable	15,180,217	1,949,087	-	17,129,304	362,512
Claims Payable	2,206,641	414,775	-	2,621,416	2,621,416
Landfill Postclosure Costs	12,000,000	-	-	12,000,000	-
Total governmental activities	<u>349,335,435</u>	<u>48,594,587</u>	<u>(28,998,917)</u>	<u>368,931,105</u>	<u>21,223,500</u>
Business-Type Activities:					
Bonds Payable:					
\$7,221,110 1991 Sewer serial bonds due in semi-annual installments through July 1, 2011; interest at 4.0%	5,014,158	-	(392,835)	4,621,323	408,706
\$12,300,000 1992 Sewer serial bonds due in semi-annual installments through January 1, 2012; interest at 4.0%	8,503,862	-	(595,306)	7,908,556	619,356
\$26,410,000 1993 Water serial bonds due in annual installments through December 1, 2004; interest varies between 4.25% and 6.375%	3,310,000	-	(850,000)	2,460,000	555,000
\$987,525 1993 Water serial bonds due every five years in installments through December 1, 2012; interest varies between 4.85% and 6.50% (interest is due at time principal is paid)	1,001,456	62,519	-	1,063,975	340,000
\$5,398,000 1993 Water Refunding bonds due in annual installments through June 1 2009; interest varies between 3.90% and 5.375%	3,058,000	-	(544,000)	2,514,000	440,000
\$8,097,000 1993 Sewer Refunding bonds due in annual installments through June 1, 2009; interest varies between 3.90% and 5.375%	4,587,000	-	(816,000)	3,771,000	660,000
\$12,410,431 1994 Sewer Revolving Fund Loan due in semi-annual installments through July 2014; interest rate at 4%	9,335,571	-	(533,547)	8,802,024	555,102
\$26,255,000 1994 Water Bonds due in annual installments through December 1, 2008; interest varies between 5.5% and 8.5%	9,910,000	-	(985,000)	8,925,000	1,050,000

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### C. Changes to Long-Term Debt (continued)

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002	Due in 2002-2003
Business-Type Activities (continued):					
Bonds Payable (continued):					
\$5,645,000 1994 Sewer Bonds due in annual installments through December 1, 2008; interest varies between 5.5% and 8.5%	\$ 2,135,000	\$ -	\$ (215,000)	\$ 1,920,000	\$ 225,000
\$9,504,950 1995 Sewer Bonds due in semi-annual installments through July 1, 2015; interest rate at 3.825%	7,589,936	-	(400,292)	7,189,644	415,750
\$31,875,000 1997 Water Refunding bonds due in annual installments through September 1, 2017; interest varies between 3.7% and 6.5%	31,045,000	-	(120,000)	30,925,000	120,000
\$2,750,000 1997 Sewer Refunding bonds due in annual installments through September 1, 2014; interest varies between 3.7% and 6.5%	2,675,000	-	(10,000)	2,665,000	15,000
\$95,000,000 1998 Water and Sewer bonds Series A due in annual installments through September 1, 2018; interest varies between 4.0% to 5.5%	88,865,000	-	(3,250,000)	85,615,000	3,390,000
\$5,500,000 2000 Water bonds due in annual installments through January 1, 2021; interest rate at 3.65%	<u>2,044,518</u>	<u>3,418,119</u>	<u>-</u>	<u>5,462,637</u>	<u>94,562</u>
	179,074,501	3,480,638	(8,711,980)	173,843,159	8,888,476
Unamortized Premium/(Refunding Loss)	32,169	171,520	(54,840)	148,846	-
Arbitrage Payable	1,392,741	-	(1,224,063)	168,678	-
Provisional Credits	354,368	-	(247,992)	106,376	-
Compensated Absences Payable	<u>2,748,568</u>	<u>316,859</u>	<u>-</u>	<u>3,065,427</u>	<u>3,065,427</u>
Total business-type activities	<u>183,602,347</u>	<u>3,969,017</u>	<u>(10,238,875)</u>	<u>177,332,486</u>	<u>11,953,903</u>
Total debt	<u>\$ 532,937,782</u>	<u>\$ 52,563,604</u>	<u>\$ (39,237,792)</u>	<u>\$ 546,263,591</u>	<u>\$ 33,177,403</u>

Compensated absences typically have been liquidated by the General and Enterprise Funds. Claims payable typically have been liquidated by the Internal Service Funds. Arbitrage liabilities have typically been liquidated by the Capital Projects Funds and Enterprise Funds. The landfill post-closure costs will likely be paid from the General Fund.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### D. Payment requirements for debt service

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

Year Ending June 30	Revenue Bonds		Capital Leases		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 8,888,476	\$ 8,303,396	\$ 597,775	\$115,621	\$ 11,655,000	\$ 8,270,719
2004	9,393,261	7,921,670	728,685	208,596	12,750,000	7,685,271
2005	9,863,638	7,476,704	648,056	116,158	12,375,000	7,041,660
2006	10,352,611	7,001,135	377,397	75,297	12,855,000	6,409,263
2007	9,965,321	6,476,565	281,857	56,289	13,495,000	5,779,566
2008-12	55,554,146	24,383,989	786,525	86,108	49,220,000	20,589,603
2013-17	51,781,118	11,062,064	-	-	36,315,000	9,339,050
2018-22	17,890,509	957,901	-	-	12,835,000	1,368,800
2003	<u>154,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$173,843,159</u>	<u>\$74,048,130</u>	<u>\$3,420,295</u>	<u>\$658,069</u>	<u>\$161,500,000</u>	<u>\$66,483,932</u>

Year Ending June 30	Special Assessment Bonds		Note Payable		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 5,750,000	\$ 9,776,637	\$ 19,535	\$10,465	\$ -	\$ 664,051
2004	6,480,000	9,592,980	20,739	9,261	-	869,304
2005	6,880,000	9,179,180	22,019	7,891	-	869,304
2006	7,400,000	8,730,280	23,377	6,623	-	869,304
2007	8,200,000	8,243,911	24,819	5,181	500,000	859,634
2008-12	52,500,000	31,960,380	72,789	5,973	2,830,000	3,951,318
2013-17	47,815,000	13,933,908	-	-	3,590,000	3,156,742
2018-22	19,650,000	2,263,561	-	-	4,655,000	2,058,001
2023-26	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,765,000</u>	<u>572,662</u>
Total	<u>\$154,675,000</u>	<u>\$93,680,837</u>	<u>\$183,278</u>	<u>\$45,484</u>	<u>\$16,340,000</u>	<u>\$13,870,320</u>



# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### VIII. LONG-TERM DEBT (continued)

#### E. Special Assessment Bonds

Principal and interest are payable from the assessments levied in each district. The City's commitment for the local improvement bonds is limited only to the initiation of foreclosure proceedings. District T-2 is also obligated, to the extent that it has legally available surplus funds, to apply such surplus funds to the purchase of property in the assessment district that is not sold as a result of foreclosure proceedings.

### IX. RETIREMENT PLAN

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

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

Monthly benefit allowances for regular members are computed at 2.67% of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement with a ceiling of 75% of the average compensation. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his/her life and various optional monthly payments to a named beneficiary after his/her death. Regular members are eligible for retirement at age 65 with 5 years of service, age 60 with 10 years of service or any age with 30 years of service. Police and firemen are eligible for retirement at age 65 with 5 years of accredited police and fire service, age 55 with 10 years of accredited police and fire service, age 50 with 20 years of accredited police and fire service or at any age with 30 years of accredited police and fire service. A member who retired on or after July 1, 1977 or is an active member whose effective date of membership is before July 1, 1985 and who has 36 years of service is entitled to a benefit of up to 90% of his/her average compensation. When members are eligible for the earlier retirement due to the increased service years, the ceiling limitation on monthly benefit allowances increases from the normal 75% to a maximum of 90% of average compensation. Regular members and members of the Police and Firemen Fund become fully vested as to benefits upon completion of 5 years of service.

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

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### IX. RETIREMENT PLAN (continued)

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

<u>Fiscal year</u>	<u>Contribution Rate</u>		<u>Total Contribution</u>
	<u>Regular Members</u>	<u>Police/ Fire</u>	
2001/02	18.75%	28.5%	\$17,428,268
2000/01	18.75%	28.5%	\$15,659,284
1999/00	18.75%	28.5%	\$14,430,745

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.

### X. RISK MANAGEMENT

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

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

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

**Liability Insurance** - The City maintains \$10,000,000 in excess Commercial General Liability insurance with a \$1,000,000 self-insured retention ("SIR") along with various other property and liability coverage including a \$292 million blanket property insurance policy on all buildings and \$18 million for building contents, with a \$50,000 deductible. The self-insurance fund was established to cover all claims that fall under the deductibles and the \$1,000,000 SIR. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Workmen's Compensation** - The City withdrew from the State Industrial Insurance System for workmen's compensation claims and established the Workmen's Compensation Self Insurance Fund on April 1, 1993. The City has obtained excess insurance with a \$750,000 self-insured retention per occurrence for police and fire employees and a \$500,000 self-insured retention per occurrence for all other employees, with a maximum of \$25,000,000 per coverage period. Additionally, the City purchased \$1,000,000 in employer liability coverage. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**Group Health Insurance** - The City became self-insured for employee medical coverage on July 1, 1992. The Health Insurance Self Insurance Fund provides group life, disability and travel accident insurance policies; also provided are medical plan and Health Maintenance Organization benefits. The City provides coverage of up to \$50,000 per participant for health insurance claims. For those claims in excess of \$50,000, the City has purchased commercial insurance covering up to \$1,000,000 per participant's lifetime. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### X. RISK MANAGEMENT (continued)

Changes in the funds' claims liability amounts for the years ended June 30, 2002 and 2001 were:

	Liability Balance Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance at End of Fiscal Year
<b>Fiscal Year 2001/02:</b>				
Liability	\$ 497,857	\$ 147,438	\$ 147,438	\$ 497,857
Workmen's Compensation	1,051,733	968,373	745,852	1,274,254
Health Insurance	<u>657,051</u>	<u>3,791,684</u>	<u>3,599,430</u>	<u>849,305</u>
	<u>\$ 2,206,641</u>	<u>\$ 4,907,495</u>	<u>\$ 4,492,720</u>	<u>\$ 2,621,416</u>
<b>Fiscal Year 2000/01:</b>				
Liability	\$ 497,857	\$ 422,269	\$ 422,269	\$ 497,857
Workmen's Compensation	503,859	1,769,222	1,221,348	1,051,733
Health Insurance	<u>998,362</u>	<u>2,692,107</u>	<u>3,033,418</u>	<u>657,051</u>
	<u>\$ 2,000,078</u>	<u>\$ 4,883,598</u>	<u>\$ 4,677,035</u>	<u>\$ 2,206,641</u>

### XI. COMMITMENTS AND CONTINGENCIES

#### A. Construction in Progress

Construction in progress in the total amount of \$133,945,906 at June 30, 2002 is reflected in the government-wide statements. Management estimates it will require an additional outlay of approximately \$148,437,894 to complete these projects.

#### B. Litigation

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

#### C. Lake Las Vegas

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

The sinking fund will be maintained for a period of thirty years commencing in 1989 after which the City will be allowed to utilize the fund proceeds, if any, for any appropriate municipal purpose. Developer contributions with accumulated interest are expected to constitute \$4,500,000 of the total. The City intends to make contributions from property tax revenue that will be generated from increased assessed valuation resulting from the development. The developer estimates assessed valuation at complete build-out to be \$1,215,655,000 (35% of actual value).

# CITY OF HENDERSON, NEVADA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

### XI. COMMITMENTS AND CONTINGENCIES (continued)

#### D. Landfill Closure

The City leased land from the Bureau of Land Management (BLM) for operation of a solid waste municipal landfill from November 1965 until November 1975. The City maintained the lease with the BLM through 1996. In March of 1997, the City entered into an agreement with the Nevada Division of Environmental Protection and the Clark County Health District whereby the City will investigate environmental conditions associated with the landfill, implement necessary remedial measures (e.g., installation of a final cover system and surface water run-on/run-off controls), and maintain the constructed remedial measures. The City has recorded an estimated contingent liability of \$12,000,000 to reflect costs, which the City estimates that it may incur under the above-referenced agreement.

#### E. Redevelopment Agency

During the year, the City of Henderson Redevelopment Agency entered into several promissory notes aggregating \$9,750,000 as part of an Owner Participation Agreement with Cornerstone Partners I, L.L.C. The notes vary by amount of indebtedness, interest rate and maturity date. In addition, the indebtedness represented by each note has been allocated to various parcels of land and is payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on those specific parcels and shall not be payable from any other source. Because the requirements to repay the notes are contingent on the Agency receiving sufficient Site Tax Increment on the specific parcels, these potential future obligations of the Agency have not been reflected in these financial statements.

### XII. PRIOR PERIOD ADJUSTMENT

Certain capital assets donated to the Water and Sewer Funds in prior years were not recorded as assets in the respective funds in the years donated. The assets and related accumulated depreciation were recorded during the year ended June 30, 2002 as a prior period adjustment and net assets at July 1, 2001 were adjusted as follows:

#### Water Fund:

Water lateral lines	\$ 70,790,602
Improvements other than buildings	<u>4,397,717</u>
	75,188,319
Accumulated depreciation	<u>(26,692,857)</u>
Net capital asset additions	<u>\$ 48,495,462</u>

#### Sewer Fund:

Improvements other than buildings	<u>\$ 3,718,030</u>
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Net income of the Water Fund for the year ended June 30, 2001 would have increased by a net of \$7,626,301 as a result of increased contributions of \$11,868,888 and increased depreciation expense of \$4,242,587. Net income of the Sewer Fund for the year ended June 30, 2001 would have increased by \$3,718,030 as a result of contributions.



## Nonmajor Special Revenue Funds

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

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

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

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

**Municipal Court Administrative Fee Special Revenue** – to account for court assessments which are to be used to improve operations of the court.

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

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

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

**Multipurpose Special Revenue** – to account for the receipts and expenditures of grants awarded to the City other than those reflected in the HUD Proceeds 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.

## Nonmajor Capital Projects Funds

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

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

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

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

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

**Park Development** – to account for fees that are collected upon application 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.



## Governmental Funds

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# CITY OF HENDERSON, NEVADA

## NONMAJOR GOVERNMENTAL FUNDS

### COMBINING BALANCE SHEET

JUNE 30, 2002

#### ASSETS

	Special Revenue Funds	Capital Projects Funds	Total
Cash and investments	\$ 23,890,658	\$ 24,123,722	\$ 48,014,380
Accounts receivable	266,522	-	266,522
Accrued interest receivable	152,638	92,527	245,165
Due from other governments	1,502,018	1,175,359	2,677,377
Notes receivable	-	558,113	558,113
Land held for resale	6,892,457	-	6,892,457
<b>TOTAL ASSETS</b>	<b>\$ 32,704,293</b>	<b>\$ 25,949,721</b>	<b>\$ 58,654,014</b>

#### LIABILITIES AND FUND BALANCES

##### LIABILITIES:

Accounts payable	\$ 760,041	\$ 473,214	\$ 1,233,255
and accrued wages			
Construction contracts payable	284,882	4,371,046	4,655,928
Deposits	-	269,046	269,046
Due to other funds	225,660	190,560	416,220
Advances from other funds	-	6,930,990	6,930,990
Deferred revenues	154,214	559,775	713,989
<b>Total liabilities</b>	<b>1,424,797</b>	<b>12,794,631</b>	<b>14,219,428</b>

##### FUND BALANCES:

Reserved for repairs	861,192	-	861,192
Reserved for land held for resale	6,892,457	-	6,892,457
Reserved for debt service	1,375,531	-	1,375,531
Reserved for sinking fund	2,352,040	-	2,352,040
Reserved for construction	-	154,607	154,607
Unreserved - undesignated	19,798,276	13,000,483	32,798,759
<b>Total fund balances</b>	<b>31,279,496</b>	<b>13,155,090</b>	<b>44,434,586</b>

##### TOTAL LIABILITIES

##### AND FUND BALANCES

<b>\$ 32,704,293</b>	<b>\$ 25,949,721</b>	<b>\$ 58,654,014</b>
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# CITY OF HENDERSON, NEVADA

## NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2002

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES:			
Property taxes	\$ 1,994,596	\$ 645,619	\$ 2,640,215
Licenses and permits	81,937	-	81,937
Intergovernmental	5,128,107	5,188,103	10,316,210
Fines and forfeits	491,566	-	491,566
Developer contributions	627,418	455,886	1,083,304
Impact fees	-	1,879,908	1,879,908
Miscellaneous interest	953,524	1,359,568	2,313,092
Miscellaneous	620,697	826,131	1,446,828
Total revenues	<u>9,897,845</u>	<u>10,355,215</u>	<u>20,253,060</u>
EXPENDITURES:			
Current:			
General government	1,772,763	-	1,772,763
Judicial	260,880	-	260,880
Public safety	924,285	-	924,285
Public works	106,383	2,585,042	2,691,425
Culture and recreation	318,450	1,656,508	1,974,958
Total current	<u>3,382,761</u>	<u>4,241,550</u>	<u>7,624,311</u>
Capital outlay:			
Judicial	390,679	-	390,679
Public safety	1,581,499	-	1,581,499
Public works	2,050,734	2,934,897	4,985,631
Culture and recreation	-	27,454,002	27,454,002
Total capital outlay	<u>4,022,912</u>	<u>30,388,899</u>	<u>34,411,811</u>
Debt service:			
Principal retirement	10,018,400	-	10,018,400
Interest and fiscal charges	2,357,100	-	2,357,100
Administrative and other costs	541,055	-	541,055
Total debt service	<u>12,916,555</u>	<u>-</u>	<u>12,916,555</u>
Total expenditures	<u>20,322,228</u>	<u>34,630,449</u>	<u>54,952,677</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(10,424,383)</u>	<u>(24,275,234)</u>	<u>(34,699,617)</u>
OTHER FINANCING SOURCES (USES):			
Land sales	-	2,401,927	2,401,927
Bonds issued	16,340,000	-	16,340,000
Premium on bonds issued	10,090	-	10,090
Discount on bonds issued	(239,835)	-	(239,835)
Transfers in	740,031	4,737,820	5,477,851
Transfers out	(160,309)	(5,576,626)	(5,736,935)
Total other financing sources	<u>16,689,977</u>	<u>1,563,121</u>	<u>18,253,098</u>
NET CHANGE IN FUND BALANCES	6,265,594	(22,712,113)	(16,446,519)
FUND BALANCES, BEGINNING OF YEAR	<u>25,013,902</u>	<u>35,867,203</u>	<u>60,881,105</u>
FUND BALANCES, END OF YEAR	<u>\$ 31,279,496</u>	<u>\$ 13,155,090</u>	<u>\$ 44,434,586</u>

## CITY OF HENDERSON, NEVADA

## NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET  
JUNE 30, 2002

## ASSETS

	Redevelopment Agency Special Revenue	Gas Tax Special Revenue	Forfeited Assets Special Revenue	Municipal Court Administrative Fee Special Revenue	Financial Stabilization Special Revenue	Graffiti Reward and Abatement Special Revenue	Extraordinary Repairs Capital Improvement Special Revenue	Multipurpose Special Revenue	Lake Las Vegas Special Revenue	Total
Cash and investments	\$ 9,771,890	\$ 3,093,538	\$ 194,771	\$ 407,793	\$ 6,813,735	\$ 4,463	\$ 1,268,182	\$ -	\$ 2,336,286	\$ 23,890,658
Accounts receivable	266,522	-	-	-	-	-	-	-	-	266,522
Accrued interest receivable	48,765	28,763	1,574	-	49,957	-	7,825	-	15,754	152,638
Due from other governments	95,151	778,431	-	-	-	-	-	628,436	-	1,502,018
Land held for resale	6,892,457	-	-	-	-	-	-	-	-	6,892,457
<b>TOTAL ASSETS</b>	<b>\$ 17,074,785</b>	<b>\$ 3,900,732</b>	<b>\$ 196,345</b>	<b>\$ 407,793</b>	<b>\$ 6,863,692</b>	<b>\$ 4,463</b>	<b>\$ 1,276,007</b>	<b>\$ 628,436</b>	<b>\$ 2,352,040</b>	<b>\$ 32,704,293</b>

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## LIABILITIES AND FUND BALANCES

## LIABILITIES:

Accounts payable and accrued wages	\$ 92,054	\$ 270,682	\$ 23,377	\$ 28,185	\$ -	\$ -	\$ -	\$ 345,743	\$ -	\$ 760,041
Construction contracts payable	-	216,766	-	-	-	-	68,116	-	-	284,882
Due to other funds	-	-	-	-	-	-	-	225,660	-	225,660
Deferred revenues	154,214	-	-	-	-	-	-	-	-	154,214
<b>Total liabilities</b>	<b>246,268</b>	<b>487,448</b>	<b>23,377</b>	<b>28,185</b>	<b>-</b>	<b>-</b>	<b>68,116</b>	<b>571,403</b>	<b>-</b>	<b>1,424,797</b>

## FUND BALANCES:

Reserved for repairs	-	-	-	-	-	-	861,192	-	-	861,192
Reserved for land held for resale	6,892,457	-	-	-	-	-	-	-	-	6,892,457
Reserved for debt service	1,375,531	-	-	-	-	-	-	-	-	1,375,531
Reserved for sinking fund	-	-	-	-	-	-	-	-	2,352,040	2,352,040
Unreserved - undesignated	8,560,529	3,413,284	172,968	379,608	6,863,692	4,463	346,699	57,033	-	19,798,276
<b>Total fund balances</b>	<b>16,828,517</b>	<b>3,413,284</b>	<b>172,968</b>	<b>379,608</b>	<b>6,863,692</b>	<b>4,463</b>	<b>1,207,891</b>	<b>57,033</b>	<b>2,352,040</b>	<b>31,279,496</b>

TOTAL LIABILITIES AND  
FUND BALANCES

<b>\$ 17,074,785</b>	<b>\$ 3,900,732</b>	<b>\$ 196,345</b>	<b>\$ 407,793</b>	<b>\$ 6,863,692</b>	<b>\$ 4,463</b>	<b>\$ 1,276,007</b>	<b>\$ 628,436</b>	<b>\$ 2,352,040</b>	<b>\$ 32,704,293</b>
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## CITY OF HENDERSON, NEVADA

## NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2002

	Redevelopment Agency Special Revenue	Gas Tax Special Revenue	Forfeited Assets Special Revenue	Municipal Court Administrative Fee Special Revenue	Financial Stabilization Special Revenue	Graffiti Reward and Abatement Special Revenue	Extraordinary Repairs Capital Improvement Special Revenue	Multipurpose Special Revenue	Lake Las Vegas Special Revenue	Total
REVENUES:										
Property taxes	\$ 1,994,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,994,596
Licenses and permits	81,937	-	-	-	-	-	-	-	-	81,937
Intergovernmental	231,500	2,282,098	-	-	-	-	-	2,614,509	-	5,128,107
Fines and forfeits	-	-	153,424	338,142	-	-	-	-	-	491,566
Developer contributions	-	-	-	-	-	-	523,106	-	104,312	627,418
Miscellaneous interest	297,699	169,722	9,701	-	324,275	-	50,306	-	101,821	953,524
Miscellaneous	488,429	-	-	-	-	-	-	132,268	-	620,697
Total revenues	3,094,161	2,451,820	163,125	338,142	324,275	-	573,412	2,746,777	206,133	9,897,845
EXPENDITURES:										
Current:										
General government	1,742,763	-	-	-	-	-	-	30,000	-	1,772,763
Judicial	-	-	-	260,880	-	-	-	-	-	260,880
Public safety	-	-	34,122	-	-	-	-	890,163	-	924,285
Public works	-	83,058	-	-	-	-	6,825	16,500	-	106,383
Culture and recreation	-	-	-	-	-	-	-	318,450	-	318,450
Total current	1,742,763	83,058	34,122	260,880	-	-	6,825	1,255,113	-	3,382,761
Capital outlay:										
Judicial	-	-	-	390,679	-	-	-	-	-	390,679
Public safety	-	-	85,576	-	-	-	-	1,495,923	-	1,581,499
Public works	-	1,585,216	-	-	-	-	465,518	-	-	2,050,734
Total capital outlay	-	1,585,216	85,576	390,679	-	-	465,518	1,495,923	-	4,022,912
Debt service:										
Principal retirement	10,018,400	-	-	-	-	-	-	-	-	10,018,400
Interest and fiscal charges	2,357,100	-	-	-	-	-	-	-	-	2,357,100
Administrative and other costs	541,055	-	-	-	-	-	-	-	-	541,055
Total debt service	12,916,555	-	-	-	-	-	-	-	-	12,916,555
Total expenditures	14,659,318	1,668,274	119,698	651,559	-	-	472,343	2,751,036	-	20,322,228
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,565,157)	783,546	43,427	(313,417)	324,275	-	101,069	(4,259)	206,133	(10,424,383)
OTHER FINANCING SOURCES (USES):										
Bonds issued	16,340,000	-	-	-	-	-	-	-	-	16,340,000
Premium on bonds issued	10,090	-	-	-	-	-	-	-	-	10,090
Discount on bonds issued	(239,835)	-	-	-	-	-	-	-	-	(239,835)
Transfers in	-	-	-	-	150,000	-	287,270	-	302,761	740,031
Transfers out	-	(160,309)	-	-	-	-	-	-	-	(160,309)
Total other financing sources (uses)	16,110,255	(160,309)	-	-	150,000	-	287,270	-	302,761	16,689,977
NET CHANGE IN FUND BALANCES	4,545,098	623,237	43,427	(313,417)	474,275	-	388,339	(4,259)	508,894	6,265,594
FUND BALANCES, BEGINNING OF YEAR	12,283,419	2,790,047	129,541	693,025	6,389,417	4,463	819,552	61,292	1,843,146	25,013,902
FUND BALANCES, END OF YEAR	\$ 16,828,517	\$ 3,413,284	\$ 172,968	\$ 379,608	\$ 6,863,692	\$ 4,463	\$ 1,207,891	\$ 57,033	\$ 2,352,040	\$ 31,279,496

**CITY OF HENDERSON, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**  
**JUNE 30, 2002**

**ASSETS**

	<u>Land Sales</u>	<u>Special Recreation</u>	<u>Bond Proceeds</u>	<u>HUD Proceeds</u>	<u>Park Development</u>	<u>Flood Control</u>	<u>RTC/ County Funded</u>	<u>Special Ad Valorem Transpor- tation</u>	<u>Total</u>
Cash and investments	\$ 3,868,392	\$ 3,701,725	\$ 11,941,565	\$ -	\$ 4,481,760	\$ 130,280	\$ -	\$ -	\$ 24,123,722
Accrued interest receivable	29,531	29,760	-	-	32,649	587	-	-	92,527
Due from other governments	-	472,272	-	157,178	-	-	329,856	216,053	1,175,359
Notes receivable	558,113	-	-	-	-	-	-	-	558,113
<b>TOTAL ASSETS</b>	<u>\$ 4,456,036</u>	<u>\$ 4,203,757</u>	<u>\$ 11,941,565</u>	<u>\$ 157,178</u>	<u>\$ 4,514,409</u>	<u>\$ 130,867</u>	<u>\$ 329,856</u>	<u>\$ 216,053</u>	<u>\$ 25,949,721</u>

**LIABILITIES AND FUND BALANCES (DEFICITS)**

**LIABILITIES:**

Accounts payable and accrued wages	\$ 12,732	\$ 131,443	\$ 53,465	\$ 50,723	\$ 34,728	\$ -	\$ 190,123	\$ -	\$ 473,214
Construction contracts payable	25,420	-	4,076,357	-	36,884	29,690	202,695	-	4,371,046
Deposits	269,046	-	-	-	-	-	-	-	269,046
Due to other funds	-	-	-	176,885	-	-	13,675	-	190,560
Advances from other funds	6,930,990	-	-	-	-	-	-	-	6,930,990
Deferred revenues	559,775	-	-	-	-	-	-	-	559,775
<b>Total liabilities</b>	<u>7,797,963</u>	<u>131,443</u>	<u>4,129,822</u>	<u>227,608</u>	<u>71,612</u>	<u>29,690</u>	<u>406,493</u>	<u>-</u>	<u>12,794,631</u>

**FUND BALANCES (DEFICIT):**

Reserved for construction	-	-	-	-	154,607	-	-	-	154,607
Unreserved - undesignated	(3,341,927)	4,072,314	7,811,743	(70,430)	4,288,190	101,177	(76,637)	216,053	13,000,483
<b>Total fund balances (deficits)</b>	<u>(3,341,927)</u>	<u>4,072,314</u>	<u>7,811,743</u>	<u>(70,430)</u>	<u>4,442,797</u>	<u>101,177</u>	<u>(76,637)</u>	<u>216,053</u>	<u>13,155,090</u>

**TOTAL LIABILITIES AND  
FUND BALANCES**

	<u>\$ 4,456,036</u>	<u>\$ 4,203,757</u>	<u>\$ 11,941,565</u>	<u>\$ 157,178</u>	<u>\$ 4,514,409</u>	<u>\$ 130,867</u>	<u>\$ 329,856</u>	<u>\$ 216,053</u>	<u>\$ 25,949,721</u>
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# CITY OF HENDERSON, NEVADA

## NONMAJOR CAPITAL PROJECTS FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) FOR THE YEAR ENDED JUNE 30, 2002

	Land Sales	Special Recreation	Bond Proceeds	HUD Proceeds	Park Development	Flood Control	RTC/ County Funded	Special Ad Valorem Transportation	Total
REVENUES:									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 645,619	\$ 645,619
Intergovernmental	-	1,806,554	-	1,616,728	159,536	65,405	1,539,880	-	5,188,103
Developer contributions	-	-	-	-	-	-	455,886	-	455,886
Impact fees	-	-	-	-	1,879,908	-	-	-	1,879,908
Miscellaneous interest	215,017	185,723	650,531	-	305,731	2,566	-	-	1,359,568
Miscellaneous	313,500	-	189,698	-	197,715	125,218	-	-	826,131
Total revenues	528,517	1,992,277	840,229	1,616,728	2,542,890	193,189	1,995,766	645,619	10,355,215
EXPENDITURES:									
Current:									
Public works	757,332	-	-	1,108,637	-	-	289,507	429,566	2,585,042
Culture and recreation	-	94,247	1,441,241	-	121,020	-	-	-	1,656,508
Total current	757,332	94,247	1,441,241	1,108,637	121,020	-	289,507	429,566	4,241,550
Capital outlay:									
Public works	573,480	-	-	578,521	-	-	1,782,896	-	2,934,897
Culture and recreation	-	347,348	26,059,039	-	1,047,615	-	-	-	27,454,002
Total capital outlay	573,480	347,348	26,059,039	578,521	1,047,615	-	1,782,896	-	30,388,899
Total expenditures	1,330,812	441,595	27,500,280	1,687,158	1,168,635	-	2,072,403	429,566	34,630,449
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(802,295)	1,550,682	(26,660,051)	(70,430)	1,374,255	193,189	(76,637)	216,053	(24,275,234)
OTHER FINANCING SOURCES (USES):									
Land sales	2,401,927	-	-	-	-	-	-	-	2,401,927
Transfers in	-	-	4,506,820	-	231,000	-	-	-	4,737,820
Transfers out	-	(646,271)	(663,535)	-	(4,266,820)	-	-	-	(5,576,626)
Total other financing sources (uses)	2,401,927	(646,271)	3,843,285	-	(4,035,820)	-	-	-	1,563,121
NET CHANGE IN FUND BALANCES (DEFICITS)	1,599,632	904,411	(22,816,766)	(70,430)	(2,661,565)	193,189	(76,637)	216,053	(22,712,113)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	(4,941,559)	3,167,903	30,628,509	-	7,104,362	(92,012)	-	-	35,867,203
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ (3,341,927)</u>	<u>\$ 4,072,314</u>	<u>\$ 7,811,743</u>	<u>\$ (70,430)</u>	<u>\$ 4,442,797</u>	<u>\$ 101,177</u>	<u>\$ (76,637)</u>	<u>\$ 216,053</u>	<u>\$ 13,155,090</u>

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 19,706,120	\$ 19,638,963	\$ (67,157)
Franchise fees	18,187,284	18,298,174	110,890
Licenses and permits	5,125,668	5,242,290	116,622
Intergovernmental	63,719,260	61,999,514	(1,719,746)
Charges for services	10,357,669	10,982,168	624,499
Fines and forfeits	1,969,298	2,050,606	81,308
Miscellaneous interest	926,072	1,050,038	123,966
Miscellaneous	728,991	801,650	72,659
Total revenues	<u>120,720,362</u>	<u>120,063,403</u>	<u>(656,959)</u>
GENERAL GOVERNMENT:			
Mayor and Council:			
Salaries and wages	243,381	239,872	3,509
Employee benefits	96,477	97,200	(723)
Services and supplies	251,857	213,142	38,715
Capital outlay	12,817	3,700	9,117
Total Mayor and Council	<u>604,532</u>	<u>553,914</u>	<u>50,618</u>
City Manager:			
Salaries and wages	1,501,557	1,229,606	271,951
Employee benefits	445,405	388,955	56,450
Services and supplies	1,434,668	410,395	1,024,273
Capital outlay	268,287	-	268,287
Total City Manager	<u>3,649,917</u>	<u>2,028,956</u>	<u>1,620,961</u>
Finance:			
Salaries and wages	2,122,898	2,060,789	62,109
Employee benefits	691,645	690,822	823
Services and supplies	616,643	482,231	134,412
Capital outlay	77,790	82,226	(4,436)
Total Finance	<u>3,508,976</u>	<u>3,316,068</u>	<u>192,908</u>
Information Technology:			
Salaries and wages	2,110,377	1,873,646	236,731
Employee benefits	610,965	612,622	(1,657)
Services and supplies	2,822,679	1,975,664	847,015
Capital outlay	2,350,504	1,313,458	1,037,046
Total Information Technology	<u>7,894,525</u>	<u>5,775,390</u>	<u>2,119,135</u>
City Clerk:			
Salaries and wages	802,625	718,743	83,882
Employee benefits	251,768	227,952	23,816
Services and supplies	412,162	214,179	197,983
Capital outlay	17,721	48,717	(30,996)
Total City Clerk	<u>1,484,276</u>	<u>1,209,591</u>	<u>274,685</u>

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
GENERAL GOVERNMENT (continued):			
Human Resources:			
Salaries and wages	\$ 1,019,045	\$ 991,764	\$ 27,281
Employee benefits	296,492	300,749	(4,257)
Services and supplies	502,779	399,216	103,563
Capital outlay	43,125	38,043	5,082
Total Human Resources	<u>1,861,441</u>	<u>1,729,772</u>	<u>131,669</u>
City Attorney:			
Salaries and wages	2,234,764	1,728,213	506,551
Employee benefits	729,369	558,416	170,953
Services and supplies	1,909,427	902,989	1,006,438
Capital outlay	389,850	272,676	117,174
Total City Attorney	<u>5,263,410</u>	<u>3,462,294</u>	<u>1,801,116</u>
Community Development:			
Salaries and wages	1,845,359	1,743,493	101,866
Employee benefits	550,242	528,014	22,228
Services and supplies	1,097,411	578,449	518,962
Capital outlay	57,955	24,400	33,555
Total Community Development	<u>3,550,967</u>	<u>2,874,356</u>	<u>676,611</u>
Building Maintenance:			
Salaries and wages	1,055,082	1,023,672	31,410
Employee benefits	330,019	322,260	7,759
Services and supplies	2,571,097	2,386,244	184,853
Capital outlay	603,464	160,695	442,769
Total Building Maintenance	<u>4,559,662</u>	<u>3,892,871</u>	<u>666,791</u>
Economic Development:			
Salaries and wages	290,035	224,094	65,941
Employee benefits	93,076	73,546	19,530
Services and supplies	178,383	172,998	5,385
Capital outlay	6,000	-	6,000
Total Economic Development	<u>567,494</u>	<u>470,638</u>	<u>96,856</u>
Miscellaneous:			
Salaries and wages	2,083,133	1,380,521	702,612
Employee benefits	272,140	40,871	231,269
Services and supplies	1,163,223	860,363	302,860
Total Miscellaneous	<u>3,518,496</u>	<u>2,281,755</u>	<u>1,236,741</u>
Total General Government	<u>36,463,696</u>	<u>27,595,605</u>	<u>8,868,091</u>
JUDICIAL:			
Municipal Court:			
Salaries and wages	2,085,467	1,939,756	145,711
Employee benefits	654,829	619,824	35,005
Services and supplies	281,634	270,822	10,812
Capital outlay	56,173	23,921	32,252
Total Judicial	<u>3,078,103</u>	<u>2,854,323</u>	<u>223,780</u>



# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
PUBLIC SAFETY:			
Fire:			
Salaries and wages	\$ 13,947,168	\$ 13,742,805	\$ 204,363
Employee benefits	4,928,518	4,922,939	5,579
Services and supplies	3,525,214	3,501,137	24,077
Capital outlay	568,762	268,236	300,526
Total Fire	22,969,662	22,435,117	534,545
Police:			
Salaries and wages	23,341,314	22,869,072	472,242
Employee benefits	7,929,059	8,094,433	(165,374)
Services and supplies	5,790,965	5,541,226	249,739
Capital outlay	2,760,821	2,575,432	185,389
Total Police	39,822,159	39,080,163	741,996
Building Inspection:			
Salaries and wages	260,246	257,219	3,027
Employee benefits	68,000	69,806	(1,806)
Services and supplies	61,429	53,039	8,390
Total Building Inspection	389,675	380,064	9,611
Total Public Safety	63,181,496	61,895,344	1,286,152
PUBLIC WORKS:			
Streets:			
Salaries and wages	1,161,000	1,055,543	105,457
Employee benefits	345,900	329,554	16,346
Services and supplies	1,104,853	1,073,678	31,175
Capital outlay	626,389	200,790	425,599
Total Streets	3,238,142	2,659,565	578,577
Street Lighting:			
Salaries and wages	825,066	749,164	75,902
Employee benefits	244,400	230,783	13,617
Services and supplies	1,855,351	2,025,453	(170,102)
Capital outlay	673,846	498,118	175,728
Total Street Lighting	3,598,663	3,503,518	95,145
Flood Control:			
Salaries and wages	117,000	98,206	18,794
Employee benefits	36,400	31,572	4,828
Services and supplies	157,640	113,334	44,306
Capital outlay	55,976	-	55,976
Total Flood Control	367,016	243,112	123,904

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
PUBLIC WORKS (continued):			
Public Works General Service:			
Salaries and wages	\$ 221,200	\$ 175,306	\$ 45,894
Employee benefits	73,400	58,143	15,257
Services and supplies	30,200	24,683	5,517
Total Public Works General Service	<u>324,800</u>	<u>258,132</u>	<u>66,668</u>
Total Public Works	<u>7,528,621</u>	<u>6,664,327</u>	<u>864,294</u>
CULTURE AND RECREATION:			
Parks:			
Salaries and wages	4,326,645	3,942,559	384,086
Employee benefits	1,389,600	1,253,476	136,124
Services and supplies	3,290,557	2,968,657	321,900
Capital outlay	1,355,925	959,271	396,654
Total Parks	<u>10,362,727</u>	<u>9,123,963</u>	<u>1,238,764</u>
Recreation:			
Salaries and wages	6,125,392	5,455,095	670,297
Employee benefits	1,091,000	1,431,709	(340,709)
Services and supplies	3,471,175	3,190,485	280,690
Total Recreation	<u>10,687,567</u>	<u>10,077,289</u>	<u>610,278</u>
Swimming Pools:			
Salaries and wages	1,324,691	1,410,294	(85,603)
Employee benefits	159,200	384,621	(225,421)
Services and supplies	367,374	359,243	8,131
Total Swimming Pools	<u>1,851,265</u>	<u>2,154,158</u>	<u>(302,893)</u>
Senior Citizens Activities:			
Salaries and wages	205,140	189,153	15,987
Employee benefits	33,300	41,301	(8,001)
Services and supplies	89,255	71,129	18,126
Total Senior Citizens Activities	<u>327,695</u>	<u>301,583</u>	<u>26,112</u>
Total Culture and Recreation	<u>23,229,254</u>	<u>21,656,993</u>	<u>1,572,261</u>
Total Expenditures	<u>133,481,170</u>	<u>120,666,592</u>	<u>12,814,578</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(12,760,808)</u>	<u>(603,189)</u>	<u>12,157,619</u>
OTHER FINANCING SOURCES (USES):			
Capital leases	1,713,326	1,700,725	(12,601)
Transfers in	6,056,763	6,056,763	-
Transfers out	(6,870,065)	(5,850,065)	1,020,000
Total Other Financing Sources	<u>900,024</u>	<u>1,907,423</u>	<u>1,007,399</u>

# CITY OF HENDERSON, NEVADA

## GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
NET CHANGE IN FUND BALANCES	\$ (11,860,784)	\$ 1,304,234	\$ 13,165,018
FUND BALANCES, BEGINNING OF YEAR	<u>24,086,282</u>	<u>24,086,282</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 12,225,498</u>	<u>\$ 25,390,516</u>	<u>\$ 13,165,018</u>

# CITY OF HENDERSON, NEVADA

## REDEVELOPMENT AGENCY SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 2,163,515	\$ 1,994,596	\$ (168,919)
Licenses and permits	-	81,937	81,937
Intergovernmental	231,500	231,500	-
Miscellaneous interest	300,000	297,699	(2,301)
Miscellaneous	861,323	488,429	(372,894)
Total revenues	<u>3,556,338</u>	<u>3,094,161</u>	<u>(462,177)</u>
EXPENDITURES:			
General government:			
Salaries and wages	426,243	436,593	(10,350)
Employee benefits	134,955	143,948	(8,993)
Services and supplies	1,579,220	1,162,222	416,998
Total general government	<u>2,140,418</u>	<u>1,742,763</u>	<u>397,655</u>
Debt service:			
Principal retirement	10,030,000	10,018,400	11,600
Interest and fiscal charges	2,345,500	2,357,100	(11,600)
Administrative and other costs	550,000	541,055	8,945
Total debt service	<u>12,925,500</u>	<u>12,916,555</u>	<u>8,945</u>
Total expenditures	<u>15,065,918</u>	<u>14,659,318</u>	<u>406,600</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(11,509,580)	(11,565,157)	(55,577)
OTHER FINANCING SOURCES (USES):			
Bonds issued	16,215,000	16,340,000	125,000
Premium on bonds issued	-	10,090	10,090
Discount on bonds issued	-	(239,835)	(239,835)
Total other financing sources	<u>16,215,000</u>	<u>16,110,255</u>	<u>(104,745)</u>
NET CHANGE IN FUND BALANCES	4,705,420	4,545,098	(160,322)
FUND BALANCES, BEGINNING OF YEAR	<u>12,283,419</u>	<u>12,283,419</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,988,839</u>	<u>\$ 16,828,517</u>	<u>\$ (160,322)</u>

# CITY OF HENDERSON, NEVADA

## GAS TAX SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 2,061,167	\$ 2,282,098	\$ 220,931
Miscellaneous interest	110,000	169,722	59,722
Miscellaneous	30,000	-	(30,000)
Total revenues	<u>2,201,167</u>	<u>2,451,820</u>	<u>250,653</u>
EXPENDITURES:			
Public works:			
Services and supplies	1,991	83,058	(81,067)
Capital outlay	<u>2,454,866</u>	<u>1,585,216</u>	<u>869,650</u>
Total expenditures	<u>2,456,857</u>	<u>1,668,274</u>	<u>788,583</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(255,690)	783,546	1,039,236
OTHER FINANCING USES:			
Transfers out	<u>(110,000)</u>	<u>(160,309)</u>	<u>(50,309)</u>
NET CHANGE IN FUND BALANCES	(365,690)	623,237	988,927
FUND BALANCES, BEGINNING OF YEAR	<u>2,790,047</u>	<u>2,790,047</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,424,357</u>	<u>\$ 3,413,284</u>	<u>\$ 988,927</u>

# CITY OF HENDERSON, NEVADA

## FORFEITED ASSETS SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Fines and forfeits	\$ 167,600	\$ 153,424	\$ (14,176)
Miscellaneous interest	6,340	9,701	3,361
Total revenues	<u>173,940</u>	<u>163,125</u>	<u>(10,815)</u>
EXPENDITURES:			
Public safety:			
Services and supplies	73,878	34,122	39,756
Capital outlay	130,607	85,576	45,031
Total expenditures	<u>204,485</u>	<u>119,698</u>	<u>84,787</u>
NET CHANGE IN FUND BALANCES	(30,545)	43,427	73,972
FUND BALANCES, BEGINNING OF YEAR	<u>129,541</u>	<u>129,541</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 98,996</u>	<u>\$ 172,968</u>	<u>\$ 73,972</u>

# CITY OF HENDERSON, NEVADA

## MUNICIPAL COURT ADMINISTRATIVE FEE SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Fines and forfeits	\$ 315,000	\$ 338,142	\$ 23,142
Total revenues	<u>315,000</u>	<u>338,142</u>	<u>23,142</u>
EXPENDITURES:			
Judicial:			
Services and supplies	382,284	260,880	121,404
Capital outlay	<u>624,080</u>	<u>390,679</u>	<u>233,401</u>
Total expenditures	<u>1,006,364</u>	<u>651,559</u>	<u>354,805</u>
NET CHANGE IN FUND BALANCES	(691,364)	(313,417)	377,947
FUND BALANCES, BEGINNING OF YEAR	<u>693,025</u>	<u>693,025</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,661</u>	<u>\$ 379,608</u>	<u>\$ 377,947</u>



# CITY OF HENDERSON, NEVADA

## FINANCIAL STABILIZATION SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Miscellaneous interest	\$ 330,000	\$ 324,275	\$ (5,725)
Total revenues	<u>330,000</u>	<u>324,275</u>	<u>(5,725)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	480,000	474,275	(5,725)
FUND BALANCES, BEGINNING OF YEAR	<u>6,389,417</u>	<u>6,389,417</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,869,417</u>	<u>\$ 6,863,692</u>	<u>\$ (5,725)</u>

# CITY OF HENDERSON, NEVADA

## GRAFFITI REWARD AND ABATEMENT SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Fines and forfeits	\$ 200	\$ -	\$ (200)
Total revenues	<u>200</u>	<u>-</u>	<u>(200)</u>
 FUND BALANCES, BEGINNING OF YEAR	 4,463	 4,463	 -
 FUND BALANCES, END OF YEAR	 <u>\$ 4,663</u>	 <u>\$ 4,463</u>	 <u>\$ (200)</u>

# CITY OF HENDERSON, NEVADA

## EXTRAORDINARY REPAIRS CAPITAL IMPROVEMENTS SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Developer contributions	\$ 523,106	\$ 523,106	\$ -
Charges for services	143,058	-	(143,058)
Miscellaneous interest	41,500	50,306	8,806
Total revenues	<u>707,664</u>	<u>573,412</u>	<u>(134,252)</u>
EXPENDITURES:			
General government:			
Capital outlay	<u>143,058</u>	<u>-</u>	<u>143,058</u>
Total general government	<u>143,058</u>	<u>-</u>	<u>143,058</u>
Public works:			
Services and supplies	-	6,825	(6,825)
Capital outlay	<u>810,376</u>	<u>465,518</u>	<u>344,858</u>
Total public works	<u>810,376</u>	<u>472,343</u>	<u>338,033</u>
Total expenditures	<u>953,434</u>	<u>472,343</u>	<u>481,091</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(245,770)	101,069	346,839
OTHER FINANCING SOURCES:			
Transfers in	<u>287,270</u>	<u>287,270</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	41,500	388,339	346,839
FUND BALANCES, BEGINNING OF YEAR	<u>819,552</u>	<u>819,552</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 861,052</u>	<u>\$ 1,207,891</u>	<u>\$ 346,839</u>

# CITY OF HENDERSON, NEVADA

## MULTIPURPOSE SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 2,991,413	\$ 2,614,509	\$ (376,904)
Miscellaneous	-	132,268	132,268
Total revenues	<u>2,991,413</u>	<u>2,746,777</u>	<u>(244,636)</u>
EXPENDITURES:			
General government:			
Salaries and wages	30,000	22,474	7,526
Employee benefits	-	7,526	(7,526)
Total general government	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Public safety:			
Salaries and wages	885,951	588,279	297,672
Employee benefits	5,113	181,137	(176,024)
Services and supplies	62,557	120,747	(58,190)
Capital outlay	1,792,738	1,495,923	296,815
Total public safety	<u>2,746,359</u>	<u>2,386,086</u>	<u>360,273</u>
Public works:			
Services and supplies	-	16,500	(16,500)
Total public works	<u>-</u>	<u>16,500</u>	<u>(16,500)</u>
Culture and recreation:			
Services and supplies	209,018	318,450	(109,432)
Capital outlay	21,840	-	21,840
Total culture and recreation	<u>230,858</u>	<u>318,450</u>	<u>(87,592)</u>
Total expenditures	<u>3,007,217</u>	<u>2,751,036</u>	<u>256,181</u>
NET CHANGE IN FUND BALANCES	(15,804)	(4,259)	11,545
FUND BALANCES, BEGINNING OF YEAR	<u>61,292</u>	<u>61,292</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 45,488</u>	<u>\$ 57,033</u>	<u>\$ 11,545</u>

# CITY OF HENDERSON, NEVADA

## LAKE LAS VEGAS SPECIAL REVENUE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Developer contributions	\$ 104,312	\$ 104,312	\$ -
Miscellaneous interest	100,000	101,821	1,821
Total revenues	<u>204,312</u>	<u>206,133</u>	<u>1,821</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>286,928</u>	<u>302,761</u>	<u>15,833</u>
NET CHANGE IN FUND BALANCES	491,240	508,894	17,654
FUND BALANCES, BEGINNING OF YEAR	<u>1,843,146</u>	<u>1,843,146</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,334,386</u>	<u>\$ 2,352,040</u>	<u>\$ 17,654</u>

# CITY OF HENDERSON, NEVADA

## GENERAL OBLIGATION DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 16,630,861	\$ 16,971,948	\$ 341,087
Miscellaneous interest	600,000	592,642	(7,358)
Miscellaneous	91,584	-	(91,584)
Total revenues	<u>17,322,445</u>	<u>17,564,590</u>	<u>242,145</u>
EXPENDITURES:			
Debt Service:			
Principal retirement	10,115,000	10,115,000	-
Interest and fiscal charges	8,673,316	8,667,416	5,900
Administrative and other costs	680,559	97,414	583,145
Advance refunding escrow	-	587,002	(587,002)
Total expenditures	<u>19,468,875</u>	<u>19,466,832</u>	<u>2,043</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,146,430)</u>	<u>(1,902,242)</u>	<u>244,188</u>
OTHER FINANCING SOURCES (USES):			
Refunding debt issued	12,940,000	12,940,000	-
Premium on refunding debt issued	-	91,584	91,584
Payments to refunded bond escrow agent	(12,844,470)	(12,938,027)	(93,557)
Transfers in	10,531,534	10,531,534	-
Transfers out	(6,656,763)	(6,628,119)	28,644
Total other financing sources	<u>3,970,301</u>	<u>3,996,972</u>	<u>26,671</u>
NET CHANGE IN FUND BALANCES	1,823,871	2,094,730	270,859
FUND BALANCES, BEGINNING OF YEAR	<u>5,264,172</u>	<u>5,264,172</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,088,043</u>	<u>\$ 7,358,902</u>	<u>\$ 270,859</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Special assessments	\$ 7,658,074	\$ 6,690,270	\$ (967,804)
Miscellaneous interest	9,343,414	10,474,554	1,131,140
Miscellaneous	-	115,187	115,187
Total revenues	<u>17,001,488</u>	<u>17,280,011</u>	<u>278,523</u>
EXPENDITURES:			
Debt Service:			
Principal retirement	5,190,000	5,190,000	-
Interest and fiscal charges	8,879,984	8,901,034	(21,050)
Administrative and other costs	1,295,448	1,196,557	98,891
Total expenditures	<u>15,365,432</u>	<u>15,287,591</u>	<u>77,841</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,636,056</u>	<u>1,992,420</u>	<u>356,364</u>
OTHER FINANCING SOURCES (USES):			
Bonds issued	-	3,158,250	3,158,250
Transfers in	149,300	139,300	(10,000)
Transfers out	(711,076)	(729,901)	(18,825)
Total other financing sources (uses)	<u>(561,776)</u>	<u>2,567,649</u>	<u>3,129,425</u>
NET CHANGE IN FUND BALANCES	1,074,280	4,560,069	3,485,789
FUND BALANCES, BEGINNING OF YEAR	<u>21,831,335</u>	<u>21,831,335</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 22,905,615</u>	<u>\$ 26,391,404</u>	<u>\$ 3,485,789</u>



# CITY OF HENDERSON, NEVADA

## SPECIAL ASSESSMENT DISTRICTS CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Developer contributions	\$ 91,501	\$ 91,501	\$ -
Miscellaneous interest	417,500	454,039	36,539
Miscellaneous	29,461	29,461	-
Total revenues	<u>538,462</u>	<u>575,001</u>	<u>36,539</u>
EXPENDITURES:			
Public works:			
Services and supplies	11,439	18,764	(7,325)
Capital outlay	10,397,671	8,771,823	1,625,848
Total expenditures	<u>10,409,110</u>	<u>8,790,587</u>	<u>1,618,523</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,870,648)</u>	<u>(8,215,586)</u>	<u>1,655,062</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	12,091,750	12,091,750
Transfers in	711,076	729,901	18,825
Transfers out	(149,300)	(139,300)	10,000
Total other financing sources	<u>561,776</u>	<u>12,682,351</u>	<u>12,120,575</u>
NET CHANGE IN FUND BALANCES	(9,308,872)	4,466,765	13,775,637
FUND BALANCES, BEGINNING OF YEAR	<u>19,689,996</u>	<u>19,689,996</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,381,124</u>	<u>\$ 24,156,761</u>	<u>\$ 13,775,637</u>

# CITY OF HENDERSON, NEVADA

## MUNICIPAL FACILITIES ACQUISITION & CONSTRUCTION CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Developer contributions	\$ 898,092	\$ 898,092	\$ -
Miscellaneous interest	3,000,000	2,954,822	(45,178)
Miscellaneous	-	196,257	196,257
Total revenues	<u>3,898,092</u>	<u>4,049,171</u>	<u>151,079</u>
EXPENDITURES:			
General government:			
Salaries and wages	35,000	6,124	28,876
Employee benefits	5,001	1,147	3,854
Services and supplies	2,316,906	1,998,144	318,762
Capital outlay	5,161,313	11,748,112	(6,586,799)
Total general government	<u>7,518,220</u>	<u>13,753,527</u>	<u>(6,235,307)</u>
Public safety:			
Services and supplies	14,853	8,072	6,781
Capital outlay	1,108,518	588,746	519,772
Total public safety	<u>1,123,371</u>	<u>596,818</u>	<u>526,553</u>
Public works:			
Salaries and wages	20,000	1,941	18,059
Employee benefits	-	172	(172)
Services and supplies	7,947,436	1,556,740	6,390,696
Capital outlay	49,896,266	1,018,411	48,877,855
Total public works	<u>57,863,702</u>	<u>2,577,264</u>	<u>55,286,438</u>
Culture and recreation:			
Services and supplies	505,361	412,420	92,941
Capital outlay	5,451,689	4,513,093	938,596
Total culture and recreation	<u>5,957,050</u>	<u>4,925,513</u>	<u>1,031,537</u>
Total expenditures	<u>72,462,343</u>	<u>21,853,122</u>	<u>50,609,221</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(68,564,251)</u>	<u>(17,803,951)</u>	<u>50,760,300</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	15,110,415	9,368,308	(5,742,107)
Transfers out	(10,611,534)	(10,627,367)	(15,833)
Total other financing sources (uses)	<u>4,498,881</u>	<u>(1,259,059)</u>	<u>(5,757,940)</u>
NET CHANGE IN FUND BALANCES	(64,065,370)	(19,063,010)	45,002,360
FUND BALANCES, BEGINNING OF YEAR	<u>74,058,403</u>	<u>74,058,403</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,993,033</u>	<u>\$ 54,995,393</u>	<u>\$ 45,002,360</u>

# CITY OF HENDERSON, NEVADA

## LAND SALES CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Miscellaneous interest	\$ 150,000	\$ 215,017	\$ 65,017
Miscellaneous	258,800	313,500	54,700
Total revenues	<u>408,800</u>	<u>528,517</u>	<u>119,717</u>
EXPENDITURES:			
Public works:			
Services and supplies	882,909	757,332	125,577
Capital outlay	993,040	573,480	419,560
Total expenditures	<u>1,875,949</u>	<u>1,330,812</u>	<u>545,137</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,467,149)</u>	<u>(802,295)</u>	<u>664,854</u>
OTHER FINANCING SOURCES:			
Land sales	5,850,389	2,401,927	(3,448,462)
Transfers in	1,020,000	-	(1,020,000)
Total other financing sources	<u>6,870,389</u>	<u>2,401,927</u>	<u>(4,468,462)</u>
NET CHANGE IN FUND BALANCE (DEFICITS)	5,403,240	1,599,632	(3,803,608)
FUND DEFICITS, BEGINNING OF YEAR	<u>(4,941,559)</u>	<u>(4,941,559)</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 461,681</u>	<u>\$ (3,341,927)</u>	<u>\$ (3,803,608)</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL RECREATION CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 1,734,550	\$ 1,806,554	\$ 72,004
Miscellaneous interest	180,000	185,723	5,723
Total revenues	<u>1,914,550</u>	<u>1,992,277</u>	<u>77,727</u>
EXPENDITURES:			
Culture and recreation:			
Services and supplies	211,299	94,247	117,052
Capital outlay	1,469,547	347,348	1,122,199
Total expenditures	<u>1,680,846</u>	<u>441,595</u>	<u>1,239,251</u>
EXCESS OF REVENUES OVER EXPENDITURES	233,704	1,550,682	1,316,978
OTHER FINANCING USES:			
Transfers out	<u>(806,154)</u>	<u>(646,271)</u>	<u>159,883</u>
NET CHANGE IN FUND BALANCES	(572,450)	904,411	1,476,861
FUND BALANCES, BEGINNING OF YEAR	<u>3,167,903</u>	<u>3,167,903</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,595,453</u>	<u>\$ 4,072,314</u>	<u>\$ 1,476,861</u>

# CITY OF HENDERSON, NEVADA

## BOND PROCEEDS CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 188,124	\$ -	\$ (188,124)
Miscellaneous interest	733,700	650,531	(83,169)
Miscellaneous	-	189,698	189,698
Total revenues	<u>921,824</u>	<u>840,229</u>	<u>(81,595)</u>
EXPENDITURES:			
Culture and recreation:			
Services and supplies	1,770,197	1,441,241	328,956
Capital outlay	31,869,793	26,059,039	5,810,754
Total culture and recreation	<u>33,639,990</u>	<u>27,500,280</u>	<u>6,139,710</u>
Public works:			
Services and supplies	13,084	-	13,084
Capital outlay	33,895	-	33,895
Total public works	<u>46,979</u>	<u>-</u>	<u>46,979</u>
Total expenditures	<u>33,686,969</u>	<u>27,500,280</u>	<u>6,186,689</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(32,765,145)</u>	<u>(26,660,051)</u>	<u>6,105,094</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	4,435,820	4,506,820	71,000
Transfers out	(733,700)	(663,535)	70,165
Total other financing sources	<u>3,702,120</u>	<u>3,843,285</u>	<u>141,165</u>
NET CHANGE IN FUND BALANCES	(29,063,025)	(22,816,766)	6,246,259
FUND BALANCES, BEGINNING OF YEAR	<u>30,628,509</u>	<u>30,628,509</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,565,484</u>	<u>\$ 7,811,743</u>	<u>\$ 6,246,259</u>

# CITY OF HENDERSON, NEVADA

## HUD PROCEEDS CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 4,158,686	\$ 1,616,728	\$ (2,541,958)
Total revenues	<u>4,158,686</u>	<u>1,616,728</u>	<u>(2,541,958)</u>
EXPENDITURES:			
Public works:			
Salaries and wages	307,776	294,831	12,945
Employee benefits	111,637	89,870	21,767
Services and supplies	2,316,470	723,936	1,592,534
Capital outlay	1,422,803	578,521	844,282
Total expenditures	<u>4,158,686</u>	<u>1,687,158</u>	<u>2,471,528</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	(70,430)	(70,430)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (70,430)</u>	<u>\$ (70,430)</u>

# CITY OF HENDERSON, NEVADA

## PARK DEVELOPMENT CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 410,087	\$ 159,536	\$ (250,551)
Impact fees	1,787,606	1,879,908	92,302
Miscellaneous interest	343,000	305,731	(37,269)
Miscellaneous	-	197,715	197,715
Total revenues	<u>2,540,693</u>	<u>2,542,890</u>	<u>2,197</u>
EXPENDITURES:			
Culture and recreation:			
Services and supplies	405,495	121,020	284,475
Capital outlay	<u>2,852,821</u>	<u>1,047,615</u>	<u>1,805,206</u>
Total expenditures	<u>3,258,316</u>	<u>1,168,635</u>	<u>2,089,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(717,623)</u>	<u>1,374,255</u>	<u>2,091,878</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	231,000	231,000	-
Transfers out	<u>(4,195,820)</u>	<u>(4,266,820)</u>	<u>(71,000)</u>
Total other financing uses	<u>(3,964,820)</u>	<u>(4,035,820)</u>	<u>(71,000)</u>
NET CHANGE IN FUND BALANCES	(4,682,443)	(2,661,565)	2,020,878
FUND BALANCES, BEGINNING OF YEAR	<u>7,104,362</u>	<u>7,104,362</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,421,919</u>	<u>\$ 4,442,797</u>	<u>\$ 2,020,878</u>



# CITY OF HENDERSON, NEVADA

## FLOOD CONTROL CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND (DEFICITS) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 220,000	\$ 65,405	\$ (154,595)
Miscellaneous interest	900	2,566	1,666
Miscellaneous	-	125,218	125,218
Total revenues	<u>220,900</u>	<u>193,189</u>	<u>(27,711)</u>
EXPENDITURES:			
Public works:			
Capital outlay	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total expenditures	<u>125,000</u>	<u>-</u>	<u>125,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	95,900	193,189	97,289
FUND DEFICITS, BEGINNING OF YEAR	<u>(92,012)</u>	<u>(92,012)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,888</u>	<u>\$ 101,177</u>	<u>\$ 97,289</u>

# CITY OF HENDERSON, NEVADA

## RTC/COUNTY FUNDED CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Intergovernmental	\$ 5,070,206	\$ 1,539,880	\$ (3,530,326)
Developer contributions	442,920	455,886	12,966
Total revenues	<u>5,513,126</u>	<u>1,995,766</u>	<u>(3,517,360)</u>
EXPENDITURES:			
Public works:			
Services and supplies	801,818	289,507	512,311
Capital outlay	4,711,308	1,782,896	2,928,412
Total expenditures	<u>5,513,126</u>	<u>2,072,403</u>	<u>3,440,723</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(76,637)	(76,637)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ (76,637)</u>	<u>\$ (76,637)</u>

# CITY OF HENDERSON, NEVADA

## SPECIAL AD VALOREM TRANSPORTATION CAPITAL PROJECTS FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 600,000	\$ 645,619	\$ 45,619
Total revenues	<u>600,000</u>	<u>645,619</u>	<u>45,619</u>
EXPENDITURES:			
Public works:			
Services and supplies	<u>600,000</u>	<u>429,566</u>	<u>170,434</u>
NET CHANGE IN FUND BALANCES	-	216,053	216,053
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 216,053</u>	<u>\$ 216,053</u>

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## 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.

## Enterprise Funds Nonmajor Enterprise Fund

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



## Proprietary Funds

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# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF NET ASSETS

June 30, 2002

#### ASSETS

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Total</u>
CURRENT ASSETS:							
Cash and investments	\$ 4,307,157	\$ 12,373,427	\$ 1,484,714	\$ 4,856,020	\$ 2,583,359	\$ 1,750,073	\$ 27,354,750
Accounts receivable	19,918	604	-	-	-	88,184	108,706
Accrued interest receivable	30,098	90,525	11,017	35,627	19,181	17,457	203,905
Due from other governments	70,296	-	-	-	-	-	70,296
Inventory-bulk fuel	-	15,336	-	-	-	-	15,336
Deposits	-	-	-	-	-	4,140	4,140
Total current assets	<u>4,427,469</u>	<u>12,479,892</u>	<u>1,495,731</u>	<u>4,891,647</u>	<u>2,602,540</u>	<u>1,859,854</u>	<u>27,757,133</u>
PROPERTY, PLANT AND EQUIPMENT:							
Buildings	48,398	704,979	-	-	-	-	753,377
Improvements other than buildings	-	368,472	-	-	-	-	368,472
Machinery and equipment	<u>559,140</u>	<u>27,330,567</u>	<u>-</u>	<u>-</u>	<u>19,500</u>	<u>-</u>	<u>27,909,207</u>
Total property, plant and equipment	607,538	28,404,018	-	-	19,500	-	29,031,056
Less accumulated depreciation	<u>(474,694)</u>	<u>(16,565,056)</u>	<u>-</u>	<u>-</u>	<u>(19,500)</u>	<u>-</u>	<u>(17,059,250)</u>
Net property, plant and equipment	<u>132,844</u>	<u>11,838,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,971,806</u>
OTHER ASSETS:							
Advances to other funds	<u>-</u>	<u>-</u>	<u>91,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,598</u>
Total assets	<u>4,560,313</u>	<u>24,318,854</u>	<u>1,587,329</u>	<u>4,891,647</u>	<u>2,602,540</u>	<u>1,859,854</u>	<u>39,820,537</u>

(Continued)



# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF NET ASSETS (Continued)

June 30, 2002

#### LIABILITIES

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Total</u>
CURRENT LIABILITIES:							
Accounts payable and accrued wages	\$ 137,496	\$ 204,152	\$ -	\$ 4,339	\$ 13,638	\$ 49,496	\$ 409,121
Compensated absences payable	878,631	191,136	-	-	53,831	9,456	1,133,054
Claims and judgments payable	-	-	-	497,857	1,274,254	849,305	2,621,416
Capital lease obligations - current	6,671	161,105	-	-	-	-	167,776
Total current liabilities	<u>1,022,798</u>	<u>556,393</u>	<u>-</u>	<u>502,196</u>	<u>1,341,723</u>	<u>908,257</u>	<u>4,331,367</u>
LONG-TERM LIABILITIES:							
Capital lease obligations (net of current portion)	-	203,173	-	-	-	-	203,173
Total liabilities	<u>1,022,798</u>	<u>759,566</u>	<u>-</u>	<u>502,196</u>	<u>1,341,723</u>	<u>908,257</u>	<u>4,534,540</u>

#### NET ASSETS

Invested in capital assets, net of related debt	126,173	11,474,684	-	-	-	-	11,600,857
Restricted for claims	-	-	-	4,389,451	1,260,817	951,597	6,601,865
Unrestricted	<u>3,411,342</u>	<u>12,084,604</u>	<u>1,587,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,083,275</u>
Total net assets	<u>\$ 3,537,515</u>	<u>\$ 23,559,288</u>	<u>\$ 1,587,329</u>	<u>\$ 4,389,451</u>	<u>\$ 1,260,817</u>	<u>\$ 951,597</u>	<u>\$ 35,285,997</u>

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2002

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Total</u>
OPERATING REVENUES:							
Charges for services	\$ 3,004,125	\$ 6,785,207	\$ 11,439	\$ 1,098,759	\$ 1,602,636	\$ 4,362,698	\$ 16,864,864
OPERATING EXPENSES:							
Salaries and wages	2,913,048	849,897	-	-	292,206	46,224	4,101,375
Employee benefits	830,064	220,367	-	-	82,643	14,791	1,147,865
Services and supplies	496,476	1,807,595	-	384,666	552,258	1,225,465	4,466,460
Claims	-	-	-	147,438	968,373	3,791,684	4,907,495
Legal fees	-	-	-	26,370	-	-	26,370
Depreciation	45,233	2,958,218	-	-	-	-	3,003,451
Total operating expenses	4,284,821	5,836,077	-	558,474	1,895,480	5,078,164	17,653,016
OPERATING INCOME (LOSS)	(1,280,696)	949,130	11,439	540,285	(292,844)	(715,466)	(788,152)
NONOPERATING REVENUES (EXPENSES):							
Interest revenue	200,272	566,356	70,811	227,445	120,229	117,820	1,302,933
Interest expense	(1,151)	(27,834)	-	-	(816)	-	(29,801)
Miscellaneous	62,779	93,512	-	-	-	-	156,291
Loss on the disposition of assets	(135,460)	(18,731)	-	-	(12,770)	-	(166,961)
Total nonoperating revenues	126,440	613,303	70,811	227,445	106,643	117,820	1,262,462
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,154,256)	1,562,433	82,250	767,730	(186,201)	(597,646)	474,310
CAPITAL CONTRIBUTIONS	-	1,360,182	-	-	-	-	1,360,182
TRANSFERS:							
Transfers in	1,000,000	-	-	-	700,000	-	1,700,000
Transfers out	-	-	(68,334)	-	-	-	(68,334)
Total transfers	1,000,000	-	(68,334)	-	700,000	-	1,631,666
CHANGE IN NET ASSETS	(154,256)	2,922,615	13,916	767,730	513,799	(597,646)	3,466,158
NET ASSETS, BEGINNING OF YEAR	3,691,771	20,636,673	1,573,413	3,621,721	747,018	1,549,243	31,819,839
NET ASSETS, END OF YEAR	\$ 3,537,515	\$ 23,559,288	\$ 1,587,329	\$ 4,389,451	\$ 1,260,817	\$ 951,597	\$ 35,285,997

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## CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2002

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from users	\$ 549,772	\$ -	\$ -	\$ -	\$ -	\$ 198,702	\$ 748,474
Cash received from quasi-external operating transactions	2,419,964	6,785,207	11,439	1,098,759	1,602,636	4,163,996	16,082,001
Cash from other sources	62,779	93,211	-	-	-	-	155,990
Cash payments to suppliers for goods and services	(1,307,637)	(2,039,412)	-	(561,464)	(1,380,982)	(4,876,979)	(10,166,474)
Cash payments to employees for services	(2,815,166)	(819,730)	-	-	(272,474)	(45,864)	(3,953,234)
Net cash provided by (used for) operating activities	(1,090,288)	4,019,276	11,439	537,295	(50,820)	(560,145)	2,866,757
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Operating transfers in	1,000,000	-	-	-	700,000	-	1,700,000
Operating transfers out	-	-	(68,334)	-	-	-	(68,334)
Payments from other funds	-	-	81,868	-	-	-	81,868
Net cash provided by noncapital financing activities	1,000,000	-	13,534	-	700,000	-	1,713,534
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition of fixed assets	(29,517)	(1,643,883)	-	-	-	-	(1,673,400)
Principal payments on lease obligations	(12,521)	(152,511)	-	-	-	-	(165,032)
Interest paid	(1,151)	(30,785)	-	-	(816)	-	(32,752)
Proceeds from sale of fixed assets	-	122,336	-	-	-	-	122,336
Net cash used for capital and related financing activities	(43,189)	(1,704,843)	-	-	(816)	-	(1,748,848)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest on investments	194,150	514,732	70,923	218,218	115,567	120,317	1,233,907
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,673	2,829,165	95,896	755,513	763,931	(439,828)	4,065,350
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,246,484	9,544,262	1,388,818	4,100,507	1,819,428	2,189,901	23,289,400
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,307,157	\$ 12,373,427	\$ 1,484,714	\$ 4,856,020	\$ 2,583,359	\$ 1,750,073	\$ 27,354,750

(Continued)

# CITY OF HENDERSON, NEVADA

## INTERNAL SERVICE FUNDS

### COMBINING STATEMENTS OF CASH FLOWS (Continued) FOR THE YEAR ENDED JUNE 30, 2002

	<u>Engineering</u>	<u>City Shop</u>	<u>Revolving</u>	<u>Self Insurance</u>	<u>Workmen's Compensation Self Insurance</u>	<u>Health Insurance Self Insurance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:							
Operating income (loss)	\$ (1,280,696)	\$ 949,130	\$ 11,439	\$ 540,285	\$ (292,844)	\$ (715,466)	\$ (788,152)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Depreciation expense	45,233	2,958,218	-	-	-	-	3,003,451
Miscellaneous revenues	62,779	93,512	-	-	-	-	156,291
(Increase) decrease in accounts receivable	25,383	(301)	-	-	-	27,036	52,118
(Increase) in deposits	-	-	-	-	-	(293)	(293)
(Increase ) in due from other governments	(42,132)	-	-	-	-	-	(42,132)
Increase (decrease) in accounts payable and accrued wages	18,874	(7,256)	-	-	2,064	(63,601)	(49,919)
Increase (decrease) in compensated absences payable	80,271	25,973	-	-	17,440	(75)	123,609
Increase (decrease) in claims and judgments	-	-	-	(2,990)	222,520	192,254	411,784
Total adjustments	<u>190,408</u>	<u>3,070,146</u>	<u>-</u>	<u>(2,990)</u>	<u>242,024</u>	<u>155,321</u>	<u>3,654,909</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ (1,090,288)</u>	<u>\$ 4,019,276</u>	<u>\$ 11,439</u>	<u>\$ 537,295</u>	<u>\$ (50,820)</u>	<u>\$ (560,145)</u>	<u>\$ 2,866,757</u>

#### NONCASH TRANSACTIONS AFFECTING FINANCIAL POSITION:

The City Shop Fund received contributions of fixed assets from other funds totaling \$1,360,182 for the year ended June 30, 2002.

# CITY OF HENDERSON, NEVADA

## ENGINEERING INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 2,044,382	\$ 3,004,125	\$ 959,743
OPERATING EXPENSES:			
Salaries and wages	3,045,081	2,913,048	132,033
Employee benefits	895,610	830,064	65,546
Services and supplies	757,980	496,476	261,504
Depreciation	29,973	45,233	(15,260)
Total operating expenses	4,728,644	4,284,821	443,823
OPERATING LOSS	(2,684,262)	(1,280,696)	1,403,566
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	210,000	200,272	(9,728)
Interest expense	(3,726)	(1,151)	2,575
Miscellaneous	-	62,779	62,779
Loss on the disposition of assets	-	(135,460)	(135,460)
Total nonoperating revenues	206,274	126,440	(79,834)
LOSS BEFORE TRANSFERS	(2,477,988)	(1,154,256)	1,323,732
TRANSFERS:			
Transfers in	1,000,000	1,000,000	-
CHANGE IN NET ASSETS	\$ (1,477,988)	(154,256)	\$ 1,323,732
NET ASSETS, BEGINNING OF YEAR		3,691,771	
NET ASSETS, END OF YEAR		\$ 3,537,515	

# CITY OF HENDERSON, NEVADA

## CITY SHOP INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 6,783,834	\$ 6,785,207	\$ 1,373
OPERATING EXPENSES:			
Salaries and wages	803,100	849,897	(46,797)
Employee benefits	214,400	220,367	(5,967)
Services and supplies	1,972,919	1,807,595	165,324
Depreciation	3,309,723	2,958,218	351,505
Total operating expenses	6,300,142	5,836,077	464,065
OPERATING INCOME	483,692	949,130	465,438
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	550,000	566,356	16,356
Interest expense	(26,587)	(27,834)	(1,247)
Miscellaneous	90,000	93,512	3,512
Gain (loss) on the disposition of assets	10,000	(18,731)	(28,731)
Total nonoperating revenues	623,413	613,303	(10,110)
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,107,105	1,562,433	455,328
CAPITAL CONTRIBUTIONS	-	1,360,182	1,360,182
CHANGE IN NET ASSETS	<u>\$ 1,107,105</u>	2,922,615	<u>\$ 1,815,510</u>
NET ASSETS, BEGINNING OF YEAR		20,636,673	
NET ASSETS, END OF YEAR		<u>\$ 23,559,288</u>	



# CITY OF HENDERSON, NEVADA

## REVOLVING INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 19,000	\$ 11,439	\$ (7,561)
NONOPERATING REVENUES:			
Interest revenue	<u>70,000</u>	<u>70,811</u>	<u>811</u>
INCOME BEFORE TRANSFERS	89,000	82,250	(6,750)
TRANSFERS:			
Transfers out	<u>(70,000)</u>	<u>(68,334)</u>	<u>1,666</u>
CHANGES IN NET ASSETS	<u>\$ 19,000</u>	13,916	<u>\$ (5,084)</u>
NET ASSETS, BEGINNING OF YEAR		<u>1,573,413</u>	
NET ASSETS, END OF YEAR		<u>\$ 1,587,329</u>	

# CITY OF HENDERSON, NEVADA

## SELF INSURANCE INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 1,098,759	\$ 1,098,759	\$ -
OPERATING EXPENSES:			
Employee benefits	79,800	-	79,800
Services and supplies	1,223,921	384,666	839,255
Claims	-	147,438	(147,438)
Legal fees	-	26,370	(26,370)
Total operating expenses	<u>1,303,721</u>	<u>558,474</u>	<u>745,247</u>
OPERATING INCOME (LOSS)	(204,962)	540,285	745,247
NONOPERATING REVENUE:			
Interest revenue	<u>230,000</u>	<u>227,445</u>	<u>(2,555)</u>
CHANGE IN NET ASSETS	<u>\$ 25,038</u>	<u>767,730</u>	<u>\$ 742,692</u>
NET ASSETS, BEGINNING OF YEAR		<u>3,621,721</u>	
NET ASSETS, END OF YEAR		<u>\$ 4,389,451</u>	

# CITY OF HENDERSON, NEVADA

## WORKMEN'S COMPENSATION SELF INSURANCE INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 1,443,662	\$ 1,602,636	\$ 158,974
OPERATING EXPENSES:			
Salaries and wages	261,234	292,206	(30,972)
Employee benefits	81,900	82,643	(743)
Services and supplies	1,440,501	552,258	888,243
Claims	-	968,373	(968,373)
Depreciation	5,063	-	5,063
Total operating expenses	<u>1,788,698</u>	<u>1,895,480</u>	<u>(106,782)</u>
OPERATING LOSS	<u>(345,036)</u>	<u>(292,844)</u>	<u>52,192</u>
NONOPERATING REVENUE (EXPENSES):			
Interest revenue	115,000	120,229	5,229
Interest expense	-	(816)	(816)
Loss on the disposition of assets	-	(12,770)	(12,770)
Total nonoperating revenues	<u>115,000</u>	<u>106,643</u>	<u>(8,357)</u>
LOSS BEFORE TRANSFERS	<u>(230,036)</u>	<u>(186,201)</u>	<u>43,835</u>
TRANSFERS:			
Transfers in	<u>700,000</u>	<u>700,000</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$ 469,964</u>	<u>513,799</u>	<u>\$ 43,835</u>
NET ASSETS, BEGINNING OF YEAR		<u>747,018</u>	
NET ASSETS, END OF YEAR		<u>\$ 1,260,817</u>	

# CITY OF HENDERSON, NEVADA

## HEALTH INSURANCE SELF INSURANCE INTERNAL SERVICE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services	\$ 4,073,620	\$ 4,362,698	\$ 289,078
OPERATING EXPENSES:			
Salaries and wages	48,154	46,224	1,930
Employee benefits	15,500	14,791	709
Services and supplies	4,240,000	1,225,465	3,014,535
Claims	-	3,791,684	(3,791,684)
Total operating expenses	<u>4,303,654</u>	<u>5,078,164</u>	<u>(774,510)</u>
OPERATING LOSS	<u>(230,034)</u>	<u>(715,466)</u>	<u>(485,432)</u>
NONOPERATING REVENUES:			
Interest revenue	<u>130,000</u>	<u>117,820</u>	<u>(12,180)</u>
CHANGE IN NET ASSETS	<u>\$ (100,034)</u>	<u>(597,646)</u>	<u>\$ (497,612)</u>
NET ASSETS, BEGINNING OF YEAR		<u>1,549,243</u>	
NET ASSETS, END OF YEAR		<u>\$ 951,597</u>	

# CITY OF HENDERSON, NEVADA

## WATER ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Utility fees	\$ 35,900,000	\$ 39,132,332	\$ 3,232,332
Connection fees	760,000	531,642	(228,358)
Developer contributions	-	197,391	197,391
Late charges	400,000	602,233	202,233
Miscellaneous	69,000	362,470	293,470
Total operating revenues	<u>37,129,000</u>	<u>40,826,068</u>	<u>3,697,068</u>
OPERATING EXPENSES:			
Salaries and wages	6,588,767	6,207,749	381,018
Employee benefits	1,917,951	1,813,292	104,659
Water purchases	13,669,500	15,932,538	(2,263,038)
Services and supplies	11,686,104	8,187,962	3,498,142
Depreciation	6,526,833	11,230,732	(4,703,899)
Total operating expenses	<u>40,389,155</u>	<u>43,372,273</u>	<u>(2,983,118)</u>
OPERATING INCOME (LOSS)	<u>(3,260,155)</u>	<u>(2,546,205)</u>	<u>713,950</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	5,650,000	6,358,169	708,169
Interest expense	(4,511,669)	(4,123,110)	388,559
Miscellaneous	-	92,865	92,865
Loss on disposition of fixed assets	-	(285,139)	(285,139)
Bond premium amortization	-	21,936	21,936
Total nonoperating revenues	<u>1,138,331</u>	<u>2,064,721</u>	<u>926,390</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(2,121,824)</u>	<u>(481,484)</u>	<u>1,640,340</u>
CAPITAL CONTRIBUTIONS	16,920,000	34,934,253	18,014,253
TRANSFERS:			
Transfers out	<u>(6,016,029)</u>	<u>(3,250,000)</u>	<u>2,766,029</u>
CHANGE IN NET ASSETS	<u>\$ 8,782,147</u>	<u>\$ 31,202,769</u>	<u>\$ 22,420,622</u>
NET ASSETS, BEGINNING OF YEAR, AS ORIGINALLY REPORTED		227,042,022	
PRIOR PERIOD ADJUSTMENT		<u>48,495,462</u>	
NET ASSETS, BEGINNING OF YEAR, AS ADJUSTED		<u>275,537,484</u>	
NET ASSETS, END OF YEAR		<u>\$ 306,740,253</u>	

# CITY OF HENDERSON, NEVADA

## SEWER ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Utility fees	\$ 19,000,000	\$ 20,570,525	\$ 1,570,525
Connection fees	63,000	66,603	3,603
Late charges	215,000	368,766	153,766
Miscellaneous	8,000	23,148	15,148
Total operating revenues	<u>19,286,000</u>	<u>21,029,042</u>	<u>1,743,042</u>
OPERATING EXPENSES:			
Salaries and wages	4,143,259	3,933,297	209,962
Employee benefits	1,173,267	1,171,979	1,288
Services and supplies	10,832,681	8,082,137	2,750,544
Depreciation	6,522,502	7,073,721	(551,219)
Total operating expenses	<u>22,671,709</u>	<u>20,261,134</u>	<u>2,410,575</u>
OPERATING INCOME (LOSS)	<u>(3,385,709)</u>	<u>767,908</u>	<u>4,153,617</u>
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	6,930,000	7,812,343	882,343
Sales tax	2,100,000	3,174,891	1,074,891
Interest expense	(4,275,895)	(3,865,952)	409,943
Miscellaneous	-	72	72
Loss on disposition of fixed assets	-	(300,968)	(300,968)
Bond premium amortization	-	32,904	32,904
Total nonoperating revenues	<u>4,754,105</u>	<u>6,853,290</u>	<u>2,099,185</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,368,396	7,621,198	6,252,802
CAPITAL CONTRIBUTIONS	23,771,045	33,669,060	9,898,015
TRANSFERS:			
Transfers out	<u>(6,016,029)</u>	<u>(3,250,000)</u>	<u>2,766,029</u>
CHANGE IN NET ASSETS	<u>\$ 19,123,412</u>	<u>38,040,258</u>	<u>\$ 18,916,846</u>
NET ASSETS, BEGINNING OF YEAR, AS ORIGINALLY REPORTED		248,196,691	
PRIOR PERIOD ADJUSTMENT		<u>3,718,030</u>	
NET ASSETS, BEGINNING OF YEAR, AS ADJUSTED		<u>251,914,721</u>	
NET ASSETS, END OF YEAR		<u>\$ 289,954,979</u>	

# CITY OF HENDERSON, NEVADA

## DEVELOPMENT SERVICES ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS- BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Developer contributions	\$ 192,857	\$ 81,695	\$ (111,162)
Licenses and permits	6,438,022	5,702,911	(735,111)
Charges for services	5,538,322	6,053,902	515,580
Miscellaneous	5,901	100,357	94,456
Total operating revenues	<u>12,175,102</u>	<u>11,938,865</u>	<u>(236,237)</u>
OPERATING EXPENSES:			
Salaries and wages	7,889,307	7,436,277	453,030
Employee benefits	2,117,351	2,012,404	104,947
Services and supplies	4,897,736	4,490,460	407,276
Depreciation	210,038	11,820	198,218
Total operating expenses	<u>15,114,432</u>	<u>13,950,961</u>	<u>1,163,471</u>
OPERATING INCOME (LOSS)	<u>(2,939,330)</u>	<u>(2,012,096)</u>	<u>927,234</u>
NONOPERATING REVENUES:			
Interest revenue	170,000	161,096	(8,904)
Loss on disposition of fixed assets	-	(139,621)	(139,621)
Total nonoperating revenues	<u>170,000</u>	<u>21,475</u>	<u>(148,525)</u>
LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(2,769,330)</u>	<u>(1,990,621)</u>	<u>778,709</u>
CAPITAL CONTRIBUTIONS	-	1,501,632	1,501,632
TRANSFERS:			
Transfers in	<u>2,276,364</u>	<u>2,276,364</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$ (492,966)</u>	<u>1,787,375</u>	<u>\$ 2,280,341</u>
NET ASSETS, BEGINNING OF YEAR		<u>2,235,623</u>	
NET ASSETS, END OF YEAR		<u>\$ 4,022,998</u>	

# CITY OF HENDERSON, NEVADA

## CONVENTION CENTER ENTERPRISE FUND

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2002

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
OPERATING REVENUES:			
Room tax	\$ 885,000	\$ -	\$ (885,000)
Rental fees	251,000	300,533	49,533
Licenses - gaming	560,000	568,436	8,436
Miscellaneous	-	27,471	26,005
Total operating revenues	<u>1,696,000</u>	<u>896,440</u>	<u>(801,026)</u>
OPERATING EXPENSES:			
Salaries and wages	765,838	794,189	(28,351)
Employee benefits	225,022	210,426	14,596
Services and supplies	863,174	752,507	110,667
Depreciation	171,453	158,343	13,110
Total operating expenses	<u>2,025,487</u>	<u>1,915,465</u>	<u>110,022</u>
OPERATING LOSS	<u>(329,487)</u>	<u>(1,019,025)</u>	<u>(691,004)</u>
NONOPERATING REVENUES:			
Room tax	-	832,611	832,611
Interest revenue	70,000	79,690	9,690
Loss on disposition of fixed assets	-	(63,038)	(63,038)
Total nonoperating revenues	<u>70,000</u>	<u>849,263</u>	<u>779,263</u>
CHANGE IN NET ASSETS	<u>\$ (259,487)</u>	<u>(169,762)</u>	<u>\$ 88,259</u>
NET ASSETS, BEGINNING OF YEAR		<u>4,746,742</u>	
NET ASSETS, END OF YEAR		<u>\$ 4,576,980</u>	



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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.



## Fiduciary Funds

# CITY OF HENDERSON, NEVADA

## AGENCY FUNDS

### COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2002

#### ASSETS

	<u>Bridges</u>	<u>Section 125 Plan</u>	<u>Traffic Signal</u>	<u>Forfeited Assets</u>	<u>Paving Frontage</u>	<u>Total</u>
Cash and investments	\$ 141,884	\$ 48,428	\$ 7,738,336	\$ 61,320	\$ 54,664	\$ 8,044,632

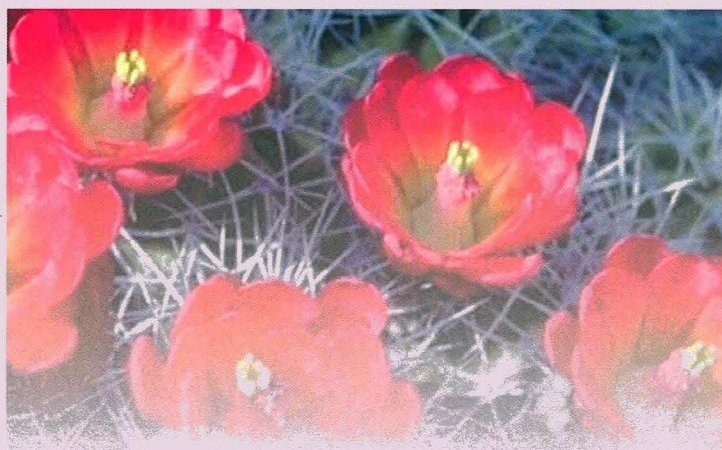
#### LIABILITIES AND NET ASSETS

##### LIABILITIES:

Due to developers	\$ 141,884	\$ -	\$ 7,738,336	\$ -	\$ 54,664	\$ 7,934,884
Due to employees	-	48,428	-	-	-	48,428
Due to others	-	-	-	61,320	-	61,320
Total liabilities	<u>141,884</u>	<u>48,428</u>	<u>7,738,336</u>	<u>61,320</u>	<u>54,664</u>	<u>8,044,632</u>

NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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## Statistical Section

TABLE 1

**CITY OF HENDERSON, NEVADA**  
**GOVERNMENT-WIDE EXPENSES BY FUNCTION**  
**JUNE 30, 2002**

General government	\$ 35,253,241
Judicial	3,328,455
Public safety	63,620,351
Public works	34,871,698
Culture and recreation	24,214,562
Debt service:	
Administrative and other costs	661,184
Interest and fiscal charges	18,753,805
Water	47,831,453
Sewer	24,456,660
Development Services	14,640,305
Convention Center	1,987,119
	<hr/>
Total	<u><u>\$ 269,618,833</u></u>

TABLE 2

## CITY OF HENDERSON, NEVADA

## GOVERNMENT-WIDE REVENUES

JUNE 30, 2002

<u>Fiscal Year</u>	<u>PROGRAM REVENUES</u>			<u>GENERAL REVENUES</u>				<u>Total</u>
	<u>Charges for Services</u>	<u>Operating Grants, Interest, Contributions</u>	<u>Capital Grants, Interest, Contributions</u>	<u>Gain on Sale of Assets</u>	<u>Investment Earnings</u>	<u>Miscellaneous</u>	<u>Taxes</u>	
2002	<u>\$ 97,509,211</u>	<u>\$ 8,641,617</u>	<u>\$ 156,445,328</u>	<u>\$ 2,014,836</u>	<u>\$ 22,759,191</u>	<u>\$ 1,035,924</u>	<u>\$ 123,881,536</u>	<u>\$ 412,287,643</u>

TABLE 3

**CITY OF HENDERSON, NEVADA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Culture & Recreation	Debt Service	Total
1993	\$ 10,470,336	\$ 915,883	\$ 16,767,198	\$ 2,301,873	\$ 4,334,287	\$ 18,494,512	\$ 53,284,089
1994	10,554,557	1,020,674	21,696,119	3,605,070	5,732,844	11,610,538	54,219,802
1995	13,946,875	1,210,615	25,319,323	3,706,628	6,686,795	17,107,289	67,977,525
1996	15,271,704	1,424,811	28,667,410	4,207,087	7,645,530	19,326,240	76,542,782
1997	19,587,130	1,797,149	34,031,028	4,168,418	9,196,625	30,862,255	99,642,605
1998	22,075,316	1,988,504	38,857,953	4,714,164	10,484,248	34,797,026	112,917,211
1999	26,902,974	2,168,199	46,241,144	5,726,957	13,332,298	51,162,985	145,534,557
2000	30,085,079	2,377,881	52,462,142	5,093,490	16,324,343	34,154,114	140,497,049
2001	35,677,629	2,633,526	54,219,156	6,741,962	20,067,759	45,064,521	164,404,553
2002	29,429,868	3,091,282	59,984,033	10,234,461	23,085,100	47,670,978	173,495,722

Note:

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds; excludes capital outlay



TABLE 4

**CITY OF HENDERSON, NEVADA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Property Taxes	Special Assessments	Franchise Fees	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures	Developer Contributions	Impact Fees	Miscellaneous	Total
1993	\$ 7,840,509	\$ 1,464,688	\$ 3,925,625	\$ 3,050,003	\$ 22,257,754	\$ 2,568,924	\$ 763,251	\$ 122,171	\$ -	\$ 1,827,939	\$ 43,820,864
1994	9,243,300	1,562,322	4,524,124	4,054,920	28,597,986	3,560,960	766,259	11,000	-	2,400,313	54,721,184
1995	11,080,716	1,239,387	5,454,925	4,779,291	32,250,667	4,000,875	977,156	12,803	-	4,983,082	64,778,902
1996	12,477,303	4,337,980	6,224,144	6,337,790	37,062,792	5,325,388	1,141,460	1,333	-	8,347,199	81,255,389
1997	14,773,745	10,450,756	6,887,730	6,901,812	42,081,967	6,652,160	1,330,029	1,917	-	13,853,416	102,933,532
1998	19,787,556	8,841,083	8,287,523	8,129,130	49,674,247	8,521,274	1,599,142	5,000	-	13,832,408	118,677,363
1999	25,518,272	8,941,709	9,939,571	8,418,719	51,302,071	11,341,965	1,654,378	-	-	14,808,085	131,924,770
2000	28,966,393	8,897,444	12,195,108	6,811,159	55,863,745	12,602,220	1,950,238	-	-	14,778,433	142,064,740
2001	33,667,008	7,368,844	15,799,641	4,798,572	60,314,810	15,553,012	2,214,936	-	-	17,347,909	157,064,732
2002	39,251,126	6,690,270	18,298,174	5,324,227	72,315,724	10,982,168	2,542,172	2,072,897	1,879,908	20,428,570	179,785,236

Note:

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds for 2002;  
previous years exclude Capital Projects Funds

CITY OF HENDERSON, NEVADA  
GENERAL FUND TAX AND INTERGOVERNMENTAL REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Franchise Fees	Sales Tax(1)	Motor Fuel Tax(1)	Alcoholic Beverage Tax(1)	Consolidated Tax Revenues(1)	Other Intergovernmental Revenues(1)	Total
1993	\$ 3,613,718	\$ 3,925,625	\$ 17,421,454	\$ 570,084	\$ 232,271	\$ -	\$ 3,217,281	\$ 28,980,433
1994	4,219,485	4,524,124	23,197,647	703,618	251,687	-	3,527,299	36,423,860
1995	5,348,386	5,454,925	25,030,293	746,585	260,455	-	5,254,830	42,095,474
1996	5,757,207	6,224,144	29,094,030	812,034	274,594	-	5,866,178	48,028,187
1997	6,712,296	6,887,730	33,726,683	923,022	280,024	-	6,063,741	54,593,496
1998	10,247,627	8,287,523	37,939,319	1,060,837	319,539	-	9,027,476	66,882,321
1999	13,249,364	9,939,571	-	1,189,595	-	46,839,359	1,829,645	73,047,534
2000	14,696,838	12,195,108	-	1,270,164	-	50,720,719	2,234,684	81,117,513
2001	17,286,070	15,799,641	-	1,358,338	-	53,465,516	1,667,598	89,577,163
2002	19,638,963	18,298,174	-	1,637,688	-	58,404,948	1,956,878	99,936,651

Note:

(1) Included as intergovernmental revenues in the General Fund

TABLE 5

**CITY OF HENDERSON, NEVADA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collection to Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>
1993	\$ 7,737,802	\$ 7,536,857	97.40%	\$ 142,752	\$ 7,679,609	99.25%	\$ 275,526
1994	9,843,485	9,575,571	97.28%	152,136	9,727,707	98.82%	391,304
1995	11,260,233	11,088,981	98.48%	125,336	11,214,317	99.59%	437,220
1996	12,560,805	12,447,335	99.10%	410,185	12,857,520	102.36%	140,505
1997	14,638,211	14,504,487	99.09%	51,280	14,555,767	99.44%	222,949
1998	16,980,505	16,792,486	98.89%	93,396	16,885,882	99.44%	317,572
1999	22,038,032	21,786,842	98.86%	212,908	21,999,750	99.83%	355,854
2000	25,405,018	25,029,900	98.52%	290,388	25,320,288	99.67%	440,584
2001	29,136,392	28,637,652	98.29%	325,455	28,963,107	99.41%	613,869
2002	34,167,421	33,664,830	98.53%	422,652	34,087,482	99.77%	693,808

Source: Clark County Controller's Office

TABLE 6

**CITY OF HENDERSON, NEVADA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$ 1,085,667,630	\$ 3,101,907,514	\$ 145,899,705	\$ 416,856,300	\$ 1,231,567,335	\$ 3,518,763,814	35.0
1994	1,363,263,096	3,895,037,417	117,990,727	337,116,363	1,481,253,823	4,232,153,780	35.0
1995	1,513,521,918	4,324,348,337	182,367,706	521,050,589	1,695,889,624	4,845,398,926	35.0
1996	1,726,149,120	4,931,854,629	198,344,674	566,699,069	1,924,493,794	5,498,553,697	35.0
1997	2,000,222,916	5,714,922,617	328,229,596	937,798,846	2,328,452,512	6,652,721,463	35.0
1998	2,533,709,450	7,239,169,857	351,630,797	1,004,659,420	2,885,340,247	8,243,829,277	35.0
1999	3,251,045,120	9,288,700,343	405,645,672	1,158,987,634	3,656,690,792	10,447,687,977	35.0
2000	3,738,591,770	10,681,690,771	304,963,340	871,323,829	4,043,555,110	11,553,014,600	35.0
2001	4,276,595,470	12,218,844,200	387,678,320	1,107,652,343	4,664,273,790	13,326,496,543	35.0
2002	5,033,711,060	14,382,031,600	586,433,720	1,675,524,914	5,620,144,780	16,057,556,514	35.0

Source: Clark County Assessor's Office

**CITY OF HENDERSON, NEVADA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**

**LAST TEN FISCAL YEARS**

Fiscal Year	CITY OF HENDERSON				State of Nevada	School District	County	Special Districts	Total
	General Fund	Debt Service Fund	Legislative Approved Override	Total					
1993	0.3829	0.3295		0.7124	0.1440	1.1935	0.7131	0.1210	2.8840
1994	0.3829	0.3295		0.7124	0.1500	1.1935	0.7131	0.1484	2.9174
1995	0.3829	0.3295	0.0312	0.7436	0.1500	1.1935	0.7131	0.1502	2.9504
1996	0.3829	0.3295		0.7124	0.1500	1.1935	0.6855	0.1456	2.8870
1997	0.3829	0.3295		0.7124	0.1500	1.1935	0.6785	0.1208	2.8552
1998	0.3740	0.3295		0.7035	0.1500	1.3034	0.6785	0.0500	2.8854
1999	0.3786	0.3295		0.7081	0.1500	1.3034	0.6653	0.0500	2.8768
2000	0.3745	0.3295		0.7040	0.1500	1.3034	0.6579	0.0995	2.9148
2001	0.3813	0.3295		0.7108	0.1500	1.3034	0.6527	0.0976	2.9145
2002	0.3813	0.3295		0.7108	0.1500	1.3034	0.6352	0.0993	2.8987

Source: State of NV Department of Taxation's "Ad Valorem Tax Rates for Nevada Local Governments"

TABLE 8

**CITY OF HENDERSON, NEVADA**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Special Assessment Billings</b>	<b>Special Assessments Collected (1)</b>	<b>Total Outstanding Assessments (2)</b>
1993	\$ 1,091,341	\$ 1,464,688	\$ 46,848,534
1994	1,058,267	1,562,322	105,880,972
1995	974,349	1,239,837	104,624,727
1996	2,924,133	4,337,980	160,366,199
1997	4,452,619	10,450,756	149,082,645
1998	5,293,883	8,841,083	139,042,933
1999	5,202,688	8,941,709	161,216,893
2000	5,455,335	8,897,444	152,314,452
2001	5,757,187	7,368,844	143,281,953
2002	5,907,424	6,690,270	151,838,715

## Notes:

(1) Includes prepayments and foreclosures

(2) Includes current, delinquent and deferred accounts

## CITY OF HENDERSON, NEVADA

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

Fiscal Year	Population(1)	Assessed Value in Thousands	Gross Bonded Debt(2)	Debt Service Monies Available	Payable From Enterprise Revenues	Net Bonded Debt	Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1993	94,760	\$ 1,231,567	\$ 104,834,707	\$ 1,921,659	\$ 60,639,707	\$ 42,273,341	3.43	446.11
1994	105,610	1,481,254	132,199,411	1,886,736	60,869,411	69,443,264	4.69	657.54
1995	117,890	1,695,890	171,361,511	2,534,107	103,056,511	65,770,893	3.88	557.90
1996	132,560	1,924,494	173,899,721	4,150,808	109,089,721	60,659,192	3.15	457.60
1997	146,357	2,328,453	182,001,888	6,967,693	105,816,888	69,217,307	2.97	472.93
1998	159,332	2,885,340	231,033,450	8,891,012	101,228,450	120,913,988	4.19	758.88
1999	176,670	3,656,690	330,734,477	6,761,986	192,969,477	131,003,014	3.58	741.51
2000	190,512	4,043,555	365,683,675	5,120,770	185,578,675	174,984,230	4.33	918.49
2001	199,695	4,664,274	351,994,406	5,264,172	180,499,406	166,230,828	3.56	832.42
2002	210,850	5,620,145	351,683,159	7,358,902	173,843,159	170,481,098	3.03	808.54

Source:

(1) City of Henderson Planning Department estimates

Note:

(2) Includes all Long-Term General Obligation Debt

**CITY OF HENDERSON, NEVADA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2002**

Estimated Assessed Value		\$ 5,620,114,780
Debt Limit - 15 Percent of Total Assessed Value		843,017,217
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt (including Special Assessment and Tax Allocation Bonds)	\$ 506,358,159	
Less:		
Special Assessment Bonds	(154,675,000) (1)	
Tax Allocation Bonds	(16,340,000) (2)	
Total Amount of Debt Applicable to Debt Limit		<u>335,343,159</u>
Legal Debt Margin		<u>\$ 507,674,058</u>

## Notes:

- (1) Does not include matured and unredeemed bonds
- (2) The Tax Allocation Bonds issued by the City of Henderson Redevelopment Agency do not constitute indebtedness within the meaning of the statutory debt limitations



**CITY OF HENDERSON, NEVADA**  
**COMPUTATION OF GENERAL OBLIGATION DIRECT AND OVERLAPPING DEBT**  
**June 30, 2002**

	Total General Obligation Debt	Less Debt Service Fund Balance	Net Debt Outstanding	Present Self Supporting General Obligation Debt	Total General Obligation Debt not Revenue Supported	Percent Applicable	Applicable Net Debt
<b>Direct:</b>							
City of Henderson	\$ 351,683,159	\$ 7,358,902	\$ 344,324,257	\$ 173,843,159	\$ 170,481,098	100%	<u>\$ 170,481,098</u>
<b>Overlapping:</b>							
State of Nevada	2,443,693,103	-	2,443,693,103	1,564,465,000	879,228,103	9.53%	83,819,735
Clark County	2,444,057,908	130,601,057	2,313,456,851	934,695,000	1,378,761,851	13.96%	192,453,945
Clark County School District	2,688,961,996	264,367,754	2,424,594,242	-	2,424,594,242	13.96%	338,436,059
Las Vegas-Clark County Library District	59,310,000	9,328,934	49,981,066	-	49,981,066	17.19%	<u>8,593,225</u>
Total Overlapping debt							<u>623,302,964</u>
Total Direct and Overlapping Debt							<u>\$ 793,784,062</u>

Source: Clark County School District

TABLE 12

## CITY OF HENDERSON, NEVADA

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
BONDED DEBT (1) TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

## LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (2)	Ratio of Debt Service To Total General Expenditures
1993	\$ 1,500,000	\$ 2,801,041	\$ 4,301,041	\$ 53,284,089	8.36
1994	2,390,000	3,444,429	5,834,429	54,219,802	10.76
1995	3,025,000	3,924,442	6,949,442	67,977,525	10.22
1996	3,495,000	3,747,666	7,242,666	76,542,782	9.47
1997	3,890,000	3,691,045	7,581,045	99,642,605	7.61
1998	4,880,000	6,133,893	11,013,893	112,917,211	9.75
1999	6,700,000	7,296,720	13,996,720	145,534,557	9.62
2000	7,660,000	7,134,425	14,794,425	140,497,049	10.53
2001	8,610,000	9,403,992	18,013,992	164,404,553	10.96
2002	10,115,000	8,667,416	18,782,416	173,495,722	10.83

## Notes:

(1) General Obligation Bonds reported in the Enterprise Funds and Special Assessment Debt with Government Commitment are excluded

(2) Includes General, Special Revenue, Capital Projects and Debt Service Funds

TABLE 13

**CITY OF HENDERSON, NEVADA**  
**WATER AND SEWER FUNDS REVENUE BOND COVERAGE - COMBINED**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Operating Revenue	Operating Expenses(1)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$ 18,362,400	\$ 13,225,060	\$ 5,137,340	\$ 2,205,000	\$ 2,115,190	\$ 4,320,190	119
1994	20,829,280	15,536,620	5,292,660	3,518,356	3,146,082	6,664,438	79
1995	24,628,877	18,323,421	6,305,456	2,513,074	4,139,007	6,652,081	95
1996	29,986,765	22,317,120	7,667,645	3,795,873	5,599,212	9,395,085	82
1997	34,727,532	26,722,260	8,005,272	4,214,524	5,642,028	9,856,552	81
1998	38,691,013	28,380,306	10,310,707	4,917,746	5,113,136	10,030,882	103
1999	44,437,360	33,556,923	10,880,437	4,678,499	7,713,018	12,391,517	88
2000	49,622,738	34,775,955	14,846,783	7,941,884	9,407,221	17,349,105	86
2001	59,126,172	38,074,205	21,051,967	8,313,009	7,673,932	15,986,941	132
2002	61,855,110	45,328,954	16,526,156	8,711,980	7,989,062	16,701,042	99

Note:

(1) Total operating expenses exclusive of depreciation

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TABLE 14

**CITY OF HENDERSON, NEVADA**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
1993	94,760	18,739	7.50%
1994	105,610	18,964	6.30%
1995	117,890	21,061	6.40%
1996	132,560	24,456	5.40%
1997	146,357	27,609	5.00%
1998	159,332	27,322	4.20%
1999	176,670	27,997	3.78%
2000	190,512	26,724	4.19%
2001	199,695	32,227	4.34%
2002	210,850	31,938	6.20%

**Education (4):**

<b>Level</b>	<b>Percent Zip Code 89011</b>	<b>Percent Zip Code 89012</b>	<b>Percent Zip Code 89014</b>	<b>Percent Zip Code 89015</b>	<b>Percent Zip Code 89052</b>	<b>Percent Zip Code 89074</b>
Some high school	1%	2%	4%	11%	1%	5%
High school degree	20%	21%	21%	29%	11%	18%
Some college	33%	34%	33%	35%	28%	38%
College degree	22%	21%	22%	13%	34%	18%
Some graduate	5%	5%	7%	5%	7%	5%
Graduate degree	19%	16%	13%	7%	19%	16%

**Sources:**

- (1) City of Henderson Planning Department
- (2) Clark County School District
- (3) Nevada Employment Security Department-Clark County Data
- (4) University of Nevada, Las Vegas Center for Business and Economic Research-Las Vegas Perspective

TABLE 14  
(Cont.)

## CITY OF HENDERSON, NEVADA

## DEMOGRAPHIC STATISTICS

JUNE 30, 2002

Annual Household Income Character- istics - % (4)	Income Category	Zip Code 89011	Zip Code 89012	Zip Code 89014	Zip Code 89015	Zip Code 89052	Zip Code 89074
	Under - \$15,000	1%	1%	4%	13%	1%	2%
	\$ 15,000 - \$ 19,999	2%	4%	4%	6%	1%	2%
	\$ 20,000 - \$ 24,999	5%	6%	9%	6%	1%	3%
	\$ 25,000 - \$ 34,999	1%	6%	11%	12%	3%	8%
	\$ 35,000 - \$ 49,999	22%	17%	17%	19%	20%	15%
	\$ 50,000 - \$ 74,999	18%	33%	22%	26%	26%	26%
	\$ 75,000 - \$100,000	13%	18%	16%	10%	26%	20%
	Over \$100,000	38%	15%	17%	8%	22%	24%
	Median	\$ 77,756	\$ 62,200	\$ 55,000	\$ 44,714	\$ 73,069	\$ 69,795
Age Characteristics of Adults - % (4)	Adult Ages	Zip Code 89011	Zip Code 89012	Zip Code 89014	Zip Code 89015	Zip Code 89052	Zip Code 89074
	18 - 24	4%	6%	8%	10%	7%	7%
	25 - 34	14%	20%	17%	12%	22%	12%
	35 - 44	12%	21%	18%	22%	18%	23%
	45 - 54	20%	13%	23%	21%	17%	24%
	55 - 64	29%	21%	18%	17%	22%	18%
	65 +	21%	19%	16%	18%	14%	16%
Type of Dwelling - % (4)	Adult Ages	Zip Code 89011	Zip Code 89012	Zip Code 89014	Zip Code 89015	Zip Code 89052	Zip Code 89074
	Single family	98%	79%	47%	74%	78%	70%
	Apartment	0%	17%	39%	14%	18%	13%
	Condo/townhome	2%	4%	14%	5%	4%	15%
	Mobile home	0%	0%	0%	7%	0%	2%

## Sources:

(4) University of Nevada, Las Vegas Center for  
Business and Economic Research-  
Las Vegas Perspective

TABLE 15

**CITY OF HENDERSON, NEVADA**  
**PROPERTY VALUE AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**

Fiscal Year	(1) Commercial Construction		(1) Residential Construction		(2) Property Assessed Value		
	Number of Permits	Value	Number of Permits	Value	Commercial	Residential	Industrial
1993	150	\$ 32,650,873	2,552	\$ 167,866,250	\$ 114,819,550	\$ 785,747,910	\$ 23,548,420
1994	176	32,456,285	3,781	267,155,511	167,415,570	1,003,600,280	30,551,840
1995	226	130,242,103	4,460	364,988,768	193,137,840	1,151,868,980	33,041,340
1996	385	144,990,464	5,407	468,131,355	216,211,060	1,332,064,070	41,925,280
1997	335	154,094,657	4,991	470,536,457	275,551,280	1,521,200,050	65,636,680
1998	199	172,526,577	4,982	503,327,706	341,001,350	1,747,397,590	79,236,000
1999	173	220,650,151	5,202	544,981,099	445,633,990	2,170,988,610	101,596,710
2000	142	92,466,815	5,404	661,508,676	584,153,280	2,461,082,190	113,167,780
2001	165	206,811,554	4,850	661,599,679	688,667,160	2,774,810,790	118,557,370
2002	125	127,406,173	3,928	530,329,172	878,429,290	3,273,255,230	131,423,790

Sources:

(1) City of Henderson Building Department

(2) Clark County Assessor.

CITY OF HENDERSON, NEVADA  
RESIDENTIAL BUILDING PERMITS  
(SINGLE FAMILY)

LAST TEN FISCAL YEARS

	Las Vegas	North Las Vegas	Henderson	Unincorporated Clark County	Boulder City (1)	Total
<u>1993</u>						
Permits	5,233	1,970	1,809	3,154	64	12,230
Dollar Value	\$ 293,825,884	\$ 154,003,242	\$ 141,559,456	\$ 177,818,427	\$ 11,568,604	\$ 778,775,613
<u>1994</u>						
Permits	6,758	2,516	3,072	5,086	42	17,474
Dollar Value	\$ 417,076,149	\$ 214,828,095	\$ 237,070,460	\$ 288,857,969	\$ 7,868,165	\$ 1,165,700,838
<u>1995</u>						
Permits	6,560	2,184	3,419	4,758	80	17,001
Dollar Value	\$ 492,260,428	\$ 181,509,651	\$ 312,332,272	\$ 300,165,407	\$ 13,474,593	\$ 1,299,742,351
<u>1996</u>						
Permits	7,153	2,135	4,530	5,253	81	19,152
Dollar Value	\$ 582,562,339	\$ 179,883,279	\$ 409,225,634	\$ 405,621,646	\$ 13,699,442	\$ 1,590,992,340
<u>1997</u>						
Permits	6,124	2,027	4,020	6,245	85	18,501
Dollar Value	\$ 527,498,218	\$ 169,630,130	\$ 363,722,494	\$ 477,028,779	\$ 17,231,980	\$ 1,555,111,601
<u>1998</u>						
Permits	6,097	3,553	4,662	6,591	48	20,951
Dollar Value	\$ 534,971,780	\$ 234,721,935	\$ 429,532,656	\$ 511,021,162	\$ 13,454,960	\$ 1,723,702,493
<u>1999</u>						
Permits	5,504	2,015	4,951	6,994	25	19,489
Dollar Value	\$ 486,578,363	\$ 169,556,236	\$ 493,214,958	\$ 555,834,012	\$ 7,292,000	\$ 1,712,475,569
<u>2000</u>						
Permits	5,050	1,982	5,128	7,523	30	19,713
Dollar Value	\$ 474,999,528	\$ 173,525,536	\$ 644,309,770	\$ 777,741,769	\$ 10,834,421	\$ 2,081,411,024
<u>2001</u>						
Permits	4,531	2,427	4,369	9,705	62	21,094
Dollar Value	\$ 438,482,969	\$ 246,689,832	\$ 570,936,661	\$ 1,026,193,257	\$ 15,694,532	\$ 2,297,997,251
<u>2002</u>						
Permits	3,892	2,576	3,497	5,464	21	15,450
Dollar Value	\$ 544,251,214	\$ 283,983,401	\$ 466,495,056	\$ 674,855,149	\$ 6,460,384	\$ 1,976,045,204

Source:

Building Departments - Las Vegas, North Las Vegas, Henderson, Clark County and Boulder City.

Note:

(1) Boulder City imposed a strict growth control ordinance effective July 1, 1979.



## CITY OF HENDERSON, NEVADA

## PRINCIPAL PROPERTY OWNERS

JUNE 30, 2002

Taxpayer	Type of Business	Taxable Estimated Appraised Value (1)	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
Station Casinos Incorporated	Hotel/Casino	\$ 257,344,000	\$ 90,070,400	1.603%
Del Webb Communities Incorporated	Real Estate	254,578,086	89,102,330	1.585%
Lake at Las Vegas Joint Venture	Real Estate	254,328,629	89,015,020	1.584%
Silver Springs Incorporated	Real Estate	194,806,571	68,182,300	1.213%
Foothill Partners	Real Estate	104,646,286	36,626,200	0.652%
Sierra-Nevada Multifamily Investments	Real Estate	84,476,200	29,566,670	0.526%
Sentinel Realty Partners III Limited Partnership	Real Estate	84,271,770	29,495,120	0.525%
Ranch Center Associates Limited Partnership	Real Estate	74,523,460	26,083,210	0.464%
Levi Strauss & Company	Warehousing	60,471,890	21,165,160	0.377%
Green Valley Ranch Station	Hotel/Casino	48,624,943	17,018,730	0.303%
Olen Residential Realty Corporation	Real Estate	47,084,971	16,479,740	0.293%
Stephanie Street Limited Liability Company	Real Estate	37,843,971	13,245,390	0.236%
Totals			<u>\$ 526,050,270</u>	<u>9.359%</u>

Source: Clark County Assessor's Office

Note: (1) Estimated appraised value is based on assessed value at 35% of appraised value

## CITY OF HENDERSON, NEVADA

## MAJOR EMPLOYERS

JUNE 30, 2002

Name	Product/Service	Employees
City of Henderson	Government	2,463 +
Green Valley Ranch Resort & Spa	Hotel & Casino	1000 +
St. Rose Dominican Hospital	Medical	1,000 +
Sunset Station	Hotel & Casino	1,000 +
Fiesta Henderson	Hotel & Casino	750-1,000
Ethel M. Chocolates	Manufacturer	500-749
Ford Credit	Back Office/Call Center	500-749
Good Humor - Breyers Ice Cream	Manufacturer	500-749
Hyatt Regency	Hotel & Casino	400-499
Timet	Manufacturer	400-499
Jokers Wild Casino	Casino	300-399
Eldorado Casino	Casino	200-299
Levi-Strauss & Company	Distribution	200-299
Railroad Pass	Hotel & Casino	200-299
Skyline Casino	Hotel & Casino	200-299

Source: City of Henderson Economic Development Phone Survey, 2001

TABLE 19

**CITY OF HENDERSON, NEVADA  
MISCELLANEOUS STATISTICS  
JUNE 30, 2002**

---

Date of charter (1)	1965
Form of government	Council/City Manager
Area	95.59 Square miles
Miles of Street	
Paved	629
Unpaved	32
Miles of railroad	13.42
Number of traffic signals	103
Number of street lights (2)	27,000
Number of flashing school beacons	26

**Fire Protection:**

Number of stations	9
Number of firemen and officers	184

**Police Protection:**

Number of stations	2
Number of policemen and officers (including corrections officers)	670

**Municipal Water Utility:**

<u>Type of Service</u>	<u>Number of Active Accounts</u>	<u>Utility Revenues</u>
Single family	60,590	\$ 37,213,026
Commercial	2,649	1,626,957
Multi-family	331	203,293
Mobile park	11	6,756
Municipal	134	82,300
Total	<u>63,715</u>	<u>\$ 39,132,332</u>

Average daily water consumption	66 MGD
Number of water treatment plants	1
Number of water pump stations	20
Miles of water mains	959

TABLE 19  
(cont.)

CITY OF HENDERSON, NEVADA  
MISCELLANEOUS STATISTICS  
JUNE 30, 2002

**Municipal Sewer Utility:**

<u>Type of Service</u>	<u>Number of Active Accounts</u>	<u>Utility Revenues</u>
Single family	60,276	\$ 20,342,718
Commercial	469	158,284
Multi-family	165	55,686
Mobile park	11	3,712
Municipal	30	10,125
Total	<u>60,951</u>	<u>\$ 20,570,525</u>

Number of sewage treatment plants	2
Number of sewer lift stations	11
Miles of sanitary sewer mains	712

**Development Services:**

Building permits issued	4,053
-------------------------	-------

**Recreation and culture:**

Number of parks	40
Park acres	649.5
Activity centers	8
Swimming pools	7
Streetscapes	155
Trail acres	70.5

**Employees:**

Full-time	1,335
Elected officials	7
Part-time	<u>1,121</u>
Total number of employees	<u>2,463</u>

Notes:

- (1) The City was incorporated in 1953 under the Council/Mayor form of government. In 1965, the City was chartered by the state legislature and the form of government was changed to Council/City Manager.
- (2) Includes approximately 468 lights leased from Nevada Power Company.

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## Compliance Section

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

Report on Compliance and on Internal Control over Financial  
Reporting Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the City of Henderson, Nevada as of and for the year ended June 30, 2002, and have issued our report thereon dated October 30, 2002. 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.

Compliance:

As part of obtaining reasonable assurance about whether the City of Henderson, Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting:

In planning and performing our audit, we considered the City of Henderson, Nevada's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Henderson, Nevada in a separate letter dated October 30, 2002.

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
October 30, 2002



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

Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control over Compliance in  
Accordance with OMB Circular A-133

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

Compliance:

We have audited the compliance of the City of Henderson, Nevada with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The City of Henderson, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Henderson, Nevada's management. Our responsibility is to express an opinion on the City of Henderson, Nevada's compliance based on our audit.

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

As described in item 02-1 in the accompanying Schedule of Findings and Questioned Costs, the City of Henderson, Nevada did not comply with requirements regarding reporting that are applicable to its Public Safety Partnership and Community Policing Grants. Compliance with such requirement is necessary, in our opinion, for the City of Henderson, Nevada to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Henderson, Nevada complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control over Compliance:

The management of the City of Henderson, Nevada is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Henderson, Nevada's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of Henderson, Nevada's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
October 30, 2002

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CITY OF HENDERSON, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002

<u>Name of Agency or Department</u>	<u>CFDA Number</u>	<u>Grant I. D. Number</u>	<u>Federal Disbursements/ Expenditures</u>
<b><u>U. S. Department of Housing and Urban Development</u></b>			
<b><u>Community Planning and Development</u></b>			
<b><u>Community Development Block Grants/Entitlement Grants</u></b>	14.218		
Entitlement Funds			\$ 570,051
Program Income			37,046
Amount Provided to Subrecipients			456,082
Total Community Development Block Grants/Entitlement Grants			<u>1,063,179</u>
<b><u>HOME Investment Partnerships Program</u></b>	14.239		
Passed through State of Nevada, Department of Commerce			
HOME Grant - Projects			279,191
HOME Grant - Administration			70,192
Program Income			142,624
Total HOME Investment Partnerships Program			<u>492,007</u>
Total Community Planning and Development			<u>1,555,186</u>
<b><u>Housing</u></b>			
<b><u>Federally Assisted Low-Income Housing Drug Elimination</u></b>	14.193		
Passed through from the Housing Authority of Clark County			
Community Policing Grant			25,000
Total Housing			<u>25,000</u>
Total U. S. Department of Housing and Urban Development			<u>1,580,186</u>
<b><u>Federal Emergency Management Agency</u></b>			
<b><u>Office of National Preparedness</u></b>			
<b><u>Emergency Management Performance Grants</u></b>	83.552		
Passed through State of Nevada, Department of Motor Vehicles and Public Safety			
Fire Department			57,725
Total U. S. Federal Emergency Management Agency			<u>57,725</u>
<b><u>U. S. Department of Justice</u></b>			
<b><u>Office of Justice Programs</u></b>			
<b><u>Violence Against Women Formula Grants</u></b>	16.588		
Passed through State of Nevada Office of the Attorney General			
City Attorney Department			30,000
Police Department			43,256
Total Office of Justice Programs			<u>73,256</u>
<b><u>Office of Justice Programs - Bureau of Justice Assistance</u></b>			
<b><u>Bulletproof Vest Partnership Program</u></b>	16.607		
Police Department - Bulletproof Vests			4,292
Total Bulletproof Vest Partnership Program			<u>4,292</u>
<b><u>Local Law Enforcement Block Grants Program</u></b>	16.592		
Local Law Enforcement Block Grant	1999		24,612
Local Law Enforcement Block Grant	2000		34,104
Local Law Enforcement Block Grant	2001		74,959
Total Local Law Enforcement Block Grant			<u>133,675</u>
<b><u>Byrne Formula Grant Program</u></b>	16.579		
Passed through State of Nevada, Department of Public Safety, Office of Criminal Justice Assistance			
Byrne Grant	01-NC-021		6,150
Total Byrne Formula Grant Program			<u>6,150</u>
Total Office of Justice Programs - Bureau of Justice Assistance			<u>144,117</u>
<b><u>Office of Juvenile Justice and Delinquency Prevention</u></b>			
<b><u>Juvenile Justice and Delinquency Prevention: Allocation to States</u></b>	16.540		
Passed through State of Nevada Juvenile Justice Commission			
Juvenile Justice and Delinquency Prevention Grant			15,052
Total Office of Juvenile Justice and Delinquency Prevention			<u>15,052</u>
<b><u>Office of Community Oriented Policing Services</u></b>			
<b><u>Public Safety Partnership and Community Policing Grants</u></b>	16.710		
COPS Technology Grant Award	2000CKWX0025		380,549
COPS MORE01 Award	2001CLWX0074		1,000,000
COPS Universal Hiring Award	2001UMWX0194		597,958
Total Office of Community Oriented Policing Services			<u>1,978,507</u>
Total U. S. Department of Justice			<u>2,210,932</u>

CITY OF HENDERSON, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002

<u>Name of Agency or Department</u>	<u>CFDA Number</u>	<u>Grant I. D. Number</u>	<u>Federal Disbursements/ Expenditures</u>
<b><u>U. S. Department of Transportation</u></b>			
<b><u>National Highway Traffic Safety Administration</u></b>			
<b><u>State and Community Highway Safety</u></b>	20.600		
Passed through State of Nevada, Department of Motor Vehicles and Public Safety - Office of Traffic Safety			
Traffic Management - Turbo Flares			17,040
Joining Forces			52,036
Every 15 Minutes			14,381
Total National Highway Traffic Safety Administration			83,457
<b><u>Federal Highway Administration</u></b>			
<b><u>Recreational Trails Program</u></b>	20.219		
Passed through State of Nevada, Department of Conservation and Natural Resources - Division of State Parks			
River Mountain Loop Trail		B-99-18	45,000
Trail Safety Enhancements		FY2000-11	36,275
Total Federal Highway Administration			81,275
Total U. S. Department of Transportation			164,732
<b><u>U. S. Department of Health and Human Services</u></b>			
<b><u>Administration on Aging</u></b>			
<b><u>Special Programs for the Aging: Title III, Part C: Nutrition Services</u></b>	93.045		
Passed through State of Nevada, Division for Aging Services			
Aging Cluster			
Senior Nutrition Grant		0331-04-02 & 0331-07-02	162,286
U.S.D.A. Reimbursements			18,786
Program Income			62,232
Total U. S. Department of Health and Human Services			243,304
<b><u>U. S. Department of Agriculture</u></b>			
<b><u>Food and Nutrition Service</u></b>			
<b><u>Special Milk Program for Children</u></b>	10.556		
Passed through State of Nevada Department of Education			
Safekey Milk Program			26,585
<b><u>Summer Food Service Program for Children</u></b>	10.559		
Passed through State of Nevada Department of Education			
Summer Magic Program			538
Total U. S. Department of Agriculture			27,123
<b><u>U. S. Environmental Protection Agency</u></b>			
<b><u>Surveys, Studies, Investigations and Special Purpose Grants</u></b>	66.606		
Water Street Transmission Main		XP-98968801-1	10,000
<b><u>Office of Ground Water and Drinking Water</u></b>			
<b><u>Capitalization Grants for Drinking Water State Revolving Fund</u></b>	66.468		
Passed through State of Nevada - Department of Human Resources - Nevada State Health Division			
State Revolving Loan Fund		Henderson-1	2,823,473
Total U. S. Environmental Protection Agency			2,833,473
<b><u>U. S. Department of Energy</u></b>			
<b><u>Office of Energy Efficiency and Renewable Energy</u></b>			
<b><u>Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance</u></b>	81.117		
Passed through State of Nevada - Nevada State Energy Office			
Community Energy Plan		SEP/CA/02/004	16,500
Total U. S. Department of Energy			16,500
<b><u>U. S. Department of the Interior</u></b>			
<b><u>National Park Service</u></b>			
<b><u>Rivers, Trails and Conservation Assistance</u></b>	15.921		
Passed through Bureau of Reclamation, Lower Colorado Region			
Equestrian Park Trail and Landscaping		00-FG-30-0065	159,536
Total U. S. Department of the Interior			159,536
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 7,293,511

**CITY OF HENDERSON, NEVADA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2002**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Henderson, Nevada (the "City"). The City's reporting entity is defined in Note I to the financial statements. All expenditures of awards from federal agencies as well as expenditures of awards passed through other government agencies by the City are included on the schedule. The schedule does not include the federal award program expenditures of the City of Henderson Redevelopment Agency, a blended component unit.

**2. BASIS OF ACCOUNTING**

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

**3. AMOUNTS PROVIDED TO SUBRECIPIENTS**

Included on the Schedule of Expenditures of Federal Awards for the Community Development Block Grant, are expenditures related to payments to subrecipients. These expenditures include payments made to departments within the City of Henderson. For purposes of the Schedule of Expenditures of Federal Awards, the City considers these departments to be subrecipients, though they do not meet the definition of a subrecipient as described in OMB Circular A-133.

**CITY OF HENDERSON, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2002**

***Summary of Auditor's Results:***

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of the City of Henderson, Nevada for the year ended June 30, 2002.
- The audit disclosed no instances of noncompliance which were material to the financial statements of the City of Henderson.
- No reportable conditions or material weaknesses were disclosed during the audit of the financial statements.
- A reportable condition, not identified as material weaknesses, in the internal control over major programs was disclosed.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of the City of Henderson.
- Audit findings relative to the major federal award programs for the City of Henderson, which are required to be reported under section \_\_\_\_510(a) of OMB Circular A-133 are included on the following pages.
- The City of Henderson had three major programs for the year ended June 30, 2002, as follows:
  - Public Safety Partnership and Community Policing Grants – CFDA 16.710
  - Local Law Enforcement Block Grants – CFDA 16.592
  - Capitalization Grants for Drinking Water State Revolving Fund – CFDA 66.468
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2002, was \$300,000.
- The City of Henderson qualified as a low risk auditee for the year ended June 30, 2002 under the criteria set forth in section \_\_\_\_530 of OMB Circular A-133.

***Findings Relating to the Financial Statements Reported in Accordance with GAGAS:***

There were no such findings in relation to the financial statements of the City of Henderson for the year ended June 30, 2002.

**CITY OF HENDERSON, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2002**

*Findings and Questioned Costs for Federal Awards:*

U.S. Department of Justice

Finding 02-1:

Public Safety Partnership and Community Policing Grants - CFDA #16.710

*Grant Award Number:* Potentially affects the grant awards included under CFDA 16.710 on the Schedule of Expenditures of Federal Awards.

*Condition and Criteria:* OMB Circular A-133 requires that reports for Federal awards include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

Two quarterly federal reports were selected for testing. Based on our testing, neither of the reports were prepared in accordance with the indicated basis of accounting. As a result, the reports did not agree to the accounting records that support the audited financial statements and the Schedule of Expenditures of Federal Awards. Some required numerical fields on the reports included incorrect amounts or no amounts. In addition, one of the reports selected for testing did not accurately present the City's share of expenditures versus the federal share of expenditures. The City's share of total expenditures was not included on the reports as required.

*Questioned Cost:* None.

*Context:* The problem is systemic as there were not adequate control procedures in place to ensure that the reports were prepared accurately and in accordance with the required basis of accounting.

*Effect:* Reports may be completed incorrectly and consequently, funding could be temporarily withheld or terminated.

*Cause:* Adequate policies and procedures were not in place to provide for the accurate preparation of the SF-269 Financial Status Report. During the year, various personnel were given the responsibility of preparing these reports. Not all of these individuals were made aware of the appropriate reporting requirements. In addition, there was no independent review or approval of reports before they were submitted to the Department of Justice.

*Recommendation:* We recommend the City develop policies and procedures to ensure that the required Federal reports are accurately prepared.



These procedures should include ensuring the appropriate person prepares and submits the reports. This person should be provided with the necessary training to prepare accurate reports. In addition, we recommend that someone other than the person who prepares the reports, review and approve them before they are submitted to the Department of Justice.

*Management's response:*

See management's response on page 124.



*A Place To Call Home*

October 21, 2002

To: United States Department of Justice

From: Jean Santry, Internal Auditor

Subject: City of Henderson, Nevada Fiscal Year 2001-2002  
External Auditor's Recommendations  
Finding 02-1

A recent external audit made the following recommendation respecting reporting of this Department's Public Safety Partnership and Community Policing Grants, CFDA 16.710. We have been requested to provide you with our response to the recommendation.

Text of Recommendation

*We recommend the City develop policies and procedures to ensure that the required federal reports are accurately prepared. These procedures should include ensuring the appropriate person prepares and submits the reports. This person should be provided with the necessary training to prepare accurate reports. In addition, we recommend that someone other than the person who prepares the reports, review and approve them before they are submitted to the Department of Justice.*

Department Response

Effective December 2002, policies and procedures will be implemented to insure that appropriate training is provided to a responsible employee to insure that SF-269 Financial Status Reports are prepared accurately. Additionally, procedures have been implemented to insure that the report is reviewed and approved by another individual before being submitted to the Department of Justice.

If you have any questions, please contact me at (702)565-2161.

  
Jean Santry  
Internal Auditor

**THE CITY OF HENDERSON, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2002**

**Finding 01-1**

Environmental Protection Agency

Capitalization Grants for Drinking Water State Revolving Fund – CFDA #66.468

There was no control procedure in place to ensure that the department responsible for entering into covered contracts or subawards for the above program obtain the required suspension and debarment certifications.

Current Year Status:

Corrective action was taken.

**Finding 01-2**

U.S. Department of Justice

Public Safety Partnership and Community Policing Grants (COPS) – CFDA #16.710

There was no control procedure in place to ensure that the department responsible for entering into covered contracts or subawards for the above program obtain the required suspension and debarment certifications.

Current Year Status:

Corrective action was taken.

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## Auditor's Comments

## AUDITOR'S COMMENTS

### STATUTE COMPLIANCE

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

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taken during 2001-02 relating to potential statute violations as reported in the June 30, 2001, audit report:

- During the current year, efforts were made to monitor all expenditures and expenses. However, the City was unable to avoid all potential violations.

### PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2001.

### CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report. However, our audit activity did identify recommendations to improve procedures and accountability that have been included in our current management letter.

### 354.6115

- The financial statements of the Stabilization Fund are located in this report.
- As noted above, compliance with Nevada Revised Statutes is contained in Note III to the financial statements.

**THE CITY OF HENDERSON, NEVADA**  
**SCHEDULE OF FEES IMPOSED SUBJECT TO THE**  
**PROVISIONS OF NRS 354.5989**  
**LIMITATION OF FEES FOR BUSINESS LICENSES**  
**FOR THE YEAR ENDED JUNE 30, 2002**

Flat Fixed Fees:

Business license revenue for the year ended June 30, 2001 (Base Year)	\$1,294,556
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Adjustment to Base:

1. Percentage increase in population of the local government	5.59%	
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	3.40%	
	8.99%	<u>116,381</u>

Adjusted Base at June 30, 2002	1,410,937
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Actual Revenue	<u>1,454,771</u>
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Amount over (under) Allowable Amount	<u>\$ 43,834</u>
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Fees Calculated as a Percentage of Gross Revenue:

Business license revenue for the year ended June 30, 2001	\$8,241,600
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1. Percentage increase in the Consumer Price Index	3.40%	<u>280,214</u>
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Adjusted Base	8,521,814
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Actual Revenue	<u>8,074,466</u>
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Actual Amount over (under) Allowable Amount	<u>\$ (447,348)</u>
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