

Revenue Analysis

The primary focus of the budget process is to forecast revenues and allocate these resources to meet the priorities of the Mayor, City Council and our citizens. Revenues are used to pay for a variety of municipal services such as police, fire, parks, libraries, water and sewer, courts, economic and community development, regulatory services and administrative functions. The growth in revenues depends primarily on the economy and our ability to keep City user fees in pace with inflation.

A majority of revenue increases expected in fiscal 2005 are largely influenced by a variety of factors in the local economy.

A pattern of substantial growth is reflective of a recovering economy and unprecedented development in the City of North Las Vegas.

The City expects to receive \$365.2 million in revenue in fiscal 2005, an increase of \$62.5 million, or 20.7% over the amended 2004 budget. Major revenue sources include property taxes, intergovernmental revenue, consolidated tax distribution, charges for services (including water and sewer) and licenses and permits.

The General Fund supports core services to the citizens of North Las Vegas and account for 38.1% of the total revenue, or \$139.1 million. The General Fund is also the largest fund with the greatest potential for revenue fluctuations. Local economic indicators all show growth over last year's levels and the unprecedented growth in the City is expected to continue in fiscal 2005. The revenues forecasted in this budget reflect conservative optimism and are based on projections that the population in North

Las Vegas will continue to grow at an annual rate of 10.0%.

Special Revenue Funds account for 13.0% of total revenue and are earmarked for specific purposes either by law or City policy. The largest special revenue funds are the Public Safety Tax Fund and the Street Maintenance, Parks and Fire Station Fund. These funds are supported through a property tax override and the increase in property tax revenue is the result of growth in assessed valuation.

Enterprise Funds include the City's water, wastewater and golf services, operated as stand-alone businesses. It is expected that these funds will generate \$73.3 million in fiscal 2005, accounting for 20.1% of the City's total revenue. User fees are assessed to cover the full cost of services and reflect a water and wastewater increase in projected revenues.

Capital Project Funds account for investment in the City's infrastructure and public facilities and amounts to almost 24% of the total revenue budget. Over \$87.2 million in grants, bond proceeds and special revenues will be used for constructing capital projects.

Internal Service revenues include fees charged to City departments to offset the costs of self-insurance and motor equipment. Debt Service resources are designated for payment of long-term debt and are generated through property tax overrides and transfers from other funds. These fund types account for 4.9% of all City revenue.

The City expects to receive \$365.2 million in revenue in fiscal 2005, an increase of \$62.5 million, or 20.7% over the amended 2004 budget.



All Funds Revenue Summary

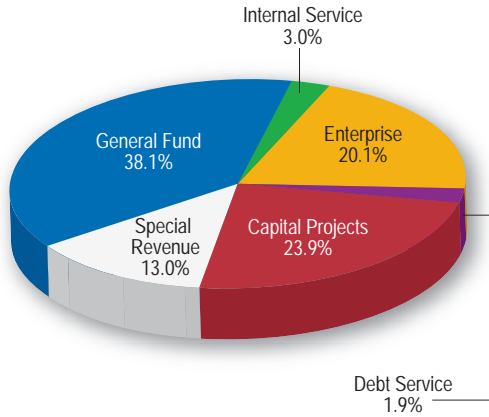
	2003 Actual	2004 Amended Budget	2005 Adopted Budget	2004 vs 2005 Variance Amount	Percent
General Fund	98,484,271	128,962,700	139,113,000	10,150,300	7.9
Special Purpose Funds					
Public Safety Support	2,076,959	3,164,700	4,397,000	1,232,300	38.9
Special Purpose Revenue	2,844,861	1,610,000	1,770,000	160,000	9.9
Public Safety Tax	13,790,347	15,309,300	18,396,100	3,086,800	20.2
Park Construction Tax	1,835,136	2,040,000	2,216,000	176,000	8.6
Parks & Recreation Support	2,135,977	2,237,300	2,673,400	436,100	19.5
Municipal Court Support	1,773,222	1,420,000	1,840,000	420,000	29.6
Community Development	2,023,337	4,075,100	5,747,100	1,672,000	41.0
Street Maint, Parks, Fire Stations	3,755,707	6,515,000	5,935,100	(579,900)	(8.9)
Equipment Replacement			150,000	150,000	100.0
Library	1,650,998	1,817,000	2,125,700	308,700	17.0
NLV Redevelopment	1,954,963	1,771,250	2,289,800	518,550	29.3
Total Special Purpose	33,841,507	39,959,650	47,540,200	7,580,550	19.0
Capital Projects					
Justice Facility	28,495,482			0	0.0
Public Safety	12,897,064	29,148,600	37,943,900	8,795,300	30.2
North Valley Development	39,851,534			0	0.0
Street Improvements	8,145,541	18,833,800	45,849,000	27,015,200	143.4
Parks & Recreation	639,104	3,370,000	2,450,000	(920,000)	(27.3)
General Government			1,000,000	1,000,000	100.0
Total Capital Projects	90,028,725	51,352,400	87,242,900	35,890,500	69.9
Debt Service					
Debt Service Pd by Operations	2,597,977	3,392,900	4,799,600	1,406,700	41.5
Debt Service Pd by Ad Valorem	2,311,174	2,166,500	2,113,000	(53,500)	(2.5)
Total Debt Service	4,909,151	5,559,400	6,912,600	1,353,200	24.3
Enterprise					
Water Utility	73,623,328	47,164,400	47,493,600	329,200	0.7
Sewer Utility		21,150,000	25,167,200	4,017,200	19.0
Golf	565,652	650,000	595,000	(55,000)	(8.5)
Total Enterprise	74,188,980	68,964,400	73,255,800	4,291,400	6.2
Internal Service					
ISF Insurance	4,328,311	4,958,500	7,495,100	2,536,600	51.2
ISF Motor Equipment	2,608,799	2,884,000	3,605,600	721,600	25.0
Total Internal Service	6,937,110	7,842,500	11,100,700	3,258,200	41.5
Total Revenue	308,389,744	302,641,050	365,165,200	62,524,150	20.7



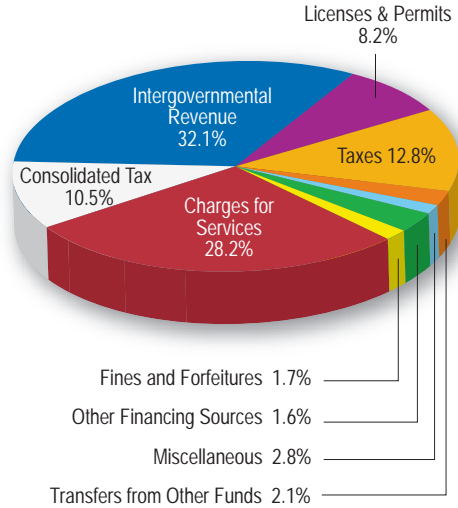
Total Revenues by Fund

	2004 Amended	2005 Budget	Variance 2005 vs. 2004 Amount	Percent
General Fund	128,962,700	139,113,000	10,150,300	7.9%
Special Revenue	39,959,650	47,540,200	7,580,550	19.0%
Capital Projects	51,352,400	87,242,900	35,890,500	69.9%
Debt Service	5,559,400	6,912,600	1,353,200	24.3%
Enterprise	68,964,400	73,255,800	4,291,400	6.2%
Internal Service	7,842,500	11,100,700	3,258,200	41.5%
Total Revenues	302,641,050	365,165,200	62,524,150	20.7%

**Total Revenues by Fund
\$365,165,200**



**Total Revenues by Source
\$365,165,200**



Total Revenues by Source

	2004 Amended	2005 Budget	Variance 2005 vs. 2004 Amount	Percent
Property Taxes	37,199,950	44,178,500	6,978,550	18.8%
Other Taxes	2,425,000	2,551,000	126,000	5.2%
Licenses and Permits	28,858,000	29,994,000	1,136,000	3.9%
Intergovernmental Revenue	80,483,700	117,302,100	36,818,400	45.7%
Consolidated Tax Distribution	35,500,000	38,500,000	3,000,000	8.5%
Charges for Services	94,454,000	103,016,200	8,562,200	9.1%
Fines and Forfeitures	5,815,700	6,075,000	259,300	4.5%
Miscellaneous	7,954,300	10,195,000	2,240,700	28.2%
Other Financing Sources	1,454,900	5,915,000	4,460,100	306.6%
Transfers From Other Funds	8,495,500	7,438,400	(1,057,100)	-12.4%
Total Revenues	302,641,050	365,165,200	62,524,150	20.7%



Property Taxes

Property taxes amount to \$44.2 million, accounting for 12.1% of all City revenue. Total property tax revenue is expected to increase by almost \$7.0 million, or 18.8% due to increases in the City's assessed valuation.

In addition to the regular property taxes levied in support of the General Fund, the City levies additional taxes for debt service on general obligation debt and voter-approved "overrides"

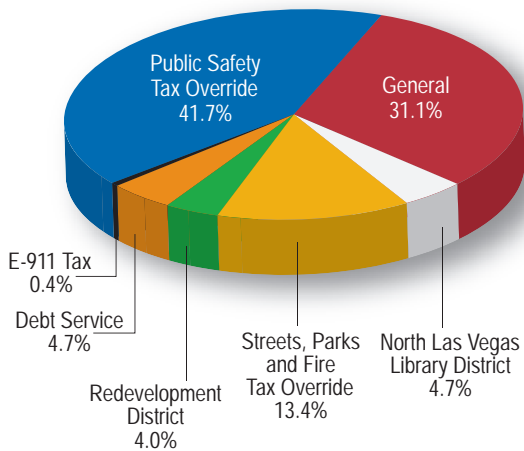
in support of public safety, streets and parks and recreation. The North Las Vegas Development District and the North Las Vegas Library District also levy property taxes in support of their operations. Additional information on property taxes may be found in the General, Special Revenue and Debt Service sections of this document.

The following table and chart depicts the distribution of property tax revenue by fund.

Distribution of Property Tax Revenue - Fiscal Years 2001 to 2005

Fund	2001 Actual	2002 Actual	2003 Actual	2004 Amended	2005 Budget	Variance	%
General	7,451,167	8,632,209	10,224,036	11,612,000	13,720,200	2,108,200	18.2
Public Safety Tax Override	10,644,302	11,656,119	13,769,030	15,287,500	18,396,100	3,108,600	20.3
E-911 Tax	97,428	106,009	125,179	139,000	167,100	28,100	20.2
Debt Service	2,210,255	2,074,539	2,252,703	2,141,500	2,088,000	(53,500)	(2.5)
Redevelopment District	1,270,472	1,311,197	1,572,442	1,753,250	1,774,800	21,550	1.2
Streets, Parks and Fire Tax Override	2,460,826	2,882,670	3,755,708	4,510,000	5,935,100	1,425,100	31.6
North Las Vegas Library District	1,226,717	1,339,487	1,581,989	1,756,700	2,097,200	340,500	19.4
Total	25,361,167	28,002,230	33,281,087	37,199,950	44,178,500	6,978,550	18.8
Annual Average Growth Rate	-	10.4%	18.9%	11.8%	18.8%		

Distribution of Property Tax Revenue - By Fund



The Public Safety Tax Fund will receive \$18.4 million, or 41.7% of the total property tax revenue in fiscal 2005. The property taxes are generated from two, voter approved overrides to provide additional public safety support. The combined tax

rate in support of this fund is \$0.55 per \$100 of assessed valuation.

The General Fund is expected to receive \$13.7 million, or 31.1% of the total property tax revenue and is used to pay for core City services. The General Fund tax rate is \$0.4087 per \$100 of assessed valuation.

The Street Maintenance, Parks and Fire Station Fund is funded through a voter approved tax override and accounts for 13.4% or \$5.9 million of total property tax revenue. Revenue from the \$0.1778 tax rate may be used for street maintenance and acquiring, improving and equipping City parks and fire stations.

Other funds supported by property taxes include the North Las Vegas Library District Fund (\$2.1 million); Debt Service Funds (\$2.1 million); Redevelopment District Funds (\$1.8 million) and the E-911 Fund (\$167,100). These funds comprise 13.8% of total property taxes estimated in fiscal 2005.



Property Tax Base and Tax Roll Collection

The City's assessed valuation of property for the fiscal year ending June 30, 2005 amounts to \$3,318,379,189¹. This represents a 21.3% increase over fiscal 2004 and is the result of new housing units and commercial construction throughout the City. State law requires that the County assessor reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). It is the policy of the Clark County Assessor to reappraise all real and secured personal property in the County each year. State law requires that property be assessed at 35% of taxable value, which percentage may be adjusted upward or downward by the State Legislature. Based upon the assessed valuation for fiscal year 2005 the taxable value of all taxable property within the City is \$9,481,083,397.

"Taxable value" equals the value of the land plus the replacement value of improvements, less depreciation. Depreciation of improvements to real property is calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of fifty years. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its "actual age" is adjusted i.e., reduced to reflect the increased useful term of the structure.

Taxes on real property are due on the third Monday in August. However, the taxpayer may elect to pay in installments on or before the third Monday in August and the first Mondays in October, January, and March of each fiscal year. Penalties are assessed if any taxes are not paid within ten days of the due date. 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 ten percent per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien and any other liens that may be in place.

Property Tax Limitations - Overlapping Tax Rates

The State of Nevada limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of a county to \$3.64 per \$100 assessed valuation with certain exceptions. The \$0.02 of the statewide property tax rate of \$0.1850 per \$100 assessed valuation is not included in computing compliance with this \$3.64 cap. The following table presents a five-year history of the overlapping tax rate for the City. The overlapping rates for various areas within the City vary depending on the rates imposed by applicable taxing jurisdictions. For fiscal 2005, the overlapping taxing rates within the City, per \$100 of assessed valuation, range from a low of \$3.4071 to \$3.4284.



¹ Excludes the North Las Vegas Redevelopment Agency.



The City receives only 35.1% of all property taxes levied on North Las Vegas taxpayers. The following table and chart depicts how property taxes are allocated to the taxing jurisdictions serving North Las Vegas residents.

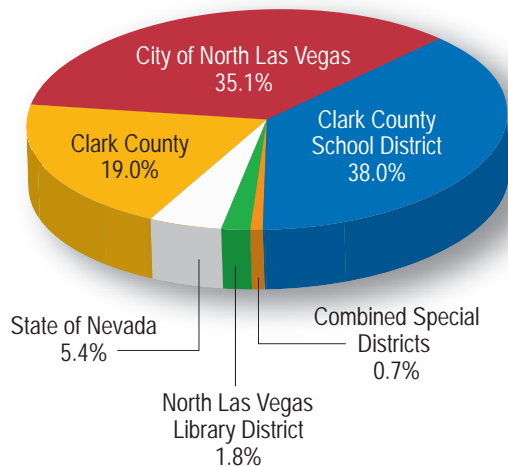
**Schedule of Overlapping Tax Rates¹
Fiscal Years 2001 through 2005**

Fiscal Year Ended June 30	2001	2002	2003	2004	2005	Tax Rate as % of Total
City of North Las Vegas						
Operating Rate	0.3834	0.4087	0.4087	0.4087	0.4087	11.9%
Override Rate	0.6844	0.6916	0.7059	0.7180	0.7328	21.4%
Debt Service Rate	0.1106	0.1034	0.0891	0.0770	0.0622	1.8%
Total City Tax Rate	1.1784	1.2037	1.2037	1.2037	1.2037	35.1%
Overlapping Governments						
North Las Vegas Library District	0.0632	0.0632	0.0632	0.0632	0.0632	1.8%
Clark County	0.6527	0.6352	0.6352	0.6502	0.6502	19.0%
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034	38.0%
Combined Special Districts	0.0317	0.0306	0.0304	0.0246	0.0229	0.7%
State of Nevada	0.1500	0.1500	0.1500	0.1700	0.1850	5.4%
Total Other Overlapping	2.2010	2.1824	2.1772	2.2114	2.2247	64.9%
Total Overlapping Tax Rate	3.3794	3.3861	3.3809	3.4151	3.4284	100.0%

¹ Per \$100 of assessed valuation.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation
Fiscal year 2005 is based on tentative budgets submitted to the department of taxation.

Allocation of Overlapping Property Taxes - Fiscal 2005



assessed value is \$70,000 and becomes the basis for calculating the taxpayer's property tax bill.

The overlapping tax rate provides property tax revenue to the City and all taxing jurisdictions that serve North Las Vegas taxpayers. The tentative 2005 overlapping tax rate for a North Las Vegas taxpayer is \$3.4284 per \$100 of assessed valuation.

Divide \$70,000 by \$100 and multiply by \$3.4284. The product is \$2,399.88 and is the total property tax bill for this North Las Vegas taxpayer. The City's combined tax rate is \$1.2037, or 35.1% of the total tax bill.


Multiply \$2,399.88 by 35.1%. Of the total bill, this North Las Vegas taxpayer will pay \$842.59 per year for City services. This amounts to \$70.22 per month, or \$2.31 per day for police and fire protection, parks and recreation activities and programs, street maintenance and a variety of City programs.

How Property Taxes are Calculated

The following example shows how property taxes are calculated for a North Las Vegas taxpayer whose home is valued at \$200,000 by the Clark County Assessor. First, the value is converted to "assessed value" by multiplying \$200,000 by 35%. The



Property Tax Allocation on \$200,000 Home		
Taxing Jurisdiction	Annual Taxes	%
Clark County School District	912.38	38.0%
City of North Las Vegas	842.59	35.1%
Clark County	455.14	19.0%
State of Nevada	129.50	5.4%
North Las Vegas Library District	44.24	1.8%
Combined Special Districts	16.03	0.7%
Total	2,399.88	100.0%




How to Calculate Your City of North Las Vegas Property Taxes¹

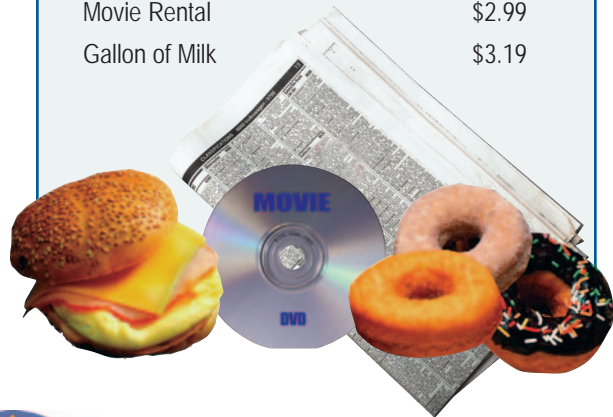
1. Clark County Appraised Value	200,000
2. Clark County Assessed Value (Appraised Value x 35%)	70,000
3. Assessed Value Divided by 100	700
4. North Las Vegas Tax Rate	1.2037
5. Annual Property Tax Bill (Assessed Value per 100 x Tax Rate)	<u>842.59</u>
6. Monthly Property Tax Bill	<u>70.22</u>
7. Daily Property Tax Bill	<u>2.31</u>

¹ Based on Home Valued by Clark County at \$200,000.

\$2.31

Compare the services provided by the daily cost of your property tax bill to the cost of:

3 Donuts	\$2.25
Gallon of Unleaded Gas	\$2.25
Drive-Thru Breakfast Meal	\$2.39
Sunday Newspaper	\$2.50
Movie Rental	\$2.99
Gallon of Milk	\$3.19



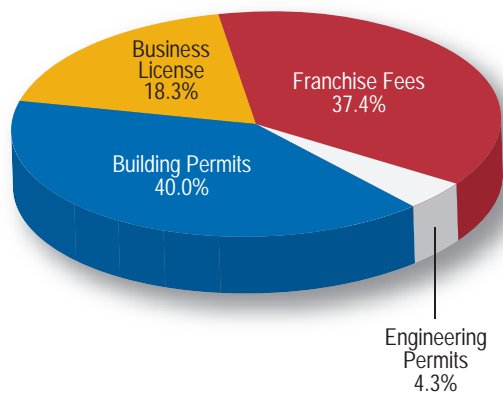
Other Taxes

Other taxes are budgeted at \$2.6 million and include room taxes (\$350,000) and residential construction taxes (\$2.2 million) from the City's five park districts.

Licenses & Permits

Almost \$30.0 million in revenue is expected from licenses and permits. This represents a \$1.1 million increase and accounts for 8.2% of total revenue. Revenue sources include franchise fees (\$11.2 million), business licenses (\$5.5 million), building permits (\$12.0 million), and engineering permits (\$1.3 million). All of this revenue is generated from General Fund departments.

**Licenses and Permits
\$29,994,000**



Intergovernmental Revenue

Intergovernmental revenue includes all revenue received from federal, state and other local governments in the form of grants, shared revenues and payments in lieu of taxes.

Intergovernmental revenue amounts to \$117.3 million, an increase of \$36.8 million as compared to fiscal 2004. This revenue source accounts for 32.1% of total resources and is largely comprised of monies received from the Clark County Flood Control District (\$33.5 million) and Regional Transportation Commission (\$37.7 million). These sources fund several transportation and flood control projects in the 2005 Capital Improvement Plan.

Other intergovernmental revenue (\$7.1 million) reflects motor vehicle taxes, county gaming taxes and other shared revenue received from Clark County and the Las Vegas Convention and Visitors Authority. A majority of this revenue is accounted for in the General Fund.

State and federal grants are budgeted at \$14.7 million and include \$5.7 million in redevelopment, housing and community development grants; \$1.1 million from the COPS grant; \$2.5 million from the Bureau of Land Management (BLM) for the Las Vegas Wash Trails, Phase II project; \$4.9 million in National Department of Transportation (NDOT) and other federal grants for transportation projects; and other miscellaneous grants.

Intergovernmental Revenue	2004 Amended	2005 Budget	Variance 2005 vs. 2004	
			Amount	Percent
Other Intergovernmental Revenue	6,510,000	7,063,000	553,000	8.5
Clark County Flood Control District	26,980,900	33,477,000	6,496,100	24.1
State and Federal Grants	10,029,500	14,652,100	4,622,600	46.1
Payment in Lieu of Taxes	21,748,000	24,395,000	2,647,000	12.2
Regional Transportation Commission	15,215,300	37,715,000	22,499,700	147.9
Total Intergovernmental Revenue	80,483,700	117,302,100	36,818,400	45.7



Because of their governmental character, City-owned utilities are not subject to taxation. Therefore, the Water and Wastewater Funds make payments in lieu of taxes to compensate the City for public services received.

Payment in lieu of taxes (PILT) amounts to \$24.4 million in fiscal 2005, an increase of \$2.6 million, or 12.2%. PILT is a function of utility revenue and increased as the result of water and sewer rate increases. More information on the PILT methodology can be found in the water and sewer fund section of this document.

Consolidated Tax Distribution

Effective July 1, 1998, Senate Bill 254 of the 1997 Legislature amended NRS 377.080 to form the Local Government Tax Distribution Fund which consists of local government revenues from the following six sources: Supplemental and Basic City/County Relief Taxes, Cigarette Tax, Liquor Tax, Governmental Services Tax, and Real Property Transfer Tax. The City expects to receive \$38.5 million in Consolidated Tax (CTX) in fiscal 2005, an increase of \$3.0 million, or 8.5%. This highly-volatile revenue source provides 10.5% of total City revenues and 27.7% of total General Fund revenues.

A major component of the Consolidated Tax Revenues are Sales and Use Tax and Basic City/County Relief Tax revenues. Sales within Nevada are generally taxed at the rate of 6.50%. In addition, the voters in Clark County approved a 0.25% levy for flood control, 0.50% levy for transportation improvements and a 0.25% levy for water and wastewater improvements making the total sales tax 7.50%. The sales tax is collected by the State, which places a portion of the sales tax into a fund to be transferred to local governments. Amounts in the fund are allocated to local governments on the basis of a formula mandated by State statute.

The City's Position on the Consolidated Tax Distribution

The 1981 Nevada Legislature reduced property tax rates in what is known as the "Tax Shift," whereby cities and counties received less property tax revenue and more sales tax revenue. Nevada made this change to mirror California Proposition 13, along with more than forty states nationwide. By doing this, Nevada moved from basing its revenue structure from a stable and inelastic revenue source (property tax), to an unstable and elastic revenue source (sales tax). The methodology utilized in allocating the sales tax affected entities in a varied and not necessarily equitable manner. The changes in the 1981 tax shift have created problems and lasting effects.

Sales tax, which makes up more than 80.0 % of Consolidated Tax, is the largest revenue source for state and local government. Nevada has one of the most narrow sales tax bases nationwide because services are not taxed. The sales tax base has been eroding due to a switch in spending patterns from goods to untaxed services (State Finance Report, July 2000). This erosion was further exacerbated by legislative exemptions and the growth of remote sales such as e-commerce, catalogue, and telephone sales. During the 2003 session, the State of Nevada increased their sales tax rate by ¼ cent to stabilize and strengthen the State's revenue base.

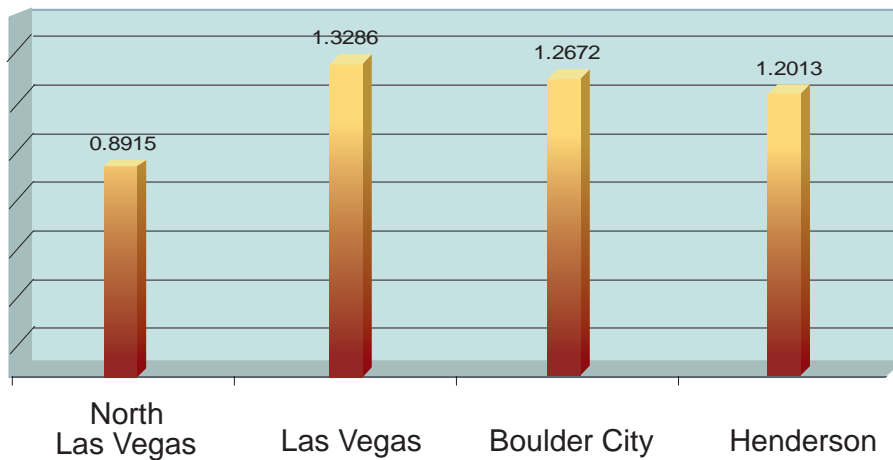
Although the dollars have increased, the consolidated tax revenue in Nevada's largest cities and counties has been declining on an inflation-adjusted per capita basis since 1999. The City of North Las Vegas receives approximately 75.0% of the consolidated tax revenue on a per capita basis, when compared to the cities of Henderson and Las Vegas. This equates to a financial shortfall for the City of North Las Vegas of more than \$10.0 million annually.



After the tax shift of 1981, the sales tax and motor vehicle privilege tax components of consolidated tax were calculated by multiplying each city's tax rate times its' assessed value. As the graph illustrates, North Las Vegas' rate was at .8915 per \$100 of assessed value, and all other entities were at \$1.20 per \$100 of assessed value or higher.

However, the City received and continues to receive approximately this same ratio of revenue on a per capita basis that is based on 1981 tax rates and 1981 assessed valuation. If the North Las Vegas property tax rate were the average of these cities, it would result in an increased distribution in excess of \$4 million per year.

Operating Ad Valorem Rate Prior to Tax Shift of 1981



Sales tax or Consolidated Tax has seen changes in three of the last four legislative sessions. The first came from the 1997 session with the advent of the consolidated tax formula. There was recognition that the 1981 tax shift had affected entities in a differing, and not necessarily equitable manner. The intent of this legislation was to be revenue neutral the first year, promote growth paying for growth, and encourage regional

cooperation among local governments within counties. Although this was the intent, the resulting legislation financially rewarded large, slower-growing entities and was not responsive toward growth. Prior to the advent of consolidated tax, entities had a one-time appeal opportunity to request a base adjustment. The City of North Las Vegas did not receive a base adjustment.



Legislative changes during the 2001 session made the formula more responsive toward growth. In addition, Henderson, which was also originally denied a base adjustment appeal, received a \$4.0 million adjustment from the excess distribution. We believe the City of North Las Vegas should receive a base adjustment coming out of the excess distribution to make the formula more equitable and fulfill the intent of consolidated tax.

Clark County is a regional community and economy. The fiscal stress created by the consolidated tax distribution has severely hampered the City of North Las Vegas' efforts to provide essential and critical services to our citizens. All entities and citizens of Clark County have a great deal at stake with resolving the equity of consolidated tax formula: our future.

Charges for Services

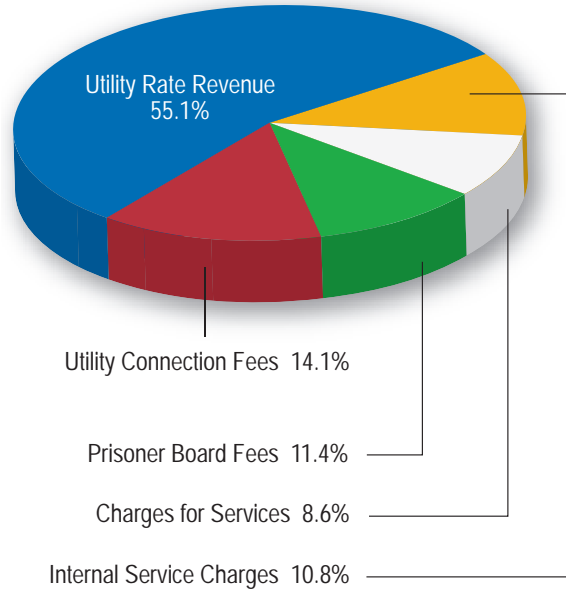
Charges for services consist of a variety of revenues generated by City departments and include all revenues related to services performed whether received from private individuals or other government units. Charges for services include prisoner board fees, court fees, city clerk fees, planning and land development fees, special inspector services, swimming pool fees, water and wastewater rate revenue, utility connection fees and internal service charges.

This revenue source accounts for 28.2% of the total budget and is projected at \$103.0 million in fiscal 2005. Charges for services increased

by a net \$8.6 million or 9.1%. A majority of the variance can be attributed to increases in water and wastewater rates and in internal service charges.

Prisoner board fees are estimated at \$11.8 million in fiscal 2005. Prisoner board fees are generated by the Detention Center through leasing bed space to outside agencies such as the U.S. Marshals, Immigration and Naturalization Service, Board of Prisons and Clark County.

**Charges for Services By Major Source
\$103,016,200**



Charges for Services	2004 Amended	2005 Budget	Variance 2005 vs. 2004	
			Amount	Percent
Charges for Services	7,877,000	8,904,700	1,027,700	13.0%
Prisoner Board Fees	11,800,000	11,800,000	-	0.0%
Utility Revenue	49,770,000	56,724,300	6,954,300	14.0%
Utility Connection Fees	17,350,000	14,486,500	(2,863,500)	-16.5%
Internal Service Charges	7,657,000	11,100,700	3,443,700	45.0%
Total Charges for Services	94,454,000	103,016,200	8,562,200	9.1%



Fines and Forfeitures

Fines and forfeitures include revenue received from fines and penalties imposed for the violation of lawful rules and regulations and penalties imposed for non-payment or late payments on special assessments and utilities. This revenue source amounts to \$6.1 million in fiscal 2005 and is largely comprised of court fines.

Miscellaneous Revenue

Miscellaneous revenue is budgeted at \$10.2 million and includes interest on investments, court administrative assessments, contributions and donations, reimbursements and other revenue.

Interest earnings, estimated at \$1.9 million, is a function of the relationship between the City's available cash balances and the interest rate. The City earns interest on its funds through various investment vehicles in accordance with the Nevada Revised Statutes. The City's investment policy stresses safety above yield and allows investments in U.S. Treasury and Agency obligations, certificates of deposit, commercial paper, banker's acceptances, money market funds, and the State of Nevada's Local Government Investment Pool.

Transfers from Other Funds

Transfers are non-recurring in nature and amount to \$7,438,400.

Transfers From Other Funds	
General Fund	3,903,300
Motor Equipment	20,000
Special Purpose	2,152,200
Community Development	1,362,900
Total Transfers from Other Funds	7,438,400

Revenue Assumptions

The assumptions listed below assisted in the formulation of budgeted revenues.

- The average rate of return for City investments is estimated at two percent.
- The City's tax rates remained unchanged.
- New housing and commercial development will continue at the same level.
- Consolidated tax revenue is estimated conservatively at a growth rate of 8.5%.
- The City will continue to receive state revenue sharing funds at the same level as the prior year.
- The City will not issue any General Obligation Bonds during fiscal 2005.
- Revenues derived from the City's population will increase by 8.0%.
- An average wastewater increase of 28.7 % is expected on October 1, 2004.
- An average water rate increase of 8.0% is expected on October 1, 2004.

