

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from City resources; special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment; and general obligation short term financing issued in the name of and on

behalf of the City. The following funds are included in the financial trend below:

Fund 0310 - Debt Service Ad Valorem
Fund 0311 - Debt Service Operating
Fund 0501-0530 - Special Improvement Assessment Districts

Debt Service Fund Trend

	Actual 2003	Amended Budget 2004	Adopted Budget 2005	2004 vs 2005 Variance	
				Amount	Percent
Revenues					
Taxes	2,252,703	2,141,500	2,088,000	(53,500)	(2.5)
Fines & Forfeits	569,754	476,700	275,000	(201,700)	(42.3)
Miscellaneous	290,844	100,000	250,000	150,000	150.0
Transfers In	1,795,849	2,841,200	4,299,600	1,458,400	51.3
Total Revenue	4,909,150	5,559,400	6,912,600	1,353,200	24.3
Expenditures					
Services & Supplies	15,791	20,300	19,300	(1,000)	(4.9)
Debt Service	4,256,838	6,622,200	6,917,100	294,900	4.5
Transfers	0	200,000	0	(200,000)	(100.0)
Total Expenditures	4,272,629	6,842,500	6,936,400	93,900	1.4

Debt Management

Long-Term Debt Obligations

As the demand for public sector investment and infrastructure continues to grow, the issuance of debt will become an increasingly important component of the City's capital programs. While the issuance of debt is frequently an appropriate method of financing capital projects, it entails careful monitoring of such issuances to ensure that an erosion of the City's credit quality does not result. The City of North Las Vegas has an "A2" credit rating from Moodys Investor Services and an "A" credit rating from Standard and Poors.

Two basic forms of long-term debt are general obligation and revenue bonds. General obligation issues are backed by the full faith and credit of the City while revenue bonds require that the income

of a specific utility or activity be pledged for their repayment. The City utilizes both types of debt in its operations.

General Obligation Bond Indebtedness - Medium Term Bonds

Medium term bonds constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations regarding the City's operating ad valorem levy. The ad valorem tax levy available to pay the medium term bonds is limited to the City's maximum operating levy of \$0.1975. The maximum term of a medium term bond is ten years.



The ad valorem tax rate available to pay the bonds is further limited by the limitation on the combined overlapping tax rate of \$3.64 per \$100 of assessed valuation. The bonds are a debt of the City and the City shall pledge all legally available funds of the City for their payment.

The principal and interest on medium term bonds is payable from the general fund operating revenues or any legally available funds. There is no direct impact on the ad valorem tax rate. The following table sets forth the City's outstanding medium term bonded indebtedness as of June 30, 2005.

Existing Medium Term Debt

As of June 30, 2005

	Issued	Original Amount	Amount Outstanding	Retirement Date	Funding Source
Existing Bonds					
Street Bonds	03/01/98	4,000,000	1,380,000	03/01/08	Street, Fire and Parks Tax Override Fund
Housing Relocation Bonds	12/01/98	4,000,000	1,370,000	05/01/08	CDBG Block Grant/General Fund Resources
Recreation Bonds	04/01/00A	5,000,000	2,820,000	03/01/10	Street, Fire and Parks Tax Override Fund
Total Existing Bonds		13,000,000	5,570,000		

General Obligation/Revenue Bonds Secured by Consolidated Tax Revenue (CTX)

State statutes allows for up to 15% of the CTX to be pledged as security for debt. The Consolidated Tax Bonds are general obligation bonds additionally secured with revenues derived

from the City's portion of the Consolidated Tax Revenue.

The following table sets forth the City's outstanding general obligation bonded indebtedness that is secured by Consolidated Tax revenues as of June 30, 2005.

General Obligation Indebtedness Secured by Consolidated Tax Revenue

As of June 30, 2005

	Issued	Original Amount	Amount Outstanding	Retirement Date	Funding Source
Existing Bonds					
Judicial/Public Safety Design	5/15/02	2,500,000	2,300,000	05/01/22	General Fund
Judicial/Public Safety	3/11/03	32,500,000	31,320,000	06/30/23	General Fund
Total		\$35,000,000	\$33,620,000		



General Obligation/Revenue Bonds Secured by Water and Sewer Revenue

The Water and Sewer Bonds are general obligation bonds additionally secured with pledged revenue from the City's Water and Sewer Utility Funds. Pledged revenue consists of revenue received by the City from the sale and distribution of water, connection charges or otherwise derived from the works or property of the City after payment of reasonable and

necessary costs of the operation and maintenance expenses of the City's water and sewer system.

The City currently does not plan to issue any general obligation bonds supported by water and sewer revenue. However, the City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. The following table sets forth the City's outstanding Water and Sewer revenue supported bonded indebtedness as of June 30, 2005.

General Obligation Debt Supported by Water and Sewer Revenue

As of June 30, 2005

	Issued	Original Amount	Amount Outstanding	Retirement Date
Water Refunding	09/01/03	704,000	584,000	10/01/12
Water/Sewer Improvement & Refunding	11/01/03	8,685,000	7,790,000	12/01/15
Water/Sewer Improvement & Refunding	06/04/97A	17,890,000	13,430,000	09/01/16
Water/Sewer	07/01/96	6,000,000	285,000	05/25/05
Water/Sewer	07/09/98	15,000,000	11,325,000	05/15/18
Water/Sewer	07/01/99	15,000,000	12,520,000	08/01/19
Total		63,279,000	45,934,000	

General Obligation Bond Indebtedness - Ad Valorem Bonds

Ad valorem bonds constitute direct and general obligations of the City, and the full faith and credit of the City is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes.

The City does not currently have authorization from its electorate to issue general obligation bonds. However, the City reserves the privilege of issuing bonds or other securities at any time legal requirements are satisfied. The following table sets forth the City's outstanding general obligation bonded indebtedness supported by ad valorem taxes as of June 30, 2005.

General Obligation Debt Supported by Ad Valorem Taxes

As of June 30, 2005

	Issued	Original Amount	Amount Outstanding	Retirement Date
Ad Valorem Tax Supported Bonds				
2004 Public Safety Building Refunding	01/01/04	7,465,000	6,480,000	4/1/2011
1995 Street Bonds	12/01/95	3,000,000	1,945,000	6/1/2015
2002 Street Refunding Bonds	05/01/02	4,915,000	4,305,000	5/1/2014
Total		15,380,000	12,730,000	



Debt Capacity

Section 7.010 of the City Charter limits the aggregate principal amount of the City's general obligation debt to 20% of the City's total reported assessed valuation. Based upon the fiscal year

2005 assessed valuation the City is limited to general obligation indebtedness in the aggregate amount of \$673,897,483. The following table illustrates the City's general obligation statutory debt limitation.

Statutory Debt Limitation As of June 30, 2005

Assessed valuation as of March 15, 2004 1/	\$3,369,487,416
City Charter Limit	20%
Statutory Debt Limitation	\$673,897,483
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Outstanding General Obligation Indebtedness (As of June 30, 2005)	
Supported by Ad Valorem Taxes	\$12,370,000
Supported by Consolidated Tax Revenues	33,620,000
Supported by Water & Sewer Revenues	45,934,000
Supported by General Fund and other legally available revenues	5,570,000
Total Outstanding Indebtedness	\$97,494,000
Additional Statutory Debt Limitation	\$576,403,483

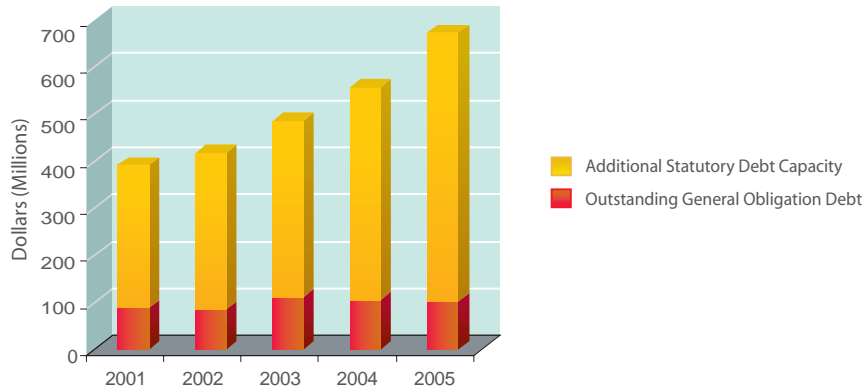
1/ Includes Redevelopment Agency.

Historical Statutory Debt Limitation As of June 30, 2005

Fiscal Year Ended June 30	Assessed Valuation ^{1/}	Debt Limit	Outstanding General Obligation Debt	Additional Statutory Debt Capacity
2001	1,961,532,813	392,306,563	88,315,000	303,991,563
2002	2,094,280,786	418,856,157	85,405,000	333,451,157
2003	2,430,813,229	486,162,646	111,995,000	374,167,646
2004	2,786,327,439	557,265,488	105,584,000	451,681,488
2005	3,369,487,416	673,897,483	102,494,000	576,403,483

1/ Includes the assessed value of the North Las Vegas Redevelopment Agency. This value is included for purposes of calculating the debt limit but is not subject to State or local taxation for retirement of general obligation bond debt.

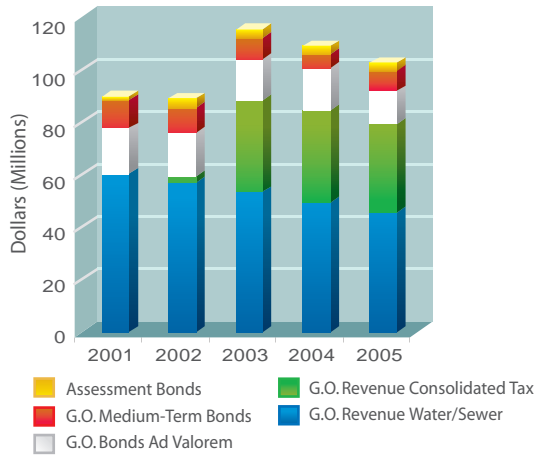
Historical Statutory Debt Capacity



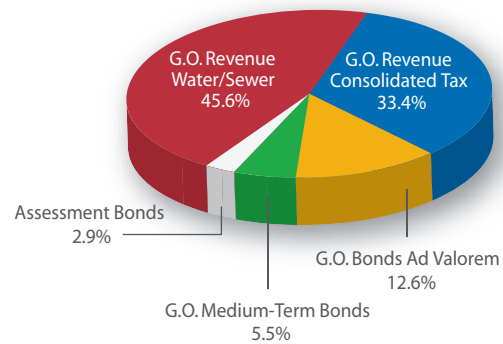
Outstanding Debt Fiscal Year Ending June 30

	2001	2002	2003	2004	2005
Category of Bonds					
G.O. Revenue Water/Sewer	60,060,000	56,795,000	53,355,000	49,514,000	45,934,000
G.O. Revenue Consolidated Tax	-	2,500,000	35,000,000	34,900,000	33,620,000
G.O. Bonds Ad Valorem	17,535,000	16,730,000	15,475,000	16,075,000	12,730,000
G.O. Medium-Term Bonds	10,720,000	9,380,000	8,165,000	5,095,000	5,570,000
Assessment Bonds	1,175,000	3,528,000	3,210,000	3,290,800	2,956,100
Total	89,490,000	88,933,000	115,205,000	108,874,800	100,810,100

Outstanding Debt



Composition of Outstanding Debt Fiscal 2005



Debt Ratio Comparisons As of June 30, 2003

Municipality	Total General Obligation Debt	Estimated Fiscal Year 2002 Population	Fiscal Year 2004 Assessed Valuation	General Obligation Debt per Capita	General Obligation Debt as a % of Assessed Valuation
Carson City	71,818,759	54,844	1,069,001,557	1,309.51	6.72%
Henderson	314,711,449	209,486	6,803,230,110	1,502.30	4.63%
Las Vegas	307,765,000	514,640	11,479,811,435	598.02	2.68%
Clark County School District	2,568,008,215	1,549,657	44,680,269,201	1,657.15	5.75%
North Las Vegas	111,995,000	135,967	2,734,445,463	823.69	4.10%
Clark County	1,924,455,000	1,549,657	44,680,269,201	1,241.86	4.31%
Reno	39,105,000	187,834	4,757,490,008	208.19	0.82%
			Average:	1,048.67	4.14%



CITY OF NORTH LAS VEGAS

The following table summarizes the City's existing and proposed debt service expenses over the next five years.

Summary of Debt Service Requirements

Fiscal 2005 to Fiscal 2009

	2005 Budget	2006 Projected	2007 Projected	2008 Projected	2009 Projected
General Obligation Bonds					
2004 Public Safety Building Refunding	1,194,176	1,199,550	1,199,176	1,198,176	1,196,550
1995 Street	249,828	254,828	250,636	253,036	249,876
2002 Street Refunding	598,566	601,946	573,186	602,610	600,590
Total	2,042,570	2,056,324	2,022,998	2,053,822	2,047,016
General Obligation Revenue Bonds					
2003 Judicial/Public Safety Design	211,658	206,658	201,658	197,408	198,708
2003 Judicial/Public Safety	2,555,182	2,566,582	2,577,282	2,586,032	208,331
1996 Water & Sewer	286,924				
1997A Water & Sewer Improvement & Refunding	1,699,338	1,498,838	1,445,284	1,440,938	1,448,088
1998A Water & Sewer Improvement	1,210,388	1,244,138	1,212,638	1,216,338	1,214,588
1999 Water & Sewer Bonds	1,179,338	1,188,618	1,190,778	929,588	1,190,063
2003 Water Refunding	145,481	28,153	27,987	27,821	27,655
2003 Water & Sewer Improvement & Refunding	1,274,842	1,749,426	1,205,551	1,202,676	1,211,976
Total	8,563,151	8,482,413	7,861,178	7,600,801	5,499,409
General Obligation Medium-Term Bonds					
1998 Street Bonds	497,900	500,050	501,130	501,120	0
1998 Housing Relocation Bonds	502,186	498,910	494,990	495,426	0
2000A Recreation Bonds	646,366	647,846	652,596	650,846	657,845
Total	1,646,452	1,646,806	1,648,716	1,647,392	657,845
Total Debt Service	12,252,173	12,185,543	11,532,892	11,302,015	8,204,270

