

MEMORANDUM**TO:** Board of Trustees**THROUGH:** Bobby Magee, General Manager**FROM:** Adam Cripps, Assistant Director of Finance**SUBJECT:** Approval of the District's Form NVTC-LGF-10 (Formerly 4410LGF) Indebtedness Report, as of June 30, 2024, for filing with the Nevada Department of Taxation, the Washoe County Clerk, and Washoe County Debt Management Commission.

Approval of the District's Form NVTC-LGF-11 (Formerly 4411LGF) - Five-Year Capital Improvement Plan, to include the IVGID-prepared Five Year Capital Plan Summary for fiscal years 2024-25 through 2028-29, for filing with the Nevada Department of Taxation, the Washoe County Clerk and the State of Nevada Legislative Counsel Bureau.

DATE: June 26, 2024**I. RECOMMENDATIONS**

That the Board of Trustees make a motion to:

1. Approve the District's Form NVTC-LGF-10 - Indebtedness Report, as of June 30, 2024, and direct Staff to file the documents with the State of Nevada Department of Taxation, Washoe County Clerk and Washoe County Debt Management Commission by August 1, 2024.

That the Board of Trustees make a motion to:

2. Approve the District's Form NVTC-LGF-11 - Five Year Capital Improvement Plan, as of July 1, 2024, the related IVGID-prepared Five Year Capital Plan Summary for the fiscal years starting July 1, 2024 for filing with the Nevada Department of Taxation, the Washoe County Clerk and the State of Nevada Legislative Counsel Bureau by August 1, 2024.

II. DISTRICT STRATEGIC PLAN

This action supports Long Range Principle #2, Finance; *"The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial polices for operating budgets, fund balances, capital improvement and debt management."*

- *Comply with State and Federal regulations.*
- *Develop and maintain a long term plan to sustain financial resources.*

III. BACKGROUND

Overview

The recommended action is to approve and direct staff to file the reports, which are an annual filing pursuant to the requirements of NRS 350.013. The required reports and related forms, LGF-F010 and LGF-F011, (formerly 4410LGF and 4411LGF) are due to the State Department of Taxation on or before August 1st of each year. The filing is also made with the Washoe County Clerk to allow any disclosures to be shared with the Washoe County Debt Commission. The Legislative Counsel Bureau receives information related to capital budgeting and multi-year plans (Form LGF-F011). The Nevada Department of Taxation, Division of Local Government Finance, has formalized the form sets and included individual filing instructions for each form. As such, separate Board motions are recommended for each form submission.

Form LGF-F010 - Indebtedness Report

The Nevada Department of Taxation, Local Government Finance, has prescribed annual filing of Form LGF-F010 (formerly 4410LGF), the Indebtedness Report. The Indebtedness Report provides the District's response to specific sections of the Nevada Revised Statutes (NRS) 350.013 related to municipal obligations and required filings with respective County Debt Management Commissions.

The report also requires inclusion of a statement of the District's Debt Management Policy to the extent that the policy has been updated, or if any additional new debt was incurred during the reporting fiscal year. The debt management policy referenced in the Form LGF-F010 - Indebtedness Report was last updated to reflect the Board Policy and Practice changes approved May 18, 2016. No policy changes have been made since that date.

As of the fiscal year ending June 30, 2024, the District has outstanding debt totaling \$6,416,513 including \$1,824,012 of general obligation bond debt, \$4,592,501 in outstanding debt (revenue-pledged loan contracts) with the State of Nevada Revolving Fund. During the fiscal year ended June 30, 2023, SRF Water Pollution (C32-0204) loan. In addition, a new State Revolving Fund loan (CW-2303) was secured, in the amount of \$15,760,000; however, only an initial draw of \$82,500 was taken during the fiscal year and is included in this report. Additionally a State Revolving Fund Loan (CW- 2402) was secured for the amount of \$ 36,371,700, only an initial draw of \$55,000 was taken during fiscal year 2023-24.

The District presently has a statutory debt limit of \$1,225,002,515 based on the final 2023-24 Redbook Assessed Valuation of \$2,450,005,030. Of this statutory

debt limit, the District’s overall debt as of June 30, 2024 results in \$1,218,586,002 (99.5%) of remaining statutory debt limit.

Notwithstanding this statutory debt limit, the District has established its own internal debt limit through Board Policy 14.1.0 (Debt Management and Limits) and related Board Practice 14.2.1 (Debt Issuance Limitations). The District’s internal limitation is generally based on maintaining a debt coverage ratio over the term of an issue that reflects affordability relative to District’s net operating revenues.

The internal limit set through Board Practice 14.2.1 establishes minimum debt service coverage ratio of 1.75 x coverage for “utility” (water and sewer) related debt service, and 1.5 x coverage for “non-utility” debt service. The Practice further states that while it is acceptable for this standard to be met, on average, over the life of the debt issue, the coverage ration should not fall below 1.0 in any one year.

For fiscal year 2024-25 the Final Budget (per Form 4404LGF) provides for the following debt coverage ratios, as computed pursuant to Board Practice 14.2.1:

	<u>FY2024/25 Budget</u>	<u>Policy Level</u>	<u>Minimum Level</u>
Community Services Fund	n/a	1.50	1.0
Beach Fund	n/a	1.50	1.0
Utility Fund	3.1	1.75	1.0

All of the District’s major funds currently maintain debt coverage ratios well in excess of the internal debt ratios established by Board policy

Form LGF-F011 – Five-Year Capital Plan

A companion filing to the Form LGF-F010 - Indebtedness Report is the required reporting related to the District’s Five-Year Capital Improvement Plan as of July 1, 2024.

The Five-Year Capital Plan is formally updated through the annual budget process. The resulting update capital plan for Year 1 is, in turn, incorporated into the Board’s actions approving the annual Final fiscal year budget, effective July 1st.

As discussed throughout the budget development process, the Five-Year Capital Plan includes one or more projects that may be financed through future debt obligations. These include various Diamond Peak improvements (Snowflake Lodge, Ski Way, etc.) and potentially, priority Beach improvement projects (Incline Beach House).

Significantly, approval of the capital plan documents to be filed with Forms LGF-F010 and LGF-F011 does not commit the District, nor does it represent Board authorization for projects beyond those included and funded as part of the FY2024-25 approved budget, as adopted by the Board of Trustees on May 31, 2024.

VI. FINANCIAL IMPACT AND BUDGET

This memorandum discusses required filings related to the District's debt obligations as of June 30, 2024 and the District's Five-Year Capital Plan as of July 1, 2024. As the information provided in these documents is consistent with FY2024-25 adopted budget, there is no direct fiscal or budget implication related to the Board action requested with this item. The reports include additional disclosures related to planned debt for the next five years as well as individual bond/debt amortization schedules, as required by the form set.

The Executive Summary of the Indebtedness Report is to serve notice if any bond issues are contemplated for the immediate succeeding fiscal year. The District has identified possible debt financing as potential sources for projects occurring after June 30, 2024, and has made this distinction in the Executive Summary that no general obligation bond issues are currently contemplated for the fiscal year ending June 30, 2025.

The Indebtedness Report for the Nevada Department of Taxation, Local Government Finance, prescribes required disclosure of the Five Year Capital Improvement Plan on Form LGF-F011 is supported by the IVGID-prepared Capital Project Summary reviewed with the Board of Trustees leading up to the approval of the Final Budget on May 31st, 2024. The report approved for the purposes of filing the Form LGF-F011 relates to the entire project list for five years beginning with 2024-25.

Form LGF-F011 as of July 1, 2024, includes the District's Five Year Capital Plan totaling \$110,071,912.

V. ALTERNATIVES

The Board of Trustees can modify either Form LGF-F010 or Form LGF-F011 and the related Indebtedness Report; however, the District's filing of these forms must occur with the State of Nevada and the Washoe County Clerk by August 1st.

VII. COMMENTS

It should be noted the Five Year Capital Improvement Plan is only a plan, and as such no action or authority to act, especially beyond June 30, 2024, is implied with approval of Form LGF-F010, Form LGF-F011 or companion summaries and schedules.

Staff also anticipates a review of the District's Debt Policy and Practices over the course of the current fiscal year in conjunction with ongoing review and

implementation of the District's Five-Year Capital Plan, and specifically, consideration of possible debt financing to support priority capital projects

VIII. BUSINESS IMPACT

This item is not a "rule" within the meaning of NRS, Chapter 237, and does not require a Business Impact Statement.

Attachments:

- IVGID Indebtedness Report for the Fiscal Year June 30, 2024
- Form NVTC-LGF-10 – With Debt Schedules
- Form NVTC-LGF-11 (2 pages)
- IVGID Five-Year Capital Improvement Plan Summary – As of 7/1/24
- FY2024-25 Capital Improvement Projects Budget (3 pages)

Provided for reference only – will not be included in the report submitted to any of the agencies listed

- Board Policy 14.1.0 – Debt Management
- Board Practice 14.2.0 – Debt Service Payment Settlement
- Board Practice 14.2.1 – Debt Issuance Limitation

**Incline Village General
Improvement District,
Incline Village, Nevada**

**Indebtedness Report
For the Fiscal Year June 30, 2024**

*To be Filed with State of Nevada Department of
Taxation, Washoe County Clerk & Debt Management
Commission By August 1st, 2024*



TABLE OF CONTENTS

IVGID Indebtedness Report – OverviewR-2
 Affordability of Existing, Authorized and Proposed Gen. Obligation Debt R-2
 General Obligation Debt Limit Statutory Reference R-2
 General Obligation Debt Comparisons R-2

Affording the District’s Existing General Obligation Bond Indebtedness R-2

Sources Available to Pay Existing, Authorized Future and Proposed
 General Obligation Bond Indebtedness..... R-3

General Obligation Debt Limit R-3

General Obligation Debt Comparisons..... R-4

Outstanding General Obligation Debt as of June 30, 2022 (Table)..... R-5
 General Obligation Revenue Bonds Recreation
 State of Nevada – State Water Pollution Revolving Fund
 Total General Obligation Bond Debt

 Medium-Term Obligation
 Total Medium-Term Obligations

 State of Nevada Revolving Funds (Loan Contracts with
 Utility Revenue Pledge)
 Total Loan Contracts with Revenue Pledge

 Total Debt Outstanding

Method of Sale R-5

Operational Costs of Future Capital Projects R-6

Capital Improvement Plan R-7

Chief Financial Officer of the District R-7
 State of Nevada Form 4410LGF Indebtedness Report
 with Appendix Debt Service Schedules 1 to 6 Attached

 State of Nevada Form 4411LGF Reporting Five-Year Capital
 Improvement Plan (CIP), with 5 Year Project Summary and
 Capital Improvement Projects Carry Over Schedule Attached

 Reconciliation of Five-Year CIP, Carry Over Schedule, and
 Form 4411LGF Attached

IVGID Indebtedness Report - Overview

Nevada Revised Statutes (NRS) require certain content as a part of the District's Indebtedness Report on Debt Management. These include:

Affordability of Existing, Authorized and Proposed General Obligation Debt

- *NRS 350.013 1.(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;*
- *NRS 350.013 1.(c)(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt.*

General Obligation Debt Limit Statutory Reference

- *NRS 350.013 1.(c)(2) A discussion of its capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit.*

General Obligation Debt Comparisons

- *NRS 350.013 1.(c)(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state.*
- *NRS 350.013 1.(c)(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all property within the boundaries of the municipality.*

Affording the District's Existing General Obligation Bond Indebtedness

The use of proceeds from the District's bonded indebtedness has been for recreation and utility service infrastructure. Prior to adopting plans to acquire this infrastructure the District studied and developed a plan for identified revenue sources to be used for the repayment of the bond principal and interest. Examples of these sources include an element of water and sewer user fees that are specifically stated for capital expenditure, including debt service, used to acquire such assets. The Recreation and Beach Facility Fee charged to the individual benefited parcels includes elements for capital items and related debt service.

None of the currently outstanding bond issues use a tax levied on the assessed valuation of property in the District to meet debt service requirements. Each issue has been or will be repaid from the identified resources developed from user fees

or the Recreation and Beach Facility Fee (which is an availability of service charge as defined under NRS 318.197) and is collected on specified parcels within the District's boundaries as allowed under NRS 318.201.

Sources Available to Pay Existing, Authorized Future and Proposed General Obligation Bond Indebtedness

The District's annual operating budget process considers the use of resources in an order of priority. User fees and the Recreation and Beach Facility Fee are set at levels to assure the proper coverage of debt service requirements from each activity for its related bond(s). The capital improvement charges, which are a part of utility rates, are adopted by ordinance and are established in a process that allows public notice and input, before setting a schedule for the coming year and forward. The District's elected Board of Trustees adopts utility rates through an ordinance amendment. The Recreation and Beach Facility Fee is set each year and includes a matter of public notice and hearing before adoption in connection with the fiscal operating budget.

The assumptions for rate of collection have proven to be at adequate levels so that amounts realized are sufficient to meet intended needs including debt service requirements.

The 5-Year Capital Project Summary for the period July 1, 2024 through June 30, 2029 includes projects that may be financed, in part, through a future general obligation bond issue or other debt. The Board of Trustees continues to discuss the possibility of issuing new debt for selected priority projects, including Ski Way and Diamond Peak Parking Lot Reconstruction, renovation of Snowflake Lodge and renovation of the Incline Beach House through issuance of general obligation bonds.

The projects that are potentially to be supported by new debt are contemplated within the five-year planning horizon, but have not yet been formally approved or scheduled. Any potential bond issue currently contemplated would not significantly affect the District's Debt Limit.

General Obligation Debt Limit

State statutes limit the amount of indebtedness to no more than 50% of the District's total assessed valuation. The District presently has a statutory debt limit of \$1,225,002,515, based on the final 2023-24 Redbook Assessed Valuation of \$2,450,005,030. Of this statutory debt limit, the District's overall debt as of June 30, 2024 results in \$1,218,586,002 (99.5%) of remaining statutory debt limit.

General Obligation Debt Comparisons

The District's general obligation bonds are issued pursuant to NRS Chapter 350 and Chapter 318. The District's general obligation bonds constitute direct and general obligations of the District and the full faith and credit of the District is pledged to the payment of the principal and interest, subject to Nevada constitutional and statutory limitations on the aggregate amount of property taxes. The bonds are payable from the general property taxes on all taxable property in the District. The bonds are secured by certain pledged revenues.

The general obligation bonds are payable by the District from any source legally available; at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds, including net pledged revenues, are insufficient, the District is obligated to levy a general tax on all taxable property within the District for payment of the general obligation bonds, subject to the limitations provided in the constitution and the statutes of the State of Nevada (the State).

In any year in which the total property taxes levied within the District by all applicable taxing units (e.g., the State, the County, the District, the school district, any city or any special district) exceed such property tax limitations, the reduction to be made by those units must be in property taxes levied for purposes other than the repayment of their bonded indebtedness, including interest on such indebtedness.

Nevada statutes provide that no act concerning the District's bonds or their security may be repealed, amended or modified in such manner as to impair adversely the bonds or their security until all of the bonds have been discharged in full or provision for their payment and reception has been fully made.

The District currently has no outstanding general obligation debt paid by the levy of a specific property tax.

Principal and interest on the District's debt are payable from the various net pledged revenues of the District. There is no impact on the property tax rate so long as the net pledged revenues are sufficient to pay debt service.

IVGID Indebtedness Report for the Fiscal Year June 30, 2024

Outstanding General Obligation Debt as of June 30, 2024					
Issue	Issue Date	Maturity Date	Amount Issued	Outstanding *	
State of Nevada - State Water Pollution Revolving Fund					
Drinking Water DW1201	3/16/2012	1/1/2032	\$ 3,000,000	\$	1,417,233
Water Pollution CS32-0404	8/1/2006	1/1/2026	\$ 3,000,000	\$	406,779
Total GO Revenue Utility Debt				\$	1,824,012
Total General Obligation/Revenue Supported Bonds Debt				\$	1,824,012
State of Nevada Revolving Funds (Loan Contracts with Utility Revenue Pledge)					
Drinking Water IVGID-1	9/9/2004	7/1/2025	\$ 1,687,282	\$	167,898
Clean Water -CW- 2303	4/11/2023	1/1/2053	\$ 15,760,000	\$	4,374,014
St of Nevada Sewer - CW2402	1/4/2024	7/1/2054	\$ 36,371,700	\$	50,589
Total Loan Contracts With Revenue Pledge				\$	4,592,501
Total Outstanding Debt *				\$	6,416,512.54

** Includes Principal and Interest due on Outstanding Debt*

Method of Sale

NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt;

Bonds can generally be sold at a competitive sale, negotiated sale or to be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing bonds. A day and time are chosen for the sale and bonds are awarded to the firm offering the lowest true interest cost on the bonds (“TIC”). The TIC is the discount rate which results in the present value of the future debt service payments equal to the bid for the bonds.

Negotiated Sale – A firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of the sale, interest rates and other terms of the bonds are negotiated with the Underwriter.

Private Placement – A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the District to be sold at competitive sale. For most District general obligation bonds, a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which

the District would consider a negotiated sale or private placements. Such circumstances include, but are not limited to:

- 1) Bonds issued with a variable rate of interest
- 2) Bonds rated below A- or not rated
- 3) Very small or very large bond issues
- 4) Unstable or highly volatile markets
- 5) Bonds with unusual security or structure

The District will follow the requirements of NRS 350.155 in choosing a method for its bonds. If the District determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for the District. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure and marketing plan.

Operational Costs of Future Capital Projects

NRS 350.013 1.(c)(7) A discussion of its operational costs and revenue sources, for the ensuing 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d), if those costs and revenues are expected to affect the property tax rate.

The District has prepared a Capital Improvement Plan Summary, which is attached utilizing Form 4411LGF. The plan includes projects which affect general revenues as well as charges for services. These were all considered as a part of the process of developing the District's budget for the year ending June 30, 2025. Only projects scheduled for completion by that date are actually authorized with funding appropriated in the adopted annual budget. The remainder of the multi-year plan represents an intention for years 2 through 5. As such the approved projects for the year ending June 30, 2025 do not affect the property tax rate. No projects intended in years 2 through are expected to have an effect on the property tax rate during the subject years.

Capital Improvement Plan

NRS 350.013 1.(d) either:

- (1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt*

during this period and the sources of money projected to be available to pay debt; or

(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

(See State of Nevada Form 4411LGF Five Year Capital Improvement Plan)

Chief Financial Officer of the District

NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

The Assistant Director of the Incline Village General Improvement District:

Adam Cripps, Assistant Director of Finance
Incline Village General Improvement District
893 Southwood Boulevard
Incline Village, Nevada 89451
Telephone Number: 775-548-6633



INDEBTEDNESS REPORT
 As of June 30, 2024
 Due August 1, 2024 (postmark deadline)

Entity: Incline Village GID

Date: June, 17,2024

DEBT MANAGEMENT COMMISSION ACT (NRS 350.013)

1. Has your local government issued any new General Obligation Bond issues since July 1, 2023? Yes No

If so, amount: _____ Date: _____

2. Has your local government approved any new Medium-Term Obligation issues since July 1, 2023? Yes No

If so, amount: _____ Date: _____

3. Has your local government updated its debt management policy? (Per NRS 350.013) **If Yes, submit updated policy with Indebtedness Report or prepare a statement discussing the following areas:** Yes No

- A. Discuss the ability of your entity to afford existing and future general obligation debt.
- B. Discuss your entity’s capacity to incur future general obligation debt without exceeding the applicable debt limit.
- C. Discuss the general obligation debt per capita of your entity as compared with the average for such debt of local governments in Nevada.
- D. Discuss general obligation debt of your entity as a percentage of **assessed valuation** of all taxable property within the boundaries of your entity. (REDBOOK FY 2023-2024)
- E. Present a policy statement regarding the manner in which your entity expects to sell its debt.
- F. Discuss the sources of money projected to be available to pay existing and future general obligation debt.
- G. Discuss the operating costs and revenue sources with each project.

If No, please provide a brief explanation.

4. Has your local government updated its five-year capital improvement plan? **(Required pursuant to NRS 350.013, 354.5945 & 354.5947)** Yes No

Submitted By: Adam Cripps
 (Signature)

 (Phone number)



INDEBTEDNESS REPORT
 As of June 30, 2024
 Due August 1, 2024 (postmark deadline)

Entity: _____

CHECK HERE IF YOUR ENTITY HAS NO OUTSTANDING DEBT

GENERAL OBLIGATION BONDS

1. General obligation	_____	
2. General obligation/revenue	_____	1,824,012
3. General obligation special assessment	_____	
Total general obligation bonded debt	_____	1,824,012

MEDIUM-TERM OBLIGATIONS

1. General Obligation bonds	_____	
2. Negotiable notes or bonds	_____	
3. Capital lease purchases	_____	
Total medium-term obligation debt	_____	

REVENUE BONDS 4,592,501

OTHER DEBT

1. Capital lease purchases-MTO not required or prior to law change	_____	
2. Mortgages	_____	
3. Warrants	_____	
4. Special Assessments	_____	
5. Other (specify) _____	_____	
6. Other (specify) _____	_____	
Total other debt	_____	

TOTAL INDEBTEDNESS **6,416,513***

Authorized but unissued general obligation bonds _____

Note: Please explain and provide documentation for any differences between the amounts reported on this **schedule** and those reported on **Schedule C-1** of your **Final Fiscal Year 2024-2025 budget**.



INDEBTEDNESS REPORT
As of June 30, 2024
Due August 1, 2024 (postmark deadline)

Entity: **Incline Village General Improvement District**

For the next five years, list the total dollar requirement for principal and interest broken down for each type of indebtedness the entity currently has outstanding.

	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
<u>General Obligation Bonds</u>					
G/O Bonds					
G/O Revenue	\$ 400,909	\$ 396,169	\$ 191,356	\$ 191,308	\$ 191,258
G/O Special Assessment					
<u>Medium-Term Obligation</u>					
G/O Bonds					
Notes/Bonds					
Leases/ Purchases	\$ -				
<u>Revenue Bonds</u>	\$ 282,342	\$ 948,731	\$ 1,144,180	\$ 1,392,110	\$ 2,372,160
<u>Other Debt</u>					
Other Lease Purchases					
Mortgages					
Warrants					
Special Assessments					
Other Debt					
TOTAL	\$ 683,251	\$ 1,344,900	\$ 1,335,536	\$ 1,583,418	\$ 2,563,418



INDEBTEDNESS REPORT
As of June 30, 2024
Due August 1, 2024 (postmark deadline)

The repayment schedules should start with the payment of principal and interest due **after June 30, 2024** and continue until any particular issue is retired.

****Explanation:**

*The total indebtedness is different from schedule C-1 because principal forgiveness loans were included in schedule C-1. At the time of the budget we anticipated we would have an additional \$2,511,356 draw, that draw will not take place until Fiscal 2024-25. Also at the time of the budget we did not anticipate taking any draw against CW 2402 however, approximately 50,000 was taken for bond counsel and other closing costs. At the time of budget we did not include accrued interest on all debt in the amount of \$62,418.

Proof:

\$9,183,751	Schedule C-1
(\$368,300)	Principal Forgiveness Loan
(\$2,511,356)	Anticipated Draw
\$50,000	Bond Counsel & Closing Costs
\$62,418	Accrued interest on all debt was not included in the budget
\$6,416,513	Total

INDEBTEDNESS REPORT
 As of June 30, 2024
 Due August 1, 2024 (postmark deadline)



Entity: _____

CONTEMPLATED GENERAL OBLIGATION DEBT

(1) PURPOSE	(2) TYPE	(3) AMOUNT	(4) TERM	(5) FINAL PAYMENT DATE	(6) INTEREST RATE
None					

SPECIAL ELECTIVE TAX

PURPOSE	TYPE	RATE	ELECTION DATE	EXPIRATION DATE	IMPLEMENTATION DATE
None					

Incline Village General Improvement District
 2006 State Revolving Fund Loan
 Clean Water Loan CS32-0404

Date	Principal Value	Coupon	Interest	Total Payment	Fiscal Year Payment
7/1/2024	\$ 98,300	2.75%	\$ 5,468	\$ 103,768	
1/1/2025	\$ 99,640	2.75%	\$ 4,129	\$ 103,769	\$ 207,537
7/1/2025	\$ 100,997	2.75%	\$ 2,771	\$ 103,768	
1/1/2026	\$ 102,373	2.75%	\$ 1,395	\$ 103,768	\$ 207,536
Total	\$ 401,310		\$ 13,763	\$ 415,073	415,073

Incline Village General Improvement District
2012 State Revolving Fund Loan
Drinking Water DW1201

Date	Principal Value	Coupon	Interest	Total Payment	Fiscal Year Payment
7/1/2024	\$ 79,950	2.39%	\$ 16,736	\$ 96,686	
1/1/2025	80,905	2.39%	15,781	96,686	\$ 193,372
7/1/2025	81,872	2.39%	14,814	96,686	
1/1/2026	82,851	2.39%	13,835	96,686	\$ 193,372
7/1/2026	83,841	2.39%	12,845	96,686	
1/1/2027	84,843	2.39%	11,843	96,686	\$ 193,372
7/1/2027	85,856	2.39%	10,830	96,686	
1/1/2028	86,882	2.39%	9,804	96,686	\$ 193,372
7/1/2028	87,921	2.39%	8,765	96,686	
1/1/2029	88,971	2.39%	7,715	96,686	\$ 193,372
7/1/2029	90,035	2.39%	6,651	96,686	
1/1/2030	91,110	2.39%	5,576	96,686	\$ 193,372
7/1/2030	92,199	2.39%	4,487	96,686	
1/1/2031	93,301	2.39%	3,385	96,686	\$ 193,372
7/1/1931	94,416	2.39%	2,270	96,686	
1/1/2032	95,544	2.39%	1,142	96,686	\$ 193,372
Total	\$ 1,400,497		\$ 146,479	\$ 1,546,976	\$ 1,546,976

Incline Village General Improvement District
 State Revolving Fund Loan
 Drinking Water IVGID-1

Date	Principal Value	Coupon	Interest	Total Payment	Fiscal Year Payment
7/1/2024	\$ 54,276	3.082%	\$ 2,548	\$ 56,824	
1/1/2025	55,112	3.082%	1,712	56,824	\$ 113,648
7/1/2025	55,962	3.082%	862	56,824	\$ 56,824
Total	\$ 165,350		\$ 5,122	\$ 170,472	\$ 170,472

APPENDIX 3 OF 3

FIVE YEAR CAPITAL IMPROVEMENT PLAN
(Per NRS 354.5945)



Minimum level of expenditure for items classified as capital assets	\$10,000	ENTITY:	Incline Village GID
Minimum level of expenditure for items classified as capital projects	\$10,000	DATE:	6/14/2024

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:	General Fund					
Capital Improvement:	5 - Year Capital Improvement Plan	335,000	1,080,000	2,298,200	10,252,000	699,000
Funding Source:	General Fund Revenues					
Completion Date:	Within Each Fiscal Year, as Scheduled					
Fund Total		335,000	1,080,000	2,298,200	10,252,000	699,000

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:	Utility Fund					
Capital Improvement:	5 - Year Capital Improvement Plan	17,680,000	14,878,500	3,002,000	2,905,000	1,649,000
Funding Source:	Charges for Services & Grants					
Completion Date:	Within Each Fiscal Year, as Scheduled					
Fund Total		17,680,000	14,878,500	3,002,000	2,905,000	1,649,000

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:	Internal Services					
Capital Improvement:	5 - Year Capital Improvement Plan					
Funding Source:	Charges for Services					
Completion Date:	Within Each Fiscal Year, as Scheduled					
Fund Total						

List of Funding Sources:

- Property Tax - Gen. Revenues
- Charges for Services
- Debt
- Grants
- Other** (Please Describe)

FIVE YEAR CAPITAL IMPROVEMENT PLAN
(Per NRS 354.5945)



Minimum level of expenditure for items classified as capital assets	\$10,000	ENTITY:	Incline Village GID
Minimum level of expenditure for items classified as capital projects	\$10,000	DATE:	6/14/2024

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:	Community Services Fund					
Capital Improvement:	5 - Year Capital Improvement Plan	2,741,200	7,122,822	6,067,290	14,908,200	3,526,200
Funding Source:	Charges for Services					
Completion Date:	Within Each Fiscal Year, as Scheduled					
Fund Total		2,741,200	7,122,822	6,067,290	14,908,200	3,526,200

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:	Beach Fund					
Capital Improvement:	5 - Year Capital Improvement Plan	4,250,000	733,000	844,000	937,000	447,000
Funding Source:	Charges for Services - Utility Rate Revenues					
Completion Date:	Within Each Fiscal Year, as Scheduled					
Fund Total		4,250,000	733,000	844,000	937,000	447,000

		FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028	FY 2028-2029
Fund:						
Capital Improvement:						
Funding Source:						
Completion Date:						
Fund Total						

List of Funding Sources:

- Property Tax - Gen. Revenues
- Charges for Services
- Debt
- Grants
- Other** (Please Describe)

**Incline Village General Improvement District
Capital Improvement Project Summary**

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	5 Year Total
General Fund						
I.T	275,000	75,000	95,000	-	330,000	775,000
General Admin	-	-	1,000,000	10,000,000	35,000	11,035,000
Parks	60,000	1,005,000	1,203,200	252,000	334,000	2,854,200
Sub-Total General Fund	335,000	1,080,000	2,298,200	10,252,000	699,000	14,664,200
Utility Fund						
Shared	410,000	1,000,000	-	80,000	29,000	1,519,000
Water	1,165,000	2,000,000	2,205,000	1,805,000	1,020,000	8,195,000
Sewer	16,105,000	15,595,000	10,797,000	1,020,000	600,000	44,117,000
Sub-Total Utility Fund	17,680,000	18,595,000	13,002,000	2,905,000	1,649,000	53,831,000
Community Services Fund						
Champion Golf	480,000	662,727	1,289,970	712,200	1,323,700	4,468,597
Mountain Golf	-	604,200	600,000	-	1,000,000	2,204,200
Facilities	44,000	80,875	41,620	122,240	127,500	416,235
Ski	1,125,000	1,574,000	1,090,000	12,510,000	1,010,000	17,309,000
Tennis	-	2,519,000	1,517,000	1,500,000	-	5,536,000
Recreation	1,092,200	1,682,020	1,528,700	63,760	65,000	4,431,680
Sub-Total Community Services Fund	2,741,200	7,122,822	6,067,290	14,908,200	3,526,200	34,365,712
Beaches	4,250,000	733,000	844,000	937,000	447,000	7,211,000
Grand Total	25,006,200	27,530,822	22,211,490	29,002,200	6,321,200	110,071,912



Mult- Year Capital Improvement Project Summary report

	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
General Fund						
Wireless Equipment Replacement and Network Hardware Replacement and Maintenance			95,000		90,000	90,000
Server Storage and Computing Hardware	275,000	75,000			240,000	335,000
Total Accounting/Information Systems	275,000	75,000	95,000		330,000	775,000
General and Admin						
Admin Printer Copier Replacement - 893 Southwood					35,000	35,000
New Administration Building			1,000,000	10,000,000		11,000,000
Total General and Admin			1,000,000	10,000,000	35,000	11,035,000
	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Parks						
Fleet / Vehicle Replacement - Parks			147,100	82,000	118,000	347,100
Rolling Stock Park		110,000	161,100	122,000	108,000	501,100
Replace Playground - Ridgeline Park			250,000			250,000
Aspen Grove Flatscape and Retaining Wall		250,000				250,000
Storage Container shed/buidling replacement			20,000			20,000
Preston Field Retaining Wall Replacement			500,000			500,000
Ridgeline fields at Incline Park bleacher			75,000			75,000
Central Irrigation Controller Upgrade	60,000					60,000
Replace Playgrounds - Preston		500,000				500,000
Fencing Repair Ridgeline Park and Preston Field		45,000	10,000	10,000		65,000
Erosion Control projects					40,000	40,000
GPS Field Striper		30,000				30,000
Parks Furnishings		20,000	10,000	10,000	10,000	50,000
Resurface and coat Preston Park Bathroom						
Parks Pavement Maintenance		50,000	30,000	28,000	58,000	166,000
Total Parks	60,000	1,005,000	1,203,200	252,000	334,000	2,854,200
Total General Fund	335,000	1,080,000	2,298,200	10,252,000	699,000	14,664,200

Utilities						
Public Works Shared						
Public Work Rolling Stock	160,000					160,000
Pavement Maintenance Utility Facilities						
Replace Public Works Front Security Gate				80,000		80,000
Utilities System and Plant Control Upgrades	250,000	1,000,000				1,250,000
Large Format Printer Replacement					29,000	29,000
Total Public Works Shared	410,000	1,000,000		80,000	29,000	1,519,000
Water						
Watermain Replacement - Ponderosa Ranch Road	800,000					800,000
Watermain Replacement - Alder Ave						
Watermain Replacement - Future		800,000	900,000	900,000	900,000	3,500,000
R6-1 Tank Road Construction		130,000				130,000
R2-1 Reservoir Roof Replacement			340,000			340,000
R-2 Interior Tank Rehabilitation		130,000				130,000
Fire Hydrant Replacement Project		270,000	280,000	290,000		840,000
Water Pumping Station Improvements	105,000	110,000	110,000	115,000	120,000	560,000
Burnt Cedar Water Disinfection Plant	160,000	500,000	500,000	500,000		1,660,000
SCADA Management Servers/Network - BCDP	100,000					100,000
LIMSS Software		60,000				60,000
BCWDP Emergency Generator Fuel Tank						
WPS Generator Fuel Tank Protection			75,000			75,000
Total Water	1,165,000	2,000,000	2,205,000	1,805,000	1,020,000	8,195,000
Sewer						
Effluent Pipeline Project (Encumbered)	15,700,000	14,500,000	10,000,000			40,200,000
Effluent Storage Tank (Encumbered)				Will Receive 5.2 Mil in ACE Grant		
SPS#1 Pump Sta. & Generator Bldg Roof		280,000				280,000
Sewer Pumping Station Improvements	250,000	110,000	112,000	115,000	120,000	707,000
Sewer Pumping Station 14 Improvements			120,000	440,000		560,000
WRRF Roof Replacement						
Wetlands Effluent Disposal Facility Improvements	50,000	55,000	225,000	115,000	120,000	565,000
Sewer Main Rehabilitation	105,000	550,000	340,000	350,000	360,000	1,705,000
SCADA Management Servers/Network - WRRF		100,000				100,000
Sewer Pump Station #1 Improvements						
Total Sewers	16,105,000	15,595,000	10,797,000	1,020,000	600,000	44,117,000
Total Utilities	17,680,000	18,595,000	13,002,000	2,905,000	1,649,000	53,831,000

Community Services						
Championship Golf						
Rolling Stock	120,000	237,000	148,000	305,000	419,000	1,229,000
Championship Golf Cart Barn Siding Replacement	165,000					165,000
Driving Range Nets				110,000		110,000
Championship Course Bunkers		180,000	185,000	190,000		555,000
Cart Path Replacement - Champ Course	195,000	187,500	55,000		55,000	492,500
Driving Range Improvements				37,000		37,000
Championship Golf Course Electric Cart Fleet and GPS					620,000	620,000
Replace Icemaker Champ Golf Course Cart Barn			11,970			11,970
Recoat Chateau F&B Grill and Catering kitchen					39,700	39,700
Grille Furniture				35,200		35,200
Grille Patio Table and Chairs		58,227				58,227
2016 Bar Cart #724						
2016 Bar Cart #725						
Material Storage Bins			275,000			275,000
Practice Green Expansion				35,000	190,000	225,000
Range Ball Machine Replacement						
Pavement Maintenance of Parking Lots - Champ Course & Chateau			615,000			615,000
Total Championship Golf	480,000	662,727	1,289,970	712,200	1,323,700	4,468,597

Mountain Golf						
Rolling Stock		13,000				13,000
Wash Pad Improvements			100,000			100,000
Mountain Golf Course Cart Path Replacement						
Irrigation Improvements						
Mountain Course Fuel Tank Replacement		100,000	500,000			600,000
2016 Bar Cart #726						
Irrigation System Replacement					1,000,000	1,000,000
Pavement Maintenance of Parking Lots - Mountain						
Mountain Course Greens, Tee's Bunkers						
Mountain Course 58 Cart Fleet		491,200				491,200
Total Mountain Golf	-	604,200	600,000	-	1,000,000	2,204,200

	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Facilities						
Resurface Patio Deck Replace Railings Replace Rock		27,500				27,500
Chateau Community Room Ceiling and Beam Refurbishing		25,000				25,000
Upgrade Chateau Community Room Lighting Control			25,620			25,620
Portable Bars		18,375				18,375
Catering Ceremony Chairs			16,000			16,000
Replace Banquet Serviceware	44,000				72,000	116,000
Banquet Tables		10,000		35,090		45,090

Carpet Replacement at the Chateau					55,500	55,500
Paint Exterior Chateau				52,500		52,500
Furniture for Chateau				14,850		14,850
Landscape Improvements at Aspen Grove				19,800		19,800
Total Facilities	44,000	80,875	41,620	122,240	127,500	416,235

Ski	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Fleet Rolling Stock	775,000					775,000
Ski Way and Diamond Peak Parking Lot Reconstruction		-	480,000	6,300,000		6,780,000
Ski Lodge Facilities - Install Kitchen Grease Interceptor		300,000				300,000
Replace Ski Lodge Facility Equipment- Electrical Entrance	175,000					175,000
Diamond Peak Fuel Storage Facility		750,000				750,000
Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures		54,000				54,000
Replacement of Main and Snowflake Lodge Kitchen		20,000				20,000
Crystal Express Ski Lift Maintenance and Improvements			250,000		500,000	750,000
Pavement Maintenance Diamond Peak and Ski Way						0
Diamond Peak Facilities Floor Material						0
Lakeview Ski Lift Maintenance and Improvements				210,000		210,000
Lodgepole Ski Lift Maintenance and Improvements		150,000			200,000	350,000
Red Fox Ski Lift Maintenance and Improvements	75,000					75,000
Snowmaking Infrastructure Replacement	100,000		200,000			300,000
Replace Ski Rental Equipment		300,000	160,000		310,000	770,000
Replace 1966 Snowflake Lodge				6,000,000		6,000,000
Total Ski	1,125,000	1,574,000	1,090,000	12,510,000	1,010,000	17,309,000

Tennis	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Reconstruct Tennis Courts 5 thru 7		2,500,000				2,500,000
Reconstruct Tennis Courts 3 thru 4			1,500,000			1,500,000
Reconstruct Tennis Courts 1 and 2				1,500,000		1,500,000
Resurface Tennis Courts 8-9-10-11(Pickleball)		19,000	-			19,000
Pavement Maintenance- Tennis						
Ball Machines for Tennis Center			17,000			17,000
Total Tennis	-	2,519,000	1,517,000	1,500,000	-	5,536,000

Recreation Center	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Recreation Center Pavement Maintenance		40,000	20,000			60,000
Website Redesign and upgrade						
Rec Center Exterior Wall Waterproofing & French Drain - Xeroscape		77,000				77,000
Recreation Center & Tennis Parking Lot Reconstruction and BMPs				1,450,000		1,450,000

Replaster Recreation Center Pool		100,000				100,000
Pool Facility Deck/Floor Re-coat and ceiling improvements		38,000				38,000
Pool Starter block replacement		48,000				48,000
Diving Board replacement		40,000				40,000
Replace Bird Netting		17,720				17,720
Fitness Equipment	57,200	51,300	58,700	63,760	65,000	295,960
Recreation Center Printer Copier Replacement 980 Incline Way		25,000				25,000
HVAC System Replacement	1,035,000	1,035,000				2,070,000
Cardio Strength Room Downstairs Flooring		60,000				60,000
Electronic Key Entry		130,000				130,000
Pool Sub Structure Investigation		20,000				0
Total Recreation Center	1,092,200	1,682,020	1,528,700	63,760	65,000	4,431,680
Total Community Services	2,741,200	7,122,822	6,067,290	14,908,200	3,526,200	34,365,712

	Proposed FY 2024-25	Proposed FY 2025-26	Proposed FY 2026-27	Proposed FY 2027-28	Proposed FY 2028-29	Five Year Total
Beaches						
Rolling Stock - Beaches	35,000					35,000
Beaches Retaining Wall Enhancement and Replacement			55,000			55,000
Storage Container Replacement				40,000		40,000
Snack Bar Furnishings- picnic tables		28,000		22,000		50,000
Ski Beach Boat Ramp Improvement Project	150,000					150,000
Ski Beach Bridge (2) Replacement	170,000					170,000
Burnt Cedar Beach Eastern Stormwater Improvements		190,000				190,000
Beach Furnishings	20,000	20,000	20,000	20,000	20,000	100,000
Central Irrigation Controller Upgrade	30,000					30,000
Third Creek Fence Redesign and Replacement		15,000				15,000
Ski and Incline Beach Landscape Enhancement		15,000				15,000
Beach Access Improvements	400,000					400,000
Reconstruct Pavement - Ski Beach					350,000	350,000
Reconstruct Pavement, Incline Beach			500,000			500,000
Pavement Reconstruction - Burnt Cedar Beach				835,000		835,000
Replace Playgrounds - Beaches		400,000	200,000			600,000
Replace Ski Beach Entrance Gate			50,000			50,000
Incline Beach House and Access Project (Ski and Incline Beach Facility Replacement *	3,445,000					3,445,000
Burnt Cedar Swimming Pool and site						
Pavement Maint - Beaches (All)		65,000	19,000	20,000	77,000	181,000
Total Beaches	4,250,000	733,000	844,000	937,000	447,000	7,211,000
Grand Total	25,006,200	27,530,822	22,211,490	29,002,200	6,321,200	110,071,912



Debt Management
Debt Management and Limits
Policy 14.1.0

POLICY. The District will adopt comprehensive written debt management practices and they will be reviewed annually in conjunction with the budget process and revised as necessary.

1.0 Debt Limits. The Practice will define specific limits or acceptable ranges for each type of debt. Limits are generally set for legal, public policy, and financial reasons.

1.1 Legal limits may be determined by:

1.1.1 State constitution or law.

1.1.2 Local resolution or ordinance, or covenant.

1.2 Public Policy limits can include:

1.2.1 Purposes for which debt proceeds may be used or prohibited.

1.2.2 Types of debt that may be issued or prohibited.

1.2.3 Relationship to and integration with the Multi-Year Capital Planning.

1.2.4 Policy goals related to economic development, capital improvement financings, tax increment financing, and public-private partnerships.

1.3 Financial limits generally reflect public policy or other financial resource constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can positively impact bond ratings, if the District demonstrates adherence to such policies over time. Debt limits will be stated as follows:

1.4 Direct Debt can be measured or limited by the following ratios:

1.4.1 Debt per capita,

1.4.2 Debt to taxable property value



Debt Management
Debt Management and Limits
Policy 14.1.0

- 1.4.3 General Obligation debt service payments as a percentage of governmental fund type revenues or expenditures.
- 1.5 Revenue Debt levels are often limited by debt service coverage ratios or credit rating impacts contained in bond covenants.
- 1.6 Short-Term Debt Issuance should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
- 2.0 Debt Structuring Practices. The Practice will include specifics regarding the debt structuring practices for each type of bond, including:
 - 2.1 Maximum term stated in absolute terms or based on the useful life of the asset(s);
 - 2.2 Average maturity;
 - 2.3 Debt service pattern such as equal payments or equal principal amortization;
 - 2.4 Use of optional redemption features that reflect market conditions and/or needs of the government;
 - 2.5 Use of variable or fixed-rate debt, credit enhancements, short-term debt, and limitations as to when each can be used;
 - 2.6 Other structuring practices should be considered such as capitalized interest, deferral of principal and/or other internal credit support including general obligation pledges.
- 3.0 Debt Issuance Practices. The Practice will provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:
 - 3.1 Criteria for determining the sale method (competitive, negotiated, placement) and investment of proceeds,



Debt Management
Debt Management and Limits
Policy 14.1.0

- 3.2 Criteria for issuance of advance refunding and current refunding bonds,
 - 3.3 Selection and use of professional service providers,
 - 3.4 Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results, and
 - 3.5 Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.
- 4.0 Debt Management Practices. The Practice will provide guidance for ongoing administrative activities including:
- 4.1 Investment of bond proceeds,
 - 4.2 Primary and secondary market disclosure practices, including annual certifications as required,
 - 4.3 Arbitrage rebate monitoring and filing,
 - 4.4 Federal and state law compliance practices, and
 - 4.5 Market and investor relations efforts.



**Debt Management
Debt Service Payment Settlement
Practice 14.2.0**

RELEVANT POLICIES: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits

To ensure that debt principal and interest payments are made on a timely and cost effective basis, the District will manage debt service as follows:

- 1.0 The District will ensure that all parties responsible for making debt service payments fulfill their fiduciary and operational responsibilities. The negotiation of contract terms should serve the District, the trustee/fiscal agent/paying agent and the bondholders and include:
 - 1.1 requirements for timely payment of all funds on the due date;
 - 1.2 full utilization of funds by the District until the due date;
 - 1.3 requirement for use of electronic fund transfer throughout the payment process; and
 - 1.4 requirements that all parties execute transactions in the most cost efficient and effective manner.
- 2.0 The District will ensure that appropriate contractual terms and internal procedures are in place. The District will negotiate terms allowing for full investment of funds by the District until the payment due date by utilizing electronic fund transfer.
- 3.0 The District will require that trustees/fiscal agents/paying agents invoice the District for debt service payments a minimum of 30 days prior to the due date.
- 4.0 The District will use electronic fund transfer to assure transfer to the trustee/fiscal agent/paying agent on the payment date. If payment must be made by check, the District will ensure paying the check no more than five (5) days prior to the payment date through a guaranteed delivery service.
- 5.0 The District will ensure that all parties to the transaction (internal and external) are kept informed of the procedures established.



**Debt Management
Debt Issuance Limitations
Practice 14.2.1**

RELEVANT POLICIES: 11.1.0 Investment Management and 14.1.0 Debt Management and Limits

To ensure that debt, through the issuance of bonds or other long term indebtedness, is limited to appropriate levels, the District will manage outstanding bonds and installment purchase obligations through a measure of affordability as follows:

- 1.0 The District will ensure that all bonded indebtedness is analyzed and validated by comparing the consequences of the debt issuance against the District's Debt Coverage Ratio. Debt issued for non-utility purposes must remain within a Debt Coverage Ratio of at least 1.5 times. Debt issued for utility purposes must remain within a Debt Coverage Ratio of 1.75 times.

Under this Practice, "utility" purposes are those related to only water and sewer functions. The Debt Service Coverage Ratio will be determined by dividing the operating or other available revenues less operating expenses other than depreciation and interest by the annual principal and interest payments. The ratio will be stated in the number of times the net revenue covers the annual debt service. The process of analysis and validation will consider the projected amounts for each year the issue will be outstanding. An acceptable result will include meeting the standard on average over the life of the issue in question. However, the coverage ratio in any one year cannot go below 1.0.

- 2.0 The District will consider issuing a bond for any non-"utility" project or group of projects, when that totals more than \$2,500,000 and can be repaid within 10 years of issuance. The District will consider issuing a bond for a period longer than 10 years when it is necessary for the economic feasibility of the project.
- 3.0 The District will consider issuing a bond for any "utility" project or group of projects, when that totals more than \$2,500,000 and can be repaid within 20 years of the completion of the project acquisition or construction. The additional time allowed is in recognition of that



**Debt Management
Debt Issuance Limitations
Practice 14.2.1**

maturity under the Nevada State Revolving Fund Loan Program. Shorter maturities are preferred whenever feasible.

- 4.0 The effective limitation on the total of bonds outstanding at a given point of time is expected to be a function of the feasibility in the marketplace for a proposed issue, combined with the District existing Bond Rating, the financial projections of the District and the ability to sell bonds within the projected parameters.
- 5.0 Consideration of the use of installment purchase obligations will be conducted according to Nevada Revised Statutes. This form of financing is also referred to as municipal leasing, can be considered for a project or group of projects when that totals more than \$250,000 and can be repaid within 10 years of issuance (in effect requiring the obligation to comply with Medium Term Financing guidelines).
- 6.0 This Practice is expected to be reviewed and updated from time to time to validate the coverage ratio and the dollar and maturity limits used to establish acceptance for issuance of bonded indebtedness. That review should occur in conjunction with the adoption of the Debt Management Policy.