

**FINANCIAL INFORMATION PRESENTED
TO THE DEBT MANAGEMENT COMMISSION OF
WASHOE COUNTY, NEVADA**

IN SUPPORT OF THE PROPOSED

\$7,000,000

**Truckee Meadows Fire Protection District, Nevada
General Obligation (Limited Tax) Capital Improvement Bonds
(Additionally Secured by Pledged Revenues)**

EXECUTIVE SUMMARY

The Truckee Meadows Fire Protection District, Nevada (the “District”) is proposing to issue up to \$7,000,000 in General Obligation (Limited Tax) Capital Improvement Bonds (Additionally Secured by Pledged Revenues) (the “Proposed Bonds”). The District has no outstanding general obligation debt paid from property taxes. It has \$2,100,000 of revenue-supported general obligation debt and \$4,415,000 of medium-term general obligation debt outstanding as of February 2, 2021. The District is proposing to issue up to \$7,000,000 of revenue supported general obligation debt as described herein. The District will pledge 15% of its consolidated tax revenues (the “Pledged Revenues”) to repay the Proposed Bonds. The District has found that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the Proposed Bonds (the “Finding”). The District does not anticipate that the Proposed Bonds will have an impact on the District’s tax rate. The highest overlapping tax rate within the District for fiscal year 2020-21 is \$3.6600. The following document details how the Proposed Bonds fit within the criteria outlined in Nevada Revised Statutes (“NRS”) 350.015.

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EXHIBIT I

PROJECT SUMMARY

The District intends to use the proceeds of the Proposed Bonds to defray wholly or in part the cost of acquisition of properties for stations authorized by NRS 474.511, including fixtures, structures, stations, other buildings and sites therefor and appurtenances and incidentals necessary, useful or desirable for any such facilities, including all types of property therefor (the "Project").

EXHIBIT II

CRITERIA FOR CONSIDERATION (NRS 350.015)

NRS 350.015 Criteria for approval or disapproval of certain proposals; requests for information; use of money received from sale of general obligation debt or from special elective tax.

1. In determining whether to approve, conditionally or provisionally approve, or disapprove a proposal to incur debt, to enter an installment-purchase agreement with a term of more than 10 years or to levy a special elective tax, the commission shall not, except as otherwise provided in paragraph (d) and NRS 350.0135, initiate a determination as to whether the proposed debt, installment-purchase agreement or special elective tax is sought to accomplish a public purpose or to satisfy a public need. The commission shall consider, but is not limited to, the following criteria:

(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

(1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and

(2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.

2. The commission may make reasonable requests from a municipality for information relating to the criteria described in paragraphs (a) to (d), inclusive, of subsection 1. A municipality shall use its best efforts to comply with information requests from the commission in a timely manner.

3. If the commission approves the proposal, the amount received from the sale of the general obligation debt or from the special elective tax may be expended only for the purposes described in the proposal.

(Added to NRS by 1967, 1386; A 1977, 539; 1993, 2658; 1995, 770, 1959; 2001, 884, 2309) –
(Substituted in revision for NRS 350.0051)

EXHIBIT III

FINANCIAL INFORMATION PRESENTATION

NRS 350.015.1(a) If the proposal is to incur debt, the amount of debt outstanding on the part of the municipality proposing to incur the debt.

DEBT LIMITATION AND OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS

NRS 474.514 limits the total principal amount of general obligation debt the District may have outstanding to 5% of the District's total assessed valuation. The District's limit for general obligation debt based on the assessed valuation for fiscal year 2020-21 of \$4,634,463,753 is therefore \$231,723,188.

The tables on the following pages present the outstanding and proposed indebtedness of the District.

OUTSTANDING GENERAL OBLIGATION DEBT
Truckee Meadows Fire Protection District, Nevada
February 2, 2021

	Date Issued	Maturity Date	Original Amount	Amount Outstanding
General Obligation Revenue Debt				
Capital Improvement Bond, Series 2020	10/21/20	06/01/35	\$2,100,000	<u>\$2,100,000</u>
Total GO-Rev Debt				\$2,100,000
Medium-Term General Obligation Debt				
Medium-Term Bond, Series 2020	03/10/20	03/01/30	\$4,415,000	<u>\$4,415,000</u>
Total Medium-Term GO Debt				\$4,415,000
Total Outstanding GO Bonded Debt				\$6,515,000

SOURCE: The District, compiled by JNA Consulting Group, LLC

PROPOSED AND AUTHORIZED BUT UNISSUED GENERAL OBLIGATION DEBT
As of February 2, 2021

Proposed Bonds	Issuance Date	Proposed Amount
Cap. Imp Bonds (this issue)	07/2021	<u>\$7,000,000</u>
		\$7,000,000

SOURCE: The District

As shown in the following table the District has sufficient debt limit to issue the Proposed Bonds within its general obligation statutory debt limitation.

STATUTORY DEBT CAPACITY
Truckee Meadows Fire Protection District, Nevada
February 2, 2021

Total Assessed Valuation	\$4,634,463,753
Statutory Debt Limitation (5%)	\$231,723,188
Outstanding General Obligation Indebtedness	\$6,515,000
Plus: Proposed Bonds	<u>7,000,000</u>
Outstanding and Proposed General Obligation Indebtedness	\$13,515,000
Additional Statutory Debt Limitation	\$218,208,188

SOURCE: Property Tax Rates for Nevada Local Governments Fiscal Year 2020-2021 – State of Nevada, Department of Taxation; and the District; compiled by JNA Consulting Group, LLC

NRS 350.015.1(b) The effect of the tax levy required for debt service on the proposed debt or to repay an installment-purchase agreement with a term of more than 10 years, or of the proposed levy of a special elective tax, upon the ability of the municipality proposing to incur the general obligation debt, enter the installment-purchase agreement or levy the special elective tax and of other municipalities to raise revenue for operating purposes.

The District will pay the Outstanding Bonds and the Proposed Bonds with the Pledged Revenues, which consist of 15% of the District's receipt of state-wide consolidated taxes. Consolidated taxes consist of revenues from the following sources: certain sales taxes; excise taxes on cigarettes and liquor; a tax on the licensing of motor vehicles; and real property transfer taxes. Pursuant to the State law, consolidated taxes are collected by the State and then remitted monthly to the District.

The District anticipates that the Pledged Revenues will be sufficient to repay the Outstanding Bonds and the Proposed Bonds, and that the issuance of the Proposed Bonds is not anticipated to have an impact on the overlapping tax rate within the District.

The tables on the following pages demonstrate the District's ability to repay the Outstanding Bonds and the Proposed Bonds with the Pledged Revenues.

The following table provides the pro-forma debt service requirements of the Proposed Bonds.

PRO FORMA CONSOLIDATED TAX SECURED DEBT SERVICE REQUIREMENTS
February 2, 2021

FY Ending June 30	Outstanding Bonds	Proposed Bonds			Combined Debt Service
		Principal	Interest ¹	Total	
2021	\$156,635	\$0	\$0	\$0	\$156,635
2022	157,034	195,000	221,274	416,274	573,308
2023	157,091	165,000	253,150	418,150	575,241
2024	157,117	175,000	244,900	419,900	577,017
2025	157,113	180,000	236,150	416,150	573,263
2026	157,078	190,000	227,150	417,150	574,228
2027	157,012	200,000	217,650	417,650	574,662
2028	156,916	210,000	207,650	417,650	574,566
2029	156,790	220,000	197,150	417,150	573,940
2030	156,632	230,000	186,150	416,150	572,782
2031	156,444	245,000	174,650	419,650	576,094
2032	156,226	255,000	162,400	417,400	573,626
2033	156,977	270,000	149,650	419,650	576,627
2034	156,682	285,000	136,150	421,150	577,832
2035	156,356	295,000	124,750	419,750	576,106
2036	0	305,000	115,163	420,163	420,163
2037	0	315,000	105,250	420,250	420,250
2038	0	325,000	95,013	420,013	420,013
2039	0	335,000	86,075	421,075	421,075
2040	0	340,000	76,863	416,863	416,863
2041	0	350,000	67,513	417,513	417,513
2042	0	360,000	57,450	417,450	417,450
2043	0	370,000	46,650	416,650	416,650
2044	0	385,000	35,550	420,550	420,550
2045	0	395,000	24,000	419,000	419,000
2046	<u>0</u>	<u>405,000</u>	<u>12,150</u>	<u>417,150</u>	<u>417,150</u>
TOTAL	\$2,352,103	\$7,000,000	\$3,460,501	\$10,460,501	\$12,812,604

¹ Interest rate estimated at 3.35%.

SOURCE: The District, compiled by JNA Consulting Group, LLC

PLEDGED REVENUE AND SUFFICIENCY
Truckee Meadows Fire Protection District, Nevada

	Fiscal Year				
	2017 (Audited)	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Budgeted)
GROSS REVENUE					
Consolidated Taxes	\$7,713,537	\$8,346,596	\$8,725,419	\$9,021,756	\$7,806,607
NET PLEDGED REVENUES ¹	\$1,157,031	\$1,251,989	\$1,308,813	\$1,353,263	\$1,170,991
Proposed Debt Service ²	\$577,832	\$577,832	\$577,832	\$577,832	\$577,832
Remaining Pledged Revenues Available for District Operations ³	\$579,199	\$674,157	\$730,981	\$775,431	\$593,159

¹ Represents 15% of Consolidated Taxes distributed to the District.

² Represents maximum annual debt service occurring in Fiscal Year 2034.

³ Depicts amounts available after payment of the Proposed Bonds to pay other expenses of the District.

SOURCE: The District, compiled by JNA Consulting Group, LLC

EFFECTS ON OTHER LOCAL GOVERNMENTS

NRS 350.015.1(c) The anticipated need for other incurrences of debt, installment-purchase agreements or levies of special elective taxes by the municipality proposing to incur the debt, enter the installment-purchase agreement or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

The District anticipates the Pledged Revenues will be sufficient to pay the principal and interest on the Proposed Bonds when due. Therefore, the Proposed Bonds are not anticipated to affect the ability of other political subdivisions to raise revenue for operating purposes or debt service requirements.

The statutory tax rate limit is \$3.64 per \$100 of assessed valuation (\$0.02 of State levied tax is not subject to the statutory limitation). For fiscal year 2020-21, the highest overlapping tax rate within the District is \$3.6600. The overlapping tax rates are not anticipated to be affected by the issuance of the Proposed Bonds.

ADDITIONAL GENERAL OBLIGATION INDEBTEDNESS AND PROPOSED TAX LEVIES

NRS 350.015.1(d) If the information set forth in paragraph (b) of subsection 4 of NRS 350.014 indicates that the proposal would result in a combined property tax rate in any of the overlapping entities within the county which exceeds the specified percentage, pursuant to subsection 1 of NRS 350.0155, of the limit provided in NRS 361.453:

(1) The public need to be served by the proceeds from the proposed debt or tax levy in accordance with the priorities established pursuant to subsection 2 of NRS 350.0155; and

(2) A comparison of that public need and other public needs that appear on the statements of current and contemplated general obligation debt and special elective taxes submitted pursuant to paragraphs (a) and (b) of subsection 1 of NRS 350.013 that may affect the combined property tax rate in any of the overlapping entities within the county.

NRS requires local governments to file Capital Improvement Plans, Statements of Current and Contemplated Debt, and Debt Management Policies with the County Clerk. To the best of the District's knowledge, no Capital Improvement Plans or Debt Management Policies have been filed that identify any new voter-approved tax rates (overrides or bonds). The District has filed its required documents which include the projects to be funded by the Proposed Bonds. Local governments are required to submit a Debt Management Policy and Indebtedness Report by August 1st of each year.

The District does not anticipate the issuance of the Proposed Bonds will result in an increase in the District's tax rate. Therefore, the issuance of the Proposed Bonds is not anticipated to adversely impact overlapping entities in levying tax rates for bonds or overrides.

REQUIRED DOCUMENT SUBMISSION

Pursuant to NRS 350.013, the District has submitted the following documents to the Department of Taxation and the Debt Management Commission:

- Statements of current and contemplated debt and retirement schedules,
- A written statement of the debt management policy of the District, and
- The District's Capital Improvement Plan, which includes the projects to be financed by the proceeds of the Proposed Bonds.

The District's Chief Financial Officer is:

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