

*DEBT MANAGEMENT POLICY*

It shall be the policy of the Lyon County School District to manage its debt in a manner that will minimize the financial burden to the taxpayers of Lyon County while providing the financial resources necessary to construct, equip, and maintain school buildings and related facilities required to provide the youth of Lyon County with an adequate education.

Under the State of Nevada's present method of financing elementary and secondary education, it is not feasible to finance general obligation debt from current financial resources. Therefore, all existing debt has been, and foreseeable future debt will be, issued only upon the approval of the voters of Lyon County and paid from any related increase in the ad valorem tax rate.

When the voters have authorized the District to incur additional debt, applicable State laws will be followed and the debt issue will be sold to the highest responsive bidder.

In order for the Board of Lyon County School Trustees to remain informed about the district's current debt position, the administration will prepare an annual report that will include at least the following information.

- ◇ Current and available bonding capacity
- ◇ The District's debt per capita compared to the average for such debt of local school districts in Nevada
- ◇ General obligation debt as a percentage of assessed valuation of all taxable property within Lyon County
- ◇ Effective buying income of all persons who reside within Lyon County
- ◇ The annual reports of indebtedness and capital improvements to be submitted to the General Obligation Bond Commission
- ◇ Estimated operational costs and revenue sources associated with the projects identified in the capital improvement plan

Upon acceptance of the administration's annual report, such report will be submitted to the Nevada Department of Taxation, Lyon County Clerk, and the General Obligation Bond Commission.