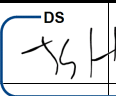

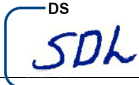
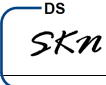



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|  Platte River Power Authority | <h1>Policy</h1> | Version #: 2.1 Original effective date: 01/01/2013 Next review date: 05/31/2028 |
| | TITLE: Debt issuance expense recognition policy | Page 1 of 2 |

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| <p>Purpose:</p> <p>The Governmental Accounting Standards Board (GASB) Statement No. 65 – <i>Items Previously Reported as Assets and Liabilities</i> requires debt issuance costs, except any portion related to prepaid insurance costs, to be recognized as an expense in the period incurred. For rate setting purposes Platte River prefers to recover debt issuance costs as a component of interest expense over the life of the related debt. GASB Statement No. 62, <i>Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements</i>, Regulated Operations, paragraph 476-500, (GASB 62) allows certain expenses or revenues to be recognized when included in wholesale rates charged to the owner communities rather than when normally recorded. Any accounting treatment implementing GASB 62 must receive prior approval from the board of directors. Platte River will use GASB 62, as outlined in the “Policy” section below to record debt issuance costs.</p> |
| <p>Policy:</p> <p>This policy applies to the accounting for debt issuance costs. Debt issuance costs are disclosed in the Official Statement and include all costs incurred to issue the bonds. The debt issuance costs will be recorded as an item on the Statement of Net Position when incurred and amortized over the life of the related debt as a component of interest expense.</p> |
| <p>Implementing parties and assigned responsibilities:</p> <p>Accounting management, director of finance and chief financial officer review this policy. Staff brings necessary revisions before the Platte River Board of Directors for approval.</p> |
| <p>Associated items (if applicable):</p> <p>Debt Issuance Expense Recognition Procedure Board Resolution No. 11-18</p> |
| <p>Definitions (if applicable):</p> |

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|  | Policy | Version #: 2.1 Original effective date: 01/01/2013 Next review date: 05/31/2028 |
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| Document owner: Accounting management ^{DS}  | Original effective date: 01/01/2013 |
| Authority: Board of directors ^{DS}  | Review frequency: Every 5 years |
| Counsel review: General counsel ^{DS}  | Next review date: 05/31/2028 |
| Reviews: ^{DS}  ^{DS}  | |

| Version | Date | Action | Author | Change Tracking (new, review, revision) |
|---------|------------|--|----------------|---|
| 1.0 | 12/13/2012 | Created original policy | Ed Doherty | New |
| 1.1 | 12/27/2017 | Reviewed and put on new form | Tracy Thompson | New form |
| 2.0 | 05/31/2018 | Reviewed and revised, approved by resolution | Shelley Nywall | Revised |
| 2.1 | 04/24/2023 | Reviewed by Jason Harris, Shelley Nywall and Dave Smalley; minor updates to terminology and clarifications | Jason Harris | Review |
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