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# DEBT MANAGEMENT

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### Overview of Debt Management

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#### Gallatin County Debt Management

Debt, in a governmental entity, is an effective financial management tool. Active debt management provides fiscal advantages to the County and its citizens. Debt can serve several different purposes. It is useful in matching costs to benefits of public assets. It is useful as an economic development tool. It allows governments to build and acquire assets that would not otherwise be built or acquired. Debt eliminates the need for governments to build up large reserve balances to build or acquire assets. In other words, debt is not something that should be avoided or eliminated. Rather, debt is something that should be used and managed effectively. The incurrence of debt can be mismanaged, however. Overuse of debt places a burden on the financial resources of the County and its taxpayers. Thus, it is important to create policies and follow practices to insure debt is used responsibly.

Debt management is a critical component of Gallatin County's financial operations. The County's debt rating is AA+ from Standard and Poor's. The County takes an active role in managing its debt. This is done through a variety of means including: debt management policies, bond ratings, comprehensive planning for future bond issues, management of existing and proposed debt levels and debt service payments. This section of the budget provides an analysis of each of these factors in addition to providing a detailed schedule of future debt service obligations of the County.

#### Approved Bond Issues

Listed below is a brief description of the County's major outstanding bond issues, followed by a graphic overview of all outstanding debt of the County, by purpose.

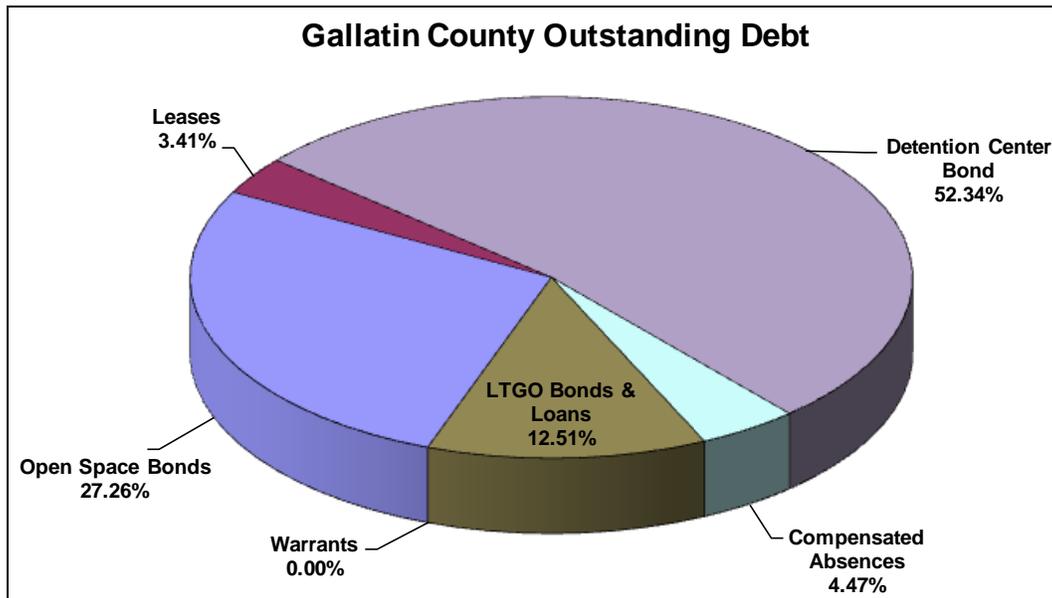
- A. Open Space Land Bond Issue – Voted.** The bond issue was approved by the voters on November 7, 2000 in the original principal amount of \$10,000,000. The purpose of the bond issues was to maintain open space in the County through purchase, easement or other means of property acquisition. The first \$3.8 Million in bonds were sold on 10/01/2001 – these bonds were refunded on 4/12/2011. The 2<sup>nd</sup> \$4.0 Million were issued on 4/1/2003 – these were refunded 11/01/2012. The last \$2.2 million in bonds were sold on June 28, 2005 with a net interest cost of 3.83%. All these bonds were financed over 20 years. The bonds will be repaid with property tax revenue specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. The County received an A+ rating on these bonds from Standard and Poor's.
- B. Open Space Land Bond Issue 2004 – Voted.** The voters approved this bond issue on November 2, 2004 in the original principal amount of \$10,000,000. The purpose of the bond issues was to maintain open space in the County through purchase, easement or other means of property acquisition. The bonds are sold as needed in increments of up to \$5 Million. The first bonds totaling \$2.8 Million were sold on June 28, 2005 with a net interest cost of 3.904%. The bonds were financed over 20 years. The 2<sup>nd</sup> bond issue of \$4.0 Million was issued on December 15, 2008. The bonds will be repaid with property tax revenue specifically dedicated for that purpose. When the bonds have been repaid, the property tax levy will be discontinued. The County received an A+ rating on these bonds from Standard and Poor's. The County refinanced the 2010 bond and issued \$3.2 Million in additional bonds to reach the \$10,000,000 amount approved by the voters in 2004. All bonds, except the 2016 issue, have been refunded resulting in a significant savings to the County taxpayers.
- C. Detention Center Bond Issue – Voted.** The bond issue was approved by the voters on November 4, 2008 in the amount of \$32,000,000. The bond was authorized for the construction of a Detention Center at the Law & Justice Center. The bonds were sold in February, 2009 for a 20 year term at an average interest rate of 4.33%. The County refinanced these bonds in May of 2016 and received an AA+ rating on the refinanced bond, with an interest rate of 1.915% after premium is taken into consideration.

## DEBT MANAGEMENT

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#### Outstanding Debt

Shown below is a pie chart depicting the County's current outstanding indebtedness by purpose. As shown by the graph, the new Detention Center represents a majority of the County's debt and this reflects the priorities of the public and County Commission.



Despite having several categories of outstanding debt, Gallatin County actually has a relatively low level of outstanding debt. The County's outstanding debt equals 11.58% of the statutory maximum amount of debt the County can have. The debt amount of \$44.97 million is less than 1% of the Market value for County property and 17.94% of Taxable Value.

#### Proposed Debt Issues

Listed below is a brief description of the County's proposed debt issuance over the course of the next five-year period. Following this narrative description is a graph depicting the relative affects of these proposed debt issuances in relation to the County's current debt and its remaining debt capacity.

- A. Court / Law Enforcement Complex** – Based on the 2004 Carter Goble Lee study, the County needs to build a Court / Law Enforcement Complex with security and adequate space for additional courts. The County's space need consultants have identified a need to expand space for the courts, Coroner, County Attorney, Victim Witness Services and the County Sheriff. The City of Bozeman and County have received architectural designs for two jointly occupied buildings, with the County issuing up to \$68,300,000 in debt if approved by voters in November 2016.
- B. Expansion of Detention Center** – The County has anticipated the need to expand the Detention Center by 60-90 beds in the next 5-8 years. The County anticipates issuing up to \$2,000,000 for construction of the expansion if needed. The Loan would allow the County to proceed 6-8 years before the expansion could occur with inmate bed revenues.
- C. Transportation System** – The County may have to issue debt through Rural Improvement District Bonds or other instruments to enhance the transportation system throughout the County. Individual projects will be reviewed and debt issued if it is in the best interest of the County.

# DEBT MANAGEMENT

## Overview of Debt Management

### Debt Capacity

The following table shows the maximum debt and outstanding debt for Gallatin County. The State of Montana limits local government (City and County's) debt to 2.5% of the entities Certified Market Value. That calculation allows Gallatin County to have a maximum debt for FY 16 of \$375,763,746. Actual debt is estimated at \$44,772,411 or 11.92% of the County's debt capacity.

The Commission has set a policy of not exceeding 1% (unless in an emergency) of the Certified Market Value. The 1% would limit debt to 150,030,549 or over triple the current debt amount.

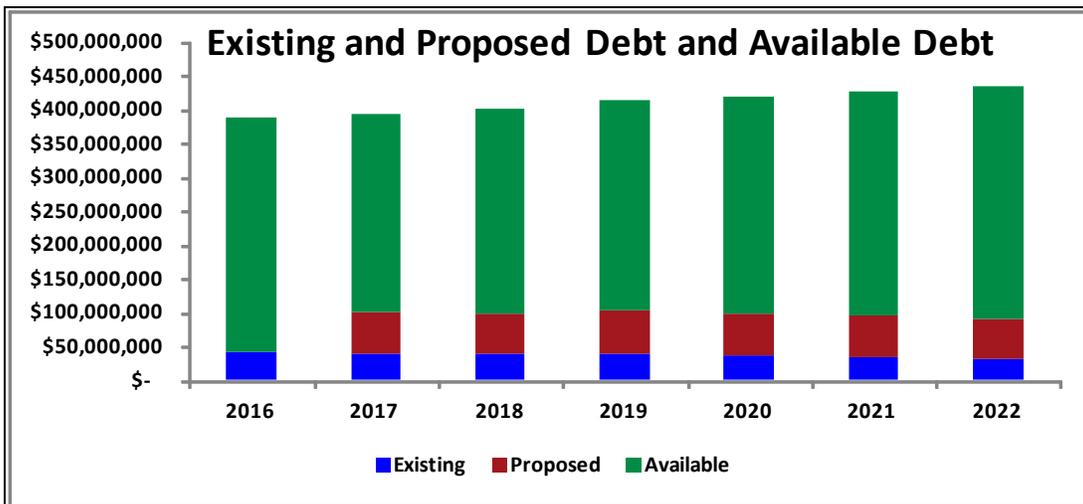
<b>Maximum Allowed Gallatin County, Montana</b>			
<b>DOR Market Value August, 2016</b>			
<b>Assessed Valuation: FY 2017 Certified Market Value</b>	<b>15,509,851,433</b>	D.O.R. Certification	
<b>Factor allowed for indebtedness</b>	<b>2.50%</b>		
<b>Total Indebtness Allowed:</b>		<b>387,746,286</b>	
<b>Less:</b>	<b>Estimated</b>		
Open Land Bond/Refunding - 2016	\$ 5,780,000	Mill	7/1/2036
Open Land Bond 2013	3,275,000		7/1/2026
Open Land Bond 2012	1,725,000		7/1/2023
Open Land Bond 2011	1,240,000		7/1/2021
Open Land Bond 2008	225,000		7/1/2026
Open Space Bond 2006	-	Levy	2/1/2026
Detention Center 2016 Rfnd & Voted Bond	23,510,000		7/1/2029
Pogreba Field Loan	2,500	NO	2/28/2018
Capital Leases (6 graders)	1,533,690		
Road Shop	307,206		8/15/2018
Annex Remodel	178,474		8/15/2017
Warrants	792,366		
Dispatch Loan	330,065		2/15/2019
Mental Health - Hope House Building	770,000		7/1/2030
Fair - Ice Arena Bond	1,010,000		7/1/2033
Belgrade East - I-90 Interchange (Airport)	1,415,000		1/15/2023
Search & Rescue (West Yellowstone)	73,787		7/1/2026
	-		
<b>Percentage of allowed</b>	<b>10.88%</b>		<b>\$ 42,168,088</b>
<b>ESTIMATED Maximum Indebtness Available (6-30-2016)</b>		<b>\$ 345,578,198</b>	
<b>Possible:</b>	-	NO	
Detention Center Expansion	2,000,000		
Law and Justice Building Replacement	68,300,000		
	-		
<b>Percentage of allowed</b>	<b>18.13%</b>		<b>\$ 70,300,000</b>
<b>Amount Available</b>		<b>\$ 275,278,198</b>	

# DEBT MANAGEMENT

## Overview of Debt Management

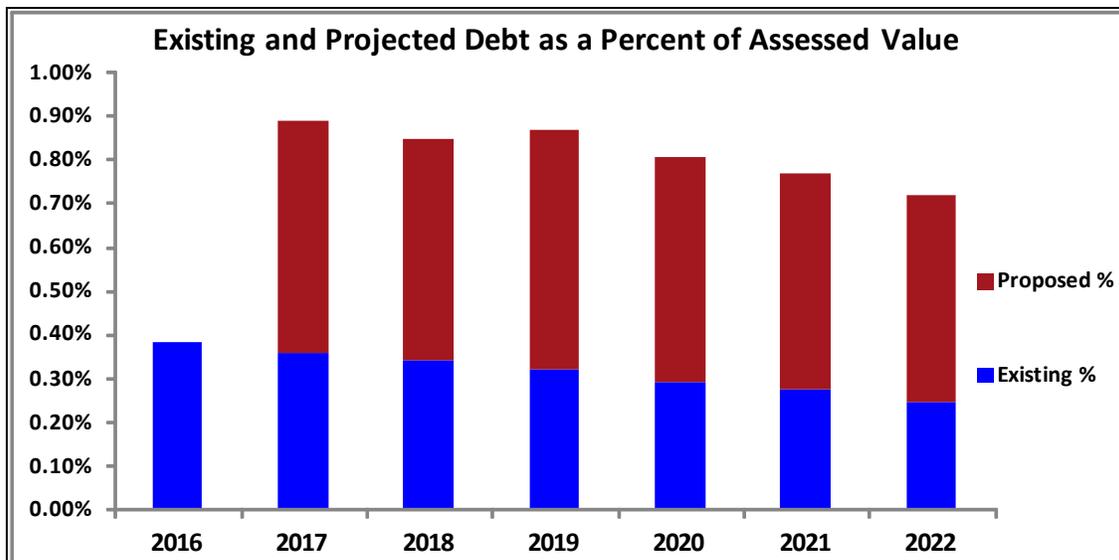
### Existing and Proposed Debt to Capacity

The bar chart below shows a graphic presentation of the County’s existing debt, proposed debt, and a projection of the County’s debt capacity (legal debt margin) for the budget year and five years beyond. As shown by the graph, even if all of the proposed bond issues materialize, the County will still have a substantial amount of debt capacity remaining. This reflects the philosophy of the County Commission to hold down debt levels on the taxpayers, despite the County’s rapid development and growing population.



### Debt as a Percentage of Assessed Value

The graph below illustrates the County’s debt as a percentage of assessed valuation. In essence, this reflects the County’s debt as compared to the wealth of the County. Gallatin County has been successful in maintaining its debt levels at a relatively small percentage of the County’s assessed valuation. Additionally, the proposed debt over the course of the next five years is also depicted. This shows the proposed new debt in relation to the outstanding debt—both in relation to the wealth of the County.

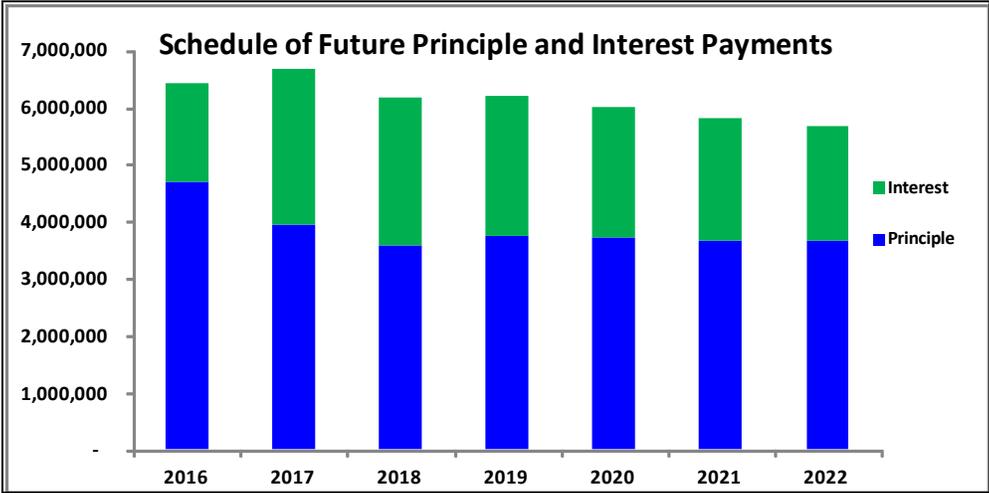


# DEBT MANAGEMENT

## Overview of Debt Management

### Debt Service

The graph below shows the County's principal and interest payments in the current budget year and five years beyond. The information shows principle and interest payments increasing from 2015 but then gradually decreasing through 2017, based on current debt.



Most major debt obligations for the County are typically structured with declining interest payments and increasing principal payments — this results in relatively level debt service payments over the life of the bonds. However, the refinancing of the 2008 Open Space Bond and the 2009 Detention Bond issues allows the County to realize a decrease in payments in the future.

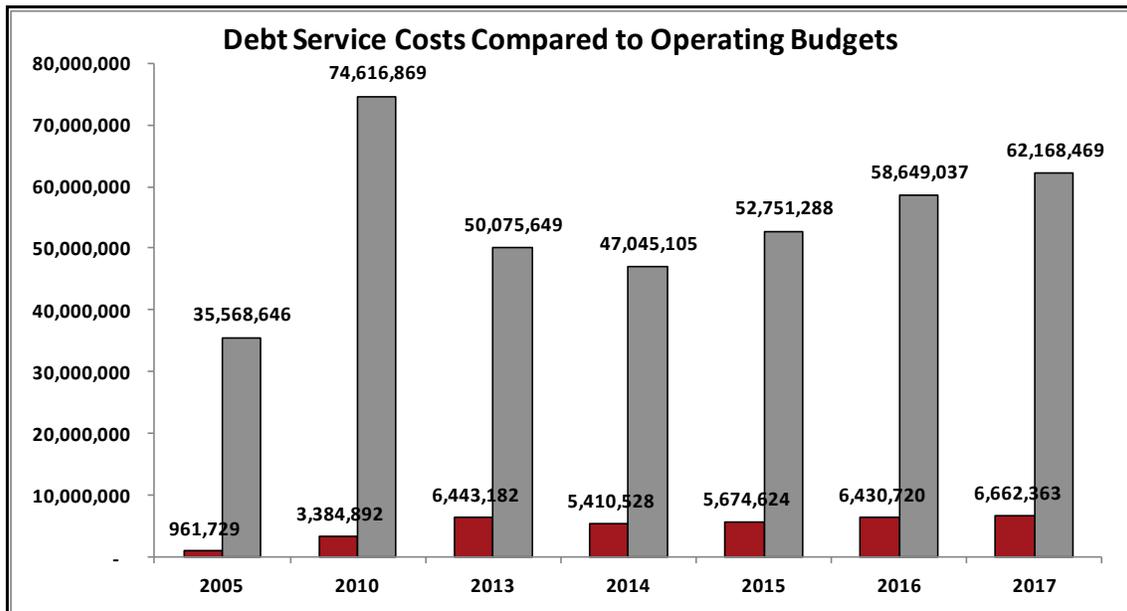
# DEBT MANAGEMENT

## Overview of Debt Management

### Debt Service to Operating Budget

The following graph illustrates the County's debt in relation to its operating budget. The amount of required debt service relative to the size of the annual budget is an important indicator of fiscal obligations. Since debt service expenditures restrict the amount of funds available for other operating or capital uses, it is important that the ratio of debt service to the total operating budget remain low and at a prudent level.

As shown below, debt payments by the County are a small fraction of its operating budget. This reflects the County's efforts to keep debt service payments at a manageable level.



### Bond Rating

Bond ratings reflect the relative strength of the County's financial management and planning capabilities and the quality of its elected and administrative leadership, as well as its wealth and social characteristics. Bond ratings serve as a statement of a locality's economic, financial and managerial condition and represent the business community's assessment of the investment quality of a local government. Highly rated bonds are more attractive and are more competitive in the market and thereby help lower interest costs paid by County residents. High-grade ratings reduce the cost of raising capital for County projects and produce a substantial savings for County taxpayers.

Gallatin County continues to seek ways to maintain and improve these ratings so as to provide the finest quality service at the lowest cost. Concentrated efforts have been made to maintain and improve the County's "high-grade" ratings for its general obligation bonds through innovations in financial and debt administration.

### Overview of Debt Management

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In May 2016, Standard and Poor's of New York affirmed Gallatin County's bond rating at AA+.



# AA+

**Gallatin County's AA+ Bond Rating saves county residents thousands of dollars annually.**

Quoted below are excerpts from the Standard & Poor's May 2016 rating.

*"Standard & Poor's Ratings Services raised its long-term rating and underlying rating (SPUR) on Gallatin County, Montana's general obligation (GO) bonds to 'AA+' from 'AA'. The outlook is stable.*

*"The raised ratings are based on the implementation of our [local GO criteria](#) released September 12, 2013," said Standard & Poor's credit analyst Misty Newland.*

*The ratings reflect our assessment of the following factors for the county:*

- Adequate economy,
- Very strong budgetary flexibility,
- Strong overall budgetary performance,
- Very strong liquidity,
- Very strong management conditions, and
- Strong debt and contingent liabilities profile.

#### *Outlook*

*The stable outlook reflects our view of the county's strong financial management practices, including a quarterly review of budget-to-actual performance by the county commission and our expectation that reserve goals will be maintained. We do not expect to change the ratings during the current two-year outlook period. We could consider raising the ratings if the county consistently achieves and maintains a structural balance in its major operating funds, and maintains its currently very strong reserves in the general fund, over the medium term, which extends beyond the two-year outlook period.*

The County's high ratings are an objective indication of sound financial management, recognition that its overall debt profile is characterized by good debt service coverage from pledged revenues and by sound legal provisions ensuring full and timely payment of its debt service obligations. Overall net debt is estimated at a moderate \$459.68 per capita.

## Overview of Debt Management

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### Debt Management Policies

Gallatin County has developed a set of Financial Management Policies that cover all aspects of its financial operations. Policies on Debt Management are one component of those financial policies. All of the County's Financial Management Policies are included in the Executive Summary. Listed below are excerpts from those policies, which relate specifically to debt management.

### Restrictions on Debt Issuance

- 1) **Repayment of Borrowed Funds.** The County will repay borrowed funds, used for capital projects, within a period not to exceed the expected useful life of the project. This policy reflects the view that those residents who benefit from a project should pay for the project. Adherence to this policy will also help prevent the government from over-extending itself with regard to the incurrence of future debt.

### Limitations on Outstanding Debt

- 1) **Reliance on Long-Term Debt.** The County will limit long-term debt to capital improvements, which cannot be financed from current revenues. Incurring long-term debt serves to obligate future taxpayers. Excess reliance on long-term can cause debt levels to reach or exceed the government's ability to pay. Therefore, conscientious use of long-term debt will provide assurance that future residents will be able to support the debt obligations left by former residents.
- 2) **Debt Not Used for Current Operations.** The County will not use long-term debt for financing current operations. This policy reflects the view that those residents who benefit from a service should pay for the service. Utilization of long-term debt to support current operations would result in future residents supporting services provided to current residents.

### Debt Refinancing

- 1) **General Refinancing Guidelines.** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinances will be considered (within federal tax law constraints) under the following conditions:
  - There is a net economic benefit.
  - It is needed to modernize covenants that are adversely affecting the County's financial position or operations.
  - The County wants to reduce the principal outstanding in order to achieve future working capital to do so from other sources.
- 2) **Standards for Economic Savings.** In general, refinancing for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.
- 3) **Net Present Value Savings.** Refinancing that produces net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt. Refinancing with savings of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective.

### Investment Policy

The investment of capital funds is incorporated into the County's Cash Management Program. All unexpended bond proceeds are deposited into a consolidated Treasurer's account and invested with other funds in order to obtain maximum earnings. The segregation of each project's equity is preserved and reported separately.

Interest earned on capital funds during the construction period is credited to the respective project funds or enterprise fund wherein the debt service is paid.

## DEBT MANAGEMENT

### Overview of Debt Management

#### Management of Debt and Equity Funding of Capital Needs

An integral part of Gallatin County's financial strength has been to take advantage of the marketplace and refund outstanding debt, thereby reducing interest expense while using excess surpluses wisely to fund (pay with cash) capital project expenses and to fund depreciation of capital assets. This actively managed debt program allows Gallatin County to pass along savings from the refunding of outstanding debt along to the taxpayers through reductions in millage rates.

#### Debt Service Schedules of Major Outstanding Bonds

The following information provides detailed debt service schedules for each of the County's major debt issues.

FINAL					
<b>\$2,300,000</b>					
Gallatin County, Montana					
Open Space General Obligation Refunding Bond, Series 2011					
<b>Debt Service Schedule</b>					
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
1/1/2012	-	-	46,660.59	46,660.59	-
7/1/2012	185,000.00	3.000%	33,595.63	218,595.63	265,256.22
1/1/2013	-	-	30,820.63	30,820.63	-
7/1/2013	205,000.00	3.000%	30,820.63	235,820.63	266,641.26
1/1/2014	-	-	27,745.63	27,745.63	-
7/1/2014	215,000.00	3.000%	27,745.63	242,745.63	270,491.26
1/1/2015	-	-	24,520.63	24,520.63	-
7/1/2015	225,000.00	3.000%	24,520.63	249,520.63	274,041.26
1/1/2016	-	-	21,145.63	21,145.63	-
7/1/2016	230,000.00	3.000%	21,145.63	251,145.63	272,291.26
1/1/2017	-	-	17,695.63	17,695.63	-
7/1/2017	235,000.00	2.300%	17,695.63	252,695.63	270,391.26
1/1/2018	-	-	14,993.13	14,993.13	-
7/1/2018	240,000.00	2.625%	14,993.13	254,993.13	269,986.26
1/1/2019	-	-	11,843.13	11,843.13	-
7/1/2019	245,000.00	2.900%	11,843.13	256,843.13	268,686.26
1/1/2020	-	-	8,290.63	8,290.63	-
7/1/2020	255,000.00	3.125%	8,290.63	263,290.63	271,581.26
1/1/2021	-	-	4,306.25	4,306.25	-
7/1/2021	265,000.00	3.250%	4,306.25	269,306.25	273,612.50
<b>Total</b>	<b>\$2,300,000.00</b>	<b>-</b>	<b>\$402,978.80</b>	<b>\$2,702,978.80</b>	<b>-</b>

# DEBT MANAGEMENT

## Overview of Debt Management

FINAL

**\$4,000,000**

Gallatin County, Montana

Open Space General Obligation Bonds, Series 2008

### Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/23/2008	-	-	-	-	-
01/01/2010	-	-	174,286.44	174,286.44	-
07/01/2010	60,000.00	3.500%	83,435.00	143,435.00	317,721.44
01/01/2011	-	-	82,385.00	82,385.00	-
07/01/2011	165,000.00	3.500%	82,385.00	247,385.00	329,770.00
01/01/2012	-	-	79,497.50	79,497.50	-
07/01/2012	175,000.00	3.500%	79,497.50	254,497.50	333,995.00
01/01/2013	-	-	76,435.00	76,435.00	-
07/01/2013	185,000.00	3.500%	76,435.00	261,435.00	337,870.00
01/01/2014	-	-	73,197.50	73,197.50	-
07/01/2014	195,000.00	3.500%	73,197.50	268,197.50	341,395.00
01/01/2015	-	-	69,785.00	69,785.00	-
07/01/2015	205,000.00	3.750%	69,785.00	274,785.00	344,570.00
01/01/2016	-	-	65,941.25	65,941.25	-
07/01/2016	215,000.00	4.000%	65,941.25	280,941.25	346,882.50
01/01/2017	-	-	61,641.25	61,641.25	-
07/01/2017	225,000.00	4.000%	61,641.25	286,641.25	348,282.50
01/01/2018	-	-	57,141.25	57,141.25	-
07/01/2018	235,000.00	4.000%	57,141.25	292,141.25	349,282.50
01/01/2019	-	-	52,441.25	52,441.25	-
07/01/2019	245,000.00	4.100%	52,441.25	297,441.25	349,882.50
01/01/2020	-	-	47,418.75	47,418.75	-
07/01/2020	260,000.00	4.200%	47,418.75	307,418.75	354,837.50
01/01/2021	-	-	41,958.75	41,958.75	-
07/01/2021	270,000.00	4.300%	41,958.75	311,958.75	353,917.50
01/01/2022	-	-	36,153.75	36,153.75	-
07/01/2022	285,000.00	4.400%	36,153.75	321,153.75	357,307.50
01/01/2023	-	-	29,883.75	29,883.75	-
07/01/2023	300,000.00	4.500%	29,883.75	329,883.75	359,767.50
01/01/2024	-	-	23,133.75	23,133.75	-
07/01/2024	310,000.00	4.600%	23,133.75	333,133.75	356,267.50
01/01/2025	-	-	16,003.75	16,003.75	-
07/01/2025	325,000.00	4.700%	16,003.75	341,003.75	357,007.50
01/01/2026	-	-	8,366.25	8,366.25	-
07/01/2026	345,000.00	4.850%	8,366.25	353,366.25	361,732.50
<b>Total</b>	<b>\$4,000,000.00</b>	<b>-</b>	<b>\$1,900,488.94</b>	<b>\$5,900,488.94</b>	<b>-</b>

# DEBT MANAGEMENT

## Overview of Debt Management

### BOND DEBT SERVICE

GALLATIN COUNTY, MONTANA  
 OPEN SPACE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013  
 Advance Refunding of 2006 Bonds (2017-2026 Maturities)  
 'AA' Rated S&P, BQ, Level Savings, Callable 7/1/2020  
 FINAL PRICING

Dated Date            06/19/2013  
 Delivery Date        06/19/2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2014			38,586.67	38,586.67	
07/01/2014	35,000	1.000%	36,175.00	71,175.00	109,761.67
01/01/2015			36,000.00	36,000.00	
07/01/2015	40,000	1.000%	36,000.00	76,000.00	112,000.00
01/01/2016			35,800.00	35,800.00	
07/01/2016	40,000	1.000%	35,800.00	75,800.00	111,600.00
01/01/2017			35,600.00	35,600.00	
07/01/2017	290,000	1.000%	35,600.00	325,600.00	361,200.00
01/01/2018			34,150.00	34,150.00	
07/01/2018	300,000	2.000%	34,150.00	334,150.00	368,300.00
01/01/2019			31,150.00	31,150.00	
07/01/2019	305,000	2.000%	31,150.00	336,150.00	367,300.00
01/01/2020			28,100.00	28,100.00	
07/01/2020	310,000	2.000%	28,100.00	338,100.00	366,200.00
01/01/2021			25,000.00	25,000.00	
07/01/2021	320,000	2.000%	25,000.00	345,000.00	370,000.00
01/01/2022			21,800.00	21,800.00	
07/01/2022	330,000	2.000%	21,800.00	351,800.00	373,600.00
01/01/2023			18,500.00	18,500.00	
07/01/2023	340,000	2.125%	18,500.00	358,500.00	377,000.00
01/01/2024			14,887.50	14,887.50	
07/01/2024	350,000	2.250%	14,887.50	364,887.50	379,775.00
01/01/2025			10,950.00	10,950.00	
07/01/2025	360,000	3.000%	10,950.00	370,950.00	381,900.00
01/01/2026			5,550.00	5,550.00	
07/01/2026	370,000	3.000%	5,550.00	375,550.00	381,100.00
	3,390,000		669,736.67	4,059,736.67	4,059,736.67

### UNREFUNDED BOND DEBT SERVICE

GALLATIN COUNTY, MONTANA  
 OPEN SPACE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013  
 Advance Refunding of 2006 Bonds (2017-2026 Maturities)  
 'AA' Rated S&P, BQ, Level Savings, Callable 7/1/2020  
 FINAL PRICING

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2013	215,000	4.250%	18,587.50	233,587.50	233,587.50
01/01/2014			14,018.75	14,018.75	
07/01/2014	225,000	4.250%	14,018.75	239,018.75	253,037.50
01/01/2015			9,237.50	9,237.50	
07/01/2015	230,000	4.250%	9,237.50	239,237.50	248,475.00
01/01/2016			4,350.00	4,350.00	
07/01/2016	240,000	3.625%	4,350.00	244,350.00	248,700.00
	910,000		73,800.00	983,800.00	983,800.00

# DEBT MANAGEMENT

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Gallatin County, Montana  
General Obligation Bonds, Series 2009

### Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/05/2009	-	-	-	-	-
01/01/2010	-	-	1,178,738.23	1,178,738.23	-
07/01/2010	330,000.00	3.500%	642,948.13	972,948.13	2,151,686.36
01/01/2011	-	-	637,173.13	637,173.13	-
07/01/2011	1,035,000.00	3.500%	637,173.13	1,672,173.13	2,309,346.26
01/01/2012	-	-	619,060.63	619,060.63	-
07/01/2012	1,090,000.00	3.500%	619,060.63	1,709,060.63	2,328,121.26
01/01/2013	-	-	599,985.63	599,985.63	-
07/01/2013	1,145,000.00	3.500%	599,985.63	1,744,985.63	2,344,971.26
01/01/2014	-	-	579,948.13	579,948.13	-
07/01/2014	1,200,000.00	3.500%	579,948.13	1,779,948.13	2,359,896.26
01/01/2015	-	-	558,948.13	558,948.13	-
07/01/2015	1,260,000.00	3.500%	558,948.13	1,818,948.13	2,377,896.26
01/01/2016	-	-	536,898.13	536,898.13	-
07/01/2016	1,325,000.00	3.500%	536,898.13	1,861,898.13	2,398,796.26
01/01/2017	-	-	513,710.63	513,710.63	-
07/01/2017	1,390,000.00	3.500%	513,710.63	1,903,710.63	2,417,421.26
01/01/2018	-	-	489,385.63	489,385.63	-
07/01/2018	1,460,000.00	3.500%	489,385.63	1,949,385.63	2,438,771.26
01/01/2019	-	-	463,835.63	463,835.63	-
07/01/2019	1,530,000.00	3.250%	463,835.63	1,993,835.63	2,457,671.26
01/01/2020	-	-	438,973.13	438,973.13	-
07/01/2020	1,610,000.00	3.500%	438,973.13	2,048,973.13	2,487,946.26
01/01/2021	-	-	410,798.13	410,798.13	-
07/01/2021	1,690,000.00	3.750%	410,798.13	2,100,798.13	2,511,596.26
01/01/2022	-	-	379,110.63	379,110.63	-
07/01/2022	1,775,000.00	4.000%	379,110.63	2,154,110.63	2,533,221.26
01/01/2023	-	-	343,610.63	343,610.63	-
07/01/2023	1,860,000.00	4.125%	343,610.63	2,203,610.63	2,547,221.26
01/01/2024	-	-	305,248.13	305,248.13	-
07/01/2024	1,955,000.00	4.375%	305,248.13	2,260,248.13	2,565,496.26
01/01/2025	-	-	262,482.50	262,482.50	-
07/01/2025	2,055,000.00	4.500%	262,482.50	2,317,482.50	2,579,965.00
01/01/2026	-	-	216,245.00	216,245.00	-
07/01/2026	2,155,000.00	4.500%	216,245.00	2,371,245.00	2,587,490.00
01/01/2027	-	-	167,757.50	167,757.50	-
07/01/2027	2,265,000.00	4.600%	167,757.50	2,432,757.50	2,600,515.00
01/01/2028	-	-	115,662.50	115,662.50	-
07/01/2028	2,375,000.00	4.750%	115,662.50	2,490,662.50	2,606,325.00
01/01/2029	-	-	59,256.25	59,256.25	-
07/01/2029	2,495,000.00	4.750%	59,256.25	2,554,256.25	2,613,512.50
<b>Total</b>	<b>\$32,000,000.00</b>	<b>-</b>	<b>\$17,217,866.50</b>	<b>\$49,217,866.50</b>	<b>-</b>

Detention Center 2009 -Ci | SINGLE PURPOSE | 1/30/2009 | 3:29 PM

# DEBT MANAGEMENT

## Overview of Debt Management

FINAL

**\$32,000,000**

Gallatin County, Montana

General Obligation Bonds, Series 2009

### Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+	Fiscal Total
02/05/2009	-	-	-	-	-
01/01/2010	-	-	1,178,738.23	1,178,738.23	-
07/01/2010	330,000.00	3.500%	642,948.13	972,948.13	2,151,686.36
01/01/2011	-	-	637,173.13	637,173.13	-
07/01/2011	1,035,000.00	3.500%	637,173.13	1,672,173.13	2,309,346.26
01/01/2012	-	-	619,060.63	619,060.63	-
07/01/2012	1,090,000.00	3.500%	619,060.63	1,709,060.63	2,328,121.26
01/01/2013	-	-	599,985.63	599,985.63	-
07/01/2013	1,145,000.00	3.500%	599,985.63	1,744,985.63	2,344,971.26
01/01/2014	-	-	579,948.13	579,948.13	-
07/01/2014	1,200,000.00	3.500%	579,948.13	1,779,948.13	2,359,896.26
01/01/2015	-	-	558,948.13	558,948.13	-
07/01/2015	1,260,000.00	3.500%	558,948.13	1,818,948.13	2,377,896.26
01/01/2016	-	-	536,898.13	536,898.13	-
07/01/2016	1,325,000.00	3.500%	536,898.13	1,861,898.13	2,398,796.26
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07/01/2017	1,390,000.00	3.500%	513,710.63	1,903,710.63	2,417,421.26
01/01/2018	-	-	489,385.63	489,385.63	-
07/01/2018	1,460,000.00	3.500%	489,385.63	1,949,385.63	2,438,771.26
01/01/2019	-	-	463,835.63	463,835.63	-
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07/01/2022	1,775,000.00	4.000%	379,110.63	2,154,110.63	2,533,221.26
01/01/2023	-	-	343,610.63	343,610.63	-
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01/01/2025	-	-	262,482.50	262,482.50	-
07/01/2025	2,055,000.00	4.500%	262,482.50	2,317,482.50	2,579,965.00
01/01/2026	-	-	216,245.00	216,245.00	-
07/01/2026	2,155,000.00	4.500%	216,245.00	2,371,245.00	2,587,490.00
01/01/2027	-	-	167,757.50	167,757.50	-
07/01/2027	2,265,000.00	4.600%	167,757.50	2,432,757.50	2,600,515.00
01/01/2028	-	-	115,662.50	115,662.50	-
07/01/2028	2,375,000.00	4.750%	115,662.50	2,490,662.50	2,606,325.00
01/01/2029	-	-	59,256.25	59,256.25	-
07/01/2029	2,495,000.00	4.750%	59,256.25	2,554,256.25	2,613,512.50
<b>Total</b>	<b>\$32,000,000.00</b>	<b>-</b>	<b>\$17,217,866.50</b>	<b>\$49,217,866.50</b>	<b>-</b>