



# Douglas County

## Debt Management Policy

### Fiscal Year 2011

Prepared July 2010



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## EXECUTIVE SUMMARY

This Debt Management Policy was created to fulfill the requirements of NRS 350.013. The County is generally limited in the bonds it can issue by its statutory debt limit, the \$3.64 limit on overlapping tax rates, and the amount of revenue available to pay debt service on bonds. The policy discusses the outstanding and proposed debt of the County, its ability to afford such debt, and other items relating to the issuance of bonds by the County.

As of June 30, 2010, the County has \$21,145,218 of general obligation revenue supported debt outstanding and \$5,890,000 of general obligation medium-term debt outstanding. The County has authorization to issue \$3,350,000 of general obligation revenue supported debt to make improvements to its water systems. The County plans to issue this debt in August of 2010. Most of the County's debt is paid from sources other than property taxes with approximately one-half of the County's debt paid from water and sewer system revenues. The County presently has approximately \$316,280,000 of statutory debt limit available.

This policy contains information regarding the general obligation debt and capital improvement plans of the County, the Town of Gardnerville, Town of Minden, Town of Genoa, Douglas County Redevelopment Agency, East Fork Fire Protection District, and the East Fork Paramedic District.

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**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;

**Outstanding, Authorized, and Proposed General Obligation Debt**

As of June 30, 2010, the County has \$21,145,218 of outstanding general obligation revenue supported debt and \$5,890,000 of general obligation medium-term debt outstanding. The following tables list the outstanding general obligation bonds.

**Outstanding General Obligation Debt**  
June 30, 2010

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<b><u>GENERAL OBLIGATION MEDIUM-TERM BONDS</u></b>				
Various Purpose Bonds	12/01/02	12/01/12	\$3,100,000	\$1,040,000
Parking Garage Bonds	10/01/04	10/01/14	2,780,000	2,520,000
Parking Garage Bonds	02/01/05	02/01/15	3,220,000	<u>2,330,000</u>
TOTAL G.O. MEDIUM-TERM BONDS				\$5,890,000
<b><u>GENERAL OBLIGATION REVENUE BONDS</u></b>				
<i>Recreation Room Tax</i>				
Kahle Park, Phase II	12/01/98	05/01/14	2,200,000	760,000
<i>Lake Water Systems</i>				
Water Refunding, Series B	06/01/97	03/01/12	1,185,000	330,000
Water	02/01/02	11/01/21	1,250,000	1,210,000
Water, Series A	05/01/05	12/01/16	1,190,000	845,000 <sup>1</sup>
SRF Water Bonds, Series 2009	03/06/09	tbd	3,500,000	1,181,486
<i>Valley Water Systems</i>				
Water	12/01/00	12/01/11	2,500,000	245,000
Water	08/01/04	08/01/24	2,065,000	1,865,000
Water, Series C	05/01/05	12/01/16	1,785,000	1,455,000
SRF Water Bonds, Series 2005D	12/30/05	12/21/20	674,542	627,748
Water Refunding, Series A	01/04/06	12/01/20	2,397,000	2,263,000 <sup>2</sup>
SRF Water Bonds, Series 2010	02/11/10	tbd	1,150,000	53,984

- table continued on following page -

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
<i>Valley Sewer</i>				
Sewer, Series B	12/01/00	12/01/11	4,000,000	390,000
Sewer, Series B	08/01/04	08/01/24	3,000,000	2,640,000
Sewer Refunding, Series B	05/01/05	12/01/15	1,540,000	1,100,000
Sewer Refunding, Series E	12/20/05	12/01/20	2,558,000	2,493,000
<i>Transportation Room Tax</i>				
Transportation Refunding Bonds	06/01/05	05/01/20	2,488,000	2,416,000
<i>Franchise Fee</i>				
Solid Waste Disposal Bonds	09/01/04	12/01/19	1,670,000	<u>1,270,000</u>
TOTAL GENERAL OBLIGATION REVENUE BONDS				\$21,145,218
TOTAL GENERAL OBLIGATION DEBT OUTSTANDING				\$27,035,218
<u>REVENUE BONDS</u>				
Highway Revenue Bonds	04/01/03	06/01/23	\$3,145,000	\$1,550,000
<u>OTHER DEBT</u>				
ZWUD Refunding Bonds	04/01/04	02/18/11	\$540,000	\$71,080

<sup>1</sup> The County has authorization for \$3,500,000, it has drawn \$1,181,486 as of June 30, 2010. Until the County makes its final draw it makes interest-only payment on the actual principal drawn.

<sup>2</sup> The County has authorization for \$1,150,000, it has drawn \$53,984 as of June 30, 2010. Until the County makes its final draw it makes interest-only payment on the actual principal drawn.

SOURCE: The County 2011 Final Budget; the County

Appendix B contains individual debt service schedules for each of the outstanding bond issues.

The following sections demonstrate the ability of the County to make principal and interest payments on its outstanding bonds.

### General Obligation Bonds

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

### General Obligation General Fund Supported Medium-Term Bonds

The County currently has \$5,890,000 of outstanding debt secured by the General Fund and other legally available resources. While the County may pay principal and interest on the bonds from specific revenue sources, the bonds are secured by all legally available funds of the County. Debt service payments on these bonds are currently made from revenues received from the levy of a \$.05 tax override (the "Capital Projects Tax") and resources in the County Construction Fund. The following table details the payments on the bonds.

#### General Fund Supported Medium-Term Bonds Outstanding Debt Service June 30, 2010

Fiscal Year	Outstanding Bonds		Total Debt Service
	Principal	Interest	
2011	\$1,085,000	\$233,206	\$1,318,206
2012	1,135,000	185,306	1,320,306
2013	1,180,000	134,813	1,314,813
2014	1,220,000	91,813	1,311,813
2015	<u>1,270,000</u>	<u>43,975</u>	<u>1,313,975</u>
TOTAL	\$5,890,000	\$689,113	\$6,579,113

SOURCE: The County

While the revenues shown are not pledged to the outstanding bonds, the following table demonstrates the sufficiency of these revenues to pay the outstanding bonds.

#### General Fund Supported Medium-Term Bonds Debt Service Coverage

	2009 Audited	2010 Estimated	2011 Budgeted
County Construction Fund Revenues	\$332,623	\$330,000	\$325,000
Capital Projects Tax Revenues	<u>1,539,855</u>	<u>1,481,168</u>	<u>1,510,790</u>
Total Revenues	\$1,872,478	\$1,811,168	\$1,835,790
Annual Debt Service	\$1,323,820	\$1,321,070	\$1,318,206
Coverage	1.41	1.37	1.39

SOURCE: The County

### General Obligation Room Tax Secured Bonds

The County currently has \$760,000 of outstanding general obligation debt secured by a portion of the County's Lodger's Tax ("Room Tax"). The County is allowed to pledge the revenues generated by a 5% portion of the Room Tax. The County has pledged the revenues generated by a 2.5% levy to these bonds. The following table details the payments on the bonds.

#### Recreation Room Tax Secured Bonds Outstanding Debt Service June 30, 2010

Fiscal Year Ending June 30	Principal	Interest	Annual Debt Service
2011	\$230,000	\$32,715	\$262,715
2012	210,000	23,055	233,055
2013	220,000	14,025	234,025
2014	<u>100,000</u>	<u>4,400</u>	<u>104,400</u>
TOTAL	\$760,000	\$74,195	\$834,195

SOURCE: The County

The following table demonstrates the debt service coverage for the bonds.

#### Recreation Room Tax Secured Bonds Debt Service Coverage

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$1,980,567	\$2,185,704	\$1,605,536
Annual Debt Service	\$287,456	\$287,821	\$262,715
Coverage	6.89	7.59	6.11

SOURCE: The County

### General Obligation Lake Water Systems Revenue Secured Bonds

The County currently has \$3,566,486 of outstanding general obligation debt secured by a lien on the net pledged revenues of the water systems in the Lake Tahoe area owned by the County. The systems currently pledged to the lake water bonds outstanding are Skyland, Cave Rock/Uppaway, and Zephyr. The following tables detail the payments on the County's outstanding lake water revenue bonds.

#### Lake Water Systems Revenue Secured Bonds Outstanding Debt Service June 30, 2010

Fiscal Year <sup>2</sup>	Principal	Interest	Pro Forma Debt Service 2009 SRF Loan <sup>1</sup>		Annual Debt Service
			Principal	Interest	
2011	\$290,000	\$115,379	\$141,000	\$113,306	\$659,685
2012	305,000	100,589	145,000	108,662	659,251
2013	230,000	83,029	149,000	103,888	565,917
2014	245,000	71,640	155,000	98,967	570,607
2015	255,000	59,523	159,000	93,865	567,388
2016	270,000	46,665	165,000	88,617	570,282
2017	115,000	37,208	171,000	83,172	406,380
2018	120,000	31,390	176,000	77,548	404,938
2019	125,000	25,234	182,000	71,744	403,978
2020	135,000	18,635	188,000	65,743	407,378
2021	145,000	11,459	194,000	59,547	410,006
2022	150,000	3,863	200,000	53,154	407,017
2023	0	0	207,000	46,548	253,548
2024	0	0	214,000	39,731	253,731
2025	0	0	221,000	32,667	253,667
2026	0	0	228,000	25,392	253,392
2027	0	0	236,000	17,871	253,871
2028	0	0	244,000	10,088	254,088
2029	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>2,044</u>	<u>127,044</u>
Total	\$2,385,000	\$604,612	\$3,500,000	\$1,192,553	\$7,682,165

<sup>1</sup> Estimated debt service. The County has authorization for up to \$3,500,000; it has drawn \$1,181,486 as of June 30, 2010. Until the County makes its final draw it makes interest-only payment on the actual principal drawn.

<sup>2</sup> Interest payments due on July 1 are shown in the previous fiscal year.

SOURCE: The County

The following table demonstrates the debt service coverage for the outstanding lake water systems revenue bonds.

**Lake Water Systems Revenue Secured Bonds  
Debt Service Coverage**

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$511,806	\$311,857	\$670,011
Annual Debt Service <sup>1</sup>	\$407,904	\$518,849	\$659,685
Coverage <sup>2</sup>	1.25	0.60	1.02

<sup>1</sup> Estimated debt service. The County has authorization for up to \$3,500,000, it has drawn \$1,181,486 as of June 30, 2010. Until the County makes its final draw it makes interest-only payment on the actual principal drawn.

<sup>2</sup> Estimated fund balance of \$623,530 in fiscal year 2010 is available for debt service payment.

SOURCE: The County

### General Obligation Valley Water Systems Revenue Secured Bonds

The County currently has \$6,509,732 of outstanding general obligation debt secured by a lien on the net pledged revenues of the valley water systems owned by the County. The valley water systems of which revenues are pledged are currently Ridgeview, Genoa, East Valley, and Foothill. The following table details the payments on the bonds.

#### Valley Water Systems Revenue Secured Bonds Outstanding Debt Service June 30, 2010

Fiscal Year	Principal	Interest	Pro Forma Debt Service 2010 SRF Loan		Total Valley Water System Debt Service
			Principal	Interest	
2011	\$470,374	\$262,510	\$0	\$43,125	\$776,009
2012	508,349	240,714	44,000	42,716	835,779
2013	534,354	217,947	45,700	41,051	839,052
2014	552,389	194,657	47,400	39,321	833,767
2015	575,455	170,290	49,200	37,526	832,471
2016	602,553	144,692	51,100	35,664	834,009
2017	634,684	117,717	53,100	33,729	839,230
2018	406,850	95,871	55,100	31,719	589,540
2019	424,050	79,468	57,100	29,634	590,252
2020	446,287	62,153	59,300	27,473	595,212
2021	467,560	43,842	61,600	25,228	598,230
2022	189,873	30,578	63,800	22,898	307,148
2023	196,224	22,641	66,200	20,483	305,547
2024	207,617	14,133	68,800	17,976	308,525
2025	214,051	5,038	71,400	15,371	305,860
2026	25,077	0	74,100	12,669	111,846
2027	0	0	76,900	9,864	86,764
2028	0	0	79,800	6,954	86,754
2029	0	0	82,800	3,934	86,734
2030	<u>0</u>	<u>0</u>	<u>42,600</u>	<u>799</u>	<u>43,399</u>
Total	\$6,455,747	\$1,702,248	\$1,150,000	\$498,135	\$9,806,130

<sup>1</sup> Estimated debt service. The County has authorization for up to \$1,150,000; it has drawn \$53,984 as of June 30, 2010. Until the County makes its final draw it makes interest-only payment on the actual principal drawn.

<sup>2</sup> Interest payments due on July 1 are shown in the previous fiscal year.

SOURCE: The County

The following table demonstrates the debt service coverage for the bonds.

**Valley Water Systems Revenue Secured Bonds  
Debt Service Coverage**

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$1,027,620	\$131,711	\$819,717
Annual Debt Service	\$731,717	\$709,292	\$776,009
Coverage <sup>1</sup>	1.40	0.19	1.06

<sup>1</sup> The County historically budgets very conservatively. Revenues have historically been sufficient to cover debt service. Fund balance of \$1,129,265 in 2010 is available to repay the bonds.

SOURCE: The County

### Proposed Valley Water Systems Revenue Secured Bonds

The County has authorization to issue \$3,350,000 in general obligation revenue debt in order to finance improvements to its water systems. The County intends to issue this debt in August of 2010. As a part of that debt issuance, the revenues from all of the water systems will be pledged to those bonds and to all other outstanding water bonds. The tables below show the estimated debt service requirements and the ability of the water systems revenues to pay for the outstanding and proposed debt. The County will be adjusting its rate structure to provide for payment of these bonds.

#### OUTSTANDING AND PRO FORMA WATER BONDS DEBT SERVICE

Fiscal Year Ended June 30	Outstanding Water Parity Lien Bonds <sup>1</sup>	Proposed Bonds <sup>2</sup>				Sub-Total	Grand Total
		2010A Bonds		2010B Bonds			
		Principal	Interest	Principal	Interest		
2011	\$1,222,561	\$0	\$86,033	\$115,000	\$47,768	\$248,802	\$1,471,363
2012	1,473,738	0	105,347	120,000	56,400	281,747	1,755,485
2013	1,405,423	0	105,347	120,000	54,000	279,347	1,684,770
2014	1,404,976	0	105,347	120,000	51,300	276,647	1,681,623
2015	1,400,409	0	105,347	125,000	47,925	278,272	1,678,681
2016	1,404,792	0	105,347	130,000	44,100	279,447	1,684,239
2017	1,246,166	0	105,347	135,000	39,788	280,135	1,526,301
2018	995,088	0	105,347	140,000	34,625	279,972	1,275,060
2019	994,895	0	105,347	145,000	28,925	279,272	1,274,167
2020	1,003,213	0	105,347	150,000	23,025	278,372	1,281,585
2021	1,008,820	0	105,347	155,000	16,925	277,272	1,286,092
2022	714,911	0	105,347	160,000	10,625	275,972	990,883
2023	559,805	0	105,347	165,000	3,713	274,060	833,865
2024	562,933	200,000	98,637	0	0	298,637	861,570
2025	560,275	210,000	84,882	0	0	294,882	855,157
2026	365,576	215,000	70,623	0	0	285,623	651,199
2027	340,651	225,000	55,861	0	0	280,861	621,512
2028	340,811	230,000	40,596	0	0	270,596	611,407
2029	213,802	240,000	24,827	0	0	264,827	478,629
2030	<u>086781</u>	<u>250,000</u>	<u>8,388</u>	<u>0</u>	<u>0</u>	<u>258,388</u>	<u>258,388</u>
<b>TOTAL</b>	<b>\$17,218,845</b>	<b>\$1,570,000</b>	<b>\$1,734,010</b>	<b>\$1,780,000</b>	<b>\$459,118</b>	<b>\$5,543,128</b>	<b>\$22,761,973</b>

<sup>1</sup> Total principal and interest payments on the County's Water Parity Lien Bonds. Includes pro forma debt service on the 2009 and the 2010 NDEP Revolving Loan; the County pays interest only on the actual amount drawn until the maximum amount is drawn or three years from the award of the loan.

<sup>2</sup> Preliminary, subject to change.

SOURCE: The County; compiled by JNA Consulting Group, LLC

## PRO FORMA DEBT SERVICE COVERAGE WATER BONDS

	2007 Audited	2008 Audited	2009 Audited	2010 Estimated <sup>1</sup>	2011 Budgeted
Operating Revenues	\$2,396,356	\$2,693,354	\$2,690,530	\$2,595,750	\$3,582,000
Operating Expenses <sup>2</sup>	(1,725,344)	(1,795,549)	(2,024,721)	(2,277,528)	(2,171,920)
Nonoperating Revenues	<u>524,398</u>	<u>572,400</u>	<u>244,131</u>	<u>103,500</u>	<u>101,000</u>
Net Pledged Revenues	\$1,195,410	\$1,470,205	\$909,940	\$421,722	\$1,511,080
Annual Debt Service <sup>3</sup>	\$1,000,885	\$1,219,361	\$1,120,851	\$1,170,402	\$1,471,363
Coverage	1.19	1.21	0.81	0.36	1.03

<sup>1</sup> Since rates were adopted at various points during the fiscal year the County utilized available fund balance to make payments on the outstanding bonds. The budgeted available fund balance for fiscal year 2011 is \$3,935,568.

<sup>2</sup> Excludes depreciation.

<sup>3</sup> Includes debt service on proposed bonds.

SOURCE: The County; compiled by JNA Consulting Group, LLC

### General Obligation Valley Sewer Systems Revenue Secured Bonds

The County currently has \$6,623,000 of outstanding general obligation debt secured by a lien on the net pledged revenues of the County's sewer systems. The following table details the payments on the bonds.

#### Valley Sewer System Revenues Secured Bonds Outstanding Debt Service June 30, 2010

Fiscal Year <sup>1</sup>	Outstanding Bonds		Total Debt Service
	Principal	Interest	
2011	\$498,000	\$273,901	\$771,901
2012	524,000	250,195	774,195
2013	543,000	226,317	769,317
2014	567,000	202,433	769,433
2015	600,000	177,196	777,196
2016	628,000	150,698	778,698
2017	435,000	128,599	563,599
2018	452,000	110,912	562,912
2019	473,000	92,290	565,290
2020	499,000	72,536	571,536
2021	519,000	51,659	570,659
2022	205,000	36,358	241,358
2023	215,000	26,800	241,800
2024	225,000	16,568	241,568
2025	<u>240,000</u>	<u>5,640</u>	<u>245,640</u>
Total	\$6,623,000	\$1,822,098	\$8,445,098

<sup>1</sup> Interest payments due July 1 are included in the previous fiscal year.

SOURCE: The County

The following table demonstrates the debt service coverage for the bonds.

**Valley Sewer System Revenue Secured Bonds  
Debt Service Coverage**

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$403,179	\$30,853	\$705,535
Annual Debt Service	\$774,616	\$773,348	\$771,901
Coverage <sup>1</sup>	0.52	0.04	0.91

<sup>1</sup> The County estimates and budgets the revenues from connection fees very conservatively. Those revenues were \$155,445 in fiscal year 2009, the County has budgeted \$60,000 for connection fee revenues in fiscal years 2010 and 2011, respectively. The County expects the actual revenues, coupled with any reserves from prior years to adequately cover debt service on the bonds.

SOURCE: The County

### General Obligation Transportation Room Tax Secured Bonds

The County has pledged the revenues generated by a 1% room tax levied in the Lake Tahoe area for the payment of bonds issued for transportation improvements of which \$2,416,000 is outstanding. The following table details the payments on the bonds.

#### Transportation Room Tax Secured Bonds Debt Service

Fiscal Year	Principal	Interest	Annual Debt Service
2011	\$202,000	\$84,230	\$286,230
2012	210,000	76,967	286,967
2013	218,000	69,420	287,420
2014	226,000	61,588	287,588
2015	238,000	53,436	291,436
2016	244,000	44,909	288,909
2017	254,000	36,134	290,134
2018	265,000	27,003	292,003
2019	275,000	17,480	292,480
2020	<u>284,000</u>	<u>7,601</u>	<u>291,601</u>
TOTAL	\$2,416,000	\$478,767	\$2,894,767

SOURCE: The County

The following table demonstrates the debt service coverage for the bonds.

#### Transportation Room Tax Secured Bonds Debt Service Coverage

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$693,443	\$765,081	\$562,214
Annual Debt Service	\$288,188	\$290,803	\$286,230
Coverage	2.41	2.63	1.96

SOURCE: The County

### General Obligation Franchise Fee Secured Bonds

The County has \$1,270,000 still outstanding which is secured by a lien on franchise fee revenues for the construction of a transfer station. The following table shows the payments on the bonds.

#### Franchise Fee Secured Bonds Debt Service

Fiscal Year	Principal	Interest	Annual Debt Service
2011	\$100,000	\$55,050	\$155,050
2012	105,000	50,819	155,819
2013	115,000	46,144	161,144
2014	120,000	41,000	161,000
2015	120,000	35,600	155,600
2016	130,000	30,056	160,056
2017	135,000	24,175	159,175
2018	140,000	17,813	157,813
2019	150,000	10,925	160,925
2020	<u>155,000</u>	<u>3,681</u>	<u>158,681</u>
Total	\$1,270,000	\$315,263	\$1,585,263

SOURCE: The County

The following table demonstrates debt service coverage for the bonds.

#### Franchise Fee Secured Bonds Debt Service Coverage

	2009 Audited	2010 Estimated	2011 Budgeted
Pledged Revenues	\$546,174	\$507,000	\$513,000
Annual Debt Service	\$162,550	\$158,925	\$155,050
Coverage	3.36	3.19	3.31

SOURCE: The County

### General Obligation Debt Limit

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;

The County is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 10 percent of the County's total assessed valuation including the redevelopment agency. As of June 30, 2010, the County has \$21,145,218 of general obligation and \$5,890,000 of medium-term general obligation debt outstanding. Based on the fiscal year 2010 assessed value, the County's available general obligation debt limit is \$316,280,285.

#### General Obligation Debt Limit Based on Fiscal Year 2010 Assessed Value

Douglas County Assessed Value	\$3,368,178,709
Douglas County Redevelopment Agency Assessed Value	<u>98,476,321</u>
Total Assessed Value	3,466,655,030
General Obligation Debt Limit (10%)	346,665,503
Outstanding General Obligation Debt	27,035,218
Proposed General Obligation Debt	<u>3,350,000</u>
Available General Obligation Debt Limit	<u>\$316,280,285</u>

Other factors also limit the amount of debt the County can issue. These factors include, but are not limited to; overlapping tax rates, available revenues, market conditions, type of projects to be funded.

### 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 taxable property within the boundaries of the municipality;

The following table shows a comparison of the County's outstanding debt with other comparable local governments.

**General Obligation Debt Comparison**  
June 30, 2010

County	Total General Obligation Debt	Population	FY 2010 Assessed Value <sup>1</sup>	GO Debt Per Capita	GO Debt as a % of Assessed Value
Carson City	\$114,464,321	57,425	\$1,827,072,632	\$1,993.28	6.26%
Douglas County	27,035,218	55,084	3,368,178,709	490.80	0.80%
Elko County	23,349,600	54,305	1,274,631,694	429.97	1.83%
Lyon County	20,233,727	61,536	1,653,412,504	328.81	1.22%
Nye County	0	55,028	2,012,794,024	<u>0.00</u>	<u>0.00%</u>
			Average:	\$648.57	2.02%

<sup>1</sup> 2010 population projections from Nevada County Population Projections 2008 to 2028 prepared by the State demographer's office August 2008.

<sup>2</sup> Excludes redevelopment agencies; includes net proceeds of minerals.

SOURCE: Nevada Department of Taxation, Fiscal Year 2009-2010 Property Tax Rates for Nevada Local Governments, Nevada State Demographer website, and the counties; compiled by JNA Consulting Group, LLC

## 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 be privately placed.

Competitive Sale - Offering documents are sent to any firm interested in purchasing the 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 (the "TIC"). The TIC is the discount rate which results in a present value of the future debt service payments equal to the amount bid for the bonds.

Negotiated Sale - One firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of 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 County to be sold at competitive sale. For most County general obligation bonds a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the County 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 County will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the County 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 County. 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 County has prepared a Capital Improvement Plan which will be sent under separate cover. Some projects will have an impact on the County's general fund, which is funded in part by the levy of property taxes. The County anticipates that any financial impact on the general fund will be provided for within the maximum rate calculated by the Department of Taxation and that no tax overrides for operational costs will be required.

### 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 the debt; or*

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

The County's five-year Capital Improvement Plan is submitted under separate cover.

### Chief Financial Officer of the County

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 chief financial officer of Douglas County is:

Claudette Springmeyer  
County Comptroller  
P.O. Box 218  
Minden, Nevada 89423  
775-782-9097  
775-782-9007 fax

APPENDIX A  
DEBT INFORMATION OF OTHER LOCAL  
GOVERNMENTS

The Board of County Commissioners also sits as the governing body for the Town of Gardnerville, Town of Minden, Town of Genoa, Douglas County Redevelopment Agency, East Fork Fire Protection District, and the East Fork Paramedic District.. This appendix discusses the outstanding general obligation debt information for these entities.

Town of Minden has no debt outstanding.

Town of Genoa has no debt outstanding.

East Fork Paramedic District has no debt outstanding.

Douglas County Redevelopment Agency has \$3,700,000 in tax increment debt outstanding.

East Fork Fire Protection District has \$76,160 in capital lease debt and \$1,115,000 in general obligation medium-term bonds outstanding.

Town of Gardnerville has \$622,251 in medium-term general obligation debt outstanding. See the section below for a discussion of the Town of Gardnerville’s outstanding debt.

**East Fork Fire Protection District**

The East Fork Fire Protection District (the “District”) has \$76,160 in capital lease debt and \$1,115,000 in general obligation medium-term bonds outstanding as of June 30, 2010.

**East Fork Fire Protection District  
Outstanding Debt  
June 30, 2010**

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Capital Lease				\$76,160
2010 Medium-Term Bonds			1,115,000	<u>1,115,000</u>
			TOTAL	\$1,191,160

The following tables details the remaining payments on the outstanding loans:

**East Fork Fire Protection District  
Outstanding Capital Lease Debt Service  
June 30, 2010**

Fiscal Year	Principal	Interest	Total Debt Service
2011	<u>\$76,160</u>	<u>\$2,605</u>	<u>\$78,765</u>
TOTAL	\$76,160	\$2,605	\$78,765

**East Fork Fire Protection District  
Medium-Term Bonds Debt Service  
June 30, 2010**

Fiscal Year	Principal	Interest	Total Debt Service
2011	\$71,000	\$33,102	\$104,102
2012	69,000	41,491	110,491
2013	78,000	38,622	116,622
2014	89,000	35,350	124,350
2015	100,000	31,653	131,653
2016	113,000	27,472	140,472
2017	126,000	22,786	148,786
2018	140,000	17,554	157,554
2019	156,000	11,736	167,736
2020	<u>173,000</u>	<u>5,272</u>	<u>178,272</u>
TOTAL	\$1,115,000	\$265,038	\$1,380,038

The East Fork Fire Protection District will pay debt service on outstanding loans from its General Fund. The following table shows the resources and expenditures from the District's General Fund.

**East Fork Fire Protection District  
General Fund**

	FY 2009 (Audited)	FY 2010 (Estimated)	FY2011 (Budgeted)
<b><u>REVENUES</u></b>			
Taxes	\$3,777,239	\$4,153,987	\$4,429,200
Intergovernmental	2,006,399	1,982,420	1,648,524
Charges for Services	290,056	5,027,580	4,364,140
Interest	24,518	18,000	12,000
Miscellaneous	<u>284,422</u>	<u>31,080</u>	<u>30,000</u>
TOTAL	6,382,634	11,213,067	10,483,864
<b><u>EXPENDITURES</u></b>			
Public Safety	<u>5,449,268</u>	<u>11,054,431</u>	<u>10,305,262</u>
TOTAL	5,449,268	11,054,431	10,305,262
Excess/(Deficiency) of Revenues Over Expenditures	933,366	158,636	178,602
Other Financing Sources/Uses	(861,718)	(150,170)	(590,005)
BEGINNING FUND BALANCE	1,197,389	1,269,037	1,277,503
ENDING FUND BALANCE	1,269,037	1,277,503	866,100

SOURCE: The District's 2011 Final Budget ; compiled by JNA Consulting Group, LLC

The East Fork Fire Protection District's debt limit is 5% of its assessed value. Based on the 2010 assessed value, the District's debt limit is \$102,155,711 with \$1,115,000 outstanding as of June 30, 2010.

**East Fork Fire Protection District  
General Obligation Debt Limit  
Fiscal Year 2010**

Total Assessed Value	\$2,043,114,220
General Obligation Debt Limit (5%)	102,155,711
Outstanding General Obligation Debt	<u>1,115,000</u>
Available General Obligation Debt Limit	\$101,040,711

Town of Gardnerville

The Town of Gardnerville (the "Town") has two general obligation loans outstanding as of June 30, 2010.

**Town of Gardnerville**  
**Outstanding General Obligation Debt**  
 June 30, 2010

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
2002 Note	04/01/02	04/01/12	\$325,000	\$80,100
2005 Medium-Term Financing	08/03/05	04/01/15	900,000	<u>542,151</u>
			TOTAL	\$622,251

The following table details the remaining payments on the outstanding loans:

**Town of Gardnerville**  
**Outstanding Debt Service**  
 June 30, 2010

Fiscal Year	Principal	Interest	Total Debt Service
2011	\$138,498	\$27,298	\$165,796
2012	144,722	21,159	165,881
2013	108,234	14,747	122,981
2014	112,942	10,040	122,982
2015	<u>117,855</u>	<u>5,129</u>	<u>122,984</u>
TOTAL	\$622,251	\$78,373	\$700,624

The Town of Gardnerville will pay debt service on outstanding loans from its General Fund, portions of its Capital Projects Tax revenue, and its Health and Sanitation Fund revenue. In fiscal year 2006, the Town set up a Debt Service Fund to account for the payment of debt. The following table shows the resources and expenditures from the Town's Debt Service Fund.

**Town of Gardnerville  
Debt Service Fund**

	FY 2009 (Audited)	FY 2010 (Estimated)	FY2011 (Budgeted)
<u>REVENUES</u>			
Interest Earnings	\$1,139	\$75	\$300
Transfers in from General Fund	122,982	122,982	122,981
Transfers in from Capital Projects Fund	<u>21,298</u>	<u>21,374</u>	<u>15,194</u>
TOTAL	145,419	144,431	138,475
<u>EXPENDITURES</u>			
Principal	109,034	113,905	118,948
Interest	35,245	30,451	25,442
Other	<u>200</u>	<u>200</u>	<u>200</u>
TOTAL	144,479	144,556	144,590
Excess/(def.) of revenue over expenditures	940	(125)	(6,115)
BEGINNING FUND BALANCE	5,300	6,240	6,115
ENDING FUND BALANCE	6,240	6,115	0

SOURCE: The County Treasurer Office; Compiled by JNA Consulting Group, LLC

The Town of Gardnerville's debt limit is 25% of its assessed value. Based on the 2010 assessed value, the Town's debt limit is \$52,598,802 with \$622,251 outstanding as of June 30, 2010.

**Town of Gardnerville**  
**General Obligation Debt Limit**  
Fiscal Year 2010

Total Assessed Value	\$210,395,207
General Obligation Debt Limit (25%)	52,598,802
Outstanding General Obligation Debt	<u>622,251</u>
Available General Obligation Debt Limit	\$51,976,551

**APPENDIX B**

**DEBT SERVICE SCHEDULES**

Debt Service Summary  
Lake Water Refunding Bonds 1997B  
(Refunding of 1992A Bonds)

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
09/01/10			\$8,456	\$8,456	
03/01/11	\$160,000	5.125%	8,456	168,456	\$176,913
09/01/11			4,356	4,356	
03/01/12	<u>170,000</u>	5.125%	<u>4,356</u>	<u>174,356</u>	<u>178,713</u>
TOTAL	\$330,000		\$25,625	\$355,625	\$355,625

Debt Service Summary  
Recreation Room Tax-Kahle Park Bonds (Phase II) 1998

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
11/01/10			\$16,358	\$16,358	
05/01/11	\$230,000	4.200%	16,358	246,358	\$262,715
11/01/11			11,528	11,528	
05/01/12	210,000	4.300%	11,528	221,528	233,055
11/01/12			7,013	7,013	
05/01/13	220,000	4.375%	7,013	227,013	234,025
11/01/13			2,200	2,200	
05/01/14	<u>100,000</u>	4.400%	<u>2,200</u>	<u>102,200</u>	<u>104,400</u>
TOTAL	\$760,000		\$74,195	\$834,195	\$834,195

Debt Service Summary  
Valley Water Bonds Series 2000A

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$120,000	4.875%	\$5,972	\$125,972	
06/01/11			3,047	3,047	\$129,019
12/01/11	<u>125,000</u>	5.375%	<u>3,047</u>	<u>128,047</u>	<u>128,047</u>
TOTAL	\$245,000		\$12,066	\$257,066	\$257,066

Debt Service Summary  
Valley Sewer Bonds Series 2000B

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$190,000	4.875%	\$9,506	\$199,506	
06/01/11			4,875	4,875	\$204,381
12/01/11	<u>200,000</u>	5.375%	<u>4,875</u>	<u>204,875</u>	<u>204,875</u>
TOTAL	\$390,000		\$19,256	\$409,256	\$409,256

Debt Service Summary  
Lake Water Bonds Series 2002C

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
11/01/10	\$5,000	4.250%	\$29,724	\$34,724	
05/01/11			29,618	29,618	\$64,341
11/01/11	5,000	4.350%	29,618	34,618	
05/01/12			29,509	29,509	64,126
11/01/12	95,000	4.450%	29,509	124,509	
05/01/13			27,395	27,395	151,904
11/01/13	100,000	4.550%	27,395	127,395	
05/01/14			25,120	25,120	152,515
11/01/14	105,000	4.700%	25,120	130,120	
05/01/15			22,653	22,653	152,773
11/01/15	110,000	4.800%	22,653	132,653	
05/01/16			20,013	20,013	152,665
11/01/16	115,000	4.900%	20,013	135,013	
05/01/17			17,195	17,195	152,208
11/01/17	120,000	5.000%	17,195	137,195	
05/01/18			14,195	14,195	151,390
11/01/18	125,000	5.050%	14,195	139,195	
05/01/19			11,039	11,039	150,234
11/01/19	135,000	5.100%	11,039	146,039	
05/01/20			7,596	7,596	153,635
11/01/20	145,000	5.150%	7,596	152,596	
05/01/21			3,863	3,863	156,459
11/01/21	<u>150,000</u>	5.150%	<u>3,863</u>	<u>153,863</u>	<u>153,863</u>
TOTAL	\$1,210,000		\$446,111	\$1,656,111	\$1,656,111

**Debt Service Summary**  
**Various Purpose Medium-Term Bonds Series 2002**

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$335,000	3.750%	\$19,950	\$354,950	
06/01/11			13,669	13,669	\$368,619
12/01/11	345,000	3.750%	13,669	358,669	
06/01/12			7,200	7,200	365,869
12/01/12	<u>360,000</u>	4.000%	<u>7,200</u>	<u>367,200</u>	<u>367,200</u>
TOTAL	\$1,040,000		\$61,688	\$1,101,688	\$1,101,688

**Debt Service Summary**  
**Franchise Fee Solid Waste Disposal Refunding Bonds Series 2004**

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$100,000	4.000%	\$28,525	\$128,525	
06/01/11			26,525	26,525	\$155,050
12/01/11	105,000	4.250%	26,525	131,525	
06/01/12			24,294	24,294	155,819
12/01/12	115,000	4.250%	24,294	139,294	
06/01/13			21,850	21,850	161,144
12/01/13	120,000	4.500%	21,850	141,850	
06/01/14			19,150	19,150	161,000
12/01/14	120,000	4.500%	19,150	139,150	
06/01/15			16,450	16,450	155,600
12/01/15	130,000	4.370%	16,450	146,450	
06/01/16			13,606	13,606	160,056
12/01/16	135,000	4.500%	13,606	148,606	
06/01/17			10,569	10,569	159,175
12/01/17	140,000	4.750%	10,569	150,569	
06/01/18			7,244	7,244	157,813
12/01/18	150,000	4.750%	7,244	157,244	
06/01/19			3,681	3,681	160,925
12/01/19	<u>155,000</u>	4.750%	<u>3,681</u>	<u>158,681</u>	<u>158,681</u>
Total	\$1,270,000		\$315,263	\$1,585,263	\$1,585,263

Debt Service Summary  
Transportation Refunding Bonds Series 2005

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
11/01/10	\$100,000	3.560%	\$43,005	\$143,005	
05/01/11	102,000	3.560%	41,225	143,225	\$286,230
11/01/11	104,000	3.560%	39,409	143,409	
05/01/12	106,000	3.560%	37,558	143,558	286,967
11/01/12	108,000	3.560%	35,671	143,671	
05/01/13	110,000	3.560%	33,749	143,749	287,420
11/01/13	112,000	3.560%	31,791	143,791	
05/01/14	114,000	3.560%	29,797	143,797	287,588
11/01/14	118,000	3.560%	27,768	145,768	
05/01/15	120,000	3.560%	25,668	145,668	291,436
11/01/15	121,000	3.560%	23,532	144,532	
05/01/16	123,000	3.560%	21,378	144,378	288,909
11/01/16	126,000	3.560%	19,188	145,188	
05/01/17	128,000	3.560%	16,946	144,946	290,134
11/01/17	131,000	3.560%	14,667	145,667	
05/01/18	134,000	3.560%	12,335	146,335	292,003
11/01/18	136,000	3.560%	9,950	145,950	
05/01/19	139,000	3.560%	7,529	146,529	292,480
11/01/19	141,000	3.560%	5,055	146,055	
05/01/20	<u>143,000</u>	3.560%	<u>2,545</u>	<u>145,545</u>	<u>291,601</u>
TOTAL	\$2,416,000		\$478,767	\$2,894,767	\$2,894,767

Debt Service Summary  
Valley Water Bonds Series 2004A

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
08/01/10	\$100,000	3.500%	\$39,593	\$139,593	
02/01/11			37,843	37,843	\$177,436
08/01/11	100,000	3.750%	37,843	137,843	
02/01/12			35,968	35,968	173,811
08/01/12	100,000	3.750%	35,968	135,968	
02/01/13			34,093	34,093	170,061
08/01/13	100,000	4.000%	34,093	134,093	
02/01/14			32,093	32,093	166,186
08/01/14	105,000	4.125%	32,093	137,093	
02/01/15			29,928	29,928	167,021
08/01/15	110,000	4.250%	29,928	139,928	
02/01/16			27,591	27,591	167,519
08/01/16	115,000	4.250%	27,591	142,591	
02/01/17			25,146	25,146	167,737
08/01/17	120,000	4.100%	25,146	145,146	
02/01/18			22,686	22,686	167,833
08/01/18	125,000	4.200%	22,686	147,686	
02/01/19			20,061	20,061	167,748
08/01/19	130,000	4.300%	20,061	150,061	
02/01/20			17,266	17,266	167,328
08/01/20	140,000	4.375%	17,266	157,266	
02/01/21			14,204	14,204	171,470
08/01/21	145,000	4.400%	14,204	159,204	
02/01/22			11,014	11,014	170,218
08/01/22	150,000	4.500%	11,014	161,014	
02/01/23			7,639	7,639	168,653
08/01/23	160,000	4.650%	7,639	167,639	
02/01/24			3,919	3,919	171,558
08/01/24	<u>165,000</u>	4.750%	<u>3,919</u>	<u>168,919</u>	<u>337,838</u>
TOTAL	\$1,865,000		\$678,495	\$2,543,495	\$2,712,414

Debt Service Summary  
Valley Sewer Bonds Series 2004B

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
08/01/10	\$130,000	3.875%	\$56,460	\$186,460	
02/01/11			53,941	53,941	\$240,401
08/01/11	135,000	4.000%	53,941	188,941	
02/01/12			51,241	51,241	240,183
08/01/12	140,000	4.000%	51,241	191,241	
02/01/13			48,441	48,441	239,683
08/01/13	145,000	4.000%	48,441	193,441	
02/01/14			45,541	45,541	238,983
08/01/14	150,000	4.125%	45,541	195,541	
02/01/15			42,448	42,448	237,989
08/01/15	155,000	3.900%	42,448	197,448	
02/01/16			39,425	39,425	236,873
08/01/16	165,000	4.000%	39,425	204,425	
02/01/17			36,125	36,125	240,550
08/01/17	170,000	4.100%	36,125	206,125	
02/01/18			32,640	32,640	238,765
08/01/18	180,000	4.200%	32,640	212,640	
02/01/19			28,860	28,860	241,500
08/01/19	190,000	4.300%	28,860	218,860	
02/01/20			24,775	24,775	243,635
08/01/20	195,000	4.400%	24,775	219,775	
02/01/21			20,485	20,485	240,260
08/01/21	205,000	4.500%	20,485	225,485	
02/01/22			15,873	15,873	241,358
08/01/22	215,000	4.600%	15,873	230,873	
02/01/23			10,928	10,928	241,800
08/01/23	225,000	4.700%	10,928	235,928	
02/01/24			5,640	5,640	241,568
08/01/24	<u>240,000</u>	4.700%	<u>5,640</u>	<u>245,640</u>	<u>491,280</u>
TOTAL	\$2,640,000		\$969,185	\$3,609,185	\$3,854,825

Debt Service Summary  
Parking Garage Medium-Term Bonds Series 2004

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
10/01/10	\$465,000	5.000%	\$56,288	\$521,288	
04/01/11			44,663	44,663	\$565,950
10/01/11	485,000	5.000%	44,663	529,663	
04/01/12			32,538	32,538	562,200
10/01/12	500,000	5.000%	32,538	532,538	
04/01/13			20,038	20,038	552,575
10/01/13	525,000	4.000%	20,038	545,038	
04/01/14			9,538	9,538	554,575
10/01/14	<u>545,000</u>	3.500%	<u>9,538</u>	<u>554,538</u>	<u>554,538</u>
TOTAL	\$2,520,000		\$269,838	\$2,789,838	\$2,789,838

Debt Service Summary  
Parking Garage Medium-Term Bonds Series 2005

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
08/01/10			\$49,319	\$49,319	
02/01/11	\$285,000	4.000%	49,319	334,319	\$383,638
08/01/11			43,619	43,619	
02/01/12	305,000	4.000%	43,619	348,619	392,238
08/01/12			37,519	37,519	
02/01/13	320,000	4.000%	37,519	357,519	395,038
08/01/13			31,119	31,119	
02/01/14	695,000	4.000%	31,119	726,119	757,238
08/01/14			17,219	17,219	
02/01/15	<u>725,000</u>	4.750%	<u>17,219</u>	<u>742,219</u>	<u>759,438</u>
TOTAL	\$2,330,000		\$357,588	\$2,687,588	\$2,687,588

**Debt Service Summary**  
**Lake Water Refunding Bonds Series 2005A**  
(Refunds 1996 Water Bonds BB)

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$125,000	5.000%	\$21,125	\$146,125	
06/01/11			18,000	18,000	\$164,125
12/01/11	130,000	5.000%	18,000	148,000	
06/01/12			14,750	14,750	162,750
12/01/12	135,000	5.000%	14,750	149,750	
06/01/13			11,375	11,375	161,125
12/01/13	145,000	5.000%	11,375	156,375	
06/01/14			7,750	7,750	164,125
12/01/14	150,000	5.000%	7,750	157,750	
06/01/15			4,000	4,000	161,750
12/01/15	<u>160,000</u>	5.000%	<u>4,000</u>	<u>164,000</u>	<u>164,000</u>
TOTAL	\$845,000		\$132,875	\$977,875	\$977,875

**Debt Service Summary**  
**Valley Sewer Refunding Bonds Series 2005B**  
(Refunds 1996 Sewer Bonds B)

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$160,000	5.000%	\$27,500	\$187,500	
06/01/11			23,500	23,500	\$211,000
12/01/11	170,000	5.000%	23,500	193,500	
06/01/12			19,250	19,250	212,750
12/01/12	175,000	5.000%	19,250	194,250	
06/01/13			14,875	14,875	209,125
12/01/13	185,000	5.000%	14,875	199,875	
06/01/14			10,250	10,250	210,125
12/01/14	200,000	5.000%	10,250	210,250	
06/01/15			5,250	5,250	215,500
12/01/15	<u>210,000</u>	5.000%	<u>5,250</u>	<u>215,250</u>	<u>215,250</u>
TOTAL	\$1,100,000		\$173,750	\$1,273,750	\$1,273,750

Debt Service Summary  
Valley Water Refunding Bonds Series 2005C  
(Refunds 1997 Water Bonds B)

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$180,000	5.000%	\$36,375	\$216,375	
06/01/11			31,875	31,875	\$248,250
12/01/11	190,000	5.000%	31,875	221,875	
06/01/12			27,125	27,125	249,000
12/01/12	200,000	5.000%	27,125	227,125	
06/01/13			22,125	22,125	249,250
12/01/13	205,000	5.000%	22,125	227,125	
06/01/14			17,000	17,000	244,125
12/01/14	215,000	5.000%	17,000	232,000	
06/01/15			11,625	11,625	243,625
12/01/15	225,000	5.000%	11,625	236,625	
06/01/16			6,000	6,000	242,625
12/01/16	<u>240,000</u>	5.000%	<u>6,000</u>	<u>246,000</u>	<u>252,000</u>
TOTAL	\$1,455,000		\$267,875	\$1,722,875	\$1,728,875

Debt Service Summary  
Valley Water Bonds Series 2005D  
(SRF Loan)

Fiscal Year	Principal	Coupon	Interest	Total Debt Service
2011	\$32,374	2.990%	\$18,045	\$50,420
2012	33,349	2.990%	17,056	50,405
2013	34,354	2.990%	16,036	50,390
2014	35,389	2.990%	14,986	50,375
2015	36,455	2.990%	13,904	50,359
2016	37,553	2.990%	12,789	50,342
2017	38,684	2.990%	11,641	50,325
2018	39,850	2.990%	10,458	50,308
2019	41,050	2.990%	9,240	50,290
2020	42,287	2.990%	7,985	50,271
2021	43,560	2.990%	6,692	50,252
2022	44,873	2.990%	5,360	50,233
2023	46,224	2.990%	3,988	50,213
2024	47,617	2.990%	2,575	50,192
2025	49,051	2.990%	1,119	50,170
2026	<u>25,077</u>	2.990%	<u>0</u>	<u>25,077</u>
	\$627,747		\$151,875	\$779,622

**Debt Service Summary**  
**Valley Sewer Refunding Bonds Series 2005E**  
(Refunds 2000 Sewer Bonds)

<b>Payment Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Annual Debt Service</b>
12/01/10	\$18,000	3.950%	\$49,237	\$67,237	
06/01/11			48,881	48,881	\$116,118
12/01/11	19,000	3.950%	48,881	67,881	
06/01/12			48,506	48,506	116,387
12/01/12	228,000	3.950%	48,506	276,506	
06/01/13			44,003	44,003	320,509
12/01/13	237,000	3.950%	44,003	281,003	
06/01/14			39,322	39,322	320,325
12/01/14	250,000	3.950%	39,322	289,322	
06/01/15			34,385	34,385	323,707
12/01/15	263,000	3.950%	34,385	297,385	
06/01/16			29,191	29,191	326,576
12/01/16	270,000	3.950%	29,191	299,191	
06/01/17			23,858	23,858	323,049
12/01/17	282,000	3.950%	23,858	305,858	
06/01/18			18,289	18,289	324,147
12/01/18	293,000	3.950%	18,289	311,289	
06/01/19			12,502	12,502	323,790
12/01/19	309,000	3.950%	12,502	321,502	
06/01/20			6,399	6,399	327,901
12/01/20	<u>324,000</u>	3.950%	<u>6,399</u>	<u>330,399</u>	<u>330,399</u>
<b>TOTAL</b>	<b>\$2,493,000</b>		<b>\$659,907</b>	<b>\$3,152,907</b>	<b>\$3,152,907</b>

**Debt Service Summary**  
**Valley Water Improvement and Refunding Bonds Series 2006**  
(Refunds 2000 Water Bonds )

<b>Payment Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Annual Debt Service</b>
12/01/10	\$38,000	4.000%	\$45,260	\$83,260	
06/01/11			44,500	44,500	\$127,760
12/01/11	60,000	4.000%	44,500	104,500	
06/01/12			43,300	43,300	147,800
12/01/12	200,000	4.000%	43,300	243,300	
06/01/13			39,300	39,300	282,600
12/01/13	212,000	4.000%	39,300	251,300	
06/01/14			35,060	35,060	286,360
12/01/14	219,000	4.000%	35,060	254,060	
06/01/15			30,680	30,680	284,740
12/01/15	230,000	4.000%	30,680	260,680	
06/01/16			26,080	26,080	286,760
12/01/16	241,000	4.000%	26,080	267,080	
06/01/17			21,260	21,260	288,340
12/01/17	247,000	4.000%	21,260	268,260	
06/01/18			16,320	16,320	284,580
12/01/18	258,000	4.000%	16,320	274,320	
06/01/19			11,160	11,160	285,480
12/01/19	274,000	4.000%	11,160	285,160	
06/01/20			5,680	5,680	290,840
12/01/20	<u>284,000</u>	4.000%	<u>5,680</u>	<u>289,680</u>	<u>289,680</u>
<b>TOTAL</b>	<b>\$2,263,000</b>		<b>\$591,940</b>	<b>\$2,854,940</b>	<b>\$2,854,940</b>

**Pro Forma Debt Service Summary**  
**Lake Water Bonds Series 2009**  
(SRF Loan)

<b>Payment Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Annual Debt Service</b>
01/01/11	\$70,000	3.270%	\$57,225	\$127,225	
07/01/11	71,000	3.270%	56,081	127,081	\$254,306
01/01/12	72,000	3.270%	54,920	126,920	
07/01/12	73,000	3.270%	53,742	126,742	253,662
01/01/13	74,000	3.270%	52,549	126,549	
07/01/13	75,000	3.270%	51,339	126,339	252,888
01/01/14	77,000	3.270%	50,113	127,113	
07/01/14	78,000	3.270%	48,854	126,854	253,967
01/01/15	79,000	3.270%	47,579	126,579	
07/01/15	80,000	3.270%	46,287	126,287	252,865
01/01/16	82,000	3.270%	44,979	126,979	
07/01/16	83,000	3.270%	43,638	126,638	253,617
01/01/17	85,000	3.270%	42,281	127,281	
07/01/17	86,000	3.270%	40,891	126,891	254,172
01/01/18	87,000	3.270%	39,485	126,485	
07/01/18	89,000	3.270%	38,063	127,063	253,548
01/01/19	90,000	3.270%	36,608	126,608	
07/01/19	92,000	3.270%	35,136	127,136	253,744
01/01/20	93,000	3.270%	33,632	126,632	
07/01/20	95,000	3.270%	32,111	127,111	253,743
01/01/21	96,000	3.270%	30,558	126,558	
07/01/21	98,000	3.270%	28,989	126,989	253,547
01/01/22	99,000	3.270%	27,386	126,386	
07/01/22	101,000	3.270%	25,768	126,768	253,154
01/01/23	103,000	3.270%	24,116	127,116	
07/01/23	104,000	3.270%	22,432	126,432	253,548
01/01/24	106,000	3.270%	20,732	126,732	
07/01/24	108,000	3.270%	18,999	126,999	253,731
01/01/25	110,000	3.270%	17,233	127,233	
07/01/25	111,000	3.270%	15,434	126,434	253,667
01/01/26	113,000	3.270%	13,620	126,620	
07/01/26	115,000	3.270%	11,772	126,772	253,392

01/01/27	117,000	3.270%	9,892	126,892	
07/01/27	119,000	3.270%	7,979	126,979	253,871
01/01/28	121,000	3.270%	6,033	127,033	
07/01/28	123,000	3.270%	4,055	127,055	254,088
01/01/29	<u>125,000</u>	3.270%	<u>2,044</u>	<u>127,044</u>	<u>127,044</u>
TOTAL	\$3,500,000		\$1,192,553	\$4,692,553	\$4,692,553

Note: Pro forma debt service only. \$3,500,000 is the maximum amount available to the County. As of June 30, 3010 only \$1,181,486 has been drawn. Actual debt service will vary depending upon the amount drawn and the timing of each draw.

Debt Service Summary  
Highway Revenue Bonds Series 2003

Payment Date	Principal	Interest	Total Debt Service	Annual Debt Service
12/01/10	\$170,000	\$28,228	\$198,228	
06/01/11		25,253	25,253	\$223,480
12/01/11	175,000	25,253	200,253	
06/01/12		22,190	22,190	222,443
12/01/12	185,000	22,190	207,190	
06/01/13		18,953	18,953	226,143
12/01/13	190,000	18,953	208,953	
06/01/14		15,580	15,580	224,533
12/01/14	195,000	15,580	210,580	
06/01/15		12,070	12,070	222,650
12/01/15	205,000	12,070	217,070	
06/01/16		8,278	8,278	225,348
12/01/16	210,000	8,278	218,278	
06/01/17		4,235	4,235	222,513
12/01/17	<u>220,000</u>	<u>4,235</u>	<u>224,235</u>	178
TOTAL	\$1,550,000	\$241,343	\$1,791,343	\$1,567,286

Debt Service Summary  
 ZWUD Improvement District  
 Refunding Bonds Series 2004

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
12/18/10	\$23,760	3.100%	\$1,102	\$24,862	
06/18/11	23,660	3.100%	733	24,393	\$49,255
12/18/11	<u>23,660</u>	3.100%	<u>367</u>	<u>24,027</u>	<u>24,027</u>
TOTAL	\$71,080		\$2,202	\$73,282	\$73,282

Debt Service Summary  
 Town of Gardnerville  
 Medium-Term Financing  
 Series 2002

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
10/01/10			\$1,858	\$1,858	
04/01/11	\$39,100	4.640%	1,858	40,958	\$42,817
10/01/11			951	951	
04/01/12	<u>41,000</u>	4.640%	<u>951</u>	<u>41,951</u>	<u>42,902</u>
TOTAL	\$80,100		\$5,619	\$85,719	\$85,719

Debt Service Summary  
Town of Gardnerville  
Medium-Term Financing  
Series 2005

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
10/01/10			\$11,791	\$11,791	
04/01/11	\$99,398	4.350%	11,791	111,189	\$122,979
10/01/11			9,629	9,629	
04/01/12	103,722	4.350%	9,629	113,351	122,979
10/01/12			7,373	7,373	
04/01/13	108,234	4.350%	7,373	115,607	122,981
10/01/13			5,020	5,020	
04/01/14	112,942	4.350%	5,020	117,962	122,982
10/01/14			2,564	2,564	
04/01/15	<u>117,855</u>	4.350%	<u>2,564</u>	<u>120,419</u>	<u>122,984</u>
TOTAL	\$542,151		\$72,754	\$614,905	\$614,905

Debt Service Summary  
 East Fork Fire Protection District  
 Medium-Term Bonds Series 2010

Payment Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
10/01/10	\$40,000	4.040%	\$11,387	\$51,387	
04/01/11	31,000	4.040%	21,715	52,715	\$104,102
10/01/11	34,000	4.040%	21,089	55,089	
04/01/12	35,000	4.040%	20,402	55,402	110,491
10/01/12	38,000	4.040%	19,695	57,695	
04/01/13	40,000	4.040%	18,927	58,927	116,622
10/01/13	44,000	4.040%	18,119	62,119	
04/01/14	45,000	4.040%	17,231	62,231	124,350
10/01/14	49,000	4.040%	16,322	65,322	
04/01/15	51,000	4.040%	15,332	66,332	131,653
10/01/15	56,000	4.040%	14,302	70,302	
04/01/16	57,000	4.040%	13,170	70,170	140,472
10/01/16	62,000	4.040%	12,019	74,019	
04/01/17	64,000	4.040%	10,767	74,767	148,786
10/01/17	69,000	4.040%	9,474	78,474	
04/01/18	71,000	4.040%	8,080	79,080	157,554
10/01/18	77,000	4.040%	6,646	83,646	
04/01/19	79,000	4.040%	5,090	84,090	167,736
10/01/19	85,000	4.040%	3,495	88,495	
04/01/20	<u>88,000</u>	4.040%	<u>1,778</u>	<u>89,778</u>	<u>178,272</u>
TOTAL	\$1,115,000		\$265,038	\$1,380,038	\$1,380,038