



DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of the City of Lakewood's debt service and financial obligations are appropriated for each budget year, whether or not they are legally classified as debt. In Colorado, certificates of participation (COP) and lease purchase agreements are not considered debt. This was determined through the court case of Gude vs. City of Lakewood 636 P.2d 691.

The City's bond ratings were reviewed by Standard & Poor's during 2006. The Sales & Use Tax Revenue Refunding Bond rating from Standard & Poor's was upgraded to AAA from prior years at AA. Standard & Poor's defines AAA as "The obligor's capacity to meet its financial commitment on the obligation is extremely strong". The ratings for current financial obligations are as follows:

Sales & Use Tax Revenue Refunding Bond, Series 1998	AAA
Certificates of Participation, 2000	AA-
Certificates of Participation, 2006A	AA-
Certificates of Participation, 2006B	AA-

LEGAL DEBT LIMIT

The City of Lakewood is a home rule city. The Colorado Revised Statutes provides that general obligation indebtedness for all purposes shall not at any time exceed 3 percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the City. The exception is debt that may be incurred in supplying water. As of December 31, 2008, the City has no general obligation debt outstanding. The City currently does not have and does not intend to issue any general obligation debt. The City's debt is within the legal debt limit as demonstrated by the table below:

Assessed Value	\$1,818,392,960
Actual Value	\$14,648,305,503
Debt Limit: 3 Percent of Actual Value	\$439,449,165
Less: Assets in Debt Service	0
Legal Debt Margin	\$439,449,165
Amount of Bonded Debt Applicable to Debt Limit	0



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

The City also has a number of lease purchase agreements for equipment, land, and improvements. In general, the agreements were entered into because of the relatively low amounts borrowed, the estimated life of the equipment, and the low cost of capital. The payments are made as part of various capital budgets.

Outstanding bonds as of December 31, 2008 totaled \$4,910,000. The entire amount of \$4,910,000 is the Sales and Use Tax Revenue Refunding Bonds, Series 1998. As of December 31, 2008, capital leases outstanding amount to \$5,099,244, and certificates of participation amount to \$55,765,000. In March 2006, the City and the Library District refinanced the certificates of participations for a net savings of \$3,444,393 after market costs to refinance.

The following table is a list of outstanding bonded debt and lease purchases as of December 31, 2008:

Long-Term Debt / Lease Payments	Balance
Sales and Use Revenue Refunding Bonds, Series 1998	1,140,000
Sales and Use Revenue Refunding Bonds, Series 2009	3,800,000
Green Mountain Land Lease Purchase	1,199,048
Office Condo Lease Purchase	356,196
2007 Section 108 Notes Payable	3,544,000
Total	\$10,039,244

Note: The Sales & Use Revenue Refunding Bonds, Series 1998 will be refinanced in December 2009 for a savings to the City of roughly \$126,000.

The following table is a list of the City's portion of outstanding Certificates of Participation as of December 31, 2008: The Certificates of Participation, 2006B includes the Library's portion should they default.

Long-Term Debt / Lease Payments	Balance
Certificates of Participation, 2000	2,600,000
Certificates of Participation, 2006A	26,180,000
Certificates of Participation, 2006B	22,755,000
Total	\$51,535,000

The following table is a list of new lease purchases that occurred in 2009:

Long-Term Debt / Lease Payments	Balance
Homestead Golf Carts	242,035
Police Facility	2,330,000
Total	\$2,572,035



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

The following table is a list of principal and interest payments by Fund for 2009 through to maturity from the primary sources excluding the Library portion, which is the responsibility of Jefferson County, Colorado.

Primary Source/Fund	Year	Principal	Interest	Total
General	2009	2,288,449	1,361,630	3,650,079
	2010	2,488,954	1,270,455	3,759,409
	2011	2,608,462	1,168,004	3,776,466
	2012	2,711,780	1,071,451	3,783,231
	2013	2,061,993	868,078	2,930,071
	2014	2,151,669	783,243	2,934,912
	2015	2,243,216	744,239	2,987,455
	2016	2,334,941	700,655	3,035,596
	2017	2,431,954	599,524	3,031,478
	2018	2,544,635	496,285	3,040,920
	2019	2,649,471	385,672	3,035,143
	2020	2,764,269	271,732	3,036,001
	2021	933,131	169,530	1,102,661
	2022	1,941,543	98,413	2,039,956
	2023	131,598	47,369	178,967
	2024	137,506	41,460	178,966
	2025	143,680	35,286	178,966
	2026	150,132	28,835	178,967
	2027	156,873	22,094	178,967
	2028	163,916	15,050	178,966
	2029	171,276	7,690	178,966
General Fund Total		33,209,448	10,186,695	43,396,143
Capital Improvement	2009	619,345	253,655	873,000
	2010	655,956	208,892	864,848
	2011	680,098	184,517	864,615
	2012	580,097	157,820	737,917
	2013	352,325	135,675	488,000
	2014	370,411	117,589	488,000
	2015	389,035	98,965	488,000
	2016	408,243	79,757	488,000
	2017	428,089	59,911	488,000
	2018	349,056	36,944	386,000
	2019	361,984	24,016	386,000
	2020	376,528	9,472	386,000
Capital Improvement Total		5,571,167	1,367,213	6,938,380



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Conservation Trust	2009	210,222	521,566	731,788
	2010	222,083	509,484	731,567
	2011	394,009	329,240	723,249
	2012	414,934	308,209	723,143
	2013	437,443	285,226	722,669
	2014	460,426	262,243	722,669
	2015	485,074	238,032	723,106
	2016	510,285	212,338	722,623
	2017	539,558	182,978	722,536
	2018	473,800	151,800	625,600
	2019	497,950	127,506	625,456
	2020	523,250	101,976	625,226
	2021	549,700	75,153	624,853
	2022	1,228,200	30,705	1,258,905
Conservation Trust Total		6,946,934	3,336,456	10,283,390
Equipment Replacement	2009	50,585	29,415	80,000
	2010	52,763	27,237	80,000
	2011	54,773	25,227	80,000
	2012	57,118	22,882	80,000
	2013	59,295	20,705	80,000
	2014	61,808	18,192	80,000
	2015	64,320	15,680	80,000
	2016	66,833	13,167	80,000
	2017	69,345	10,655	80,000
	2018	72,360	7,640	80,000
	2019	75,040	4,960	80,000
	2020	78,055	1,945	80,000
Equipment Replacement Total		762,295	197,705	960,000
Golf Course Enterprise	2009	694,764	412,024	1,106,788
	2010	753,277	411,669	1,164,946
	2011	808,802	397,167	1,205,969
	2012	841,778	364,800	1,206,578
	2013	554,914	427,188	982,102
	2014	510,000	404,784	914,784
	2015	534,000	331,354	865,354
	2016	558,000	256,724	814,724
	2017	586,500	228,112	814,612
	2018	618,000	198,000	816,000
	2019	649,500	166,312	815,812
	2020	682,500	133,012	815,512
	2021	717,000	98,024	815,024



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Golf Course Enterprise (continued)	2022	1,602,000	40,050	1,642,050
Golf Course Enterprise Total		10,111,035	3,869,220	13,980,255
Grants	2009	208,000	171,532	379,532
	2010	218,000	145,532	363,532
	2011	228,000	138,752	366,752
	2012	238,000	130,909	368,909
	2013	248,000	121,818	369,818
	2014	258,000	111,898	369,898
	2015	269,000	101,216	370,216
	2016	279,000	89,569	368,569
	2017	294,000	77,069	371,069
	2018	305,000	63,663	368,663
	2019	320,000	49,572	369,572
	2020	335,000	33,988	368,988
	2021	344,000	17,372	361,372
Grants Total		3,544,000	1,252,890	4,796,890
Open Space	2009	292,100	55,106	347,206
	2010	305,900	41,185	347,085
	2011	192,400	161,002	353,402
	2012	201,500	151,842	353,342
	2013	211,250	141,824	353,074
	2014	221,000	132,074	353,074
	2015	231,400	121,921	353,321
	2016	241,800	111,248	353,048
	2017	254,150	98,849	352,999
	2018	267,800	85,800	353,600
	2019	281,450	72,069	353,519
	2020	295,750	57,639	353,389
	2021	310,700	42,478	353,178
	2022	694,200	17,355	711,555
Open Space Total		4,001,400	1,290,392	5,291,792



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Primary Source/Fund (cont.)	Year	Principal	Interest	Total
Total All Funds by Year	2009	4,363,465	2,804,928	7,168,393
	2010	4,696,933	2,614,454	7,311,387
	2011	4,966,544	2,403,909	7,370,453
	2012	5,045,207	2,207,913	7,253,120
	2013	3,925,220	2,000,514	5,925,734
	2014	4,033,314	1,830,023	5,863,337
	2015	4,216,045	1,651,407	5,867,452
	2016	4,399,102	1,463,458	5,862,560
	2017	4,603,596	1,257,098	5,860,694
	2018	4,630,651	1,040,132	5,670,783
	2019	4,835,395	830,107	5,665,502
	2020	5,055,352	609,764	5,665,116
	2021	2,854,531	402,557	3,257,088
	2022	5,465,943	186,523	5,652,466
	2023	131,598	47,369	178,967
	2024	137,506	41,460	178,966
	2025	143,680	35,286	178,966
	2026	150,132	28,835	178,967
	2027	156,873	22,094	178,967
	2028	163,916	15,050	178,966
	2029	171,276	7,690	178,966
Grand Total		64,146,279	21,500,571	85,646,850

Note: Certain obligations require a separate fund be established to account for the repayments; however, the resources to do so (primary source) come into the separate fund via an operating transfer. The above schedule reflects only the primary sources.



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

The following table is a list of principal and interest payments by Financial Obligation for 2009 through to maturity excluding the Library portion, which is the responsibility of Jefferson County, Colorado.

Financial Obligations	Year	Principal	Interest	Total
1998 Sales/Use Tax Refunding Bond	2009	1,140,000	234,613	1,374,613
2000 Certificate of Participation	2009	1,270,000	125,465	1,395,465
	2010	1,330,000	64,505	1,394,505
2000 Certificate of Participation Total		2,600,000	189,970	2,789,970
2006A Certificate of Participation	2009	0	1,264,375	1,264,375
	2010	0	1,264,375	1,264,375
	2011	1,480,000	1,238,475	2,718,475
	2012	1,550,000	1,168,013	2,718,013
	2013	1,625,000	1,090,950	2,715,950
	2014	1,700,000	1,015,950	2,715,950
	2015	1,780,000	937,850	2,717,850
	2016	1,860,000	855,750	2,715,750
	2017	1,955,000	760,375	2,715,375
	2018	2,060,000	660,000	2,720,000
	2019	2,165,000	554,375	2,719,375
	2020	2,275,000	443,375	2,718,375
	2021	2,390,000	326,750	2,716,750
	2022	5,340,000	133,500	5,473,500
2006A Certificate of Participation Total		26,180,000	11,714,113	37,894,113
2006B Certificate of Participation	2009	1,510,000	878,513	2,388,513
	2010	1,575,000	818,657	2,393,657
	2011	1,635,000	756,151	2,391,151
	2012	1,705,000	691,389	2,396,389
	2013	1,770,000	623,682	2,393,682
	2014	1,845,000	553,523	2,398,523
	2015	1,920,000	480,420	2,400,420
	2016	1,995,000	404,275	2,399,275
	2017	2,070,000	325,284	2,395,284
	2018	2,160,000	243,154	2,403,154
	2019	2,240,000	157,589	2,397,589
	2020	2,330,000	68,786	2,398,786
2006B Certificate of Participation Total		22,755,000	6,001,423	28,756,423



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Financial Obligations (cont.)	Year	Principal	Interest	Total
2007 Section 108 Notes Payable	2009	208,000	171,532	379,532
	2010	218,000	145,532	363,532
	2011	228,000	138,752	366,752
	2012	238,000	130,909	368,909
	2013	248,000	121,818	369,818
	2014	258,000	111,898	369,898
	2015	269,000	101,216	370,216
	2016	279,000	89,569	368,569
	2017	294,000	77,069	371,069
	2018	305,000	63,663	368,663
	2019	320,000	49,572	369,572
	2020	335,000	33,988	368,988
	2021	344,000	17,372	361,372
2007 Section 108 Notes Payable Total		3,544,000	1,252,890	4,796,890
2009 Homestead Golf Carts	2009	28,764	9,871	38,635
	2010	45,527	12,425	57,952
	2011	48,552	9,401	57,953
	2012	51,778	6,175	57,953
	2013	67,414	-96	67,318
2009 Homestead Golf Carts Total		242,035	37,776	279,811
2009 Sales/Use Tax Refunding Bond	2010	1,235,000	96,140	1,331,140
	2011	1,265,000	64,895	1,329,895
	2012	1,300,000	32,890	1,332,890
2009 Sales/Use Tax Refunding Bond Total		3,800,000	193,925	3,993,925
Green Mountain Lease	2009	92,086	107,914	200,000
	2010	100,373	99,627	200,000
	2011	109,407	90,593	200,000
	2012	119,253	80,747	200,000
	2013	129,986	70,014	200,000
	2014	141,685	58,315	200,000
	2015	154,437	45,563	200,000
	2016	168,336	31,664	200,000
	2017	183,485	16,515	200,000
Green Mountain Lease Total		1,199,048	600,952	1,800,000
Office Condo Lease	2009	114,615	12,645	127,260
	2010	118,684	8,576	127,260
	2011	122,897	4,363	127,260
Office Condo Lease Total		356,196	25,584	381,780



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Financial Obligations (cont.)	Year	Principal	Interest	Total
Police Facility Lease	2010	74,349	104,617	178,966
	2011	77,688	101,279	178,967
	2012	81,176	97,790	178,966
	2013	84,820	94,146	178,966
	2014	88,629	90,337	178,966
	2015	92,608	86,358	178,966
	2016	96,766	82,200	178,966
	2017	101,111	77,855	178,966
	2018	105,651	73,315	178,966
	2019	110,395	68,571	178,966
	2020	115,352	63,615	178,967
	2021	120,531	58,435	178,966
	2022	125,943	53,023	178,966
	2023	131,598	47,369	178,967
	2024	137,506	41,460	178,966
	2025	143,680	35,286	178,966
	2026	150,132	28,835	178,967
	2027	156,873	22,094	178,967
	2028	163,916	15,050	178,966
	2029	171,276	7,690	178,966
Police Facility Lease Total		2,330,000	1,249,325	3,579,325
Total All Financial Obligations by Year	2009	4,363,465	2,804,928	7,168,393
	2010	4,696,933	2,614,454	7,311,387
	2011	4,966,544	2,403,909	7,370,453
	2012	5,045,207	2,207,913	7,253,120
	2013	3,925,220	2,000,514	5,925,734
	2014	4,033,314	1,830,023	5,863,337
	2015	4,216,045	1,651,407	5,867,452
	2016	4,399,102	1,463,458	5,862,560
	2017	4,603,596	1,257,098	5,860,694
	2018	4,630,651	1,040,132	5,670,783
	2019	4,835,395	830,107	5,665,502
	2020	5,055,352	609,764	5,665,116
	2021	2,854,531	402,557	3,257,088
	2022	5,465,943	186,523	5,652,466
	2023	131,598	47,369	178,967
	2024	137,506	41,460	178,966
	2025	143,680	35,286	178,966
	2026	150,132	28,835	178,967
	2027	156,873	22,094	178,967
	2028	163,916	15,050	178,966
	2029	171,276	7,690	178,966
Grand Total		64,146,279	21,500,571	85,646,850



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

The following is a brief description of each of the financial obligations of the City of Lakewood.

Sales and Use Tax Revenue Refunding Bonds, Series 1998

On February 17, 1998, the City issued \$12,015,000 of Sales and Use Tax Revenue Refunding Bonds to advance refund a portion of the City's outstanding Series 1992 Revenue Bonds. The Series 1998 Revenue Bonds mature serially through December 1, 2012. Bonds maturing on or before December 1, 2009 are not redeemable prior to maturity. Bonds maturing on December 1, 2010 and thereafter are subject to redemption prior to maturity, at the option of the City, as a whole or in part, in integral multiples of \$5,000 upon payment of par and accrued interest. Interest on the remaining bonds varies from 3.7 percent (3.70%) to 5.25 percent (5.25%) and is payable semiannually. Funding for repayment of the bonds is secured by the City's 2 percent (2%) sales and use tax. The bonds constitute an irrevocable and first lien upon these revenues. Ordinance O-2009-18 authorized the City to enter into a refunding agreement based on a commitment letter from JP Morgan-Chase to hold the refunding interest rate at 2.53 percent (2.53%). On December 1, 2009, it is anticipated that the City will pay interest due plus all outstanding principal on the Sales and Use Tax Revenue Refunding Bonds, Series 1998.

Certificates of Participation, Series 2000

On August 31, 2000, the Lakewood Public Building Authority (LPBA) issued certificates of participation in the amount of \$34,980,000 to finance the construction and renovation of several projects including 1) Carmody Recreation Center, 2) Charles Whitlock Recreation Center, 3) an 18-hole golf course, The Homestead at Fox Hollow, 4) pool addition at the Link Recreation Center, 5) improvements at Bear Creek Lake Park, 6) park maintenance facility, and 7) renovations to the Public Safety Center and its parking garage. The City conveyed certain facilities to the LPBA as pledged collateral. The land underlying the facilities will be leased to the LPBA by the City under a ground lease and sub-leased back to the City pursuant to a Lease Purchase and Sublease Agreement. The lease payments are equivalent to the amounts required to meet the principal and interest obligations on the certificates. Upon repayment of all lease obligations, title to the facilities will be transferred to the City.

On March 15, 2006, the total Series 2000 certificates of participation in the amount of \$25,975,000 were advance refunded through the issuance of \$26,180,000 of the LPBA's Series 2006A certificates of participation. This portion of the Series 2000 certificates of participation is thereby defeased and has been removed from the City's financial statements.

The remaining Series 2000 certificates of participation bear interest at rates of 3.50 percent (3.50%) to 5.00 percent (5.00%), payable semi-annually, and mature serially through December 2010.

Payment of the certificates principal and interest is secured by the pledged properties and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

Certificates of Participation, Series 2006A

On March 15, 2006, the LPBA issued certificates of participation in the amount of \$26,180,000 to advance refund a portion of the LPBA's outstanding Series 2000 certificates of participation. Net proceeds were placed in an irrevocable trust with an escrow agent to provide for future debt service payments for \$25,975,000 of the 2000 certificates of participation. As a result, the refunded portion of the Series 2000 certificates of participation are therefore defeased and the related liability has been removed from the City's financial statements. Although the advance refunding resulted in an accounting loss of \$1,734,666, the City reduced its aggregate debt service payments by approximately \$1,300,000 and obtained an economic gain of approximately \$900,000. The outstanding balance of the defeased certificates of participation at December 31, 2006, was \$25,975,000.

The Series 2006A certificates of participation bear interest at the rates of 3.50 percent (3.50%) to 5.0 percent (5.0%), payable semi-annually, and mature serially through December, 2022. The certificates of participation are not redeemable prior to maturity.

Payment of the certificates principal and interest is secured by the pledged projects and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates of participation.

Certificates of Participation, Series 2006B

On March 8, 2006, the LPBA issued certificates of participation in the amount of \$26,510,000 to advance refund a portion of the LPBA's outstanding Series 1998 certificates of participation. Net proceeds were placed in an irrevocable trust with an escrow agent to provide for future debt service payments for \$25,310,000 of the 1998 certificates of participation. As a result, the refunded portion of the Series 1998 certificates of participation are therefore defeased and the liability removed from the City's financial statements. Although the advance refunding resulted in an accounting loss of \$860,390, the City reduced its aggregate debt service payments by approximately \$1,500,000 and obtained an economic gain of approximately \$990,000. The outstanding balance of the defeased certificates of participation at December 31, 2006, was \$25,310,000.

The Series 2006B certificates of participation bear interest at the rate of 3.925 percent (3.925%). The 2006B certificates of participation are not redeemable prior to maturity.

Payment of the certificates principal and interest is secured by the Lakewood Civic Center assets and is also guaranteed under a financial guaranty insurance policy, issued concurrently with the certificates.

2007 Section 108 Notes Payable

In 2007, the City entered into a loan agreement with the U.S. Department of Housing and Urban Development to finance a new head start center and redevelop Ray Ross Park. Under the terms of the agreement, interest is payable semi-annually and principal payments are due annually. The notes are collateralized by future City grant allocations and program income derived from the original loan proceeds, and is guaranteed by the U.S. Department of Housing and Urban Development under Section 108 of the Housing and Community Development Act of 1974.



INFORMATION ON FINANCIAL OBLIGATIONS (CONTINUED)

2009 Homestead Golf Carts

On April 15, 2009, the City entered into a capital lease agreement for 60 golf carts for the Homestead Golf Course. The golf carts are recorded in the City's capital assets at \$241,910, the present value of minimum lease payments on the date of inception of the lease. Monthly payments of \$4,830, including principal and interest, imputed at 6.45 percent (6.45%), are due through April 2013. At the end of the capital lease, the City has the choice to return or purchase the golf carts.

Sales and Use Tax Revenue Refunding Bonds, Series 2009

On April 27, 2009, the City Council approved Ordinance O-2009-18 to advance refund a portion of the City's outstanding Series 1998 revenue bonds which were issued to acquire, construct, and install certain capital assets related to a public parking facility and a golf course. The advance refunding of \$3,800,000 is to be effective December 1, 2009. The Series 2009 revenue bonds mature serially through December 1, 2012. Interest on the remaining bonds is at a rate of 2.53 percent (2.53%) and is paid semi-annually. Funding for repayment of the bonds is secured by the City's 2 percent (2%) sales and use tax. The bonds constitute an irrevocable and first lien upon these revenues. Bonds are not redeemable prior to maturity.

Green Mountain Lease Purchase

On September 8, 1988, the City entered into a lease agreement with an option to purchase land. The land is recorded in the City's capital assets at \$2,239,657, the present value of minimum lease payments on the date of inception of the lease. Annual payments of \$200,000, included principal and interest imputed at 9 percent (9%), are due on September 8, through 2017.

Office Condo Lease

On January 21, 2005, the City entered into a lease purchase agreement for the purchase of the condo unit in the Public Safety Center from West Metro Fire Protection District. The building is recorded in the City's capital assets at \$677,000, the present value of minimum lease payments on the date of inception of the lease. Annual Payments of \$127,260, including principal and interest accruing at 3.55 percent (3.55%), are due on January 21, through 2011.

Police Facility

On September 1, 2009, the City entered into a lease purchase agreement for the purchase of a facility to be used for public safety purposes. The building is recorded in the City's capital assets at \$2,330,000, the present value of minimum lease payments on the date of inception of the lease. Annual Payments of approximately \$180,000, including principal and interest accruing at 4.49 percent (4.49%), are due on December 31 through 2029.