DEBT SERVICE

OVERVIEW

This section of the budget reflects existing long-term debt for all funds. By necessity, the actual debt service payments are budgeted in the appropriate fund; however, this section is intended to give the reader a broad overview of the City's maturity requirements and a physical description of each debt instrument, why it was issued, and its maturity.

For the most part, the City has chosen a "pay as you go" approach in acquiring capital equipment and constructing capital projects. Recently however, the City began to experience tighter fiscal constraints that will be heightened over the next several years due to higher debt service payments and new program initiatives. As a result, the City may utilize either other revenue or local improvement district bonds for certain street and drainage improvements over the next few years.

The Golf Warrants are not included in the debt service payments for 2013. By state laws, we cannot budget more expenditures than we have revenue and beginning fund balance; therefore, all of the golf warrants have been classified as short term liabilities in the financial statements & budget estimates since 2004 because of their default status. These payments will once again be classified as short term in the 2013 financial statements unless some debt relief can be obtained

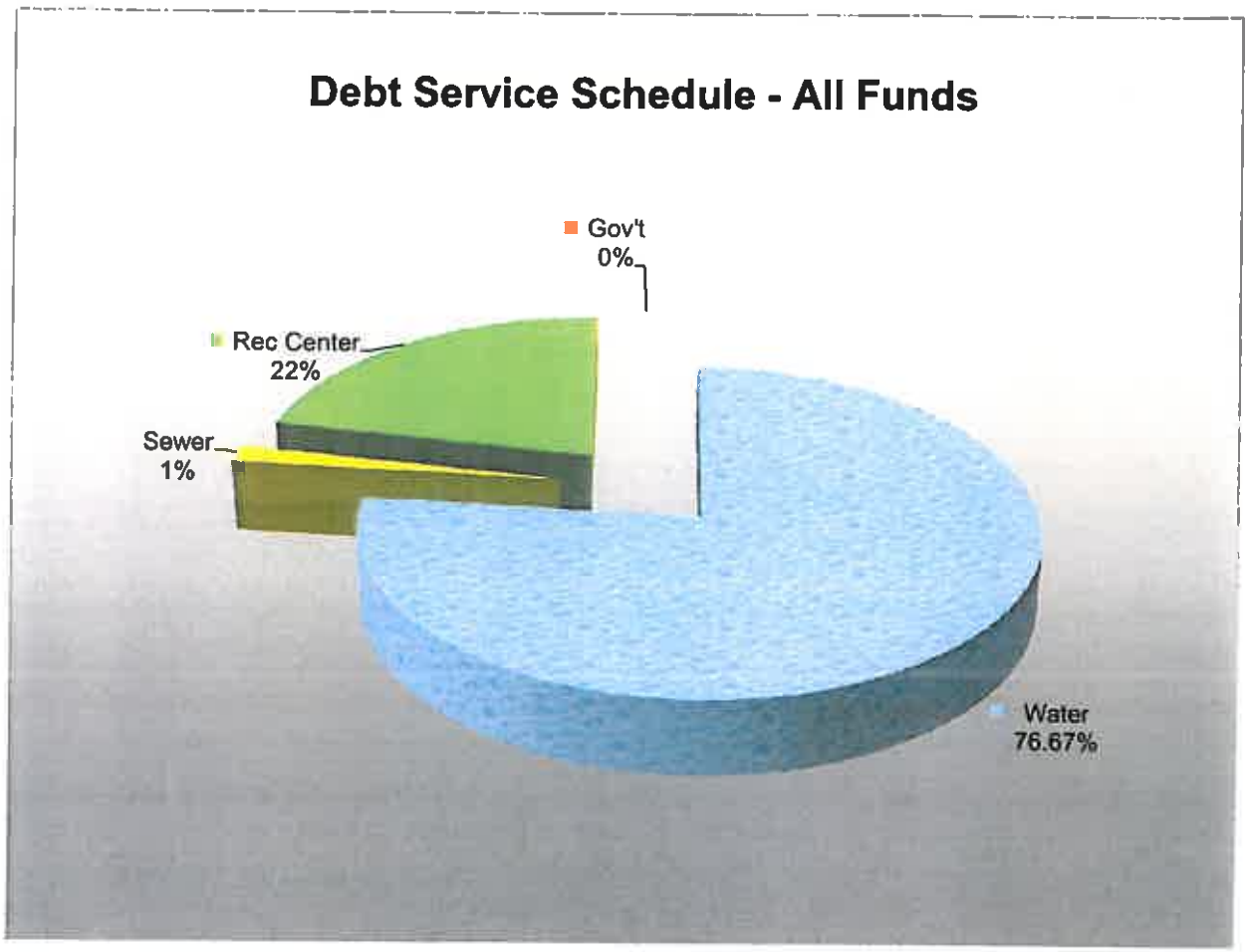
DEBT POLICY

The City adheres to the following policies regarding debt service:

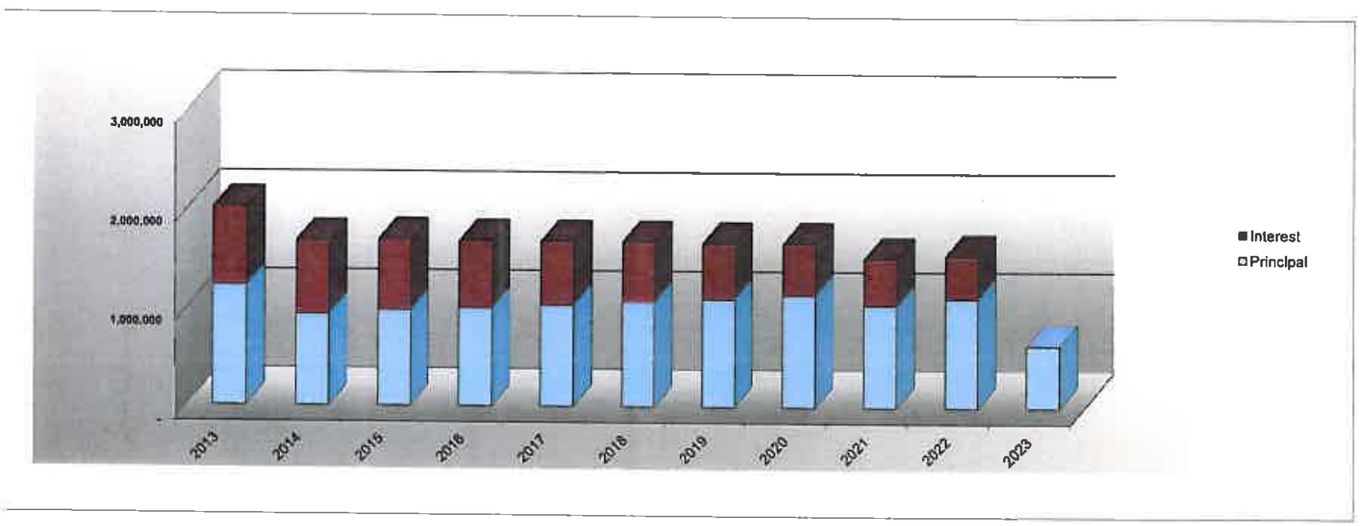
- Confine long-term borrowing to a time period not to exceed the useful life of the equipment or project.
- Fully disclose information in financial reports and official statements.
- Restrict current activities to a point where all bond covenants will be met.
- Debt service will not exceed 15% of the operating expenditures for the enterprise funds.
- No capital expenditure for $100,000 or less will be financed.

CITY OF FORT LUPTON
DEBT SERVICE SCHEDULES - ALL FUNDS

OUTSTANDING PRINCIPAL



CITY OF FORT LUPTON
Combined Debt Schedule
10 Year Amortization Schedule



DEBT SERVICE SCHEDULE

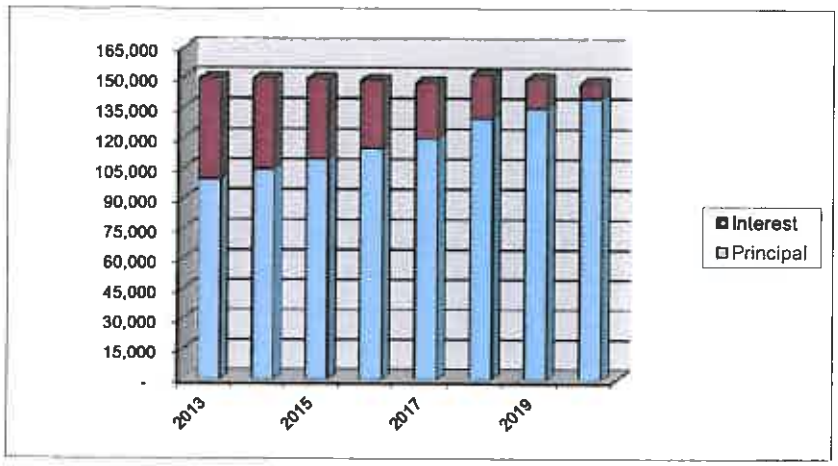
COMBINED FUNDS

Year	Utility Fund			Utility - Water System			Utility -Sewer System			Recreation Center Fund			All Funds		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments	Principal	Interest	Total Payments	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2013	834,567	677,565	1,512,132	515,687	655,003	1,170,690	318,880	22,562	341,442	375,000	119,338	494,338	1,209,567	796,903	2,006,470
2014	539,833	632,980	1,172,813	539,833	632,980	1,172,813				380,000	111,838	491,838	919,833	744,818	1,664,651
2015	563,320	609,741	1,173,061	563,320	609,741	1,173,061				400,000	104,238	504,238	963,320	713,979	1,677,299
2016	588,148	585,397	1,173,545	588,148	585,397	1,173,545				400,000	95,238	495,238	988,148	680,635	1,668,783
2017	608,219	559,474	1,167,693	608,219	559,474	1,167,693				415,000	85,238	500,238	1,023,219	644,712	1,667,931
2018	639,733	532,492	1,172,225	639,733	532,492	1,172,225				420,000	73,825	493,825	1,059,733	606,317	1,666,050
2019	666,492	503,722	1,170,214	666,492	503,722	1,170,214				425,000	61,225	486,225	1,091,492	564,947	1,656,439
2020	698,696	473,675	1,172,371	698,696	473,675	1,172,371				435,000	48,475	483,475	1,133,696	522,150	1,655,846
2021	582,346	442,113	1,024,459	582,346	442,113	1,024,459				450,000	33,250	483,250	1,032,346	475,363	1,507,709
2022	606,443	416,660	1,023,103	606,443	416,660	1,023,103				500,000	17,500	517,500	1,106,443	434,160	1,540,603
2023	631,888	390,076	1,021,964	631,888	390,076	1,021,964							631,888	390,076	1,021,964
2024	662,881	362,102	1,024,983	662,881	362,102	1,024,983							662,881	362,102	1,024,983
2025	690,325	332,664	1,022,989	690,325	332,664	1,022,989							690,325	332,664	1,022,989
2026	549,319	301,892	851,211	549,319	301,892	851,211							549,319	301,892	851,211
2027	573,866	277,595	851,461	573,866	277,595	851,461							573,866	277,595	851,461
2028	598,865	252,117	850,982	598,865	252,117	850,982							598,865	252,117	850,982
2029	626,618	225,410	852,028	626,618	225,410	852,028							626,618	225,410	852,028
2030	654,827	197,361	852,188	654,827	197,361	852,188							654,827	197,361	852,188
2031	684,791	167,943	852,734	684,791	167,943	852,734							684,791	167,943	852,734
2032	716,413	137,049	853,462	716,413	137,049	853,462							716,413	137,049	853,462
2033	748,793	104,613	853,406	748,793	104,613	853,406							748,793	104,613	853,406
2034	782,833	70,606	853,439	782,833	70,606	853,439							782,833	70,606	853,439
2035	606,687	34,913	641,600	606,687	34,913	641,600							606,687	34,913	641,600
2036	316,200	12,218	328,418	316,200	12,218	328,418							316,200	12,218	328,418
TOTAL	**15,172,103**	**8,300,378**	**23,472,481**	**14,853,223**	**8,277,816**	**23,131,039**	**318,880**	**22,562**	**341,442**	**4,200,000**	**750,165**	**4,950,165**	**19,372,103**	**9,050,543**	**28,422,646**

2000 Revenue Anticipation Warrants (4.35%-5.3%) - 204-56112-628/204-56212-628 (Payments due 6-1/12-1)

December 1, 2000 – Water Fund Revenue Anticipation Warrants – Series 2000.

$1,850,000, Water Fund Revenue Anticipation Warrants to construct an expansion to the City Water Treatment Plant (WTP). Principal payments due in increasing amounts from $60,000 in 2001 to $140,000 in 2020 and interest rates varying from 4.35% in 2001 to 5.3% in 2020. The warrants are a special revenue obligation of the City payable from the net operating income of the water system. The annual debt service schedule is as follows:

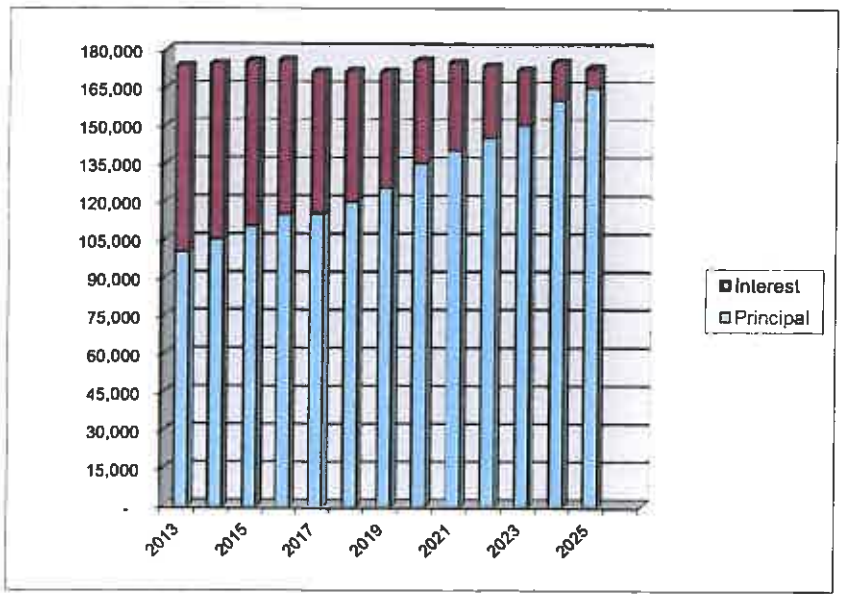


Year	Principal	Interest	Total Payments
2013	100,000	49,570	149,570
2014	105,000	44,670	149,670
2015	110,000	39,420	149,420
2016	115,000	33,920	148,920
2017	120,000	27,825	147,825
2018	130,000	21,465	151,465
2019	135,000	14,575	149,575
2020	140,000	7,420	147,420
	955,000	238,865	1,193,865

2005 Water Revenue Bond Project (3.0%-4.375%) - 204-56115-628/204-56215-628 (Payments due 5-1/11-1)

April 1, 2005 - Colorado Water Resources & Power Development Authority Loan

$2,300,000.00 Loan to purchase 3 Units of Windy Gap Water. Principal payments due in increasing amounts from $80,000 in 2005 to $165,000 in 2025 and interest rates varying from 4.07% in 2005 to 4.62% in 2025. The loan is a special revenue obligation of the City payable from water rates, fees, and other charges from the use and operation of the system and from other funds of the system legally available after payment of operations and maintenance expenses of the system. This debt is serviced from the water system in the Utility Fund. The annual debt service schedule is as follows:



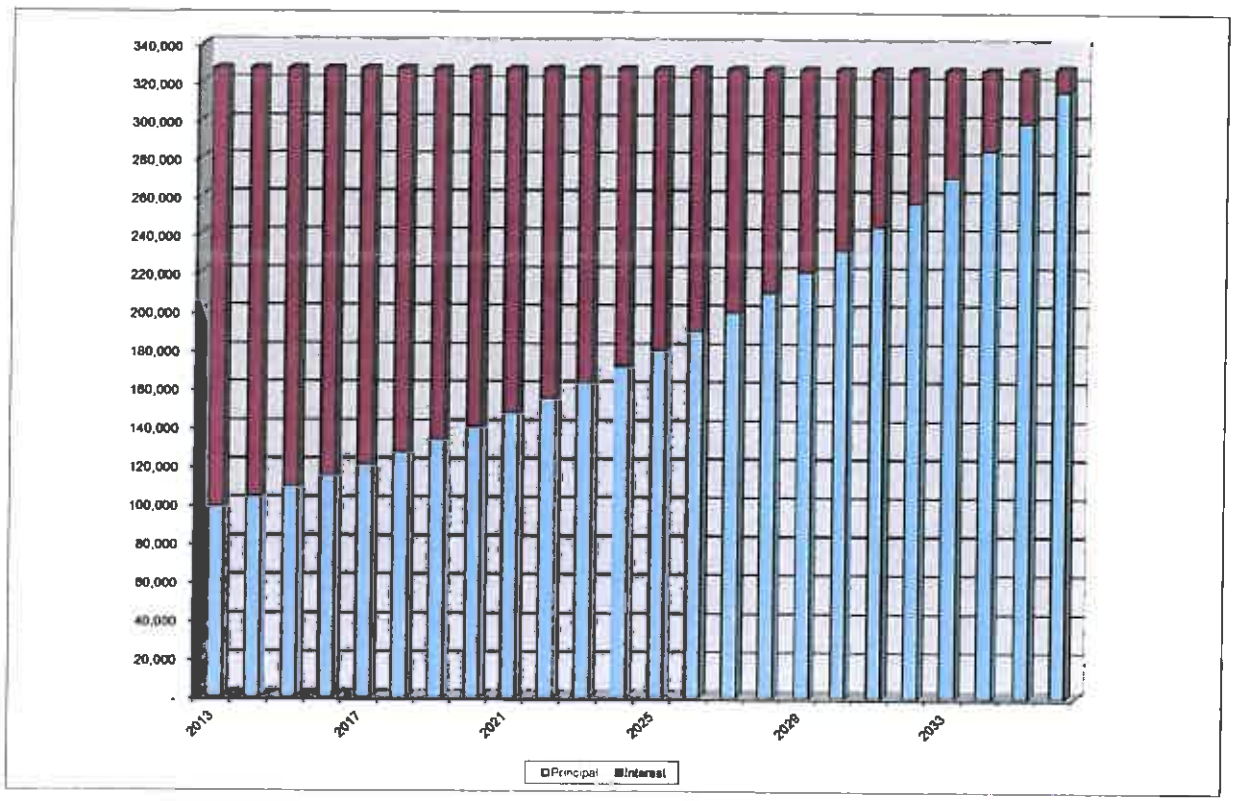
Year	Principal	Interest	Total Payments
2013	100,000	73,506	173,506
2014	105,000	69,506	174,506
2015	110,000	65,306	175,306
2016	115,000	60,906	175,906
2017	115,000	56,191	171,191
2018	120,000	51,419	171,419
2019	125,000	46,169	171,169
2020	135,000	40,700	175,700
2021	140,000	34,794	174,794
2022	145,000	28,494	173,494
2023	150,000	21,969	171,969
2024	160,000	15,031	175,031
2025	165,000	7,631	172,631
	1,685,000	571,623	2,256,623

1996 Water Loan (USDA 5.125%) - 204-56113-628/204-56213-628 (Payments due 3-1/9-1):

October 29, 1996 – United State of America, Rural Economic and Community Development Revenue Bond.

$5,500,000 Revenue Bond, Series 1996, owned by the United States of America for the Big Water project. Interest only to September 1, 1997, with principal payments of $46,000 starting March 1, 1998. Principal and interest are payable each September 1, and March 1, thereafter, with additional interest at 5.125%. The loan is a revenue obligation of the City payable from water system revenues and is serviced in the Utilities Fund. The annual debt service is as follows:

Year	Principal	Interest	Total Payments
2013	98,400	228,959	327,359
2014	103,500	223,852	327,352
2015	108,900	218,479	327,379
2016	114,600	212,826	327,426
2017	120,500	206,879	327,379
2018	126,800	200,624	327,424
2019	133,300	194,043	327,343
2020	140,200	187,124	327,324
2021	147,500	179,847	327,347
2022	155,200	172,189	327,389
2023	163,200	164,133	327,333
2024	171,700	155,661	327,361
2025	180,600	146,750	327,350
2026	190,000	137,376	327,376
2027	199,900	127,513	327,413
2028	210,200	117,137	327,337
2029	221,200	106,226	327,426
2030	232,600	94,746	327,346
2031	244,700	82,671	327,371
2032	257,400	69,970	327,370
2033	270,800	56,608	327,408
2034	284,800	42,553	327,353
2035	299,600	27,770	327,370
2036	316,200	12,218	328,418
	4,491,800	3,366,154	7,857,954

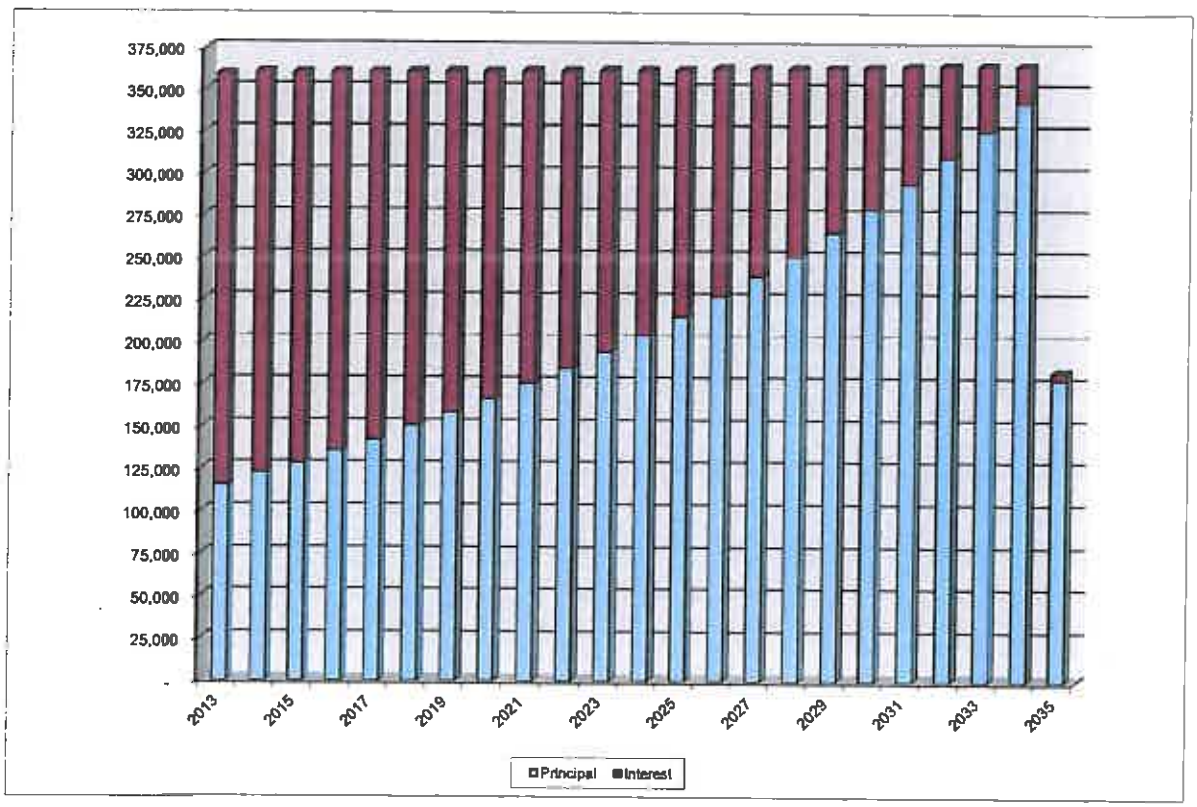


1997 Water Loan (USDA 5.125%) - 204-56111-628/204-56211-628 (Payments due 12-1/6-1):

August 28, 1995 – United State of America, Rural Economic and Community Development Revenue Bond.

$6,000,000 Revenue Bond, Series 1995, owned by the United States of America for the Big Water Project. Principal payments due in yearly installments of $53,000 in 1998 with additional increases through 2035. Principal and interest is payable each December 1, and June 1, with interest at 5.125%. The loan is a revenue obligation of the City payable from water system revenues and is serviced in the Utilities Fund. The annual debt service is as follows:

Year	Principal	Interest	Total Payments
2013	115,000	244,539	359,539
2014	122,000	238,569	360,569
2015	128,000	232,240	360,240
2016	135,000	225,577	360,577
2017	142,000	218,582	360,582
2018	150,000	211,202	361,202
2019	158,000	203,411	361,411
2020	166,000	195,211	361,211
2021	175,000	186,602	361,602
2022	184,000	177,504	361,504
2023	194,000	167,946	361,946
2024	204,000	157,876	361,876
2025	215,000	147,292	362,292
2026	227,000	136,120	363,120
2027	239,000	124,332	363,332
2028	251,000	111,930	362,930
2029	265,000	98,887	363,887
2030	279,000	85,126	364,126
2031	294,000	70,648	364,648
2032	310,000	55,376	365,376
2033	326,000	39,283	365,283
2034	343,000	22,371	365,371
2035	178,000	4,561	182,561
	4,800,000	3,355,185	8,155,185

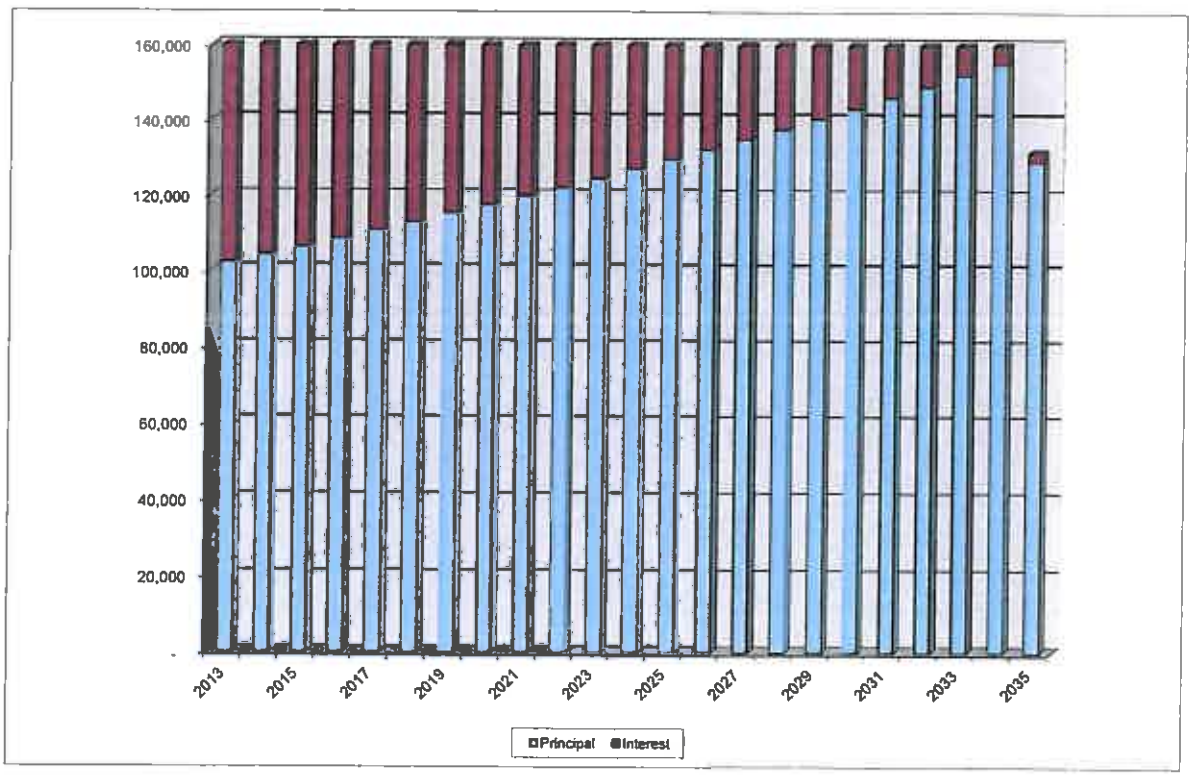


1997 Water Loan (CWCB 2.0%) - 204-56117-628/204-56217-628 (Payments due 1-1):

January 1, 1997 - Colorado Conservation Loan

$4,396,456 Construction Loan from the State of Colorado through the Colorado Water Conservation Board representing the City's share of Carter Lake Pipeline Project. The forty year loan requires annual payments of $160,716 beginning January 1, 1997, with interest provided at 2.0%. This debt is serviced from the water system in the Utilities Fund. The annual debt is as follows:

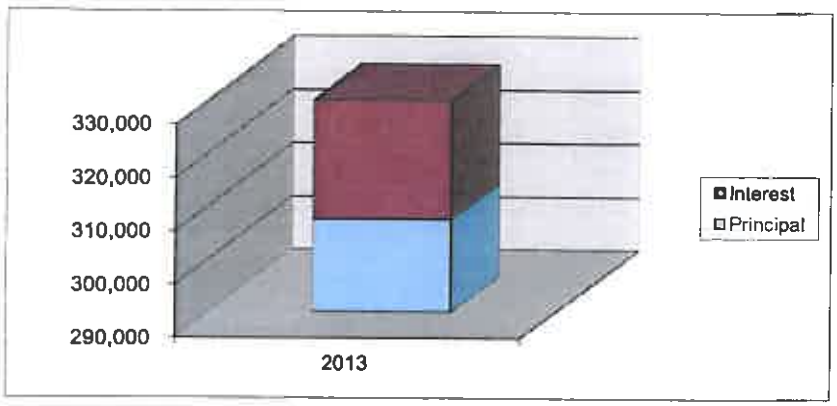
Year	Principal	Interest	Payments
2013	102,287	58,428	160,715
2014	104,333	56,383	160,716
2015	106,420	54,296	160,716
2016	108,548	52,168	160,716
2017	110,719	49,997	160,716
2018	112,933	47,782	160,715
2019	115,192	45,524	160,716
2020	117,496	43,220	160,716
2021	119,846	40,870	160,716
2022	122,243	38,473	160,716
2023	124,688	36,028	160,716
2024	127,181	33,534	160,715
2025	129,725	30,991	160,716
2026	132,319	28,396	160,715
2027	134,966	25,750	160,716
2028	137,665	23,051	160,716
2029	140,418	20,297	160,715
2030	143,227	17,489	160,716
2031	146,092	14,623	160,715
2032	149,013	11,703	160,716
2033	151,993	8,722	160,715
2034	155,033	5,682	160,715
2035	129,087	2,582	131,669
	2,921,424	745,989	3,667,413



1992 Sewer Bonds (CWRPDA 4.15%-6.25%) - 206-56109-630/206-56209-630 (Payments due 2-1/5-1/8-1/11-1):

June 15, 1992 – Colorado Water Resources and Power Development Authority Loan.

$4,200,000 Loan to construct the wastewater treatment facility. Due in quarterly installments of $165,989 in 1998 with additional increases through 2013 with interest ranging from 4.15% to 6.25%. The loan is a special revenue obligation of the City payable from sewer rates, fees, standby charges and other charges from the use and operation of the system and from other funds of the system legally available after the payment of operations and maintenance expenses of the system. This debt is serviced from the sewer system in the Utilities Fund. The annual debt service schedule is as follows:

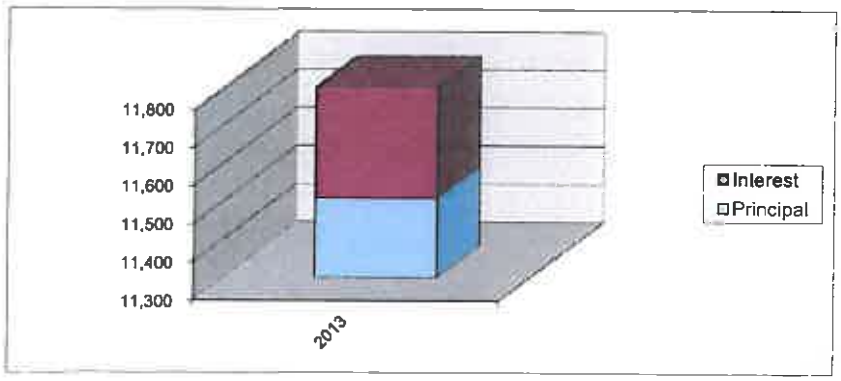


Year	Principal	Interest	Total Payments
2013	307,373	22,270	329,643
	307,373	22,270	329,643

1994 Centrifuge (CWRPDA 5.17%) - 206-56120-630/206-56220-630 (Payments due 3-1/6-1/9-1/12-1):

December 1, 1994 – Colorado Water Resources and Power Development Authority Loan.

$200,000 Loan to construct a Centrifuge. Due in quarterly installments. First installment due December 1, 1994, and paid $11,603, with subsequent quarterly installments of $4,095 due through September 1, 2013 with interest provided at 5.17%. This debt is serviced from the sewer system in the Utilities Fund. The annual debt service schedule is as follows:



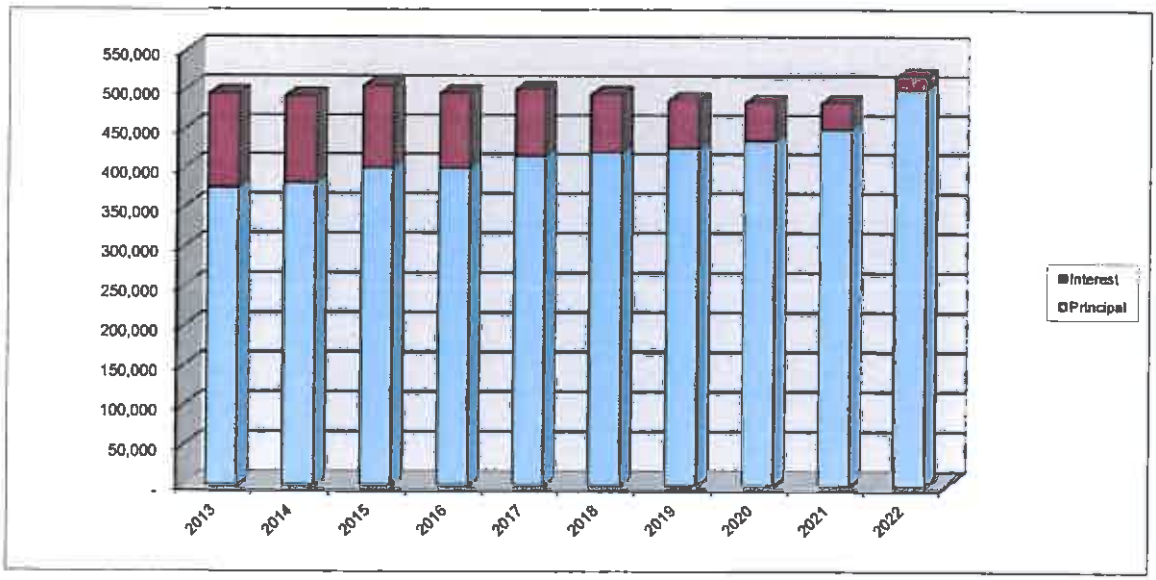
Year	Principal	Interest	Total Payments
2013	11,507	293	11,800
	11,507	293	11,800

2011 General Obligation Refunding Bonds (2.00%-3.50%) (Payments due 6-1/12-1):

October 19, 2011 – General Obligation Refunding Warrants – Series 2011

$4,930,000, General Obligation Warrants to construct a new Recreation Center (RC). Principal payments due in increasing amounts from $370,000 in 2011 to $500,000 in 2022 and interest rates varying from 2.00% to 3.50%. The bonds were re-financed in 2011 and a new amortization schedule was issued which lowered the debt service by $218,476.98. The warrants are a general obligation of the City payable from the general operating income of the City. The voters of the City approved a property tax mil levy increase sufficient to retire the warrants. The annual debt service schedule is as follows:

Year	Principal	Interest	Total Payments
2013	375,000	119,338	494,338
2014	380,000	111,838	491,838
2015	400,000	104,238	504,238
2016	400,000	95,238	495,238
2017	415,000	85,238	500,238
2018	420,000	73,825	493,825
2019	425,000	61,225	486,225
2020	435,000	48,475	483,475
2021	450,000	33,250	483,250
2022	500,000	17,500	517,500
	4,200,000	750,165	4,950,165



At the recommendation of our auditors, we have classified all of these warrants as short term liabilities in our General Purpose Financial Statements due to the default status of the warrants. This is in accordance with GAAP.

1996A Revenue Anticipation Warrants (6.5%-9.75%) - 231-56128-631/204-56228-631 (Payments due 6-15/12-15):

June 21, 1996 – Golf Course Revenue Anticipation Warrants – 1996A Senior Series

$4,600,000, Golf Course Revenue Anticipation Warrants to construct an 18-hole, municipal golf course. Principal payments due in yearly installments of $5,000 in 1998 with additional increases through 2015; interest varies from 6.5% to 8.5%. The warrants are a special revenue obligation of the City payable from the net operating income of the Golf Course facilities and certain enhancement assessments imposed by the City on new industrial, commercial and residential construction and development projects within the City. This debt is serviced from the Golf Course Fund. The annual debt service schedule is as follows:

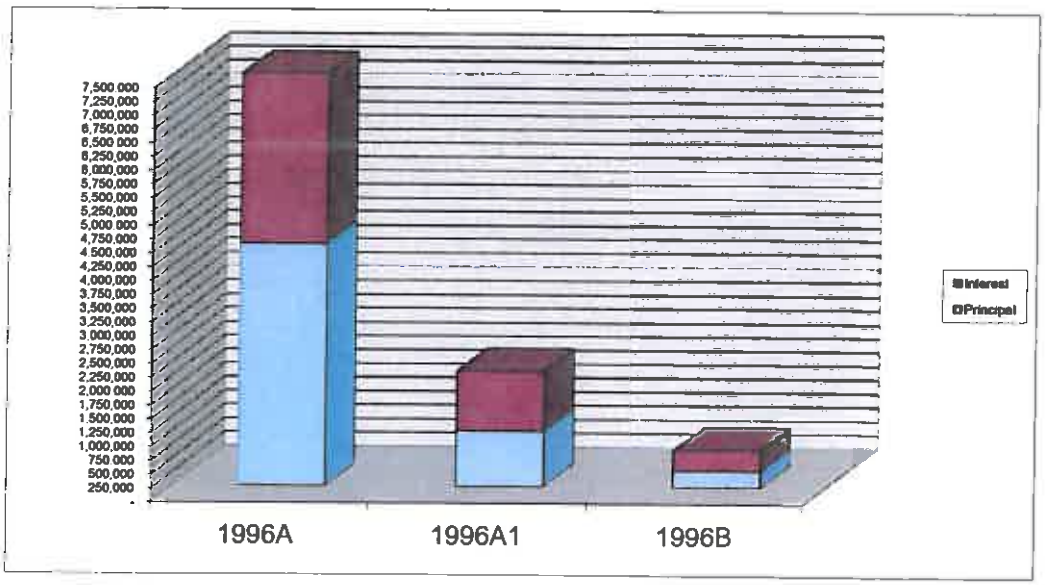
1996A1 Revenue Anticipation Warrants (6.5%-9.75%) - 231-56128-631/204-56228-631 (Payments due 6-15/12-15):

June 21, 1996 – Golf Course Revenue Anticipation Warrants – 1996A1.

$1,000,000, Golf Course Revenue Anticipation Warrants to construct an 18-hole, municipal golf course. Principal payments due in yearly installments of $100,000 in 2006 with interest varying from 5.0% to 12.75%. The warrants are a special revenue obligation of the City payable from the net operating income of the Golf Course facilities and certain enhancement assessments imposed by the City on new industrial, commercial and residential construction and development projects within the City. This debt is serviced from the Golf Course Fund. The annual debt service schedule is as follows:

1996B Revenue Anticipation Warrants (6.5%-9.75%) - 231-56128-631/204-56228-631 (Payments due 6-15/12-15):

June 21, 1996 – Golf Course Revenue Anticipation Warrants – 1996B Subordinate Series

$300,000, Golf Course Revenue Anticipation Warrants to construct an 18-hole, municipal golf course. One-time principal payment of $300,000 is due in 2015 with interest provided at 9.75%. The warrants are a special revenue obligation of the City payable from the net operating income of the Golf Course facilities and certain enhancement assessments imposed by the City on new industrial, commercial and residential construction and development projects within the City. This debt is serviced from the Golf Course Fund. The annual debt service schedule is as follows:

	Principal	Interest	Total Payments
1996A	4,380,000	3,094,942	7,474,942
1996A1	1,000,000	1,083,750	2,083,750
1996B	300,000	380,250	680,250
	5,680,000	4,558,942	10,238,942