CITY AND COUNTY OF DENVER, COLORADO
2014 DISCLOSURE STATEMENT

PUBLISHED IN ACCORDANCE WITH THE SECURITIES
AND EXCHANGE COMMISSION RULE 15c2-12

For the year ended December 31, 2013

ISSUED TO FULFILL AGREEMENTS CONTAINED IN CONTINUING DISCLOSURE UNDERTAKINGS EXECUTED IN CONNECTION WITH MUNICIPAL BONDS AND OTHER OBLIGATIONS

2013 DISCLOSURE STATEMENT
Table of Contents

DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

DEPARTMENT OF FINANCE

CARY KENNEDY
CHIEF FINANCIAL OFFICER

201 W. Colfax Avenue, Dept 1010
Denver, CO 80202
p: (720) 913-5500
f: (720) 913-5599
www.denvergov.org/finance

September 05, 2014

Dear Reader:

Material contained in this disclosure statement has been prepared to comply with Rule 15c2-12 as amended through the date hereof of the U.S. Securities and Exchange Commission and the Denver Mayor's Executive Order 114, first enacted in 1996, which further commits the City to providing ongoing information about the City's 2013 financial condition. It also contains certain post 2013 information as noted. The Disclosure Statement for the Year Ended December 31, 2013 must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR), the Wastewater Management Enterprise Fund Financial Statements, and the City's Municipal Airport System Annual Financial Report. Information on where to locate these reports can be found at the end of this disclosure statement. It is the practice of the City to separately file Event Notices on EMMA satisfying all Continuing Disclosure Undertakings. The Disclosure Statement includes all other information the City has contracted to provide on an ongoing basis.

In July, 2013, the City, for and on behalf of its Department of Aviation, issued $719,915,000 of Series 2013A-B Subordinate Revenue Bonds for the purpose of funding the Airport System's capital program.

In October, 2013, the City issued $258,360,000 of Series 2013A-B General Obligation Bonds for the purpose of funding Better Denver Bond projects approved by voters in November 2007 and for the purpose of refunding Series 2002, 2003A-B, 2005 and 2006 Bonds.

In October, 2013, the City also entered into a lease purchase transaction. $34,030,000 of Series 2013A Certificates of Participation were executed and delivered by the trustee for the purpose of refunding 2003B Certificates of Participation in respect of which the Buell Theatre/Jail Dorm Building #20 Properties constitute the leased property.

For those who seek additional information about the City's 2013 transactions or other financings, the Official Statements can be found in the files of the Municipal Securities Rulemaking Board, online at http://emma.msrb.org or may be obtained by calling the City's Debt Management offices at 720-913-5500.

As the Manger of Finance and Chief Financial Officer, I am responsible for the City's compliance with Rule 15c2-12 and Denver Mayor's Executive Order 114. Please contact my office if you have questions about the material contained within this Disclosure Statement for the Year ended December 31, 2013, or if you have any comments regarding future disclosures.

Sincerely,

Cary Kennedy
Manager of Finance, Chief Financial Officer
City and County of Denver

CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2013

Mayor
Michael B. Hancock

City Council
Mary Beth Susman, President

Albus Brooks	Paul D. Lopez
Charles V. Brown Jr.	Judy H. Montero
Jeanne Faatz	Chris Nevitt
Christopher Herndon	Deborah Ortega
Robin Kniech	Jeanne Robb
Peggy A. Lehmann	Susan K. Shepherd

Auditor
Dennis J. Gallagher

CABINET OFFICIALS

Cary Kennedy	Deputy Mayor, Manager of Finance/ *Ex-Officio Treasurer*
Adrienne Benavidez	Manager of the Department of General Services
Lauri Dannemiller	Manager of the Department of Parks and Recreation
Kim Day	Manager of the Department of Aviation
Jose Cornejo	Manager of the Department of Public Works
Doug Linkhart	Manager of the Department of Environmental Health
Stephanie O'Malley	Manager of the Department of Safety
Penny May	Manager of the Department of Human Services
Rocky Piro	Manager of Community Planning and Development
Douglas J. Friednash	City Attorney

Clerk and Recorder
Debra Johnson

BOARD OF WATER COMMISSIONERS

Gregory Austin	President
John R. Lucero	First Vice President
Thomas A. Gougeon	Member
Paula Herzmark	Member
Penfield Tate III	Member

(THIS PAGE LEFT INTENTIONALLY BLANK)

THE CITY AND COUNTY OF DENVER, COLORADO

General Information

The City and County of Denver is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado. Denver is the capital of the State and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 2.9 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which approximately 649,481 reside in the City limits.

Organization

The City was originally incorporated by a special act passed at the first session of the Legislative Assembly of the Territory of Colorado, adopted and approved on November 7, 1861. The State Constitution was adopted by the people of the State on March 14, 1876, and the Territory was admitted into the Union as a State by proclamation of President Grant on August 1, 1876. Article XX was added to the State Constitution at the State's general election in November 1902. The City was reorganized as the consolidated municipal government known as the City and County of Denver and exists as a "home-rule" city under the City Charter adopted by the qualified electors of the City on March 29, 1904, as amended from time to time. The City is a single governmental entity performing both municipal and county functions.

Government

The City Charter establishes a "strong-mayor" form of government. The Mayor of the City is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is elected every four years and is limited to three consecutive terms. The legislative powers of the City are vested in the City Council, except as otherwise provided in the City Charter. The City Council consists of thirteen members, two of whom are elected on an at-large basis and eleven of whom are elected from districts, all for four-year terms with a three consecutive-term limit. Seven members constitute a quorum, and the vote of seven members is necessary to adopt any ordinance or resolution. Ordinances passed by the City Council are subject to a qualified veto by the Mayor (except certain ordinances concerning charter amendments or conventions). The Mayor's veto may be overridden by the vote of nine City Council members.

The City Auditor is responsible for internal audits of the City and, with the Audit Committee, oversees the audit of the City's Comprehensive Annual Financial Report (CAFR). The Auditor is elected every four years and is limited to three consecutive terms. Powers to conduct financial and performance audits are carried out by the City Auditor in that office's audit capacity. The current City Auditor is Dennis J. Gallagher.

The Clerk and Recorder is responsible for performing all the duties of the City Clerk as provided for in the City Charter and City ordinances, as well as the duties of the Public Trustee and the County Clerk and Recorder provided by the State Constitution and statutes, with the exception of those relating to the registration of motor vehicles. The Clerk and Recorder also has oversight of the Election Division. The Clerk and Recorder is elected every four years and is limited to three consecutive terms. The current Clerk and Recorder is Debra Johnson.

The Manager of Finance serves on the Mayor's cabinet and is responsible for the management of the City's debt and financial obligations and the appointment of the Manager of Cash, Risk & Capital Funding, Controller, Treasurer, Budget Manager and Assessor. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance.

In May 2011, The City held its municipal election and Michael B. Hancock was elected Mayor. As of December 31, 2013, the appointed members of the Mayor's cabinet were the following individuals:

Cary Kennedy	Deputy Mayor, Manager of Finance/Chief Financial Officer/*Ex-Officio Treasurer*
Adrienne Benavidez	Manager of the Department of General Services
Lauri Dannemiller	Manager of the Department of Parks and Recreation
Kim Day	Manager of the Department of Aviation
Jose Cornejo	Manager of the Department of Public Works
Doug Linkhart	Manager of the Department of Environmental Health
Stephanie O'Malley	Manager of the Department of Safety
Penny May	Manager of the Department of Human Services
Rocky Piro	Manager of Community Planning and Development
Douglas J. Friednash	City Attorney

In addition to the members of the cabinet, other advisers include Chief of Staff Janice Sinden and Deputy Chief of Staff Evan Dreyer. As of the date of this statement, Rocky Piro has been replaced by Brad Buchanan and Douglas J. Friednash has been replaced by D. Scott Martinez.

The City Charter provides that a vacancy in the office of Mayor is to be filled by a special election except that, if the vacancy occurs within the final six months of a term of office, the acting Mayor, determined as described in this paragraph, is to discharge the duties of the Mayor for the unexpired portion of the term. Prior to the special election or for the remainder of the unexpired portion of the term, in the event a vacancy occurs in the office of Mayor, the City Charter provides for succession to such office by the Deputy Mayor, who is to resign and become Mayor. If the Deputy Mayor refuses or is unable to serve as Mayor, the President of the City Council is to resign as President and become Mayor. If the President of the Council refuses or is unable to serve as Mayor, the City Council is to elect one of their members to fulfill the duties of the Mayor.

Budget Policy

The City Charter establishes a fiscal year for the City that begins on January 1 and ends on December 31 (the "Fiscal Year"). Before the third Monday in October of each Fiscal Year, the Mayor submits an operating and capital budget for the ensuing Fiscal Year to the City Council for its approval. The City Council may accept the budget with a majority vote or may vote to override all or any part of the Mayor's budget with a two-thirds majority vote. After the budget is approved (no later than the second Monday in November), the Mayor is empowered to administer the operating and capital budget for the next Fiscal Year. If the City Council fails to adopt a budget by the required date, the proposed budget, together with any amendments approved by the City Council, becomes the official budget.

The budget proposed by the Mayor may not include expenditures in excess of estimated opening balances and anticipated revenues. In addition, the General Fund budget is required by the City Charter to include a year-end closing balance, which can only be expended upon a two-thirds majority vote of the City Council during that Fiscal Year, but may be considered income for the ensuing Fiscal Year. The annual budget includes a Contingency Reserve of no less than 2% of total estimated expenditures. In addition, an Emergency Reserve equal to 3% of fiscal year spending excluding debt service is required by State constitutional provisions (TABOR Reserve) to be included in the budget. In March 2014, the City Council approved fulfilling the TABOR Reserve requirement by pledging real property in lieu of cash. This reserve may only be applied for emergency purposes as specified in the Colorado Constitution. By Department of Finance policy, the General Fund targeted reserve is 15%, and should not be drawn below 10%.

The City administration utilizes multi-year planning and forecasting methods for General Fund budgeting and for capital projects planning.

Ratings

The City and County of Denver currently has the highest possible General Obligation bond ratings from all three major credit ratings agencies. On February 5, 2013, Moody's revised its outlook of the City to "Stable" from "Negative". Since that change, Denver maintains a "Stable" outlook on its ratings from all three agencies. Denver is the only city or county in Colorado to hold AAA General Obligation bond ratings from all three rating agencies.

Constitutional Revenue and Spending Limitations

In 1992, the voters of the State approved an amendment to the State Constitution known as the "Taxpayer's Bill of Rights" ("TABOR"), which limits the powers of public entities to borrow, tax and spend.

TABOR restricts the total amount of expenditures and reserve increases (excluding changes in debt service payments) that may be made by the City for all purposes by limiting the City's revenues to the total amount of revenues received by the City in the preceding year, adjusted for inflation and local growth. Under TABOR, excess revenues are required to be refunded to citizens the next fiscal year unless the voters approve a public entity to retain excess revenues. In November 2000, Denver voters approved an exemption from the TABOR limits for all non-tax revenues received by the City in Fiscal Year 1999 and thereafter. Denver voters approved an additional TABOR waiver in November 2005, which authorizes the City to exempt all non-property tax revenues received by the City in Fiscal Years 2005 through 2014, provided that the revenues retained in excess of the limits are to be appropriated for public safety, public works, parks and recreation, health care, libraries and other essential services. In Fiscal Year 2015 and thereafter, the revenue cap was to be determined by the highest excess revenue for any given year during the preceding ten fiscal years from 2005 through 2014 as adjusted for inflation and certain other factors. On November 6, 2012, Denver voters passed ballot measure 2A that permanently removed all TABOR restrictions regarding the collection and retention of all taxes. The measure permanently allows the City to collect, retain, and spend all lawful property and non-property taxes.

TABOR requires voter approval prior to the City undertaking any multiple fiscal year debt or other financial obligation, subject to certain exceptions, including refinancing outstanding bonds at a lower interest rate. TABOR contains an exception for "enterprises," defined in TABOR as a government-owned business authorized to issue its own revenue bonds and receiving less than 10% of its annual revenues from all State and local governments combined. The effect of "enterprise" status is to exempt an enterprise from the restrictions and limitations otherwise applicable under TABOR. The City has designated as enterprises for purposes of TABOR the operations of its sanitary and storm sewerage utilities, the Department of Aviation, the Department of Environmental Services, and City-owned golf courses.

General Fund

The General Fund is the principal operating fund of the City. Information contained in this section has been drawn from the annual financial reports of the City, the General Fund budget for the years 2013 and 2014, and information prepared by the Department of Finance.

Major Revenue Sources. Two major revenue sources for the City's General Fund are sales and use taxes and the City's property tax. Other revenue sources include intergovernmental revenues, charges for services, franchise fees and other taxes.

The general sales tax, at the end of December 31, 2013, was a fixed-rate (3.62%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. Included in the sales tax rate is 0.12% authorized by voters to fund increased access to and quality of preschool programs for City residents. The revenue from this increase is only available for such purpose, and cannot be used for General Fund purposes. The general use tax, at the end of December 31, 2013, was a fixed-rate (3.62%) tax imposed on the storage, use and consumption of tangible personal property not specifically exempted. In practice, sales and use taxes are accounted for on a combined basis.

Property taxes are levied on all real property, personal property and public utilities within the City, except for certain property that has been specifically exempted in whole or in part. General categories of exempt property include property used for religious or charitable purposes and property owned by governmental entities.

Other amounts collected by the City and accounted for in the General Fund include the lodgers' tax, prepared food and beverage tax, short-term auto rental tax, the automobile ownership tax, occupational privilege taxes ("OPT" or "Head Tax"), franchise fees and the telecommunications business tax. A portion of the lodgers', short term auto rental and prepared food and beverage taxes are pledged to debt service on excise tax revenue bonds of the City. The lodgers' tax is levied on the purchase price of hotel, motel and similar temporary accommodations in the City. The automobile ownership tax is levied on all motor vehicles registered with the City's Division of Motor Vehicles and is based on the age and value of the vehicle. OPT is also pledged to debt service on excise tax revenue bonds of the City. See "DEBT STRUCTURE OF THE CITY – Excise Tax Revenue Bonds Debt Service Coverage." Franchise fees include the utility franchise fees imposed upon Xcel Energy for its franchise to serve customers in the City and the franchise fee imposed on Comcast for operation of its cable television franchise within the City. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines.

Charges for services are another major revenue source for the City's General Fund. General Fund agencies bill individuals, businesses and other City funds for various services, supplies and materials. Charges vary depending upon cost and are assessed to the individual or entity benefiting from the provision of a specific service, supply or material.

Intergovernmental revenues received by the City include State grants and other revenues. Various highway taxes and fees collected by the State are shared with local governments including the City. The State-imposed cigarette tax is also shared with the City and included in intergovernmental revenues.

Major Expenditure Categories. The General Fund accounts for all expenditures normally associated with basic municipal functions. Expenditures under the General Fund include General Government, Public Safety, Public Works, Health, Parks and Recreation, and Cultural Activities. The largest portion of the 2013 expenditure Budget (48.1%) was allocated to Public Safety, which is primarily responsible for administering police, fire and the sheriff's departments' services. For the 2014 enacted Budget, Public Safety represents 47.2% of the General Fund.

Management Discussion of 2014 Budget

The 2014 Budget, adopted in November 2013, projected total General Fund revenue of $1.043 billion in 2014, up 3.1% over the 2013 revised budget primarily driven by projected sales and use tax revenue growth, partially offset by the phasing out of the aviation parts tax and a reduction of the transfer from the Capital Improvement Fund to the General Fund to increase available funds for capital projects. Core sales and use tax revenues (minus audits and one-time items) were projected to grow by 4.2% in 2014 due to continued improvement in economic conditions. 2014 General Fund expenditures were projected to grow to $1.062 billion in 2014, up by 7.2% over the 2013 revised budget, as base expenditures grow 5% with an additional $21 million of one-time non-permanent investments in other high-priority areas such as affordable housing, technology and the City's vehicle fleet. In addition, service restoration will continue in the areas of public safety, street maintenance, parks and recreation and support for Denver's children. Reserves were projected to increase and the undesignated fund balance was expected to be 13.8% of projected expenditures, or $149 million, by the end of 2014.

Litigation Update

The City is party to numerous pending lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters. Generally, the City is self-insured, except for the City's Airport System and the City's theaters and arena facilities.

For Fiscal Year 2014, the City Attorney's office has received an appropriation of approximately $2.0 million, for payment of claims and judgments for items not covered by existing insurance. Due to the approved settlement of a claim in August of 2014, the City Council has transfered additional funds into the claims account in excess of the $2.0 million previously appropriated. The City anticipates additional claims could be filed that may require a request for the City Council to transfer additional funds into the claims account in excess of the amounts described above.

The City is one of several hundred localities nationwide selected by the Department of Justice's Project Civic Access for an Americans with Disability Act ("ADA") compliance review. In 2012, Project Civic Access conducted a compliance review of City facilities. In 2014, the City received the results of the compliance review and will be engaging with Project Civic Access to agree on necessary public improvements which are anticipated to require an additional appropriation, of a sum to be determined, from the City's general fund.

Two local organizations, the Civil Rights Education and Enforcement Center ("CREEC") and the Colorado Cross-Disability Coalition ("CCDC") served a demand letter on the City alleging violations of the ADA by the City. In this letter, CREEC and CCDC allege that the City failed to install curb ramps required by the ADA and the Rehabilitation Act. CREEC and CCDC claim that if this matter is not settled they would be entitled to injunctive relief requiring that the City install missing ramps as well as attorney's fees and costs. The City, CREEC and CCDC have executed a tolling agreement and are attempting to negotiate a resolution. No claim has been filed. At this time, the City believes a voluntary resolution is likely and therefore that the likelihood of an unfavorable outcome is low. It is not possible to estimate the range of potential costs at this time, but if amounts available to pay such costs are insufficient, an additional appropriation would be requested to be made by City Council.

Pursuant to State law and subject to constitutional limitations, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the City Council must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City is required to continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes.

Governmental Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000; except in such instance, no person may recover in excess of $350,000. These maximums are to be adjusted by the Colorado Secretary of State every four years beginning January 1, 2018, based upon the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index. The City may increase any maximum amount that may be recovered from the City for certain types of injuries. However, the City may not be held liable either directly or by indemnification for punitive or exemplary damages unless the City voluntarily resolves to pay such damages in accordance with State law. The City has not acted to increase the damage limitations in the Immunity Act.

The City may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Table 1

GENERAL FUND BUDGET SUMMARY
2013 ACTUAL RESULTS, 2013 BUDGET AND 2014 BUDGET
Prepared in Budgetary Format
($ in thousands)

	2013 Actual[1]	2013 Budget[2]	2014 Budget
REVENUES			
Taxes			
Property	$ 108,522	$ 106,791	$ 108,617
Sales and Use	493,002	471,619	501,934
Other	85,816	80,076	90,445
Licenses and Permits	42,916	22,799	31,759
Intergovernmental Revenues	27,669	26,901	27,316
Charges for Services	167,864	165,903	176,539
Investment Income	1,890	2,682	3,240
Fines and Forfeitures	54,818	61,778	59,171
Transfers In	38,589	34,700	36,107
Other Revenues	10,619	5,427	8,329
TOTAL FINANCIAL SOURCES	1,031,705	978,676	1,043,457
EXPENDITURES			
General Government	198,207	225,651	247,166
Public Safety	475,654	475,402	501,156
Public Works	98,178	90,308	96,412
Health	44,636	44,287	48,645
Parks and Recreation	55,279	50,714	54,796
Cultural Activities	39,192	37,928	39,368
Debt Service	4,785		
Transfers Out	55,287	62,865	65,758
General Fund Contingency		19,208	21,066
Estimated Unspent Appropriation	-	(17,900)	(12,000)
TOTAL EXPENDITURES BUDGET	971,218	988,462	1,062,364
FUND BALANCES[3]			
Net Change in Fund Balance	60,487	(9,786)	(18,907)
Fund Balance Jan 1	226,848		
Fund Balance Dec 31	287,335		
Undesignated Fund Balance Jan 1	155,039	130,986	167,889
Undesignated Fund Balance Dec 31	232,086	112,930	148,982
Prepaid Items & Other Reserves	-	20,594	19,220
Total Fund Balance Dec 31	$ 232,086	$ 133,524	$ 168,202

1 The City's CAFRs and Budgets use slightly different reporting codes for specific revenue and expenditure categories. Accordingly, there may be differences in some line item descriptions and totals.

2 The 2013 Budget numbers reflect changes made to the budget initially adopted after the passage of ballot measure 2A, which eliminated TABOR restrictions on all tax collections within Denver. The Property Tax Mill Levy for taxes to be collected in 2013 for the General Fund was increased from 9.805 to 13.362. 2013 Budgeted Expenditures reflect the 2013 Revised Appropriation adopted after the passage of 2A. See "THE CITY AND COUNTY OF DENVER, COLORADO – Constitutional Revenue and Spending Limitations."

3 For the 2013 CAFR, the City follows GASB 54, which clarifies existing fund type definitions. The CAFR lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds. The Office of Management and Budget does not use this methodology for the Budget, therefore Fund balances should only be compared within the Budget columns in the table set forth above.

(Sources: 2013 CAFR, 2013 Budget Book, 2014 Budget Book)

Table 2

GENERAL FUND BUDGET SUMMARY
2013 ACTUAL RESULTS, 2013 BUDGET AND 2014 BUDGET
(by percentage)

	2013 Actual[1]	2013 Budget	2014 Budget
REVENUES			
Taxes			
Property	10.5%	10.9%	10.4%
Sales and Use	47.8	48.2	48.1
Other	8.3	8.2	8.7
Licenses and Permits	4.2	2.3	3.0
Intergovernmental Revenues	2.7	2.7	2.6
Charges for Services	16.3	17.0	16.9
Investment Income	0.2	0.3	0.3
Fines and Forfeitures	5.3	6.3	5.7
Transfers In	3.7	3.5	3.5
Other Revenues	1.0	0.6	0.8
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government	20.4%	22.8%	23.3%
Public Safety	49.0	48.1	47.2
Public Works	10.1	9.1	9.1
Health	4.6	4.5	4.6
Parks and Recreation	5.7	5.1	5.2
Cultural Activities	4.0	3.8	3.7
Debt Service	0.5	-	-
Transfers Out	5.7	6.4	6.2
General Fund Contingency	-	1.9	2.0
Estimated Unspent Appropriations	-	(1.8)	(1.1)
TOTAL EXPENDITURES BUDGET	100.0%	100.0%	100.0%

1 The City’s CAFRs and budgets use slightly different reporting codes for specific revenue and expenditure categories. Accordingly, there may be differences in some line item descriptions and totals.

Management Discussion of Recent Financial Results

2009. A 4.4% decline in employment accompanied by steep declines in consumer spending resulted in lower City sales tax collections compared to 2008. Total General Fund revenues in 2009 were 0.9% below revised projections and declined 6.4% from 2008 levels. Actual 2009 sales and use tax collections were 10% lower than 2008 collections. The City implemented a series of cost saving strategies to reduce its 2009 General Fund expenditures. These strategies included identifying additional operational savings, personnel review sessions prior to filling vacant positions, four employee furlough days, concessions from uniformed employees' bargaining agreements, and the partial use of fund balance to minimize layoffs whenever possible and to maintain core services.

2010. Sales and use tax collections for 2010 were 5.7% higher than 2009. Additionally, the City contributed a one-time use of excess fire pension mill levy funds in an amount of $18 million to the General Fund. The fire pension mill levy funds are typically used to pay for the City's contribution towards the Old and New Hire Fire Pension Plans and the unfunded liability that exists for the Old Hire Pension Plan. There was no required contribution towards the unfunded liability on the Old Hire Fire Pension Plan in 2010, allowing these funds to be spent on General Fund fire operating costs. See "RETIREMENT PLANS." With this contribution, total General Fund revenues increased by 6.9% over 2009. With respect to expenditures, City departments saved over $30 million from the original 2010 budget. This was done through both permanent savings such as reducing positions, five employee furlough days, and temporary savings such as deferring equipment and supply costs wherever possible.

2011. 2011 General Fund revenue collections of sales tax was 4.6% higher than 2010 due primarily to tax audit revenues being collected in 2011 rather than 2012 because of a one-time sales tax amnesty program . This early collection accounts for $18.6 million or 3.1% of the 4.6% General Fund revenue growth rate. With respect to expenditures, City departments saved over $14 million from the original 2011 budget. This was done through both permanent savings such as reducing positions, five employee furlough days, and temporary savings such as deferring equipment and supply costs wherever possible. Total General Fund expenditures, including transfers out, grew 2.9% from 2010.

2012. 2012 General Fund revenue collections of sales tax were 7.4% higher than 2011 due primarily to strong economic performance in retail sales. Total 2012 revenues performed 3.5% over 2011. With respect to expenditures, City departments saved $8 million from the original 2012 budget. This in-year savings was achieved by holding positions vacant, five employee furlough days, and temporary savings such as deferring equipment and supply costs wherever possible. Total General Fund expenditures, including transfers out, grew 6.3% from 2011.

2013. 2013 General Fund core revenue collections of sales and use tax, which do not include audit revenues, were 7.5% higher than 2012 primarily as a result of a recovering economy following the economic downturn. Including audit revenues, total sales and use tax revenue collections for the General Fund were 9.2% higher than 2012. Total 2013 revenues performed 10.4% over 2012. With respect to expenditures, City departments saved over $17 million from the original 2013 budget, adjusted for the passage of ballot measure 2A in November 2012. See "GENERAL FUND – Major Revenue Sources." This was due to expected unspent appropriations, in large part by achieving savings measures put in place to respond to the recession, including compensation savings and equipment replacement deferrals. Total General Fund expenditures, including transfers out, increased by 5.1% from 2012, primarily driven by personnel cost increases and transfers to other funds.

General Fund Financial Information

The following pages include Table 3, General Fund Balance Sheet and Table 4, General Fund Statement of Revenues, Expenditures and Changes in Fund Balance for 2009 through 2013.

Table 3

CITY AND COUNTY OF DENVER
GENERAL FUND BALANCE SHEET
For the years ending December 31
($ in thousands)

	2009	2010	2011	2012	2013
ASSETS					
Cash and cash equivalents	$ 28,021	$116,023	$120,191	$146,392	$195,214
Cash on hand	34	32	101	70	143
Receivables (net of allowances for uncollectibles):					
Taxes	116,253	123,142	134,806	163,031	170,018
Notes	23	1,652	641	480	2,804
Accounts	19,760	18,931	20,187	21,140	20,109
Accrued interest	542	646	1,135	1,030	1,440
Due from other funds	44,001	2	150	--	-
Interfund receivable	224	24,122	15,537	9,204	12,528
Prepaid items and other assets	--	1,064	330	159	268
Restricted assets:					
Cash and cash equivalents	20,207	19,952	42,528	45,283	48,203
Assets held for disposition	--	--	11,436	11,436	11,436
TOTAL ASSETS	$229,065	$259,738	$347,042	$398,225	$462,163
LIABILITIES					
Vouchers payable	$ 10,639	$ 13,097	$ 16,362	$ 16,719	$17,037
Accrued liabilities	21,781	25,683	26,622	30,200	32,423
Due to other funds	3,873	31	65	111	274
Interfund Payable	--	2,940	1,964	3,199	2,122
Deferred revenue	79,552	82,757	87,701	121,104	122,972
Compensated Absences	--	--	--	26	-
Advances	--	151	18	18	-
TOTAL LIABILITIES	115,845	124,659	132,732	171,377	$174,828
FUND BALANCE[1]					
Reserved for prepaid items and other assets	20,230	--	--	--	-
Undesignated	92,990	--	--	--	-
Nonspendable	--	1,064	330	159	268
Restricted	--	52,652	54,049	56,566	62,443
Committed	--	--	12,039	15,084	23,594
Unassigned	--	127,191	147,892	155,039	201,030
TOTAL FUND BALANCE	113,220	180,907	214,310	226,848	287,335
TOTAL LIABILITIES AND FUND BALANCE	$229,065	$305,566	$347,042	$398,225	$ 462,163

1 Beginning with the 2011 CAFR, the City implemented the provision of GASB 54, which clarifies existing fund type definitions. The effect of the implementation resulted in a restatement of fund balance in the 2011 and 2012 results column that was previously reported in the Human Services Fund and Other Governmental Funds. The 2010 results were restated to reflect the implementation of GASB 54 in 2011.

(Source: City and County of Denver's CAFR, 2009 - 2013)

TABLE 4

CITY AND COUNTY OF DENVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2009-2013
($ in thousands)

	2009	2010	2011	2012	2013
REVENUES					
Taxes:					
Property	$ 64,396	$ 83,763	$ 73,331	$ 79,199	$ 108,522
Sales and Use	387,838	409,816	441,187	451,352	493,002
Other	72,123	74,757	76,061	81,579	85,816
Licenses and Permits	23,229	28,571	29,714	33,906	42,916
Intergovernmental Revenues	31,955	28,377	26,274	25,913	27,669
Charges for Services	138,563	146,654	153,861	162,086	167,864
Investment Income	4,512	7,885	8,096	4,606	1,890
Fines and Forfeitures	41,389	44,322	55,090	53,227	54,818
Other Revenues	11,863	13,632	9,164	7,414	10,314
TOTAL REVENUES	775,868	837,777	872,778	899,282	992,811
EXPENDITURES					
Current:					
General Government	165,897	169,548	168,801	174,272	181,635
Public Safety	429,718	434,128	444,721	469,039	475,654
Public Works	79,506	80,368	84,263	90,007	98,178
Health	43,750	43,145	43,109	43,765	44,636
Parks and Recreation	46,183	46,642	48,100	53,188	55,279
Culture and Entertainment	32,222	32,585	33,152	34,736	39,192
Community Development	16,343	14,864	14,608	15,687	15,998
Economic Opportunity	--	456	353	205	574
Obligation Retirement	2,071	3,990	4,445	4,602	4,785
TOTAL EXPENDITURES	815,690	825,726	841,552	885,501	915,931
Excess of Revenues Over Expenditures	(39,822)	12,051	31,226	13,781	76,880
OTHER FINANCING SOURCES (USES)					
Other	1,594	3,677	463	1,379	305
Operating Transfers In	30,577	54,321	31,578	36,073	38,589
Operating Transfers Out	(50,578)	(47,226)	(29,864)	(38,695)	(55,287)
TOTAL OTHER FINANCING SOURCES (USES)	(18,407)	10,772	2,177	(1,243)	(16,393)
Net Change in Fund Balance	(58,229)	22,823	33,403	12,538	60,487
Fund Balance – January 1, as originally reported	171,449	113,220	136,061	155,039	226,848
Change in accounting principle – GASB 54[1]	--	44,864	44,846	44,846	--
Fund Balance – January 1, as restated[1]	171,449	158,084	180,907	214,310	226,848
FUND BALANCE – December 31	$113,220	$180,907	$214,310	$226,848	$ 287,335

1 Beginning with the 2011 CAFR, the City implemented the provision of GASB 54, which clarifies existing fund type definitions. The effect of the implementation resulted in a restatement of fund balance in the 2011 and 2012 results column that was previously reported in the Human Services Fund and Other Governmental Funds. The 2010 results were restated to reflect the implementation of GASB 54 in 2011.

(Source: City and County of Denver's CAFR, 2009 - 2013)

Collection of Taxes

The City Charter provides that the Manager of Finance collect taxes in the same manner and at the same time as State taxes are collected. All laws of the State for the assessment and collection of general taxes, including laws for the sale of property for taxes and the redemption of the same, apply to the City, except as modified by the City Charter.

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately one-half of the General Fund revenues. A fixed-rate general sales tax of 3.62% is imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax, also a fixed-rate of 3.62%, is imposed on the storage, use and consumption of tangible personal property not specifically exempted. This includes 0.12%, approved in November 2006 to fund increased access to and quality of preschool programs for City residents. The collection of this dedicated preschool sales and use tax increase started January 1, 2007 and the ability to collect it will expire in 2014 unless reauthorized by voters. City Council has approved a single ballot measure for placement on the November 2014 ballot for the extension of the 0.12% preschool sales and use tax through December 31, 2026 and increasing the rate by 0.03% to 0.15%. The revenue from this increase is only available for the described purpose. The City's practice is to account for sales and use taxes on a combined basis. The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES
EFFECTIVE FOR 2013

Taxation of Certain Goods or Services	City Tax Rate
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.62%[1]
Prepared food and drink	4.0%
Aviation fuel	$0.04 per gallon
Automobile rental for thirty (30) days or less	7.25%
Lodging for thirty (30) days or less	10.75%

1 Includes 0.12% City sales tax dedicated to increasing access to and quality of preschool programs for City residents. The revenue from this portion of the sales tax is only available for such purpose, and cannot be included in General Fund revenue. Collection of this dedicated preschool sales and use tax increase started January 1, 2007, and is proposed to be extended and increased as described above.

The above General Fund Sales and Use Tax Rates effective for 2013 reflect the City's total tax rate for goods and services as set forth; however, portions of the prepared food and beverage tax, short term automobile rental tax and lodgers' taxes are reflected in the General Fund's Sales and Use Tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Excise Tax Revenue Bonds and recorded in other Funds.

Table 5 reflects the City's sales and use tax collections for the past ten years.

TABLE 5

GENERAL FUND SALES AND USE TAX REVENUES
2004 – 2013

Year	Revenues [1]	Percent Change [1]
2004	$361,988	-
2005	389,731	7.66%
2006	397,163	1.91
2007	418,177	5.29
2008	430,928	3.05
2009	387,838	(10.00)
2010	409,817	5.67
2011	441,187	7.65
2012	451,352	2.30
2013	493,002	9.23

1 The revenues and percent changes reflect changes including amounts received as a result of sales tax audit collections.

(Source: Department of Finance)

Property Taxation

Assessed Valuation. The assessed value of real property for tax purposes is computed using statutory actual values as determined from manuals published by the Administrator of the State Division of Property Taxation and from data developed by the Manager of Finance, *ex officio* Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 2004 through 2013.

TABLE 6

STATE PROPERTY APPRAISAL SYSTEM

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2005	2004	July 1, 2002	January 1, 2001 to June 30, 2002
2006	2005	July 1, 2004	January 1, 2003 to June 30, 2004
2007	2006	July 1, 2004	January 1, 2003 to June 30, 2004
2008	2007	July 1, 2006	January 1, 2005 to June 30, 2006
2009	2008	July 1, 2006	January 1, 2005 to June 30, 2006
2010	2009	July 1, 2008	January 1, 2007 to June 30, 2008
2011	2010	July 1, 2008	January 1, 2007 to June 30, 2008
2012	2011	July 1, 2010	January 1, 2009 to June 30, 2010
2013	2012	July 1, 2010	January 1, 2009 to June 30, 2010
2014	2013	July 1, 2012	January 1, 2011 to June 30, 2012

As of January 1, 1985, the State General Assembly was required to determine the percentage of the aggregate statewide valuation for assessment that is attributable to residential real property. For each subsequent year, the General Assembly was and is required to re-determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding any increased valuation for assessment attributable to new construction and increased oil and gas production. For each year in which there is a change in the level of value, the General Assembly is required to adjust the assessed valuation ratio for residential real property as necessary to maintain the previous year's percentage of aggregate statewide valuation attributable to residential real property. The Colorado General Assembly set the residential real property assessed valuation ratio at 7.96% of its statutory actual value for assessment years 2004 through 2013. All other taxable property (with certain specified exceptions) has had an assessed valuation ratio throughout these tax years of 29% of statutory actual value.

The City's assessed valuation is established by the Assessor of the City, except for public utility property, which is assessed by the Administrator of the State Division of Property Taxation. Property taxes are levied on all real and personal property, except certain categories of exempt property. Classes of property not subject to property taxes include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; property of school districts; property used as an integral part of a licensed school childcare center, inventories of merchandise and supplies that are held for consumption by a business or are held primarily for sale; agricultural and livestock products; agricultural equipment; property used for religious or charitable purposes; and noncommercial personal property.

Property Taxes. Property taxes are due January 1 of each year. They may be paid in full on or before April 30 or in two equal installments, the first due the last day of February and the second due June 15. The first half becomes delinquent after the last day of February. The second half becomes delinquent after June 15. If the entire tax is paid at one time on or before April 30, no interest is charged.

Delinquent general property taxes draw interest where the following circumstances exist. If the first installment is not paid by the last day of February, penalty interest accrues at the rate of 1% per month from March 1 until June 16 or to the date of payment if such installment is paid prior to June 16. After June 15, the entire tax becomes delinquent and accrues interest at the rate of 1% per month until the date of payment, which penalty interest is in addition to any penalty interest which may have accrued on the same taxes prior to June 16. If the full amount of taxes is paid in a single payment after the last day of April, interest is added to the full amount of taxes due in the amount of 1% per month and accrues from the first day of May until the date of payment.

The Treasurer is empowered to sell at public auction property upon which levied taxes remain unpaid, after due process of law. Tax lien sales are held in November of the year in which the taxes become delinquent. All tax certificates not sold to buyers at the annual tax lien sale are attributed to the City. Three years after the date of sale, a tax deed may be issued by the Treasurer for unredeemed tax certificates.

The City Charter imposes a tax limit of 15 mills for all general municipal purposes. This limit does not apply to taxes levied for the payment of general obligation bonded indebtedness, to fund the City's Social Services Fund, to provide for fire and police pensions, to fund a City program for the developmentally disabled, to fund early childhood education, or taxes levied pursuant to a voter authorized 2.5 mill levy increase for deferred capital maintenance. State case law permits the City to impose an additional General Fund levy for functions ordinarily performed by counties in the State. Current State statutes limiting mill levies imposed by counties do not apply to the City.

In 2007, Denver voters approved a 2.5 mill levy designated for capital maintenance projects in the City. This earmarked tax is exempt from TABOR revenue limits. In 2013, this capital maintenance levy was 2.553 due to prior year refunds and abatements, generating approximately $28.8 million.

Table 7 sets forth the mill levies for the City, School District No. 1, and the Urban Drainage and Flood Control District for the last five levy years.

TABLE 7

CITY AND COUNTY OF DENVER
CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS[1]
(by year assessed)

Taxing Entity	**2009**	**2010**	**2011**	**2012**	**2013**
City and County of Denver:					
General Fund	5.867	6.174	7.174	10.610	10.458
Bond Principal Fund	4.470	4.470	3.980	4.170	4.330
Bond Interest Fund	3.110	3.110	3.600	3.780	4.103
Social Services	3.394	3.556	4.101	4.520	4.480
Developmentally Disabled	1.013	1.019	1.030	1.033	1.021
Fire Pension	1.258	1.317	1.519	1.587	1.572
Police Pension	1.502	1.572	1.812	1.893	1.875
Capital Maintenance	2.524[2]	2.544[2]	2.572[2]	2.581[2]	2.553[2]
Capital Improvement	2.170	2.281	2.631	2.752	2.727
TOTAL DENVER MILL LEVY	25.308	26.044	28.419	32.926	33.119
School District No. 1	39.262	39.972	42.265	50.488	49.299
Urban Drainage and Flood Control District	0.569	0.576	0.623	0.657	0.672
TOTAL MILL LEVY:	65.139	66.592	71.307	84.071	83.090

Note: A mill equals one-tenth of one percent of assessed valuation.

1 The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City's boundaries. For "Overlapping Taxing Districts with General Obligation Debt" see Table 18.

2 A levy in excess of the 2.5 mills approved by voters due to prior year refunds and abatements.

(Source: Department of Finance)

Table 8 summarizes the statutory actual and assessed valuation of property in the City and taxes levied and collected by the City for the last five assessment years.

TABLE 8

PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS

($ in millions)

ACTUAL AND ASSESSED VALUATION:	**2009**	**2010**	**2011**	**2012**	**2013**
Statutory Actual Valuation (est.)[1]	$82,844	$83,151	$77,143	$76,697	$79,581
Assessed Valuation:					
Real Property – Land	$3,434	$3,546	$3,387	$3,358	$3,252
Real Property – Improvement	6,944	6,839	5,936	5,868	6,441
Personal Property	813	739	726	723	742
Public Utilities	822	836	888	808	829
Total Assessed Valuations[2]	$12,012	$11,960	$10,937	$10,757	$11,264
Percentage Change[3]	10.58%	-0.44%	-8.55%	-1.65%	4.71%
LEVIES AND COLLECTIONS:[4, 5]					
Taxes Levied	$254,135	$258,519	$255,918	$295,438	$310,922
Total Collections	$247,550	$254,755	$251,004	$293,970	N/A
Total Collections at Year End (as Percentage of Original Levy)	97.41%	98.54%	98.08%	99.50%	N/A

1 Colorado statutes establish property valuation methods with actual valuation representing estimated appraisal value before the respective assessment ratios are applied. In general, an income and expense value is used for commercial property, and market value is used for residential property.
2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to the Denver Urban Renewal Authority ("DURA") and are not retained by the City. See "DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities."
3 Changes in assessed valuations for the years shown are due in part to changes in the years used to compute values which occur every two years and adjustments attributable to a legislative extension of time permitted for appeals of assessed values.
4 The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2009 are collected in 2010.
5 Total collections do not include mills levied for the Fire Pension and Police Pension funds.

(Source: Department of Finance)

Assessed Valuation of Major Taxpayers

Table 9 lists the top ten property taxpayers based on assessed valuations for the 2013 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2013
(FOR COLLECTION 2014)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Public Service Co.	Utility	$245,136	2.18%
Brookfield Properties	Real Estate	159,001	1.41
Century Link, Inc.	Utility	154,809	1.37
Beacon Capital Partners	Real Estate	140,004	1.24
Columbia-Healthone, LLC	Health Care	91,814	0.82
Taubman Centers Inc.	Real Estate	82,545	0.73
UBS Realty Investors	Real Estate	79,685	0.71
United Continental Holdings	Airline	78,818	0.70
Callahan Capital Partners	Real Estate	76,442	0.68
LBA Realty Fund	Real Estate	72,044	0.64
TOTAL:		$1,180,299	10.48%

1 Based on a December 31, 2013 certified assessed valuation of $11,264,201,810. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY-Overlapping Debt and Taxing Entities."

(Source: Department of Finance)

DEBT STRUCTURE OF THE CITY

Authorization for General Obligation Debt

General obligation bonds are backed by the full faith and credit of the City and are payable from ad valorem property taxes and other general revenues. Except for refunding bonds issued to achieve savings, Denver voters must approve general obligation debt prior to issuance. Under the City Charter, general obligation bonded debt is subject to a limitation of three percent (3%) of the actual value of the taxable property within the City.

As of December 31, 2013, the City had outstanding general obligation bonds in the aggregate principal amount of $903,939,000, which does not include accrued interest of $6,380,011 on compound interest bonds. Previously outstanding Denver Water Board bonds in the aggregate principal amount of $500,000 were fully retired in October 2013. See "DENVER WATER BOARD."

In November 2007, City voters authorized $549,730,000 in Better Denver General Obligation Bonds to be issued to provide for a wide variety of infrastructure improvements. In October, 2013, the City issued $258,360,000 of Series 2013A-B General Obligation Bonds, of which $48,660,000 was used for the purpose of funding Better Denver Bond projects approved by voters in November 2007, and $209,700,000 was used for the purpose of refunding Series 2002, 2003A-B, 2005 and 2006 Bonds, all originally issued pursuant to the November 2007 electoral authority. Upon the issuance of the 2013 General Obligation Bonds, $12,000,000 remained to be issued under the Better Denver authorization. The City intends to issue the remaining $12,000,000 authorization in 2014.

The following schedule sets forth the computation of the General Obligation debt margin of the City as of December 31, 2013.

COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN ($ in thousands)

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2013	$79,581,380
Maximum general obligation debt, limited to 3% of actual valuation	2,387,441
Less outstanding bonds chargeable to limit[1]	903,939
LEGAL DEBT MARGIN – December 31, 2013	$1,483,502

1 This figure represents outstanding gross principal of the City's General Obligation Bonds. Debt Margin calculation in the City's CAFR is outstanding principal net of the Debt Service fund balance as of December 31, 2013 allocated to Bond Principal in the amount of approximately $26.5 million. Amounts in the Debt Service fund may be applied to both principal and interest of General Obligation Bonds.

General Obligation Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2013.

Table 10
OUTSTANDING GENERAL OBLIGATION DEBT
($ in thousands)

Issue	Original Amount	Amount Outstanding
General Obligation Various Purpose Bonds (Denver Mini-Bond Program), Series 1999A[1]	$3,134	$3,134
General Obligation Justice System Facilities and Zoo Bonds, Series 2005[3]	77,000	7,150
General Obligation Justice System Facilities Bonds, Series 2006[3]	125,000	19,425
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007[2]	8,861	8,861
General Obligation Justice System Facilities Bonds, Series 2008	174,135	135,455
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	79,910
General Obligation Various Purpose Bonds, Series 2009B	14,415	5,105
General Obligation Better Denver Bonds, Series 2010A	37,910	20,960
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	312,055
General Obligation Better Denver Bonds, Series 2010D	44,650	37,070
General Obligation Better Denver Bonds, Series 2011A	16,455	16,455
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	120,925
General Obligation Refunding Bonds, Series 2013B1-2[3]	137,435	137,435
TOTAL:	$1,176,475	$903,939

1 Amount excludes $3,111,503 of compound interest on the Series 1999A Capital Appreciation Bonds.
2 Amount excludes $3,268,508 of compound interest on the Series 2007 Capital Appreciation Bonds.
3 The Series 2013B1-2 bonds refunded portions of the Series 2005 bonds and Series 2006 bonds.

(Source: Department of Finance.)

Combined Debt Service Schedule - General Obligation Bonds

The following schedule sets forth the debt service on the City's outstanding General Obligation Bonds as of December 31, 2013.

Year Ending 31-Dec	**Debt Service[1] ($ in thousands)**
2014	$91,039
2015	91,015
2016	91,029
2017	90,969
2018	91,605
2019 through 2030, totaling	851,572

1 The City previously issued Taxable General Obligation Better Denver Bonds (Direct Pay Build America Bonds), Series 2010B (the "2010B Bonds"). The amounts in this column do not include the cash subsidy payments related to the interest payable on the 2010B Bonds pursuant to the City's designation of the 2010B Bonds as "Build America Bonds." Because the subsidy is not included in the annual debt service totals, sequestration will not affect the numbers going forward.

The following schedules set forth certain debt ratios based on the City's actual and assessed valuations and General Obligation bonded debt as of December 31, 2013.

SUMMARY OF
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
($ in thousands)

Total Direct General Obligation Bonded Debt	$903,939
Overlapping General Obligation Bonded Debt[1]	$1,387,110
Total Direct and Overlapping General Obligation Bonded Debt	$2,291,049
Actual Valuation	$79,581,380
Assessed Valuation[2]	$11,264,202

1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" below for information relating to other overlapping entities.

2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities."

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita[1]
Total Direct G.O. Bonded Debt	1.14%	8.02%	$1,392
Total Direct and Overlapping G.O. Bonded Debt[1]	2.88%	20.34%	3,528

1 Based upon a 2013 population estimate of 649,481.

(Sources: Department of Finance; Office of the Assessor)

Excise Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds are special and limited obligations of the City, payable from a specific, dedicated source of revenue which does not pledge the full faith and credit of the City. There are two forms of excise tax revenue bonds differentiated by the specific taxes pledged as repayment revenues. Pledged revenues for the repayment of bonds issued to finance the construction and improvements to the Colorado Convention Center are the Lodger's Tax, the Prepared Food and Beverage Tax and the Short Term Auto Rental Tax. Revenues pledged for repayment of the bonds issued to improve the Denver Performing Arts Complex and other cultural facilities are the City's Facilities Development Admission Tax ("Seat Tax") and Occupational Privilege Tax ("OPT" or "Head Tax"). Except for refunding bonds issued to achieve savings, Denver voters must approve Excise Tax Revenue debt prior to issuance. There are no City Charter limitations stipulating maximum revenue bond debt.

Colorado Convention Center. The total City Lodger's Tax, imposed on the purchase price of hotel, motel and similar temporary accommodations in the City, is 10.75%. Of that amount, 3.0% (Pledged Lodger's Tax Revenues) is pledged on parity to the payment of the 2005A, 2009A and 2009B Bonds related to the Colorado Convention Center, and 1.75% is pledged only to the payment of the 2005A and 2009A Bonds. Of the Lodgers Tax, 2.75% is contractually pledged to the privately operated Denver Metro Convention and Visitors Bureau and not pledged for bond debt service. The Prepared Food and Beverage tax is 4.0%. Of that percentage, 0.50% is pledged to the payment of the 2005A, 2009A and 2009B Bonds. The Auto Rental Tax of 7.25% is imposed on rentals paid on the purchase price of short-term automobile rentals. Of that percentage, 2.00% is pledged to the payment of the 2005A, 2009A and 2009B Bonds, and 1.75% is pledged only to the payment of the 2005A and 2009A Bonds.

The following table presents the City's calculation of the historic debt service coverage on the Convention Center Excise Tax Revenue Bonds for the years 2004 through 2013:

TABLE 11

COLORADO CONVENTION CENTER RELATED
DEBT SERVICE COVERAGE ON EXCISE TAX BONDS
PAYABLE FROM PLEDGED REVENUES
2004-2013
($ in thousands)

	Pledged Lodger's Tax Revenues	Pledged Food and Beverage Tax Revenues	Pledged Auto Rental Tax Revenues	Pledged Auto Rental & Lodger's Tax Increases[2]	Other Sources[1]	Total Pledged Revenues	Debt Service Requirements	Coverage Ratio[3]
2004	$8,626	$8,201	$6,103	$10,385	$243	$33,558	$20,006	1.68
2005	10,071	8,537	6,673	11,427	441	37,093	21,496	1.73
2006	12,074	9,326	7,116	13,270	677	42,463	20,385	2.08
2007	13,857	10,396	7,957	15,045	1,026	48,281	21,527	2.24
2008	15,006	10,720	7,721	15,510	849	49,806	23,745	2.10
2009	12,279	10,141	6,874	13,177	415	42,886	24,779	1.73
2010	13,703	11,116	7,707	14,738	402	47,666	24,026	1.98
2011	15,553	12,243	8,058	16,123	287	52,264	28,561	1.83
2012	16,173	12,840	8,595	16,955	324	54,887	28,531	1.92
2013	17,726	13,564	9,425	18,587	263	59,565	28,514	2.09

1 Includes interest earnings.

2 Auto Rental Tax Increase and Lodger's Tax Increases, which resulted from voter approval in the 1999 Election, are pledged solely to payment of debt service on the outstanding 2005A and 2009A Bonds.

3 For informational purposes only: Although they have been used in this calculation of coverage of total debt service, for the reason stated in the footnote above, Auto Rental and Lodger's Tax increases may not be used for payment of the outstanding 2009B Bonds.

Denver Performing Arts Center and Other Cultural Facilities. In 2003, the City issued Excise Tax Revenue Refunding Bonds, Series 2003, in the amount of $28,245,000. The bonds were issued to refund outstanding Excise Tax Revenue Bonds, Series 1985A and 1985B. The Series 2003 Bonds are to be repaid from the Seat Tax and Head Tax revenues.

OPT is levied on each employee, with certain exemptions, earning $500 or more per month who performs services within the City for an employer for any period of time. Proceeds are used to partially compensate for the City's services as an employment center.

The following table (previously broken out in three separate tables, now combined for the convenience of the reader) presents the City's calculation of the historic debt service coverage on the Series 2003 Excise Tax Revenue Bonds for the years 2004 through 2013:

TABLE 12

DENVER PERFORMING ARTS COMPLEX RELATED
DEBT SERVICE COVERAGE ON EXCISE TAX BONDS
PAYABLE FROM PLEDGED REVENUES
2004-2013
($ in thousands)

	Seat Tax Collections	Payment in Lieu of Seat Taxes[1]	Total Seat Tax Collections	Head Tax Collections	Total Pledged Revenues	Debt Service Requirements	Coverage Ratio
2004	$5,206	$2,700	$7,906	$40,118	$48,024	$3,058	15.70
2005	6,652	2,700	9,352	41,500	50,852	3,054	16.65
2006	7,316	2,700	10,016	41,503	51,519	3,055	16.86
2007	7,406	2,700	10,106	42,751	52,861	3,054	17.31
2008	7,065	2,700	9,765	43,041	52,806	3,056	17.28
2009	7,082	-	7,082	39,551	46,633	3,054	15.27
2010	7,160	-	7,160	41,819	48,979	2,558	19.15
2011	8,325	-	8,325	41,141	49,466	2,858	17.31
2012	8,986	-	8,986	43,227	52,213	3,054	17.10
2013	8,721	-	8,721	44,515	53,235	3,058	17.41

1 In 2001, the Denver Broncos Football Club ceased playing games at a City-owned facility and began to play at Sports Authority Field at Mile High where Seat Taxes are not imposed. An Escrow and Security Agreement between the Football Club and the City was executed whereby the team was required to make Payments in Lieu of Seat Taxes in the amount of $2,700,000 per year through the year 2008.

Golf Enterprise Revenue Bonds

In 2005, the City designated the Golf Division of its Department of Parks and Recreation (the "Golf Enterprise") as an "enterprise" within the meaning of the State Constitution and established the Golf Division Enterprise Fund. The assets of the Golf Enterprise are owned by the City and the power to operate, maintain and control the Golf Enterprise is vested in the City's Department of Parks and Recreation. The Golf Enterprise is not authorized to levy any taxes in connection with the Golf Facilities, and changes to the rates, fees and charges collected by the Golf Enterprise are set by City Council acting by ordinance.

On March 8, 2006, the City issued $7,365,000 of Golf Enterprise Revenue Bonds, Series 2005 (the "Series 2005 Golf Bonds") on behalf of the Golf Division of its Department of Parks and Recreation. The Bonds were issued for the purpose of acquiring, maintaining, constructing, improving, installing and equipping certain City-owned golf facilities. The Bonds are special and limited obligations of the City payable solely from and secured by a first lien upon the pledged revenues of the Golf Enterprise from the operation of its golf facilities, which means all City-owned land, buildings, man-made structures, and equipment used to operate golf courses within the Golf Enterprise. The Bonds are also payable under certain circumstances from a reserve account and a rate maintenance account.

Tables 13 and 14 summarize the debt service coverage ratios of the Golf Enterprise and the Golf Facilities, based upon the revenues and expenditures of the Golf Enterprise for the past five years and using the Debt Service Requirements of the Bonds for the years 2009 through 2013. In 2013, Operation and Maintenance Expenses include a one-time accounting adjustment reflected as a non-cash charge of $617,324 to reflect prior years' accounting inconsistencies which required reconciliation. Calculated based upon Bond Ordinance 891, Series of 2005 (the "Golf Bond Ordinance"), the debt service coverage ratio for 2013 would have been 1.68. See "Accounting of Capital Assets" below.

Accounting of Capital Assets: As further described in the Notes to Basic Financial Statements in the City's 2013 CAFR, assets to be acquired pursuant to capital leases are to be recorded at the present value of future minimum lease payments and amortized over the shorter of the lease term or the estimated useful life of the asset. The City maintains an internally established capitalization threshold of $5,000 for the asset. Under the City's internally established policies, assets purchased under capital leases which fall below the capitalization threshold are to be fully expensed in the year purchased.

On December 31, 2009, the Golf Enterprise entered into a capital lease financing transaction to acquire golf carts for a principal amount of $617,324. Because the total principal amount exceeded the City's capitalization threshold, this lease was accounted for by the Golf Enterprise as a capital asset which depreciated under the straight-line method over a 5 year useful life. However, the Office of the Controller uses a capitalization policy that assets must have a value over $5,000 on a per unit basis, and therefore the entire principal amount of the lease should have been expensed in 2009. This resulted in a one-time, non-cash charge of $617,324 taken in 2013 to correct the booking which had occurred in 2009.

On July 15, 2011, the Golf Enterprise entered into a second capital lease financing transaction to acquire golf carts for a principal amount of $129,942. The same accounting inconsistency occurred in recording this lease; however, the one-time, non-cash charge of $129,942 will be taken in the City's 2014 financial statements as the variance in booking was not identified in time for the City's 2013 financial statements.

Table 13 below shows the calculation of the debt service coverage ratio from 2009 through 2013 based on audited CAFR figures which reflect the City's internally adopted threshold for accounting of capital assets.

TABLE 13

Historical Coverage Based on CAFR Figures

	2009	2010	2011	2012	2013
Operating Revenues	$8,352,842	$8,743,774	$8,927,642	$9,761,412	$9,521,319
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	8,593,245	8,984,177	9,168,045	10,001,815	9,761,722
Operation and Maintenance Expenses	6,577,389	6,710,271	7,376,802	7,766,043	9,231,856
Net Pledged Revenue	2,015,856	2,273,906	1,791,243	2,235,772	529,866
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$681,770
Coverage	2.95	3.32	2.61	3.26	0.78

(Source: Denver Parks and Recreation)

Table 14 shows the City's calculation of the debt service coverage ratio from 2009 through 2013 utilizing the standard practice under GASB of depreciation of lease financed capital assets over the useful life of the asset. The allowance for depreciation is expressly excluded from Operation and Maintenance Expenses under the Golf Bond Ordinance. In addition, under the Golf Bond Ordinance, the one-time, non-current, non-cash charges taken in 2013 and to be taken in 2014 for prior years' accounting inconsistencies occurring in 2009 and 2011, respectively, should be excluded from Operation and Maintenance Expenses.

TABLE 14

Historical Coverage Based on Golf Bond Ordinance

	2009	2010	2011	2012	2013
Operating Revenues	$8,352,842	$8,743,774	$8,927,642	$9,761,412	$9,521,319
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	8,593,245	8,984,177	9,168,045	10,001,815	9,761,722
Operation and Maintenance Expenses	6,577,389	6,710,271	7,376,802	7,766,043	8,614,532[1]
Net Pledged Revenue	2,015,856	2,273,906	1,791,243	2,235,772	1,147,190
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$681,770
Coverage	2.95	3.32	2.61	3.26	1.68

1 2013 Operation and Maintenance Expense excludes a one-time, non-current, non-cash charge of $617,324 in Supplies and Materials Expenses to reflect prior years' accounting inconsistencies.

(Source: Denver Parks and Recreation)

The following table sets forth comparative, operating results of the Golf Enterprise for Fiscal Years 2009 through 2013.

TABLE 15

City of Denver, Colorado – Golf Division Enterprise Fund - Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances.

	2009	2010	2011	2012	2013
Operating Revenues					
Golf Charges	$8,324,567	$8,743,774	$8,923,603	$9,717,333	$9,521,319
Other	28,275	--	4,040	44,079[2]	--
Total Operating Revenues	8,352,842	8,743,774	8,927,642	9,761,412	9,521,319
Operating Expenses					
Personnel Services	4,335,102	4,225,271	4,063,704	4,234,326	4,606,117
Contractual Services	205,940	71,000	573,646	348,153	350,022
Supplies and Materials	868,216	731,000	1,004,913	815,861	1,607,081[3]
Depreciation Expense	1,045,412	902,994	1,129,878	929,107	1,002,716
Other Operating Expenses[1]	1,168,131	1,683,000	1,734,539	2,367,703	2,668,636
Total Operating Expenses	7,622,801	7,613,265	8,506,680	8,695,150	10,234,572
Operating Income (Loss)	730,041	1,130,509	420,962	1,066,262	(713,253)
Non-Operating Revenue (Expenses)					
Investment and Interest Income	28,959	41,003	(267,069)	34,519	(39,740)
Interest Expenses	(275,000)	(295,657)	75,000	(242,795)	(224,277)
Income(Loss)	484,000	875,855	228,893	857,986	(977,270)
Net Assets – January 1	12,879,810	13,363,100	14,238,954	14,467,848	15,325,834
Net Assets – December 31	$13,363,100	$14,238,954	$14,467,848	$15,325,834	$14,253,564

1 Major costs include payments made to City for employee costs, Workers Compensation and payroll processing.
2 Prior year typographical error stated this figure as $4,079 for 2012. The correct figure was $44,079. This error did not impact any other values.
3 Supplies and Materials Expenses and Operating Income in 2013 impacted by a one-time, non-cash charge of $617,324 to reflect prior years' accounting inconsistencies.

(Source: Denver Parks and Recreation)

Usage of Courses and Multi-Year Green Fees: Usage of the courses of the Golf Facilities in the last full five years are represented in Table 16. Table 17 reflects the green fees in effect on December 31, 2013.

TABLE 16

Total Rounds Played

	2009	2010	2011	2012	2013
Aqua Golf[1]	20,520	16,314	16,329	14,617	13,935
City Park	51,040	41,228	43,415	48,978	46,148
Evergreen	22,714	20,655	19,609	23,858	19,053
Harvard Gulch	30,909	30,043	28,346	31,038	28,275
Kennedy[2]	93,325	86,966	82,671	96,949	89,579
Overland	49,773	46,760	45,696	49,490	42,118
Wellshire	54,836	49,580	48,453	52,410	49,016
Willis Case	45,530	49,134	47,085	53,774	48,153
Total	368,647	340,680	331,604	371,114	336,277

---

1 In October of 2009, the City opened a new facility, Aqua Golf. This new facility offers two separate 18 hole miniature golf courses and has a signature aquatic driving range.

2 Kennedy Golf Course has a miniature golf course, however, miniature golf rounds are not included in total rounds played.

(Source: Denver Parks and Recreation)

TABLE 17

Schedule of Green Fees in effect on December 31, 2013 – Denver Golf Courses

Category of Play	City Park	Evergreen	Harvard Gulch[1]	Kennedy	Overland	Wellshire	Willis Case
18-Hole - Weekday	$26.00	$22.00	N/A	$26.00	$26.00	$26.00	$26.00
18-Hole - Weekend	35.00	32.00	N/A	35.00	35.00	35.00	35.00
18-Hole - Senior	20.00	18.00	N/A	20.00	20.00	20.00	20.00
18-Hole - Junior	13.00	13.00	N/A	13.00	13.00	13.00	13.00
Nine-Hole - Weekday	16.00	14.00	$8.00	16.00	16.00	16.00	16.00
Nine-Hole - Weekend	18.00	16.00	8.00	18.00	18.00	18.00	18.00
Nine-Hole Non-Resident Weekday	15.00	14.00	8.00	15.00	15.00	15.00	15.00
Nine-Hole Non-Resident Weekend	17.00	16.00	8.00	17.00	17.00	17.00	17.00
Nine-Hole - Senior	11.00	9.00	7.00	11.00	11.00	11.00	11.00
Nine-Hole - Junior	8.00	8.00	7.00	8.00	8.00	8.00	8.00

---

1 Harvard Gulch is a 9-hole par 3 course.

Overlapping Debt and Taxing Entities

The following information has been supplied by the overlapping entities described below and the City has not attempted to verify the accuracy thereof.

School District No. 1 in the City and County of Denver. School District No. 1 (the "School District") has identical boundaries with the City. As of December 31, 2013, the School District had $1,387,110,175 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2013, the aggregate principal amount of such certificates outstanding was $1,033,191,492. Neither the lease purchase agreements nor the related certificates executed and delivered by the trustees are considered debt or multiple-fiscal year financial obligations of the School District for State law purposes. The obligations of the School District to make lease payments for each year are subject to annual appropriations by the Board of Education.

Metro Wastewater Reclamation District. Metro Wastewater Reclamation District (the "Sewage District"), a governmental and political subdivision of the State, was organized in 1961 and currently includes the City and numerous other adjacent municipal units. Each municipal unit presently owns and operates a sewer system and voluntarily became part of the Sewage District in order to construct and operate a sewage disposal system in the Denver metropolitan area. Under service contracts with the Sewage District, each municipal unit is obligated to pay the Sewage District for the costs of services rendered (including debt service) based on usage of the Sewage District's facilities. Each municipal unit imposes taxes or charges sufficient to fund its share of Sewage District costs.

The City is meeting its obligation to the Sewage District from a sewer service charge collected from the System's users. The Sewage District assessed the City charges of $44,859,512 for 2013. The Sewage District had outstanding $629,795,000 aggregate principal amount of bonds as of December 31, 2013.

Regional Transportation District. The Regional Transportation District ("RTD"), a governmental and political subdivision of the State, was established in 1969, and currently includes the City, Boulder, City and County of Broomfield and Jefferson Counties and portions of Adams, Arapahoe, Weld and Douglas Counties. RTD is empowered to develop, maintain and operate a mass transportation system within its boundaries. RTD may levy up to one-half of one mill on all taxable property within the RTD for the payment of its expenses in situations of deficiencies, subject to the provisions of State constitutional revenue and spending limitations. RTD has not exercised its power to levy a general ad valorem property tax since 1976. At an election held within the RTD in 2004, voters approved an increase to the RTD's sales tax rate from 0.6% to 1.0% and authorized debt in the amount of $3.477 billion to be spent on the construction and operation of a transit expansion plan known as FasTracks. As of December 31, 2013, approximately $2.492 billion of FasTracks debt has been issued and $2.449 billion of principal is currently outstanding. RTD also has $189,640,000 of principal outstanding on non-FasTracks debt and $655,230,000 of principal outstanding on certificates of participation related to various lease purchase and installment sales arrangements under which RTD is the lessee or purchaser.

RTD is in the process of expanding commuter and light rail service throughout the greater Denver metropolitan area, the "RTD FasTracks Program." RTD has awarded a design-build-operate-maintain contract for the "East Corridor" of the program, to consist of a commuter rail line connecting Denver Union Station, located in downtown Denver, with Denver International Airport (the "Airport"). The East Corridor rail service currently is planned by RTD to commence in January 2016 and will be funded largely by Denver Transit Partners, a concessionaire selected by RTD to design, construct, operate and maintain the line. Neither the City nor the Department of Aviation has any obligation in respect of the design, construction, operation or maintenance of the rail line, nor will they receive any revenue from the use of the commuter rail service. In March 2010, the City, for and on behalf of the Department of Aviation and RTD entered into the Intergovernmental Agreement for the FasTracks East Corridor Project (the "FasTracks East Corridor IGA"), and while the City does not have responsibility for the commuter rail line or service, the City does have certain duties under the FasTracks East Corridor IGA. Under the FasTracks East Corridor IGA, pursuant to which RTD agreed to lease property at the

Airport and construct the rail lines and supporting infrastructure for the East Corridor project, and the Department of Aviation, among other things, is required to finance and build a "terminal-to-station" interface at the Airport. On December 31, 2013, the Department of Aviation met its obligation under the FasTracks East Corridor IGA to have the Airport Rail Station substantially completed by January 1, 2014, allowing RTD complete and uninterrupted access in order that RTD may complete the installation and begin operation testing of the commuter rail line. The Department of Aviation will be responsible for operating and maintaining only certain portions of the Airport Rail Station. The term of the FasTracks East Corridor IGA extends through 2056, unless earlier terminated in writing by mutual consent of the parties, or by court order. The FasTracks East Corridor IGA provides that the Department of Aviation will grant a lease of certain property at the Airport to RTD with an initial term of 50 years, and up to three renewal periods of 15 years each, with each renewal being subject to FAA approval.

The FasTracks East Corridor IGA was amended in 2012 to provide for various double track improvements and the City funded its obligations under the amendment through a 2012C1-C3 Lease Purchase Agreement dated May 17, 2012 with Denver Properties Leasing Trust, as lessor, which executed and delivered Certificates of Participation in a principal amount of $45,000,000 (see Table 20). See also "THE AIRPORT SYSTEM – The 2013-2018 Capital Program."

Urban Drainage and Flood Control District. The Urban Drainage and Flood Control District (the "Drainage District"), a governmental and political subdivision of the State, was established in 1969 and includes the City and portions of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson Counties. The Drainage District was established to provide flood control and drainage facilities for the areas within the Drainage District. The Drainage District may levy up to 1/10 mill to defray engineering and operating expenses, up to 4/10 mill for construction costs and up to 4/10 mill for maintenance expenses. Beginning with taxes levied in 1986 and collected in 1987, a 1/10 mill for a special revenue fund for the South Platte River basin was authorized. Authorization for an additional levy may be obtained by voter approval. The Drainage District has no outstanding bonded indebtedness. Projects undertaken by the Drainage District to date have been financed from ad valorem taxes and local government matching contributions.

Other Overlapping Taxing Entities. There are a number of taxing entities whose boundaries overlap the City or portions thereof and have general obligation debt which is paid from property taxes levied upon property of land owners within the City. Assessed valuation and mill levy information for these taxing districts is provided in the following table.

TABLE 18

CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2013

Taxing District	Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2013 Mill Levy[3]
Bowles Metro[1]	$24,299,500	0.22%	42.000
Central Platte Valley Metro	56,441,130	0.50	52.000
Central Platte Valley Metro (debt)	55,883,780	0.50	16.000
Cherry Creek North B.I.D.	160,662,450	1.43	17.642
Colorado Intl. Cntr. Metro No. 14	8,509,450	0.08	60.000
Denver Gateway Center Metro	3,054,560	0.03	36.992
Denver Intl. Bus. Center Metro No. 1	16,527,080	0.15	40.000
Ebert Metro	55,782,880	0.50	75.000
Ebert Metro (debt)	1,580,600	0.01	58.000
Fairlake Metro	20,067,270	0.18	31.681
Fairlake Metro (debt)	8,776,950	0.08	21.000
Gateway Regional Metro	35,171,700	0.31	16.000
Gateway Village G.I.D.	16,995,100	0.15	32.500
Goldsmith Metro[1]	230,199,640	2.04	12.750
Greenwood Metro[1]	1,916,820	0.02	14.062
GVR Metro	60,969,250	0.54	32.957
Madre Metro No. 2	4,459,590	0.04	50.000
Mile High Business Ctr. Metro.	20,056,510	0.18	35.000
North Washington Fire[1]	6,614,500	0.06	17.274
Sand Creek Metro[1]	21,757,120	0.19	35.500
Sand Creek Metro (debt)[1]	9,147,050	0.08	20.000
SBC Metro	58,492,480	0.52	35.000
Section 14 Metro[1]	7,982,870	0.07	23.290
Section 14 Metro (Racoon Creek)[1]	3,078,680	0.03	18.961
Section 14 Metro (Fairmark)[1]	3,314,880	0.03	6.832
South Denver Metro	48,391,640	0.43	8.330
Southeast Public Improvement	230,511,780	2.05	2.000
Westerly Creek Metro	324,491,820	2.88	55.769
Special District Total Assessed Value	$1,495,137,080	13.27%	
Denver Total Assessed Value[2]	$11,264,201,810		

1 District also has assessed value located in more than one county.

2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and are not retained by the City. See “DEBT STRUCTURE OF THE CITY-Overlapping Debt and Taxing Entities.”

3 The mill levy represented is the total mill levy for each respective district, not only the bond mill levy.

(Source: Office of the Assessor)

City Discretionary Support Payments

Denver Urban Renewal Authority Contingent and Discretionary Payments. The Denver Urban Renewal Authority ("DURA") issued its Stapleton Senior Subordinate Tax Increment Revenue Bonds, Series 2010B-1 (the "Series 2010B-1 DURA Bonds") in the aggregate principal amount of $100,740,000. The Series 2010B-1 DURA Bonds are secured by certain tax increment revenues (the "DURA Pledged Revenues") and a debt service reserve fund (the "DURA Series 2010B-1 Reserve Fund") in the initial amount of $6 million. The Series 2010B-1 DURA Bonds are scheduled to be outstanding until December 1, 2025. In order to support the redevelopment activities funded by the Series 2010B-1 DURA Bonds, the City has entered into a Services Agreement, dated April 1, 2010 (the "2010 Services Agreement") with DURA in which the City's Manager of Finance has agreed to request that the City Council consider appropriating funds to replenish the DURA Series 2010B-1 Reserve Fund to the extent that DURA Pledged Revenues are not sufficient to pay the principal and interest on the Series 2010B-1 DURA Bonds in any year and amounts are withdrawn from the DURA Series 2010B-1 Reserve Fund. In any year, the City's Manager of Finance is not obligated to seek an appropriation which would exceed the maximum annual debt service payments due on the Series 2010B-1 DURA Bonds and the requested amount is not to exceed $12 million annually. The City Council's decision to appropriate such funds is to be by ordinance without compulsion and solely in the City Council's discretion. The City Council has never been requested to appropriate funds under the 2010 Services Agreement. DURA has agreed to repay amounts appropriated by the City with interest, subject to senior DURA financial commitments.

Denver Union Station Project Authority Contingent and Discretionary Payments. The City is cooperating with RTD, the Colorado Department of Transportation ("CDOT") and the Denver Regional Council of Governments ("DRCOG") to finance and construct a multi-modal hub for the region's transit system at the Denver Union Station site (the "DUS Project"). The City created the Denver Union Station Project Authority ("DUSPA"), a Colorado nonprofit corporation and instrumentality of the City, for the purpose of financing, owning, constructing, operating and maintaining the DUS Project. In order to finance the transportation elements of the DUS Project, DUSPA negotiated loans (collectively, the "DOT Loans") with the U.S. Department of Transportation to fund the DUS Project. The DOT Loans are secured by an indenture (the "DOT Indenture") which provides for debt service reserve funds (the "DOT Reserve Funds") to be drawn upon in the event that DUSPA does not make required payments when due under the DOT Loans. In consideration of the benefits to be derived by the City as a result of the completion of the DUS Project, the City has entered into a Contingent Commitment and Services Agreement, dated February 9, 2010 (the "Contingent Commitment Agreement"), with DUSPA and the trustee under the DOT Indenture pursuant to which the City has agreed, subject to annual appropriation, to replenish one of the DOT Reserve Funds up to an amount agreed upon within the DOT Indenture (but in no event greater than $7.15 million) in the event of a draw on such fund. The City Council's decision to appropriate such funds is by ordinance without compulsion and solely in the City Council's discretion. The City Council has never been requested to appropriate funds under the Contingent Commitment Agreement. DUSPA is required under the terms of the Contingent Commitment Agreement to reimburse the City for the amount of its payments with interest, subject to prior DUSPA financial commitments.

Denver Convention Center Hotel Authority. In the spring of 2003, the City created the Denver Convention Center Hotel Authority for the express purpose of acquiring, constructing, equipping, operating and financing a convention center headquarters hotel, parking garage and supporting facilities across the street from the Colorado Convention Center. In June 2003, the Authority issued its own special limited obligation revenue bonds in the amount of $354 million to finance the hotel and contract independently with a developer and operator for the hotel. The hotel opened as scheduled on December 20, 2005. In April 2006, the Authority issued $356 million in refunding bonds to fully refund the 2003 revenue bonds. The refunding bonds are payable from hotel revenues, and the hotel is mortgaged by the Authority to the bond trustee to secure the bonds. The Authority has no taxing power. The City did not pledge its own credit to support the hotel project and did not create any multiple-fiscal year direct or indirect debt or other financial obligation of the City in connection with the financings. However, the City entered into an Economic Development Agreement with the Authority under which, the City makes payments in consideration of various agreements with the Authority regarding the hotel's construction and operation in respect of the Convention Center and of the economic benefits to the City expected to be derived from the construction and operation of the hotel, subject to annual appropriation by the City Council. The City has made all payments under the Economic Development Agreement through December 31, 2013. The remaining Economic Development Payments are set forth in Table 19. The Economic Development Agreement is subject to termination on each December 31 according to its terms and expires no later than December 31 of the thirty-fifth calendar year after the opening of the Denver Convention Center Hotel.

TABLE 19

DENVER CONVENTION CENTER HOTEL
ECONOMIC DEVELOPMENT PAYMENTS

On or Before the 14th Day Prior to the Following Date:	Amount
June 1, 2014	$4,750,000
December 1, 2014	4,750,000
June 1, 2015	5,000,000
December 1, 2015	5,000,000
June 1, 2016	5,250,000
December 1, 2016	5,250,000
June 1, 2017	5,375,000
December 1, 2017	5,375,000
Each December 1 and June 1 thereafter	5,500,000

RETIREMENT PLANS

Substantially all of the general employees of the City are covered under the Denver Employees Retirement Plan; however, employees of the police department, fire department, and the Denver Water Board are covered by separate retirement systems.

Denver Employee Retirement Plan. The following section has been taken from the 2013 Comprehensive Annual Financial Report of the Denver Employees Retirement Plan ("DERP") and has not been verified by the City.

DERP is a defined benefit plan. Its purpose is to provide retirement benefits to qualified members of the City and County of Denver and the Denver Health and Hospital Authority. DERP has separate legal standing and has no financial responsibility to the City. The assets of DERP are funds held in trust by DERP for the exclusive purpose of paying pension and certain post-retirement health benefits to eligible members.

The Denver Health and Hospital Authority (DHHA) was established in 1996, and effective January 1, 1997, DHHA made contributions to DERP on behalf of its Denver Career Service Authority employees who were members of DERP.

DERP membership consisted of the following as of December 31, 2012 and 2013:

	2012	2013
Retirees and beneficiaries currently receiving benefits	8,045	8,481
Terminated employees entitled to benefits but not yet receiving such benefits	3,550	3,414
Current employees:		
Vested	6,079	5,977
Non-vested	2,096	2,327
TOTAL	19,770	20,199

DERP provides retirement benefits plus death and disability benefits. Members who were hired before July 1, 2011, and retire at or after the age of 65 (or at age 55 if the sum of their age and credited years of service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with 5 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired after July 1, 2011, they must be age 60 and added to credited years service of summing to equal at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments are granted on an ad hoc basis, but no cost of living adjustment has been made since 2002. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the DERP's board and enacted into ordinance by the Denver City Council.

The following are DERP contribution requirements and effective dates.

	January 1, 2005	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013
City Contribution	8.50%	8.50%	9.50%	10.25%	11.00%
Employee Contribution	2.50%	4.50%	5.50%	6.25%	7.00%
Total	11.00%	13.00%	15.00%	16.50%	18.00%

As of December 31, 2013, the total net plan assets were $2,110,415,865. In June, 2013, the DERP board voted to begin using new mortality tables which project longer life expectancy for all categories of DERP members. Upon adoption of the new tables, the plan had assets valued at 76.4% of the accrued liabilities as calculated using the most recent actuarial valuation from DERP's independently audited 2013 Comprehensive Annual Financial Report. DERP no longer provides valuations under the old mortality tables.

Other Post Employment Benefits. In addition to the retirement benefits cited above, the City allows health insurance participation to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit benefit for the retirees. The City's contribution toward the implicit rate subsidy is based on pay-as-you-go financing for the retirees.

DERP retirees are responsible for 100% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of $12.50 per year of service for retired participants under the age of 65 and $6.25 per year of service for retirees 65 and older. Per DERP's independently audited 2013 Comprehensive Annual Financial Report, 55.7% of the plan's accrued liabilities were covered by valuation assets.

Fire and Police Pension Plans. All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978 ("New Hires") participate in the Statewide Defined health insurance contribution Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the Fire and Police Pension Association ("FPPA"). Full-time City firefighters and police officers in the classified service hired prior to April 8, 1978 ("Old Hires") participate in the City's Old Hire Pension Plans, unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. The FPPA manages investments, and administers the contributions to, and distributions from, the Police and Firefighters Old Hire Plans. Denver's Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

As of January 1, 2012, the most recent valuation, actuarial reports stated that the plans for fire fighters and police officers hired before April 8, 1978, were funded at 73% and 71% respectively. The City's contributions to FPPA for employees hired before April 8, 1978, for the years ended December 31, 2013, 2012 and 2011 were $30,206,000, $24,715,000 and $24,815,00, respectively

For FPPA, covered employees under the New Hire Plan contribute at the rate of at least 8% of base salary. The City also made contributions for the years ended December 31, 2013, 2012 and 2011 for police officers and fire fighters hired on or after April 8, 1978, in the amounts of $14,650,000, $15,445,000 and $13,742,000, respectively. As of January 1, 2012, the most recent valuation, the actuarial report states that under current law benefits, which assume no cost-of-living adjustments, the Plan is funded at 96.1%

LEASE PURCHASE AGREEMENTS

Certificated Lease Purchase Agreements

The City has completed lease purchase transactions structured with an independent lessor who sells Certificates of Participation (COPs) representing proportionate interests in the lessor's right to receive rentals and revenues paid by the City pursuant to lease purchase agreements executed to facilitate the financing of certain public capital projects. Neither the lease purchase agreements nor the COPs constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations. Under its various lease purchase agreements, the City has the right to appropriate or not appropriate the rental payments due for the then current fiscal year. In the event of nonappropriation, the respective lease purchase agreement terminates and the related COPs are then payable solely from the proceeds received by the trustee for the benefit of the owners of the COPs. If appropriated for the applicable fiscal year, the City has the obligation to pay rentals for that year.

Certificated Lease Purchase Transactions. Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal portions of Base Rentals under these lease purchase agreements outstanding as of December 31, 2013 are summarized in Table 20.

TABLE 20

SCHEDULE OF LEASE PURCHASE TRANSACTIONS AND RELEASE DATES AS OF DECEMBER 31, 2013

Series	Outstanding Principal Amount	Leased Property	Date Lease Property Scheduled to be Acquired
1995A	$85,000	City Office Building for Information and other City Departments	January 1, 2014
2005A	23,475,000	Human Services Campus	May 1, 2020
2008A1-A3	243,275,000	Wellington E. Webb Office Building	December 1, 2031
2008B	16,985,000	Denver Botanic Gardens Parking Facility	December 1, 2028
2010A	20,260,000	Central Platte Campus	December 1, 2030
2010B	23,580,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
2012A	9,615,000	Denver Cultural Center Parking Garage	December 1, 2021[1]
2012C1-C3	43,870,000	Police Stations and other Denver Properties	December 1, 2031[1]
2013A	34,030,000	Buell Theatre	December 1, 2023
TOTAL	$415,175,000		

1 Dates have been corrected for prior year typographical error.

DENVER WATER BOARD

In November 1870 the privately owned Denver City Water Company was organized. It was merged into the Denver Union Water Company in October 1894, along with several smaller companies servicing various parts of a growing Denver. In November 1918, the five-member governing board of the Denver Water Department (the "Board") purchased the Water Company for the citizens of the City. The Denver Water Department is established and derives its authority under Article X of the Charter of the City. The five-member Board of Water Commissioners is appointed by the Mayor of the City for overlapping six year terms.

As amended by the voters of the City in November 2002, the Charter authorizes the Board to issue only revenue bonds that do not require prior voter approval. This Charter amendment also eliminated the Board's prior authorization to issue general obligation bonds of the City.

In 2012, Denver Water issued Water System Revenue Bonds to refund and defease most of its then outstanding General Obligation Bonds. The remaining General Obligation Denver Water Board Bonds in the aggregate principal amount of $500,000 were paid in full on October 1, 2013. Because the Board no longer has authority to issue general obligation bonds of the City, the City will no longer report separately on the financial status of Denver Water Board.

Please refer to the 2013 Comprehensive Annual Financial Report for Denver Water for further financial information.

WASTEWATER MANAGEMENT SYSTEM

The Wastewater Management Enterprise Fund ("Wastewater"), a department within the City's Department of Public Works, was established to account for the sanitary sewer and storm operations of the City. The City's wastewater collection facilities consist of approximately 1,500 miles of sanitary sewer lines and 800 miles of storm drainage lines of various compositions, overall ranging in size from 8" to more than 120" in diameter. Denver's system uses 5 sanitary sewer lift stations and 9storm sewer lift stations which are currently in service as well as gravity flow stations.

Denver maintains an active line maintenance program, which uses television and sealing units to monitor line condition and seal joints. Denver employs a regular maintenance schedule to flush out lines, a grout process to repair slight breaks, and trenchless technology to replace lines. Maintenance and replacement have historically been funded out of the Wastewater System's capital maintenance program.

In January 2012, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $50,425,000 of Wastewater Revenue Bonds. The proceeds were used to defease the outstanding Series 2002 revenue bonds and to finance $32,500,000 capital improvements to storm drainage facilities.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 156,884 sanitary sewer customers. Of this amount, approximately 141,524(90%) are residential customers; approximately 14,732 (9%) are commercial, industrial, or governmental customers.

Metro Wastewater Reclamation District. The sewage carried by the City's Sanitary Sewerage Facilities is delivered to Metro Wastewater Reclamation District (the "Sewage District"), a political subdivision of the State organized to manage and finance facilities for the carriage, treatment and disposal of wastewater throughout the metropolitan Denver area. The City entered into a Sewage Treatment and Disposal Agreement (the "Sewage District Agreement") with the Sewage District in March 1964. There are currently over 40 other municipalities, districts and industrial entities contracting with the Sewage District for sewage treatment and disposal services. Under the Sewage District Agreement, there is an annual charge to each signatory, payable quarterly. The annual charge is calculated with the intention that each signatory pays in proportion to its use of the Sewage District's services. Table 21 presents historical data between 2009 and 2013 relating to the Sewage District's total annual charges to Wastewater.

TABLE 21

HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT ANNUAL CHARGES

	2009	2010	2011	2012	2013
Total Enterprise Operating Expense	$81,003,177	$84,489,828	$96,069,624	$97,853,113	$104,064,242
Metro Annual Charge[1]	29,316,360	33,566,435	45,010,602	44,367,414	44,859,512
Metro Annual charge as a Percentage of Total Operating Expense	36.19%	39.73%	46.85%	45.34%	43.11%
Year-to-Year Metro Annual Charge Increase	0.00%	14.50%	34.09%	(1.43%)	1.11%

1 These figures do not reflect the amounts paid to other sewage treatment and disposal districts.

(Source: Wastewater Enterprise Department of Finance)

Account Information. The number of accounts served by the Storm Drainage facilities and Sanitary Sewerage facilities during the past ten years are reflected in the following table:

TABLE 22

HISTORICAL ACCOUNT INFORMATION

Year ended December 31	Storm Drainage Accounts	Sanitary Sewer Accounts
2004	150,738	148,165
2005	152,127	149,266
2006	154,605	150,304
2007	156,795	150,637
2008	158,176	153,720
2009	158,955	154,230
2010	159,932	155,482
2011	160,482	156,392
2012	161,420	156,374
2013	162,192	156,884

Storm Drainage Service Charge. The City imposes a storm drainage service charge on every lot or parcel of land within the City to the owners thereof, with the exception of real property owned by the Department of Aviation (Denver International Airport). The storm drainage service charge is structured so that the owner of each lot or parcel pays for the Storm Drainage Facilities to the extent its lot or parcel contributes stormwater runoff to the Storm Drainage Facilities beyond the amount of stormwater runoff which would otherwise be contributed by such lot or parcel if the lot or parcel was in its natural state. The amount of stormwater runoff attributed to a lot or parcel is directly related to the amount of impervious surface area (e.g., roofs, driveways, parking lots, etc.) on the property. The storm drainage service charge is based on the percentage of impervious area to the total property area. The City determines the annual storm drainage service charge for each lot or parcel by dividing the lot's or parcel's impervious area by its total area. The ratio of these figures is then matched to the appropriate ratio group determined by the City, with each ratio group assigned a corresponding rate. In June 2011, the City adopted by ordinance the fee schedule set forth in the table below for the storm drainage service charges:

TABLE 23

RATE HISTORY AND FUTURE RATES

Ratio Group	Rate 2006-2010	Rate 2011(July)	Rate 2012(July)	Rate 2013(July)	Rate 2014(July)
0 to .10	$1.44	$1.73	$1.76	$1.80	$1.85
.11 to .20	1.81	2.17	2.21	2.25	2.31
.21 to .30	2.18	2.62	2.67	2.72	2.80
.31 to .40	2.58	3.10	3.16	3.22	3.31
.41 to .50	2.95	3.54	3.61	3.68	3.78
.51 to .60	2.95	3.77	3.85	3.93	4.04
.61 to .70	3.34	4.01	4.09	4.17	4.29
.71 to .80	3.72	4.46	4.55	4.64	4.77
.91 to .90	4.09	4.91	5.01	5.11	5.25
.91 to 1.00	4.48	5.38	5.49	5.60	5.76
Minimum Annual Charge	$10.26	$12.31	$12.56	$12.81	$13.17

On July 1, 2014 and thereafter, the annual storm drainage service charge and the minimum annual charge are to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

The rate for the lot or parcel's ratio group is multiplied by the square footage of the lot's or parcel's impervious area and then divided by 100. The resulting quotient is equal to the annual storm drainage service charge. For example, a 5,000 square foot lot with 3,000 square feet of impervious area would be included in the .51 to .60 ratio group and therefore would be charged an annual storm drainage service charge of $121.20 ($4.04 x 3,000/100). The minimum annual storm drainage service charge will not be less than $ $12.81 and $13.17 for the rate periods effective July 1st of 2013 and 2014, respectively. The power and authority of home rule municipalities such as the City to impose storm drainage service charges computed as described above has been affirmed by the State Supreme Court.

Sanitary Sewer Service Charge. The sanitary sewage service charge is imposed on all real property within the City which discharges or has the opportunity to discharge sewage into the Sanitary Sewerage Facilities of the City. The City Code prescribes a methodology for calculation of these charges. Depending on the circumstances of the particular user, the user will be charged the fee on a flat rate, a rate correlated to the user's use of potable water, a rate based on the characteristics of the subject property (e.g., number of rooms and bath facilities, etc.), or a rate based on use measured by a meter or other method approved by the Manager of Wastewater. Industrial waste accounts are also assessed a sewer service surcharge based on the amount and composition of their sewage, with such surcharges calculated to match the aggregate surcharge payable to the Sewage District under the Sewage District Agreement. This surcharge is billed to and paid by industrial waste accounts in the same frequency as the sanitary sewage service charge.

In June 2011, the City adopted by ordinance a new fee schedule for sanitary sewage service charges whereby such sanitary sewage service charges were increased 45% as of July 1, 2011 and were increased an additional 15% effective as of July 1, 2012 and an additional 10% effective as of July 1, 2013. On July 1, 2014 and thereafter, the annual storm Sanitary Sewer Charge is to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

The following table sets forth the statements of revenues, expenses of the 2012, 2013 and 2014 Approved Budgets.

TABLE 24

WASTEWATER ENTERPRISE BUDGETS

	2012 Approved Budget	**2013 Approved Budget**	**2014 Approved Budget**
Operating Revenue			
Total Operating Revenue	$96,483,000	$110,685,000	$114,722,000
Operating Expenses			
Personnel Services	23,243,000	24,454,000	26,021,000
Contractual Services	21,220,000	23,243,000	21,953,000
Supplies and Materials	1,884,000	2,083,000	2,024,000
District Water Treatment Charges	45,000,000	46,000,000	47,551,000
Total Operating Expenses	91,347,000	95,780,000	97,549,000
Operating Income (Loss)	5,136,000	14,905,000	17,173,000
Other Income (Expense)			
Investment and Interest Income	200,000	200,000	320,000
Debt Interest Payment	(1,047,400)	(1,794,475)[1]	(1,743,675)
Bond Principal Payment	(1,430,000)	(2,540,000)[1]	(2,590,000)
Purchase of capital equipment	(4,384,500)	(872,000)	(3,092,970)
Total Other Income (Expense)	(6,661,900)	(5,006,475)	(7,106,645)
Modified Net Income	($1,525,900)	$9,898,525	$10,066,355

1 These amounts do not reflect the debt service on bonds that were issued in January 2012.

(Source: Wastewater Management Enterprise Fund, Audited Financial Statements, 2013)

Operating History

Historical Wastewater Management Fund Information. A five-year comparative statement of Denver's Wastewater Management Fund revenues, expenses and resulting changes in retained earnings as reported in Wastewater Management Enterprise Fund's Audited Financial Statements for fiscal years 2009 through 2013 is set forth in the following table.

Table 25
WASTEWATER MANAGEMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the years ending December 31

	2009	2010	2011	Restated 2012[1]	2013
Operating revenues – charges for services					
Sanitary sewer	$46,060,753	$45,556,406	$58,279,339	$69,569,997	$78,000,355
Storm drainage	29,451,253	29,806,256	31,464,231	36,596,860	37,871,321
Total	75,512,006	75,362,662	89,743,570	106,166,857	115,871,676
Operating expenses					
Personnel services	21,202,815	19,340,219	19,031,648	20,087,538	21,429,496
Contractual services	14,714,438	14,577,854	14,425,358	15,857,625	19,687,211
Supplies	1,275,296	1,180,098	870,453	1,006,249	1,158,631
Utilities	125,198	142,815	466,812	421,262	430,240
Depreciation and amortization	14,369,070	15,682,407	16,264,751	16,113,025	16,499,152
Payments To Metro Wastewater Reclamation District	29,316,360	33,566,435	45,010,602	44,367,414	44,859,512
Total	81,003,177	84,489,828	96,069,624	97,853,113	104,064,242
Operating Income	(5,491,171)	(9,127,166)	(6,326,054)	8,313,744	11,807,434
Nonoperating revenue (expenses)					
Intergovernmental revenue	0	0	0	0	888,094
Investment income (loss)	377,512	2,185,741	257,876	1,122,750	(555,067)
Interest expense[2]	4,927	4,927	4,927	(1,347,653)	(1,479,624)
Bond issuance costs	0	0	0	(602,493)	0
Gain (loss) on disposition of assets	56,321	101,906	(1,781,378)	16,720	59,797
Total nonoperating revenues, net	438,760	2,292,574	(1,518,575)	(810,676)	(1,086,800)
Income before capital contributions and transfers	(5,052,411)	(6,834,592)	(7,844,629)	7,503,068	10,720,634
Capital contributions	15,017,821	13,983,763	11,652,062	6,890,861	7,289,698
Transfers out	(18,800)	(25,200)	(2,106,305)	(25,200)	(25,000)
Change in net assets	9,946,610	7,123,971	1,701,128	14,368,729	17,985,332
Net assets, beginning of year	491,560,440	501,507,050	508,631,021	510,264,253[1]	524,632,982
Net assets, end of year	$501,507,050	$508,631,021	$510,332,149	$524,632,982	$542,618,314

1 2012 results were restated in 2013 to reflect the implementation of GASB 65.
2 Prior mislabeling of category has been corrected (previously labeled "Investment Expense"). Reported figures have not changed. Figures in 2009-2011 represent amortized bond premiums.

(Source: Wastewater Management Enterprise Fund, Audited Financial Statements, 2009 – 2013)

Historic Net Pledged Revenues

Based upon the revenues and expenditures of the Wastewater Management Division Enterprise Fund for the past five years and using the Debt Service Requirements of the Bonds, the amounts which would have constituted Net Pledged Revenues available for debt service in each of the past five years would have covered the maximum Debt Service Requirements of the Bonds as follows:

HISTORIC DEBT SERVICE COVERAGE RATIOS

Years	Estimated Net Pledged Revenues	Maximum Debt Service Requirements	Debt Service Coverage Ratio
2009	$9,260,338	$2,484,444	3.73
2010	8,745,909	2,484,444	3.52
2011	10,201,500	2,484,444	4.11
2012	24,561,940	3,222,888	7.62
2013	28,016,286	3,164,383	8.85

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan.

The Wastewater Enterprise continuously reviews its future capital needs to be identified in the master drainage plan through staff observation and customer and community feedback. Recommended projects are incorporated into the Six-Year Capital Improvement Plan. The timing and priority for implementation of recommended projects within the Six-Year Capital Improvement Plan are based upon certain factors including the master plan, study findings, health and safety matters, legal and contractual obligations, completion of existing projects, coordination with other projects, mitigation of damages, cost and operational efficiency, public/private cooperation and regional benefits. The Wastewater Enterprise is continuously implementing the results of this process in its capital improvements plan. The following schedule provides the Wastewater Enterprise's currently proposed capital improvements plan expenditures for the years 2014-2019:

WASTEWATER ENTERPRISE PROPOSED CAPITAL IMPROVEMENT PLAN FOR 2014 THROUGH 2019[1]

Project Description	2014	2015	2016	2017	2018	2019
Storm Drainage	$28,580,104	$28,746,245	$20,020,939	$3,821,734	$4,162,323	$4,400,753
Sanitary Sewerage	4,377,627	2,558,121	2,767,799	2,286,827	1,578,173	1,749,461
Total	$32,957,731	$31,304,366	$22,788,738	$6,108,561	$5,740,496	$6,150,214

1 2017-2019 figures are current minimum estimates subject to re-evaluation.

(Source: Wastewater Enterprise Department of Finance)

THE AIRPORT SYSTEM

Description of the Airport

The Municipal Airport System ("Airport System") is owned by the City and the power to operate, maintain, and control the Airport System is vested in its Department of Aviation. The primary asset of the Airport System is Denver International Airport (the "Airport"), which is the primary air carrier airport for the Denver air service region. The Airport is situated approximately 24 miles northeast of Denver's central business district and encompasses approximately 53 square miles. The Airport's passenger complex has a landside terminal and three airside concourses. The airside concourses provide 90 full-service jet gates for large jet aircraft and up to 64 parking positions for regional/commuter airline aircraft. The Airport has six runways – four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth is 16,000 feet long and 200 feet wide and can accommodate fully loaded jumbo jets and large airlines, including the Airbus A-380.

Airport System Aviation Activity

Located close to the geographic center of the United States mainland, Denver has long been a major air transportation hub. Denver has airline service to more than 180 cities. Denver's natural geographic advantage as a connecting hub location has been enhanced by the Airport's ability to accommodate aircraft landings and takeoffs in virtually all weather conditions. The Denver Metropolitan Area, with a population of more than 2.9 million, is the primary region served by the Airport.

There are 25 passenger airlines providing scheduled service at the Airport as of January 2014, including ten major/national passenger airlines, six foreign-flag airlines and nine regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines provide service at the Airport.

With a few exceptions, the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport served approximately 26.6 million enplaned passengers (passengers embarking on airplanes) in 2012, constituting a 0.5% increase over 2011. In 2012, the Airport experienced the highest number of annual enplaned passengers since it opened in 1995. The Airport served approximately 26.3 million enplaned passengers in 2013, a 1.2% decrease compared to 2012. Approximately 58% were passengers originating or terminating their travel at the Airport in 2013, compared to approximately 56% in 2012. Approximately 42% were passengers making connecting flights beyond Denver in 2013, compared to approximately 44% in 2012.

Information contained in Tables 26, 27, and 28 regarding passenger enplanements and related aviation activity at the Airport may vary from information published in the past due to changes in categorization or presentation by certain airlines.

The following table shows annual levels of enplaned passengers for all airlines serving the Airport System for the most recent five-year period. The totals include activity data for major/national airlines, regional/commuter airlines and charter and other airlines.

Table 26

AIRPORT SYSTEM
HISTORICAL ENPLANED PASSENGERS
BY AIRLINE TYPE[1]
2009-2013

	Major / International Airlines[2]		Regional / Commuter Airlines		Charter / Miscellaneous Airlines		Total Airlines	
Year	**Enplaned Passengers**	**Percent Change**	**Enplaned Passengers**	**Percent Change**	**Enplaned Passengers**	**Percent Change**	**Enplaned Passengers**	**Percent Change**
2009	20,646,529	(4.0%)	4,239,139	7.4%	242,365	27.3%	25,128,033	(2.0%)
2010	21,032,064	1.9	4,666,047	10.1	326,811	34.8	26,024,922	3.6
2011	21,709,430	3.2	4,439,841	(4.8)	306,494	(6.2)	26,455,765	1.7
2012	21,984,133	1.3	4,323,837	(2.6)	289,021	(5.7)	26,596,991	0.5
2013	21,576,140	(1.9)	4,436,792	2.6	272,375	(5.8)	26,285,307	(1.2)

1 Includes revenue and non-revenue enplaned passengers.
2 Includes Lynx in 2009 - March 2011. See also footnotes to Table 28.

(Source: Department of Aviation)

The following table shows enplaned passengers for individual airlines serving the Airport System for 2012 and 2013, and comparative market share information based on enplaned passengers for such periods.

Table 27

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS BY AIRLINE

	Calendar Year	
Airline	**2012**	**2013**
United	25.3 %	24.6 %
United Express	15.2	16.0
Total United	40.5	40.6
American Airlines	2.8	2.8
Delta	4.6	4.6
Frontier	21.9	19.1
Southwest	23.7	25.6
US Airways	2.7	2.8
Other	3.8	4.5
Total Other	59.5	59.4
Total	100.0 %	100.0 %

(Source: Department of Aviation)

The following table sets forth a summary of selected aviation activity at the Airport for the period of 2009 through 2013.

Table 28
SUMMARY OF AVIATION ACTIVITY - DENVER INTERNATIONAL AIRPORT
(In thousands – Totals may not add due to rounding)

	Calendar Year				
	2009	2010	2011	2012	2013
Enplaned Passengers (millions):					
United	8.165	7.386	6.400	6.721	6.446
United Express	3.438	4.152	4.087	4.039	4.213
Continental	0.510	0.542	0.864	--	--
Total United Group	12.113	12.079	11.351	10.760	10.659
Frontier[1]	5.181	5.259	5.859	5.826	5.015
Lynx[2]	0.602	0.311	0.031	--	--
Frontier JetExpress[3]	--	0.025	--	--	--
Total Frontier Group	5.783	5.595	5.890	5.826	5.015
Southwest	3.614	4.726	5.756	6.301	6.721
Other	3.619	3.625	3.459	3.710	3.890
Total	25.128	26.025	26.456	26.597	26.285
Percent Change from Prior Year	*(2.0)%*	*3.6 %*	*1.7 %*	*0.5 %*	*(1.2)%*
Originating Passengers (millions):	13.656	14.101	14.595	14.785	15.328
Percent of Total Enplaned	54.3%	54.2%	55.2%	55.6%	58.3%
Connecting Passengers (millions):	11.472	11.923	11.861	11.812	10.957
Percent Connecting of Total Enplaned	45.7%	45.8%	44.8%	44.4%	41.7%
United Group Passengers:					
Percent Originating	39.2%	38.2%	39.5%	40.0%	41.1%
Percent Connecting	60.8%	61.8%	60.5%	60.0%	58.9%
Frontier Passengers:					
Percent Originating	49.5%	50.4%	50.0%	48.4%	55.0%
Percent Connecting	50.5%	49.6%	50.0%	51.6%	45.0%
Southwest Passengers:					
Percent Originating	75.5%	71.4%	70.5%	68.3%	69.0%
Percent Connecting	24.5%	28.6%	29.5%	31.7%	31.0%
Average Daily Departures:					
Passenger Airlines:					
United	171	149	130	133	125
United Express	216	246	246	239	246
Frontier	158	158	152	137	105
Frontier JetExpress	--	1	--	--	--
Southwest	108	124	147	159	159
Other	149	156	157	138	132
Total Passenger Airlines	802	833	832	806	767
All-Cargo Airlines	25	25	25	25	25
Total	827	858	856	831	792
Percent Change from Prior Year	*(1.6)%*	*3.7 %*	*(0.2)%*	*(2.9)%*	*(4.6)%*
Landed Weight (billion pounds):					
Passenger Airlines:					
United	10.499	9.568	7.925	7.974	7.432
United Express	4.200	4.999	4.826	4.675	4.779
Frontier	6.768	6.714	6.679	6.338	5.182
Frontier JetExpress	--	0.030	--	--	--
Southwest	4.817	5.611	6.656	7.244	7.353
Other	5.165	5.131	5.218	4.454	4.597
Total Passenger Airlines	31.449	32.054	31.304	30.685	29.343
All-Cargo Airlines	1.250	1.222	1.207	1.204	1.260
Total	32.699	33.275	32.512	31.889	30.603
Percent Change from Prior Year	*(1.7)%*	*1.8 %*	*(2.3)%*	*(1.9)%*	*(4.0)%*
Enplaned Cargo (million pounds)[4]	221.444	241.710	242.491	227.734	222.771
Percent Change from Prior Year	*(10.8)%*	*9.2 %*	*0.3 %*	*(6.1)%*	*(2.2)%*
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	456,675	468,962	452,223	443,389	420,073
Commuter/Military/Taxi/General Aviation	155,302	166,483	182,457	174,868	166,787
Total	611,977	635,445	634,680	618,257	586,860
Percent Change from Prior Year	*(2.2)%*	*3.8 %*	*(0.1)%*	*(2.6)%*	*(5.1)%*

[Footnotes on next page]

Footnotes for Table 28

1 Includes Frontier and Frontier/Republic Holdings. Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013. Frontier no longer has regional flights offered by Republic Holdings.

2 Lynx commenced service at the Airport in December 2007. In March 2011, Republic Holdings discontinued Lynx and transitioned its Q400 turboprop service to the Frontier Express brand. See also "The Frontier Group" below.

3 Several airlines operated as Frontier Jet Express during this period, the most recent of which was Midwest Express, which ceased operating as such in the fall of 2010.

4 The weight of enplaned cargo does not impact the Airport's Gross Revenues. Revenue is received from cargo carriers only from landing fees and space rentals, which historically have constituted less than 2% of Gross Revenues.

(Source: Department of Aviation)

Factors Affecting the Airport

Future aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors, including but not limited to economic and political conditions, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers and alliances, availability and price of aviation and other fuel and capacity of the national air traffic control system and of the Airport.

The United Group

United is the principal air carrier operating at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.). Under the United Use and Lease Agreement, United currently leases 36 of the existing 90 full service jet gates at the Airport, as well as a 16-gate regional jet facility. The United Use and Lease Agreement originally had a 30 year term, beginning in 1995 and expiring in 2025. United recently agreed to a ten year extension of the Use and Lease Agreement, providing terms for United's occupancy and operations at the Airport through 2035. As of the date of this Disclosure Statement, City Council approval of this amendment to the United Use and Lease Agreement is pending and is expected to be effective by the end of September 2014.

In 2008, United began to significantly reduce its consolidated domestic capacity, its consolidated overall capacity and its workforce. Such reductions continued in 2009, 2010 and 2011. On October 1, 2010, United Continental Holdings (formerly known as UAL Corporation), the parent company of United, completed the merger of United and Continental, and integrated the two airlines under the United brand to operate under a single FAA operating certificate as of November 30, 2011. The United Group (United, United Express and Continental) accounted for approximately 40.5% and 40.6% of passenger enplanements at the Airport in 2012 and 2013, respectively. The Airport ranks as the 4th busiest airport in the route network of the United Group based on enplaned passenger data for 2013.

United Special Facility Bonds

In 1992, the City issued approximately $261 million of Special Facility Revenue Bonds on behalf of United to finance the construction of various United special facilities on airport premises. The 1992 Bonds were refunded and defeased with the proceeds of Series 2007 Airport System Special Facilities Bonds issued by the City, for and on behalf of the Department. The repayment of these bonds is the sole responsibility of United.

Southwest Airlines

Southwest Airlines ("Southwest") had the second largest market share at the Airport in 2012 and 2013. Southwest commenced service at the Airport in January 2006 and since that time has experienced strong and continued growth in airline service at the Airport. In 2013, the Airport was the 6th busiest airport in the Southwest system. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest integrated AirTran Airways into the Southwest brand on March 1, 2012 and operates Southwest and AirTran Airways under a single FAA operating certificate.

The Frontier Group

Frontier and its affiliates ("Frontier") had the third largest market share at the Airport in 2012 and 2013. In 2013, the Airport was the busiest airport in the Frontier system.

Frontier Holdings, together with its Frontier, Frontier Express and Lynx subsidiaries, filed for protection under the U.S. Bankruptcy Code in April of 2008 and emerged from bankruptcy on October 1, 2009, with Frontier Holdings being acquired by and becoming a wholly-owned subsidiary of Republic Holdings. Republic Holdings announced in April 2012 that it had engaged Barclays Capital to assist it in the sale of the Frontier Group. Frontier was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013 and no longer has regional flights offered by Republic Holdings.

Other Passenger Airline Information

Except for the United Group, the Frontier Group and Southwest, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2013 or more than 5% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2013.

Availability of Information Concerning Individual Airlines

Certain of the airlines or their parent corporations, including United Continental Holdings, Southwest and Republic Holdings, are subject to the information reporting requirements of the Exchange Act, and as such are required to file periodic reports, including financial and operational data, with the Securities and Exchange Commission ("SEC"). The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation ("DOT"). The City, including its Department of Aviation, does not take any responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT.

The 2013-2018 Capital Program

The capital program dated July 2013 for the Airport represents expectations of future capital needs of the Airport System in order to maintain, reconstruct and expand Airport facilities through 2018. The capital needs between 2013 and 2018 are summarized in the following table.

Table 29
2013-2018 CAPITAL PROGRAM
($ in thousands; totals may not add due to rounding)

	2013 [1]	2014	2015	2016	2017	2018	Total	Deemed Funded [2]	Balance [2]
Airfield	$118,310	$ 30,886	$28,929	$27,539	$12,116	$11,850	$ 229,630	$117,751	$111,879
Baggage/AGTS	64,822	39,273	37,727	0	0	0	141,822	98,597	43,225
Commercial	17,121	14,550	14,000	0	0	0	45,671	1,171	44,500
Environmental/Utilities	15,560	0	0	0	0	0	15,560	13,638	1,922
Other CIP	105,567	32,641	0	0	0	0	138,208	19,797	118,411
Roads	26,182	13,250	5,100	8,000	2,100	1,000	55,632	16,229	39,403
Technologies	34,735	6,809	3,578	1,265	1,208	0	47,594	12,571	35,024
Terminal Complex	97,361	47,575	12,657	3,774	1,774	0	163,142	29,086	134,056
South Terminal Redevelopment Program	356,825	162,443	25,000	0	0	0	544,268	369,126	175,142
TOTAL	**$836,481**	**$347,427**	**$126,991**	**$40,578**	**$17,198**	**$12,850**	**$1,381,526**	**$677,965**	**$703,561**

1 Payment of certain of these project costs in the total approximate amount of $341,698,000 was budgeted for 2012.

2 Sources of funds for these costs include approximately $476 million of proceeds from Senior Bonds issued prior to 2013, approximately $198 million in FAA grants received and expected to be received, approximately $4 million of other sources, also assumed to be received, approximately $607.6 million from the proceeds of the Series 2013A-B Subordinate Bonds, and approximately $96 million from proceeds of Senior Bonds and commercial paper notes to be issued in the future. To the extent FAA grants and other funds assumed to be received are not received in the amount or timeframe assumed, the City expects to fund projects from the proceeds of additional Senior Bonds or Subordinate Bonds or from cash on hand.

(Source: Department of Aviation)

It is the practice of the Department of Aviation to develop a capital program and reevaluate the capital needs of the Airport System on a regular basis. The capital program for the Airport described in Table 29 represents expectations of future Airport System capital needs in order to maintain, reconstruct and expand Airport facilities in the six-year period from 2013 through 2018 (the "2013-2018 Capital Program"). The South Terminal Redevelopment Program, now described as the Hotel and Transit Center, is the single largest component of the 2013-2018 capital program, and consists of the construction of the DIA Rail Station that will provide connectivity from Denver Union Station to the Airport, the construction of a new 519-room, full service hotel, and a plaza to provide public access between the Landside Terminal Building, the hotel and the Rail Station. The Airport System's capital needs between 2013 and 2018 were estimated to have a total cost of approximately $1.4 billion (in 2013 dollars) and expected to be financed with a combination of Airport System Senior Bonds and Subordinate Bonds, federal grants, Airport System moneys, subordinate contract obligations and subordinate commercial paper notes. The capital program is periodically revised for the Airport System to reflect changes in scope and increases in construction costs, and on March 28, 2013, the City voluntarily posted on the MSRB's Electronic Municipal Market Access system ("EMMA") a notice that provided an update on the South Terminal Redevelopment Program and described the changes thereto as of that date. Further details on the capital program for the Airport System, including the South Terminal Redevelopment Program, are available in the most recent Official Statement dated July 10, 2013, relating to the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2013A and Series 2013B, which can be found on the Airport's website and EMMA.

The Department of Aviation is currently in the process of evaluating its capital needs for the six-year period from 2014 through 2019.

RTD is in the process of expanding commuter and light rail service throughout the greater Denver metropolitan area, pursuant to the RTD FasTracks Program. RTD has an agreement with Denver Transit Partners

("DTP"), under which DTP will design, construct, finance, operate and maintain a project it refers to as "Eagle P3", which includes the "East Rail" line, a 22.8 mile commuter rail line connecting Denver Union Station, located in downtown Denver, with the Airport. The East Rail service currently is planned by RTD to commence in January 2016. Neither the City nor the Department of Aviation will receive any revenue from the use of the commuter rail service.

In March 2010, the City, for and on behalf of the Department of Aviation, and RTD entered into the Intergovernmental Agreement for the FasTracks East Corridor Project (the "FasTracks East Corridor IGA"), pursuant to which RTD agreed to lease property at the Airport and construct the rail lines and supporting infrastructure for the East Corridor project, and the Department of Aviation, among other things, is required to finance and build a train station and a "terminal-to-station" interface at the Airport (the "DIA Rail Station").

On December 31, 2013, the Department of Aviation met its obligation under the FasTracks East Corridor IGA to have the DIA Rail Station substantially completed by January 1, 2014, allowing RTD complete and uninterrupted access in order that RTD may complete the installation and begin operational testing of the commuter rail line. The Department of Aviation will be responsible for operating and maintaining only certain portions of the DIA Rail Station. The term of the FasTracks East Corridor IGA extends through 2056, unless earlier terminated in writing by mutual consent of the parties, or by court order. The FasTracks East Corridor IGA provides that the Department of Aviation will grant a lease of certain property at the Airport to RTD with an initial term of 50 years, and up to three renewal periods of 15 years each, with each renewal being subject to FAA approval.

There is currently a dispute between the City and RTD regarding the division of performance and payment responsibility under the FasTracks East Corridor IGA with respect to the construction of the improvements in the area immediately south of the DIA Rail Station. By mutual agreement, the parties have sought to resolve the dispute through hearings before a neutral finder of fact with the Judicial Arbiter Group ("JAG"). After hearing the matter, the neutral finder of fact awarded approximately $7.8 million as the amount due from RTD to the City. The City has appealed this award to the District Court under Rule 106 of the Colorado Rules of Civil Procedure, as the City estimates the additional costs for such disputed improvements pursuant to the FasTracks East Corridor IGA are estimated at approximately $52.55 million, however, the City's 2013-2018 Capital Program and Plan of Finance have been revised to account for this additional expense. As of December 31, 2013, negotiations to settle the remaining issues were unsuccessful and the dispute remains in litigation.

TABLE 30

AIRPORT SYSTEM
HISTORICAL ENPLANED CARGO OPERATIONS
2009-2013
(in pounds)

Year	Air mail	Freight and Express	Total	% Change
2009	12,918,962	208,524,571	221,443,533	(10.8%)
2010	19,663,000	222,047,310	241,710,310	9.2
2011	18,612,677	223,878,051	242,490,728	0.3
2012	17,373,529	210,360,700	227,734,229	(6.1)
2013	13,817,432	208,953,640	222,771,072	(2.2)

(Source: Department of Aviation)

Outstanding Bonds and Notes

Senior and Subordinate Bonds have been issued to fund capital construction and maintenance of the Airport. As of December 31, 2013, the total aggregate amount of all outstanding Bonds is as follows:

Table 31

AIRPORT SYSTEM – OUTSTANDING BONDS[1]

As of December 31, 2013

Issue	Amount
Series 1992C Bonds[1]	$40,080,000
Series 1992F Bonds[2]	20,200,000
Series 1992G Bonds[2]	16,700,000
Series 2002C Bonds[2,4]	30,300,000
Series 2005A Bonds	219,510,000
Series 2006A Bonds[4]	268,360,000
Series 2006B Bonds	22,515,000
Series 2007A Bonds	188,350,000
Series 2007B Bonds	24,250,000
Series 2007C Bonds	34,635,000
Series 2007D Bonds	147,815,000
Series 2007D2 Bonds	29,200,000
Series 2007E Bonds	47,400,000
Subseries 2007F1 Bonds[2,4,5]	51,300,000
Subseries 2007F2 Bonds[2,4,5]	51,150,000
Subseries 2007F3 Bonds[2,4,5]	51,150,000
Subseries 2007F4 Bonds[2,4,5]	51,225,000
Subseries 2007G1 Bonds[2,4]	73,100,000
Subseries 2007G2 Bonds[2,4]	73,100,000
Subseries 2008A1 Bonds	87,000,000
Series 2008B Bonds[2,3,4,6]	69,800,000
Subseries 2008C1 Bonds[2,3,4,6]	92,600,000
Subseries 2008C2 Bonds[2,3,4,6]	100,000,000
Subseries 2008C3 Bonds[2,3,4,6]	100,000,000
Series 2009A Bonds	167,565,000
Series 2009B Bonds	65,290,000
Series 2009C Bonds[2,3,4,6]	104,655,000
Series 2010ABonds	171,360,000
Series 2011A Bonds	317,340,000
Series 2011B Bonds	143,470,000
Series 2011C Bonds	15,020,000
Series 2012A Bonds	307,965,000
Series 2012B Bonds	508,790,000
Series 2012C Bonds	30,285,000
Total Senior Bonds	**3,721,480,000**
Series 2013A Bonds	326,260,000
Series 2013B Bonds	393,655,000
Total Subordinate Bonds	**719,915,000**
Total Outstanding Bonds	**$4,441,395,000**

1 In 1999, the City used the proceeds from certain federal grants to establish an escrow to defease $54.88 million of Series 1991D Bonds and Series 1992C Bonds. Annually from 2006 through 2011, the City used Airport Net Revenues and revenues from PFCs to establish escrows to defease or call Senior Bonds related to the discontinued automated baggage system. None of the defeasances satisfied all of the requirements of the Senior Bond Ordinance, and consequently such economically defeased Senior Bonds are reflected as still being outstanding.

2 These Senior Bonds constitute variable interest rate obligations that are either secured by letters of credit or insurance or standby bond purchase agreements constituting Credit Facilities under the Senior Bond Ordinance or currently constitute credit facility bonds owned by certain banks as described in footnote 4 below. The City's repayment obligations to the financial institutions issuing such Credit Facilities constitute Credit Facility Obligations under the Senior Bond Ordinance.

3 These credit facility Senior Bonds bear interest at a fixed spread to one-month LIBOR for initial three to five year initial terms pursuant to private placement transactions with certain banks.

[Footnotes continued on next page]

4 A portion of these Senior Bonds are associated with certain swap agreements discussed below and in Note 12 to the audited financial statements of the Airport System for Fiscal Year 2013, effectively converting the floating rates of the variable rate bonds to fixed rates and converting the fixed rates of the fixed rate bonds to variable rates.
5 The Subseries 2007F1-F4 Bonds currently are in an auction rate mode.
6 These index put bonds are directly placed with banks.

(Source: Department of Aviation Audited Financial Report for 2013)

Bond Issuances

Revenue Bonds. On October 17, 2012, the Airport issued Airport System Revenue Bonds, Series 2012A (AMT), 2012B (Non-AMT) and 2012 C (Taxable) in the amount of $856,205,000. A portion of the 2012A series was used to refund series 1998A, 2002E and 2003A bonds and refund series 2012A Commercial Paper notes. A portion of the 2012B series was used to refund series 1998B and 2003B bonds and refund series 2012A Commercial Paper notes. The 2012C series was used to refund series 2003A. All other proceeds not deposited into the Bond Reserve Fund were deposited into the Project Fund.

Subordinate Revenue Bonds. On July 17, 2013, the Airport issued Subordinate Airport System Revenue Bonds, Series 2013A (AMT), and 2013B (non-AMT) in the amount of $719,915,000 to fund a portion of the costs of the 2013-2018 capital program. All proceeds not deposited into the Capitalized Interest Accounts or Bond Reserve Fund were deposited into the Project Fund. No other Subordinate Bonds are currently outstanding.

Subordinate Commercial Paper Notes. Airport System Subordinate Commercial Paper Notes may be issued for the purpose of funding the costs of acquiring, improving and equipping facilities for the Airport, refunding or paying certain Airport System obligations and other purposes. On January 27, 2011, the Airport entered into a Letter of Credit Agreement with Barclays Capital Inc., allowing the Airport to issue Subordinate Commercial Paper Notes. On May 30, 2012 the Airport issued $56,000,000 of Commercial Paper, these notes were refunded with proceeds from the 2012A and 2012B series bonds. As of December 31, 2013, no Commercial Paper notes were outstanding.

Subordinate Hedge Facility Obligations. In 1998, 1999, 2002, 2005, 2006, 2007 and 2008, the City entered into various interest rate swap agreements constituting Subordinate Hedge Facility Obligations under the Senior Bond Ordinance and the Subordinate Bond Ordinance in respect of certain series of outstanding Senior Airport System Bonds. Detailed information regarding these swap agreements is set forth in Note 12 to the audited financial statements of the Airport System for fiscal year 2013.

Installment Purchase Agreements. The Airport System entered into various Master Installment Purchase Agreements. As of December 31, 2013 the following Agreements were outstanding:

Date Entered	Firm	Original Amount	Interest Rate
3/15/2004	GE Capital Public Finance	$13,000,000	3.6448%
10/26/2006	Koch Financial Corporation	$23,000,000	4.3400%
10/26/2006	GE Capital Public Finance	$9,000,000	4.1600%
8/5/2008	Chase Equipment Leasing Inc	$15,300,000	3.3290%
1/10/2012	Sovereign Capital Leasing	$20,500,000	1.9595%

As of December 31, 2013, $25.8 million of principal note payments were outstanding under these Agreements, compared to $32.6 million at December 31, 2012.

Summary Financial Information

The following table sets forth five years of operating results of the Airport System.

TABLE 32

AIRPORT SYSTEM
CONDENSED STATEMENT OF REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED DECEMBER 31
($ in thousands)

	2009[1]	Restated 2010	2011	2012[2]	2013
Operating Revenues	$564,490	$601,402	$602,769	$624,673	$661,637
Operating Expenses	379,517	409,865	392,862	388,171	431,935
Operating Income before Depreciation	184,973	191,537	209,907	236,502	229,702
Depreciation and Amortization	177,583	181,496	179,070	178,567	184,721
Operating Income	7,390	10,041	30,837	57,935	44,981
Non-Operating Revenues (Expenses) net	(59,749)	(87,795)	(75,488)	(46,259)	(55,906)
Capital Contributions	38,621	30,200	34,702	22,996	31,413
Change In Net Assets	($13,738)	($47,554)	($9,949)	$34,672	$20,488

1 2009 has been restated for adoption of GASB 53.
2 2012 has been restated for adoption of GASB 65. 2011 has not been restated for adoption of GASB 65.

(Source: Department of Aviation)

Table 33

HISTORICAL NET REVENUES AND DEBT SERVICE COVERAGE
UNDER THE BOND ORDINANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31
($ in thousands)

	Restated 2009	2010	2011	2012	2013
Gross Revenues[1]	$648,069	$685,339	$705,703	$713,279	$743,101
Operation & Maintenance Expenses	309,270	302,881	312,278	318,394	349,987
Net Revenues	338,799	382,458	393,425	394,885	393,114
Other Available Funds[2]	49,288	47,975	48,045	51,685	50,409
Total amount available for Debt Service Requirements	$388,087	$430,433	$441,470	$446,570	$443,524
Debt Service Requirement[3] Senior and Subordinate Bonds	$237,905	$235,244	$235,356	$247,563	$242,817
Debt Service Coverage Senior and Subordinate Bonds	163%	183%	188%	180%	183%

1 Including Passenger Facility Charges
2 Other Available Funds is defined in the Senior Bond Ordinance to mean for any Fiscal Year the amount determined by the Manager of Aviation to be transferred from the Capital Fund to the Revenue fund; but in no event is such amount to exceed 25% of aggregate Debt Service Requirements for such Fiscal Year.
3 Subordinate Obligations include Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations. Except for Subordinate Commercial Paper Notes, no Subordinate Bonds were outstanding from 2009-2012.

(Source: Airport Financial Statements for 2013)

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2013 Dollars

$11.81[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED (includes Continental; does not include United Express)
2013 Dollars

$20.09[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED GROUP (includes Continental and United Express)
2013 Dollars

$13.93[1]

---

1 Numbers are net of revenue credit and fuel tax rebates.

(Source: Department of Aviation)

HISTORICAL PASSENGER FACILITY CHARGE REVENUES
($ in thousands)

Year	Revenues
2009	$96,865
2010	102,595
2011	103,210
2012	105,472
2013	103,032

(Source: Department of Aviation)

CONTACTS FOR FURTHER INFORMATION

Compliance Officer for the City and County of Denver, Colorado 2013 Disclosure Statement:

Cary Kennedy
CFO, Manager of Finance, *Ex-Officio* Treasurer
201 W. Colfax Avenue
Denver, Colorado 80202
(720) 913-1514 (Phone)
(720) 913-5599 (Fax)
debtmanagement@denvergov.org

Financial reports are available on the City's web site, **http://www.denvergov.org/**, and may be obtained by following the instructions given under the respective headings below. Copies of the financial reports may also be obtained from the following City and County of Denver, Colorado contacts:

Continuing Disclosure Annual Report and
Wastewater Management Enterprise Fund Financial Statements:
City and County of Denver
Department of Finance
Michelle Wang
Senior Financial Management Analyst
201 West Colfax Avenue, Dept. 1004
Denver, Colorado 80202
(720) 913-9353 (Phone)
(720) 913-9460 (Fax)
www.denvergov.org/DisclosureStatements

Comprehensive Annual Financial Report:
Beth Machann
Controller
201 West Colfax Avenue
Denver, Colorado 80202
(720) 913-5500 (Phone)
(720) 913-5247 (Fax)
http://denvergov.org/controller

Financial Statements and Supplementary Information - Airport System:
Department of Aviation
Denver International Airport
Keith Downham
Director of Financial Planning and Analysis
Finance and Administration Division
8500 Pena Boulevard
Denver, Colorado 80249-6340
(303) 342-2400 (Phone)
(303) 342-2460 (Fax)
http://business.flydenver.com/stats/index.asp

Financial Statements - Board of Water Commissioners:
Denver Water Board
Usha Sharma
Manager of Treasury Operations
1600 West 12th Avenue
Denver, Colorado 80204
(303) 628-6410 (Phone)
(303) 628-6479 (Fax)
http://www.denverwater.org/AboutUs/FinancialInformation/

The 2014 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2013 – available on the City's website or from the Controller's Office. See above.

APPENDIX A
AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA

(THIS PAGE LEFT INTENTIONALLY BLANK)

APPENDIX B
EXECUTIVE ORDER NO. 114

APPENDIX C
2013 ABSTRACT OF ASSESSMENT

(THIS PAGE LEFT INTENTIONALLY BLANK)