DENVER
THE MILE HIGH CITY

CITY AND COUNTY OF DENVER, COLORADO
2006 DISCLOSURE STATEMENT

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

For the year ended December 31, 2005

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

2006 DISCLOSURE STATEMENT
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CITY AND COUNTY OF DENVER

John W. Hickenlooper
Mayor

DEPARTMENT OF REVENUE

DAVID D. HART
MANAGER OF REVENUE

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DENVER, COLORADO 80202
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September 25, 2006

Dear Reader:

The City and County of Denver is committed to providing accurate and timely information to the financial markets. Material contained in this disclosure statement has been prepared to comply with Rule 15c2-12 of the U.S. Securities and Exchange Commission and the Mayor of Denver's Executive Order 114, first enacted in 1996, which further commits the City to providing ongoing information to the financial markets. The purpose of the *Disclosure Statement for the Year Ended December 31, 2005* is to present information about the City's 2005 financial condition, but it also contains certain post-2005 information as noted. **The *Disclosure Statement for the Year Ended December 31, 2005* must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR),** which can be found on the City's Web Site at www.denvergov.org or by contacting the Office of the Auditor. The Disclosure Statement includes information the City has committed to provide on an ongoing basis.

Continued low interest rates in 2005 presented opportunities to reduce Denver International Airport's debt service costs. Five series of Airport System Revenue Refunding Bonds, Series 2005A, B1, B2, C1 and C2 had a combined par amount of $407,190,000. In April 2005, the City, on behalf of its Department of Aviation, entered into four forward starting swap transactions totaling $300,000,000. These swaps provided a future hedge against increases to interest rates prior to the time that the City was able to refund on a tax exempt basis the City's outstanding Series 1996A and 1996D Airport System Revenue Bonds. In addition, in July 2005, the City issued Excise Tax Refunding Bonds, Series 2005A and, in August 2005, entered into a lease purchase transaction that resulted in execution and delivery by the related Trustee (and Owner/Lessor) of Refunding Certificates of Participation, Series 2005A. Both transactions provided present value savings in the form of reduced interest costs. The City also issued General Obligation Bonds, Series 2005 to provide $77,000,000 in proceeds of which $70,000,000 was used for the Justice System Facilities Project, for which voters had approved the issuance of $378,000,000 of General Obligation Bonds. The remaining proceeds of the General Obligation Bonds, Series 2005, in the amount of $7,000,000 was used for funding improvements at the Denver Zoo for which voters had approved the issuance of $62,500,000 of General Obligation Bonds.

Subsequent to the end of 2005, through the date of this letter, the City completed additional debt related transactions. In March 2006, the City on behalf of its Golf Enterprise, issued Golf Enterprise Revenue Bonds, Series 2005 which provided funding for improvements to Denver's Golf Course Enterprise. In June 2006, the City, on behalf of its Department of Aviation, entered into a forward starting swap transaction with a notional amount of $362,000,000. This swap provides a hedge for outstanding Airport System Revenue Bonds that the City is not able to refund on a tax exempt basis prior to 2007. In August 2006, the City on behalf of its Department of Aviation, issued Airport System Revenue Refunding Bonds, Series 2006A and 2006B. The City entered into a Fixed Receiver BMA swap in conjunction with the Airport System Revenue Refunding Bonds, Series 2006A transaction. The City, in August 2006, issued Single Family Mortgage Revenue Bonds, Series 2006A, its first such issuance since 2002. The transaction was done in conjunction with the Denver Mayors Caucus, to provide funds to offer below market rate mortgage loans to first time and low income home buyers in Denver and the Denver greater metropolitan area.

For those who seek additional information about the City's 2006 transactions or other financings, the Official Statements can be found in the files of the Municipal Securities Rulemaking Board, or may be obtained by calling the City's Debt Management offices at 720-865-7116.

As Manager of Revenue, 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, 2005,* or if you have any comments regarding future disclosures.

Sincerely,

David D. Hart

David D. Hart
Manager of Revenue
City and County of Denver

CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2005

Mayor
John W. Hickenlooper

City Council
Rosemary E. Rodriguez, President

Carol Boigon	Peggy A. Lehmann
Charles V. Brown Jr.	Douglas D. Linkhart
Jeanne Faatz	Kathleen MacKenzie
Rick Garcia	Judy H. Montero
Michael B. Hancock	Jeanne Robb
Marcia M. Johnson	Elbra Wedgeworth

Auditor
Dennis J. Gallagher

Election Commissioners
Sandy Adams Susan Rogers

CABINET OFFICIALS

Kim M. Bailey	Manager of the Department of Parks and Recreation
Vicki Braunagel	Co-Manager of the Department of Aviation
Cheryl Cohen-Vader	Manager of Revenue, *ex officio* Treasurer
Luis A. Colon	Manager of the Department of General Services
Cole Finegan, Esq.	City Attorney
Alvin J. LaCabe, Jr.	Manager of the Department of Public Safety
Peter J. Park	Manager of Community Planning and Development
Nancy J. Severson	Manager of the Department of Environmental Health
Guillermo "Bill" V. Vidal	Deputy Mayor, Manager of the Department of Public Works
Turner West	Co-Manager of the Department of Aviation
Roxane White	Manager of the Department of Human Services

Clerk and Recorder, e*x officio* Clerk
Wayne E. Vaden

BOARD OF WATER COMMISSIONERS

George B. Beardsley	President
Denise S. Maes	First Vice President
Thomas A. Gougeon	Member
Penfield Tate III	Member
Harris D. Sherman	Member

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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 2.6 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area.

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 thereunder 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 the general accountant of the City, responsible under the City Charter to receive and preserve all accounts, books, vouchers and papers relating to accounts and contracts of the City and other fiscal affairs. The City Auditor is elected every four years and is limited to three consecutive terms.

The Clerk and Recorder of the City is Wayne E. Vaden. The City Charter establishes a cabinet of managers of ten departments (with eleven individuals occupying the ten cabinet positions at December 31 due to a co-manager post) to participate with the Mayor in formulating and implementing the general administrative policies of the City and establishes the Office of the Clerk and Recorder. All of these individuals are appointed by the Mayor, and at December 31, 2005 the Mayor's cabinet consisted of the following:

Kim M. Bailey	Manager of the Department of Parks and Recreation
Vicki Braunagel	Co-Manager of the Department of Aviation
Cheryl Cohen-Vader	Manager of Revenue, *ex officio* Treasurer
Luis A. Colon	Manager of the Department of General Services
Cole Finegan. Esq.	City Attorney, Acting Chief of Staff
Alvin J. LaCabe Jr.	Manager of the Department of Public Safety
Peter J. Park	Manager of Community Planning and Development
Nancy J. Severson	Manager of the Department of Environmental Health
Guillermo "Bill" V. Vidal	Deputy Mayor, Manager of the Department of Public Works
Turner West	Co-Manager of the Department of Aviation
Roxane White	Manager of the Department of Human Services

In addition to the members of the cabinet, both Margaret Browne, Director of Finance, and John Huggins, Director of the Office of Economic Development have significant advisory roles.

Since December 31, 2005, the following changes have taken place in the Mayor's cabinet:

- Vicki Braunagel has retired from the Department of Aviation
- Turner West is now Manager of the Department of Aviation
- Cheryl Cohen-Vader has left the Department of Revenue and has taken the position of Chief Deputy Manager of Aviation
- David D. Hart has been named Manager of Revenue, *ex officio* Treasurer

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 below, 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 acting Mayor. If the Deputy Mayor refuses or is unable to serve as acting Mayor, the President of the City Council is to resign as President and become acting Mayor. If the President of the Council refuses or is unable to serve as acting Mayor, the City Council is to elect one of their number as acting 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 City has 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 also required to be included in the budget. Revenues in excess of those projected, or an opening balance larger than projected, are added to the Contingency Reserve.

The City administration utilizes multi-year planning and forecasting methods for General Fund budgeting and for capital projects planning. The City uses five-year revenue and expenditure forecasts in its General Fund financial planning in order to meet future operational needs and uses a six-year program in order to meet future capital needs.

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 requires voter approval prior to the creation by the City of any multiple-fiscal year debt or other financial obligation, subject to certain exceptions including refinancing outstanding bonds at a lower interest rate.

TABOR contains the provision that voters may authorize a public entity to retain excess revenues that would otherwise need to be repaid to the taxpayers. TABOR also limits the total amount of expenditures and reserve increases (excluding changes in debt service payments) that may be made by the City for all purposes to the total amount thereof made in the preceding year, adjusted for inflation and local growth, unless the voters approve a "revenue change." Under TABOR, the creation of bonded debt increases and retiring or refinancing bonded debt lowers, fiscal year spending. If revenues collected by the City in excess of the spending limit are required to be refunded, they must be refunded during the next calendar year. TABOR contains the provision that voters may approve an entity to retain excess revenues.

An exception from the provisions of TABOR is maintained 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 the Department of Aviation, the Water Board, the Wastewater utility, the Golf Enterprise, and Environmental Services as enterprises under TABOR

In November 2000, Denver voters approved exemptions from the TABOR limits for all excess, non-tax revenues received by the City in Fiscal Years 1999 through 2003 and 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. Thereafter, the revenue cap is determined by the highest excess revenue for any given year during the preceding ten fiscal year period for the years from 2005 through 2014 as adjusted for inflation and certain other factors.

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 2004, 2005 and 2006, and information prepared by the City's Department of Revenue.

Major Revenue Sources. The 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 is a fixed-rate (3.5%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. Additionally, there are separate sales tax surcharges for short-term car rental, prepared food and beverages and aviation fuels. A portion of these charges is used for debt service payments. The general use tax is a fixed-rate (3.5%) 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. The General Fund net property tax mill levy was as follows for the related tax collection years: 10.006 mills for 2000 and 2001; 8.744 mills for 2002; 8.964 mills for 2003; 8.857 mills for 2004; 8.965 for 2005; and 8.854 mills for taxes being collected in 2006. These levies take into account the temporary mill levy rate reductions as needed to comply with State Constitutional revenue and spending limitations. See "Constitutional Revenue and Spending Limitations".

Other amounts collected by the City and accounted for in the General Fund include the lodgers' tax, the automobile ownership tax, franchise fees and the telecommunications business tax. 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. 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.

The occupational privilege tax (the "OPT") is levied on each employee earning $500 or more per month who perform services within the City for any period of time. Proceeds are used to partially compensate for the City's services as an employment center. Currently, the revenues from the OPT are divided equally between the Capital Improvements Fund and the General Fund.

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 2005 Budget (47%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's department services. For the 2006 Budget, Public Safety represents 48% of the General Fund.

Management Discussion of 2006 Budget

Denver, along with the State of Colorado and other Colorado cities, has faced an economic downturn since the middle of 2001. This downturn has had a major impact on City sales tax revenues, which, at approximately 51%, is the largest source of revenue for the General Fund. Other revenue sources have been adversely impacted, including lodger's tax, occupational privilege tax, highway users fund, interest income and state funding. At the time that the 2006 Budget was adopted, it was expected that the economy would experience modest economic growth in 2006.

The budget assumes a continued slow and gradual recovery in the economy. In the 2006 budget, the City projected modest sales tax growth of 2.8 percent. Overall General Fund revenues are projected to be $763 million. Total General Fund expenditures for 2006 are budgeted at $775 million, which anticipates using $12 million in reserves. This use of reserves still maintains a Fund Balance of at least 10% of expected expenditures. The City is taking steps to bring ongoing annual operating expenditures into alignment with the expected slower revenue growth for the next few years. The City maintains its commitment to take prudent steps to strengthen its financial position. Tables 1 and 2 on the following pages show the General Fund Budget Summary in both dollar amounts and by percentage.

TABLE 1

GENERAL FUND BUDGET SUMMARY
2004 ACTUAL RESULTS, 2005 REVISED BUDGET AND 2006 BUDGET
Prepared in Budgetary Format
($ in thousands)

	2004 Actual Results	2005 Revised Budget	2006 Budget
Revenues			
Taxes	$ 488,593	$ 502,367	$ 509,734
Licenses and Permits	19,380	19,188	19,203
Intergovernmental Revenues	31,012	26,645	26,110
Charges for Services	118,293	125,641	131,204
Investment and Interest Income	3,982	5,400	6,000
Fines and Forfeitures	33,189	30,456	35,080
Other Revenues	36,000	27,715	35,857
TOTAL FINANCIAL SOURCES	730,450	737,412	763,188
EXPENDITURES			
General Government	179,595	190,230	202,188
Public Safety	338,258	355,802	375,774
Public Works	75,183	80,472	74,843
Health	40,144	41,809	42,272
Parks and Recreation	40,995	44,036	44,596
Cultural Activities	32,806	33,276	33,663
Unspent Reserves	--	7,389	--
Unspent Agency Appropriations	--	(8,000)	(13,000)
Other Financing and Adjustments	5,203	--	(1,000)
TOTAL EXPENDITURES BUDGET	712,184	745,014	759,336
General Contingencies and Reserves	0	0	15,504
TOTAL USE OF RESOURCES	712,184	745,014	774,840
Excess (Deficit) Financial Sources	18,266	(7,602)	(11,652)
Unrestricted Fund Balance – January 1	88,857	107,123	99,521
Unrestricted Fund Balance – December 31	$ 107,123	$ 99,521 [1]	$ 87,869

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[1] This budgeted end-of-year Unrestricted Fund Balance was significantly lower than the actual results of $120,632,000. See Table 3 "General Fund Balance Sheet."

(Source: The 2006 Mayor's Budget, dated October, 2005)

TABLE 2

GENERAL FUND BUDGET SUMMARY
2004 ACTUAL RESULTS, 2005 REVISED BUDGET AND 2006 BUDGET
(by percentage)

	2004 Actual	2005 Revised	2006 Budget
REVENUES & OTHER FINANCING SOURCES			
Taxes	66.9%	68.2%	66.8%
Licenses and Permits	2.7	2.6	2.5
Intergovernmental Revenues	4.2	3.6	3.4
Charges for Services	16.3	17.0	17.2
Investment and Interest Income	0.5	0.7	0.8
Fines and Forfeitures	4.5	4.1	4.6
Other Revenues	4.9	3.8	4.7
TOTAL REVENUES & OTHER FINANCING SOURCES	100.0%	100.0%	100.0%
EXPENDITURES & OTHER FINANCING USES			
General Government	25.1%	25.4%	26.0%
Public Safety	47.4	47.7	48.4
Public Works	10.6	10.8	9.7
Health	5.6	5.6	5.5
Parks and Recreation	5.8	5.9	5.8
Cultural Activities	4.8	4.5	4.3
Unspent Reserves	0.0	1.1	0.0
Unspent Agency Appropriations	0.0	(1.0)	(1.7)
Other Financing and Adjustment	0.7	0.0	0.0
General Contingencies and Reserves	0.0	0.0	2.0
TOTAL EXPENDITURES & OTHER FINANCING USES	100.0%	100.0%	100.0%

(Source: The Mayor's 2006 Budget, dated October 2005)

Management Discussion of Recent Financial Results

The City maintains a policy of managing General Fund Resources to the level of funds available rather than relying on tax increases. This is accomplished by reallocating resources selectively and maintaining year-end unrestricted General Fund balances equal to at least ten percent of estimated expenditures.

2001. In expectation of a continued strong Denver economy, the 2001 fiscal year focused on providing the services and infrastructure required by new growth as well as maintaining and improving the quality of basic services. A Chief of E-government position was created to facilitate strategic and systems thinking, and a $5.5 million reserve was set aside to implement strategic City-wide technology applications. A transfer of $25.5 million was made to the Capital Improvement Fund. The year's expenditures reflected a continued commitment to public safety, children and schools, parks and open spaces and economic development. For the first time since 1987, in 2001 the City sales tax revenues did not increase over the prior year. Consistent with other U.S. cities after the terrorist attack on the World Trade Center, the City experienced a decrease in sales tax revenues during the last quarter of the year. The City controlled expenditures to accommodate this decrease, resulting in a 2001 ending fund balance of $156.2 million.

2002. In recognition of the weakening economic climate, the City's adopted 2002 budget was amended twice through cuts of approximately 1% each. The City also initiated a personnel review process to identify positions that would not be automatically filled when vacated. Expenditures were reduced by $18.4 million. Sales tax collections declined for the second consecutive year. Sales tax receipts were $12.8 million less than 2001, representing a decline of approximately 3%. Investment income declined by $4 million due to the decreased amounts available for investment and declining interest rates in the financial markets. Property tax collections increased by $3.6 million and charges for services increased by $12 million. The City ended the year with an unreserved fund balance of $77.9 million, or approximately 11% of 2002 expenditures.

2003. The economic climate continued to soften in 2003, with retail sales statewide remaining stagnant. Sales tax collections in Denver were $8.7 million less than in 2002, representing a decline of approximately 2.32%. Investment income also declined by $1.6 million due to the low interest rates and lower cash balances available to be invested. The City made additional budgetary reductions and transferred funds from the Capital Improvement Fund to the General Fund. The General Fund unreserved fund balance at year end was $88.9 million, or approximately 12.3% of 2003 expenditures.

2004. A slow and gradual economic recovery was projected with Denver lagging behind the nation because of the downturn in the telecommunications and technology industries. A modest 1.1% sales tax growth was budgeted for 2004, but sales tax actually declined by 1.27%. The City implemented additional cost saving measures including limiting its capital projects to only critical maintenance projects, reducing capital equipment purchases, reducing fleet replacement and refinancing debt where appropriate. Some City employees were required to take two days leave without pay, to contribute 2 percent to pension costs, to pay a larger share of health insurance premiums, and to defer any pay increases until 2005. At year end the General Fund had an unreserved fund balance of $107 million, or approximately 15.8% of 2004 expenditures.

2005. The Denver economy started to improve more in line with the state and national economies. A modest 2.9% sales tax growth was budgeted for 2005. The City continued to control personnel costs by reviewing all vacant positions for possible elimination and by not filling a number of positions during the year. At year end the General Fund had an unreserved fund balance of $120.6 million, or approximately 16.8% of 2005 expenditures.

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 2001 through 2005.

TABLE 3

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

	2001	2002	2003	2004	2005
ASSETS					
Cash and cash equivalents	$ 72,770	$ 58,645	$ 52,637	$ 77,031	$ 80,062
Cash on hand	2,396	--	2	--	--
Receivables (net of allowances for uncollectibles):					
Taxes	108,884	112,196	115,748	121,778	124,775
Accounts	3,445	2,521	2,921	3,633	7,588
Accrued interest	1,057	781	409	552	1,091
Due from other funds	24,086	12,145	24,326	14,613	26,049
Due from other governments	1,151	--	--	88	80
Prepaid items and other assets	--	306	34,887	28,500	24,530
Restricted assets:					
Cash and cash equivalents	34,253	24,949	17,900	17,989	19,681
TOTAL ASSETS	$248,042	$211,543	$248,830	$ 264,184	$ 283,856
LIABILITIES					
Vouchers payable	$ 12,075	$ 13,758	$ 12,401	$ 10,814	$ 15,548
Accrued liabilities	8,273	8,509	5,624	7,590	7,572
Due to other funds	3,875	2,444	1,993	1,935	3,067
Deferred revenue	67,628	71,494	75,505	77,884	79,099
TOTAL LIABILITIES	91,851	96,205	95,523	98,223	105,286
FUND BALANCE					
Reserved for emergency use	19,496	18,685	17,900	17,989	19,681
Reserved for encumbrances	12,689	12,210	11,663	12,349	13,727
Reserved for prepaid items and other assets	--	306	34,887	28,500	24,530
Reserved for construction	14,757	6,209	--	--	--
Unreserved:					
Undesignated	109,249	77,928	88,857	107,123	120,632
TOTAL FUND BALANCE	156,191	115,338	153,307	165,961	178,570
TOTAL LIABILITIES AND FUND BALANCE	$248,042	$211,543	$248,830	$ 264,184	$ 283,856

(Source: City and County of Denver's Comprehensive Annual Financial Reports, 2001-2002, City and County of Denver's Comprehensive Annual Financial Report, as restated for 2003, City and County of Denver's Comprehensive Annual Financial Reports, 2004 -2005)

TABLE 4

CITY AND COUNTY OF DENVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2001-2005
($ in thousands)

	2001	2002	2003	2004	2005
REVENUES					
Taxes					
Property	$63,233	$66,889	$68,262	$71,600	$74,131
Sales and use	388,171	375,334	366,627	361,988	389,731
Other	73,372	66,622	69,707	71,235	76,473
Licenses and Permits	18,442	17,358	21,401	23,439	26,046
Intergovernmental Revenues	35,843	32,267	28,708	29,212	28,794
Charges for Services	84,999	97,066	100,853	103,878	95,108
Investment Income	9,997	5,796	4,210	3,994	6,360
Fines and Forfeitures	27,835	30,888	31,179	31,159	30,510
Other Revenues	3,080	4,957	9,818	12,444	6,919
TOTAL REVENUES	704,972	697,177	700,765	708,949	734,072
EXPENDITURES					
Current:					
General Government	166,400	170,298	173,704	161,183	163,547
Public Safety	318,029	328,853	328,225	338,000	361,645
Public Works	74,893	77,282	73,975	67,212	68,407
Health	41,415	42,478	40,949	40,145	40,702
Parks and Recreation	45,427	45,112	43,094	40,932	42,501
Cultural Activities	29,142	31,092	30,872	28,815	29,342
Capital Outlay	2,101	15,035	33,961	1,705	749
TOTAL EXPENDITURES	677,407	710,150	724,780	677,992	706,893
Excess of Revenues over Expenditures	27,565	(12,973)	(24,015)	30,957	27,179
OTHER FINANCING SOURCES (USES)					
Insurance Recoveries					134
Proceeds from Sale of Capital Assets	63	--	--	--	--
Proceeds from Financing Transactions	16,858	--	52,103	1,705	749
Operating Transfers In	24,071	27,165	31,561	18,175	18,034
Operating Transfers Out	(88,348)	(55,045)	(40,323)	(38,183)	(33,487)
TOTAL OTHER FINANCING SOURCES (USES)	(47,356)	(27,880)	43,341	(18,303)	(14,570)
Net change in fund balances	(19,791)	(40,853)	19,326	12,654	12,609
Fund balance - January 1	174,482	156,191	115,338	153,307	165,961
Prior Period Restatement	--	--	18,643	--	--
Residual equity transfers in	1,500	--	--	--	--
FUND BALANCE – December 31	$156,191	$115,338	$153,307	$165,961	$178,570

(Source: City and County of Denver's Comprehensive Annual Financial Reports, 2001-2002, City and County of Denver's Comprehensive Annual Financial Report, as restated, for 2003, City and County of Denver's Comprehensive Annual Financial Reports, 2004 - 2005)

Collection of Taxes

The City Charter provides that the Manager of Revenue, *ex officio* Treasurer, 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 over one-half of the General Fund revenues. A fixed-rate general sales tax of 3.5% is imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax is a fixed-rate, also 3.5%, imposed on the storage, use and consumption of tangible personal property not specifically exempted. The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES
EFFECTIVE FOR 2005

Taxation of Certain Goods or Services	City Tax Rate
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.5%
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	9.75% [1]

[1] On November 1, 2005, the voters of the City and County of Denver approved an increase of the City's Lodger's Tax rate from 9.75% to 10.75% with the increase dedicated to marketing of Denver's conventions and attractions. The measure went into effect on January 1, 2006. The additional revenues are exempt from the revenue and spending restrictions of TABOR.

Only a portion of the food and drink tax, automobile rental tax and lodgers' taxes are reflected in the General Fund's Sales and Use Tax category; the remainder is pledged to certain Excise Tax Revenue Bonds and recorded in another Fund.

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
1996 – 2005
($ in thousands)

Year	Revenues	Percent Change
1996	$265,788	2.29%
1997	286,696	7.87
1998	325,357	13.49
1999	347,811	6.90
2000[1]	393,550	13.15
2001	388,171	(1.37)
2002	375,334	(3.31)
2003	366,627	(2.32)
2004	361,988	(1.27)
2005	389,731	7.66

[1] Does not include a one-time $20 million payment resulting from a use tax audit.

(Source: Department of Revenue)

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 Revenue, ex officio Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 1998 through 2007.

TABLE 6

STATE PROPERTY APPRAISAL SYSTEM

Collection Year	Assessment Year	Value Calculated as of	Based on the Market Period
1999	1998	July 1, 1996	January 1, 1995 to June 30, 1996
2000	1999	July 1, 1998	January 1, 1997 to June 30, 1998
2001	2000	July 1, 1998	January 1, 1997 to June 30, 1998
2002	2001	July 1, 2000	January 1, 1999 to June 30, 2000
2003	2002	July 1, 2000	January 1, 1999 to June 30, 2000
2004	2003	July 1, 2002	January 1, 2001 to June 30, 2002
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

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 2003 through 2007. For assessment years 2001 and 2002, residential real property was valued for assessment at 9.15% of its statutory actual value. For assessment years 1998 through 2000, residential real property was valued for assessment at 9.74% of its actual value. 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.

In November 2001, the electors of the State approved an amendment to the State Constitution, that (i) reduces property tax for qualified senior citizens by exempting fifty percent of the first $200,000 of actual value of residential property from property taxation; (ii) requires that the State reimburse all local governments for any property tax revenue reduction resulting from this property tax reduction; and (iii) excludes the State reimbursement to local governments from the revenue and spending limits established under certain State constitutional provisions. Due to State budgetary constraints, the state legislature reduced the percentage to zero for tax collection years 2004, 2005 and 2006. This change does not reduce the total amount of property tax and State reimbursement the City will collect for these years. Instead, it suspends the provisions of the exemption program for a three-year period. In 2003, the only year in which the exemption program was in effect, the City received full reimbursement from the State for all reductions in property tax collected from qualified senior citizens. The state legislature has re-instated the exemption, at the maximum fifty percent level, beginning with the 2007 collection year.

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 February 28 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, or to fund a City program for the developmentally disabled. 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.

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	2001	2002	2003	2004	2005
City and County of Denver:					
General Fund	8.744	8.964	8.857	8.965	8.854
Bond Principal Fund	4.083	4.650	6.260	6.260	6.248
Bond Interest Fund	1.352	1.750	2.200	2.200	2.185
Human Services	3.927	4.025	3.839	3.886	3.838
Developmentally Disabled[2]	--	--	1.000	1.000	1.000
Fire Pension	1.405	1.440	1.423	1.440	1.422
Police Pension	1.677	1.719	1.699	1.720	1.698
School District No.1	36.967	36.705	38.286	38.327	40.360
Urban Drainage and Flood Control District	0.590	0.602	0.598	0.604	0.597
TOTAL MILL LEVY:	58.745	59.855	64.162	64.402	66.202

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. (See Assessor's 2004 Abstract of Assessment, APPENDIX C)

2 Prior to 2003, Developmentally Disabled numbers were included in Human Services.

(Source: Department of Revenue; Office of County Assessor)

Table 8 summarizes the statutory actual and assessed valuation of property in the City, taxes levied and collected by the City for general purposes and the amounts and percentages delinquent for the last five assessment years.

TABLE 8

PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS

	YEAR ASSESSED				
	2001	**2002**	**2003**	**2004**	**2005**
ACTUAL AND ASSESSED VALUATION			**($ in millions)**		
Statutory Actual Valuation (est.)[1]	$ 52,322	$ 53,269	$ 61,738	$ 62,867	$ 65,842
Assessed Valuation:					
Real Property – Land	$ 1,701	$ 1,673	$ 2,004	$ 2,060	$2,342
Real Property – Improvement	4,709	4,837	4,966	5,002	5,112
Personal Property	760	705	727	728	729
Public Utilities	715	786	734	743	760
Total Assessed Valuation	$ 7,885	$ 8,001	$ 8,431	$ 8,533	$8,943
Total Assessed Valuation Percentage Change[2]	21.5%	1.5%	5.4%	1.2%	4.8%
LEVIES AND COLLECTIONS[3]			**($ in thousands)**		
Tax Levy Collections:	$ 139,351	$ 150,896	$ 180,488	$183,007	$ 189,029
Current and Prepaid	$ 138,517	$ 149,215[4]	$ 179,300	181,051	1,401
Delinquent	522	612	565	747	N/A
Receivable	$ 312	$ 1,069	$ 623	$1,209	$ 187,628
Cumulative Receivables 2001 to 2004					3,213
Cumulative Receivables Prior to 2001					30
Cumulative Total Receivable					$ 190,871
Percent of Original Levy: Current Collections	99.40%	98.88%	99.34%	98.93%	N/A

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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 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 valuations.

3 The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column under Levies and Collections are actually collected in the following year. For example, property taxes levied in 2005 are collected in 2006.

4 The 2002 Current and Prepaid number has been adjusted to impute a $2.233 million adjustment for taxes that were collected in December 2005.

(Source: Department of Revenue; Office of the County Assessor)

Assessed Valuation of Major Taxpayers

Table 9 lists the major property taxpayers based on assessed valuations for the 2005 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2005
(FOR COLLECTION 2006)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Qwest Inc.	Utility	$ 173,030	1.93%
Xcel Energy Corp.	Utility	170,816	1.91
United Airlines Inc. [2]	Airlines	118,853	1.33
Equity Office Properties	Real Estate	98,008	1.10
Republic Plaza Properties Partnership	Real Estate	65,156	0.73
Crescent Real Estate Equities	Real Estate	63,553	0.71
Temple Hoyne Buell Foundation	Shopping Center	59,586	0.67
Columbia-HealthOne LLC	Medical	59,295	0.66
AT&T	Utility	51,816	0.58
Prologis Trust	Real Estate	44,820	0.50
	TOTALS	$904,934	10.12%

1 Based on a December 31, 2005, certified assessed valuation of $8,943,168,220.

2 In December, 2002, United filed a voluntary petition for relief under Chapter 11 of the United States Code. It has since reorganized and in February 2006 emerged from bankruptcy. See THE AIRPORT SYSTEM

(Source: Department of Revenue; Office of the County Assessor)

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, excluding bonds issued by the Denver Water Board, is subject to a limitation of three percent (3%) of the actual value of the taxable property within the City.

As of December 31, 2005, the City had outstanding general obligation bonds in the aggregate principal amount of $404,667,482, which does not include accrued interest of $4,739,754 on compound interest bonds. In addition there were outstanding general obligation bonds issued by the Denver Water Board in the aggregate principal amount of $100,340,000.

At the municipal election held on May 3, 2005, City voters authorized the issuance of $378,000,000 in General Obligation Bonds for the purpose of acquiring and constructing new justice system facilities. The facilities are expected to include a new pre-arraignment detention facility, a courtroom building, a parking structure and a partial remodeling of the current jail facilities. In October 2005, $70,000,000 of this authorization was issued and an additional $125,000,000 is scheduled to be issued in the fall of 2006. The remaining $183,000,000for this project remains to be issued in the future.

The following schedule sets forth the computation of the General Obligation debt margin of the City (other than bonds issued by the Denver Water Board) as of December 31, 2005.

COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN

TOTAL ESTIMATED ACTUAL VALUATION	$ 65,842,157,000
Maximum general obligation debt, limited to 3% of total valuation	$ 1,975,265,000
Less: Outstanding bonds chargeable to limit	404,667,000
LEGAL DEBT MARGIN – December 31, 2005	$ 1,570,598,000

General Obligation Bonded Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2005.

TABLE 10

OUTSTANDING GENERAL OBLIGATION DEBT
($ in thousands)

Issue	**Original Amount**	**Amount Outstanding**
General Obligation Various Purpose Bonds (Denver Mini-Bond Program), Series November 1, 1990	$5,888	$1,803[1]
General Obligation Refunding Bonds, Series 1998A	148,425	37,175
General Obligation Various Purpose Bonds (Denver Mini-Bond Program), Series 1999A	3,134	3,134[2]
General Obligation Various Purpose Bonds, Series 1999B	95,505	54,155
General Obligation Various Purpose Bonds, Series 2000	29,000	21,440
General Obligation Denver Art Museum Bonds, Series 2002	52,500	44,445
General Obligation Auditorium. Theatre & Zoo Bonds, Series 2003A	35,000	33,925
General Obligation Medical Facilities Bonds, Series 2003B	148,000	131,590
General Obligation Justice System Facilities/Zoo, Series 2005	77,000	77,000
Subtotal	594,452	404,667
General Obligation Water Bonds[3]	161,730	100,340
TOTAL:	$ 756,182	$505,007

1 Amount excludes $3,583,556 of compound interest on the Series November 1, 1990 bonds.

2 Amount excludes $1,156,199 of compound interest on the Series 1999A bonds.

3 The Denver Water Board has irrevocably committed to pay the principal of and interest on all water bonds from revenues derived from the City's Water System.

(Source: Department of Revenue)

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, 2005 (excluding bonds issued by the Denver Water Board).

Year Ending December 31	Debt Service ($ in thousands)
2006	$ 80,167
2007	75,401
2008	56,028
2009	42,272
Thereafter through 2025	284,535
TOTAL:	$ 538,403

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, 2005.

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

Total Direct General Obligation Bonded Debt	$ 505,007
Less General Obligation Water Bonds	100,340
Net Direct General Obligation Bonded Debt	404,667
Overlapping Debt[1]	672,252
Net Direct and Overlapping General Obligation Bonded Debt	$ 1,076,919
Actual Valuation	$65,842,157
Assessed Valuation	$ 8,943,168

	DEBT RATIOS		
	Actual Valuation	Assessed Valuation	Per Capita[2]
Total Direct G.O. Bonded Debt	0.77%	5.65%	$ 871
Net Direct G.O. Bonded Debt	0.61	4.52	698
Net Direct and Overlapping G.O. Bonded Debt	1.63	12.04	1,857

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1 The overlapping general obligation debt set forth in the outstanding debt of School District No. 1 as of December 31, 2005 and does not include the general obligation debt of certain overlapping government entities.

2 Based upon the 2005 population estimate of 579,744.

(Sources: Department of Revenue; Office of the County Assessor; Denver Regional Council of Governments)

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 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 Center and other cultural facilities are the City's Facilities Development Admission Tax ("Seat Tax") and the Occupational Privilege Tax ("Head Tax"). There are no City Charter limitations stipulating maximum revenue bond debt.

Colorado Convention Center Excise Tax Revenues. The total City Lodger's Tax, imposed in 2005 on the purchase price of hotel, motel and similar temporary accommodations in the City, is 9.75%. Of that amount, 3.0% (Pledged Lodger's Tax Revenues) is pledged on parity to the payment of the 1999A, 2001A, 2001B and 2005A bonds, and 1.75% is pledged only to the payment of the 2001A, 2001B and 2005A bonds. In November 2005, the voters passed a 1.00% increase to the Lodger's tax to be effective in 2006. The additional 1.00% is allocated to the privately operated Denver Metro Convention and Visitors Bureau and not pledged for bond debt service. The Food and Beverage tax is 4.0%. Of that amount, 0.50% is pledged to be used for the payment of the 1999A, 2001A, 2001B and 2005A bonds. The Auto Rental Tax of 7.25% is imposed on rentals paid on the purchase price of short-term automobile rentals. Of that amount, 2.00% is pledged to the payment of the 1999A, 2001A, 2001B and 2005A bonds, and 1.75% is pledged only to the payment of the 2001A, 2001B and 2005A bonds. The following table shows the City's calculation of the historic debt service coverage on the Series 1999A Excise Tax Revenue Refunding Bonds and the Series 2001A, 2001B and 2005A Excise Tax Revenue Bonds.

TABLE 11

COLORADO CONVENTION CENTER RELATED
DEBT SERVICE COVERAGE ON EXCISE TAX BONDS
PAYABLE FROM PLEDGED REVENUES
1996-2005
($ 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[3]
1996	$ 7,353	$ 5,707	$ 4,943	--	$ 651	$ 18,654	$ 8,248	2.26
1997	8,183	6,109	5,739	--	732	20,763	8,248	2.52
1998	9,077	6,700	6,393	--	786	22,956	8,247	2.78
1999	9,172	6,980	6,558	--	715	23,425	8,247	2.84
2000	10,005	7,764	6,632	$11,406	1,486	37,293	7,377	5.06
2001	9,099	7,804	6,164	10,642	1,381	35,090	23,998	1.46
2002	8,418	7,833	5,876	10,017	688	32,832	19,002	1.73
2003	8,359	7,840	5,776	9,940	730	32,645	19,305	1.69
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	385	37,093	21,496	1.73

(1) Represents 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 unrefunded 2001A, 2001B and 2005A 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 Excise Tax Bonds, Series 1999.

In July, 2005, the City issued $149,190,000 Excise Tax Revenue Refunding Bonds, Series 2005A to partially refund the outstanding 2001A Bonds and to reduce the debt service costs. These new bonds are on parity with the 2001A and 2001B Bonds and are paid from the same dedicated revenue sources.

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 refunding bonds will be repaid from the Seat Tax and Head Tax revenues.

The following table sets forth the total Seat Tax collections for each of the bond years ending 1996 through 2005 ("Bond Years"):

TABLE 12

BOND YEAR TOTAL SEAT TAX COLLECTIONS AND PAYMENTS IN LIEU OF SEAT TAXES FOR 1996 THROUGH 2005

Bond Year	Seat Tax Collections	Payments in Lieu of Seat Taxes	Total
1996	$12,184,800	--	$12,184,800
1997	14,430,000	--	14,430,000
1998	13,487,400	--	13,487,400
1999[1]	12,166,700	--	12,166,700
2000	8,763,300	--	8,763,300
2001	6,057,700	$2,700,000[2]	8,757,700
2002	5,468,700	2,700,000	8,168,700
2003	5,030,700	2,700,000	7,730,700
2004	7,906,500	2,700,000	10,606,500
2005	9,351,700	2,700,000	12,051,700

1 McNichols Sports Arena demolished in 1999.

2 In 2001, the Denver Broncos Football Club ceased playing games at a City owned facility and began to play at Invesco 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 will make Payments in Lieu of Seat Taxes in the amount of $2,700,000 per year through the year 2008.

The following table sets forth the total Head Tax collections for each of the Bond Years ending 1996 through 2005:

TABLE 13

TOTAL HEAD TAX COLLECTIONS FOR EACH BOND YEAR ENDING 1996 THROUGH 2005

Bond Year	Head Tax Collections
1996	$37,362,000
1997	38,993,000
1998	40,579,500
1999	40,723,200
2000	44,188,200
2001	43,020,800
2002	41,028,000
2003	40,867,199
2004	40,118,190
2005	41,499,554

The following table shows the City's calculation of the historic debt service coverage on obligations payable from the pledged revenues for the bond years ending 1996 through 2005:

TABLE 14

DENVER PERFORMING ARTS COMPLEX RELATED HISTORIC DEBT SERVICE COVERAGE

Bond Year	Pledged Excise Tax Revenue	Revenues Pursuant to the Escrow and Security Agreement	Interest Earnings	Total Pledged Revenues[1]	Debt Service Requirements	Coverage Ratio
1996	$49,546,800	--	$173,500	$49,720,300	$6,032,335	8.2%
1997	53,423,000	--	157,800	53,580,800	6,032,855	8.9
1998	54,066,900	--	133,600	54,200,500	6,032,975	9.0
1999	52,889,900	--	377,200	53,267,100	6,033,600	8.8
2000	52,951,500	--	302,100	53,253,600	6,030,400	8.8
2001	49,078,500	$2,700,000	328,650	52,107,150	6,026,600	8.6
2002	46,530,200	2,700,000	193,700	49,423,900	6,032,000	8.2
2003	48,597,899	2,700,000	N/A[1]	51,297,899	1,648,462	31.1
2004	48,024,690	2,700,000	N/A	50,724,690	3,058,305	16.6
2005	50,851,254	2,700,000	N/A	53,551,254	3,054,305	17.5

1 Pursuant to the Series 2003 Excise Tax Refunding Bonds transaction, interest earnings are no longer pledged to debt service.

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, 2005, the School District had $672,252,000 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in connection with which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2005, the aggregate principal amount of such certificates outstanding was $381,683,038. Neither the lease purchase agreements nor the related certificates executed and delivered by the trustees are considered debt or a multiple-fiscal year financial obligation 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 $23,516,528 for 2005. The Sewage District had outstanding $107,334,110 aggregate principal amount of bonds as of December 31, 2005.

Regional Transportation District. The Regional Transportation District (the "Transportation District"), a governmental and political subdivision of the State, was established in 1969, and currently includes the City, Boulder and Jefferson Counties, most of the City and County of Broomfield, and portions of Adams, Arapahoe, Weld, and Douglas Counties. The Transportation District is empowered to develop, maintain and operate a mass transportation system within its boundaries. Pursuant to a change in State statutes in 1982, the Transportation District may levy up to ½ mill for the payment of expenses of the Transportation District in situations of deficiencies, subject to the provisions of State constitutional revenue and spending limitations.

On November 2, 2004, the voters of the District authorized an increase in the District's sales and use tax rate from 0.6% to 1.0%, effective January 1, 2005, to finance the FasTracks transit improvement program and the issuance by the District of up to $3.477 billion in debt principal. FasTracks will entail the addition of six new light-rail lines and diesel-powered commuter rail lines, along with other transit improvements, in the Denver metropolitan area over the next 12 years. This authorization also exempted the District from any revenue and spending limitations on the additional tax and on any investment income generated by the increased tax revenue and allowed the District to incur debt to finance the capital improvements included in the FasTracks program. At the time that all the FasTracks debt is repaid, the District's sales and use tax rate will be reduced to a rate sufficient to operate the rapid transit system financed through FasTracks.

The Transportation District issues bonds to maintain and improve the transit system. At the end of 2005 the Transportation District had no general obligation debt. As of December 31, 2005, the Transportation District had $721,790,000 in aggregate principal amount of outstanding obligations. Of this amount, $361,250,000 was bonded debt backed by the District's sales tax and $360,540,000 was the principal amount of outstanding certificates of participation in various lease purchase and installment sales arrangements under which the Transportation District is the lessee or purchaser. In August 2001, the District was authorized to issue up to $118.5 million of commercial paper in order to provide bridge financing for the portion of the Southeast Corridor multimodal project expected to be repaid from future federal grant monies. As of December 31, 2005, the Transportation District had issued $92.5 million of the authorized commercial paper.

Denver Metropolitan Major League Football Stadium District. In 1996, the State General Assembly enacted legislation creating the Metropolitan Football Stadium District ("Football District"). The Football District was authorized to finance and construct a sports facility designed for use primarily as a National Football League stadium which has been built in the City. The Football District encompasses the City, Boulder and Jefferson Counties, most of the City and County of Broomfield, and the urbanized portions of Adams, Arapahoe and Douglas Counties.

In 1998 the electors of the Football District authorized the Football District to issue up to $260 million of debt and to impose a sales tax at the rate of 0.10% on taxable transactions occurring within the Football District. The Football District has issued $260 million of bonds and sales tax revenue capital appreciation bonds scheduled to mature between 2003 and 2012. The outstanding principal amount on these obligations as of December 31, 2005 was $207,649,861.

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 is a number of taxing entities that overlap the City and have general obligation debt in amounts that do not materially affect the ability of the City to pay debt service on its general obligation bonds. Assessed valuation and bond mill levy information for these taxing districts is provided below:

TABLE 15

CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT[(1)]

Metro District	Assessed Valuation Attributable to Denver	% of Total Denver AV	Bond Mill Levy
Bowles [(2)]	$ 24,460,040	0.274%	21.641
Central Platte	52,908,790	0.592	44.500
Denver Gateway Center	3,662,750	0.041	26.992
Denver Inter. Bus. Center	11,971,360	0.134	40.000
Ebert	44,615,280	0.499	78.320
Fairlake	23,129,590	0.259	28.000
First Creek	68,780	0.001	0.000
GVR	88,139,590	0.986	15.950
Gateway Regional	25,125,530	0.281	7.000
Gateway Village GID	22,139,830	0.248	13.762
Goldsmith [(2)]	228,706,020	2.557	10.573
Greenwood [(2)]	1,124,280	0.013	8.500
North Washington Fire[(2)]	3,849,860	0.043	1.362
Sand Creek [(2)]	35,876,670	0.401	21.000
SBC	39,294,930	0.439	24.100
Section 14 Metropolitan [(2)]	12,155,530	0.136	23.000
South Denver Metro	39,053,500	0.437	9.187
Southeast Public Impr. [(2)]	204,586,230	2.288	0.600
Westerly Creek	121,808,980	1.362	52.500
Special District Total Audited Value in the City	$982,677,540	10.99%	
Denver Total Audited Value	$8,943,168,220		

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(1) As of January 1, 2006

(2) District Assessed Value located in more than one County

(Source: State of Colorado 2005 Department of Local Affairs Division of Property Taxation)

Denver Convention Center Hotel Authority

The City determined that construction of a new convention center headquarters hotel across the street from the Colorado Convention Center would result in economic benefits to the City, including improved coordination of event bookings at the Convention Center and the generation of additional tax revenues, employment opportunities and economic activity related to the construction and operation of the hotel. 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. 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 proposed financing. However, the City entered into an Economic Development Agreement that grants numerous economic benefits to the City from the construction and operation of the hotel. In consideration of these benefits, the City agreed, subject to annual appropriation by the City Council, to make Economic Development Payments as indicated in Table 16 below. The Economic Development Agreement is subject to termination on December 31, 2006 and each December 31 thereafter according to its term and expires no later than December 31 of the thirty-fifth calendar year after the opening of the Denver Convention Center Hotel.

TABLE 16

DENVER CONVENTION CENTER HOTEL
ECONOMIC DEVELOPMENT PAYMENTS

On or Before the 14th Day Prior to the Following Date:	**Amount**
December 1, 2006	$2,500,000
June 1, 2007	3,250,000
December 1, 2007	3,250,000
June 1, 2008	4,000,000
December 1, 2008	4,000,000
June 1, 2009	4,250,000
December 1, 2009	4,250,000
June 1, 2010	4,500,000
December 1, 2010	4,500,000
June 1, 2011	4,375,000
December 1, 2011	4,375,000
June 1, 2012	4,625,000
December 1, 2012	4,625,000
June 1, 2013	4,500,000
December 1, 2013	4,500,000
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 ("DERP"); however, employees of the police department, fire department, and the Denver Water Board are covered by separate retirement systems.

City Employees. DERP is a single employer defined benefit pension plan established by the City to provide pension benefits for its employees. 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 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 employees who were members of DERP.

DERP membership consisted of the following as of December 31, 2004 and 2005:

	2004	2005
Retirees and beneficiaries currently receiving benefits	5,678	6,002
Deferred Retirement Option Plan (DROP) participants	522	303
Terminated employees entitled to benefits but not yet receiving such benefits	3,055	3,155
Current employees:		
Vested	6,283	6,657
Non-vested	2,351	2,075
TOTAL	17,889	18,192

DERP provides retirement benefits plus death and disability benefits. Employees who retire at or after age 65 (or age 55 if the sum of age plus credited service is 75 or more) are entitled to a retirement benefit in an amount equal to from 1.5% to 2.0% of their average monthly salary, for each year of credited service, payable monthly for life. The average salary is based on the employee's highest salary in a 36-consecutive-month period of credited service. Employees with five years of credited service who do not qualify for full retirement may retire at or after age 55 and receive a reduced retirement benefit. The vesting requirement is five years of credited service. Benefit and contribution provisions are established by the City Council, which acts upon the recommendation of DERP's governing board as accompanied by an independent actuarial analysis.

DERP's funding policy provides for annual employer contributions at rates determined by an independent actuary, which when expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Beginning January 1, 2005, the City employees' contribution was changed from 2.0% to 2.5% and the City's contribution was changed from 8.0% to 8.5% of the salary of covered employees. As of December 31, 2005, the total net plan assets were $1,798,484,181. Per DERP's independently audited 2005 Comprehensive Financial Annual Report, as of January 1, 2005, the most recent valuation, 99.1% of the plan's accrued liabilities were covered by valuation assets.

State of Colorado - Fire and Police Pension Plan. 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 State of Colorado - Fire and Police Pension Plan ("State Plan"), a cost sharing multiple-employer public employee retirement system. The State 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 State Plan before March 1, 1981. Both the Old Hire Police Pension Plan and the Old Hire Firefighters Pension Plan are affiliated with FPPA, and the FPPA manages investments, and administers the contributions to and distributions from, these 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.

All full-time City police officers and firefighters in the classified service contribute to the plans at a rate of 8% of base salary, and the City contributes a matching 8% of salary to the Police and Firefighters Pension Plans (Old Hire Plans and State Plan). In order to pay off the unfunded liability that exists for the Old Hire Plans, the City is required to provide level dollar funding at a minimum of $27,894,000 each year until there is no longer any unfunded actuarial liability for Old Hire Police and Old Hire Firefighters Pension Plans. The State of Colorado is assisting Denver in paying off the unfunded liability. For 2005, the State did not provide any contribution and any future State funding for unfunded liabilities was deferred until 2006. On or about April 30, 2006, the State resumed its annual contributions with a $9.4 million contribution for the Old Hire Police Pension Plan. For 2005, the City provided an annual contribution of $41,116,000 including deductions taken from employees. There are no long-term contracts for contributions to the State Plan.

Water Board Retirement Plan. The Water Board Retirement Plan ("Board Plan") is a defined benefit, single-employer, and noncontributory plan covering substantially all permanent full-time employees of the Water Board. The Board Plan benefits are integrated with Social Security benefits.

LEASE PURCHASE AGREEMENTS

Certificated Lease Purchase Agreements

The City has utilized lease purchase transactions whereby an independent lessor sells Certificates of Participation (COPs) which represent 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 from specified remedies. If appropriated for the applicable fiscal year, the City has the obligation to pay the related lease agreement rentals for that fiscal year.

Certificated Lease Purchase Agreements. Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal outstanding on these transactions as of December 31, 2005 is summarized in Table 17.

TABLE 17

SCHEDULE OF LEASE PURCHASE TRANSACTIONS AND RELEASE DATES

Series	Outstanding Principal Amount (As of 12/31/05)	Leased Property	Release Dates
1995A	$ 560,000	City Office Building for Information Services and other City departments	January 1, 2014
1995B	285,000	City Office Building for Central Services and other City departments	January 1, 2009
2001A	12,255,000	2000 W. 3rd Avenue – Wastewater Building	December 1, 2017
2001B	26,210,000	5440 Roslyn – Fleet Maintenance Facility, Fire Stations #1, #10 & #15, and 2 Fire Trucks	December 1, 2016
2001C	14,265,000	African American Research Library	December 1, 2021
2002A-B	16,035,000	Denver Cultural Center Parking Garage	December 1, 2021
2003A	5,115,000	Cherry Creek North Parking Garage	December 1,2017
2003B	54,230,000	Buell Theatre, Jail Dorm Bldg	December 1, 2023
2003C1-C3	250,730,000	Wellington E. Webb Office Building	December 1, 2029
2005A	55,985,000[1]	Human Services Campus	May 1, 2020
TOTAL:	$435,670,000		

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[1] In August 2005, all of the outstanding 1996-2000 Master Indenture Certificates were advance refunded with the proceeds of Refunding Certificates of Participation, Series 2005A.

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 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.

Summary of 2005

In 2005, Denver Water implemented a number of capacity-planning, conservation, and efficiency efforts that are expected to ultimately improve its ability to serve its growing customer base more reliably and efficiently. Also in 2005, Denver Water initiated the following:

- Began Recalibrating its 10-year water sales forecasts and the related cost-planning models

- Started construction of the Gross Reservoir hydroelectric project

- Designed several key water-distribution system additions, rolled out improvements to its water-treatment capabilities

- Continued work related to the Moffat Collection System Project

Also, Denver Water realized marked improvements in its reservoir levels. The diligent efforts of its customers to reduce their water consumption, combined with cool and wet weather, good soil moisture content and healthy stream flows, resulted in a total reservoir capacity of 97 percent, slightly more than the historical average peak of 94 percent. Additionally, 2005 water sales were not only below the amount forecasted, but 20 percent below historical norms, These reduced sales demonstrate Denver Water's customers are reducing their long-term demand patterns and that the utility must be prepared to meet the challenges such changes could bring.

Denver Water Board - Service Area

Water rates are based on three types of retail metered service: Inside City, Outside City Read and Bill, and Outside City Total Service.

- Outside City Total Service – This refers to areas outside the City where Denver Water is responsible for water delivery, reading meters and billing customers, as well as the operation and maintenance of the distribution system

- Outside City Read and Bill – This refers to areas outside the City where Denver Water is responsible for water delivery to a distributor and for reading individual meters and billing, but not for the operation and maintenance of the distribution system

- Outside City Master Meter – This refers to Distributors (water districts outside the City) that own and operate their own water system, perform their own meter reading and customer billing and who purchase water on a wholesale basis for distribution to their respective retail customers. As of December 31, 2005, wholesale water distributor contracts accounted for 21.5% of total water consumption

- Inside City – This service refers to all water users inside the City and County of Denver

A variation to the standard "Total Service" contract is the Total Service Improvement contract pursuant to which a distributor whose system does not currently meet Denver Water engineering standards may request to enter into a "Total Service" contract that includes special provisions for Denver Water to take control of the distributor's existing water system and upgrade it to meet Denver Water engineering standards. A surcharge is assessed to each customer within the distributor's service areas to pay for the improvements.

Total acreage served by Denver Water as of December 31, 2005 was as set forth below.

SERVICE AREA

	Undeveloped Acres	Developed Acres	Total Acres
Outside City			
Total Service	3,989.12	22,149.79	26,138.91
Read & Bill	4,676.17	27,217.47	31,893.64
Master Meter	14,903.11	42,899.46	57,802.57
Inside City	24,749.35	74,213.85	98,963.20
Total	48,317.75	166,480.57	214,798.32

The number of customer accounts served by Denver Water and its master meter customers as of December 31, 2005 was as follows:

NUMBER OF CUSTOMER ACCOUNTS

	Number of Accounts
City	156,984
Treated Water Contract Area:	
Master Meter	76,148
Total Service	35,793
Read & Bill	35,558
Total Customer Accounts	304,483

Denver Water does not depend on any one customer or any group of customers for a major portion of its revenue. The twenty-five largest customers of the system accounted for only 5.11% of treated water sales revenue received in fiscal year 2005.

TABLE 18

TOTAL TREATED WATER CONSUMPTION FOR THE PERIOD 1996 - 2005

	Millions of Gallons				
Year	Annual	Daily Average	Daily Maximum	Estimate of Population Served July 1[1]	Average Daily Gallons Per Capita
1996	76,203.96	208.21	456.99	966,000	216
1997	75,363.33	206.47	517.57	980,000	211
1998	77,475.48	212.26	512.53	996,000	213
1999	75,232.01	206.12	475.66	1,012,000	204
2000	83,585.25	228.38	478.19	1,036,000	220
2001	81,054.72	222.07	488.71	1,052,000	211
2002	75,221.18	206.09	419.20	1,076,000	192
2003	65,399.47	179.18	370.05	1,081,000	166
2004	60,578.77	165.52	340.92	1,104,000	150
2005	68,473.70	187.60	424.80	1,115,000	168

[1] Population estimates are for treated water customers only and are interpolated from an analysis of the 2000 census. Data has been revised from prior years, due to the availability of new census data.

Denver Water Board – Debt Structure

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. Prior to this amendment, the Board was authorized to issue both general obligation bonds and revenue bonds, both subject to prior approval of the City's electorate, except for refunding bonds. The outstanding General Obligation Bonds are backed by the Board's irrevocable commitment to pay principal and interest from the revenues of the system. Water bonds are excluded from the debt limitations of the City.

The following table shows outstanding General Obligation and Water Revenue Bonds as of December 31, 2005.

TABLE 19

BOARD OF WATER COMMISSIONERS
GENERAL OBLIGATION AND WATER REVENUE BONDS
Outstanding at December 31, 2005
($ in thousands)

		Amount		
Date of Issue	**Interest Rates on Bonds Outstanding**	**Issued**	**Retired**	**Outstanding**
General Obligation Bonds				
Series 1996	5.00-5.375%	$ 16,975	$ (15,035)	$ 1,940
Series 1997	4.60-5.50%	19,530	(14,640)	4,890
Series 1999	5.50-6.00%	14,530	-	14,530
Series 2000	4.80-5.50%	12,700	(9,455)	3,245
Series 2001A	4.00-4.70%	11,215	(2,605)	8,610
Series 2001B	4.00-5.00%	75,170	(17,415)	57,755
Series 2002	2.25-4.50%	11,610	(2,240)	9,370
Total General Obligation Bonds		$ 161,730	$ (61,390)	$ 100,340
Water Revenue Bonds				
Series 2003A	2.50–5.00%	$ 50,000	$ (200)	$49,800
Series 2003B	2.50-5.00%	77,155	(9,060)	68,095
Series 2004	3.00-5.50%	43,655	(460)	43,195
Series 2005	3.25-5.25%	30,000	-	30,000
Total Water Revenue Bonds		$ 200,810	$ (9,720)	$ 191,090

Denver Water issued $30,000,000 in water revenue bonds in July 2005, to reimburse amounts advanced by the Board for acquisition, construction, and installation of capital improvements to the Water Works System and Plant.

Denver Water Board - Lease Purchase Agreements

The Board also uses capital leases to finance facilities and equipment and expects to pay annually appropriated lease purchase rental payments from revenues derived from the City's water system.

The Board entered into an annually renewable Master Lease Purchase Agreement (the "MLPA") in 1987 with the Denver Capital Leasing Corporation (DCLC"), a nonprofit corporation organized in accordance with State law to facilitate financing of certain capital projects. DCLC assigned its interest in the MLPA to a trustee, and certificates of participation in the MLPA were issued. As of December 31, 2005 the principal component of the lease payments remaining under the MLPA were $49,755,000, payable through 2016.

In 1992, the Board entered into an agreement amending the lease agreement of 1987 with the Colorado River Water Conservation District ("CRWCD") for construction of a dam and reservoir by CRWCD. The project was completed in the fall of 1995. Total minimum lease payments under the lease are $43,500,000 through 2020. The present value of the minimum lease payments as of December 31, 2005, net of interest, was $27,471,000. At the end of the lease term, the CRWCD is to convey to the Board 40% of the storage capacity of the reservoir and 40% of the related water rights.

Denver Water Board - System Development Charges and Participation Receipts

In addition to operating revenues and bond proceeds, funds are generated from (1) System Development Charges, which are fees received for new connections to Denver Water's system, and (2) Participation Receipts, which are contributions paid by developers for the cost of specific facilities (e.g. distribution and transmission mains, pump stations and clear water reservoirs) to provide their developments with water service.

The System Development Charge (SDC), instituted in 1973, has provided a major source of funds for capital expenditures, although not legally restricted for such use. Since 1973, Denver Water has collected approximately $509 million in SDCs. This charge applies to any applicant who is granted a license to take water through Denver Water's system or through a system deriving its supply from Denver Water. This charge is assessed upon application for a new tap and is based upon the (i) gross square footage of the single-family residential lot, (ii) the number of units in a multiplex building up to five units, or (iii) the size of the connections required. The Board reviews the adequacy of the SDC on an annual basis.

Participation Receipts have been a source of funds since 1974. Developers are required to participate in the front-end financing of facilities necessary to meet their specific needs. Total participation receipts of approximately $122.7 million have been collected since inception.

TABLE 20

SYSTEM DEVELOPMENT CHARGES
AND PARTICIPATION RECEIPTS 1973-2005
(Cash Basis - Net of Refunds)

	System Development Charges[1]	Participation Receipts
2005	$ 26,256,752	$ 1,849,613
2004	24,833,961	2,228,550
2003	19,614,948	2,831,285
2002	36,590,914	5,567,014
2001	22,186,342	7,026,906
2000	25,525,391	6,392,360
1999	24,223,691	11,963,951
1998	33,155,890[2]	8,411,534[2]
1997	45,058,104[3]	3,732,524
1996	15,137,300	2,913,102
1973-1995	236,664,900	69,762,300
Total	$509,248,193	$122,679,139

1 The System Development Charge receipts are permitted to be used to retire bond obligations of the Denver Water Board.

2 The 1998 amount includes $12,961,000 of pre-paid SDCs and $3,169,100 of pre-paid Participation Receipts related to the Board's planned construction of a plant to supply non-potable reuse water.

3 The 1997 amount includes $22,290,000 of pre-paid SDCs paid in advance by entities that chose to avoid the Board's 5% rate increase effective January 1, 1998.

SYSTEM DEVELOPMENT CHARGES
(As of December 31, 2005)
$/TAP

	Treated Water	
	Inside Denver	**Outside**
Sing1e Family Residential Taps[1]		
Base charge per residence	$ 1,650	$ 2,300
Charge per square foot gross lot size	$ 0.37	$ 0.52
Multi-family Residential Taps[2]		
Base charge for duplex or first two household units (served through a single tap)	$ 6,200	$ 8,700
Charge for each additional household unit above two units (served through a single tap)	$ 1,350	$ 1,900

All Other Taps[3]	**Treated Water Service**		**Raw Water Service**	
Size of Connection:	Denver	Outside City	Inside	Outside
¾”	$ 4,600	$ 6,450	$ 2,900	$ 4,050
1”	13,800	19,350	8,700	12,150
1½”	27,600	38,700	23,200	32,400
2”	41,450	58,050	37,700	52,650
3”	101,200	141,900	63,800	89,100
4”	179,400	251,550	95,700	133,650
6”	308,200	432,150	197,200	275,400
8”	414,000	580,500	255,200	356,400
10”	524,400	735,300	327,700	457,650
12”	639,400	896,550	466,900	652,050
Acre Foot Conversion ($/AF)				
Inside the Combined Area	$ 10,050	$ 14,050	$ 6,285	$ 8,800
Outside the Combined Area		$ 14,675		$ 9,200

[1] Licenses for single family residential taps within the City and Denver Water Service Areas, including applicable special contracts.

[2] Licenses for multi-family residential taps within the City and Denver Water Service Areas, including applicable special contracts.

[3] Licenses for all other taps within the City and Denver Water Service Areas, including applicable special contracts.

TABLE 21

HISTORY OF INCREASES OF SYSTEM DEVELOPMENT CHARGES (first implemented in 1973)

Date	Incremental Increase[1]
April 1, 1975	50.0%
April 16, 1976	50.0
January 1, 1980	50.0
February 1, 1982	50.0
January 1, 1986	7.0
January 1, 1998	5.0
January 1, 1999	5.0
January 1, 2001	9.0
December 18, 2002	10.0
October 22, 2003	20.0
January 31, 2005	9.0

[1] Percentage change for residential service

RECEIPTS AND EXPENDITURES
BUDGET TO ACTUAL COMPARISON 2001 - 2005 AND 2006 BUDGET (CASH BASIS)
(amounts expressed in thousands)

	2001		2002		2003		2004		2005		2006
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
BEGINNING CASH & INVESTMENTS	$165,594	$165,594	$ 186,755	$ 186,755	$ 156,540	$ 156,540	$ 156,540	$ 156,540	$ 154,996	$ 155,626	$159,276
RECEIPTS FROM:											
Sale of water	139,465	149,188	148,785	146,210	133,065	131,038	133,065	131,038	169,492	157,902	164,333
Drought Surcharge	-	-	-	776	11,043	8,001	11,043	8,001	(2,657)	68	
Nonoperating, interest & other	16,746	16,671	12,111	16,480	16,695	13,683	16,695	13,683	15,202	12,391	14,976
System development charges	21,300	22,259	27,446	36,644	23,783	19,649	23,783	19,649	22,586	26,280	25,654
Tap Surcharge	-	-	-	1,333	4,583	1,641	4,583	1,641			
Developer participation (new facilities)	3,915	7,034	3,918	5,573	2,115	2,835	2,115	2,835	2,593	1,850	4,978
Reimbursements & grants	1,637	6,802	152	1,881	3,123	3,420	3,123	3,420	450	762	2,705
Subtotal	183,063	201,954	192,412	208,897	194,407	180,267	194,407	180,267	207,666	199,253	212,646
Sale of bonds	11,159	32,658	27,395	11,393	40,500	132,438	40,500	132,438	25,000	30,500	40,000
Total receipts	194,222	234,612	219,807	220,290	234,907	312,705	234,907	312,705	232,666	229,753	252,646
LESS EXPENDITURES FOR:											
Operations, maintenance & refunds	82,059	85,375	91,297	95,453	97,006	105,463	97,006	105,463	107,294	111,379	116,770
Debt service	31,629	31,780	32,712	35,258	33,630	71,338	33,630	71,338	44,428	44,732	47,398
Subtotal	113,688	117,155	124,009	130,711	130,636	176,801	130,636	176,801	151,722	156,111	164,168
Capital improvements (new facilities)	74,508	69,761	78,240	81,421	91,228	100,017	91,228	100,017	43,325	30,848	50,400
System replacements	13,688	11,238	15,308	18,828	13,950	12,559	13,950	12,559	21,074	19,055	21,289
Equipment	8,298	6,604	10,069	8,834	7,264	5,528	7,264	5,528	12,878	8,334	13,853
Subtotal	96,494	87,603	103,617	109,083	112,442	118,104	112,442	118,104	77,277	58,237	85,542
Indirects to capital	9,884	9,750	9,955	10,711	11,023	10,935	11,023	10,935	11,381	11,755	11,990
Total expenditures	220,066	214,508	237,581	250,505	254,101	305,840	254,101	305,840	240,380	226,103	261,700
DIA Market Adjustment	-	-	-	1,057	-	-	-	-	-	-	-
ENDING CASH & INVESTMENTS	$139,750	$185,698	$ 168,981	$ 157,597	$ 137,346	$ 163,405	$ 137,346	$ 163,405	$ 147,282	$ 159,276	$150,222

GENERAL EXPLANATION OF VARIANCES:

Variances in operating receipts are generally due to abnormal climatic conditions.
Variances in system development charges are generally related to levels of activity in the home building industry.
Variances in capital improvements are generally due to changes in project scheduling.
2005 Capital Expenditures were less than budgeted as a result of 18 projects being delayed in anticipation of revenues shortfalls in the summer.
Cash and investments do not agree with amounts on the Statements of Net Assets.

WASTEWATER MANAGEMENT SYSTEM

The Wastewater Management Enterprise Fund ("Wastewater") was established by the City on January 1, 1967 to account for the sanitary sewer and storm operations of the City. The City's wastewater collection facilities consist of over 1,500 miles of sanitary sewer lines of various composition, ranging in size from 6" to 60" in diameter and over 550 miles of storm drainage. Denver's system utilizes gravity flow and lift stations; four sanitary sewer lift stations and three storm sewer lift stations are currently in service.

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 expansion program.

In April 2002, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued Wastewater Revenue Bonds in the principal amount of $30,700,000, the proceeds of which were used to finance improvements to the storm drainage facilities. The bonds are not general obligations of the City and are payable solely from revenues derived by the City from its storm drainage and sanitary sewerage facilities. As of December 31, 2005, the outstanding principal amount of these bonds is $28,655,000.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 152,000 customers. Of this amount, approximately 140,600 (92.5%) are residential customers; approximately 11,400 (7.5%) are commercial customers.

Metro Wastewater Reclamation District. The sewage carried by the 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 22 presents historical data between 2001 and 2005 relating to the Sewage District's total annual charges to Wastewater.

TABLE 22

HISTORICAL METRO ANNUAL CHARGES

	2001	**2002**	**2003**	**2004**	**2005**
Total Enterprise Operating Expense	$55,487,794	$60,363,565	$64,949,037	$66,725,848	$60,032,660
Metro Annual Charge[1]	$22,550,600	$23,566,979	$24,585,451	$24,769,816	$23,516,528
Metro Annual Charge as a Percentage of Total Operating Expense	41.40%	39.04%	37.85%	37.12%	39.17%
Year-to-Year Metro Annual Charge Increase (Decrease)	3.03%	4.51%	4.32%	0.75%	(5.06)%
Cumulative Metro Annual Charge (Decrease)	(4.17)%	.15%	10.16%	12.21%	7.44%

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

(Source: Wastewater Management Financial Statements for Years Ended December 31, 2005 and 2004)

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 23

HISTORICAL ACCOUNT INFORMATION

Years (December 31)	**Storm Accounts**	**Sanitary Sewerage Accounts**
1996	140,464	137,647
1997	141,273	138,346
1998	142,500	139,221
1999	143,372	141,488
2000	144,757	142,595
2001	146,413	144,115
2002	146,694	145,120
2003	148,755	146,901
2004	150,738	148,165
2005	152,127	149,266

Storm Drainage Service Charge. The City imposes a storm drainage service charge on every lot or parcel of land within the City and the owners thereof. 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 Manager of the Department 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. Following is a table showing the current and approved future rates for each ratio group:

TABLE 24

APPROVED CURRENT AND FUTURE RATES

Ratio Group	Rate 2005	Rate 2006 and Thereafter
0 to .10	$1.20	$1.44
.11 to .20	1.51	1.81
.21 to .30	1.82	2.18
.31 to .40	2.15	2.58
.41 to .50	2.46	2.95
.51 to .60	2.46	2.95
.61 to .70	2.78	3.34
.71 to .80	3.10	3.72
.81 to .90	3.41	4.09
.91 to 1.00	3.73	4.48

The rate for the lot's 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 $73.80 ($2.46 x 3,000/100). Notwithstanding any circumstances where a lot or parcel would be charged a service charge of less than $10.26 under this method of calculation, a minimum storm drainage service charge of $10.26 is imposed on each lot or parcel within the City. 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.

In December 2001, the City adopted by ordinance a revised fee schedule for the storm drainage service charges whereby such storm drainage service charges are to be increased annually for four years with the initial increase effective as of January 1, 2002 and the final increase effective as of January 1, 2005 and thereafter. A subsequent ordinance adopted by City Council postponed the rate increase for 2005. The rate increase was effective January 1, 2006.

Wastewater Management Division Enterprise Fund Budgets

The following table sets forth the major items of revenues and expenditures included in the 2004 revised and the 2005 budgets of the Wastewater Management Division Enterprise Fund.

TABLE 25

WASTEWATER ENTERPRISE BUDGETS

	2005 Adjusted Budget	2006 Budget
Operating Revenue		
Charges for Services	$71,400,000	$71,600,000
Other	1,376,000	975,000
Total Operating Revenue	72,776,000	72,575,000
Operating Expenses		
Personnel Services	19,802,000	21,806,000
Contractual Services	17,243,000	18,944,000
Supplies and Materials	1,407,000	1,591,000
Payments To Metro Wastewater and Other Districts	26,810,000	26,810,000
Total Operating Expenses	65,262,000	69,151,000
Operating Income (loss)	7,514,000	3,424,000
Other Income (Expense)		
Earnings on investments	2,391,000	3,000,000
Debt interest payments	(1,389,000)	(1,352,000)
Bond principal payment	(1,045,000)	(1,090,000)
Purchase of capital equipment	(1,190,000)	(908,000)
Total Other Income	(1,233,000)	(350,000)
Modified Net Income	$ 6,281,000	$ 3,074,000

(Source: Wastewater Management Division Enterprise Department of Finance)

Operating History

Historical Wastewater Management Fund Information. Denver operates and accounts for its wastewater system through an enterprise fund. A five-year comparative statement of Denver's Wastewater Management Fund revenues, expenses and resulting changes in retained earnings as reported in Denver's audited comprehensive annual financial reports for fiscal years 2001 through 2005 is set forth in the following table.

TABLE 26

WASTEWATER MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the years ending December 31
($ in thousands)

	2001[1]	2002[1]	2003	2004	2005
OPERATING REVENUES					
Sanitary Sewer Charges	$50,228	$50,302	$49,162	$47,216	$47,014
Storm Drainage Fees	11,578	13,811	18,191	19,876	23,206
TOTAL OPERATING REVENUES	61,806	64,113	67,353	67,092	70,220
OPERATING EXPENSES					
Personnel services	15,319	16,642	17,965	17,404	16,711
Contractual services	7,391	8,021	12,163	14,297	7,373
Supplies	497	1,812	583	685	714
Materials	688	409	332	399	492
Utilities	238	220	255	234	327
Depreciation and amortization	7,309	8,080	9,028	8,889	10,495
Payments to Metro Wastewater Reclamation District	24,046	25,180	24,633	24,818	23,921
TOTAL OPERATING EXPENSES	55,488	60,364	64,959	66,726	60,033
Operating income (loss)	6,318	3,749	2,394	366	10,187
NONOPERATING REVENUES (EXPENSES)					
Investment income	5,343	3,313	700	2,040	3,337
Interest Expense	(106)	--	(197)	(2,027)	(252)
Gain (loss) on disposition of assets	151	6	90	24	376
TOTAL NONOPERATING REVENUES (EXPENSES)	5,388	3,319	593	37	3,462
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	11,706	7,068	2,987	403	13,649
Capital Contributions	8,804	7,358	13,689	13,509	10,727
Transfers Out	(1,500)	(1,000)	(1,500)	(340)	0
CHANGES IN NET ASSETS	19,010	13,426	15,176	13,572	24,376
RETAINED EARNINGS, JANUARY 1					
NET ASSETS, JANUARY 1	331,121	350,131	363,557	378,733	392,305
NET ASSETS, DECEMBER 31	$350,131	$363,557	$378,733	$ 392,305	$ 416,681

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[1] Wastewater has adopted a new financial reporting model as promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, although not required, Wastewater has restated its 2001 financial information for purposes of providing comparative information with 2002.

(Source: Wastewater Management Enterprise Fund, Basic Financial Statements, 2001 – 2005)

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	Net Pledged Revenues	Maximum Annual Debt Service Requirement	Debt Service Coverage Ratio
2001	$18,864,253	$2,484,444	7.59
2002	14,297,000	2,484,444	5.75
2003	11,925,114	2,484,444	4.80
2004	9,266,964	2,484,444	3.73
2005	23,767,087	2,484,444	9.57

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan. The Enterprise continuously reviews its future capital needs through staff observation and customer and community feedback. Once needs are identified, a study is initiated which may result in a recommendation for a capital improvements project. Recommended projects are incorporated into the Six-Year Capital Needs Assessment. The timing and priority for implementation of recommended projects within the Six-Year Capital Needs Assessment 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 Enterprise is continuously implementing the results of this process in its capital improvements plan. The following schedule provides the Enterprise's currently proposed capital improvements plan expenditures for the years 2006-2012:

PROPOSED CAPITAL EXPENDITURES

FOR 2006 THROUGH 2012
($ in thousands)[1]

Project Description	2006	2007	2008	2009	2010	2011	2012
Storm Drainage							
Annual Programs[1]	$ 4,000	$ 3,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Identified Projects	11,750	17,724	22,210	22,108	19,205	18,950	17,950
Subtotal	15,750	20,724	24,210	24,108	21,205	20,950	19,950
Sanitary Sewerage	6,076	10,950	9,900	10,250	10,250	10,250	10,250
Total	$21,826	$31,764	$34,110	$34,358	$31,455	$31,200	$30,200

[1] Annual programs consist of alley restoration; replacement of curbs, gutters and cross pans; and minor ongoing local and neighborhood capital improvements.

(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 "Department"). In 2005, the Airport System was headed by the Co-Managers of Aviation who report directly to the Mayor. The senior management team was further comprised of four deputy managers.

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 passenger terminal complex consists of (1) a landside terminal, (2) three airside concourses providing 93 full service jet gates and 55 commuter aircraft parking positions and (3) the Airport Administration Building.. The Airport has six runways – four oriented north-south and two oriented east-west. The sixth runway can accommodate the new generation of large aircraft, including the Airbus A-380.

Airport System Aviation Activity

Located close to the geographic center of the United States, Denver has long been a major transportation hub. Airline service within the United States is provided non-stop between Denver and more than 100 cities. Denver's natural geographic advantage as a connecting hub location has been enhanced by the capability of the Airport to accommodate aircraft landings and takeoffs in virtually all weather conditions. In 2005, the Airport had approximately 21.7 million enplaned passengers, of which approximately 55.2% originated their travel at the Airport and 44.8% were passengers making connecting flights at the Airport. Currently more than 30 airlines provide scheduled passenger service at the Airport: 15 major/national airlines, 11 regional/commuter airlines, and 4 foreign-flag airlines. In addition, several passenger charter and all-cargo airlines, including ABX Air, Inc., Air Transport International, LLC (formerly BAX Global Inc.), DHL Worldwide Express, FedEx, Kitty Hawk Airlines and UPS Air Cargo, provide service at the Airport.

According to the Airports Council International, in 2005 the Airport was ranked as the sixth busiest airport in the nation and the eleventh busiest airport in the world based on total passengers. As shown in Table 27, below, in 2004, the Airport experienced an increase of 12.7% representing approximately 21.1 million enplaned passengers and in 2005 the increase was 2.6% representing approximately 21.7 enplaned million passengers. The totals include activity data for major/national airlines, regional/commuter airlines and charter and other airlines

Information contained in Tables 27, 28, and 29 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 of 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 27

AIRPORT SYSTEM
HISTORICAL ENPLANED PASSENGERS
BY MAJOR AIRLINE CATEGORY
2001-2005[1]

Year	Major/ National Airlines	Percent Change	Regional/ Commuter Airlines	Percent Change	Charter/ Misc. Airlines	Percent Change	Totals	Percent Change
2001[2]	17,248,634	(7.7)%	463,677	20.0%	333,798	3.6%	18,046,109	(6.9)%
2002[3]	16,891,218	(2.1)	669,432	44.4	268,914	(19.4)	17,829,564	(1.2)
2003	17,192,825	1.8	1,395,391	108.4	172,663	(35.8)	18,760,879	5.2
2004[4]	18,296,498	6.4	2,623,675	88.0	223,908	29.7	21,144,081	12.7
2005[4]	18,278,079	(0.1)	3,221,623	22.8	202,273	(9.7)	21,701,975	2.6

[1] Includes revenue and non-revenue enplaned passengers.

[2] Midway Airlines filed for bankruptcy protection in August 2001 and ceased operations.

[3] Vanguard Airlines filed for bankruptcy protection on July 30, 2002, and ceased operations. United Airlines filed for bankruptcy protection on December 9, 2002, and is continuing operations. US Airways, filed for bankruptcy protection in August 2002, emerged from bankruptcy protection in March 2003 and re-filed for bankruptcy protection on September 12, 2004.

[4] Includes Ted low-fare unit of United Airlines beginning in 2004.

(Source: Department of Aviation management records)

The following table shows enplaned passengers for individual airlines serving the Airport System for 2004 and 2005, and comparative market share information based on enplaned passengers for such periods.

TABLE 28

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS BY AIRLINE

Airline	2004 Percent of Total	2005 Percent of Total
United[1]	41.6%	35.8%
Ted[1]	6.3	7.8
United Express	11.1	12.8
	59.0%	56.4%
Frontier Airlines	14.8%	17.3%
Frontier JetExpress	1.8	2.2
	16.6%	19.4%
American Airlines	3.7%	4.1%
America West	1.9	1.7
Continental	2.3	2.4
Delta Airlines[2]	3.7	3.4
Northwest[3]	2.9	2.8
US Airways[1]	1.8	1.8
Other	8.1	8.0
	24.4%	24.2%
Totals	100.0%	100.0%

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[1] United filed for bankruptcy protection in December 2002, and is continuing operations. US Airways filed for bankruptcy protection in August 2002, and emerged from bankruptcy protection in March 2003 and re-filed for bankruptcy protection on September 12, 2004.

[2] Delta filed for bankruptcy protection in September 2005 and is continuing operations. The City has filed a tax claim in the amount of $283,643. Delta has assumed its use and lease agreement, which provides for payment of taxes in full.

[3] Northwest filed for bankruptcy protection September 2005 and is continuing operations. The City has filed a tax claim in the amount of $690,295. Northwest to date has neither assumed nor rejected its use and lease agreement.

(Source: Department of Aviation management records and Denver City Council records and United Sates Bankruptcy Court records)

The following table sets forth a summary of all of the aviation activity at the Airport for the period 2001 through 2005.

Table 29

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

	2001	2002	2003	2004	2005
Enplaned Passengers:					
United	10,575	9,732	9,575	8,802	7,775
Ted[1]	--	--	--	1,340	1,690
United Express	1,490	1,431	1,721	2,337	2,776
Total United Group	12,065	11,162	11,295	12,479	12,241
Frontier	1,558	1,869	2,581	3,130	3,749
Frontier Jet Express	--	91	149	391	468
Total Frontier Group	1,558	1,960	2,730	3,521	4,217
Other	4,424	4,707	4,736	5,144	5,244
Total	18,046	17,830	18,761	21,144	21,702
Percent Change	(6.9)%	(1.2)%	5.2%	12.7%	2.6%
Total Originating Passengers	10,258	9,644	10,265	11,395	11,984
Percent Originating	56.8%	54.1%	54.7%	53.9%	55.2%
Total Connecting Passengers	7,788	8,186	8,496	9,749	9,718
Percent Connecting	43.2%	45.9%	45.3%	46.1%	44.8%
United Group Passengers[1]					
Percent Originating	40.0%	37.0%	35.3%	36.0%	39.5%
Percent Connecting	60.0%	63.0%	64.7%	64.0%	60.5%
Frontier Group Passengers					
Percent Originating	73.2%	64.5%	65.9%	59.4%	54.0%
Percent Connecting	26.8%	35.5%	34.1%	40.6%	46.0%
Average Daily Departures:					
Passenger Airlines:					
United and Ted	267	244	233	238	213
United Express	175	113	119	156	182
Frontier	53	68	80	94	108
Frontier JetExpress	--	8	11	21	25
Other	117	202	195	208	194
Total Passenger Airlines	613	635	638	719	722
All Cargo Airlines	28	23	29	31	30
Total	640	659	666	750	752
Percent Change	(5.3)%	2.9%	1.2%	12.8%	0.4%
Landed weight (billion pounds):					
Passenger Airlines:					
United and Ted	15.621	14.483	13.173	13.418	12.254
United Express	2.091	1.879	2.054	2.731	3.282
Frontier	2.204	2.907	3.630	4.434	5.222
Frontier JetExpress	--	140	181	526	616
Other	6.270	7.066	6.663	7.025	6.721
Total Passenger Airlines	26.186	26.474	25.701	28.134	28.094
All Cargo Airlines	1.624	1.567	1.495	1.516	1.542
Total	27.810	28.041	27.195	29.651	29.636
Enplaned Cargo (million pounds)[2]	367.012	328.078	326.843	321.204	312.662
Percent Change	(25.3)%	(10.6)%	(0.4)%	(1.7%)	(2.7%)
Total Aircraft Operations (Landings and Take-Offs):					
Air Carriers	352,033	338,049	323,610	330,674	384,552
Air Taxi, Commuter, Military and General Aviation	155,703	171,180	186,665	235,847	183,058
Total	507,736	509,299	510,275	566,521	567,610
Percent Change	(3.9)%	0.3%	0.2%	11.0%	0.2%

1 Ted commenced service at the Airport on February 12, 2004.

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

(Source: Department of Aviation Management records)

Factors Affecting the Airport

The Airport, like all major airports in the United States, was adversely affected by the terrorist events of September 11, 2001, economic conditions and other factors. While the effect of these factors, such as high operating costs, increasing aviation fuel costs and intense fare competition, on the Airport's airline tenants continues to linger, the Airport saw a recovery that gained momentum through the years 2004 and 2005.

Passenger traffic was up 2.6% in 2005 compared with a national average increase of 3.3% as reported by the U.S. Department of Transportation Bureau of Transportation Statistics. The December 2005 traffic level of over 3.5 million passengers, was the highest December in the Airport's history. Activity-based revenues at the Airport (e.g. landing fees, Passenger Facility Charges (PFCs), concession, car rental and parking revenues) increased 7.0% in 2005 compared to 2004, largely as the result of increases in passenger traffic.

Increased Security Measures

The Aviation and Transportation Security Act was enacted by Congress in November 2001, and, in part, formed the Transportation Security Administration (TSA), which has taken over responsibility from the airlines for passenger screening. TSA requires security awareness programs for airport employees and, after December 31, 2002, screening of all checked baggage by explosive detection systems. (EDS). It also requires operation of a system to screen, inspect, or otherwise, to ensure the security of all cargo. The Airport, like most of the nation's airports, was not supplied with a sufficient number of explosive detection systems by TSA by the December 31, 2002 congressionally mandated deadline. As a result, interim measures to screen all checked baggage were put in place and approved by the TSA. In June 2005 a fully automated EDS was installed and operational.

United Airlines (United)

United, one of the world's largest airlines, is the principal air carrier operating at the Airport. United Airlines operates a major connecting hub at the Airport under a use and lease agreement with the City that expires in 2025. United, together with its Ted low fare unit and its United express commuter affiliates, accounted for approximately 59% and 56% of passenger enplanements at the Airport in 2004 and 2005 respectively. United also accounted for approximately 63.9% and 61.0% of the airline rentals, fees and charges component of the Airport System's operating revenues, and approximately 36.3% and 35.0% of the Airport System's Gross Revenues, in 2004 and 2005, respectively. Of United's total enplanements in 2004 and 2005, approximately 36.0% and 39.5% thereof were originating passengers and approximately 64.6% and 60.5% thereof were connecting passenger. The Airport has been the second busiest airport in the route system of United in terms of enplaned passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.).

On December 9, 2002, UAL and 27 of its subsidiaries, including United, filed for bankruptcy protection under Chapter 11 of the Bankruptcy Code. The Chapter 11 filing permited United to continue operations while developing a plan of reorganization to address existing debt, capital and cost structures. The City filed bankruptcy claims against United in the approximate aggregate amount of $27.5 million in connection with pre-petition property taxes, use taxes, and occupational privilege taxes. United paid all taxes in the settled upon amount of $21.6 million on December 19, 2005. The UAL's SEC filings provide comprehensive financial, operational and other information concerning UAL and United, and investors are encouraged to review such filings.

For information relating to the use and lease agreements for the Airport between the City and United as of August 9, 2006, see the Official Statement of the City For And On Behalf Of It's Department Of Aviation provided in connection of it's Airport Revenue System Revenue Bonds, Series 2006A filed with the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and currently available at "www.flydenver.com/biz/stats/index.asp".

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 specific facilities on airport premises. The repayment of these bonds is the sole responsibility of United. Since entering bankruptcy protection, United has refused to make interest payments on these bonds. In April, 2004, the Federal bankruptcy judge, saying that DIA's arrangement is a true lease, ruled that United must resume making payments on the $261 million in bonds issued to build facilities at DIA. The judge also ordered that United make future payments in order to keep occupying a 498,000 square foot maintenance hangar and other special facilities at DIA. United appealed this decision; however, the City was upheld in that appeal. United has publicly stated it will not pursue further appeal.

Frontier Airlines

Frontier has the second largest market share at the Airport, which serves as Frontier's primary hub. The Frontier Group, consisting of Frontier and its Frontier JetExpress commuter affiliate, accounted for approximately 16.7% and 19.4% of passenger enplanements at the Airport in 2004 and 2005 respectively. The Frontier Group also accounted for approximately 10.3% and 12.1% of the airline rentals, fees and charges component of the Airport System's operating revenues, and approximately 6.1% and 6.9% of the Airport System's Gross Revenues, in 2004 and 2005, respectively. Of the Frontier Group's total enplanements in 2004 and 2005, approximately 59.4% and 54.0% thereof were originating passengers and approximately 40.6% and 46.0% thereof were connecting passenger.

Except for the United Group and the Frontier Group, no airline accounts for more than 10% of either passenger enplanements at the Airport, the airline rentals, fees and charges component of the Airport System's operating revenues of the Airport System's Gross Revenues.

Other Passenger Airline Information

For information relating to other passenger airline information as of August 9, 2006 see the Official Statement of the City For And On Behalf Of It's Department Of Aviation provided in connection of it's Airport Revenue System Revenue Bonds, Series 2006A filed with the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs) and currently available at "www.flydenver.com/biz/stats/index.asp".

Airport System Aviation Activity

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. Denver's central geographic location has made it a major destination point for communities throughout the Rocky Mountain region and a major transportation hub for airline flights connecting between the east and west coasts and other major metropolitan centers.

The table below shows total aircraft operations (landings and take-offs) for the Airport System for the period 2001 through 2005.

TABLE 30

AIRPORT SYSTEM
HISTORICAL AIRCRAFT OPERATIONS
2001-2005

Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total	Percent Change
2001	352,033	139,538	14,614	1,551	507,736	(3.9)%
2002	338,049	157,777	12,416	987	509,229	0.3
2003	323,610	174,092	11,228	1,345	510,275	0.2
2004	330,674	224,960	9,936	951	566,521	11.0
2005	384,552	172,352	9,780	926	567,610	0.2

(Source: Department of Aviation Audited Financial Report for 2005)

TABLE 31

DENVER INTERNATIONAL AIRPORT
2006-2011 CAPITAL PROGRAM
($ in thousands and rounded)

	2006	2007	2008	2009	2010	2011	Totals
Planned Projects:							
Airfield Improvements	$10,696	$11,724	$10,200	$ 14,440	$ 14,704	$ 13,341	$ 75,105
Terminal and Concourse Improvements	27,226	70,335	20,941	11,602	8,327	54,904	193,335
Roads, Parking and Ground Transportation	7,413	13,600	3,190	1,400	1,350	12,496	39,449
Communications, Electronics, Security and Fire Protection	6,949	6,447	2,060	2,090	960	350	18,856
Environmental, Utilities, Storm Water, Drainage	2,266	1,635	2,466	1,334	4,961	500	13,162
Cargo and Support Buildings	5,636	225	--	--	--	--	5,861
Professional Services, MEEP and Art	2,659	2,961	2,666	2,773	2,883	2,998	16,940
Total Planned Projects	$ 62,845	$106,927	$41,523	$33,639	$33,185	$84,589	$362,708

(Source: Department of Aviation Management Records)

TABLE 32

AIRPORT SYSTEM
HISTORICAL ENPLANED CARGO OPERATIONS
2001-2005
(in pounds)

Year	Air mail	Freight and express	Total	Percent Change
2001	106,841,965	260,170,245	367,012,210	(25.3)%
2002	44,842,352	283,235,306	328,077,658	(10.6)
2003	55,088,719	271,753,872	326,842,591	(0.4)
2004	40,032,635	281,171,813	321,204,448	(1.7)
2005	34,452,615	278,209,724	312,662,339	(2.7)

(Source: Department of Aviation Audited Financial Report for 2005)

Outstanding Bonds and Notes

Senior and Subordinate Bonds have been issued to fund costs of the Airport. As of December 31, 2005, the total aggregate amount of all outstanding Bonds is as follows ($ in thousands):

TABLE 33

AIRPORT SYSTEM – OUTSTANDING BONDS
As of 12/31/05

Series 1991A Bonds	$ 26,500
Series 1991D Bond s	130,655[1]
Series 1992C Bonds	40,080
Series 1992F-G Bonds	49,300
Series 1995C Bonds	10,625
Series 1996A-B Bonds	241,865
Series 1996C-D Bonds	232,600
Series 1997E Bonds	415,705
Series 1998A Bonds	206,665
Series 1998B Bonds	103,395
Series 2000A Bonds	279,625
Series 2000B Bonds	200,000
Series 2000C Bonds	100,000
Series 2001A Bonds	301,775
Series 2001B Bonds	16,675
Series 2001C Bonds	200,000
Series 2001D Bonds	61,860
Series 2002 A1-A3	281,000
Series 2002C Bonds	45,800
Series 2002E Bonds	196,080
Series 2003A Bonds	161,965
Series 2003B Bonds	125,000
Series 2004A Bonds	74,500
Series 2004B Bonds	74,500
Series 2005A Bonds	227,740
Series 2005B Bonds	91,750
Series 2005C Bonds	87,700
Total Outstanding Bonds	$ 3,983,360

[1] This amount does not include $14,800,000 in escrow.

(Source: Department of Aviation Audited Financial Report for 2005)

On August 25, 2005, the Airport issued $227,740,000 of Airport System Revenue Bonds, Series 2005A in a fixed mode for the purpose of current refunding $230,760,000 of the 1995A bonds.

On November 10, 2005, the Airport issued $91,750,000 and $87,700,000 in an auction rate mode and a variable rate mode, respectively, for the purpose of current refunding $90,510,000 and $87,845,000 of the 1995B and 1995C bonds, respectively.

In August, 2006, the City entered into a interest rate swap agreement in order to lock in prevailing interest rates in contemplation of the refunding of the Series 1997E Bonds through the City's issuance of variable rate bonds on or before November 15, 2007. The 2006 Swap Agreement has a notional amount of $364.5 million.

On August 17, 2006, the Airport issued $279,585,000 and $170,005,000 of Airport System Revenue Bonds, Series 2006A and 2006B, respectively, in a fixed mode for the purpose of currently refunding $149,738,632 of the 1996A bonds, $91,685,749 of the 1996B bonds, $86,598,506 of the 1996C bonds, and $146,297,667 of the 1996D bonds.

The Airport has a Commercial Paper program consisting of Series A and Series B notes to be used for the purpose of funding the costs of acquiring, improving and equipping facilities for the Airport, refunding or paying certain Airport System obligations and any such lawful undertakings as may be determined by the Manager of Aviation to be of benefit to the Airport System. The aggregate principal amount of Commercial Paper Notes that may be outstanding at any time may not exceed the lesser of $300 million or the amount that, together with interest (including accreted amounts) due thereon to the stated maturity date of each such outstanding Commercial Paper Note exceeds the amount available to be drawn on the credit facility securing the Commercial Paper Notes. The Commercial Paper Notes are currently secured by a letter of credit in the original stated amount of $55 million, but which may be increased to a maximum of $127.2 million. As of December 31, 2005, there are no Commercial Paper Notes outstanding.

Since 1998, the Airport has entered into various interest rate swap agreements in order to protect against rising interest rates. Payments by the Airport to counterparties relating to these swap agreements, including termination payments, are subordinate obligations, subordinate to debt service payments on the Airport System senior bonds, and on parity with the Airport System's subordinate bonds.

In April, 2005, the City entered into interest rate swap agreements in order to take advantage of and secure prevailing interest rates in contemplation of the refunding of the Series 1996A Bonds and the Series 1996D Bonds through the City's issuance of variable rate bonds on or before November 15, 2006. The 2005 Swap Agreements have notional amounts of $120 million, $60 million, $60 million and $60 million, respectively.

Summary Financial Information

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

TABLE 34

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

	2001	2002	2003	2004	2005
Operating revenues	$450,695	$434,313	$457,093	$477,665	$494,491
Operating expenses	223,408	228,876	211,913	221,214	231,129
Operating income before Depreciation	227,287	205,437	245,180	256,451	263,362
Depreciation and Amortization	151,796	125,692	144,758	148,386	232,208
Operating Income	75,491	79,745	100,422	108,065	31,154
Non-Operating Revenues (Expense)	(124,391)	(119,845)	(135,271)	(138,580)	(107,265)
Capital Contributions	13,735	91,152	40,542	62,205	31,547
Change In Net Assets	$(35,165)	$51,052	$ 5,693	$ 31,690	$(44,564)

(Source: Department of Aviation Audited Financial Report for 2005)

TABLE 35

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

	2001	2002	2003	2004	2005
Gross Revenues	$526,631	$499,435	$527,567	$543,044	$567,853
Operation & Maintenance Expenses	211,272	216,791	201,573	220,254	231,733
Net Revenues	315,359	282,644	325,994	322,790	336,120
Other Available Funds[1]	54,558	46,751	50,807	54,849	55,173
Total amount available for Debt Service Requirements	$369,917	$329,395	$376,801	$377,639	$391,293
Debt Service Requirement[2,3] Senior and Subordinate Bonds	$248,375	$225,286	$230,547	$243,495	$241,622
Debt Service Coverage Senior and Subordinate Bonds	149%	146%	163%	155%	162%

1 Other Available Funds includes amounts available in the Coverage Account of the Capital Fund to be applied to help fund the rate maintenance covenant of the Ordinance.

2 Excludes debt service on Senior Bonds which are to be paid from certain passenger facility charges.

3 Excludes debt service payable from amounts funded by capitalized interest.

(Source: Department of Aviation Audited Financial Report for 2005)

AVERAGE AIRLINE COSTS PER ENPLANED PASSENGER (2005 dollars)

$12.90

(Source: Department of Aviation management records)

AVERAGE AIRLINE COSTS PER ENPLANED PASSENGER FOR UNITED (2005 dollars)

$16.51

(Source: Department of Aviation management records)

HISTORICAL PASSENGER FACILITY CHARGE REVENUES
($ in thousands)

Year	Revenues
2001	$61,988
2002	69,742
2003	71,945
2004	82,161
2005	84,000

(Source: Department of Aviation Audited Financial Report for 2005)

CONTACTS FOR FURTHER INFORMATION

Compliance Officer for the City and County of Denver, Colorado 2006 Disclosure Statement:

David D. Hart
Manager of Revenue, *ex officio* Treasurer
144 West Colfax Avenue, Room 300
Denver, Colorado 80202
(720) 865-7202 (Phone)
(720) 865-7276 (Fax)
debtmanagement@ci.denver.co.us

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 Revenue
R. O. Gibson
Director of Financial Management
144 West Colfax Avenue, Room 209
Denver, Colorado 80202
(720) 865-7116 (Phone)
(720) 865-7176 (Fax)
www.denvergov.org/Treasury/template22997.asp

Comprehensive Annual Financial Report:
Office of the Auditor
Accounting Section
201 West Colfax Avenue, Department 705
Denver, Colorado 80202
(720) 913-5000 (Phone)
(720) 913-5247 (Fax)
www.denvergov.org/Auditor/22813368template1jump.asp

Financial Statements and Supplementary Information - Airport System:
Department of Aviation
Denver International Airport
Stan Koniz
Assistant Deputy Manager of Aviation/Finance
Administration Division
8500 Pena Boulevard
Denver, Colorado 80249-6340
(303) 342-2401 (Phone)
(303) 342-2460 (Fax)
www.flydenver.com/biz/stats/index.asp

Financial Statements - Board of Water Commissioners:
Denver Water Board
Kathryn Kempke
Manager of Treasury Operations
1600 West 12th Avenue
Denver, Colorado 80254
(303) 628-6410 (Phone)
(303) 628-6479 (Fax)
www.denverwater.org/financialinfo

The 2006 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2005 - available from the Office of the Auditor. See above.

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

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INTRODUCTION

The Denver metropolitan area is the business and cultural center of the Rocky Mountain region with 56% of the state's population and 61% of the state's jobs. The 4,531-square-mile metropolitan area includes seven counties—Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. The seventh county was added to the Denver metropolitan area on November 15, 2001 when the City of Broomfield became a combined city and county government. Portions of the former City of Broomfield had been located in Adams, Boulder, Jefferson and Weld counties.

Business activity in the U.S. economy reached a peak in March 2001 and a trough in November 2001 according to the National Bureau of Economic Research (NBER). A peak marks the end of an expansion and the beginning of a recession whereas a trough marks the end of the recession and the beginning of the next expansion.

The U.S. economy steadily recovered from the 2001 recession with the most noticeable gains occurring in 2004 and 2005. All fifty states and the District of Columbia posted annual increases in employment from 2004 to 2005 with the exception of Louisiana, Michigan and Maine. Still, the rate of employment increase varies dramatically across the country.

Real Gross Domestic Product (GDP) expanded by 3.2% for all of 2005. GDP growth slowed in 2005 from the 3.9% growth achieved during 2004, the most robust annual growth rate since 1999. The 2005 increase in GDP, which is the broadest measure of national economic activity, was primarily attributable to improvements in personal consumption expenditures. Increases in business investment, exports and government spending also contributed to the overall increase. Improvements were partially offset by decreased private inventory investment and increased imports.

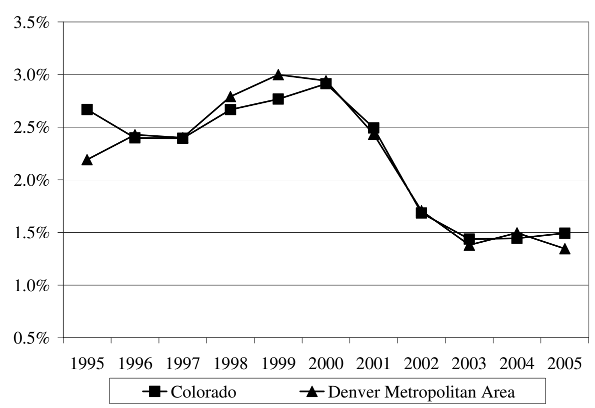
Colorado lagged the nation in the post-recession recovery in 2002 and 2003 but prevailed in 2004 and 2005. Employment grew at a faster rate in Colorado than across the nation in both 2004 and 2005. Colorado's gross state product (GSP), a comparable measure to national gross domestic product, grew at a faster rate of 4.2% in 2005.

The majority of the statistics included in this report are annual statistics, with the most recent annual data primarily for 2005. In some cases, 2005 data is not yet available in which case the most recent information available is provided.

POPULATION

Colorado was the 11th fastest-growing state in the country in terms of population growth from July 2004 to July 2005 and is the 22nd most populated state in the country, according to the U.S. Census Bureau. The Colorado Demography Office estimates that Colorado's population reached 4,722,478 as of July 2005. Colorado's population increased by about 69,500 people or by 1.5% from 2004 to 2005. The national population increase for the same period was 0.9%.

POPULATION GROWTH RATES



Sources: U.S. Department of Commerce, Bureau of the Census; Colorado Division of Local Government.

There are two components to population growth: natural increase and net migration. Natural increase, or births less deaths, is typically a relatively stable component. Net migration, or the number of people moving into the state minus the number leaving, is a comparatively more volatile component.

Over the last 10 years, the natural increase of the population in Colorado has averaged about 34,800 residents per year. For the period 1995 through 2005, the natural increase in the population accounted for 38% of the population growth.

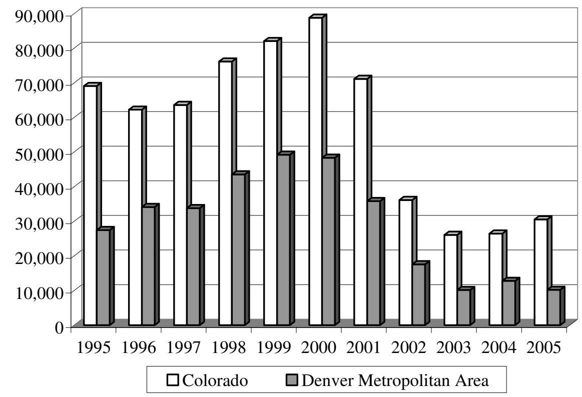
Net migration activity, on the other hand, has fluctuated over the period from 1995 to 2005 between a high of 88,800 in 2000 and a low of 26,000 in 2003 to average 56,300 per year. Over the past ten years, net migration has accounted for 62% of the population growth. Migration activity slowed considerably in 2002 through 2005 due to the economic slowdown, as people tend to move based on their perception of job opportunities. In 2005, net migration accounted for 44% of the population growth whereas net migration accounted for 72% of the population growth in both 1999 and 2000. Former California residents have typically accounted for 14% to 20% of Colorado's in-migrants. Texas, Arizona, Florida, New Mexico and Illinois also provide Colorado with large numbers of new residents.

The Denver metropolitan area continues to be a magnet for young, well-educated people looking for the opportunities and lifestyle that the area offers. The median age in Colorado is 34.3 compared to the national median of 36.2, according to the U.S. Census Bureau.

The Denver metropolitan area experienced population growth rates of 2.2% or higher from 1991 to 2001. Population growth slowed in 2002 through 2005, falling to a 1.3% increase in 2005. Still, population growth has averaged 2.2% per year during the 1995 to 2005 period.

Population in the Denver metropolitan area reached an estimated 2,627,322 people as of July 1, 2005. The natural increase in the population in the Denver metropolitan area has averaged about 21,700 people per year during the 1995 to 2005 period whereas net migration has averaged 29,500 people per year. Net migration has ranged from a high of 49,200 in 1999 to a low of 10,100 in 2003. For the ten years ending in 2005, 52.4% of the net in-migrants into the state settled in the Denver metropolitan area.

NET MIGRATION



Source: Colorado Division of Local Government.

Douglas, Adams and Arapahoe counties reported the strongest population growth rates in the Denver metropolitan area for the period from 2000 to 2005. According to the U.S. Census Bureau, Douglas County was the fastest growing county in the country during the 1990s. This first place ranking was maintained for the 2000 to 2001 period, with the county continuing to post double-digit population growth rates. Growth slowed in 2002, but remains strong with Douglas County ranking as the 41st fastest growing county in the nation in 2005.

COUNTY POPULATION
(in thousands)

Area	1995	2000	2005	% Change 1995-00	% Change 2000-05
Adams	312.6	366.7	405.6	17.3%	10.6%
Arapahoe	442.5	491.1	534.3	11.0%	8.8%
Boulder	257.5	296.0	285.9	15.0%	-3.4%
Broomfield			45.8		
Denver	507.7	555.8	571.8	9.5%	2.9%
Douglas	103.8	180.7	251.4	74.0%	39.1%
Jefferson	491.3	528.0	532.6	7.5%	0.9%
Metropolitan Denver	2,115.5	2,418.3	2,627.3	14.3%	8.6%
Colorado	3,811.1	4,338.8	4,722.5	13.8%	8.8%

Source: Colorado Division of Local Government.

The City and County of Denver has seen slow but positive population growth since 1991. Total population in 2005 is estimated at 571,848 people, a 0.5% increase over the 2004 population. Population growth rates for the City and County of Denver have historically been less than that of the overall Denver metropolitan area. During the past ten years the average annual growth rate was 1.2% compared to 2.2% for the Denver metropolitan area.

EMPLOYMENT

Two monthly reports prepared by the U.S. Department of Labor provide estimates of employment. The first is a survey of households used to estimate employment by place of residence (the "household survey"). The information from the household survey is used to estimate the total labor force, total employment (including self-employment) and unemployment by county. Unemployment rates are derived from these estimates.

The second is the Current Employment Statistics (CES) data series. The CES survey is a federal/state cooperative program that provides monthly estimates of nonagricultural payroll jobs derived from a sample of over 300,000 business establishment reports nationwide. These data are some of the most closely watched and widely used economic indicators among public and private policymakers alike. However, this series does not include those individuals that are self-employed, a growing segment of Colorado's economy.

A major change in the reporting of CES data occurred in 2003. The reporting of industry-level data switched from the 60-year-old Standard Industrial Classification (SIC) industry codes to the new North American Industry Classification System (NAICS) codes. The new NAICS codes include 20 broad sectors compared to the ten industry divisions in the SIC code system. These NAICS sectors are combined and trends discussed within 11 “supersectors,” or combinations of the 20 broad NAICS sectors.

Colorado ranked fifth in the nation for job growth during the 1990s. Nonagricultural employment growth remained consistently high throughout the decade, averaging 3.8% from 1990 to 2000. The employment situation changed in 2001 due to the national recession, the fallout in the high technology and telecommunications industries, and the terrorist attacks of September 11, 2001. The employment growth rate in Colorado fell to 0.6% in 2001, the lowest growth rate posted since 1987.

This was followed by the loss of 74,000 jobs during 2002 and 2003, the most severe job losses experienced in the state since the Great Depression. Colorado has high concentrations of high technology and telecommunications employment, industries that were especially hard-hit by the recent economic downtown. In fact, Colorado ranked first in the concentration of high-tech workers for the seventh consecutive year in 2006 by the American Electronics Association. It may be argued that these industries led the Colorado economic downturn.

The employment situation began to improve in the state in 2004 and has continued to post gains through 2005. In 2004, total employment in the state increased 1.2% followed by a 2.1% increase in employment in 2005. The state added a total of 26,800 jobs in 2004 and 45,900 jobs in 2005.

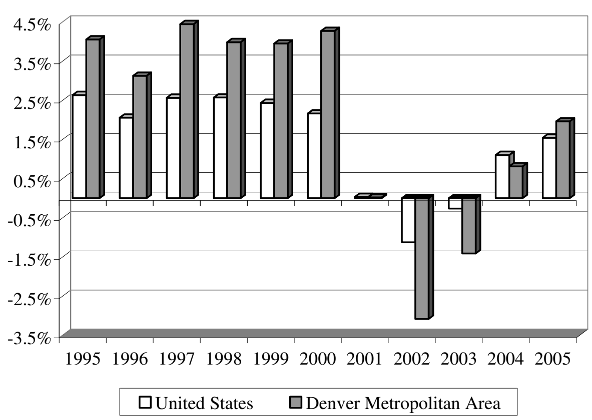
A recent study by the Milken Institute predicts that Colorado will be a national leader in science and technology expansion. Milken’s 2004 Science & Technology Index considered 73 various indexes in five major categories, including: research and development; venture capital and new business growth; the size of the high tech workforce; the number of science and engineering students; and the overall economic activity of high tech. Colorado ranked no lower than fifth in these five major categories, resulting in a third place ranking overall for the state. Massachusetts and California ranked first and second, respectively.

On June 6, 2003, the U.S. Office of Management and Budget (OMB) announced an initial update to statistical area definitions based on new standards and the results of the 2000 Census. These changes were implemented with the release of employment data beginning in January 2005. The Denver Metropolitan Statistical Area (MSA) was one of the areas impacted by the updated statistical area definitions. It is no longer possible to separate the seven-county Denver metropolitan region in the Current Employment Statistics employment data.

The Denver MSA is now defined to include a ten-county area: the original six counties (Adams, Arapahoe, Broomfield, Denver, Douglas and Jefferson) plus Clear Creek, Elbert, Gilpin and Park counties. In this report, Boulder County (the Boulder-Longmont MSA) is added to the Denver MSA in order to arrive at an estimate for employment in the 11-county region. In general, this change has resulted in the addition of about 14,000 workers. All annual data included in this report has been adjusted to reflect this new geographic definition so that year to year comparisons are still valid.

The 11-county Denver metropolitan area is the home of a nonagricultural employment base of 1.35 million people. Nonagricultural wage and salary employment in the Denver metropolitan area grew consistently from 1988 through 2001, with a peak of 56,300 jobs added in 2000. This was followed by a decline in the employment base in 2002 and 2003, the first employment losses in the region since 1987.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT GROWTH RATES



Sources: U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment.

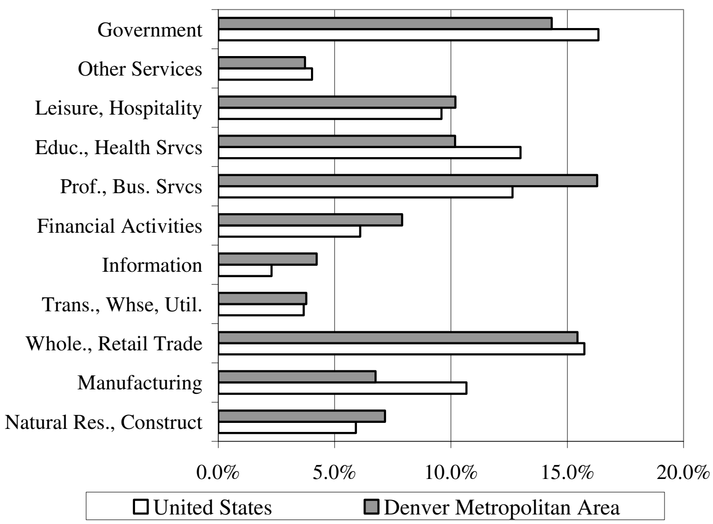
Nonagricultural employment statistics for the Denver metropolitan area reveal that the region lost 61,200 jobs during 2002 and 2003, including the loss of 42,400 jobs in 2002 and 18,800 jobs in 2003. The 3.1% employment decline posted in 2002 was the steepest employment loss on record for the Denver metropolitan area. Employment losses continued in 2003 with a 1.4% decline; however, conditions began to improve in the second half of 2004. The Denver metropolitan area added a total of 10,700 positions in 2004, a 0.8% increase over 2003 employment levels. Employment gains in the Denver metropolitan area strengthened in 2005 with the addition of 26,000 jobs, a 2.0% increase.

Ten of the 11 supersectors, or major industry categories, posted gains in 2005 over 2004. Only the information sector posted a decline in employment in 2005, with a loss of 3,500 jobs. In absolute terms, the strongest job growth in 2005 occurred in the professional and business services sector which gained 7,800 positions. The wholesale and retail trade sector added 4,800 positions from 2004 to 2005, followed by a gain of 4,700 positions in the natural resources and construction sector. Employment in the transportation/warehousing/ utilities, other services, and manufacturing sectors was flat.

Three major industry sectors – wholesale and retail trade, professional and business services, and government - provide about 46% of the employment in the Denver metropolitan area. The professional and business services supersector includes a broad segment of businesses, ranging from accounting and legal services to computer systems design to security services.

The Denver metropolitan area has a greater concentration of professional and business services; information (which includes telecommunications); financial activities; natural resources and construction; leisure and hospitality; and transportation, warehousing and utilities employment than the nation. Considering that several of the above industries were especially hard hit by the recent economic downturn, it is not surprising that the Denver metropolitan area lagged in the economic recovery.

2005 EMPLOYMENT BY INDUSTRY



Sources: U.S. Department of Labor, Bureau of Labor Statistics; CO Department of Labor & Employment.

The City and County of Denver is the center of employment for the Denver metropolitan area. About 31% of the total Denver metropolitan area employment is located in the City and County of Denver. Downtown Denver's Central Business District has one of the area's largest concentrations of office space and a large cluster of telecommunications and information technology companies, as well as most of the metropolitan area's financial and legal firms. Denver's job base of 424,700 is the largest in the state of Colorado. The employment base in the City and County of Denver increased by an estimated 1,100 jobs in 2005, a 0.3% gain.

LABOR FORCE & UNEMPLOYMENT

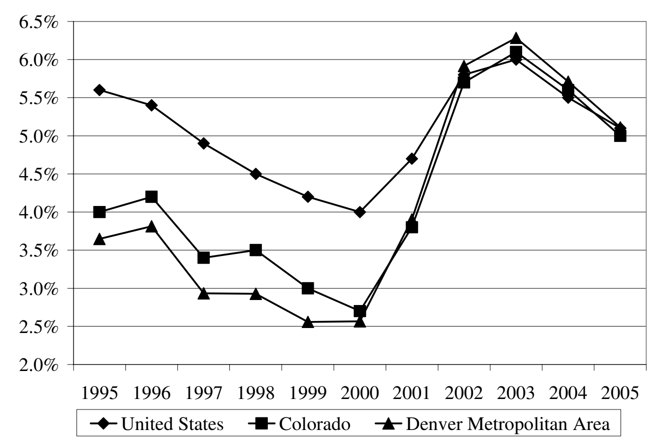
The U.S. unemployment rate declined for the second consecutive year in 2005 after increasing in both 2002 and 2003. The U.S. unemployment rate declined from 6.0% in 2003 to 5.5% in 2004. In 2005, 5.1% of the national labor force was unemployed.

The unemployment rate in Colorado followed a similar trend as the nation with consecutive increases in 2002 and 2003, followed by consecutive decreases in 2004 and 2005. After reaching 6.1% in 2003, the unemployment rate in Colorado fell to 5.6% in 2004 and 5.0% in 2005.

The unemployment rate in the Denver metropolitan area peaked at 6.3% in 2003 and decreased to an average of 5.7% in 2004. In 2005, the unemployment rate fell to 5.1%, the same unemployment rate reported at the national level. Given the total labor force in the Denver metropolitan area of 1.44 million, this represented an average of 73,900 people seeking employment each month in 2005.

The unemployment rate in the City and County of Denver also declined in 2005, falling from 6.8% in 2004 to 6.0% in 2005. The 2005 unemployment rate in the City and County of Denver was nearly a full percentage point above the Denver metropolitan area rate. As an urban center, Denver's unemployment rate historically runs above the metropolitan area's rate.

UNEMPLOYMENT RATES



Sources: U.S. Department of Labor, Bureau of Labor Statistics; CO Department of Labor & Employment.

Colorado boasts one of the most highly educated workforces in the nation according to the 2004 American Community Survey by the U.S. Census

Bureau. Colorado has the fifth highest percentage of college graduates in the country, behind Washington, DC, Massachusetts, Maryland and Connecticut. Of the adult population in the Denver metropolitan area, 87.4% are high school graduates and 33.7% are college graduates.

The recently released *Denver Metro Job Vacancy Survey* completed by the Labor Market Information section of the Colorado Department of Labor & Employment provides a snapshot estimate of current job openings by wage, skill requirements and work experience. The Spring 2006 study was based on surveys conducted between April 14 and June 27, 2006. The survey found that there were 39,700 positions open for immediate hire compared to 23,300 open positions one year earlier. Retail trade, accommodations and food services, and health care and social assistance businesses had the most job vacancies during the survey period. The survey also found that small to mid-size companies provide the most job vacancies.

MAJOR EMPLOYERS

Employment in the Denver metropolitan area is dominated by small business. According to U.S. Department of Commerce statistics, 97.8% of the 81,500 businesses in the Denver metropolitan area have less than 100 employees. There are approximately 64 business establishments in the Denver metropolitan area that have 1,000 or more employees. These companies represent a diverse mix of industries and are located throughout the Denver metropolitan area, providing a good geographic balance in employment centers.

As the capital of Colorado, the City and County of Denver has a large concentration of government employees. The largest public sector employers in Denver include the State of Colorado (21,400 employees), the Federal Government (14,600), the City and County of Denver (16,400), and Denver Public Schools (13,500). About 26% of the total Denver metropolitan area private business establishments are located in the City and County of Denver. The following are the 20 largest private employers in the Denver metropolitan area.

LARGEST PRIVATE EMPLOYERS

Company	Products/Services	Employees
1. Qwest Communications	Telecomm	9,500
2. King Soopers Inc.	Grocery stores	8.600
3. Wal-Mart	General merchandise	7,900
4. HealthONE	Health care	7,850
5. Lockheed Martin Corp.	Aerospace/defense	7,700
6. Safeway Inc.	Grocery stores	6,700
7. EchoStar Communications	Satellite television	6,650
8. IBM Corporation	Computer systems	6,100
9. United Airlines	Airline	5,600
10. University of Denver	University	5,400
11. Exempla Healthcare	Health care	4,900
12. Sun Microsystems	Network computer systems	4,700
13. Centura Health	Health care	4,650
14. Frontier Airlines	Airline	4,300
15. Denver Health & Hospital Authority	Health care	4,100
16. Kaiser Permanente	Health care	3,900
17. Ball Corporation	Aerospace and metal can production	3,800
18. University of Colorado Hospital	Health care	3,800
19. Molson Coors Brewing Company	Beverages	3,500
20. Wells Fargo	Financial services	3,500

Source: Development Research Partners, April 2006.

Four Colorado companies made the *Forbes* October 2004 list of the 200 best small public companies. St. Mary Land and Exploration ranked 9, Credo Petroleum ranked 14, StarTek was 158 and Spectralink ranked 169. To qualify for the list, companies must have 12-month sales between $5 million and $600 million, a stock price of about $5 per share, and a five-year average return on equity of at least 5%.

Fortune Small Business named five Colorado companies among the fastest-growing small public companies in the U.S, which earned the state the sixth-place ranking for the number of fastest-growing small businesses.

Sixteen Colorado companies made the 2005 *Inc*. list of the 500 fastest-growing private companies nationwide, including the second-fastest growing company (Merlin Technical Solutions, located in the southern Denver suburb of Greenwood Village). The companies included on the list provide a variety of goods and services, including software, food manufacturing, energy, bank equipment, technical consulting and systems integration.

Ten companies headquartered in Colorado now reside on the *Fortune* 500 list. These companies include Qwest Communications (160), First Data (224), TransMontaigne (269), EchoStar Communications (273), Liberty Media (277), Molson Coors Brewing (373), Ball Corp. (374), Liberty Global (408), MDC Holdings (437) and Newmont Mining (461). An additional seven Colorado companies reside on the latest *Fortune* 1000 list, including Western Gas Resources (501), Level 3 Communications (521), CH2M Hill (591), Sports Authority (690), UAP Holdings (693), ProLogis (840) and AIMCO (923).

INTERNATIONAL TRADE

Denver's position in the international community was enhanced in 1995 with the opening of Denver International Airport. Denver International Airport offers daily, non-stop service to more than 135 U.S. cities and international locations, including flights to London, Frankfurt and several major cities in Canada and Mexico.

Denver is on the 105th meridian, the exact midpoint between Tokyo and Frankfurt, allowing companies to conduct business with both countries in the same business day. Further, a location between Canada and Mexico positions the Denver metropolitan area to benefit from opportunities presented by the North American Free Trade Agreement (NAFTA).

Denver is the home of 32 foreign consulates. Six of these consular missions are staffed by career diplomats from the countries of Guatemala, Japan, Mexico, Peru, Canada and the United Kingdom. The remaining 26 missions are staffed by honorary consuls general, consuls or vice consuls.

Colorado exports increased 2.0% from 2004 to 2005 after posting an 8.9% gain from 2003 to 2004. Comparatively, U.S. exports increased 10.7% in 2005 to $1.27 trillion. Total exports from Colorado in 2005 were valued at $6.8 billion which represents 0.8% of the nation's total exports. Colorado exports to NAFTA partners increased 13.0% in 2005 to $2.7 billion, representing 39% of the state's total value of exported products.

Canada continues to rank as Colorado's top trading partner, with exports increasing 8.9% in 2005 to $1.8 billion. Mexico is the state's second largest trading partner, with exports increasing 23.2% in 2005 to $849 million. The state's third largest export market is Japan, with exports decreasing 6.6% to $384 million. Other top trading partners include China, Germany, South Korea, Malaysia, Netherlands, United Kingdom and France.

The state's top five exports in 2005 were technology-related products. Only two of the top five export products showed positive growth rates in 2005 with the remaining three top export products posting declines. Colorado's largest exports in 2005 were:

- Parts and accessories for automatic data processing machines and units ($647 million, +1.2%)
- Digital monolithic integrated circuits ($455 million, -45.1%)
- Automatic data processing units ($295 million, -17.5%)
- Automatic data processing input or output units ($285 million, +4.8%)
- Monolithic integrated circuits, other than digital ($243 million, -0.8%).

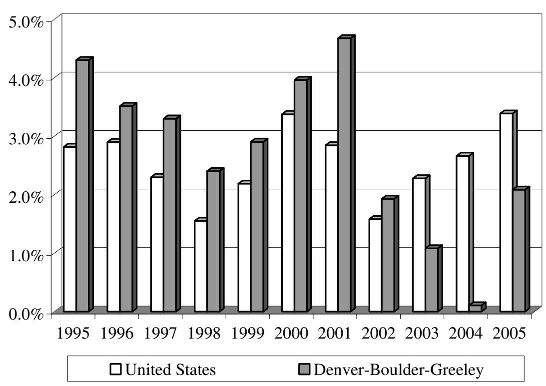
About 9.5% of Denver metropolitan area jobs may be credited to international business, according to a

2004 study by Dr. Tucker Hart Adams and colleagues at the University of Denver Graduate School of International Studies. This includes direct employment of 17,100 workers at foreign-owned businesses and 29,000 employees at companies that export their goods and services. Another 76,800 jobs are generated from multiplier effects, bringing total employment due to globalization to 122,900.

INFLATION

The Denver-Boulder-Greeley Consumer Price Index, which is typically used to measure the inflation rate, increased at a rate higher than the national rate each year from 1992 through 2002. The inflation rate in the Denver metropolitan area finally fell below the national rate in 2003 and continued to increase at a slower than national average rate through 2005. The Denver-Boulder-Greeley inflation rate registered only 0.1% in 2004, down from 1.1% in 2003. In 2005, the local inflation rate increased to 2.1% but remained below the national pace of 3.4%. Prices began to rise across the country as the national recovery strengthened.

INFLATION RATES



Source: U.S. Department of Labor, Bureau of Labor Statistics.

The consumer price index is derived from a market basket of eight major categories of products including food and beverages, housing, apparel, transportation, medical care, recreation, education and communication, and other goods and services. The categories experiencing the greatest increase in 2005 were transportation, medical care and housing while a price decline occurred in apparel.

INCOME

Colorado ranked second in the nation for average annual personal income growth from 1990 to 2000 with an 8.4% average annual increase, according to data from the U.S. Bureau of Economic Analysis.

After slowing from 5.8% in 2001 to 0.2% in 2002, the rate of increase in total personal income has improved through 2005. Total personal income in Colorado increased 5.8% in 2004 followed by a 6.5% increase in 2005 to $177 billion, which was the 13th fastest annual increase of the 50 states and the District of Columbia.

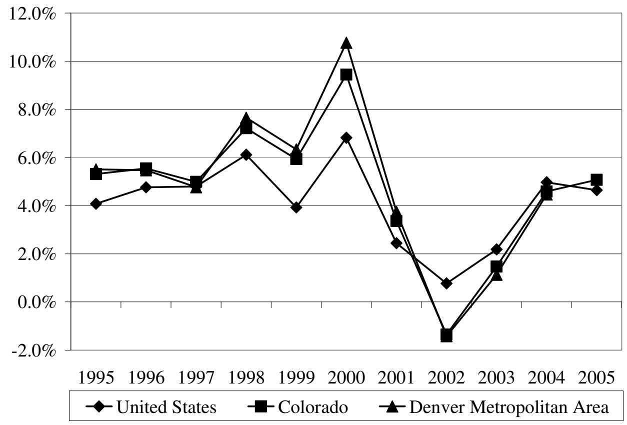
Per capita personal income growth in Colorado declined in 2002 but has increased each year of the 2003 through 2005 period. Per capita personal income increased 5.1% from 2004 to 2005, which represents an improvement over 2003 and 2004 when per capita personal income increased 1.5% and 4.6%, respectively. Per capita personal income of $37,946 in 2005 in Colorado ranks as the 23rd highest of the fifty states and the District of Columbia. Nationally, per capita personal income increased 4.6% to $34,586 in 2005.

The most recent data available for county-level personal income is from 2004. Total personal income in the Denver metropolitan area increased 5.6% in 2004. The City and County of Denver experienced a 5.4% increase in total personal income in 2004.

The per capita personal income level in the Denver metropolitan area was $41,363 in 2004, up 4.5% from 2003. Per capita personal income throughout the Denver metropolitan area ranges from $46,645 in Arapahoe County to $28,694 in Adams County.

Per capita personal income in the City and County of Denver of $45,957 in 2004 ranked as the fourth highest county in the state, behind Pitkin, Clear Creek and Arapahoe counties. The City and County of Denver continues the historic trend of having higher per capita personal income than both the Denver metropolitan area and the state.

PER CAPITA PERSONAL INCOME GROWTH RATES



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Another frequently used income measure is median household effective buying income (EBI), an after-tax household income measure. This income measure is prepared by Sales and Marketing Management using different income measures and estimates, so there is no relationship between it and the previously mentioned per capita personal income figures. EBI in the Denver metropolitan area of $47,687 is 23.8% above the national median of $39,324, according to figures released in the fall of 2005. EBI ranged from $70,561 in Douglas County to $38,523 in the City and County of Denver.

The average annual salary in the Denver metropolitan area increased 3.1% from $45,065 in 2004 to $46,466 in 2005. The average annual salary in the City and County of Denver increased 3.5% from $48,340 in 2004 to $50,055 in 2005.

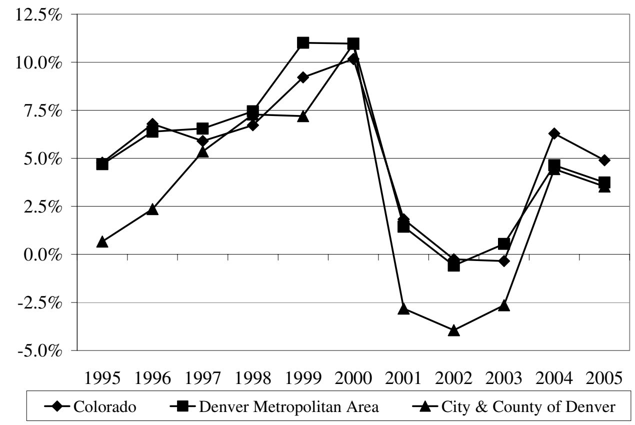
RETAIL TRADE

The Denver metropolitan area is the center of a large geographic region for retail, wholesale and distribution activities. Its market area reaches out to a vast portion of the western and central United States.

Consumer spending increased in 2005 at the national level due to an improving economy and an overall increase in consumer confidence. Retail and food services sales in the U.S. increased 6.9% in 2005. After factoring in the 3.4% national inflation rate in 2005, consumers drove a 3.5% real increase in retail trade sales.

Spending patterns have been strong in the Denver metropolitan area. Total retail sales (in all industries) in the Denver metropolitan area increased 6.7% in 2005, down from a 7.9% increase in 2004. Retail trade sales, which are a subset of total retail sales and include all of those establishments that most people think of as "retailers" as well as food and drinking service establishments, increased 3.7% in 2005 to $38.6 billion.

RETAIL TRADE SALES GROWTH



Source: Colorado Department of Revenue.

The largest category of retail trade sales in the Denver metropolitan area is motor vehicles and auto parts, followed by food and beverage stores and general merchandisers. The largest increase in retail trade activity between 2004 and 2005 occurred in service stations, non-store retailers and building materials.

RETAIL TRADE SALES BY INDUSTRY
(in $millions)

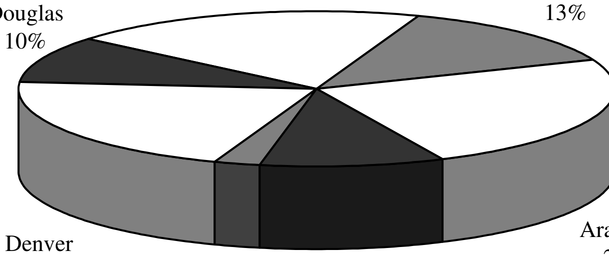
Industry	2004	2005	Change
Retail Trade:			
Motor Vehicle and Auto Parts	$9,060	$8,639	-4.6%
Furniture and Furnishings	$1,546	$1,568	1.4%
Electronics and Appliances	$1,236	$1,177	-4.8%
Building Materials / Nurseries	$2,797	$3,115	11.4%
Food/Beverage Stores	$5,751	$5,993	4.2%
Health and Personal Care	$1,001	$1,031	3.0%
Service Stations	$2,043	$2,505	22.6%
Clothing and Accessories	$1,763	$1,741	-1.2%
Sporting/Hobby/Books/ Music	$1,320	$1,371	3.8%
General Merchandise/ Warehouse	$4,858	$5,257	8.2%
Misc. Store Retailers	$1,319	$1,418	7.5%
Non-Store Retailers	$693	$779	12.5%
Total Retail Trade	$33,387	$34,595	3.6%
Food / Drinking Services	$3,810	$3,995	4.9%
TOTAL	$37,197	$38,590	3.7%

Source: Colorado Department of Revenue.

Arapahoe County, the City and County of Denver and Jefferson County traditionally post the highest level of retail trade sales in the Denver metropolitan area. In 2005, about 21% of the retail trade sales in the Denver metropolitan area occurred in the City and County of Denver, 24% occurred in Arapahoe County and 20% occurred in Jefferson County.

Adams County posted the strongest annual growth rate in 2005, with total retail sales increasing 16.5% over the 2004 level. Retail sales increased in all Denver metropolitan counties in 2005 with the exception of the City and County of Broomfield. Data for the City & County of Broomfield is skewed by a large payment of delinquent taxes by a company in May 2004.

2005 RETAIL TRADE SALES BY COUNTY



Source: Colorado Department of Revenue.

RESIDENTIAL REAL ESTATE

Total home construction activity in the Denver metropolitan area decreased 4.2% in 2005 after increasing 19.2% in 2004 due to historically low mortgage rates. The 4.2% decline in 2005 resulted from a 10.6% increase in single-family detached home construction, a 4.2% decrease in single-family attached home construction and an 82.9% decrease in multi-family construction. Despite persistent interest rates hikes throughout 2005, mortgage rates stayed at low rates, keeping home ownership affordable. Increased use of adjustable-rate, zero down payment and interest-only mortgages also helped make home ownership more affordable.

The average number of single-family homes permitted each year for the ten-year period ending in 2005 was 14,828 homes. There were 15,778 single-family detached homes permitted in 2005, 6.4% higher than the ten-year average. The greatest number of single-family detached homes was permitted in Douglas County with Adams and Arapahoe counties reporting the second and third largest number of permits.

Four of the seven counties in the Denver metropolitan area posted increases in single-family detached home permits, including a 36.1% increase in Douglas County, a 29.8% increase in the City and County of Denver, a 23.1% increase in the City and County of Broomfield and a 4.1% increase in Arapahoe County. Home construction activity at the former Lowry Air Force Base and former Stapleton International Airport sites contributed to the total of 1,842 homes permitted in the City and County of Denver.

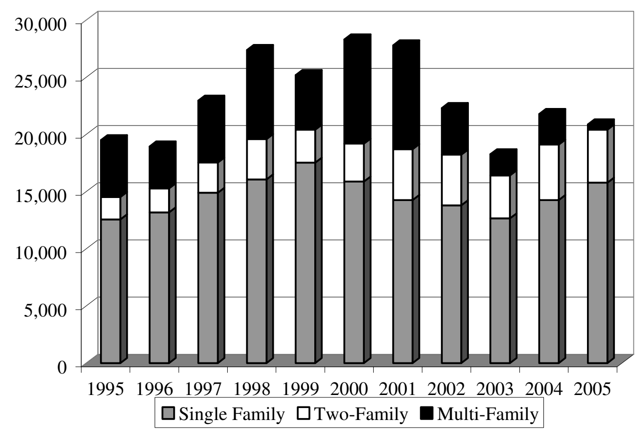
The number of single-family detached homes permitted in Boulder County during 2005 decreased 15.3% from 2004. Jefferson and Adams counties also reported respective declines in permits for single-family detached homes of 3.1% and 0.4%.

The greatest number of single-family attached home permits was not issued in the City and County Denver in 2005 for the first time since 2000. Douglas County and Arapahoe County respectively issued 1,382 and 739 permits for single-family attached homes during 2005 while the City and County of Denver permitted 735 single-family attached homes. The number of permits issued for single-family attached homes in the City and County of Denver decreased 32.4% from 2004 to 2005. Single-family attached homes include condos, duplexes and townhomes.

Multi-family or apartment construction decreased by 82.9% in the Denver metropolitan area in 2005. A total of 459 permits were issued for multi-family construction in the seven-county region during 2005 of which more than half were issued in Adams County. The remaining multi-family construction activity occurred in the City and County of Denver (140 permits) and Jefferson County (75 permits). Multi-family construction activity continues to be below the ten-year average of 4,895 new units per year.

High vacancy rates have been responsible for minimal multi-family construction over the last several years. In the fourth quarter of 2000, the apartment vacancy rate in the Denver metropolitan area was 4.7%. By the fourth quarter of 2002, the apartment vacancy rate had peaked at 11.7%. In the fourth quarter of 2004, the apartment vacancy rate declined to 10.0% and declined again in 2005 to 7.9%, according to the *Denver Metro Apartment Vacancy and Rent Survey*. The vacancy rate declined in all counties from fourth quarter 2004 to fourth quarter 2005. The highest vacancy rate of 8.7% is in the City and County of Denver.

NEW HOME CONSTRUCTION

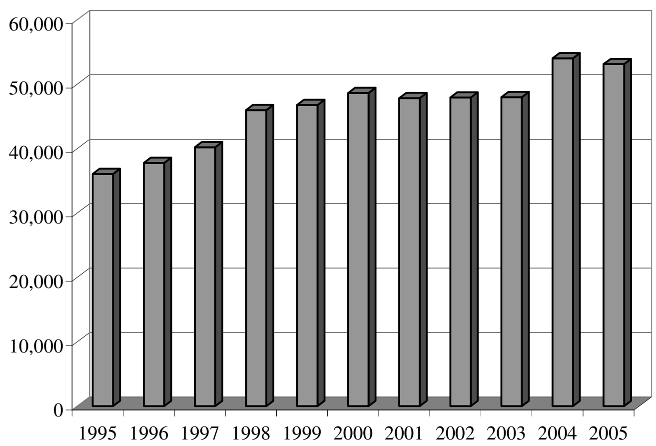


Source: Home Builders Association of Metro Denver.

Apartment rental rate increases coincided with improving vacancy rates in 2005. The fourth quarter 2005 average monthly rental rate of $848 increased from the fourth quarter of 2004 average rental rate of $822. Apartment rents vary by county, ranging from $1,056 in Douglas County to $804 in the City and County of Denver. The average rental rate does not reflect the many concessions such as move-in bonuses, free rent or other amenities that apartment communities continue to offer to attract tenants.

Sales activity of previously-owned homes decreased slightly in 2005 from a record high in 2004 of 54,012 sales. Existing home sales in the Denver metropolitan area slipped to 53,106 homes and condominiums, a 1.7% decrease from 2004. Still, the total value of homes sold in the Denver metropolitan area reached $14.9 billion in 2005, an increase of 4.1% compared to 2004. Despite interest rate hikes, mortgage rates remained low and encouraged home sales across the country.

DENVER METROPOLITAN HOME SALES



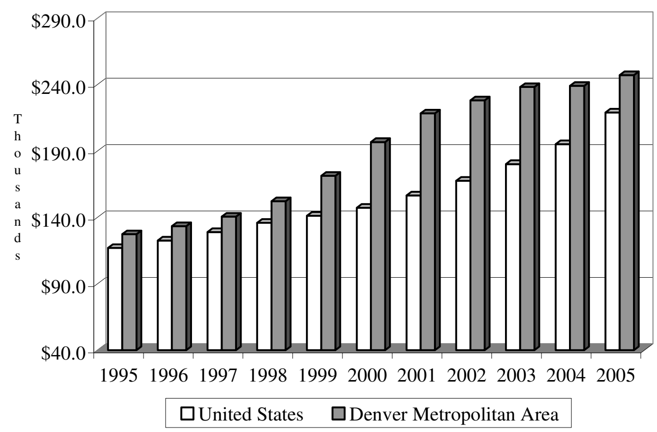
Source: MetroList Inc.

Median home prices have moderated in the Denver metropolitan area due to increased inventory and slower in-migration activity. The median home price reflects the middle value of all existing home sales, meaning that half of the homes sold for more and half of the homes sold for less. The median sales price of an existing single-family home in 2005 reached $247,100 in the Denver metropolitan area, compared to the national median of $219,100. The Denver metropolitan area experienced a 0.4% increase in the median home price in 2004 and a 3.3% increase in 2005. Comparatively, the national median home price increased 8.3% in 2004 and 12.2% in 2005.

The average home price is calculated as the total value of all homes sold divided by the number of homes sold. This value may be skewed by very low or very high sales price. The average price of a single-family detached home in the Denver metropolitan area rose to $307,529 in 2005, a 6.1% increase over 2004. The average price of a condominium increased 4.4% in 2005 to $189,035. Home prices in the Denver metropolitan area had been appreciating at rates greater than the national level from 1992 to 2001, so this moderation in price increase represents a market correction.

Rising wages from the previous economic expansion landed a record number of Americans in a home-ownership position. According to a recent U.S. Census Bureau study, the home ownership rate in the Denver metropolitan area increased from 55.7% in 1990 to 68.2% in 2000. The combination of increased home ownership rates and the prolonged economic slowdown with significant layoffs has led to an increase in home foreclosures.

MEDIAN HOME PRICES



Source: National Association of REALTORS.

There were 14,306 home foreclosures in the Denver metropolitan area in 2005 compared to 12,331 in 2003 and 9,422 in 2003. Total foreclosures are below the record of 17,122 set in 1988; however, the residential market in the seven-county region was smaller in terms of volume at that time. According to market analysts, those most vulnerable to home foreclosures include those who bought their homes within the past few years and borrowed heavily against them.

COMMERCIAL REAL ESTATE

The commercial real estate market in the Denver metropolitan area is generally improved in 2005 over 2004 in terms of lower vacancy rates and higher average lease rates for the office, industrial and flex-space sectors.

Investors spent a record $3.1 billion in 2005 on commercial real estate in Metro Denver, the equivalent value for all large commercial real estate purchases between 1990 and 1995 and a 55% increase over 2004 sales. The largest transactions according to Northstar Commercial Partners included the Wells Fargo building ($344.0 million), Pratt portfolio ($142.0 million) and 633 17th St. ($90.3 million). Northstar Commercial Partners tracks sales of $1 million or greater.

The Denver metropolitan area experienced a boom in nonresidential construction activity from 1998 through early 2001 with a plethora of office, industrial, retail and entertainment projects. Development has continued, but at a much more modest pace than in previous years. Major redevelopment projects are still under construction at many sites throughout the metropolitan area, including projects at the former Lowry Air Force base, Stapleton International Airport and Fitzsimons Army Medical Hospital site. Smaller redevelopment projects are occurring throughout the Denver metropolitan area with a couple of the most notable projects including the Belmar redevelopment at the former Villa Italia mall in Lakewood, the Streets at SouthGlenn redevelopment of the former Southglenn Mall in Centennial, and the Twenty Ninth Street Project in Boulder at the site of the former Crossroads Mall.

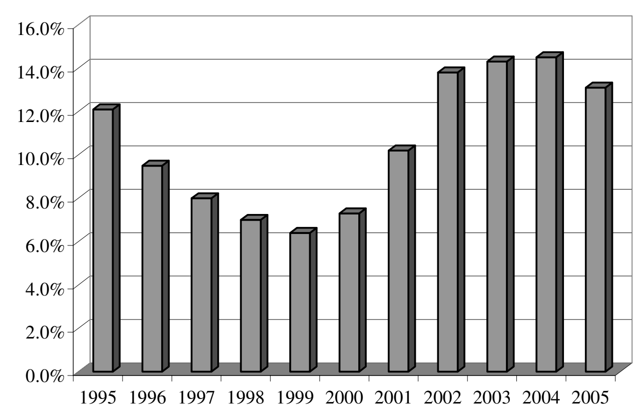
Office Activity

Office construction has remained at minimal levels since 2003 in response to soft market conditions but started to increase at the end of 2005 as overall market conditions improved, according to data from CoStar Realty Information, Inc. Developers added approximately 730,000 square feet of new office space in the Denver metropolitan area in 2005, down from 1.2 million square feet added in 2004. Construction activity increased towards the end of 2005 with about 1.34 million square feet of office construction underway in 38 buildings during the fourth quarter of 2005 compared to 720,000 square feet of construction underway in the fourth quarter of 2004.

Over half of the 1.34 million square feet of new office space is located in the four buildings that are under construction in the City and County of Denver. These buildings include the 280,100-square-foot Denver Newspaper Agency and the 292,000-square foot Environmental Protection Agency buildings in downtown Denver, as well as the 81,500-square-foot Lowry Medical Center Office building in the Lowry redevelopment area.

The direct vacancy rate of office properties throughout the Denver metropolitan area decreased from 14.5% in the fourth quarter of 2004 to 13.1% in the fourth quarter of 2005. The office vacancy rate in the Denver metropolitan area at the end of 2005 was slightly higher than the national office vacancy rate of 12.1%.

OFFICE VACANCY RATE



Sources: CB Richard Ellis (1992-98); CoStar Realty Information, Inc. (1999-2005).

An increase in the average lease rate coincided with the decline in the overall vacancy rate for the office market in the Denver metropolitan area. The average lease rate at the end of the 2005 was $17.43 per square foot, an increase from the average lease rate of $17.04 per square foot at the end of 2004.The average lease rate at the end of 2003 was $17.36 per square foot.

Class A lease rates averaged about $20.40 per square foot at the end of 2005, up from $19.75 per square foot at the end of 2004. Class B and Class C average lease rates also increased slightly, ranging from $13.00 to $16.40 per square foot in the fourth quarter of 2005.

Jones Lang LaSalle reported the suburban vacancy rate in the Denver metropolitan area decreased from 18.2% at the end of 2004 to 16.0% at the end of 2005. The office vacancy rate in the Central Business District also declined, falling from 14.0% at year-end 2004 to 12.3% at year-end 2005.

The Denver metropolitan area offers some of the most affordable office space in North America. According to the August 2006 Global Market Rents report by CB Richard Ellis, the lease rate in the Denver metropolitan area of $17.76 per square foot is the sixth lowest among the 65 largest metropolitan areas in North America. The average lease rate in the Denver metropolitan area increased only 0.1% from August 2004 to August 2005.

Industrial Activity

Industrial construction activity was down slightly in 2005 compared to last year. About 1.3 million square feet of industrial space in 40 buildings was completed in 2005 compared to 1.8 million square feet in 34 buildings in 2004.

At the end of 2005, about 860,000 square feet of industrial, manufacturing and warehouse space was under construction in 19 buildings compared to just 330,000 square feet of industrial construction in 14 buildings underway a year earlier.

The industrial vacancy rate decreased slightly from 7.9% in the fourth quarter of 2005 to 7.7% in the fourth quarter of 2005; however, the fourth quarter 2005 rate is higher than the fourth quarter 2003 vacancy rate of 7.3%. Industrial lease rates increased to $4.71 per square foot at the end of 2005 from $4.61 per square foot at the end of 2004. The year-end 2005 industrial lease rate is slightly improved over the year-end 2003 rate of $4.69 per square foot.

CoStar data shows improvement in the flex space market over the past two years, due to decreased vacancy rates and increased lease rates. The direct vacancy rate in flex buildings decreased from 16.1% in the fourth quarter of 2004 to 14.5% at the end of 2005. Meanwhile, the average lease rate of $8.40 per square foot is up slightly from $8.28 per square foot in the fourth quarter of 2004. During 2005, about 370,000 square feet of new flex space was added to the Denver metropolitan area in 21 buildings, up from 120,000 square feet added in 2004 in six buildings.

Although not classified as either office or industrial space, there is considerable activity in the hospital sector in the form of new construction, renovations and expansions. St. Anthony’s Central Hospital will move from its 16-acre, West Colfax location to a 45-acre plot at Lakewood’s Federal Center. Both Centura Health’s Parker Adventist Hospital in Douglas County and St. Anthony North Hospital announced expansions. Other future construction projects include an Exempla hospital in southern Jefferson County, the HCA-HealthONE Children’s Hospital in Denver and a new hospital at the Bromley Park development in the northeast corridor. Construction continues at the University of Colorado Health Sciences Center at Fitzsimons.

Redevelopment Activity

Major redevelopment projects are underway throughout the Denver metropolitan area, offering opportunities for a mix of residential, commercial, educational and open space uses.

The decommissioned army medical center at Fitzsimons is being developed into the largest (578 acres) medical science and health care-related redevelopment project in the United States. Fitzsimons is undergoing a $4.3 billion renovation and transformation into one square mile dedicated to excellence in patient care, education, research and development. The 227-acre campus of the University of Colorado Health Sciences Center and the University of Colorado Hospital will anchor the redevelopment project. In addition, the Children's Hospital is relocating to the Fitzsimons campus. Plans are also underway to build a Veteran's Affairs hospital at Fitzsimons. The Colorado Bioscience Park Aurora at Fitzsimons is attracting private bioscience companies that need to be in close proximity to the medical facilities. The Fitzsimons master plan calls for up to 15 million square feet of new construction housing 32,000 employees. Development plans also include residential and commercial development.

Forest City Stapleton, Inc. is redeveloping the 4,700-acre former Stapleton International Airport site, the largest infill development site in the nation. The Stapleton Redevelopment Project was awarded the prestigious "Stockholm Partnerships for Sustainable Cities Award" recently for innovative solutions for sustainable development. At build-out, the project will include 12,000 homes for 30,000 residents as well as 3.0 million square feet of retail space and 10.0 million square feet of office space for 35,000 workers.

The former Lowry Air Force Base opened its Town Center in September 2002, with dozens of new retail and office tenants. Lowry now has over 3,500 housing units completed in all price ranges and about 3.4 million square feet of non-residential space. The development, which is approximately 80% complete, will boast 4,500 residential units, 86 acres of mixed use and commercial uses, 76 acres of educational campus and 800 acres of open and recreational space at completion. Lowry residents, employees and non-distance learning students combined give Lowry a current population of just under 25,000 people. The Lowry redevelopment has won the prestigious "Business Park of the Year" award from the National Association of Industrial and Office Properties as well as the "Sustainable Community Award" from the U.S Conference of Mayors and National Association of Counties. These awards are the latest in a long line of recognition for Lowry.

Continuum Partners LLC completed Phase II of the Belmar redevelopment at the former Villa Italia mall in Lakewood during 2005. Belmar is a 22-block, $800 million downtown district that will feature about 1.1 million square feet of retail space, 900,000 square feet of office space, a 250-room hotel and 1,300 residential units at full-buildout. The redevelopment efforts at Belmar have recently been recognized by the Urban Land Institute, the Environmental Protection Agency, the Congress for New Urbanism and others.

With the recent approval of FasTracks, which is the $4.7 billion, 12-year transit expansion plan in the Denver metropolitan area, there are numerous opportunities for transit-oriented-development (TOD) surrounding current and future transit stations. In fact, about 1.4 million square feet of office, retail, hotel and residential space is planned for 20 acres surrounding Union Station, which will serve as the FasTracks hub, over the next two decades.

Retail Activity

An affluent population and a large geographic service area have combined to establish a strong and diverse retail sector. The 2005 estimate of per household retail sales in the Denver metropolitan area of $41,419 ranks the area tenth among the nation's 25 largest metropolitan areas. This strength in retail sales activity fosters a healthy retail real estate market.

Denver metropolitan retail construction activity continues to increase as developers respond to the improving economy. Almost 3.0 million square feet of new retail was built in the Denver metropolitan area in 2005. In the final quarter of 2005, a record of 5.9 million square feet of retail space was under construction in the Denver metropolitan area, according to CB Richard Ellis. Notable projects include Horizon City Center in Aurora, Northlands in Broomfield and Orchard Town Center in Westminster.

Vacancy rates dropped slightly to 6.4% in 2005, down from 6.9% in the fourth quarter of 2004.

Rental rates increased three consecutive quarters in 2005 to $14.74 per square foot in the final quarter of the year.

The Denver metropolitan area offers 13 retail centers of 500,000 square feet or more and numerous smaller shopping districts. These retail centers are geographically dispersed throughout the region, ranging from the Colorado Mills "shoppertainment" regional mall in Lakewood to FlatIron Crossing in Broomfield to Park Meadows in Douglas County. These suburban malls complement the centrally-located, one million-square-foot Cherry Creek Shopping Center located within the City and County of Denver that is currently expanding to add Nordstrom's Department Store. Cherry Creek Shopping Center has been one of the area's top tourist destinations since it opened in 1990.

TRANSPORTATION

The central location and dominant role of the Denver metropolitan area in the western United States have combined to make the area one of the country's most important transportation hubs. All modes of transportation, except water, converge in the Denver metropolitan area, providing excellent access to the rest of the United States and the world.

Highways

The Denver metropolitan area is at the crossroads of three major interstate highways. I-25 is the north-south route, while both I-70 and I-76 provide east-west access. In addition, I-225 serves the southeast quadrant of Metro Denver.

T-REX, the Transportation Expansion Project, is currently the largest multi-modal project under construction in the United States. The $1.67 billion project will improve 17 miles of Interstates 25 and 225 and build a 19-mile light rail line in the southeast Denver metropolitan area. The project began in June 2001 and is expected to be completed by September 2006. Light rail service is expected to commence in November 2006.

Roughly three-quarters of the beltway around the Denver metropolitan area has been completed to date, including the C-470 highway, E-470 tollway, and the Northwest Parkway. The most recently completed segment of the beltway, the 11-mile, privately-funded Northwest Parkway tollway, was completed in November 2003 and connects E-470 and I-25 at 157th Avenue. An environmental impact study is currently being completed to analyze alignments and improvements to existing roadways that would connect the Northwest Parkway to west I-70.

Mass Transit

The Regional Transportation District (RTD) serves the mass transit needs of the Denver metropolitan area within a 2,327-square mile district that includes 38 municipalities. RTD operates 1,071 buses on 174 routes and 70 light rail vehicles on 16 miles of track. The District also operates 66 Park-N-Ride free parking lots for commuters using any of its 23 light rail stations and 10,366 bus stops. RTD also operates free hybrid-electric buses along the 16th Street Mall in Downtown Denver, transporting visitors from one end of the mile-long pedestrian mall to the other. In 2005, RTD recorded 86.2 million passenger boardings, including 10.4 million light rail passengers. Light rail in the Denver metropolitan area currently consists of the Central, Central Platte Valley and Southwest corridor light rail lines.

The Southeast Corridor Light Rail line is currently under construction as part of the T-REX project. This 19-mile line running along I-25 from Lincoln Avenue in Douglas County to Downtown Denver is scheduled to open in November 2006. This line will carry an estimated 20,000 passengers daily.

Voters approved the funding of FasTracks in November 2003, which is RTD's $4.7 billion, 12-year comprehensive plan for the design and construction of high quality transit service and facilities in the seven-county Denver metropolitan region. When completed, FasTracks will add 119 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, over 21,000 new parking spaces at rail and bus stations and expanded bus service in all areas with focused support on suburb-to-suburb travel. In addition to the 36 transit stations either in operation or under construction, FasTracks will add 57 new stations throughout the region.

Air

Denver International Airport is a 53-square-mile facility with six runways, three concourses and 93 gates. The 16,000-foot, sixth runway opened in June 2003 and is said to be the longest runway in North America, allowing increased airport efficiency and increased lift for international flights. Denver International Airport is approximately 23 miles northeast of Downtown Denver.

Denver International Airport averaged nearly 1,555 flight operations and about 118,870 passengers every 24 hours in 2005, making it the sixth busiest airport in North America and 11th busiest in the world. Total passenger traffic at Denver International Airport was 43.4 million in 2005, up 2.6% from 2004.

Denver International Airport serves as a major hub for United and Frontier Airlines. Southwest Airlines began operating out of Denver International Airport in January 2006, helping to increase air traffic and reduce average travel costs for passengers flying in and out of Denver. These airlines, along with about 30 other commercial carriers, serve over 135 domestic and international destinations with nonstop service. International destinations served by nonstop service from Denver include London, Frankfurt and several major cities in Mexico and Canada. About 45% of the passengers that fly into Denver International Airport connect to other flights.

Ten cargo airlines and 19 major and national airlines provide cargo services at Denver International Airport. Denver International Airport handled 683 million pounds of cargo in 2005, down 2.4% from 2004 levels. The 683 million pounds of cargo handled in 2005 included about 68 million pounds of mail and 615 pounds of freight and express.

Denver International Airport is accommodating airline growth by building two temporary gates west of Concourse C. The $10 million project will be completed in late 2006. The new gates will be able to handle about a dozen daily flights each. The airport also expanded the international arrivals area, including a new baggage carousel and an additional 5,000 square feet of office space in the Customs and Border Protection area.

TOURISM

The tourism industry includes travel, outdoor recreation and conventions. The most recent Longwoods International study reveals that a record 10.4 million overnight visitors spent $2.4 billion in the Denver metropolitan area in 2005, which represents an increase from the 9.9 million visitors that spent $2.3 billion in 2004. The number of leisure travelers was unchanged from 2004 to 2005 at 7.9 million while business travel increased 25% from 2.0 million visitors to 2.5 million visitors.

The City and County of Denver is recognized as an entertainment center with numerous attractions located throughout downtown and the surrounding areas. The Central Platte Valley, which is adjacent to downtown Denver, is home to Six Flags Elitch Gardens amusement park and the Downtown Aquarium. Coors Baseball Field and the Lower Downtown (LoDo) area provide a variety of entertainment and residential options. The Denver metropolitan area is rich in open spaces and offers several museums, the Denver Zoo, the U.S. Mint, the Botanic Gardens and the second largest arts center in the country. Construction continued on the Denver Art Museum’s Frederic C. Hamilton building that began in 2002. The $90.5 million expansion building will open in the fall of 2006.

The City and County of Denver is one of only two cities in the country with eight professional sports teams: the NFL Denver Broncos; the NBA Denver Nuggets; the MLB Colorado Rockies; the NHL Colorado Avalanche; the MLS Colorado Rapids; the AFC Colorado Crush; the NLL Colorado Mammoth; and the MLL Denver Outlaws.

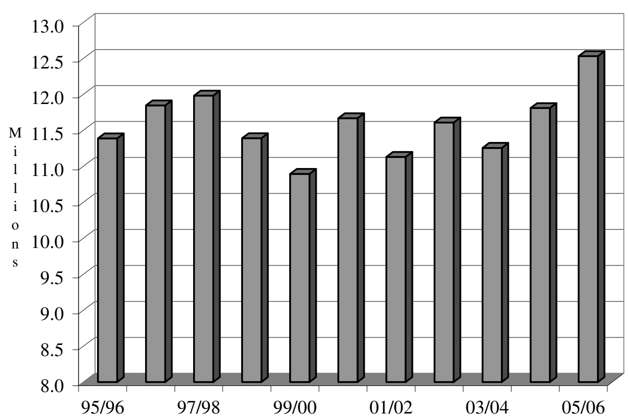
These sports teams have a significant economic impact on the Denver metropolitan area and have led to major investments in new sports venues. The $400 million, 76,125-seat Invesco Field at Mile

High football stadium hosts Denver Broncos football games as well as Colorado Rapids soccer and large public events. The $180 million Pepsi Center, located in the Central Platte Valley, hosts four professional sports teams and numerous sporting events and other special events throughout the year. For example, The City and County of Denver hosted the NBA All-Star Game in 2005 that had an estimated $30 million impact on Denver.

Construction began on the $45 million Broomfield Events Center at Arista in 2005. The center will be home to two minor league sports teams from the Central Hockey League and the Continental Basketball Association. Construction also began on the 20,000-seat Prairie Gateway event center in Commerce City in 2005 which will house the Colorado Rapids.

Denver serves as a gateway to Colorado's mountain recreation areas, offering a host of summer and winter entertainment options. The number of skier visits to Colorado’s ski resorts during the 2005-2006 season increased 6.0% to an estimated 12.5 million visitors. A skier visit is defined as one lift ticket sold or given away for all or part of one day.

COLORADO SKI LIFT TICKETS SOLD

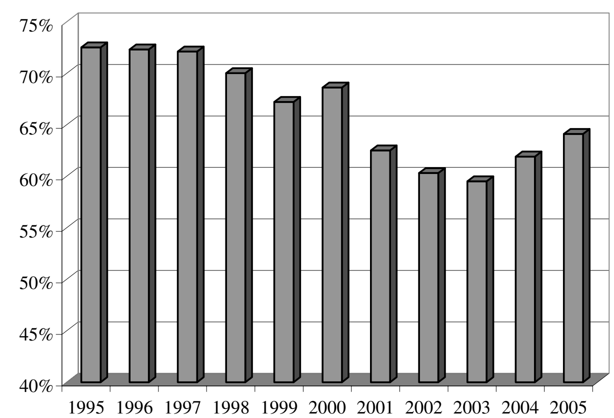


Source: Colorado Ski Country USA.

Conventions are also a major source of tourism activity in Denver. The expansion of the Colorado Convention Center that was completed in 2004 resulted in the City and County of Denver hosting about 153,500 delegates in 2005, up from 114,500 in 2004. The center is expecting at least 27 meetings in 2006 and 2007 and 14 groups are already confirmed for 2008. The expansion doubled the size of the existing convention center to accommodate larger meetings and boasts six exhibition halls, a new ballroom, and a 5,000-seat auditorium.

The 1,100-room Hyatt Regency Denver at the Colorado Convention Center opened for business in December 2005. The $285 million hotel has recorded roughly $103 million in bookings through 2013.

HOTEL OCCUPANCY RATES



Source: Rocky Mountain Lodging Report.

In addition to the new Hyatt, several other hotel projects are in various planning stages in the downtown Denver market including a Four Seasons, Hilton Garden Inn, W Hotel, Ritz-Carlton, St. Regis, Homewood Suites and the renovation of the Executive Towner Inn. Downtown Denver is projected to add an estimated 2,000 hotel rooms to its current 5,300-room market over the next five years.

The hotel occupancy rate in the Denver metropolitan area averaged 64.1% in 2005, up from 61.9% achieved in 2004. Denver metropolitan hotels enjoyed improved conditions in both 2004 and 2005 in terms of occupancy levels and rental rates after suffering through the lowest occupancy rates in 15 years during 2003. Occupancy rates increased in all

Denver metropolitan area submarkets, with the exception of the Northeast and Boulder submarkets.

The average hotel room rate in the Denver metropolitan area increased from $84.42 in 2004 to $91.10 in 2005. The Rocky Mountain Lodging Report survey covers about 30,000 hotel rooms, or about 80% of the Denver metropolitan area supply.

SUMMARY

Economic conditions throughout the Denver metropolitan area continued to strengthen in 2005. Revised figures for 2005 indicate that total nonagricultural employment increased for the second consecutive year in 2005 following employment declines in 2002 and 2003. Total employment in the Denver metropolitan area increased 2.0% in 2005, representing the addition of 26,000 jobs. In 2005, ten of the 11 NAICS supersectors posted employment increases with Information employment still reporting declines.

The unemployment rate in the Denver metropolitan area peaked at 6.3% in 2003 and decreased to an average of 5.7% in 2004 and 5.1% in 2005, the same unemployment rate reported at the national level. Total personal income in Colorado increased 6.5% in 2005 which exceed the national increase of 5.6%. The per capita personal income level in Colorado increased 5.1% in 2005 to $37,946, the 23rd highest of the 50 states and the District of Columbia.

Retail trade sales increased 3.7% in the Denver metropolitan area in 2005 compared to a 6.9% increase for national retail trade sales. Retail trade sales in the Denver metropolitan area totaled $38.6 billion in 2005.

Office vacancies, a strong indicator of business growth and vitality, decreased from 14.5% at the end of 2004 to 13.1% at the end of 2005. Total new single-family and multi-family residential permits declined 4.2% in 2005 to 20,879 permits. Permits issued for single-family detached homes increased while declines occurred for both single-family attached and multi-family construction.

The City and County of Denver was named “A City of the Future” by Foreign Direct Investment magazine in 2005 because the city is well-poised for the future. The report cites Denver’s diverse and dynamic economy, a growing gross metro product, a well-educated workforce and good access to and from the city including the newest airport in the U.S., light rail public transportation and major interstate access. The study also recognized Denver’s telecommunications infrastructure, variety of housing options, recreational/entertainment activities and consistently high rankings as one of the healthiest cities in the U.S. Further, the study noted that Denver was the first U.S. city to establish a presence in Asia.

The City and County of Denver and the Denver metropolitan region have faced many economic challenges since the recession began in 2001. The region finally entered an economic recovery mode in the latter half of 2004 and continued to show steady improvement through 2005. Further improvements at a measured pace are anticipated for the Denver metropolitan economy in the years ahead.

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DATA APPENDIX

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
POPULATION (July 1)											
United States (thousands)	266,278	269,394	272,647	275,854	279,040	282,193	285,108	287,985	290,850	293,657	296,410
Colorado	3,811,077	3,902,451	3,995,924	4,102,491	4,215,984	4,338,807	4,446,928	4,521,824	4,586,761	4,653,023	4,722,478
Denver Metropolitan Area	2,115,508	2,166,886	2,218,872	2,280,781	2,349,188	2,418,304	2,477,174	2,519,433	2,554,209	2,592,441	2,627,322
City and County of Denver	507,723	518,255	527,442	533,406	545,517	555,782	560,365	560,882	566,173	568,913	571,848
POPULATION GROWTH RATE											
United States	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%
Colorado	2.7%	2.4%	2.4%	2.7%	2.8%	2.9%	2.5%	1.7%	1.4%	1.4%	1.5%
Denver Metropolitan Area	2.2%	2.4%	2.4%	2.8%	3.0%	2.9%	2.4%	1.7%	1.4%	1.5%	1.3%
City and County of Denver	0.7%	2.1%	1.8%	1.1%	2.3%	1.9%	0.8%	0.1%	0.9%	0.5%	0.5%
NET MIGRATION											
Colorado	69,054	62,206	63,572	76,138	82,050	88,784	71,131	36,120	26,048	26,433	30,499
Denver Metropolitan Area	27,435	34,089	33,779	43,511	49,193	48,313	35,776	17,557	10,114	12,764	10,175
City and County of Denver	(216)	7,356	5,569	2,054	8,151	5,565	(571)	(5,470)	(543)	(3,430)	(3,016)
NONAGRICULTURAL EMPLOYMENT											
United States (millions)	117.3	119.7	122.8	125.9	129.0	131.8	131.8	130.3	130.0	131.4	133.5
Colorado (thousands)	1,834.7	1,900.9	1,980.2	2,057.6	2,132.6	2,213.8	2,226.9	2,184.2	2,152.8	2,179.6	2,225.5
Denver Metropolitan Area (thousands)	1,132.6	1,168.0	1,219.9	1,268.5	1,318.6	1,374.9	1,375.2	1,332.8	1,314.0	1,324.7	1,350.7
City and County of Denver	411,706	418,299	431,229	446,364	455,642	469,140	461,996	438,891	425,692	423,547	424,677
NONAGRICULTURAL EMPLOYMENT GROWTH RATE											
United States	2.6%	2.1%	2.6%	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.5%
Colorado	4.5%	3.6%	4.2%	3.9%	3.6%	3.8%	0.6%	-1.9%	-1.4%	1.2%	2.1%
Denver Metropolitan Area	4.1%	3.1%	4.4%	4.0%	3.9%	4.3%	0.0%	-3.1%	-1.4%	0.8%	2.0%
City and County of Denver	1.6%	1.6%	3.1%	3.5%	2.1%	3.0%	-1.5%	-5.0%	-3.0%	-0.5%	0.3%

2005 INDUSTRY EMPLOYMENT	United States	Colorado	Denver Metropolitan Area	City & County of Denver
Natural Resources & Construction	5.9%	7.9%	7.2%	5.5%
Manufacturing	10.7%	6.8%	6.8%	5.6%
Wholesale & Retail Trade	15.7%	15.3%	15.4%	12.4%
Transportation, Warehousing, Utilities	3.7%	3.3%	3.8%	5.9%
Information	2.3%	3.5%	4.2%	4.0%
Financial Activities	6.1%	7.1%	7.9%	8.6%
Professional & Business Services	12.6%	14.2%	16.3%	17.9%
Education & Health Services	13.0%	10.1%	10.2%	11.5%
Leisure & Hospitality	9.6%	11.6%	10.2%	10.0%
Other Services	4.0%	4.0%	3.7%	3.2%
Government	16.3%	16.3%	14.3%	15.5%

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
UNEMPLOYMENT RATE											
United States	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%
Colorado	4.0%	4.2%	3.4%	3.5%	3.0%	2.7%	3.8%	5.7%	6.1%	5.6%	5.0%
Denver Metropolitan Area	3.6%	3.8%	2.9%	2.9%	2.6%	2.6%	3.9%	5.9%	6.3%	5.7%	5.1%
City and County of Denver	4.7%	5.0%	4.0%	3.8%	3.3%	3.0%	4.6%	6.8%	7.3%	6.8%	6.0%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)											
United States	152.4	156.9	160.5	163.0	166.6	172.2	177.1	179.9	184.0	188.9	195.3
Denver-Boulder-Greeley	147.9	153.1	158.1	161.9	166.6	173.2	181.3	184.8	186.8	187.0	190.9
INFLATION RATE											
United States	2.8%	2.9%	2.3%	1.6%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%
Denver-Boulder-Greeley	4.3%	3.5%	3.3%	2.4%	2.9%	4.0%	4.7%	1.9%	1.1%	0.1%	2.1%

DATA APPENDIX

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL PERSONAL INCOME (millions, except as noted)											
United States (billions)	$6,145	$6,512	$6,907	$7,416	$7,796	$8,422	$8,717	$8,873	$9,157	$9,706	$10,252
Colorado	$92,704	$100,233	$107,873	$118,493	$128,860	$144,394	$152,700	$153,066	$157,035	$166,188	$177,025
Denver Metropolitan Area	$58,267	$62,936	$67,635	$74,553	$81,469	$92,478	$98,091	$97,913	$99,968	$105,583	N/A
City and County of Denver	$14,645	$15,604	$16,256	$17,852	$19,247	$21,746	$23,535	$23,729	$24,239	$25,551	N/A
TOTAL PERSONAL INCOME GROWTH RATE											
United States	5.3%	6.0%	6.1%	7.4%	5.1%	8.0%	3.5%	1.8%	3.2%	6.0%	5.6%
Colorado	8.2%	8.1%	7.6%	9.8%	8.7%	12.1%	5.8%	0.2%	2.6%	5.8%	6.5%
Denver Metropolitan Area	8.0%	8.0%	7.5%	10.2%	9.3%	13.5%	6.1%	-0.2%	2.1%	5.6%	N/A
City and County of Denver	7.7%	6.6%	4.2%	9.8%	7.8%	13.0%	8.2%	0.8%	2.2%	5.4%	N/A
PER CAPITA PERSONAL INCOME											
United States	$23,076	$24,175	$25,334	$26,883	$27,939	$29,845	$30,574	$30,810	$31,484	$33,050	$34,586
Colorado	$24,226	$25,570	$26,846	$28,784	$30,492	$33,371	$34,493	$34,027	$34,528	$36,113	$37,946
Denver Metropolitan Area	$27,319	$28,814	$30,188	$32,499	$34,560	$38,281	$39,717	$39,152	$39,595	$41,363	N/A
City and County of Denver	$28,219	$29,573	$30,291	$33,005	$35,068	$39,151	$41,921	$42,552	$43,606	$45,957	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE											
United States	4.1%	4.8%	4.8%	6.1%	3.9%	6.8%	2.4%	0.8%	2.2%	5.0%	4.6%
Colorado	5.3%	5.5%	5.0%	7.2%	5.9%	9.4%	3.4%	-1.4%	1.5%	4.6%	5.1%
Denver Metropolitan Area	5.5%	5.5%	4.8%	7.7%	6.3%	10.8%	3.8%	-1.4%	1.1%	4.5%	N/A
City and County of Denver	6.4%	4.8%	2.4%	9.0%	6.3%	11.6%	7.1%	1.5%	2.5%	5.4%	N/A

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
RETAIL TRADE SALES											
United States (Billions)	$2,456	$2,610	$2,732	$2,859	$3,094	$3,294	$3,386	$3,466	$3,615	$3,850	$4,116
Colorado (millions)	$39,919	$42,629	$45,142	$48,173	$52,609	$57,955	$59,014	$58,864	$58,662	$62,348	$65,401
Denver Metropolitan Area (millions)	$23,367	$24,859	$26,486	$28,458	$31,590	$35,055	$35,561	$35,355	$35,548	$37,197	$38,590
City and County of Denver (millions)	$5,888	$6,027	$6,350	$6,812	$7,302	$8,102	$7,874	$7,564	$7,364	$7,691	$7,963
RETAIL TRADE SALES GROWTH RATE											
United States	5.2%	6.2%	4.7%	4.7%	8.2%	6.5%	2.8%	2.4%	4.3%	6.5%	6.9%
Colorado	4.8%	6.8%	5.9%	6.7%	9.2%	10.2%	1.8%	-0.3%	-0.3%	6.3%	4.9%
Denver Metropolitan Area	4.7%	6.4%	6.5%	7.4%	11.0%	11.0%	1.4%	-0.6%	0.5%	4.6%	3.7%
City and County of Denver	0.7%	2.4%	5.4%	7.3%	7.2%	11.0%	-2.8%	-3.9%	-2.6%	4.4%	3.5%
MEDIAN HOME PRICE											
United States (thousands)	$117.0	$122.6	$129.0	$136.0	$141.2	$147.3	$156.6	$167.6	$180.2	$195.2	$219.0
Denver Metropolitan Area (thousands)	$127.3	$133.4	$140.6	$152.2	$171.3	$196.8	$218.3	$228.1	$238.2	$239.1	$247.1
EXISTING HOME SALES											
Denver Metropolitan Area	36,038	37,755	40,185	45,951	46,742	48,611	47,832	47,919	47,966	54,012	53,106
NEW RESIDENTIAL UNITS DENVER METROPOLITAN AREA											
Single Family	12,560	13,182	14,890	16,058	17,523	15,873	14,262	13,793	12,656	14,260	15,778
Two-Family	1,965	2,093	2,647	3,527	2,883	3,321	4,442	4,425	3,755	4,843	4,642
Multi-Family	4,979	3,666	5,415	7,794	4,784	9,116	9,090	4,085	1,858	2,681	459
Total Units	19,504	18,941	22,952	27,379	25,190	28,310	27,794	22,303	18,269	21,784	20,879

DATA APPENDIX

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
OFFICE VACANCY RATE											
Denver Metropolitan Area	12.1%	9.5%	8.0%	7.0%	6.4%	7.3%	10.2%	13.8%	14.3%	14.5%	13.1%
HOTEL OCCUPANCY RATE											
Denver Metropolitan Area	72.5%	72.3%	72.1%	70.0%	67.2%	68.6%	62.5%	60.3%	59.5%	61.9%	64.1%
SKI LIFT TICKETS SOLD	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/05**
Colorado (millions)	11.4	11.8	12.0	11.4	10.9	11.7	11.1	11.6	11.3	11.8	12.5

N/A: Not Available

Sources: U.S. Department of Commerce, Bureau of the Census; Colorado Division of Local Government, Demography Section; U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment, Labor Market Information; U.S. Department of Commerce, Bureau of Economic Analysis; Colorado Department of Revenue; National Association of REALTORS; Metrolist Inc.; Home Builders Association of Metro Denver; CB Richard Ellis; CoStar Realty Information, Inc.; Rocky Mountain Lodging Report; Colorado Ski Country USA.

APPENDIX B

EXECUTIVE ORDER NO. 114

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EXECUTIVE ORDER NO. 114

TO: All Departments and Agencies Under the Mayor

FROM: Mayor

DATE: October 29, 1996

SUBJECT: Securities Disclosure Policies and Practices of the City and County of Denver

I. Purpose

A. In connection with the issuance of certain bonds, notes, certificates of participation and other municipal securities, the City and its Enterprises are required to prepare and disseminate certain disclosure information in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, including a requirement for continuing disclosure of annual financial information and notices of certain material events.

B. Such reporting and disclosure practices require close coordination on the part of the City in order to assure compliance with contractual Undertakings, promote uniformity in disclosures and reduce liability on the part of the City to holders of securities.

C. This Order is issued in order to centralize the information dissemination process, to establish appropriate controls on Disclosure Statements made by the City, and to enable the City and its Enterprises to comply with Rule 15c2-12, in order to assure the City's access to the capital markets as a source of funds for necessary and useful public undertakings of the City. This Order is not intended in any way to limit any person's access to public records or information, nor to infringe upon the normal political process, in particular the right of any elected official of the City to review, discuss, release, comment upon or criticize any information.

II. Definitions

A. Meanings and Constructions. As used in this Order., the terms, "annual financial information," "issuer," "municipal securities," "obligated person," and "official statement" shall have the meanings ascribed hereto under Rule 15c2-12, and the following terms shall have the following meanings:

1. "1934 Act" means the Securities Exchange Act of 1934, as the same may be amended, modified and integrated at the time in question, together with any similar federal statute applicable to brokers, dealers or municipal securities dealers purchasing, selling or trading in securities issued by the City.

2. "Compliance Officer" means the Manager of the Department of Revenue, ex officio Treasurer of the City.

3. "SEC" means the United States Securities and Exchange Commission and any successor federal agency having jurisdiction over the purchase, sale and offering by broker-dealers of securities such as those issued by the City.

4. "Rule 15c2-12" means the Rule of that designation promulgated by the SEC under the 1934 Act, as the same may be amended, modified and interpreted at the time in question, together with any similar rule or regulation promulgated by a federal agency and applicable to the City and its securities.

5. "Undertaking" means a contract designed to comply with the continuing disclosure requirements of Rule 15c2-12, entered into by the City and obligating the City to provide annual financial information and notices of the occurrence of certain events, if material.

6. "Disclosure Statement" means any written or oral communication relating generally to the creditworthiness of the City or its Enterprises or specifically to the financial viability of particular projects being financed with municipal securities whose payment is supported by the City or one of its Enterprises. Such term includes annual financial information, information concerning the occurrence of events, and notices, conferences, reports, speeches and published material of any other sort made in a manner and under circumstances where it is reasonable to expect that such statement may reach and be relied upon by investors in the securities issued by the City or its Enterprises. Such term does not include any statement made or information provided by an elected official of the City unless such statement has been coordinated with and approved by the Compliance Officer for release to the public.

7. "Enterprise" means the Department of Aviation, the Wastewater Management Division of the Department of Public Works, [the Board of Water Commissioners], and any other section, division, agency or department of the City designated as an "Enterprise" pursuant to the Charter or by ordinance.

III. Statement of Policy

A. In order to assure compliance by the City with the disclosure requirements of Rule 15c2-12, it is the policy of the City that:

1. No official statement relating to any municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public until and unless approved by the Compliance Officer.

2. No Disclosure Statement concerning municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public by any employee, agent or official of the City in a way reasonably expected to be received and relied upon by investors in such securities until and unless such Statement and the release thereof shall be approved by the Compliance Officer.

3. No Undertaking relating to municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be binding upon the City without the approval of the Compliance Officer.

4. Unless required by law to do otherwise, prior to releasing to the public any Disclosure Statement intended to be made public, all non-elected employees, agents and officials of the City shall report to and file with the Compliance Officer any such Disclosure Statement, together with such additional information requested by the Compliance Officer, and each such employee, agent and official of the City shall consult with the Compliance Officer concerning such proposed Disclosure Statement.

5. No Disclosure Statement, official statement or Undertaking in respect of any municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 that is issued or released to the public by any employee, agent or official of the City without the approval of the Compliance Officer required by this Order shall be deemed to be a statement or undertaking by or on behalf of the City or such Enterprise.

IV. Rules and Regulations

The Compliance Officer shall promulgate and revise from time to time such rules and regulations as the Compliance Officer shall deem necessary to implement this Order, such rules and regulations to be binding upon all non-elected officials, employees and agents of the City.

Approved for Legality:

/s/ Daniel E. Muse
Attorney for the City and County of Denver

Approved:

/s/ Wellington E. Webb
Mayor

/s/Bruce Baumgartner
Manager of Public Works

/s/ Patricia Gabow, M.D.
Manager of Health and Hospitals

/s/ Fidel Montoya
Manager of Safety

/s/ Cheryl Cohen-Vader
Manager of Revenue

/s/ Philip A. Hernandez
Manager of Social Services

/s/ Betty Jean Brooks
Manager of Parks and Recreation

/s/ Alonzo Matthews
Manager of Parks and Recreation

/s/ James DeLong
Manager of Aviation

APPENDIX C

2005 ABSTRACT OF ASSESSMENT

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2005 Abstract of Assessment

		Total Assessed Value		Total Actual Value
Vacant Land				
Residential	$	71,553,560	$	246,736,400
Commercial		65,459,810		225,723,500
Industrial		23,919,180		82,479,900
Agricultural		288,130		993,500
PUD		6,530,880		22,520,300
All Others		17,575,040		60,603,600
Minor Structures		35,810		123,500
Possessory Interest		5,600		19,300
Total	**$**	**185,368,010**	**$**	**639,200,000**
Residential				
Single Family	$	2,771,508,970	$	34,817,951,900
Condominiums		587,784,620		7,384,228,900
Duplexes/Triplexes		93,664,620		1,176,691,200
Multi Unit (4 to 8)		37,110,760		466,215,500
Multi Unit (9 & up)		347,829,110		4,369,712,400
Manufactured Homes		465,520		5,848,300
Partial Exempt		2,290,400		28,773,900
Total	**$**	**3,840,654,000**	**$**	**48,249,422,100**
Commercial				
Merchandising	$	497,885,280	$	1,716,845,800
Lodging		158,664,580		547,119,300
Offices		1,313,553,910		4,529,496,300
Recreation		65,402,670		225,526,500
Possessory Interest		28,511,640		98,316,000
Special Purpose		404,926,830		1,396,299,400
Warehouses		708,164,730		2,441,947,400
Multi-Use		110,629,450		381,480,900
Partial Exempt		16,794,360		57,911,600
Total	**$**	**3,304,533,450**	**$**	**11,394,943,200**
Industrial				
Manufacturing	$	122,716,850	$	423,161,500
Total	**$**	**122,716,850**	**$**	**423,161,500**
Personal Property				
Residential	$	8,245,350	$	28,432,200
Commercial		610,659,890		2,105,723,800
Industrial		109,928,650		379,064,300
Prod. Oil & Gas		8,850		30,500
Total	**$**	**728,842,740**	**$**	**2,513,250,800,**
Natural Resources				
Prod. Oil & Gas	$	928,970	$	1,061,700
Total	**$**	**928,970**	**$**	**1,601,700**
State Assessed	**$**	**760,124,200**	**$**	**2,621,117,900**
Grand Total	**$**	**8,943,168,220**	**$**	**65,842,157,200**

		Total Assessed Value		Total Actual Value
Exempt Properties				
Federal Government	$	109,156,070	$	31,655,260
State Government		226,150,300		65,583,587
County Government		1,302,170,970		377,629,581
Political Subdivision		697,884,100		202,386,389
Religious Entity		154,676,520		44,856,191
Private Schools		108,141,770		31,361,113
Charitable Entities		294,282,900		85,342,041
Personal Property		3,936,133		1,141,479
All Others		161,082,660		46,713,971
Total	**$**	**3,057,481,423**	**$**	**886,669,613**

Special Taxing Districts

	Assessed Value	Mill Levy	Tax Revenue
Bowles Metropolitan	$ 24,460,040	40.000	978,402
Central Platte Valley Metro	33,477,130	57.000	1,908,196
Central Platte Valley Metro (debt)	19,431,660	44.500	864,709
Cherry Creek North B.I.D.	118,906,990	17.642	2,097,757
Cherry Creek Subarea B.I.D.	32,226,330	0.572	18,433
Clear Creek Valley Water &	653,900	2.969	1,941
Colfax B.I.D.	32,700,380	7.846	256,567
Denver Gateway Center	3,662,750	32.992	120,841
Denver Gateway Meadows Metro	302,010	30.000	9,060
Denver Intl. Bus. Center Metro	11,971,360	40.000	478,854
Denver Suburban Water	204,586,230	0.325	66,491
Ebert Metropolitan	44,615,280	55.000	2,453,840
Fairlake Metropolitan	14,063,740	42.508	597,821
Fairlake Metropolitan (debt)	9,065,850	28.000	253,844
First Creek Metropolitan	68,780	10.845	746
Gateway Regional Metropolitan	25,125,530	10.000	251,255
Gateway Village G.I.D.	22,139,830	32.500	719,544
Goldsmith Metropolitan	204,586,230	17.000	3,477,966
Goldsmith Metropolitan (debt)	24,119,790	10.573	255,019
Greenwood Metropolitan	1,124,280	14.085	15,835
GVR Metropolitan	88,139,590	24.294	2,141,263
Holly Hills Water & Sanitation	17,610,220	2.716	47,829
North Washington Fire Protection	3,849,860	13.569	52,239
North Washington Street Water &	3,788,090	1.188	4,500
Old South Gaylord B.I.D.	3,773,160	4.920	18,564
Sand Creek Metropolitan	27,178,480	25.000	679,462
Sand Creek Metropolitan (debt)	8,698,190	21.000	182,662
SBC Metropolitan*	39,294,930	35.000	1,375,323
Section 14 Metropolitan	6,251,660	26.720	167,044
Section 14 Metropolitan (debt)	5,903,870	11.232	66,312
Sheridan Sanitation District No. 2	375,280	0.541	203
South Denver Metropolitan	39,053,500	9.187	358,785
Southeast Public Improvement	204,586,230	1.111	227,295
Town Center Metropolitan	352,530	55.000	19,389
Valley Sanitation	9,792,970	2.493	24,414
Westerly Creek Metro Dist.**	121,808,980	54.124	6,592,789
Total			**$ 26,785,198**

*$1,028,549 of the tax for SBC Metropolitan is distributed directly to the Stapleton TIF.

**$2,619,723 of the tax for Westerly Creek is distributed directly to the Stapleton TIF.

Tax Increment Finance Districts

District		Assessed Value Increment
Alameda Square	$	794,527
American National		1,778,355
California St. Parking Garage		600,065
City Park South		0
Downtown Denver		54,669,154
Executive Tower Hotel		3,274
Guaranty Bank		1,329,716
Highlands Garden Village		4,095,132
Lowry		90,994,600
Mercantile Square		1,767,558
Elitch's		17,773,006
Northeast Park Hill		5,056,726
Pepsi Center		32,883,789
Point Urban		897,380
South Broadway		12,761,515
St. Luke's #1		8,684,877
St. Luke's #2		6,853,658
Stapleton		149,585,616
Westwood		4,972,191
38th & York		3,989,980
Total	**$**	**399,491,119**

Summary of Levies and Taxes

	Mill Levy		Tax Revenue
City & County of Denver			
General Fund	8.854	$	79,182,811
Bond Principal	6.248		55,876,915
Bond Interest	2.185		19,540,823
Social Services	3.838		34,323,880
Developmentally Disabled	1.000		8,943,168
Fire Pension	1.422		12,717,185
Police Pension	1.698		15,185,500
Total	**25.245**	**$**	**225,770,282**
School District # 1			
General Fund	34.761	$	310,873,470
Bond Redemption	5.599		50,072,799
Total	**40.360**	**$**	**360,946,269**
Urban Drainage & Flood Control District	**0.597**	**$**	**5,339,071**
Total General Taxes	**66.202**	**$**	**592,055,622**
Total Special District Taxes			**26,785,198**
Grand Total of All Taxes		$	**618,840,820**
Taxes Distributed to DURA		$	**26,447,111**

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CITY AND COUNTY OF DENVER

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