CITY AND COUNTY OF DENVER, COLORADO
2016 DISCLOSURE STATEMENT

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

For the year ended December 31, 2015

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

2016 DISCLOSURE STATEMENT
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DENVER
THE MILE HIGH CITY
Michael B. Hancock
Mayor

DEPARTMENT OF FINANCE

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CHIEF FINANCIAL OFFICER

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September 1, 2016

Dear Reader:

Material contained in this Disclosure Statement has been prepared to comply with Rule 15c2-12 as amended through the date hereof of the U.S. Securities and Exchange Commission and the Denver Mayor's Executive Order 114, first enacted in 1996, which further commits the City to providing ongoing information about the City's 2015 financial condition. It also contains certain post 2015 unaudited and prospective information as noted. The Disclosure Statement for the Year Ended December 31, 2015 must be read in conjunction with the City's Comprehensive Annual Financial Report ("CAFR"), the Wastewater Management Enterprise Fund Financial Statements, the City's Municipal Airport System Annual Financial Report and the Denver Employees Retirement Plan's CAFR. Information on where to locate these reports can be found at the end of this Disclosure Statement. It is the practice of the City to separately file Event Notices on EMMA satisfying all Continuing Disclosure Undertakings. The Disclosure Statement includes all other information the City has contracted to provide on an ongoing basis.

In June 2015, the City entered into a lease purchase transaction. $22,470,000 of Series 2015A Certificates of Participation were executed and delivered by the trustee for the purpose of funding a new 911 Communications Center and a new Fleet Services Center.

In November 2015, the City, for and on behalf of its Department of Aviation, issued $195,940,000 of Series 2015A Airport System Subordinate Revenue Bonds for the purpose of refunding all of the outstanding Series 2005A Bonds.

For those who seek additional information about the City's 2015 transactions or other financings, the Official Statements and/or relevant Event Disclosures can be found in the files of the Municipal Securities Rulemaking Board, online at http://emma.msrb.org or may be obtained by calling the City's Debt Management offices at 720-913-5500.

As the Manager of Finance and Chief Financial Officer, I am responsible for the City's compliance with Rule 15c2-12 and Denver Mayor's Executive Order 114. Please contact my office if you have questions about the material contained within this Disclosure Statement for the Year Ended December 31, 2015, or if you have any comments regarding future disclosures.

DENVER
THE MILE HIGH CITY

Sincerely,

Brendan J. Hanlon
Manager of Finance, Chief Financial Officer
City and County of Denver

CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2015

Mayor
Michael B. Hancock

City Council
Christopher Herndon, President

Kendra Black	Paul Kashmann
Albus Brooks	Robin Kniech
Jolon Clark	Paul D. López
Rafael Espinoza	Wayne New
Kevin Flynn	Deborah Ortega
Stacie Gilmore	Mary Beth Susman

Auditor
Timothy M. O'Brien

Clerk and Recorder
Debra Johnson

CABINET OFFICIALS

Cary Kennedy	Deputy Mayor, Chief Financial Officer, as the Manager of Finance/ *Ex-Officio* Treasurer
Adrienne Benavidez	Executive Director of the Department of General Services
Brad Buchanan	Executive Director of Community Planning and Development
Jose Cornejo	Executive Director of the Department of Public Works
Kim Day	Chief Executive Officer of the Department of Aviation
Allegra "Happy" Haynes	Executive Director of the Department of Parks and Recreation
Donald J. Mares	Executive Director of the Department of Human Services
D. Scott Martinez, Esq.	City Attorney
Robert M. McDonald	Executive Director of the Department of Environmental Health
Stephanie O'Malley	Executive Director of the Department of Safety

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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 3 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which approximately 678,000 reside in the City limits.

Organization

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

Government

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

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

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

The Chief Financial Officer serves on the Mayor's cabinet and is responsible for the management of the City's debt and financial obligations and the appointment of the Manager of Cash, Risk & Capital Funding, Controller, Treasurer, Budget Manager, Assessor and Director of Real Estate. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance. The current Chief Financial Officer is Brendan J. Hanlon, who replaced Cary Kennedy as of February 11, 2016.

As of December 31, 2015, the appointed members of the Mayor's cabinet (whose positions were retitled by executive order in 2014) were the following individuals:

Cary Kennedy	Deputy Mayor, Chief Financial Officer, as the Manager of Finance/ *Ex-Officio* Treasurer
Adrienne Benavidez	Executive Director of the Department of General Services
Brad Buchanan	Executive Director of Community Planning and Development
Jose Cornejo	Executive Director of the Department of Public Works
Kim Day	Chief Executive Officer of the Department of Aviation
Allegra "Happy" Haynes	Executive Director of the Department of Parks and Recreation
Donald J. Mares	Executive Director of the Department of Human Services
D. Scott Martinez, Esq.	City Attorney
Robert M. McDonald	Executive Director of the Department of Environmental Health
Stephanie O'Malley	Executive Director of the Department of Safety

In addition to the members of the cabinet as of December 31, 2015, other advisers include Chief of Staff Janice Sinden and Deputy Chiefs of Staff Evan Dreyer and Penny May. As of the date of this Disclosure Statement, Cary Kennedy has been replaced by Donald J. Mares as Deputy Mayor and Brendan J. Hanlon as Chief Financial Officer, Adrienne Benavidez has been replaced by Penny May, Robert M. McDonald was appointed Executive Director of the Department of Environmental Health, and D. Scott Martinez has been replaced by Cristal DeHerrera. On July 18, 2016, Councilman Albus Brooks was elected president of the Denver City Council in ordinary course.

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

Budget Policy

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

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

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

Ratings

The City and County of Denver currently has the highest possible General Obligation bond ratings with a "Stable" outlook from all three major credit ratings agencies. Denver is the only city or county in Colorado to hold AAA General Obligation bond ratings from all three rating agencies.

Constitutional Revenue and Spending Limitations

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

TABOR restricts the total amount of expenditures and reserve increases (excluding changes in debt service payments) that may be made by the City for all purposes by limiting the City's revenues to the total amount of revenues received by the City in the preceding year, adjusted for inflation and local growth. Under TABOR, excess revenues are required to be refunded to citizens the next fiscal year unless the voters approve a public entity to retain excess revenues. On November 6, 2012, Denver voters passed ballot measure 2A that permanently removed all TABOR restrictions described above regarding the collection and retention of all taxes. The measure permanently allows the City to collect, retain, and spend all lawful taxes.

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

General Fund

The General Fund is the principal operating fund of the City. Information contained in this section has been drawn from the annual financial reports of the City, the General Fund budget for the years 2015 and 2016, and information prepared by the Department of Finance.

Major Revenue Sources. Two major revenue sources for the City's General Fund are sales and use taxes and the City's property tax. Additional revenue sources include intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, investment income, and other miscellaneous taxes and revenues.

The general sales tax, at the end of December 31, 2015, was a fixed-rate (3.65%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax, at the end of December 31, 2015, was a fixed-rate (3.65%) 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. See also "Sales and Use Taxes."

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.

Additional amounts collected by the City and accounted for in the General Fund include the City's lodger's tax ("Lodger's Tax"), short-term auto rental tax ("Auto Rental Tax"), prepared food and beverage tax ("Food and Beverage Tax"), occupational privilege taxes ("OPT" or "Head Tax"), automobile ownership tax, telecommunications business tax, and franchise fees. A portion of the Lodger's Tax, Auto Rental Tax, and Prepared Food and Beverage Tax are pledged to debt service on excise tax revenue bonds of the City. During 2015, OPT was also pledged to debt service on the Excise Tax Revenue Refunding Bonds, Series 2003, which matured and were fully paid off on November 1, 2015. OPT is no longer pledged to any debt obligations of the City. See "DEBT STRUCTURE OF THE CITY – Excise Tax Revenue Bonds Debt Service Coverage."

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. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines. 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.

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. Currently, a portion of the State-imposed cigarette tax and wholesale marijuana 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; and Parks and Recreation and Cultural Facilities. The 2016 budget reclassified certain public safety expenditures from the Public Safety category into the budgets for the individual agencies and General Administration. Using those reclassified categories, the largest portion of the 2015 revised expenditure budget (38.9%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's departments' services. For the 2016 adopted Budget, Public Safety represents 38.9% of the General Fund. The 2015 CAFR did not reclassify certain public safety expenditures; accordingly, there will be differences in line item descriptions and totals. See "Tables 1-2: General Fund Budget Summary".

Management Discussion of 2016 Budget

The 2016 Budget, adopted in November 2015, projected total General Fund revenue of $1.212 billion in 2016, an increase of 1.4% over the 2015 revised budget due primarily to growth in sales tax and property tax revenue partially offset by a decrease in transfer revenue. Core sales and use taxes are collected in ordinary course under Denver Revised Municipal Code Section 53. Additionally, the City collects taxes that were not previously collected through routine audits ("audit revenues"). The term core sales and use tax revenues refers to the taxes collected in ordinary course. Core sales and use tax revenues (minus audit revenues) are projected to increase 5.0% in 2016. General Fund expenditures are projected to grow to $1.262 billion in 2016, up by 3.6% over the 2015 revised budget, driven by high-priority expenditures including increasing sheriff staffing and reform efforts, new affordable and workforce housing, implementing mobility capital infrastructure projects, accelerated police and fire hiring, increases to parks maintenance staff, street repaving, and investments in recreation, after-school programs and child-care services for Denver youth. Reserves are projected to continue to increase and the undesignated fund balance is anticipated to be 15.2% of projected expenditures, or $191.6 million, by the end of 2016. For the Mayor's complete 2016 Budget, visit www.denvergov.org/budget.

Adams County Negotiations. The City concluded discussions with Adams County, Colorado, and various cities within Adams County regarding certain limitations on the development of property within the Denver International Airport (the "Airport") area as provided in the Intergovernmental Agreement on a New Airport dated April 21, 1988 (the "Airport IGA"). In November 2015, voters in Denver and Adams County simultaneously approved an amendment (the "Amendment") to the Airport IGA addressing a variety of matters including specific land use regulations related to Denver's concurrent annexation of the land for the Airport from Adams County. The voter approved Amendment includes a 1,500-acre "pilot program" on which the Airport could locate a wider spectrum of commercial uses than currently allowed under the Airport IGA. Under the Amendment, the City will share with Adams County 50% of certain city tax revenue derived from new commercial development on the 1,500 acres, excluding any and all tax revenues that are obligated by voter approval, bond covenants or any other form of contract for a specific purpose. The Amendment went into effect on January 1, 2016. The City met its obligation under the Amendment to provide Adams County with a one-time payment of $10 million on the first business day of 2016.

Litigation Update

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

For Fiscal Year 2016, the City Attorney's office has received an appropriation of approximately $3.0 million, for payment of claims and judgments for items not covered by existing insurance. The City anticipates additional claims could be filed that may require a request for the City Council to transfer additional funds into the claims account in excess of the amounts described above.

The City is one of several hundred localities nationwide selected by the Department of Justice's Project Civic Access for an Americans with Disability Act ("ADA") compliance review. In 2012, Project Civic Access conducted a compliance review of City facilities. In 2014, the City received the results of the compliance review and engaged with Project Civic Access to identify and agree on necessary public improvements. The City has appropriated $3,350,000 to fund necessary improvements that have been identified as of December 31, 2015. The City anticipates that additional necessary improvements will be identified, and expects to request funds necessary for such improvements through the budgeting process.

Two local organizations, the Civil Rights Education and Enforcement Center ("CREEC") and the Colorado Cross-Disability Coalition ("CCDC") served a demand letter on the City alleging violations of the ADA by the City. In this letter, CREEC and CCDC allege that the City failed to install curb ramps required by the ADA and the Rehabilitation Act. CREEC and CCDC claim that if this matter is not settled they would be entitled to injunctive relief requiring that the City install missing ramps as well as attorney's fees and costs. The City, CREEC and CCDC have negotiated a class action settlement. The required notice to class members has been provided and no objections were received. A final hearing was held July 25, 2016, approving the settlement. The City has agreed to pay an amount not to exceed $122,000 for fees and costs incurred by Plaintiffs' Counsel to date. This amount will be paid out of existing budgeted Public Works funds. The City's future yearly exposure for fees will not exceed $100,000 pursuant to the settlement. The City anticipates requesting funds to meet ramp installation requirements of the settlement agreement through the budgeting process.

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

Governmental Immunity

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

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

The City may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. In addition, the City may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

TABLE 1

GENERAL FUND BUDGET SUMMARY
2015 ACTUAL RESULTS, 2015 BUDGET AND 2016 BUDGET
Prepared in Budgetary Format
($ in thousands)

	2015 Actual[1]	2015 Revised Budget	2016 Adopted Budget
REVENUES			
Taxes			
Property	$107,198	$108,117	$117,034
Sales and Use	581,922	585,568	603,384
Other	100,704	99,060	101,374
Intergovernmental Revenues	33,240	32,385	32,787
Licenses and Permits	59,909	45,977	44,925
Fines and Forfeitures	52,989	56,605	57,658
Charges for Services	189,573	196,119	199,360
Investment Income	7,388	5,819	6,418
Transfers In	56,366	52,728	41,193
Other Revenues and Financing Sources	17,215	12,969	7,964
TOTAL FINANCIAL SOURCES	$1,206,504	$1,195,348	$1,212,098
EXPENDITURES			
General Government	$252,374	$324,632	$349,780
Public Safety	518,800	473,539	491,483
Public Works	121,516	109,241	117,151
Health	49,301	49,765	49,774
Parks and Recreation	57,914	56,511	63,345
Cultural Activities	44,213	41,527	43,191
Debt Service	5,995		
Transfers Out	126,207	141,063	118,454
General Fund Contingency	-	34,603	38,744
Estimated Unspent Appropriations	-	(12,000)	(9,000)
TOTAL EXPENDITURES BUDGET	$1,176,320	$1,218,881	$1,262,923
FUND BALANCES[2]			
Net Change in Fund Balance	30,184	(23,533)	(50,825)
Fund Balance January 1	364,016		
Fund Balance December 31	394,200		
Undesignated Fund Balance January 1	267,764	265,762	242,229
Undesignated Fund Balance December 31	293,476	242,229	191,404
Total Fund Balance December 31	$293,476	$242,229	$191,404

1 The City's CAFRs and Budgets use slightly different reporting categories for certain revenues and expenditures. Accordingly, there may be differences in some line item descriptions and totals.

2 The CAFR lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds in accordance with GASB 54. The Budget and Management Office does not use this methodology for the Budget, therefore, Fund balances should only be compared within the Budget columns in the table set forth above.

(Sources: 2015 CAFR, Denver 2016 Budget)

TABLE 2

GENERAL FUND BUDGET SUMMARY
2015ACTUAL RESULTS, 2015 BUDGET AND 2016 BUDGET
(by percentage)

	2015 Actual[1]	2015 Revised Budget	2016 Adopted Budget
REVENUES			
Taxes			
Property	8.9%	9.0%	9.7%
Sales and Use	48.2	49.0	49.8
Other	8.3	8.3	8.4
Intergovernmental Revenues	2.8	2.7	2.7
Licenses and Permits	5.0	3.8	3.7
Fines and Forfeitures	4.4	4.7	4.8
Charges for Services	15.7	16.4	16.4
Investment Income	0.6	0.5	0.5
Transfers In	4.7	4.4	3.4
Other Revenues and Financing Sources	1.4	1.1	0.7
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government	21.5%	26.6%	27.7%
Public Safety	44.1	38.9	38.9
Public Works	10.3	9.0	9.3
Health	4.2	4.1	3.9
Parks and Recreation	4.9	4.6	5.0
Cultural Activities	3.8	3.4	3.4
Debt Service	0.5	-	-
Transfers Out	10.7	11.6	9.4
General Fund Contingency	-	2.8	3.1
Estimated Unspent Appropriations	-	(1.0)	(0.7)
TOTAL EXPENDITURES BUDGET	100.0%	100.0%	100.0%

1 The City's CAFRs and Budgets use slightly different reporting categories for certain revenues and expenditures. Accordingly, there may be differences in some line item descriptions and totals.

(Sources: 2015 CAFR, Denver 2016 Budget)

Management Discussion of Recent Financial Results

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

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

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

2014. 2014 core revenue collections of sales and use tax, which do not include audit revenues, were 11.7% higher than 2013 primarily as a result of the continued robust recovery of the economy. Including audit revenues, total sales and use tax revenue collections for the General Fund were 12.7% higher than 2013. Total 2014 revenues performed 8.6% over 2013. With respect to budget basis expenditures, City departments saved $43.6 million from the revised 2014 budget due to achieving expected unspent appropriations, due in large part to compensation savings. Total General Fund expenditures, including transfers out, increased by 9.8% from 2013, primarily driven by personnel cost increases.

2015. 2015 core revenue collections of sales and use tax, which do not include audit revenues, were 3.9% higher than 2014. Including audit revenues, total sales and use tax revenue collections for the General Fund were 4.8% higher than 2014. Total 2015 revenues performed 7.1% over 2014. With respect to budget basis expenditures, City departments saved $54.6 million from the revised 2015 budget due to achieving expected unspent appropriations, due in large part to compensation savings and lower use of contingency funds in 2015. Total General Fund expenditures, including transfers out, increased by 10.3% from 2014, primarily driven by personnel cost increases and transfers between City funds.

General Fund Financial Information

The following pages include Table 3, General Fund Balance Sheet and Table 4, General Fund Statement of Revenues, Expenditures and Changes in Fund Balance for 2011 through 2015.

TABLE 3

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

ASSETS	2011	2012	2013	2014	2015
Cash and cash equivalents	$120,191	$146,392	$195,214	$270,048	$273,039
Cash on hand	101	70	143	140	117
Receivables (net of allowances for uncollectibles):					
Taxes	134,806	163,031	170,018	180,913	185,474
Notes	641	480	2,804	2,785	430
Accounts	20,187	21,140	20,109	19,541	21,999
Accrued interest	1,135	1,030	1,440	1,876	1,973
Due from other funds	150	-	-	-	-
Interfund receivable	15,537	9,204	12,528	9,077	12,436
Prepaid items and other assets	330	159	268	425	2,890
Restricted assets:					
Cash and cash equivalents	42,528	45,283	48,203	51,218	65,283
Assets held for disposition	11,436	11,436	11,436	11,436	-
TOTAL ASSETS	$347,042	$398,225	$462,163	$547,459	$563,641
LIABILITIES					
Vouchers payable	$16,362	$16,719	$17,037	$19,921	$19,240
Accrued liabilities	26,622	30,200	32,423	35,582	15,882
Due to other funds	65	111	274	266	556
Interfund Payable	1,964	3,199	2,122	3,548	36
Deferred revenue	87,701	121,104	122,972	124,126	133,702
Compensated Absences	-	26	-	-	-
Advances	18	18	-	-	25
TOTAL LIABILITIES	$132,732	$171,377	$174,828	$183,443	$169,441
FUND BALANCE					
Nonspendable	330	159	268	425	2,890
Restricted	54,049	56,566	62,443	65,439	65,713
Committed	12,039	15,084	23,594	30,388	32,121
Unassigned	147,892	155,039	201,030	267,764	293,476
TOTAL FUND BALANCE	214,310	226,848	287,335	364,016	394,200
TOTAL LIABILITIES AND FUND BALANCE	$347,042	$398,225	$462,163	$547,459	$563,641

(Source: City and County of Denver’s CAFR, 2011- 2015)

TABLE 4

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

REVENUES	2011	2012	2013	2014	2015
Taxes:					
Property	$73,331	$79,199	$108,522	$112,120	$107,198
Sales and Use	441,187	451,352	493,002	555,428	581,922
Other	76,061	81,579	85,816	94,124	100,704
Licenses and Permits	29,714	33,906	42,916	48,425	59,909
Intergovernmental Revenues	26,274	25,913	27,669	31,647	33,240
Charges for Services	153,861	162,086	167,864	169,047	189,573
Investment Income	8,096	4,606	1,890	7,499	7,388
Fines and Forfeitures	55,090	53,227	54,818	51,954	52,989
Other Revenues	9,164	7,414	10,314	8,233	16,443
TOTAL REVENUES	$872,778	$899,282	$992,811	$1,078,477	$1,149,366
EXPENDITURES					
Current:					
General Government	$168,801	$174,272	$181,635	$211,460	$230,258
Public Safety	444,721	469,039	475,654	500,627	518,800
Public Works	84,263	90,007	98,178	129,111	121,516
Health	43,109	43,765	44,636	48,957	49,301
Parks and Recreation	48,100	53,188	55,279	57,476	57,914
Culture and Entertainment	33,152	34,736	39,192	41,064	44,213
Community Development	14,608	15,687	15,998	18,152	21,515
Economic Opportunity	353	205	574	527	601
Obligation Retirement	4,445	4,602	4,785	7,506	5,995
TOTAL EXPENDITURES	$841,552	$885,501	$915,931	$1,014,880	$1,050,113
Excess of Revenues Over Expenditures	31,226	13,781	76,880	63,597	99,253
OTHER FINANCING SOURCES (USES)					
Other	463	1,379	305	19,039[1]	772
Operating Transfers In	31,578	36,073	38,589	46,045	56,366
Operating Transfers Out	(29,864)	(38,695)	(55,287)	(52,000)	(126,207)
TOTAL OTHER FINANCING SOURCES (USES)	2,177	(1,243)	(16,393)	13,084	(69,069)
Net Change in Fund Balance	33,403	12,538	60,487	76,681	30,184
Fund Balance – January 1, as originally reported	136,061	155,039	226,848	287,335	364,016
Change in accounting principle – GASB 54	44,846	44,846	-	-	-
Fund Balance - January 1, as restated	180,907	214,310	226,848	287,335	364,016
Fund Balance - December 31	$214,310	$226,848	$287,335	$364,016	$394,200

1 Amount includes $18,763,065 of Other Financing Sources related to the execution of non-certificated capital equipment leases for the lease purchase of public works fleet in 2014.

(Source: City and County of Denver's CAFR, 2011 - 2015)

Collection of Taxes

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

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately 50% of the General Fund revenues. As of December 31, 2015, a fixed-rate general sales tax of 3.65% was imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax was also a fixed-rate of 3.65%, imposed on the storage, use and consumption of tangible personal property not specifically exempted. The City's practice is to account for sales and use taxes on a combined basis.

The sales and use tax rate includes a 0.12% portion authorized by voters in November 2006 to fund increased access to and quality of preschool programs for City residents for the years 2007 through 2014. In November 2014, Denver voters approved a single ballot measure extending the 0.12% preschool sales and use tax through December 31, 2026, and increasing the rate by 0.03% to 0.15% effective January 1, 2015. The revenue from this portion of the sales and use tax is only available for the described purpose, and cannot be used for General Fund purposes.

The general sales and use tax and the preschool tax are charged on all medical marijuana sales and, effective January 1, 2014, retail recreational marijuana sales are charged an additional 3.5% special tax which is to be used for expenditures authorized in the Denver Revised Municipal Code, which include, among other things, expenses related to the licensing and regulation of the retail marijuana industry and, generally, the expenses of operating and improving the City and its facilities.

The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES
EFFECTIVE FOR 2015

Taxation of Certain Goods or Services	City Tax Rate
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.65%[1,2]
Retail marijuana special sales tax	3.5%[3]
Prepared food and drink	4.0%
Aviation fuel	$0.04 per gallon
Automobile rental for thirty (30) days or less	7.25%
Lodging for thirty (30) days or less	10.75%

1 Includes a 0.15% portion dedicated to increasing access to and quality of preschool programs for City residents. The revenue from this portion of the sales and use tax is only available for such purpose, and cannot be included in General Fund revenue. Collection of this dedicated sales and use tax increase started January 1, 2007 at 0.12%, and by voter approval in November 2014, was increased to 0.15% effective January 1, 2015.

2 Because the revenue from this tax collected in 2015 exceeded the estimated revenue set forth in the 2014 ballot measure and the limitations of TABOR, the City Council has approved the placement of a November 2016 ballot measure to allow the City to retain and spend all 2015 tax revenues derived from this special tax, as well as continue to impose and collect the tax as previously applied.

[Footnotes continued on next page]

3 Collection of this tax started on January 1, 2014, as approved by Denver voters in November 2013. The revenue from this tax collected in 2014 exceeded the estimated revenue set forth in the 2013 ballot measure and the limitations of TABOR; however, in November 2015, Denver voters authorized the City to retain and spend all 2014 tax revenues derived from this special tax, as well as continue to impose and collect the tax as previously approved.

The above General Fund Sales and Use Tax Rates effective for 2015 reflect the City's total tax rate for goods and services as set forth; however, portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax are reflected in the General Fund's Sales and Use Tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Excise Tax Revenue Bonds and recorded in other Funds.

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

TABLE 5

GENERAL FUND SALES AND USE TAX REVENUES
2006 – 2015
($ in thousands)

Year	Revenues[1]	Percent Change
2006	$397,163	1.91%
2007	418,177	5.29
2008	430,928	3.05
2009	387,838	(10.00)
2010	409,817	5.67
2011	441,187	7.65
2012	451,352	2.30
2013	493,002	9.23
2014	555,428	12.66
2015	581,922	4.77

1 Revenues include amounts received from audit revenues.

(Source: Department of Finance)

Property Taxation

Assessed Valuation. The assessed value of real property for tax purposes is computed using statutory actual values as determined from manuals published by the Administrator of the State Division of Property Taxation and from data developed by the Chief Financial Officer, *ex officio* Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 2006 through 2015.

TABLE 6

STATE PROPERTY APPRAISAL METHOD

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2007	2006	June 30, 2004	January 1, 2003 to June 30, 2004
2008	2007	June 30, 2006	January 1, 2005 to June 30, 2006
2009	2008	June 30, 2006	January 1, 2005 to June 30, 2006
2010	2009	June 30, 2008	January 1, 2007 to June 30, 2008
2011	2010	June 30, 2008	January 1, 2007 to June 30, 2008
2012[1]	2011	June 30, 2010	July 1, 2008 to June 30, 2010
2013	2012	June 30, 2010	July 1, 2008 to June 30, 2010
2014	2013	June 30, 2012	July 1, 2010 to June 30, 2012
2015	2014	June 30, 2012	July 1, 2010 to June 30, 2012
2016	2015	June 30, 2014	July 1, 2012 to June 30, 2014

1 Beginning in 2012, the City instituted a policy change already authorized by law to utilize a 24 month valuation period instead of an 18 month valuation period in order to provide more stability, accuracy, and fairness in valuation. The dollar amounts of tax collected during these years were accurately reported, it is only the methodology of valuation that changed.

(Source: Assessor's Office Division of the Department of Finance)

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 2006 through 2015. All other taxable property (with certain specified exceptions) has had an assessed valuation ratio throughout these tax years of 29% of statutory actual value.

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

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

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

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

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

In 2007, Denver voters approved a 2.5 mill levy designated for capital maintenance projects in the City. This earmarked tax is exempt from TABOR revenue limits. In 2015, this capital maintenance levy was 2.534 due to prior year refunds and abatements, generating approximately $36.5 million[1].

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1 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to the Denver Urban Renewal Authority ("DURA") or Denver Downtown Development Authority ("DDDA") and are not retained by the City. DDDA is a statutory authority which enables tax increment revenues to be generated in support of redevelopment activities in the Central Business District. See "DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities."

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	2011	2012	2013	2014	2015
City and County of Denver:					
General Fund	7.174	10.610	10.458	10.436	8.989
Bond Principal Fund	3.980	4.170	4.330	4.100	5.433
Bond Interest Fund	3.600	3.780	4.103	4.333	3.000
Social Services	4.101	4.520	4.480	4.470	3.849
Developmentally Disabled	1.030	1.033	1.021	1.016	1.012
Fire Pension	1.519	1.587	1.572	1.568	1.350
Police Pension	1.812	1.893	1.875	1.870	1.610
Capital Maintenance[2]	2.572	2.581	2.553	2.542	2.534
Capital Improvement	2.631	2.752	2.727	2.720	2.342
TOTAL DENVER MILL LEVY	28.419	32.926	33.119	33.055	30.119
School District No. 1	42.265	50.488	49.299	49.299	47.397
Urban Drainage and Flood Control District	0.623	0.657	0.672	0.700	0.611
TOTAL MILL LEVY:	71.307	84.071	83.090	83.054	78.127

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

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

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

(Source: Department of Finance)

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

TABLE 8

PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS
($ in millions)

ACTUAL AND ASSESSED VALUATION:	**2011**	**2012**	**2013**	**2014**	**2015**
Statutory Actual Valuation (est.)[1]	$77,143	$76,697	$79,581	$80,891	$100,204
Assessed Valuation:					
Real Property – Land	$3,387	$3,358	$3,252	$3,218	$4,514
Real Property – Improvement	5,936	5,868	6,441	6,564	8,220
Personal Property	726	723	742	765	826
Public Utilities	888	808	829	838	824
Total Assessed Valuations[2]	$10,937	$10,757	$11,264	$11,385	$14,385
Total Assessed Valuation Percentage Change[3]	(8.55%)	(1.65%)	4.71%	1.07%	26.35%
LEVIES AND COLLECTIONS:[4,5]					
Taxes Levied:	$255,918	$295,438	$310,922	$312,314[6]	$360,103
Total Collections	$251,004	$293,970	$306,893	$308,808	N/A
Total Collections at Year End (as Percentage of Original Levy)	98.08%	99.50%	98.70%	98.88%	N/A

1 State statutes establish property valuation methods with actual valuation representing estimated appraisal value before the respective assessment ratios are applied. In general, an income and expense value is used for commercial property, and market value is used for residential property.

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

3 Changes in assessed valuations for the years shown are due in part to changes in the years used to compute values which occur every two years and adjustments attributable to a legislative extension of time permitted for appeals of assessed values. See "Property Taxation – Assessed Valuation" and Table 6 above.

4 The column headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2015 are collected in 2016.

5 Total collections represent City retained collections, therefore, figures do not include mills levied for the Fire Pension and Police Pension funds, School District No. 1, or Urban Drainage and Flood Control District.

6 2014 Taxes Levied were revised to $312,314, from $312,228 in the 2015 Disclosure Statement, to include the developmentally disabled mill levy assessed on personal property.

(Source: Department of Finance)

Assessed Valuation of Major Taxpayers. Table 9 lists the top ten property taxpayers based on assessed valuations for the 2015 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2015
(FOR COLLECTION IN 2016)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Public Service Co.	Utility	$256,597	1.78%
Brookfield Office Properties	Real Estate	200,284	1.39
Beacon Capital Partners	Real Estate	169,290	1.18
CenturyLink	Utility	151,991	1.06
Invesco Realty Advisers Inc.	Real Estate	128,357	0.89
Taubman Centers Inc.	Real Estate	101,355	0.70
UBS Realty Investors	Real Estate	100,321	0.70
Columbia-Healthone	Health Care	99,232	0.69
Callahan Capital Partners	Real Estate	96,867	0.67
Shorenstein Properties LLC	Real Estate	86,697	0.60
TOTAL:		$1,390,990	9.67%

1 Based on a December 31, 2015 certified assessed valuation of $14,384,909,283. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY-Overlapping Debt and Taxing Entities."

(Source: Assessor's Office Division of the Department of Finance)

DEBT STRUCTURE OF THE CITY

General Obligation Debt

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

The following schedule sets forth the computation of the General Obligation debt margin of the City as of December 31, 2015.

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

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2015	$100,203,607
Maximum general obligation debt, limited to 3% of actual valuation	3,006,108
Less outstanding bonds chargeable to limit[1]	815,676
LEGAL DEBT MARGIN – December 31, 2015	$2,190,433

1 This figure represents outstanding gross principal of the City's General Obligation Bonds. Debt Margin calculation in the City's CAFR is outstanding principal net of the Debt Service fund balance as of December 31, 2015 allocated to Bond Principal in the amount of approximately $12.5 million. Amounts in the Debt Service fund may be applied to both principal and interest of General Obligation Bonds.

As of December 31, 2015, the City had outstanding general obligation bonds in the aggregate principal amount of $815,675,500, which does not include accrued interest of $5,225,805 on compound interest bonds. See Table 10 below.

No electoral authorization remains for additional City general obligation bonds.

Outstanding General Obligation Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2015.

TABLE 10
OUTSTANDING GENERAL OBLIGATION DEBT
($ in thousands)

Issue	**Original Amount**	**Amount Outstanding**
General Obligation Justice System Facilities Bonds, Series 2006[1]	$125,000	$6,795
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007[2]	8,861	8,861
General Obligation Justice System Facilities Bonds, Series 2008	174,135	123,755
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	73,435
General Obligation Better Denver Bonds, Series 2010A	37,910	5,930
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	312,055
General Obligation Better Denver Bonds, Series 2010D	44,650	31,870
General Obligation Better Denver Bonds, Series 2011A	16,455	16,455
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	89,545
General Obligation Refunding Bonds, Series 2013B1-2[1,3]	137,435	134,975
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A[4]	12,000	12,000
TOTAL:	$1,093,926	$815,676

1 The Series 2013B1-B2 bonds refunded portions of the Series 2005 bonds and Series 2006 bonds. The non-refunded portions of the Series 2005 bonds matured and were paid on August 1, 2015, and therefore are not included in the table above.
2 Amount excludes $4,462,695 of compound interest on the Series 2007 Capital Appreciation Bonds.
3 Direct bank placement; no official statement prepared.
4 Amount excludes $763,110 of compound interest on the Series 2014A Capital Appreciation Bonds.

(Source: Department of Finance)

The following schedule sets forth the debt service on the City's outstanding General Obligation Bonds as of December 31, 2015.

Year Ending December 31	**Debt Service[1] ($ in thousands)**
2016	$91,029
2017	90,969
2018	91,605
2019	77,011
2020	76,922
2021 through 2030, totaling	718,638

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

The following schedules set forth certain debt ratios based on the City's actual and assessed valuations and General Obligation bonded debt as of December 31, 2015.

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

Total Direct General Obligation Bonded Debt	$815,676
Overlapping General Obligation Bonded Debt[1,2]	1,316,812
Total Direct and Overlapping General Obligation Bonded Debt	$2,132,488
Actual Valuation	$100,203,607
Assessed Valuation[3]	$14,384,909

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

2 The Board of Education for School District No. 1 has approved the placement of a November 2016 ballot measure for voter approval of a $572 million of general obligation bond issue to build and improve schools. This amount has not been included in the table above.

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

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita[1]
Total Direct G.O. Bonded Debt	0.81%	5.67%	$1,203
Total Direct and Overlapping G.O. Bonded Debt	2.13%	14.82%	$3,146

1 Based upon a 2015 population projection from the State Demography Office of 677,861. The 2015 CAFR uses a population estimate from the U.S. Census Bureau of 682,545.

(Sources: Department of Finance)

Excise Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds are special and limited revenue obligations of the City, payable from a specific, dedicated source of revenue which does not pledge the full faith and credit of the City. Except for refunding bonds issued to achieve savings, Denver voters must approve Excise Tax Revenue debt prior to issuance. There are no City Charter limitations stipulating maximum revenue bond debt.

During 2015, there were two outstanding types of Excise Tax Revenue bonds differentiated by the specific taxes pledged to repay bonds:

First, revenues consisting of portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax were pledged to secure the repayment of Series 2005A and 2009A Bonds issued to finance the expansion of the Colorado Convention Center ("CCC"). In November 2015, Denver voters authorized the issuance of up to $778 million of new Excise Tax Revenue bonds, supported by the same tax revenues, for the purpose of financing tourism related projects for the National Western Center campus ("NWC") and for improvements to the CCC. See Colorado Convention Center and National Western Center below for additional information.

Second, revenues consisting of the Facilities Development Admission Tax ("Seat Tax") and Occupational Privilege Tax ("OPT" or "Head Tax") were pledged to secure the repayment of Series 2003 Bonds issued to improve the Denver Performing Arts Complex and other cultural facilities. OPT is levied on each employee, with certain exemptions, earning $500 or more per month who performs services within the City for an employer for any period of time. Proceeds are used to partially compensate for the City's services as an employment center. The 2003 Bonds matured and were fully paid on November 1, 2015. The Seat Tax and OPT are no longer legally pledged to any debt obligations of the City. See Denver Performing Arts Center and Other Cultural Facilities below for additional information.

Colorado Convention Center and National Western Center. In 2001, the City issued Excise Tax Revenue Bonds, Series 2001A-B, in the amount of $261,500,000. The 2001A and 2001B Bonds were issued to finance the expansion of the CCC and were subsequently refunded with the 2005A and 2009A Bonds, respectively. The 2005A and 2009A bonds were required to be repaid by pledged revenues consisting of portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax.

The total Lodger's Tax, imposed on the purchase price of hotel, motel and similar temporary accommodations in the City, is 10.75%. Of that amount, 3.25% is directed to the General Fund and 2.75% is contractually pledged to the privately-operated Denver Metropolitan Convention and Visitors Bureau; these portions of the tax revenues are not pledged for bond debt service with respect to the 2005A and 2009A Bonds. The remaining 4.75% of the Lodger's Tax was pledged to the repayment of the 2005A and 2009A Bonds related to the CCC improvements, consisting of a 3.0% portion (Pledged Lodger's Tax Base Revenues) that has no expiration date and a 1.75% portion (Pledged Lodger's Tax Increases) that was due to expire in 2023 upon the final maturity of the 2005A and 2009A Bonds.

The Food and Beverage Tax, imposed upon the purchase price of certain prepared food and beverages, is 4.0%. Of that amount, 3.5% is directed to the General Fund and is not pledged for bond debt service. The remaining 0.5% of the Food and Beverage Tax was pledged to the repayment of the 2005A and 2009A Bonds.

The Auto Rental Tax, imposed on rentals paid on the purchase price of short-term automobile rentals, is 7.25%. Of that percentage, 3.5% is directed to the General Fund and was not pledged for bond debt service with respect to the 2005A and 2009A Bonds. The remaining 3.75% of the Auto Rental Tax was pledged to the repayment of the 2005A and 2009A Bonds, consisting of a 2.0% portion (Pledged Auto Rental Base Revenues) that has no expiration date and a 1.75% portion (Pledged Auto Rental Tax Increases) that was due to expire in 2023 upon the final maturity of the 2005A and 2009A bonds.

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% Pledged Lodger's Tax and the 1.75% Auto Rental Tax Increases ("Excise Tax Increases") and authorized the issuance of up to $778 million of new Excise Tax Revenue bonds supported by pledged portions of the Lodger's, Food and Beverage, and

Auto Rental Taxes for the purpose of financing tourism related projects for the NWC and for improvements to the CCC.

In April 2016, the City issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, in the amount of $397,310,000. The bonds were issued to fund the initial costs of the NWC and CCC improvements as well as to advance refund all of the outstanding 2005A and 2009A Bonds. Effective April 6, 2016, all of the outstanding 2005A and 2009A Bonds were defeased and advance refunded. The City pledged additional revenues to the repayment of the 2016A-B Bonds that were not pledged to the repayment of the 2005A and 2009A Bonds. The previously unpledged 3.25% and 3.5% portions of the Lodger's Tax and Auto Rental Tax, respectively, have been pledged to the repayment of the 2016A-B Bonds. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of the 2016A-B Bonds.

The following table presents the City's calculation of the historic debt service coverage on the Convention Center Excise Tax Revenue Bonds, Series 2005A and 2009A, for the years 2006 through 2015. Given the bonds are no longer outstanding, this information will no longer be reported in future Disclosure Statements.

TABLE 11

COLORADO CONVENTION CENTER
DEBT SERVICE COVERAGE ON EXCISE TAX BONDS
PAYABLE FROM PLEDGED REVENUES
2006-2015
($ in thousands)

	Pledged Lodger's Tax Revenues	Pledged Food and Beverage Tax Revenues	Pledged Auto Rental Tax Revenues	Pledged Excise Tax Increases[2]	Other Sources[1]	Total Pledged Revenues	Debt Service Requirements	Coverage Ratio[3]
2006	$12,074	$9,326	$7,116	$13,270	$677	$42,463	$20,385	2.08
2007	13,857	10,396	7,957	15,045	1,026	48,281	21,527	2.24
2008	15,006	10,720	7,721	15,510	849	49,806	23,745	2.10
2009	12,279	10,141	6,874	13,177	415	42,886	24,779	1.73
2010	13,703	11,116	7,707	14,738	402	47,666	24,026	1.98
2011	15,553	12,243	8,058	16,123	287	52,264	28,561	1.83
2012	16,173	12,840	8,595	16,955	324	54,887	28,531	1.92
2013	17,726	13,564	9,425	18,587	263	59,565	28,514	2.09
2014	21,092	15,202	10,894	21,835	381	69,404	28,478	2.44
2015	22,989	16,350	11,614	23,573	541	75,067	27,165	2.76

1 Includes interest earnings.

2 The Excise Tax Increases, at a tax rate of 1.75%, which resulted from voter approval in the 1999 Election and were enacted in 2000, were pledged solely to payment of debt service on the outstanding 2005A and 2009A Bonds and were due to expire in 2023 upon the final maturity of these bonds. Denver voters approved the indefinite extension of the Excise Tax Increases in November 2015. The Excise Tax Increases are now pledged to the payment of debt service on the 2016A-B Bonds.

3 Debt Service Requirements in 2006-2014 included debt service related to the 1999A, 2001A-B, 2005A, and 2009A-B Bonds. Although the Excise Tax Increases are included in the calculation of coverage of total debt service, for the reason stated in Footnote 2 above, they could not be used for the repayment of the 1999A, 2001A-B, and 2009B Bonds. This calculation of coverage is for information purposes only.

(Source: Department of Finance)

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, secured by Seat Tax and OPT revenues. The 2003 Bonds were issued to refund outstanding Excise Tax Revenue Bonds, Series 1985A and 1985B. The 2003 Bonds matured and were fully paid on November 1, 2015.

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

The following table presents the City's calculation of the historic debt service coverage on the Series 2003 Excise Tax Revenue Bonds for the years 2006 through 2015. Given that these bonds were paid in full in 2015, this information will no longer be reported in future Disclosure Statements.

TABLE 12

DENVER PERFORMING ARTS COMPLEX RELATED DEBT SERVICE COVERAGE ON EXCISE TAX BONDS PAYABLE FROM PLEDGED REVENUES 2006-2015 ($ in thousands)

	Seat Tax Collections	Payment in Lieu of Seat Taxes[1]	Total Seat Tax Collections	Head Tax Collections	Total Pledged Revenues	Debt Service Requirements	Coverage Ratio
2006	$7,316	$2,700	$10,016	$41,503	$51,519	$3,055	16.86
2007	7,406	2,700	10,106	42,751	52,861	3,054	17.31
2008	7,065	2,700	9,765	43,041	52,806	3,056	17.28
2009	7,082	-	7,082	39,551	46,633	3,054	15.27
2010	7,160	-	7,160	41,819	48,979	2,558	19.15
2011	8,325	-	8,325	41,141	49,466	2,858	17.31
2012	8,986	-	8,986	43,227	52,213	3,054	17.10
2013	8,721	-	8,721	44,515	53,235	3,058	17.41
2014	9,262	-	9,262	46,438	55,700	3,054	18.24
2015[2]	12,569	-	12,569	48,293	60,862	3,054	19.93

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

2 The 2003 Bonds matured and were fully paid on November 1, 2015.

(Source: Department of Finance)

Golf Enterprise Revenue Bonds

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

On March 8, 2006, the City issued $7,365,000 of Golf Enterprise Revenue Bonds, Series 2005 on behalf of the Golf Division of its Department of Parks and Recreation. As of December 31, 2015, a principal amount of $2,970,000 of the 2005 Golf Bonds remains outstanding. The Bonds were issued for the purpose of acquiring, maintaining, constructing, improving, installing and equipping certain City-owned golf facilities. The Bonds are special and limited obligations of the City payable solely from and secured by a first lien upon the pledged revenues of the Golf Enterprise from the operation of its golf facilities, which means all City-owned land, buildings, man-made structures, and equipment used to operate golf courses within the Golf Enterprise. The Bonds are also payable under certain circumstances from a reserve account and a rate maintenance account. The Wastewater Management Enterprise Fund, a division within the City's Department of Public Works, is currently planning stormwater improvements throughout the City, which include the Platte to Park Hill: Stormwater Systems program. A project within the Platte to Park Hill: Stormwater Systems program consists of integrating stormwater detention areas at City Park Golf Course, which may include a temporary closure of this golf course. The City is evaluating the impact of this stormwater project. For more information regarding the program see "WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan."

Tables 13 and 14 summarize the debt service coverage ratios of the Golf Enterprise and the Golf Facilities, based upon the revenues and expenditures of the Golf Enterprise for the past five years. In 2013, Operation and Maintenance Expenses included a one-time accounting adjustment reflected as a non-cash charge of $617,324 to reflect prior years' accounting inconsistencies which required reconciliation. Calculated based upon Bond Ordinance 891, Series of 2005 (the "Golf Bond Ordinance"), the debt service coverage ratio for 2013 was 1.67. In 2014, Operation and Maintenance Expenses included a net non-cash charge of $1,318,108 related to a capital lease financing to acquire golf carts. Calculated based upon the Golf Bond Ordinance, the debt service coverage ratio for 2014 was 2.19. See "Accounting of Capital Assets" below.

Accounting of Capital Assets: As further described in the Notes to Basic Financial Statements in the City's 2015 CAFR, assets to be acquired pursuant to capital leases are to be recorded at the present value of future minimum lease payments and amortized over the shorter of the lease term or the estimated useful life of the asset. The City maintains an internally established capitalization threshold of $5,000 for the asset. Under the City's internally established policies, assets purchased under capital leases which fall below the capitalization threshold are to be fully expensed in the year purchased.

On December 31, 2009, the Golf Enterprise entered into a non-certificated capital lease financing transaction to acquire golf carts for a principal amount of $617,324. Because the total principal amount exceeded the City's capitalization threshold, this lease was accounted for by the Golf Enterprise as a capital asset which depreciated under the straight-line method over a 5 year useful life. However, the Office of the Controller uses a capitalization policy that assets must have a value over $5,000 on a per unit basis, and therefore the entire principal amount of the lease should have been expensed in 2009. This resulted in a one-time, non-cash charge of $617,324 taken in 2013 to correct the booking which had occurred in 2009. This lease was fully paid off in 2014.

On July 15, 2011, the Golf Enterprise entered into a second non-certificated capital lease financing transaction to acquire golf carts for a principal amount of $129,942. The full amount was expensed in 2011 as a non-cash charge in accordance with the Office of the Controller's capitalization policy and this amount was correctly reported in previous disclosures. This lease was fully paid off in 2014.

On May 30, 2014, the Golf Enterprise entered into a third non-certificated capital lease financing transaction to acquire golf carts for a principal amount of $1,318,108. This did not meet City's capitalization threshold on a per unit basis, and therefore resulted in a net non-cash expense of $1,318,108 in 2014. The full amount was expensed in

2014 as a non-cash charge in accordance with the Office of the Controller's capitalization policy and this amount was correctly reported in previous disclosures.

Table 13 below shows the calculation of the debt service coverage ratio from 2011 through 2015 based on audited CAFR figures which reflect the City's internally adopted threshold for accounting of capital assets.

TABLE 13

Historical Coverage Based on CAFR Figures

	2011	2012	2013	2014	2015
Operating Revenues	$8,927,642	$9,761,412	$9,521,319	$10,881,173	$10,542,563
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	9,168,045	10,001,815	9,761,722	11,121,576	10,782,966
Operation and Maintenance Expenses	7,376,802	7,766,043	9,231,856	10,935,965	9,450,590
Net Pledged Revenue	1,791,243	2,235,772	529,866	185,611	1,332,376
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	2.61	3.26	0.77	0.27	1.94

(Source: Denver Parks and Recreation)

Table 14 shows the City's calculation of the debt service coverage ratio from 2011 through 2015 utilizing the standard practice under GASB of depreciation of lease financed capital assets over the useful life of the asset. The allowance for depreciation is expressly excluded from Operation and Maintenance Expenses under the Golf Bond Ordinance. In addition, under the Golf Bond Ordinance, the one-time, non-current, non-cash charge taken in 2013 for prior accounting inconsistencies occurring in 2009 should be excluded from Operation and Maintenance Expenses.

TABLE 14

Historical Coverage Based on Golf Bond Ordinance

	2011	2012	2013	2014	2015
Operating Revenues	$8,927,642	$9,761,412	$9,521,319	$10,304,073[2]	$10,542,563
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	9,168,045	10,001,815	9,761,722	10,544,476	10,782,966
Operation and Maintenance Expenses	7,376,802	7,766,043	8,614,532[1]	9,040,757[2]	9,450,590
Net Pledged Revenue	1,791,243	2,235,772	1,147,190	1,503,719	1,332,376
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	2.61	3.26	1.67	2.19	1.94

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

2 2014 Operation and Maintenance Expense excludes a non-cash expense of $1,895,208 in Supplies and Materials Expenses for the gross cost of leased golf carts that did not meet City's capitalization threshold. 2014 Operating Revenues excludes $577,100 of revenues reflecting the trade-in value of older golf carts related to the same lease. The net effect to Net Pledged Revenue is $1,318,108, equal to the principal amount of the 2014 golf cart capital lease financing.

(Source: Denver Parks and Recreation)

The following table sets forth comparative, operating results of the Golf Enterprise for Fiscal Years 2011 through 2015.

TABLE 15

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

	2011	2012	2013	2014	2015
Operating Revenues					
Golf Charges	$8,923,603	$9,717,333	$9,521,319	$10,289,915	$10,538,700
Other Revenue	4,040	44,079	-	591,258[3]	3,863
Total Operating Revenues	$8,927,642	$9,761,412	$9,521,319	$10,881,173	$10,542,563
Operating Expenses					
Personnel Services	$4,063,704	$4,234,326	$4,606,117	$5,132,359	$5,354,362
Contractual Services	573,646	348,153	350,022	614,338	1,009,942
Supplies and Materials	1,004,913	815,861	1,607,081[2]	3,050,851[4]	1,108,606
Depreciation Expense	1,129,878	929,107	1,002,716	1,120,810	1,132,992
Other Operating Expenses[1]	1,734,539	2,367,703	2,668,636	2,138,417	1,977,680
Total Operating Expenses	$8,506,680	$8,695,150	$10,234,572	$12,056,775	$10,583,582
Operating Income (Loss)	420,962	1,066,262	(713,253)	(1,175,602)	(41,019)
Non-Operating Revenue (Expenses)					
Investment and Interest Income	(267,069)	34,519	(39,740)	50,380	28,050
Interest Expenses	75,000	(242,795)	(224,277)	(195,125)	(185,119)
Income(Loss)	228,893	857,986	(977,270)	(1,320,347)	(198,088)
Change in accounting position – GASB 68[5]	-	-	-	-	(2,944,000)
Net Assets – January 1	14,238,954	14,467,848	15,325,834	14,253,564	12,933,217
Net Assets – December 31	$14,467,848	$15,325,834	$14,253,564	$12,933,217	$9,791,129

1 Major costs include payments made to City for employee costs, Workers Compensation and payroll processing.

2 Supplies and Materials Expenses and Operating Income in 2013 impacted by a one-time, non-cash charge of $617,324 to reflect prior years' accounting inconsistencies.

3 Other revenue in 2014 includes $577,100 of revenues reflecting the trade-in value of older golf carts related to the purchase of new golf carts financed by a capital lease.

4 Supplies and Materials Expenses and Operating Income in 2014 impacted by a non-cash expense of $1,895,208 for leased golf carts that did not meet City's capitalization threshold.

5 In 2015, the City implemented GASB 68 relating to the accounting for pension obligations, which resulted in an adjustment of beginning net position as of January 1, 2015. For additional information on the impact of the implementation of GASB 68, refer to the 2015 CAFR.

(Source: Denver Parks and Recreation)

Usage of Courses and Multi-Year Green Fees. Usage of the courses of the Golf Facilities in the last full five years are represented in Table 16. Table 17 reflects the green fees in effect on December 31, 2015.

TABLE 16

Total Rounds Played

	2011	2012	2013	2014	2015
Aqua Golf[1]	16,329	14,617	13,935	13,363	16,171
City Park	43,415	48,978	46,148	50,751	51,836
Evergreen	19,609	23,858	19,053	19,331	21,678
Harvard Gulch	28,346	31,038	28,275	27,671	31,924
Kennedy[2]	82,671	96,949	89,579	85,408	85,333
Overland	45,696	49,490	42,118	45,277	45,130
Wellshire	48,453	52,410	49,016	52,274	52,105
Willis Case	47,085	53,774	48,153	50,079	49,636
Total	331,604	371,114	336,277	344,154	353,813

1 This facility offers two separate 18 hole miniature golf courses and has a signature aquatic driving range.
2 Kennedy Golf Course has a miniature golf course; however, miniature golf rounds are not included in total rounds played.

(Source: Denver Parks and Recreation)

TABLE 17

Schedule of Green Fees[1] in effect on December 31, 2015 – Denver Golf Courses

Category of Play	City Park	Evergreen	Harvard Gulch[2]	Kennedy	Overland	Wellshire	Willis Case
18-Hole - Weekday	$27.00	$19.00	N/A	$27.00	$27.00	$27.00	$27.00
18-Hole - Weekend/Holiday	39.00	29.00	N/A	39.00	39.00	39.00	39.00
18-Hole - Senior (Weekday Only)	20.00	17.00	N/A	20.00	20.00	20.00	20.00
18-Hole - Junior (Weekday Only)	13.00	12.00	N/A	13.00	13.00	13.00	13.00
9-Hole - Weekday	17.00	14.00	$9.00	17.00	17.00	17.00	17.00
9-Hole - Weekend/Holiday	20.00	18.00	9.00	20.00	20.00	20.00	20.00
9-Hole - Senior (Weekday Only)	11.00	9.00	7.00	11.00	11.00	11.00	11.00
9-Hole - Junior (Weekday Only)	8.00	8.00	7.00	8.00	8.00	8.00	8.00

1 The City charges the same fees for residents and non-residents.
2 Harvard Gulch is a 9-hole par 3 course.

(Source: Denver Parks and Recreation)

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, 2015, the School District had $1,316,812,000 aggregate principal amount of general obligation bonds outstanding. The School District's Board of Education has approved the placement of a November 2016 ballot measure for voter authorization of up to $572 million of general obligation bonds to build and improve schools.

The School District has entered into annually renewable lease purchase arrangements from time to time in which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2015, the aggregate principal amount of such certificates outstanding was $1,038,155,000. Neither the lease purchase agreements nor the related certificates executed and delivered by the trustees are considered debt or multiple-fiscal year financial obligations of the School District for State law purposes. The obligations of the School District to make lease payments for each year are subject to annual appropriations by the Board of Education.

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

The City is meeting its obligation to the Sewage District from a sewer service charge collected from the System's users. The Sewage District assessed the City charges of $48,872,825 for 2015. The Sewage District had outstanding $606,630,000 aggregate principal amount of bonds as of December 31, 2015.

Regional Transportation District. The Regional Transportation District ("RTD"), a governmental and political subdivision of the State, was established in 1969, and currently includes the City, Boulder, City and County of Broomfield and Jefferson Counties and portions of Adams, Arapahoe, Weld and Douglas Counties. RTD is empowered to develop, maintain and operate a mass transportation system within its boundaries. RTD may levy up to one-half of one mill on all taxable property within the RTD for the payment of its expenses in situations of deficiencies, subject to the provisions of State constitutional revenue and spending limitations. RTD has not exercised its power to levy a general ad valorem property tax since 1976. At an election held within the RTD in 2004, voters approved an increase to the RTD's sales tax rate from 0.6% to 1.0% and authorized debt in the amount of $3.477 billion to be spent on the construction and operation of a transit expansion plan known as FasTracks. As of December 31, 2015, approximately $2.492 billion of FasTracks debt has been issued and $2.459 billion of principal is currently outstanding. RTD also has $144,025,000 of principal outstanding on non-FasTracks debt and $1,230,860,000 of principal outstanding on certificates of participation related to various lease purchase and installment sales arrangements under which RTD is the lessee or purchaser.

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

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

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

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

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

TABLE 18

CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2015

Taxing District	Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2015 Mill Levy[4]
Aviation Station #2[2]	$30	0.00%	53.000
Aviation Station #5[2]	30	0.00	10.000
BMP Metropolitan No 2 (debt)[2]	12,192,420	0.08	15.000
BMP No 3[2]	1,608,780	0.01	15.000
Bowles Metropolitan[1]	29,652,720	0.21	42.000
Central Platte Valley Metro[2]	148,456,340	1.03	36.000
Central Platte Valley Metro (debt)[2]	74,209,360	0.52	15.000
Cherry Creek North B.I.D.	205,233,600	1.43	17.142
Colo. Int. Center Metro No 14[2]	11,126,220	0.08	60.000
Denargo Market Metro No 2[2]	5,414,550	0.04	40.000
Denver Gateway Center Metro	5,414,550	0.04	40.000
Denver Intl. Bus. Ctr Metro No 1	22,117,250	0.15	40.062
DUS Metro No 2[2]	63,955,300	0.44	30.000
Ebert Metropolitan[2]	78,487,610	0.55	84.000
Ebert Metropolitan (debt)[2]	1,939,860	0.01	65.000
Fairlake Metropolitan[2]	22,934,720	0.16	27.681
Fairlake Metropolitan (debt)	10,192,900	0.07	17.000
Gateway Regional Metro	48,242,740	0.34	16.000
Gateway Village G.I.D.	22,513,240	0.16	25.700
Greenwood Metropolitan[1]	2,337,340	0.02	7.800
Madre Metropolitan Dist. No. 2[2]	10,368,900	0.07	50.000
Mile High Business Center Metro	25,047,710	0.17	35.000
Sand Creek Metropolitan[1,2]	31,124,990	0.22	33.500
Sand Creek Metropolitan (debt)[1,2]	11,862,480	0.08	20.000
SBC Metropolitan	69,439,090	0.48	35.000
Section 14 Metro[1,2]	8,464,690	0.06	23.290
Section 14 Metro (debt Raccoon)[1,2]	3,512,810	0.02	18.180
Section 14 Metro (debt Fairmark)[1,2]	4,221,010	0.03	6.550
Southeast Public Improvement Metro[1]	287,938,860	2.00	2.000
Westerly Creek Metro[2]	405,923,590	2.82	56.619
Special District Total Assessed Value	$1,623,933,690	11.29%	
Denver Total Assessed Value[3]	$14,384,909,283		

1 District also has assessed value located in more than one county.
2 Includes related districts which have separate financing and taxing roles; financing districts may not be listed in the chart above due to insignificant assessed value.
3 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City.
4 The mill levy represented is the total mill levy for each respective district, not only the bond mill levy.

(Source: Assessor's Office Division of the Department of Finance, Department of Finance)

City Discretionary Support Payments

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

DURA retained the option to purchase the Series 2010B-1 DURA Bonds from the bondholders thereof on any date on or after December 1, 2015 at a purchase price equal to the principal amount of the Series 2010B-1 DURA Bonds so purchased (with no tender premium), plus accrued interest to the purchase date. On December 23, 2015, DURA, pursuant to a Series 2010B-1 2015 Remarketing Supplemental Indenture, exercised this option and: (a) purchased all of the then-outstanding Series 2010B-1 DURA Bonds, in the aggregate principal amount of $76,680,000; (b) remarketed and resold to new bondholders $67,700,000 in principal amount of the Series 2010B-1 DURA Bonds at a resale price of $77,536,205; and (c) used the $9,836,205 premium included in such purchase price to (i) pay the accrued interest on the purchased Series 2010B-1 DURA Bonds, (ii) pay the costs incurred by DURA in connection with such remarketing and resale, including underwriters' discount, and (iii) pay and cancel the remaining $8,980,000 principal amount of the Series 2010B-1 DURA Bonds. The remarketed Series 2010B-1 DURA Bonds continue to be secured by the DURA Series 2010B-1 Reserve Fund and the City's undertaking with respect thereto under the 2010 Services Agreement as described in the immediately preceding paragraph.

Denver Union Station Project Authority Contingent and Discretionary Payments. The City is cooperating with RTD, the Colorado Department of Transportation ("CDOT") and the Denver Regional Council of Governments ("DRCOG") to finance and construct a multi-modal hub for the region's transit system at the Denver Union Station site (the "DUS Project"). The City created the Denver Union Station Project Authority ("DUSPA"), a Colorado nonprofit corporation and instrumentality of the City, for the purpose of financing, owning, constructing, operating and maintaining the DUS Project. In order to finance the transportation elements of the DUS Project, DUSPA negotiated loans (collectively, the "DOT Loans") with the U.S. Department of Transportation to fund the DUS Project. The DOT Loans are secured by an indenture (the "DOT Indenture") which provides for debt service reserve funds (the "DOT Reserve Funds") to be drawn upon in the event that DUSPA does not make required payments when due under the DOT Loans. In consideration of the benefits to be derived by the City as a result of the completion of the DUS Project, the City has entered into a Contingent Commitment and Services Agreement, dated February 9, 2010 (the "Contingent Commitment Agreement"), with DUSPA and the trustee under the DOT Indenture pursuant to which the City has agreed, subject to annual appropriation, to replenish one of the DOT Reserve Funds up to an amount agreed upon within the DOT Indenture (but in no event greater than $7.15 million) in the event of a draw on such fund. The City Council's decision to appropriate such funds is by ordinance without compulsion and solely in the City Council's discretion. The City Council has never been requested to appropriate funds under the Contingent Commitment Agreement. DUSPA is required under the terms of the Contingent Commitment Agreement to reimburse the City for the amount of its payments with interest, subject to prior DUSPA financial commitments. In 2015, DOT Reserve Funds remain undrawn and pledged DUSPA revenues exceeded DOT Indenture commitments causing $5,993,433 of DOT Loans to be prepaid. The prepayment was made on January 4th, 2016.

Denver Convention Center Hotel Authority. In the spring of 2003, the City created the Denver Convention Center Hotel Authority for the express purpose of acquiring, constructing, equipping, operating and financing a convention center headquarters hotel, parking garage and supporting facilities across the street from the Colorado Convention Center. In June 2003, the Authority issued its own special limited obligation revenue bonds in the amount of $354 million to finance the hotel and contract independently with a developer and operator for the hotel. The hotel opened as scheduled on December 20, 2005. In April 2006, the Authority issued $356 million in refunding bonds to fully refund the 2003 revenue bonds. The refunding bonds are payable from hotel revenues, and the hotel is mortgaged by the Authority to the bond trustee to secure the bonds. The Authority has no taxing power. The City did not pledge its own credit to support the hotel project and did not create any multiple-fiscal year direct or indirect debt or other financial obligation of the City in connection with the financings. However, the City entered into an Economic Development Agreement with the Authority under which, the City makes payments in consideration of various agreements with the Authority regarding the hotel's construction and operation in respect of the Convention Center and of the economic benefits to the City expected to be derived from the construction and operation of the hotel, subject to annual appropriation by the City Council. The City has made all payments under the Economic Development Agreement through December 31, 2015. The remaining Economic Development Payments made by the City are set forth in Table 19. The Economic Development Agreement is subject to termination on each December 31 according to its terms and expires no later than December 31 of the thirty-fifth calendar year after the opening of the Denver Convention Center Hotel.

TABLE 19

DENVER CONVENTION CENTER HOTEL
ECONOMIC DEVELOPMENT PAYMENTS

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

PENSION PLANS

The majority of the City's employees are covered under the Denver Employees Retirement Plan ("DERP"). Employees of the police department and the fire department are covered by separate retirement plans affiliated with and administered by the Fire and Police Pension Association ("FPPA"). DERP's pension plan and the FPPA Plans are described below and at Note G in the "Other Note Disclosures" section of the City's 2015 CAFR.

Denver Employees Retirement Plan

The following information has been taken from the 2015 Comprehensive Annual Financial Report of DERP (the "DERP 2015 CAFR") and has not been verified by the City.

DERP is a defined benefit plan. Its purpose is to provide retirement benefits to qualified members of the City and County of Denver and the Denver Health and Hospital Authority. DERP has separate legal standing and has no financial responsibility to the City. The assets of DERP are funds held in trust by DERP for the exclusive purpose of paying pension and certain postemployment health benefits to eligible members. DERP health benefits are described below under "OTHER POST EMPLOYMENT BENEFITS – DERP OPEB Plan."

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

DERP membership consisted of the following as of December 31, 2014 and 2015:

	2014	2015
Retirees and beneficiaries currently receiving benefits	8,815	9,074
Terminated employees entitled to benefits but not yet receiving such benefits	3,466	3,464
Current employees:		
Vested	5,584	5,273
Non-vested	2,905	3,363
TOTAL	20,770	21,174

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

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

Annual cost of living adjustments to retirement benefits are authorized only by vote of the Retirement Board, and only when sufficient excess funds are available to cover the cost of any such increase in benefits over the lifetime of all retired members; however, no cost of living adjustment has been made since 2002. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the DERP's board and enacted into ordinance by the Denver City Council.

The following are DERP contribution requirements and dates on which contribution requirement changes took effect. There have not been any changes to the contribution requirements effective as of January 1, 2015.

	January 1, 2005	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015
City Contribution	8.50%	8.50%	9.50%	10.25%	11.00%	11.20%	11.50%
Employee Contribution	2.50%	4.50%	5.50%	6.25%	7.00%	7.30%	8.00%
Total	11.00%	13.00%	15.00%	16.50%	18.00%	18.50%	19.50%

As of December 31, 2015, the total net plan assets were $2,016,499,464. Per DERP's independently audited 2015 CAFR, as of January 1, 2015, the most recent actuarial valuation, 73.7% of the plan's actuarial accrued liabilities were covered by actuarial value of assets.

On September 21, 2015, City Council passed a bill approving changes to the DERP governing ordinance, one of which was a requested change in the "actuarially assumed rate of investment return" for the plan, from 8.0% to 7.75%. This request was made "in light of work done by DERP's investment consultant indicating lower 10-year expected returns for the DERP-specific asset allocation." The other requested changes to this ordinance were non-substantive, technical changes. The changes per this bill went into effect on October 1, 2015.

Fire and Police Pension Plans

All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978 ("New Hires") participate in the Statewide Defined Benefit Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the FPPA. Pursuant to Colorado Revised Statutes §31-31-701(2), which was deleted in 2014 as obsolete, 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 Fire and Police Pension Plans ("Old Hire Plans"), unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. The FPPA manages investments, and administers the contributions to, and distributions from, the Old Hire Plans. The City's Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

The City's contributions to FPPA Old Hire Plans, for the years ended December 31, 2015, 2014, and 2013, were $34,889,000, $28,458,000, and $30,206,000, respectively. For FPPA, covered employees under the New Hire Plan contribute at the rate of at least 8% of base salary. The City also made contributions for the years ended December 31, 2015, 2014, and 2013, to the New Hire Plan, in the amounts of $15,299,000, $14,229,000, and $14,650,000, respectively. Due to the implementation of the provisions of GASB 68 in 2015, the funded status of the FPPA Old Hire and New Hire Plans will no longer be disclosed. For additional information on the implementation of GASB 68, refer to the 2015 CAFR.

OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described above, the City provides health insurance benefits to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit benefit for the retirees in the plans. The City's contribution toward the implicit rate subsidy is based on pay-as-you-go funding for the retirees. The plans for eligible DERP and FPPA retirees are described below and at Note H in the "Other Note Disclosures" section of the City's 2015 CAFR.

DERP OPEB Plan

DERP retirees are responsible for 100% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of $12.50 per year of service for retired participants not eligible for Medicare and $6.25 per year of service for retirees eligible for Medicare. Per DERP's independently audited 2015 CAFR, 55.2% of the plan's accrued liabilities were covered by valuation assets.

OPEB for Collectively Bargained Agreements

The City has collectively bargained agreements with the Sheriff, Police, and Fire Departments employees. Each of those agreements provides for post employment benefits as individually negotiated. All collectively bargained agreements are of public record and available in the Clerk and Recorder's Office.

The Sheriff Department employees are treated as DERP employees for purposes of retirement including their post employment health benefits but have additional bargained benefits, including funeral expenses for death in the line of duty, within the collectively bargained agreement. Police and Fire Department employees or their survivors receive contractual payments for their respective non-City post employment health plans, funeral expenses, and statutorily required death and disability coverages.

LEASE PURCHASE AGREEMENTS

Certificated Lease Purchase Agreements

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

Certificated Lease Purchase Transactions. Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal portions of Base Rentals under these lease purchase agreements outstanding as of December 31, 2015, as well as the dates on which leased property is scheduled to be acquired, are summarized in Table 20.

TABLE 20

SCHEDULE OF LEASE PURCHASE TRANSACTIONS AND RELEASE DATES AS OF DECEMBER 31, 2015

Series	Outstanding Principal Amount	Leased Property	Date Lease Property Scheduled to be Acquired
2005A	$14,290,000	Human Services Campus	May 1, 2020
2008A1-A3	228,470,000	Wellington E. Webb Office Building	December 1, 2031
2008B	16,315,000	Denver Botanic Gardens Parking Facility	December 1, 2028
2010A[1]	18,520,000	Central Platte Campus	December 1, 2030
2010B	15,185,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
2012A	6,995,000	Denver Cultural Center Parking Garage	December 1, 2021
2012C1-C3[1]	41,520,000	Denver Properties Leasing Trust	December 1, 2031
2013A	33,225,000	Buell Theatre	December 1, 2023
2015A	22,470,000	Blair-Caldwell African American Research Library, Fire Station Nos. 18, 19, and 22	December 1, 2034
TOTAL	$396,990,000		

1 Direct bank placements; no official statement prepared.

(Source: Department of Finance)

Non-certificated Lease Purchase Agreements

As of December 31, 2015, the City was the lessee under various other capitalized lease obligations for the lease purchase of real property and equipment outstanding in a principal amount of $18,421,892 compared to $23,950,334 as of December 31, 2014. At the end of the final term of each such leases, the City expects to own the real property and equipment which are the subject of such leases. Certificates of participation relating to these leases have not been executed and delivered. Such leases do not constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations.

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 governing board of the Denver Water Department purchased the Water Company for the citizens of the City. Article X of the Charter of the City establishes the Denver Water Department, an independent and non-political agency of the City, which is under the control of a five-member, nonpartisan Board of Water Commissioners (the "Denver Water Board"), and vests the charge and control of the City's water system and plant in the Denver Water Board. All revenues of the water system are accounted for in the Water Works Fund, disbursements from which are controlled by the Denver Water Board. Members of the Denver Water Board are appointed by the Mayor of the City. The Denver Water Board may issue revenue bonds that are payable solely from the net revenues of the operations of the Denver Water Board but, since 2003, the Denver Water Board has not had the authority under the City Charter to issue general obligation bonds of the City and there are no Denver Water Board general obligation bonds outstanding. Financial Statements for Denver Water are available at: http://www.denverwater.org/investor-financial.

WASTEWATER MANAGEMENT SYSTEM

The Wastewater Management Enterprise Fund ("Wastewater"), a division within the City's Department of Public Works, was established to account for the sanitary sewer and storm operations of the City. The City's wastewater collection facilities as of December 31, 2015, consisted of approximately 1,514 miles of sanitary sewer lines and 812 miles of storm drainage lines of various compositions, overall ranging in size from 8" to more than 120" in diameter. Denver's system uses 5 sanitary sewer lift stations and 9 storm sewer lift stations which are currently in service as well as gravity flow stations.

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

In January 2012, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $50,425,000 of Wastewater Revenue Bonds. The proceeds were used to defease the outstanding Series 2002 revenue bonds and to finance $32,500,000 capital improvements to storm drainage facilities. As of December 31, 2015, a principal amount of $40,710,000 of the Series 2012 Wastewater Bonds remains outstanding.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 158,956 sanitary sewer customers. Of this amount, approximately 143,439 (90%) are residential customers; approximately 15,517 (10%) are commercial, industrial, or governmental customers. It is estimated that Wastewater serves approximately 164,681 storm customers. Of this amount, approximately 154,800 (94%) are residential customers; approximately 9,881 (6%) are commercial, industrial or governmental customers.

Metro Wastewater Reclamation District. The sewage carried by the City's Sanitary Sewerage Facilities is delivered to Metro Wastewater Reclamation District (the "Sewage District"), a political subdivision of the State organized to manage and finance facilities for the carriage, treatment and disposal of wastewater throughout the metropolitan Denver area. The City entered into a Sewage Treatment and Disposal Agreement (the "Sewage District Agreement") with the Sewage District in March 1964. There are currently 60 municipalities, districts and industrial entities contracting with the Sewage District for sewage treatment and disposal services. Under the Sewage District Agreement, there is an annual charge to each signatory, payable quarterly. The annual charge is calculated with the intention that each signatory pays in proportion to its use of the Sewage District's services. Table 21 presents historical data between 2011 and 2015 relating to the Sewage District's total annual charges to Wastewater.

TABLE 21

HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT ANNUAL CHARGES

	2011	**2012**	**2013**	**2014**	**2015**
Total Enterprise Operating Expense	$96,069,624	$97,853,113	$104,064,242	$101,801,603	$111,330,996
Metro Annual Charge	$45,010,602	$44,367,414	$44,859,512	$44,200,243	$48,872,825
Metro Annual charge as a Percentage of Total Operating Expense	46.85%	45.34%	43.11%	43.42%	43.90%
Year-to-Year Metro Annual Charge Increase	34.09%	(1.43%)	1.11%	(1.47%)	10.57%

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

(Source: Wastewater Enterprise Department of Finance)

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

TABLE 22

HISTORICAL ACCOUNT INFORMATION

Year ended December 31	Storm Drainage Accounts	Sanitary Sewer Accounts
2006	154,605	150,304
2007	156,795	150,637
2008	158,176	153,720
2009	158,955	154,230
2010	159,932	155,482
2011	160,482	156,392
2012	161,420	156,374
2013	162,192	156,884
2014	163,143	157,939
2015	164,681	158,956

(Source: Wastewater Enterprise Department of Finance)

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

In June 2011, the City adopted by ordinance the fee schedule set forth in the historical rates section of the table below for the storm drainage service charges. On July 1, 2014, and thereafter, the annual storm drainage service charge and the minimum annual charge are to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index, equal to a 2.8% increase effective as of July 1, 2014 and a 2.7% increase effective as of July 1, 2015.

TABLE 23

STORM DRAINAGE HISTORICAL RATES

Ratio Group	Rate 2006-2010	Rate 2011(July)	Rate 2012(July)	Rate 2013(July)	Rate 2014(July)	Rate 2015(July)
0 to .10	$1.44	$1.73	$1.76	$1.80	$1.85	$1.90
.11 to .20	1.81	2.17	2.21	2.25	2.31	2.37
.21 to .30	2.18	2.62	2.67	2.72	2.80	2.88
.31 to .40	2.58	3.10	3.16	3.22	3.31	3.40
.41 to .50	2.95	3.54	3.61	3.68	3.78	3.88
.51 to .60	2.95	3.77	3.85	3.93	4.04	4.15
.61 to .70	3.34	4.01	4.09	4.17	4.29	4.41
.71 to .80	3.72	4.46	4.55	4.64	4.77	4.90
.81 to .90	4.09	4.91	5.01	5.11	5.25	5.39
.91 to 1.00	4.48	5.38	5.49	5.60	5.76	5.92
Minimum Annual Charge	$10.26	$12.31	$12.56	$12.81	$13.17	$13.53

(Source: Wastewater Enterprise Department of Finance)

In June 2016, the City adopted by ordinance the fee schedule set forth in the table below for the storm drainage service charges. On July 1, 2016 and thereafter, the annual storm drainage service charge and the minimum annual charge are to be adjusted annually as shown below:

STORM DRAINAGE FUTURE RATES

Ratio Group	Rate 2016(July)	Rate 2017(Jan)	Rate 2018(Jan)	Rate 2019(Jan)	Rate 2020(Jan)
0 to .10	$2.11	$2.34	$2.60	$2.86	$3.15
.11 to .20	2.63	2.92	3.24	3.56	3.92
.21 to .30	3.20	3.55	3.94	4.33	4.76
.31 to .40	3.77	4.18	4.64	5.10	5.61
.41 to .50	4.31	4.78	5.31	5.84	6.42
.51 to .60	4.61	5.12	5.68	6.25	6.88
.61 to .70	4.90	5.44	6.04	6.64	7.30
.71 to .80	5.44	6.04	6.70	7.37	8.11
.81 to .90	5.98	6.64	7.37	8.11	8.92
.91 to 1.00	6.57	7.29	8.09	8.90	9.79
Minimum Annual Charge	$15.02	$16.67	$18.50	$20.35	$22.39

(Source: Wastewater Enterprise Department of Finance)

The rate for the lot or parcel's ratio group is multiplied by the square footage of the lot's or parcel's impervious area and then divided by 100. The resulting quotient is equal to the annual storm drainage service charge. For example, on January 1, 2017, 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 $153.60 ($5.12 x 3,000/100). The minimum annual storm drainage service charge will not be less than $15.02 and $16.67 for the rate periods effective July 1st of 2016 and January 1st of 2017, respectively. The power and authority of home rule municipalities such as the City to impose storm drainage service charges computed as described above has been affirmed by the State Supreme Court.

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

Sanitary sewage service charges were increased effective July 1st from 2011 through 2015 as follows. In June 2016, the City adopted by ordinance a fee schedule for sanitary sewage service charges whereby such sanitary sewage service charges are to increase as shown in the table below.

Effective Date	Rate Change
July 1, 2011[1]	45%
July 1, 2012	15
July 1, 2013	10
July 1, 2014	CPI (2.8)
July 1, 2015	CPI (2.7)
July 1, 2016	5
January 1, 2017	5
January 1, 2018	4
January 1, 2019	4
January 1, 2020	4

1 Prior to 2011 the last rate increase for sanitary sewer occurred in 1995.

CURRENT AND FUTURE SEWAGE RATES[1]

For each residential unit: Monthly charge of $9.79 effective July 1, 2013; monthly charge of $10.06 effective July 1, 2014; monthly charge of $10.33 effective July 1, 2015; monthly charge of $10.85 effective July 1, 2016; monthly charge of $11.39 effective January 1, 2017; monthly charge of $11.85 effective January 1, 2018; monthly charge of $12.32 effective January 1, 2019; monthly charge of $12.81 effective January 1, 2020.

For other than residential units: The charge shall be computed in relation to the rated size of the water meter as follows.

Size (inches)	Rate 2013(July)	Rate 2014(July)	Rate 2015(July)	Rate 2016(July)	Rate 2016(Jan)	Rate 2018(Jan)	Rate 2019(Jan)	Rate 2020(Jan)
5/8	$9.79	$10.06	$10.33	$10.85	$11.39	$11.85	$12.32	$12.81
3/4	14.69	15.10	15.51	16.29	17.10	17.78	18.49	19.23
1	24.46	25.14	25.82	27.11	28.47	29.61	30.79	32.02
1 1/4	36.76	37.79	38.81	40.75	42.79	44.50	46.28	48.13
1 1/2	48.99	50.36	51.72	54.31	57.03	59.31	61.68	64.15
2	78.34	80.53	82.70	86.84	91.18	94.83	98.62	102.56
3	146.87	150.98	155.06	162.81	170.95	177.79	184.90	192.30
4	244.84	251.70	258.50	271.43	285.00	296.40	308.26	320.59
6	489.67	503.38	516.97	542.82	569.96	592.76	616.47	641.13
8	783.79	805.74	827.49	868.86	912.30	948.79	986.74	1,026.21
10	1,126.21	1,157.74	1,189.00	1,248.45	1,310.87	1,363.30	1,417.83	1,474.54
12	2,105.52	2,164.47	2,222.91	2,334.06	2,450.76	2,548.79	2,650.74	2,756.77

For users whose potable water is metered or measured: Whether by the board of water commissioners or by other methods approved by the Manager of Public Works or both (metered customers), the charge shall be computed by multiplying the volume of potable water into the premises during the billing period by $3.58/thousand gallons effective July 1, 2013; $3.68/thousand gallons effective July 1, 2014; $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020.

For users whose potable water is not metered or measured (flat rate customers): The charge shall be one-twelfth of the annual charge which shall be computed by multiplying the annual equivalent sewage contribution by $3.58/thousand gallons effective July 1, 2013; $3.68/thousand gallons effective July 1, 2014; $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020. The annual equivalent sewage contribution shall be the total of the annual unit equivalent sewage contributions in relation to the number of rooms and water-using devices in the premises of the users as follows:

Equivalency Factors	Annual Unit Equivalent Sewage Contribution (in thousands of gallons)
Room (1—4, each)	8.030
Room (all rooms over 4, each)	1.736
First bath facility	16.425
Each additional bath facility	10.950
First water closet	21.000
Each additional water closet	14.600
Each water-using device	5.475

[Rates and footnote continued on next page]

For users whose sewage is measured by a meter or method approved by the Manager of Public Works: The charge shall be computed by multiplying the volume of sewage during the billing period by $3.58/thousand gallons effective July 1, 2013, $3.68/thousand gallons effective July 1, 2014; $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020.

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1 The Official Statement for the Wastewater Enterprise Revenue Bonds, Series 2012, included the annual sanitary sewage rates shown as a dollar amount. The year-over-year sanitary sewage rates have been reported in prior annual Disclosure Statements as a percentage increase format instead of a dollar format. The 2013-2015 rates were posted on Wastewater Management's Billing and Rates website in a dollar format at: https://www.denvergov.org/content/denvergov/en/wastewater-management/billing-and-rates.html and current sanitary sewage rates reported in the dollar format continue to be available on the website. The contents of this website are not being incorporated into this Disclosure Statement by this reference. The City is now providing the annual sanitary sewage rates in the Disclosure Statement in both formats.

(Source: Wastewater Enterprise Department of Finance)

The following table sets forth the statements of revenues, expenses of the 2014, 2015 and 2016 Approved Budgets with respect to Wastewater.

TABLE 24

WASTEWATER ENTERPRISE BUDGETS

	2014	**2015**	**2016**
Total Operating Revenue	$114,106,800[1]	$125,182,100	$128,695,163[2]
Operating Expenses			
Personnel Services	26,458,000[1]	26,735,000	27,386,875
Contractual Services	22,166,300[1]	25,514,700	27,680,797
Supplies and Materials	2,024,000	2,165,000	2,108,908
District Water Treatment Charges	47,551,000	51,000,000	52,813,200
Total Operating Expenses	98,199,300[1]	105,414,700	109,989,780
Operating Income (Loss)	15,907,500[1]	19,767,400	18,705,383
Other Income (Expense)			
Investment and Interest Income	320,000	389,000	821,969
Debt Interest Payment	(1,743,675)	(1,614,175)	(1,478,425)
Bond Principal Payment	(2,590,000)	(2,715,000)	(2,850,000)
Purchase of capital equipment	(3,092,900)[1]	(2,177,100)	(2,913,000)
Total Other Income (Expense)	(7,106,575)	(6,117,275)	(6,419,456)
Modified Net Income	$8,800,925[1]	$13,650,125	$12,285,927

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1 Reflects final approved budget instead of initial budget published in prior years' Denver Annual Budgets.
2 The rate increases that went into effect on July 1, 2016 are not reflected in the 2016 budget.

(Source: Wastewater Enterprise Department of Finance)

Operating History

Historical Wastewater Management Fund Information. A five-year comparative statement of Denver's Wastewater Management Fund revenues, expenses and resulting changes in retained earnings as reported in Wastewater Management Enterprise Fund's Audited Financial Statements for Fiscal Years 2011 through 2015 is set forth in the following table.

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

	2011	**Restated 2012[1]**	**2013**	**2014**	**2015**
OPERATING REVENUES					
Sanitary sewer	$58,279,339	$69,569,997	$78,000,355	$81,833,408	$85,709,854
Storm drainage	31,464,231	36,596,860	37,871,321	38,972,387	40,550,193
TOTAL OPERATING REVENUES	$89,743,570	$106,166,857	$115,871,676	$120,805,795	$126,260,047
OPERATING EXPENSES					
Personnel services	$19,031,648	$20,087,538	$21,429,496	$21,175,362	$22,532,732
Contractual services	14,425,358	15,857,625	19,687,211	18,021,659	20,052,641
Supplies	870,453	1,006,249	1,158,631	1,220,404	1,429,301
Utilities	466,812	421,262	430,240	438,928	376,018
Depreciation and amortization	16,264,751	16,113,025	16,499,152	16,745,007	18,067,479
Payments To Metro Wastewater Reclamation District	45,010,602	44,367,414	44,859,512	44,200,243	48,872,825
TOTAL OPERATING EXPENSES	$96,069,624	$97,853,113	$104,064,242	$101,801,603	$111,330,996
Operating Income	(6,326,054)	8,313,744	11,807,434	19,004,192	14,929,051
NONOPERATING REVENUE (EXPENSES)					
Intergovernmental revenue	-	-	888,094	700,028	826,628
Investment income (loss)	257,876	1,122,750	(555,067)	894,994	705,812
Interest expense[2]	4,927	(1,347,653)	(1,479,624)	(843,425)	(668,582)
Bond issuance costs	-	(602,493)	-	-	-
Gain (loss) on disposition of assets	(1,781,378)	16,720	59,797	81,677	194,853
NET NONOPERATING REVENUE (EXPENSES)	(1,518,575)	(810,676)	(1,086,800)	833,274	1,058,711
Income before capital contributions and transfers	(7,844,629)	7,503,068	10,720,634	19,837,466	15,987,762
Capital contributions	11,652,062	6,890,861	7,289,698	18,444,026	9,564,386
Transfers out	(2,106,305)	(25,200)	(25,000)	(25,000)	(25,000)
Change in net position	1,701,128	14,368,729	17,985,332	38,256,492	25,527,148
Net position, beginning of year (before restatement)	508,631,021	510,264,253	524,632,982	542,618,314	580,874,806
Change in accounting position – GASB 68[3]					(22,178,394)
Net position, beginning of year (as restated)					558,696,412
Net position, end of year	$510,332,149	$524,632,982	$542,618,314	$580,874,806	$584,223,560

1 2012 results were restated in 2013 to reflect the implementation of GASB 65.
2 Figures in 2011 represent amortized bond premiums.
3 In 2015, the City implemented GASB 68 relating to the accounting for pension obligations, which resulted in an adjustment of beginning net position as of January 1, 2015. For additional information on the impact of the implementation of GASB 68, refer to the 2015 CAFR.

(Source: Wastewater Management Enterprise Fund, Audited Financial Statements, 2011 – 2015)

Historical 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 Wastewater Revenue Bonds, the amounts which constituted Net Pledged Revenues available for debt service in each of the past five years covered the Debt Service Requirements of the Wastewater Revenue Bonds as follows.

HISTORIC DEBT SERVICE COVERAGE RATIOS

Years	Estimated Net Pledged Revenues	Annual Debt Service Requirements	Debt Service Coverage Ratio
2011	$10,201,500	$2,484,444	4.11
2012	24,561,940	3,222,888	7.62
2013	28,016,286	3,164,383	8.85
2014	36,635,534	3,099,422	11.82
2015	33,362,784	3,027,084	11.02

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan

The Wastewater Enterprise continuously reviews its future capital needs to be identified in the master drainage plan through staff observation and customer and community feedback. Recommended projects are incorporated into the Six-Year Capital Improvement Plan. The timing and priority for implementation of recommended projects within the Six-Year Capital Improvement Plan are based upon certain factors including the master plan, study findings, health and safety matters, legal and contractual obligations, completion of existing projects, coordination with other projects, mitigation of damages, cost and operational efficiency, public/private cooperation and regional benefits. The Wastewater Enterprise is continuously implementing the results of this process in its capital improvements plan. The following schedule provides the Wastewater Enterprise's currently proposed capital improvements plan expenditures for the years 2016-2021, which includes the Platte to Park Hill; Stormwater Systems program. Public information about the Platte to Park Hill: Stormwater Systems program is available at: https://www.denvergov.org/content/denvergov/en/platte-to-park-hill.html; however, the material on this website is not deemed to be incorporated into this Disclosure Statement. Wastewater anticipates a revenue bond issuance in the fourth quarter of 2016.

WASTEWATER ENTERPRISE PROPOSED CAPITAL IMPROVEMENT PLAN FOR 2016 THROUGH 2021[1]

Project Description	2016	2017	2018	2019	2020	2021
Storm Drainage	$25,389,614	$71,828,367	$120,476,245	$99,697,978	$67,595,582	$39,197,355
Sanitary Sewer	5,166,146	9,011,687	6,952,923	8,640,000	9,040,000	7,590,000
Total	$30,555,760	$80,840,054	$127,429,167	$108,337,978	$76,635,582	$46,787,355

1 Figures are estimates subject to re-evaluation.

(Source: Wastewater Enterprise Department of Finance)

THE AIRPORT SYSTEM

Description of the Airport

The Municipal Airport System ("Airport System") is owned by the City and the power to operate, maintain, and control the Airport System is vested in its Department of Aviation. The primary asset of the Airport System is Denver International Airport (the "Airport"), which is the primary air carrier airport for the Denver air service region. The Airport may be referred to in this Disclosure Statement as either "DIA" or "DEN," its official International Air Transport Association (IATA) three-letter identifier code.

The Airport is situated approximately 24 miles northeast of Denver's central business district and encompasses approximately 53 square miles. The Airport's passenger complex has a landside terminal and three airside concourses. The airside concourses provide 109 full-service contact gates and 42 ground loading positions. The Airport has six runways – four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth is 16,000 feet long and 200 feet wide and can accommodate fully loaded jumbo jets and large airlines, including the Airbus A-380.

Airport System Aviation Activity

Located close to the geographic center of the United States mainland, Denver has long been a major air transportation hub. Denver has direct airline service to more than 180 destinations. Denver's natural geographic advantage as a connecting hub location has been enhanced by the Airport's ability to accommodate aircraft landings and takeoffs in virtually all weather conditions. The Denver Metropolitan Area, with a population of more than 3.0 million, is the primary region served by the Airport.

There are 18 passenger airlines providing scheduled service at the Airport as of December 31, 2015, including eight major/national passenger airlines, six foreign-flag airlines and four regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines provide service at the Airport.

With a few exceptions, the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport served approximately 27.0 million enplaned passengers (passengers embarking on airplanes) in 2015, a 1.1% increase compared to 2014. The Airport served 26.7 million enplaned passengers in 2014, a 1.7% increase compared to 2013. Approximately 64% of passengers were originating their travel at the Airport in 2015, compared to approximately 61% in 2014. Approximately 36% were passengers making connecting flights beyond Denver in 2015, compared to approximately 39% in 2014.

Factors Affecting the Airport

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

The United Group

United is the principal air carrier operating at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.). Under the United Use and Lease Agreement, United currently leases 52 full-service contact gates and 14 ground loading positions. The United Use and Lease Agreement originally had a 30 year term, beginning in 1995 and expiring in 2025. In 2014, United agreed to a ten year extension of the Use and Lease Agreement, providing terms for United's occupancy and operations at the Airport through 2035. See also "Bond Issuances – *Revenue Bonds*". In June 2015, United announced the consolidation of its global pilot-training operations to its training center in Denver.

In 2008, United began to significantly reduce its consolidated domestic capacity, its consolidated overall capacity and its workforce. Such reductions continued in 2009, 2010 and 2011. On October 1, 2010, United Continental Holdings (formerly known as UAL Corporation), the parent company of United, completed the merger of United and Continental, and integrated the two airlines under the United brand to operate under a single FAA operating certificate as of November 30, 2011.

United Special Facility Bonds

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

Southwest Airlines

Southwest Airlines ("Southwest") had the second largest market share at the Airport in 2014 and 2015. Southwest commenced service at the Airport in January 2006 and since that time has experienced strong and continued growth in airline service at the Airport. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest integrated AirTran Airways into the Southwest brand on March 1, 2012 and operates Southwest and AirTran Airways under a single FAA operating certificate.

Frontier Airlines

Frontier Airlines ("Frontier") had the third largest market share at the Airport in 2014 and 2015. DEN is Frontier's only hub and, in 2015, the busiest airport in the Frontier system. Frontier was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013 from Republic Holdings and transformed its business model from a low-cost carrier to an ultra-low-cost carrier in 2015. As a result, the carrier has cut back its connecting traffic at the Airport.

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

American Airlines

On December 9, 2013, American Airlines and US Airways announced the completion of a merger to form the American Airlines Group ("American"). The American Airlines Group received a single FAA operating certificate on April 8, 2015. With no connecting enplaned passenger traffic, American does not use the Airport as a major hub.

Other Passenger Airline Information

Except for the United Group, Southwest Airlines, Frontier Airlines and American Airlines, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2015 or more than 5% of any of the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2015.

Availability of Information Concerning Individual Airlines

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

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

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

TABLE 26

AIRPORT SYSTEM
HISTORICAL ENPLANED PASSENGERS
BY AIRLINE TYPE
2011-2015

	Major / International Airlines		Regional / Commuter Airlines		Charter / Miscellaneous Airlines		Total Airlines	
Year	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change
2011	21,709,430	3.2%	4,439,841	(4.8%)	306,494	(6.2%)	26,455,765	1.7%
2012	21,984,133	1.3	4,323,837	(2.6)	289,021	(5.7)	26,596,991	0.5
2013[1]	21,618,114	(1.7)	4,436,819	2.6	230,374	(20.3)	26,285,307	(1.2)
2014	21,962,984	1.6	4,767,207	7.4	6,493	(97.2)	26,736,684	1.7
2015	22,713,090	3.4	4,296,830	(9.9)	9,009	38.7	27,018,929	1.1

1 In 2014, the airport adjusted the methodology of classifying the airlines between each category based on the type of operation. This primarily included adjusting United Express international operations from Miscellaneous to Regional. Figures for 2013 have been revised from previous Disclosure Statements to reflect the final figures reported for 2013 enplaned passengers beginning with the Municipal Airport System 2014 Annual Financial Report.

(Source: Department of Aviation)

The following table shows comparative market share information based on enplaned passengers for the most recent five-year period.

TABLE 27

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS BY AIRLINE

Airline	2011		2012		2013		2014		2015	
United[1]	27.5	%	25.3	%	24.6	%	24.3	%	27.7	%
United Express[1]	15.4		15.2		16.0		16.3		14.6	
Total United[1]	42.9		40.5		40.6		40.6		42.3	
Southwest[2]	21.8		23.7		25.6		26.4		29.4	
Frontier[3]	22.3		21.9		19.1		18.4		12.4	
American[4]	5.2		5.5		5.6		5.8		6.1	
Other	7.8		8.4		9.1		8.8		9.8	
Total Other	57.1		59.5		59.4		59.4		57.7	
Total	100.0	%	100.0	%	100.0	%	100.0	%	100.0	%

1 United and Continental merged in November 2011. See also "The United Group" above.
2 Southwest Airlines and AirTran Airways merged in March 2012. See also "Southwest Airlines" above.
3 Includes Frontier, Lynx, and Republic Holdings. Lynx commenced service at the Airport in December 2007. In March 2011, Republic Holdings discontinued Lynx and transitioned its Q400 turboprop service to the Frontier Express brand. Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013. Frontier no longer has regional flights offered by Republic Holdings. See also "Frontier Airlines" above.
4 American Airlines and US Airways merged in December 2013. See also "American Airlines" above.

(Source: Department of Aviation)

The following table sets forth a summary of selected aviation activity at the Airport for the period of 2011 through 2015.

TABLE 28

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

	2011	2012	2013	2014	2015
Enplaned Passengers (millions):					
United[1]	7.263	6.721	6.446	6.491	7.493
United Express[1]	4.087	4.039	4.213	4.370	3.928
Total United Group[1]	11.351	10.760	10.659	10.861	11.421
Southwest[2]	5.756	6.301	6.721	7.065	7.929
Frontier[3]	5.890	5.826	5.015	4.932	3.360
American[4]	1.372	1.474	1.477	1.537	1.642
Other	2.087	2.237	2.413	2.342	2.666
Total	26.456	26.598	26.285	26.737	27.019
Percent Change from Prior Year	*1.7%*	*0.5%*	*(1.2%)*	*1.7%*	*1.1%*
Originating Passengers (millions):	14.595	14.785	15.328	16.214	17.353
Percent of Total Enplaned	55.2%	55.6%	58.3%	60.6%	64.2%
Connecting Passengers (millions):	11.861	11.812	10.957	10.523	9.666
Percent Connecting of Total Enplaned	44.8%	44.4%	41.7%	39.4%	35.8%
United Group[1] Passengers:					
Percent Originating	39.5%	40.0%	41.1%	39.0%	40.4%
Percent Connecting	60.5%	60.0%	58.9%	61.0%	59.6%
Frontier[3] Passengers:					
Percent Originating	50.0%	48.4%	55.0%	62.6%	78.9%
Percent Connecting	50.0%	51.6%	45.0%	37.4%	21.1%
Southwest[2] Passengers:					
Percent Originating	70.5%	68.3%	69.0%	72.1%	75.6%
Percent Connecting	29.5%	31.7%	31.0%	27.9%	24.4%
American[4] Passengers:					
Percent Originating	100.0%	100.0%	100.0%	100.0%	100.0%
Percent Connecting	0.0%	0.0%	0.0%	0.0%	0.0%
Average Daily Departures:					
Passenger Airlines:					
United[1]	130	133	125	124	146
United Express[1]	246	239	246	252	219
Frontier[3]	152	137	105	100	66
Southwest[2]	147	159	159	158	168
American[4]	20	20	20	33	33
Other	137	118	112	75	77
Total Passenger Airlines	832	806	767	742	709
All-Cargo Airlines	25	25	25	26	26
Total	856	831	792	768	735
Percent Change from Prior Year	*(0.2%)*	*(2.9%)*	*(4.6%)*	*(3.0%)*	*(4.3%)*
Landed Weight (billion pounds):					
Passenger Airlines:					
United[1]	7.925	7.974	7.432	7.292	8.214
United Express[1]	4.826	4.675	4.779	4.881	4.427
Frontier[3]	6.679	6.338	5.182	5.018	3.339
Southwest[2]	6.656	7.244	7.353	7.423	7.922
American Airlines[4]	0.836	0.864	0.831	1.609	1.678
Other	4.382	3.590	3.766	2.813	3.112
Total Passenger Airlines	31.304	30.685	29.343	29.036	28.692
All-Cargo Airlines	1.207	1.204	1.260	1.315	1.363
Total	32.512	31.889	30.603	30.351	30.055
Percent Change from Prior Year	*(2.3%)*	*(1.9%)*	*(4.0%)*	*(0.8%)*	*(1.0%)*
Enplaned Cargo (million pounds)[5]	242.491	227.734	222.771	229.458	238.664
Percent Change from Prior Year	*0.3%*	*(6.1%)*	*(2.2%)*	*3.0%*	*4.0%*
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	452,223	443,389	420,073	422,178	424,930
Commuter/Military/Taxi/General Aviation	182,457	174,868	166,787	152,983	122,718
Total	634,680	618,257	586,860	575,161	547,648
Percent Change from Prior Year	*(0.1%)*	*(2.6%)*	*(5.1%)*	*(2.0%)*	*(4.8%)*

[Footnotes on next page]

Footnotes for Table 28

1. United and Continental merged in November 2011. See also "The United Group" above.
2. Southwest Airlines and AirTran Airways merged in March 2012. See also "Southwest Airlines" above.
3. Includes Frontier, Lynx, and Republic Holdings. Lynx commenced service at the Airport in December 2007. In March 2011, Republic Holdings discontinued Lynx and transitioned its Q400 turboprop service to the Frontier Express brand. Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013. Frontier no longer has regional flights offered by Republic Holdings. See also "Frontier Airlines" above.
4. American Airlines and US Airways merged in December 2013. See also "American Airlines" above.
5. The weight of enplaned cargo does not impact the Airport's Gross Revenues. Revenue is received from cargo carriers only from landing fees and space rentals, which historically have constituted less than 3% of Gross Revenues.

(Source: Department of Aviation)

The 2013-2018 Capital Program

The Department of Aviation is currently in the process of evaluating its capital needs for the six-year period from 2016 through 2021, which are expected to include improvements to the Jeppesen Terminal.

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

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

	2013 [1]	2014	2015	2016	2017	2018	Total
Airfield	$118,310	$ 30,886	$28,929	$27,539	$12,116	$11,850	$ 229,630
Baggage/AGTS	64,822	39,273	37,727	0	0	0	141,822
Commercial	17,121	14,550	14,000	0	0	0	45,671
Environmental/Utilities	15,560	0	0	0	0	0	15,560
Other CIP	105,567	32,641	0	0	0	0	138,208
Roads	26,182	13,250	5,100	8,000	2,100	1,000	55,632
Technologies	34,735	6,809	3,578	1,265	1,208	0	47,594
Terminal Complex	97,361	47,575	12,657	3,774	1,774	0	163,142
Hotel and Transit Center Program	356,825	162,443	25,000	0	0	0	544,268
TOTAL	**$836,481**	**$347,427**	**$126,991**	**$40,578**	**$17,198**	**$12,850**	**$1,381,526**

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

(Source: Department of Aviation)

It is the practice of the Department of Aviation to develop a capital program and reevaluate the capital needs of the Airport System on a regular basis. The capital program for the Airport described in Table 29 represents expectations of Airport System capital needs in order to maintain, reconstruct and expand Airport facilities in the six-year period from 2013 through 2018 (the "2013-2018 Capital Program"). The South Terminal Redevelopment Program, now described as the Hotel and Transit Center Program, is the single largest component of the 2013-2018 capital program, and consists of the construction of the DEN Rail Station, now described as the Airport Terminal Station, that provides connectivity from downtown Denver to the Airport, the construction of a new 519-room, full service hotel, and a plaza to provide public access between the Landside Terminal Building, the hotel and the Airport Terminal Station. The new hotel opened in November 2015 and the passenger rail service from downtown Denver to the Airport began in April 2016. The Airport System's capital needs between 2013 and 2018 were estimated to have a total cost of approximately $1.4 billion (in 2013 dollars) and expected to be financed with a combination of Airport System Senior Bonds and Subordinate Bonds, federal grants, Airport System moneys, subordinate contract obligations and subordinate commercial paper notes. The capital program is periodically revised for the Airport System to reflect changes in scope and increases in construction costs, and on March 28, 2013, and May 21, 2015, the City voluntarily posted on the MSRB's Electronic Municipal Market Access system ("EMMA") notices that provided updates on the Hotel and Transit Center Program and described the changes thereto as of such dates. Further details on the capital program for the Airport System, including the Hotel and Transit Center Program, are available in the most recent Official Statement dated July 10, 2013, relating to the City and County of Denver, Colorado, for and on behalf of its Department of Aviation, Airport System Subordinate Revenue Bonds, Series 2013A and Series 2013B, which can be found on the Airport's website and EMMA.

The City and Regional Transportation District (RTD) entered into an intergovernmental agreement for the Airport dated March 16, 2010 (the Intergovernmental Agreement), which contemplates the implementation of additional Gateway Stations on the East Corridor Line. The Airport is obligated to fund a Gateway Station at approximately 61st Avenue and Peña Boulevard, which will be completed by RTD, in the amount of $12,189,520.

Additionally, the Airport and RTD had different interpretations of the IGA's division of performance and payment responsibility in the area immediately south of the DEN Rail Station. The dispute was resolved in early 2016; as of the date of this Disclosure Statement, the City received reimbursement from RTD of the final agreed upon amount of $7,793,515.

The City has developed a detailed plan for a transit-oriented community on 400 acres of City-owned and private property surrounding the Peña Boulevard Station. On May 26, 2015, the City executed a Development Agreement with Rail Stop LLC, by which the City committed to invest up to $38.1 million (including the $12.2 million for station construction costs) for Phase 1 infrastructure for the project, known as Peña Station. The Development Agreement provides a mechanism by which the City will recover more than its initial investment, primarily through a mill levy on private property to be imposed by several metropolitan districts. Construction of infrastructure is underway.

Outstanding Bonds and Notes

Senior and Subordinate Bonds have been issued to fund capital construction and maintenance of the Airport. As of December 31, 2015, the total aggregate amount of all outstanding Bonds is as follows:

Table 30

AIRPORT SYSTEM – OUTSTANDING BONDS[1]
As of December 31, 2015

Issue	Amount
Series 1992C Bonds[1]	$40,080,000
Series 1992F Bonds[2,3,4]	19,100,000
Series 1992G Bonds[2,3]	15,800,000
Series 2002C Bonds[2,3,4]	28,200,000
Series 2006A Bonds[4]	259,345,000
Series 2007A Bonds	188,350,000
Series 2007B Bonds	24,250,000
Series 2007C Bonds	34,635,000
Series 2007D Bonds	147,815,000
Series 2007E Bonds	47,400,000
Subseries 2007F1 Bonds[2,4,5]	37,625,000
Subseries 2007F2 Bonds[2,4,5]	37,925,000
Subseries 2007G1 Bonds[2,3,4]	65,700,000
Subseries 2007G2 Bonds[2,3,4]	65,800,000
Subseries 2008A1 Bonds	20,900,000
Series 2008B Bonds[2,3,4]	61,700,000
Subseries 2008C1 Bonds[2,3,4]	92,600,000
Subseries 2008C2 Bonds[2,3,4]	100,000,000
Subseries 2008C3 Bonds[2,3,4]	100,000,000
Series 2009A Bonds	164,850,000
Series 2009B Bonds	65,290,000
Series 2009C Bonds[2,3,4]	104,655,000
Series 2010ABonds	171,360,000
Series 2011A Bonds	285,695,000
Series 2011B Bonds	82,765,000
Series 2011C Bonds	1,925,000
Series 2012A Bonds	290,340,000
Series 2012B Bonds	505,315,000
Series 2012C Bonds	30,285,000
Series 2014A Bonds[2,3,4]	112,025,000
Total Senior Bonds	**$3,201,730,000**
Series 2013A Bonds	$322,460,000
Series 2013B Bonds	392,360,000
Series 2015A Bonds[3]	195,940,000
Total Subordinate Bonds	**$910,760,000**
Total Outstanding Bonds	**$4,112,490,000**

---

1 In 1999, the City used the proceeds from certain federal grants to establish an escrow to defease $54.9 million of Series 1991D Bonds and Series 1992C Bonds. As a result, $40,080,000 of Series 1992C Bonds have been economically defeased; however, none of the defeasances satisfied all of the requirements of the Senior Bond Ordinance, and consequently such economically defeased Senior Bonds are reflected as still being outstanding.

2 These Senior Bonds constitute variable interest rate obligations that are either secured by letters of credit or insurance or standby bond purchase agreements constituting Credit Facilities under the Senior Bond Ordinance or currently constitute credit facility bonds owned by certain banks as described in footnote 3 below. The City's repayment obligations to the financial institutions issuing such Credit Facilities constitute Credit Facility Obligations under the Senior Bond Ordinance.

3 These credit facility Senior Bonds bear interest at a fixed spread indexed to one-month LIBOR pursuant to private placement transactions directly placed with certain banks.

[Footnotes continued on next page]

4 A portion of these Senior Bonds are associated with certain swap agreements discussed below and in Note 12 to the audited financial statements of the Airport System for Fiscal Year 2015, effectively converting the floating rates of the variable rate bonds to fixed rates and converting the fixed rates of the fixed rate bonds to variable rates.

5 The Subseries 2007F1-F2 Bonds currently are in an auction rate mode.

(Source: Airport Financial Statements for 2015)

Bond Issuances

Revenue Bonds. On December 12, 2014, the Airport system closed on the restructuring of debt to extend the maturity of the Series 2002C, 2007G1-G2, 2008B, 2008C1-C3 and 2009C Bonds. These transactions, in conjunction with the simultaneous closing of the Series 2014A Refunding Bonds and Series 1992F-G Bonds (closed on October 24, 2014), completed the debt restructuring component by deferring annual principal maturing with a goal of providing an estimated amount of debt service relief of $25 million per year between 2015 and 2025.

Subordinate Revenue Bonds. On July 17, 2013, the Airport issued Subordinate Airport System Revenue Bonds, Series 2013A (AMT), and 2013B (non-AMT) in the aggregate amount of $719,915,000 to fund a portion of the costs of the 2013-2018 capital program. All proceeds not deposited into the Capitalized Interest Accounts or Bond Reserve Fund were deposited into the Project Fund. On November 20, 2015, the Airport issued $195,940,000 of Subordinate Airport System Revenue Bonds, Series 2015A, for the purpose of current refunding all of the Series 2005A Senior Airport System Revenue Bonds. The Series 2015A bonds were privately placed with Bank of America, N.A. No other Subordinate Bonds are currently outstanding.

Subordinate Commercial Paper Notes. Airport System Subordinate Commercial Paper Notes may be issued for the purpose of funding the costs of acquiring, improving and equipping facilities for the Airport, refunding or paying certain Airport System obligations and other purposes. The Airport does not currently maintain a Commercial Paper facility and no commercial paper notes are currently outstanding.

Subordinate Hedge Facility Obligations. In 1998, 1999, 2002, 2005, 2006, 2007, 2008 and 2009, the City entered into various interest rate swap agreements constituting Subordinate Hedge Facility Obligations under the Senior Bond Ordinance and the Subordinate Bond Ordinance in respect of certain series of outstanding Senior Airport System Bonds. Detailed information regarding these swap agreements is set forth in Note 12 to the audited financial statements of the Airport System for Fiscal Year 2015.

Installment Purchase Agreements. The Airport System entered into various Master Installment Purchase Agreements. As of December 31, 2015 the following Agreements were outstanding:

Date Entered	Firm	Original Amount	Interest Rate
10/26/2006	Koch Financial Corporation	$23,000,000	4.3400%
10/26/2006	GE Capital Public Finance	9,000,000	4.1600%
1/10/2012	Sovereign Capital Leasing	20,500,000	1.9595%
1/9/2015	Banc of America Public Capital Corp	1,800,000	1.1656%
6/19/2015	Santander Bank NA	3,987,614	1.1900%

As of December 31, 2015, $21.2 million of principal note payments were outstanding under these Agreements, compared to $21.0 million at December 31, 2014.

Summary Financial Information

TABLE 31

AIRPORT SYSTEM
HISTORICAL ENPLANED CARGO OPERATIONS
2011-2015
(in pounds)

Year	Air mail	Freight and Express	Total	Percent Change
2011	18,612,677	223,878,051	242,490,728	0.3%
2012	17,373,529	210,360,700	227,734,229	(6.1)
2013	13,817,432	208,953,640	222,771,072	(2.2)
2014	15,926,140	213,532,252	229,458,392	3.0
2015	23,769,374	214,894,171	238,663,545	4.0

(Source: Department of Aviation)

TABLE 32

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

	2011	2012[1]	2013	2014	2015[2]
Operating Revenues	$602,769	$624,673	$661,637	$711,492	$687,536
Operating Expenses	392,862	388,171	431,935	413,563	436,803
Operating Income before Depreciation	209,907	236,502	229,702	297,928	250,733
Depreciation and Amortization	179,070	178,567	184,721	183,560	163,714
Operating Income	30,837	57,935	44,981	114,368	87,019
Non-Operating Revenues (Expenses) net	(75,488)	(46,259)	(55,906)	(9,013)	9,106
Capital Contributions	34,702	22,996	31,413	20,533	20,483
Change In Net Assets	($9,949)	$34,672	$20,488	$125,888	$26,041

1 2012 has been restated for adoption of GASB 65. 2011 has not been restated for adoption of GASB 65.
2 2015 includes a change in accounting principle due to the adoption of GASB 68. 2014 has not been restated for adoption of GASB 68.

(Source: Department of Aviation)

TABLE 33

HISTORICAL NET REVENUES AND DEBT SERVICE COVERAGE UNDER THE BOND ORDINANCE FOR THE FISCAL YEAR ENDED DECEMBER 31

($ in thousands)

	2011	2012	2013	2014	2015
Gross Revenues[1,2]	$705,703	$713,279	$743,101	$786,405[2]	$790,016[2]
Operation & Maintenance Expenses	312,278	318,394	349,987	355,769	377,199
Net Revenues	393,425	394,885	393,114	430,636	412,817
Other Available Funds[3]	48,045	51,685	50,409	54,833	50,320
Total amount available for Debt Service Requirements	$441,470	$446,570	$443,524	$485,469	$463,137
Senior Bonds					
Debt Service Requirements[4]	$197,421	$209,520	$202,758	$219,334	$201,279
Debt Service Coverage	224%	213%	219%	221%	230%
Senior and Subordinate Bonds[5]					
Debt Service Requirements[4]	$235,356	$247,563	$242,817	$268,422	$262,512
Debt Service Coverage	188%	180%	183%	181%	176%

1 Including Designated Passenger Facility Charges

2 Excludes $17,214,747 and $18,597,856 of rental car customer facility charges ("CFCs") in 2014 and 2015, respectively. CFCs were included in Gross Revenues for the first time in 2014 due to the final maturity, on January 1, 2014, of Special Facilities Revenue Bonds relating to the car rental facilities at the Airport. The Department of Aviation may seek City Council approval to amend the ordinances relating to CFCs to exclude CFCs from Gross Revenues in 2016 and thereafter, consistent with the treatment of CFCs in years prior to 2014. CFCs may be pledged to the payment of Special Facilities Revenue Bonds in the future. For additional information on CFCs, refer to the 2015 Annual Financial Report for the Airport. Including CFCs in Gross Revenues and as reported in the 2015 Annual Financial Report, Debt Service Coverage of Senior Bonds was 239%, and Debt Service Coverage of Senior and Subordinate Bonds was 184% in 2015. As reported in the 2014 Annual Financial Report, Debt Service Coverage of Senior Bonds was 229% and Debt Service Coverage of Senior and Subordinate Bonds was 187% in 2014.

3 Other Available Funds is defined in the Senior Bond Ordinance to mean for any Fiscal Year the amount determined by the Manager of Aviation to be transferred from the Capital Fund to the Revenue fund; but in no event is such amount to exceed 25% of aggregate Debt Service Requirements for such Fiscal Year.

4 Less Committed Passenger Facility Charges

5 Subordinate Obligations include Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations. Except for Subordinate Commercial Paper Notes, no Subordinate Bonds were outstanding from 2010-2012.

(Source: Airport Financial Statements for 2015)

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2015 Dollars

$11.82[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED (does not include United Express)
2015 Dollars

$17.01[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED GROUP (includes United Express)
2015 Dollars

$13.11[1]

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

(Source: Department of Aviation)

HISTORICAL PASSENGER FACILITY CHARGE REVENUES
($ in thousands)

Year	Revenues	Percent Change
2011	$103,210	0.6%
2012	105,472	2.2
2013	103,032	(2.3)
2014	103,959	0.9
2015	106,007	2.0

(Source: Department of Aviation)

CONTACTS FOR FURTHER INFORMATION

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(720) 913-1514 (Phone)
(720) 913-5599 (Fax)
debtmanagement@denvergov.org

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

Continuing Disclosure Annual Report and
Wastewater Management Enterprise Fund Financial Statements:
City and County of Denver
Department of Finance
Beth Strauss
Senior Capital Funding Analyst
201 West Colfax Avenue, Dept. 1004
Denver, Colorado 80202
(720) 913-5208 (Phone)
(720) 913-9460 (Fax)
https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/disclosure-statements.html

Comprehensive Annual Financial Report (CAFR):
Beth Machann
Controller
201 West Colfax Avenue
Denver, Colorado 80202
(720) 913-5500 (Phone)
(720) 913-5247 (Fax)
https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/controllers-office.html

Financial Statements and Supplementary Information - Airport System:
Department of Aviation - Finance
Denver International Airport
8500 Peña Boulevard
Denver, Colorado 80249-6340
(303) 342-2000 or (800) 247-2336 (Phone)
http://www.flydenver.com/about/financials

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

Financial Statements – Denver Employees Retirement Plan:
Denver Employees Retirement Plan
Heather Darlington, CPA
Assistant Director – Finance & Systems
777 Pearl Street
Denver, Colorado 80203
(720) 723-2734 (Phone)
(303) 839-9525 (Fax)
www.derp.org/index.cfm/ID/9/Publications

The 2016 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2015 – available on the City's website or from the Controller's Office. See above.

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

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Introduction

Colorado recorded the fifth fastest employment growth of the 50 states during 2015, with a 3.1 percent increase in jobs in 2015. Colorado's expanding employment base, high quality of life, and increasing presence in the global business community will continue to attract individuals and businesses to the state. However, the region is challenged by the low price of oil as Colorado was ranked as the country's seventh largest oil producer in 2014. While this industry has large multiplier effects, the state's diversified economic base should help it weather the employment declines resulting from a slowdown in exploration activity due to the low price of oil.

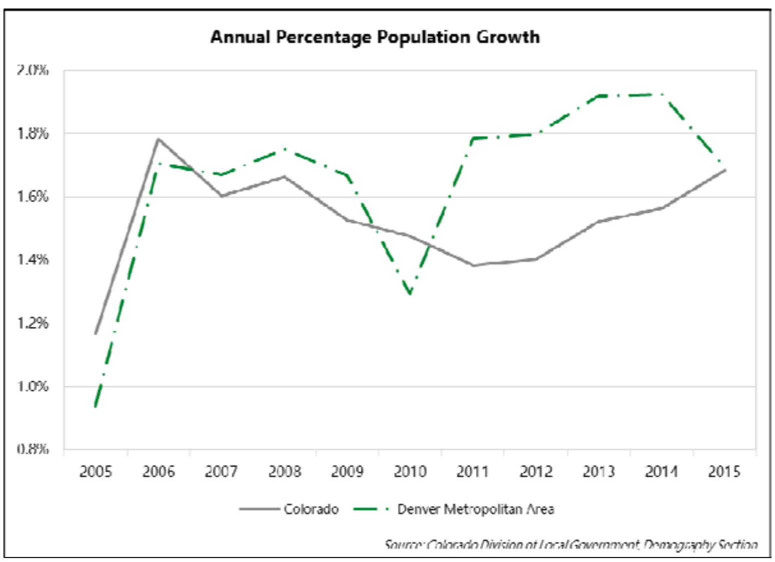
The Denver metropolitan area is comprised of seven counties – Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson. The Denver metropolitan area economy strongly influences the economy statewide as the area accounts for about 62 percent of Colorado jobs and 56 percent of the state's total population. The Denver metropolitan area experienced job growth in each supersector in 2015, adding 53,100 jobs of the total 76,300 jobs added in the state. Four industry supersectors – education and health services, professional and business services, leisure and hospitality, and government – accounted for 60 percent of Denver metropolitan area jobs added between 2014 and 2015. The area's expanding economy will continue to be supported by a strong entrepreneurial environment, business friendly policies, and a talented workforce.

Population

Colorado

U.S. Census Bureau population data show Colorado as the second fastest-growing state between July 2014 and July 2015. According to the Colorado Demography Office, the Colorado population increased 1.7 percent to over 5.4 million, a rate more than two times faster than the rate of the nation due to a high birth rate, low death rate, and positive net migration.

Population growth depends on two components – natural increase and net migration. Natural increase is the difference between births and deaths, and typically changes only gradually as the population ages. Net migration reflects the number of in-migrants to the state minus the number leaving, and it tends to be more volatile as economic cycles, housing costs, and other less-predictable factors tend to influence population mobility. Natural increase accounted for 46 percent of Colorado's total population change between 2005 and 2015, and net migration accounted for 54 percent.

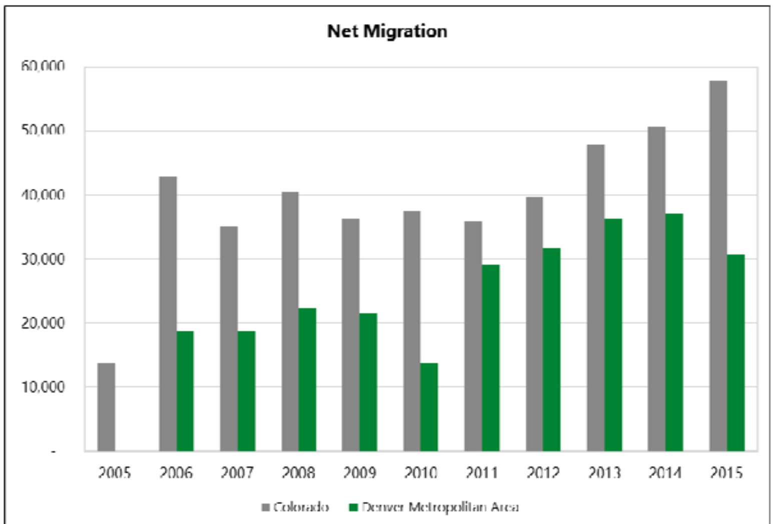


Demographers expect net migration will be the major contributing factor to Colorado's population growth throughout the decade, representing about 64 percent of the state's population increase in 2015. Colorado is experiencing two major demographic shifts in the state's population. First, in 2015, the largest generational group residing in the state became the millennials (born 1981-1997), surpassing the baby boomers (born 1946-1964). Second, Colorado's share of the population 65 years and older is increasing rapidly. Among the 50 states, Colorado ranked as having the fifth lowest share of those 65+ (12.7 percent) in 2014. By 2023, this percentage will increase to 18 percent of the population. This means that the over 65 population will nearly double from 2014 to 2030, with the population increasing from 681,000 to nearly 1.3 million.

Denver Metropolitan Area

The Denver metropolitan area is a magnet for new Colorado residents, although the two nationwide recessions that occurred over the past ten years made the share of regional population growth due to net migration somewhat smaller than it was during the 1990s and early 2000s. Net migration represented 54 percent of total Denver metropolitan area population growth between 2005 and 2015, and natural increase represented 46 percent of total growth. The prior decade (1995-2005) showed net migration represented 52 percent of the population change.

Even with slower net migration during recession periods, the Denver metropolitan area's average annual population growth over the past ten years (1.7 percent) was noticeably faster than the national average (0.8 percent). The region's population grew 1.7 percent between 2014 and 2015, and the Denver metropolitan area is now home to nearly 3.1 million residents.



Source: Colorado Division of Local Government, Demography Section.

From 2011 through 2013, net migration in the Denver metropolitan area accounted for more than 75 percent of total Colorado migration. While net migration to the Denver metropolitan area represented just over half of the state's net migration in 2015, the area is a choice location for the millennials. The millennials were the largest population group in the Denver metropolitan area, numbering just over 713,800 in 2014. While generation X (685,100 population) and baby boomers (684,500 population) dominate those working today, the millennials are making their mark on the workplace and now represent the largest component of the potential labor force.

According to the Colorado Demography Office, the Denver metropolitan area's largest population group are young adults (ages 25-34), representing 14.9 percent of the population. The area's median age (37) is lower than the nationwide median (37.7) and the total share of the region's population age 65 and older (11.7 percent) is smaller than the comparable share nationwide (14.5 percent).

Denver Metropolitan Area Population by County

Area	2005	2010	2015	Avg. Annual Population Growth 2005-2010	Avg. Annual Population Growth 2010-2015
Adams	395,384	443,711	490,066	2.3%	2.0%
Arapahoe	528,214	574,819	628,323	1.7%	1.8%
Boulder	282,910	295,605	317,814	0.9%	1.5%
Broomfield	48,251	56,107	63,423	3.1%	2.5%
Denver	559,459	604,879	677,861	1.6%	2.3%
Douglas	244,442	287,124	319,920	3.3%	2.2%
Jefferson	523,517	535,651	565,106	0.5%	1.1%
Denver Metropolitan Area	2,582,177	2,797,896	3,062,513	1.6%	1.8%
Colorado	4,662,534	5,050,289	5,443,612	1.6%	1.5%

Source: Colorado Division of Local Government, Demography Section.

Of the seven Denver metropolitan area counties, the City and County of Broomfield, the City and County of Denver, and Douglas County reported the fastest population growth over the past five years. Growth in five of the seven counties exceeded both the statewide and national average growth rates between 2010 and 2015.

City and County of Denver

The City and County of Denver represents about 22 percent of the total Denver metropolitan area population, the largest portion of the seven counties in the region. The young adults (age 25-34) also represent the largest portion of the City and County of Denver's population at 20.3 percent, 5.4 percentage points higher than the portion in the Denver Metropolitan area. The City and County of Denver also has a median age of 34.5, more than two years younger than the surrounding population. Between 2005 and 2010, total population growth averaged 1.6 percent per year. Since the Great Recession of 2007-2009, the City and County of Denver has reported steady population growth, averaging 2.3 percent growth over the last five years. From 2005 to 2015, net migration represented 53 percent of the population growth, while 47 percent was attributed to natural increase.

Employment

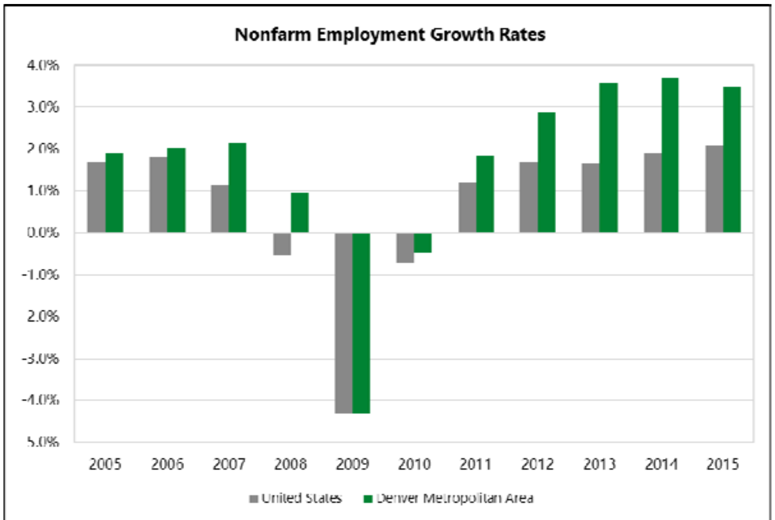
The U.S. Bureau of Labor Statistics releases employment data based on two different surveys. The household survey – also called the Current Population Survey (CPS) – reflects employment characteristics by place of residence and is the data source for statistics on labor force, employment and self-employment, and unemployment by county. This data is discussed in the Labor Force & Unemployment section of this report.

The so-called "establishment" survey is the data source for the Current Employment Statistics (CES) series, which includes detailed information on employment, hours, and earnings by industry. Although the survey does not count the self-employed, the CES data are some of the most closely watched and widely used gauges of employment trends.

Industry employment data in the CES series are grouped according to North American Industry Classification System (NAICS) codes. This coding structure includes 20 detailed industry sectors that are combined to form 11 "supersectors."

Colorado

During the past ten years, Colorado employment grew at an annual average rate of 1.3 percent, more than two times the national rate (0.6 percent). The most recent recession caused significant declines in employment growth in Colorado, as the state posted more negative growth rates during the last recession than the national average.



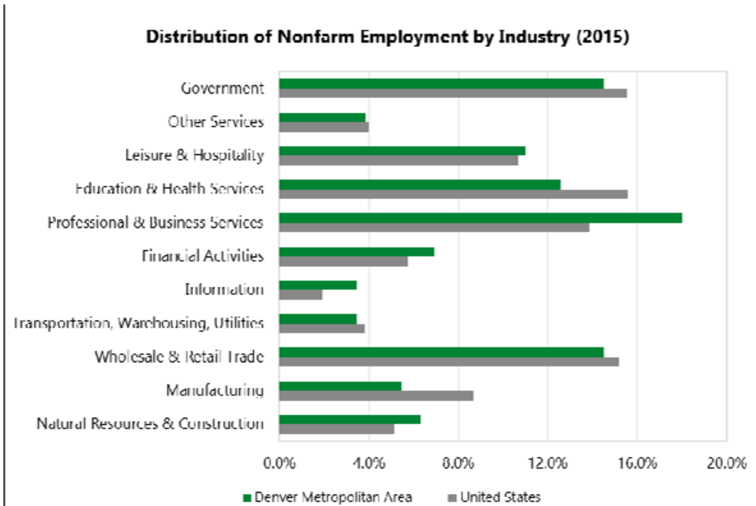
Sources: U.S. Bureau of Labor Statistics, Colorado Department of Labor and Employment.

While Colorado was harder hit by the last recession than the rest of the nation, the area recovered at a much faster pace and recorded higher employment growth for the last five years.

The concentration of certain industries in the state gave it unique advantages in recent times of economic growth. A large presence of high-tech and construction activity positioned Colorado to expand at a steady pace over the last few years. Colorado employment rose across each of the 11 supersectors from 2014 to 2015, most notably in education and health services (+4.7 percent). Employment also increased at a strong pace between 2014 and 2015 in the leisure and hospitality and financial activities supersectors, rising 4.3 percent and 3.6 percent, respectively. Total employment in Colorado increased 3.1 percent during the period. Colorado's employment growth rate was 1 percentage point higher than the national growth rate of 2.1 percent.

Denver Metropolitan Area

The U.S. Bureau of Labor Statistics also compiles CES data for a number of Metropolitan Statistical Areas (MSAs), including the Denver-Aurora-Lakewood MSA (Denver MSA) and the Boulder MSA. The Denver MSA consists of ten counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties. Because CES data are not available for the counties individually, data in this section of the report reflects the Denver MSA and Boulder MSA (Boulder County) combined.



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

This 11-county region has a nonfarm employment base of nearly 1.6 million workers. Growth in the region has been slightly stronger than the state, with employment rising 3.5 percent between 2014 and 2015. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 53,100 jobs of the total 76,300 jobs added in the state during the last year. The ten-year average annual growth rate for the area of 1.6 percent was higher than the state average (1.3 percent). Both the state and the 11-county region began to report economic expansion in 2011, but the Denver metropolitan area has consistantly expanded at a faster pace than the state each year since the recovery began.

Four industry supersectors –education and health services, professional and business services, leisure and hospitality, and government – accounted for 60 percent of Denver metropolitan area jobs added between 2014 and 2015. Part of these industries' large impact on overall job growth reflects their sheer size, as they are some of the region's largest sectors in terms of total jobs. The education and health services and leisure and hospitality supersectors are the region's fourth and fifth largest industries by employment, reporting over-the-year employment growth of 4.6 percent and 4.3 percent, respectively. The Denver metropolitan area's largest supersector, professional and business services, expanded by 3.5 percent.

U.S. oil producing states generally experienced a decline in employment in 2015 as the price of oil fell, but production continued to increase with improved drilling technology. According to the U.S. Energy Information Administration, Colorado supplies about one out of every 50 barrels of U.S. oil output. The Denver metropolitan area has a significant concentration of regional offices for national oil production companies. This employment base, along with strong construction activity, helps explain the 5.1 percent increase in employment between 2014 and 2015 in the natural resources and construction sector. However, this growth rate was 7 percentage points slower than the previous year's rate, reflecting the downturn in oil prices. The sector reported the largest over-the-year percentage increase in employment, with a 5.1 percent increase, and represented about 9 percent of all jobs added in 2015. Growth in the sector also occurred in both 2013 (+9.7 percent) and 2014 (+12.1 percent).

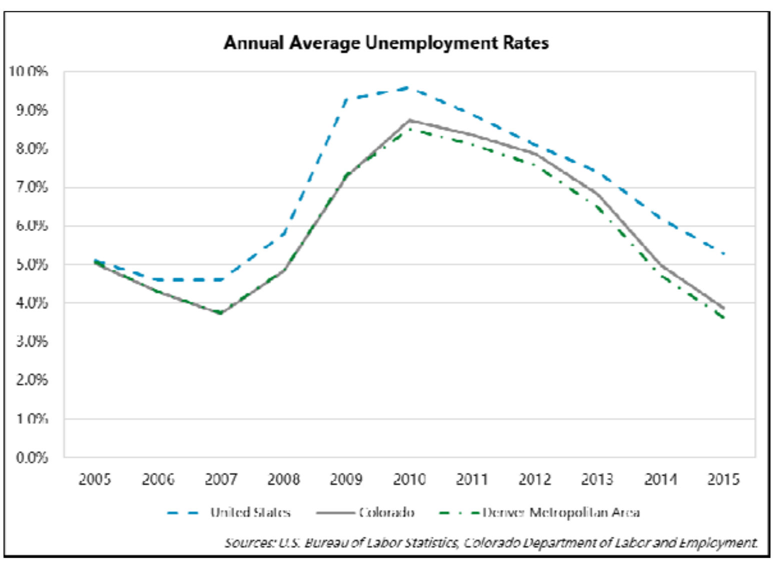
City and County of Denver

The City and County of Denver is the employment center for the Denver metropolitan area and accounts for 30 percent of the region's total jobs. Downtown Denver's central business district has one of the area's largest concentrations of office space and is home to telecommunications companies, large healthcare organizations, financial and legal firms, and a variety of other businesses. The City and County of Denver had the state's largest job base of 478,560 workers in 2015, and employment increased 3.9 percent between 2014 and 2015.

The City and County of Denver's three largest industry supersectors by employment concentration are professional and business services (20.2 percent), government (13.8 percent), and leisure and hospitality (12.4 percent). Total employment rose in all of the 11 industry supersectors between 2014 and 2015, with the largest increases in leisure and hospitality (6.2 percent), education and health services (5.5 percent) and professional and business services (4.5 percent).

Labor Force & Unemployment

In 2015, the economic recovery picked up speed, pushing the national unemployment rate to the lowest level since 2007. Companies began hiring at a faster pace as consumers became more confident and companies were more optimistic about future economic conditions. Data shows the national unemployment rate declined to 5.3 percent in 2015, a decline of 0.9 percentage points from the 2014 rate (6.2 percent).



Colorado

Colorado's unemployment rate fell faster than the national average, reaching 3.9 percent in 2015 and the lowest level since 2007. Colorado's annual average unemployment rate peaked at 8.7 percent in 2010 and the rate has fallen at an increasing rate over the last several years. The state's unemployment rate has remained at or below the national level since

1990. Colorado's unemployment rate of 3.9 percent in 2015 was 1.4 percentage points below the national average. Colorado achieved significant improvements in the labor market through 2015, with the last six months of the year reporting unemployment rates below four percent.

Denver Metropolitan Area

The most recent recession pushed the Denver metropolitan area unemployment rate to a peak of 8.5 percent in 2010, but the area recorded improvements over the last five years. The unemployment rate fell 1.1 percentage point between 2014 and 2015 to 3.6 percent, the lowest level since 2000. The Denver MSA recorded the third lowest unemployment rate of the 51 largest metropolitan areas based on data for March 2016. The area ranked behind the Austin-Round Rock, Texas MSA with a rate of 3.1 percent, while the highest rate was in the Chicago-Naperville-Elgin, IL-IN-WI MSA at 6.6 percent.

City and County of Denver

As an urban center, the City and County of Denver typically records higher unemployment than the greater Denver metropolitan area. While the City and County of Denver reported unemployment rates that were higher than the national average between 2002 and 2006, rates have remained below the national average since 2007. The average annual unemployment rate in the City and County of Denver peaked at 9.1 percent in 2010, but has steadily declined each year since. The unemployment rate fell to 3.7 percent in 2015, the lowest level since 2000. The 2015 rate was 0.1 percentage points above the Denver metropolitan area rate, but 1.6 percentage points below the national rate.

Major Employers

Metro Denver Largest Private Sector Employers

Company	Product/Service	Employment
King Soopers	Grocery	14,480
HealthONE Corporation	Healthcare	11,960
Wal-Mart	General Merchandise	11,770
Centura Health	Healthcare	9,450
SCL Health System	Healthcare	9,060
Lockheed Martin Corporation	Aerospace & Defense Related Sys	7,460
UCHealth	Healthcare, Research	6,770
Comcast Corporation	Telecommunications	6,760
Kaiser Permanente	Healthcare	6,420
Children's Hospital Colorado	Healthcare	6,100
CenturyLink	Telecommunications	5,840
Target Corporation	General Merchandise	5,600
United Airlines	Airline	5,500
Safeway Inc.	Grocery	5,000
Wells Fargo	Financial Services	4,300
DISH Network	Satellite TV & Equipment	4,050
University of Denver	University	3,830
AT&T Inc.	Telecommunications	3,800
Level 3 Communications	Communication & Internet System	3,710
United Parcel Service	Parcel Delivery	3,650

Source: Development Research Partners, May 2016.

Colorado's small businesses play a major role in the state's job creation and economic growth. Data from the U.S. Census Bureau show that, as of 2013, more than 98 percent of Colorado businesses employed fewer than 100 workers. Self-employment is another important economic driver in Colorado: according to the U.S. Bureau of Economic Analysis, Colorado had the nation's fifth-largest share of total jobs linked to sole proprietorship in 2014.

While small businesses and the self-employed are vitally important to the Denver metropolitan area economy, larger firms are also key providers of jobs and income. Census Bureau data shows 121 firms with 1,000 or more employees were operating in Colorado in 2013 and 60 percent of these large businesses were located in the Denver metropolitan area.

Ten companies headquartered in Colorado were included on the 2016

Fortune 500 list. Arrow Electronics (#119) was the highest-ranked Colorado company, followed by DISH Network (#187), DaVita Healthcare Partners (#200), Liberty Interactive (#284), Level 3 Communications (#333), Ball Corporation (#341), Newmont Mining (#349), Western Union (#468), Envision Healthcare Holdings (#469), and CH2M (#478).

Private sector businesses account for the majority of employment in the Denver metropolitan area, but the public sector also represents a sizeable portion of the area's job base. As the capital of Colorado, the City and County of Denver has a large concentration of government employees. Specifically, public sector employment in Denver consists of 13,800 federal government employees, 14,100 state government employees, and 35,600 employees in local government entities including Denver Public Schools (14,800 employees) and the City and County of Denver (11,680 employees).

International Trade

The Denver metropolitan area is located just west of the nation's geographic center and at the exact midpoint between Tokyo and Frankfurt. As a result, it serves as an ideal hub for businesses focused on interstate and international commerce. Shipping businesses can access the Denver metropolitan area via all transportation modes except water, and the region's location midway between Canada and Mexico – U.S. partners under the North American Free Trade Agreement (NAFTA) – is another asset for trade-focused companies. About one-third of the total dollar value of export shipments from Colorado went to Canada and Mexico in 2015; others of the state's largest trading partners include China, Japan, Malaysia, and South Korea.

Between 2010 and 2013, Colorado's exports posted significant over-the-year growth, surpassing pre-recession levels. However, there was a 2.4 percent decline in exports between 2013 and 2014 and a 4.3 percent decline between 2014 and 2015, marking two consecutive years of declining exports. Over the last few years the U.S. dollar has strengthened, making it more expensive for other countries to purchase goods and services from the U.S. In 2015, the value of the dollar hit its highest level in over a decade. Much of the decline is attributed to exports to Canada, which fell 20.5 percent between 2013 and 2014 and fell 14.5 percent between 2014 and 2015. The state exported considerably less food manufactures products in 2015 and less computer and electronic products. National exports decreased from 2014 to 2015, falling 7.2 percent.

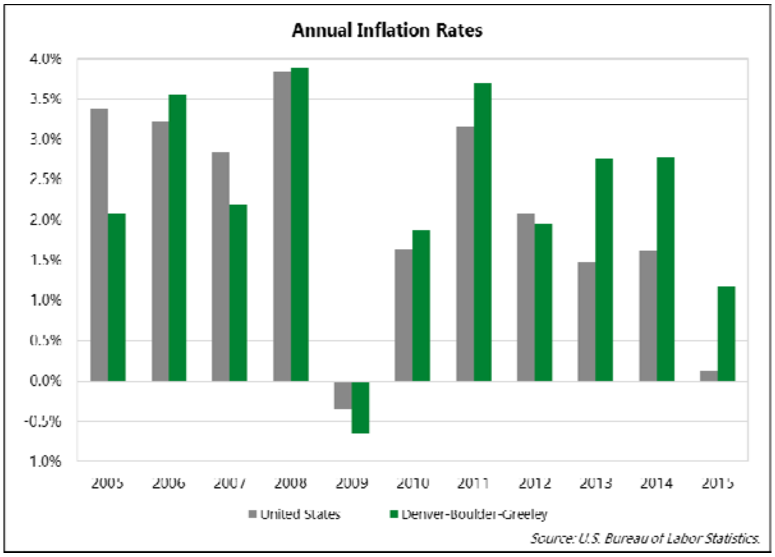
Key exports for Colorado include computer and electronic products, food and kindred products, machinery, and chemicals. Food manufactures products decreased 16.6 percent between 2014 and 2015, the largest decrease of the state's major exported products, while computer exports declined 2.1 percent. The largest increases in the state's major export products occurred in beverage and tobacco products (38.3 percent), plastics and rubber products (18.6 percent), fabricated metal products (16.1 percent), and electrical equipment (7.4 percent).

Inflation

The U.S. Bureau of Labor Statistics measures inflation – or deflation – as a change in the Consumer Price Index (CPI). The CPI is a compilation of price measures for items in eight broad categories, the most heavily weighted of which are housing, transportation, and food and beverages. Housing carries the most weight of these three categories.

The weight placed on housing costs is one reason why the U.S. average and the Denver-Boulder-Greeley CPIs have varied over the past decade. Slow economic growth following the 2001 recession and a milder-than-average home price boom meant the Denver-Boulder-Greeley CPI rose at a slower-than-average pace between 2003 and 2005. Oil prices – which tend to drive CPI when they are most volatile – rose in 2005 and brought the local and national inflation rates closer together.

The Denver-Boulder-Greeley area reported prices that increased at a faster pace than the U.S. in five of the last six years. The Denver-Boulder-Greeley CPI rose 1.2 percent in 2015, 1.1 percentage points higher than the U.S. CPI. During 2015, the U.S. index increased 0.1 percent.



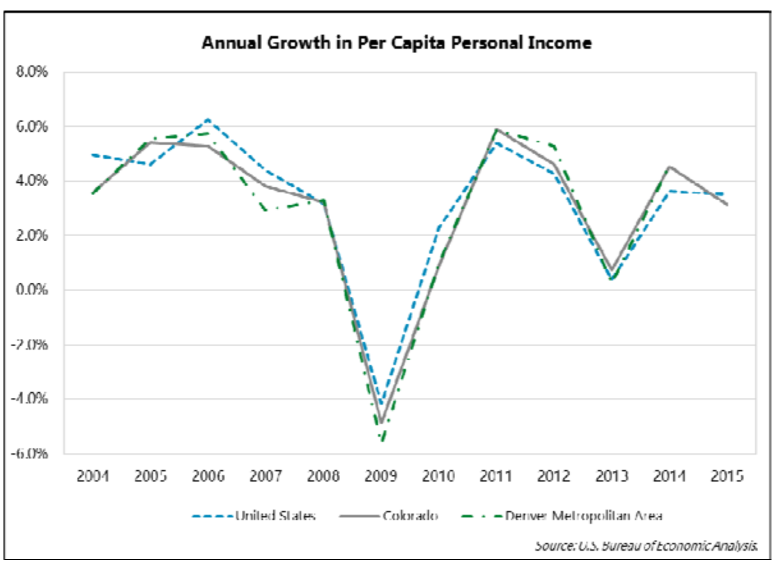
CPI data suggests a few categories are driving the price increases that are faster than the national average. Housing costs in the Denver-Boulder-Greeley area rose 4 percent between 2014 and 2015, while housing costs across the U.S. rose just 2.1 percent during the same period. Further, medical care costs rose 4 percent in the Denver-Boulder-Greeley area compared with a 3.6 percent increase nationally.

Denver-Boulder-Greeley prices for housing, medical care, and recreation rose more quickly than U.S. prices in 2015. Food and beverage and other goods and services reported a lower increase than the U.S. in 2015. Transportation, apparel, and education and communication reported declines in prices for the Denver-Boulder-Greeley area.

Income

Colorado

The largest component of personal income is earnings from work, meaning a difficult labor market and slow wage growth can affect overall personal income trends. The 2008 housing crisis pushed total personal income growth downward, leading to a decline of 3.3 percent in 2009. Growth began to recover in 2010 (2.4 percent) and continued in 2011 (7.4 percent). In mid-2013, the Colorado economy was one of only 13 states to recover all jobs lost during the 2008 recession, starting the state on a path of economic expansion. With the rest of the country still in recovery mode, personal income in Colorado rose at a slightly faster pace than the national average. This was also the time when investments began to rise, with the stock market reaching new highs and the housing market rebounding. State personal income grew at a 2.3 percent pace in 2013, at 6.2 percent in 2014, and at 5.1 percent in 2015.



Growth in per capita personal income – or total personal income divided by population – has recently been faster-than-average in Colorado. The state's population growth has historically grown at a pace faster than the national average, which sometimes dampens per capita income growth rates. For example, Colorado recorded higher per capita income than the national average between 2011 and

2014. However, per capita income fell to a slower pace than the national average in 2015, rising 3.2 percent compared with the national average of 3.5 percent. Colorado tied for the second fastest population growth in 2015, which will affect per capita income levels for the state. In Colorado, per capita personal income was $50,410 in 2015, or 106 percent of the national average, representing the 14th highest level of the states.

Denver Metropolitan Area

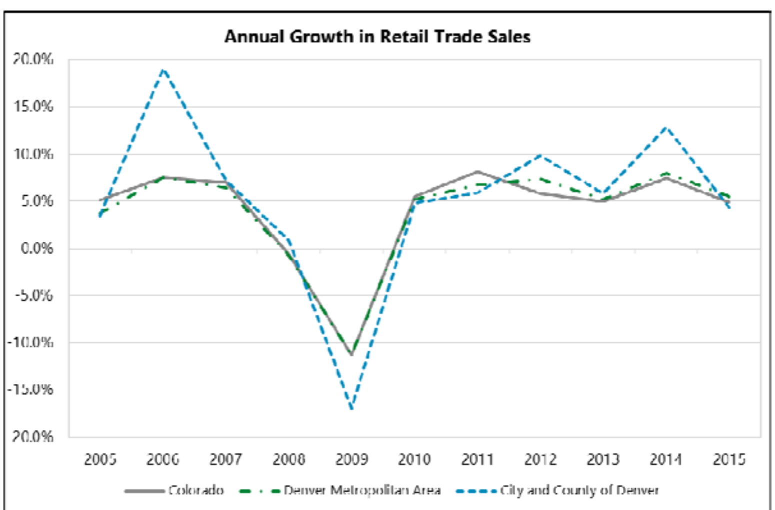
Personal income trends in the Denver metropolitan area have roughly followed the statewide trend over the past decade. Income growth slowed after the 2001 recession, accelerated between 2004 and 2006, and slowed – eventually declining – during the most recent recession. The decline in Denver metropolitan area total personal income between 2008 and 2009 (-3.9 percent) was steeper than the decline reported nationwide (-3.3 percent), but the region's personal income grew faster than the national average in 2014, increasing 6.6 percent compared with the national increase of 4.4 percent.

Denver metropolitan area per capita personal income in 2014 ($54,619) was 119 percent of the U.S. average. Comparatively high wage rates tend to keep per capita personal income in the Denver metropolitan area above the national average. A separate measure, the Denver metropolitan area average annual wage, reached $58,639 in 2014, which was up 3.8 percent over the 2013 annual average.

City and County of Denver

Per capita personal income in the City and County of Denver is generally higher than the U.S., averaging 133 percent of the national number between 2004 and 2014. The income differential peaked in 2008, when per capita personal income ($56,197) reached 137 percent of the national average. The City and County of Denver per capita personal income fell sharply (-10.5 percent) between 2008 and 2009, but increased in 2010 through 2014. Per capita income increased 4.3 percent in 2014, a higher rate than the U.S. but slower than the Denver metropolitan area. Per capita personal income in the City and County of Denver reached $62,880 in 2014.

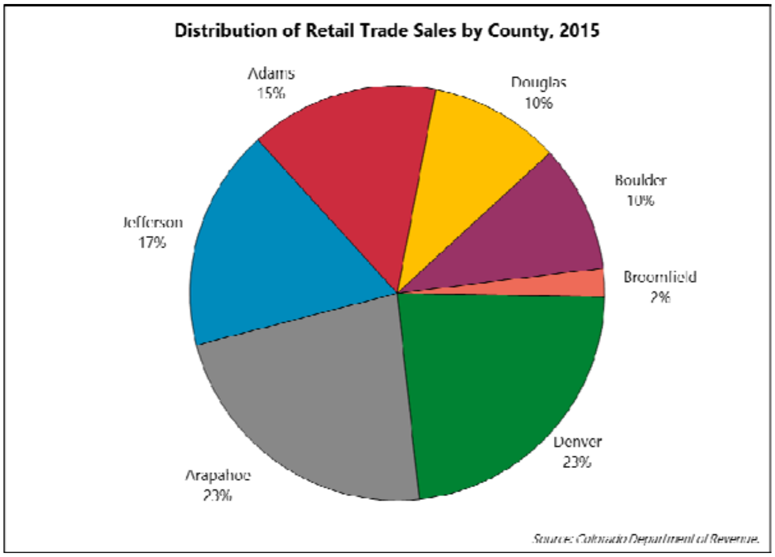
The City and County of Denver boasts a higher than average per capita personal income compared with the Denver metropolitan area, averaging 112 percent of the metro-wide number since 2004. The difference can be attributed to the relatively high wage rates in the county. The average annual wage in the City and County of Denver was $63,445 in 2014, which was $4,806 higher than the Denver metropolitan area average annual wage.



Note: City and County of Denver sales data for 2006 was skewed by a geographic revision.
Source: Colorado Department of Revenue.

Retail Trade

Retail sales account for a large part of the nation's total economic output and are a useful indicator of overall consumer health. The recession pushed national retail sales down in 2008 and 2009, when sales declined 1.3 percent and 7.2 percent, respectively. However, as consumer financial situations recovered and confidence rose, retail sales also grew, increasing 4.1 percent in 2014 and 2.3 percent in 2015. Durable goods sales also recovered, an encouraging sign since these products tend to be more expensive and represent a long-term commitment, such as cars. In fact, motor vehicle sales rose 6.4 percent in 2014 and 6.7 percent in 2015. The



strong increase in consumers purchasing vehicles signaled that households were financially more stable than they were during the recession when motor vehicles sales decreased significantly by 14.2 percent in 2008 and 14.1 percent in 2009. The impressive rebound may also partially be due to the delay in purchasing big ticket items during difficult times.

Colorado

Reflecting the recessions that began in 2001 and 2007, retail trade sales in Colorado fell in 2002 and 2003 and again in 2008 and 2009. However, as the labor market recovered, retail trade sales increased with the consumers' recovering incomes and spending abilities. After a decline in 2009, retail trade sales increased 5.5 percent in 2010 and increased even more in 2011 by 8.1 percent. Sales growth slowed slightly in 2012 to 5.9 percent, possibly reflecting the slower growth in personal income and that much of the pent-up demand was satisfied in 2011. Retail trade sales increased 4.9 percent in 2015, reflecting an additional $4.4 billion in sales over-the-year.

Denver Metropolitan Area

Like sales in Colorado, retail trade sales in the Denver metropolitan area grew rapidly in 2006 and 2007. A strong housing market allowed households more asset-based wealth, and solid job and income growth also supported retail activity. When the most recent recession dramatically lessened household wealth and drove unemployment higher, Denver metropolitan area retail trade sales fell 0.8 percent in 2008 and 11.3 percent in 2009.

Denver Metropolitan Area Retail Trade Sales ($millions)

Industry	2014	2015	Percent Change
Retail Trade:			
Motor Vehicle / Auto Parts	$10,808	$11,884	10.0
Furniture and Furnishings	$1,853	$1,964	6.0
Electronics and Appliances	$1,577	$1,692	7.3
Building Materials / Nurseries	$3,421	$3,687	7.8
Food/Beverage Stores	$9,117	$9,538	4.6
Health and Personal Care	$2,351	$2,709	15.2
Service Stations	$2,561	$2,157	-15.8
Clothing and Accessories	$2,565	$2,614	1.9
Sporting/Hobby/Books/ Music	$1,678	$1,728	3.0
General Merchandise/ Warehouse	$6,875	$7,019	2.1
Misc. Store Retailers	$2,830	$3,143	11.1
Non-Store Retailers	$954	$940	-1.6
Total Retail Trade	$46,590	$49,074	5.3
Food / Drinking Services	$6,655	$7,117	6.9
TOTAL	$53,245	$56,191	5.5

Note: Data are not adjusted for inflation. Sales by industry may not add to totals due to rounding and data suppression. Source: Colorado Department of Revenue.

Consumer confidence data suggest many households are becoming more optimistic about the economic situation, and consumers have noticeably increased their spending since the recession. Denver metropolitan area retail trade sales rose 8 percent in 2014 and 5.5 percent in 2015. Sales of motor vehicles and auto parts, a good indicator of healthy spending, rose 10 percent in 2015. Electronics and appliances, another durable goods category, increased 7.3 percent. Sales for two of the largest contributors to total Denver metropolitan area retail trade sales – grocery stores and general merchandise stores – rose 4.6 percent and 2.1 percent between 2014 and 2015, respectively.

The City and County of Denver has the largest share of retail trade activity in the Denver metropolitan area and showed retail trade sales growth of 4.3 percent from 2014 to 2015. Sales in each county in the Denver metropolitan area increased in 2015, with the smallest over-the-year gain in the City and County of Broomfield (2.4 percent). Other counties increased between 5.3 percent (Boulder County) and 6.9 percent (Douglas County).

City and County of Denver

Retail trade sales in the City and County of Denver represented 23 percent – the largest share – of total retail trade sales in the Denver metropolitan area in 2015. Total 2015 retail trade sales in the City and County of Denver were up 4.3 percent over-the-year. This increase was below the 2013 and 2014 retail sales increases, which rose 5.8 percent and 12.9 percent, respectively.

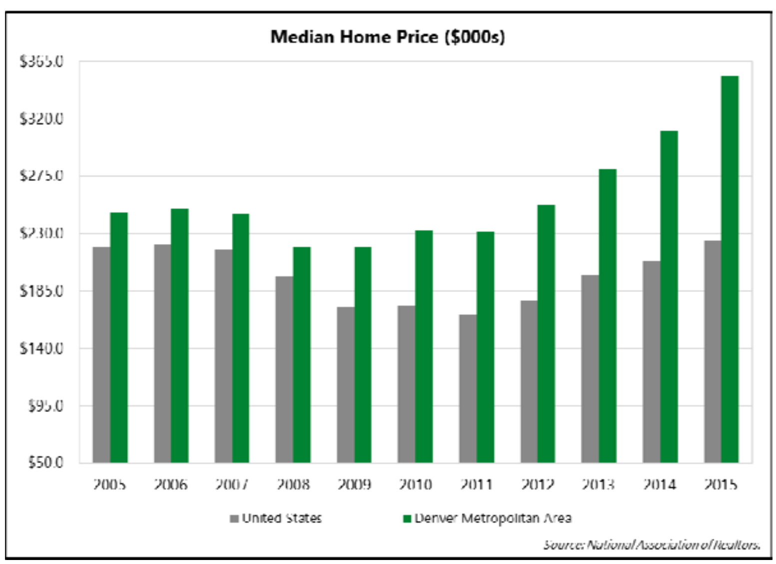
Residential Real Estate

Combined, all aspects of the housing market – from new home construction to money spent on mortgage and rental payments, furnishings, and home improvements – contribute significantly to the nation's economy.

With strong population growth throughout the state, the housing market makeup has changed to adjust to the preferences of the growing millennial population and the aging baby boomers. Census data show the U.S. homeownership rate fell from 69.1 percent in the first quarter of 2005 to 63.4 percent in the second quarter of 2015, the lowest rate reported since 1994. The shift in homeownership for individual states has been even more profound: Colorado's homeownership rate fell from 72.1 percent in the first quarter of 2005 to 66.3 percent in the fourth quarter of 2015.

The decline in the Colorado homeownership rate is likely due to several factors, including rapidly rising prices that are keeping some households out of the ownership market, the limited supply of homes available for sale, and changing housing preferences due to demographic shifts. While interest rates are at record lows nationally, the disconnect between the high demand for homes and the low supply has pushed home prices to record high levels. Demand for housing is urging new construction activity, resulting in increasing new residential building permits for single-family detached and multi-family homes.

Residential Home Prices



The limited supply of homes for sale and the high demand from new home buyers drove up the median home price in the Denver metropolitan area through 2015. The median home price rose 14 percent to $353,600. Of the past seven years, 2011 was the only year to record a decline in the median home price, falling 0.4 percent over-the-year. Since 2011, median home prices have risen at a rapid pace in the Denver metropolitan area. The median home price increased over-the-year in both 2012 and 2013, rising 9.1 percent and 11.2 percent, respectively. The Denver metropolitan area median home price is now 41.7 percent higher than the 2006 peak, whereas the 2014 national median home price was 0.9 percent higher than the 2006 peak. Many states throughout the country are still in recovery mode from the Great Recession, therefore housing prices have not risen as rapidly across the nation as they have in the Denver metropolitan area. Further, housing inventory has not kept up with the fast population growth.

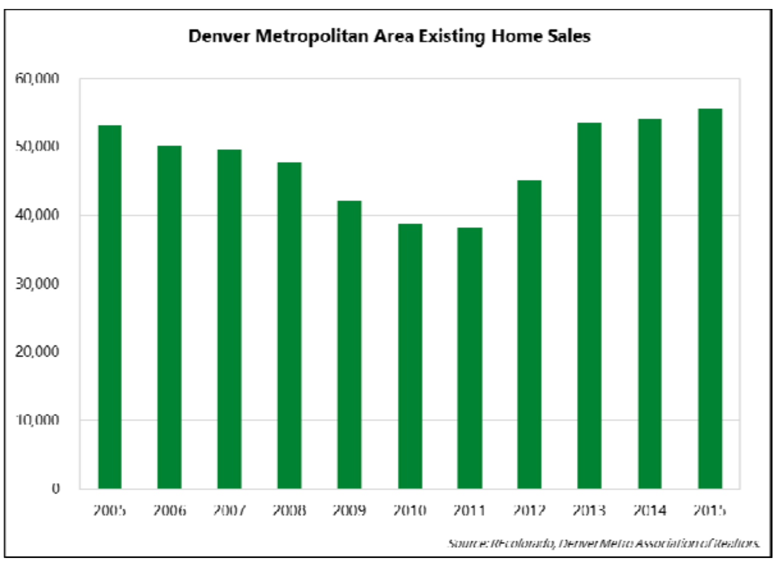
The S&P/Case-Shiller Home Price Index shows that the Denver home price index continued to record new highs in 2015. Denver, Dallas, San Francisco, Boston, and Portland are the only five cities tracked in the index that had surpassed their prerecession peaks as of November 2015. However, San Francisco and Boston fell back below their peaks in the beginning of 2016. The December 2015 data shows the Denver index was 24.3 percent above its prerecession peak that was reached in August 2006. The 20 city composite index was 11.5 percent below its peak that was reached in July 2006. Another housing price index, the Federal Housing Finance Agency's Home Price Index shows Denver as having the 8th highest (+12.7 percent) over-the-year increase of 100 metropolitan areas using fourth quarter 2015 data. While increasing home prices are a positive sign for the economy, the rate at which prices are rising suggests a significant disconnect in the supply and demand for homes.

Foreclosures

According to experts, Colorado had one of the lowest foreclosure inventory rates in the country at 0.4 percent in November 2015. Foreclosure filings fell 34.3 percent in 2015 to 3,498 in the Denver metropolitan area, following a 29 percent decline in 2014. All seven counties in the Denver metropolitan area recorded foreclosure declines in 2015, ranging from a 23 percent decline in Arapahoe County to a 46 percent decline in the City and County of Broomfield. Foreclosures in the City and County of Denver (690 filings) fell 33 percent between 2014 and 2015.

Residential Home Sales

Denver metropolitan area existing home sales reached a peak (53,482) in 2004. Sales declined for seven years following that time, reaching a low of 38,105 sales in 2011. Beginning in 2012, there has been positive over-the-year growth in existing home sales, signaling a strengthening housing market. Strong in-migration, a healthy labor market, and a positive economic environment have raised the demand for housing in the Denver metropolitan region. Home sales in 2015 continued to face the challenges of low inventory and increasing sale prices.



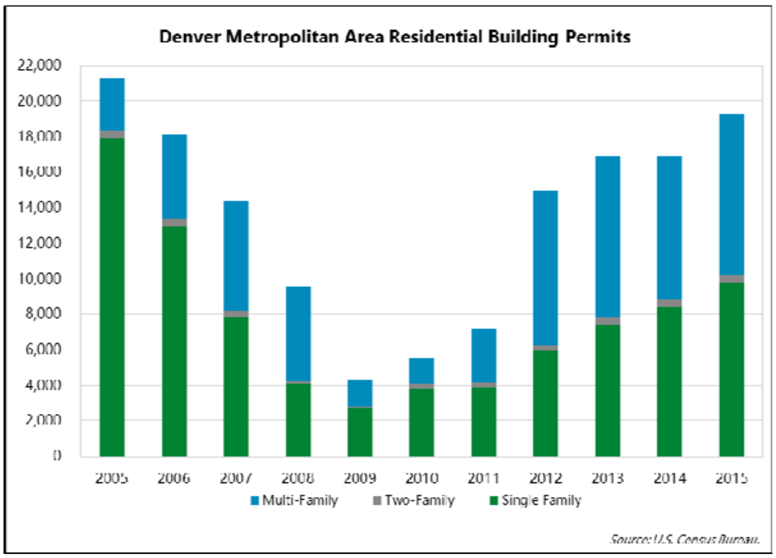
Existing home sales rose 18.6 percent between 2012 and 2013, but sales rose only 0.8 percent between 2013 and 2014. Sales began to pick up again in 2015, reporting an increase of 2.7 percent between 2014 and 2015. The low growth rate suggests that low inventory levels continue to restrict the market from expanding at a more rapid pace. There were 55,509 total home sales in 2015, which was 3.8 percent higher than the 2004 peak. Inventory levels are at the lowest level on record, constraining options for homebuyers and potentially inhibiting further growth. Construction of new residential housing is being limited by rising construction costs and limited access to skilled labor. As long as construction companies face limited labor supply and demand for housing remains elevated, existing home sales will remain high and sales prices will continue to command top dollar.

Residential Building Permits

The Denver metropolitan area is a top destination for relocation with above-average employment growth and a high quality of life. With a growing job market pushing households into a healthier financial situation, demand for homes increased significantly. High demand and low inventory have constrained the residential real estate market, and the pace of new development has not kept up with the strong pace of demand.

With aging baby boomers and an expanding economy, there has been a shift in the type of housing demanded. There has been an increased demand for senior living facilities, ranging from independent senior living to assisted living facilities. During the recession, many families doubled up in housing in order to conserve financial stability. With the Denver metropolitan area's economy on an expansionary path, those families that doubled up during the recession are looking to move into their own home.

There is also a strong in-migration shift occurring throughout the state, with Colorado recording the second fastest population growth in 2015. In 2015, Colorado had net migration of 57,840 people, of which 53 percent located in the Denver metropolitan area. This level of in-migration has put additional pressure on the housing market, generating addition demand and pushing inventory levels lower.



While the dynamics of the residential real estate market are shifting, construction permits rose through 2015. There were nearly 19,300 residential construction permits issued in the Denver metropolitan area in 2015, an increase of 14 percent compared with 2014. Single-family detached permits rose 16.6 percent over 2014, single-family attached permits decreased 4.1 percent, and multi-family construction increased 12.2 percent. It is important to note that multi-family construction, which has historically represented between 25 and 30 percent of the total number of new units each year, represented 47 percent of the total in 2015.

Total permits issued in the City and County of Denver rose 32.6 percent between 2014 and 2015, after an increase the previous year of 1.5 percent. The increase was attributed to an 8 percent increase in single-family detached permits (1,847 permits) and a 49.5 percent increase in multi-family permits (5,920 permits). Single-family attached permits declined 53.3 percent, reaching 134 total permits.

Apartment Market

Apartment vacancy data indicates that demand for apartments remained high through 2015 in the Denver metropolitan area. The vacancy rate reached 6.8 percent during the fourth quarter of 2015, an increase of 2.1 percentage points over the prior year. While vacancy increased over-the-year, the rise provided the market with much needed loosening. The fourth quarter 2015 level was 1.8 percentage points higher than the prior quarter, but 2.2 percentage points lower than the peak of 9 percent in 2009. The *Denver Metro Apartment Vacancy and Rent Survey* shows average annual vacancy rates increased from 2014 to 2015 in each of the six county-level markets included in the report. The vacancy rate increases ranged from 1.6 percentage points in Douglas County to 0.1 percentage points in the Boulder/Broomfield submarket. The City and County of Denver reported the highest average annual vacancy rate of the six sub markets in 2015, reaching 6 percent.

Rising apartment demand and falling vacancy rates pushed average lease rates to record highs: the Denver metropolitan area average rent increased 10.5 percent between 2014 and 2015 to $1,292 per month. Every county reported over-the-year increases in the average rental rate. Jefferson County recorded the largest increase in the average rental rate, reporting a 12.7 percent increase between 2014 and 2015. Douglas County reported the smallest increase in the average rental rate, rising 4.4 percent over-the-year. The City and County of Denver recorded an average monthly rental rate of $1,315 for 2015, an increase of 11.1 percent from the previous year.

Commercial Real Estate

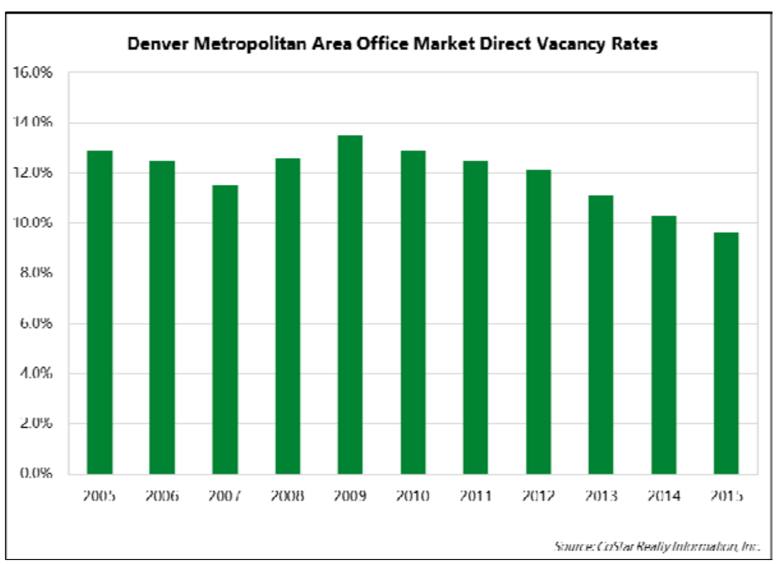
The first decade of the new millennium presented many challenges for the commercial real estate market. The nation suffered two recessions, one in 2001 and another in 2007 through 2009. Prior to the 2001 recession, commercial development in the Denver metropolitan area was booming, adding millions of square feet of new office construction each year. Construction activity dropped significantly after the 2001 recession and remained below those all-time highs. Recent office construction has been impacted by companies demanding less space as they implement new strategies to use space more efficiently and utilize coworking space and desk sharing.

While the 2001 recession strongly affected the office market, the 2007-2009 recession had a larger impact on the industrial market in the Denver metropolitan area. Between 2008 and 2010, new industrial construction fell from nearly 2.5 million square feet to under 0.1 million square feet. The recession led to decreases in personal consumption and consumer confidence, which led to a decline in demand for industrial space as space for manufacturing and inventory storage was not needed.

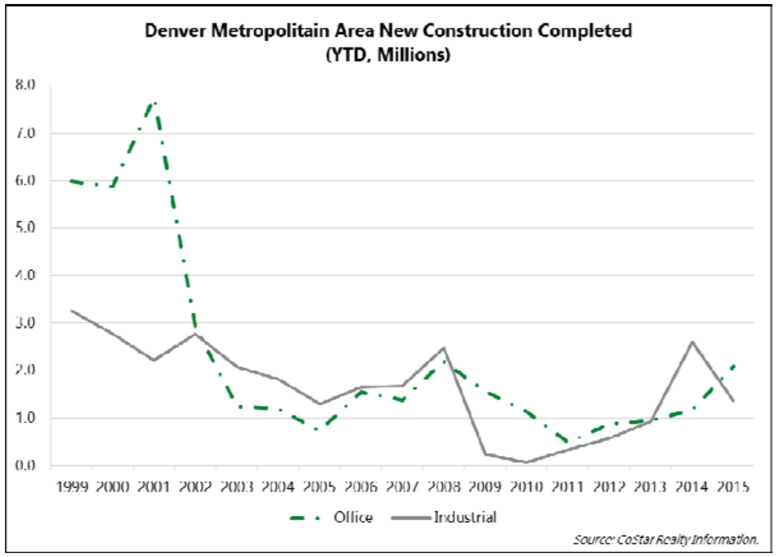
Due to the volatile path of commercial real estate construction over the past 12 years, construction activity over the last several years was slow and allowed for the continued decline in vacancy rates. The commercial real estate markets in the Denver metropolitan area reported improvements in 2015, recording record low vacancy rates and record high average lease rates. The improvement in the commercial real estate markets has triggered build-to-suit activity and speculative commercial development across the area.

Office Activity

Data from CoStar Realty Information, Inc. show the direct office market vacancy rate in the Denver metropolitan area was consistently below historic averages in 2015. The vacancy rate fell to 9.6 percent, the lowest fourth quarter rate since 2000. The fourth quarter 2015 vacancy rate was 0.7 percentage points below the prior year and 0.2 percentage points below the prior quarter. The office vacancy rate has declined year-over-year for 22 consecutive quarters. Office lease rates have steadily increased since the fourth quarter of 2010 and have continued to record new highs every quarter since. The average lease rate in the fourth quarter of 2015 ($24.44 per square foot) was the highest recorded lease rate based on records going back to 1999.



Newly completed office construction in Denver metropolitan area reached 2.08 million square feet in 2015, the highest level since the fourth quarter of 2008. Further, there was about 3.2 million square feet of office space under construction during the fourth quarter of 2015, over 300,000 square feet more than the prior year. Some of the year's most notable completed construction projects included the 45,000-square-foot AMG National Trust Bank headquarters, the 120,000-square-foot Terumo BCT headquarters, the 242,800-square-foot Triangle Building, and the 274,280-square-foot CoBank Center.



Industrial and Flex Activity

CoStar Realty Information shows that the industrial direct vacancy rate for the Denver metropolitan area of 3.1 percent during the fourth quarter of 2015 was the lowest fourth quarter vacancy rate in more than 15 years. Cannabis grow operations and the improved local economy triggered growth in the manufacturing sector, leading to increased demand for inventory and production space. This growth pushed the vacancy rate down and the average lease rate up. The high demand for industrial space pushed the average lease rate to $7.03 per square foot in the fourth quarter of 2015, 17 percent higher than the previous year's level of $6.02 per square foot.

Flex market lease rates continued to increase through the fourth quarter of 2015. The Denver metropolitan area direct flex market lease rate was $10.58 per square foot, 8.5 percent above than the fourth quarter 2014 average. Direct flex market vacancy in the fourth quarter (6.7 percent) was 1.4 percentage points below the year-ago level and was the lowest level since 1999.

New construction in the industrial and flex markets was mostly build-to-suit projects. After the completion of about 3.2 million square feet of new industrial and flex space in 2014, about 1.9 million square feet was completed in 2015. There was 3.2 million square feet of industrial and flex space under construction during the fourth quarter of 2015. Some of the more notable projects completed in 2015 included multiple buildings at the Enterprise Business Center, the new Avery Brewing facility, the Great Divide Brewery and Tap Room, and the OneNeck IT Solutions building.

Retail Activity

Consumer confidence in the Mountain Region, which includes Colorado, rose to the highest levels since before the Great Recession and consumers in the region were more optimistic than the national average. Retail sales continued to improve at a moderate pace in response to increased consumer demand in 2015. These positive components of the market increased demand for retail space, but the retail market has not responded at the same pace as the office, industrial, and flex markets. The fourth quarter 2015 direct retail vacancy rate fell 0.3 percentage points to 4.9 percent compared with the previous year at this time. The fourth quarter vacancy rate was the lowest level since at least 2006. The average lease rate was up 2 percent over-the-year to $16.01 per square foot.

According to analysts, development in the Denver metropolitan area retail market is strongly tied to the growth of the area's housing market; as residential supply increases in suburban markets, retailers are drawn to the strengthening ancillary submarkets. About 1.2 million square feet of new space was completed in 2015, with 40 of the 66 buildings completed spanning less than 10,000 square feet. An additional 936,500 square feet of retail space was under construction at the end of 2015. Some of the major redevelopment projects in 2015 included

Southwest Plaza in Littleton and Twin Peaks Mall in Longmont. These projects added traditional indoor retail, street-front shops, outdoor amenities, and open-air eateries.

Medical Facilities

The Denver metropolitan area is a leading healthcare and wellness hub and receives support from cutting-edge research and development facilities, unmatched talent, and state-of-the-art amenities. The healthcare system has experienced a rapid increase in demand for healthcare services due to changes in healthcare policy and the aging population. The elevated demand furthered new construction activity in the healthcare sector from diversified hospitals to clinics and urgent care facilities.

In 2015, Centura Health opened its $177 million St. Anthony North Health campus in Westminster, while Boulder Community Health and the University of Boulder opened the CU Sports Medicine and Performance Center at Folsom Field. Other projects continuing construction and slated to begin in 2016 include the $125 million Longs Peak Hospital in Longmont, a 60,000-square-foot community hospital and medical office facility in Northglenn, and the $190 million DaVita HealthCare Partners Inc. headquarters.

The healthcare field is particularly active in Aurora, which is home to the Fitzsimons Innovation Campus and the adjacent Anschutz Medical Campus, the largest medical-related redevelopment site in the nation. The University of Colorado expanded the UCHealth Eye Center in 2015, one of the largest eye centers in the nation. The center includes three dedicated operating rooms and a full-service ocular diagnostics and imagining center. The university also opened the UCHealth Center for Lungs and Breathing, which will provide services ranging from lung transplants to asthma and allergy treatment. Adjacent to the Anschutz Medical Campus is the U.S. Department of Veterans Affairs (VA) Eastern Colorado Healthcare System hospital and facility. Construction on this facility continues, and will house the VA Schizophrenia Research Center, one of three nationwide.

Transportation

With access by road, rail, and air, the Denver metropolitan area is one of the country's most important transportation hubs. The region's national and international connectivity both reflects and supports its dynamic economy.

Highways

Colorado's transportation network includes almost 1,000 miles of Interstate highway, more than 300 miles of other freeways and expressways, and almost 87,100 miles of arterials, collectors, and local roads. The Texas Transportation Institute compiles data on transportation in cities across the U.S. and reported that the Denver-Aurora area had nearly 1.3 million auto commuters who logged 21.7 billion vehicle-miles of freeway travel and 21 million arterial street daily vehicle-miles in 2014. Commuters in the Denver-Aurora area also observe 49 hours of traffic congestion annually per commuter, ranking Denver with the 19th highest level of traffic congestion of the 101 tracked metropolitan areas.

There were several major highway projects completed throughout the Denver metropolitan area, with the goal of making travel easier on the commuter and enhancing the performance of the highway system. The first phase of the U.S. 36 Express Lanes was completed. The project added a tolled Express lane, replaced five bridges, added Bus Rapid Transit improvements, and installed a separate commuter bikeway along much of the corridor. The U.S. 6 Bridges Design-Build Project replaced six existing bridges and improved mobility through the I-25 and U.S. 6 interchange. Colorado's Department of Transportation also launched the Bustang project, which operates along the Front Range on I-25 and the I-70 mountain corridor, connecting the six largest transit entities in the state.

Mass Transit

The Regional Transportation District (RTD), funded by a one percent sales tax, oversees the Denver metropolitan area's mass transit system. RTD operates 1,021 buses on 131 fixed routes and 172 light rail vehicles on six light rail lines (C, D, E, F, H, and W). The District operates 78 Park-n-Rides, 46 light rail stations along 48 miles of track, and 9,751 bus stops. RTD also operates 166 commuter rail vehicles on the 22.8-mile University of Colorado A line with 8 stations, 36 hybrid-electric buses along the 16th Street Mall in downtown Denver, and transports 43,950 visitors weekly from one end of the mile-long pedestrian mall to the other free of charge. System-wide ridership in 2015 resulted in approximately 103 million boardings.

RTD works continually to expand capacity and services for public transportation in order to meet increasing demand. The FasTracks program is a $7.4 billion buildout of a comprehensive, multi-modal metro transit system. Major projects through the Regional Transportation District's FasTracks program opened or will be opening in 2016. The U.S. 36 Bus Rapid Transit service opened in January 2016. The highly anticipated University of Colorado A Line (formerly the East Rail Line) to Denver International Airport, which connects Denver Union Station to the newly completed Westin Hotel in 37 minutes, opened on April 22, 2016. The new rail line spans 23 miles, has eight light rail stations, and six park-n-rides. The six-mile commuter rail B Line from Denver Union Station to Westminster opened in July 2016. Two additional rail lines will also be opening in 2016, the G Line to Arvada and Wheat Ridge (fall), and the R line along the I-225 corridor (winter). Construction will also continue on the North Metro Rail Line, expected to open in 2018, and the Southeast Rail Line extension to be completed in 2019. When the system is completed, there will be 122 miles of new rail service, 18 miles of bus rapid transit, 57 new stations, 31 new Park-n-Rides, and 21,000 new parking spaces.

Air

Denver International Airport (DEN) is a state-of-the-art facility owned and operated by the City and County of Denver and celebrated 20 years of operation in 2015. Occupying 53 square miles and located approximately 24 miles northeast of downtown Denver, DEN is the primary airport serving the nine-county region and the state of Colorado. DEN has more than 30,000 badged employees who work at the airport and approximately 1,200 City and County of Denver employees.

DEN accommodated 54 million passengers in 2015 with six runways, three concourses, 109 gates, and 42 regional aircraft positions. DEN serves the ever-expanding international travel market via the sixth runway, the longest in North America. DEN has 15 commercial carriers offering scheduled service from Denver to more than 170 destinations nonstop and 21 international destinations, with major hubs for United, Southwest, and Frontier Airlines. In 2015, DEN and airline staff managed about 1,500 flight operations and more than 148,000 passengers every 24 hours. Total airport passenger traffic rose 1 percent between 2014 and 2015 and was about 542,000 passengers above the prior year's level of 53.5 million. DEN ranks as the nation's sixth-busiest airport by passenger traffic and is the 19th busiest airport worldwide.

The Denver metropolitan area is a natural hub for cargo operations due to its central U.S. location and access to an extensive freight network and major interstate highways. Additionally, the airport's air cargo and mail facilities comprise 375,000 square feet in five buildings south of the airfield, with room to expand. DEN is home to several world-class cargo companies and support facilities, including World Port Cargo Support, DHL, UPS, FedEx, and United Airlines cargo. The U.S. Postal Service facility is also located nearby, providing a wide array of competitive shipping and receiving options. Further, more than 50 freight forwarders and customs brokers operate within 20 miles of DEN. The total amount of cargo shipped through DEN increased 5.1 percent between 2014 and 2015. With the consumers and businesses growing more confident in the economy, air freight activity picked up and gained a greater portion of the airport's daily operations. Eleven cargo airlines and 12 major and national carriers currently provide DEN cargo service, and the carriers handled roughly 546 million pounds of shipments – including 491 million pounds of freight and express and 55 million pounds of air mail – in 2015.

DEN is a recognized leader in sustainability efforts, and was the first airport in the nation to receive ISO 14001 Environmental Management System certification in 2004. The airport is also a Gold Member of the Colorado Department of Public Health and Environment's Environmental Leadership Program. The airport continually works to reduce its carbon footprint through a variety of energy efficient technologies. DEN is the largest distributed generation photovoltaic energy producer in Colorado and its four solar array systems produce approximately 6 percent of the airport's total electrical power requirements. The airport has one of the largest compressed natural gas fleets in the country including 172 buses, sweepers, and other alternatively fueled vehicles, and 121 electric and hybrid electric vehicles. Alternative vehicles comprise roughly 51 percent of the airport's light duty fleet.

DEN completed numerous project milestones on the $544 million Hotel and Transit Center. The 519-room onsite Westin Denver International Airport opened in November 2015 and features 37,500 square feet of meeting space that can accommodate up to 2,500 people. The 14-story hotel sits just 200 feet from the terminal, which is claimed to be the shortest distance between a hotel and a main airport structure in the world. The hotel is expected to generate between $1 million and $2 million per year in revenue over the next five years. A public transit center for the 23-mile commuter rail line that connects DEN with Denver Union Station in downtown Denver opened in December 2015, with rail service beginning April 22, 2016. Additionally, an open-air plaza above the station opened in December, providing connections to the main terminal and will serve as Denver's newest venue for programs and events where passengers and visitors can find entertainment, relaxation, art, and restaurants. The airport also completed a $146.5 million resurfacing project of Runway 17L-35R and began construction on a $46 million parking structure.

Three reliever airports complement DEN's expanding role in the Denver metropolitan area economy. Centennial Airport serves the southeast metro area; Front Range Airport is located six miles southeast of DEN and serves the northeast Denver metropolitan area; and Rocky Mountain Metropolitan Airport serves Jefferson, Broomfield, and Boulder Counties in the northwest area. Three general aviation airports – Boulder Municipal Airport, Erie Municipal Airport, and Vance Brand Municipal Airport in Longmont – also serve the Denver metropolitan area.

Rail

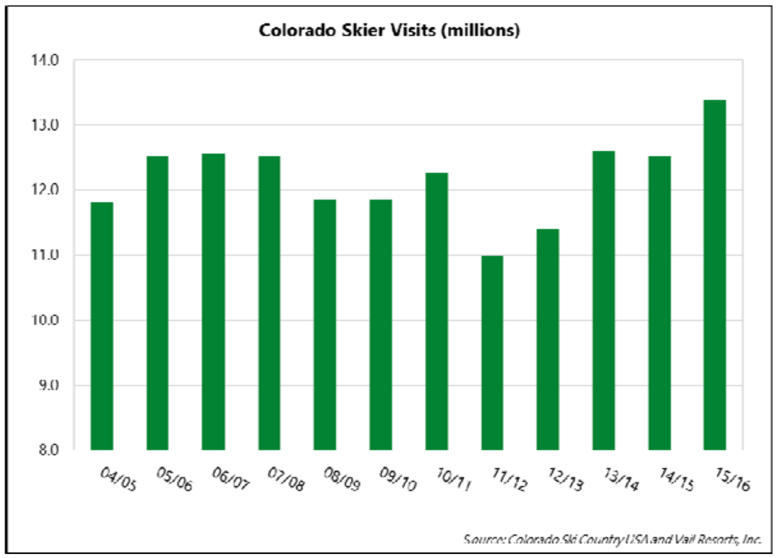
Rail lines are a critical component of the nation's transportation system and are vital to the Denver metropolitan area's economic health and global competitiveness. Colorado is home to 14 freight railroads operating on more than 2,660 miles of track, and the Denver metropolitan area serves as a major hub for the Burlington Northern Santa Fe and Union Pacific railroad. In 2012, coal accounted for 74 percent of rail shipments originating in Colorado and more than 58 percent of shipments ending in the state. Cement was the second largest originating commodity (6 percent), while stone, sand, and gravel (8 percent) was the second largest commodity ending in the state. Colorado was ranked sixth in the country for originated rail tons of coal and fourth in rail tons of cement.

Passenger rail adds to the variety of travel options available in the Denver metropolitan area. Amtrak's California Zephyr route offers area residents transportation through the Rocky Mountains west of Denver and connects Chicago to San Francisco. The Southwest Chief route passes through Lamar, La Junta, and Trinidad, providing transportation between Kansas City, Kan. and Albuquerque, N.M. Almost 203,000 travelers passed through Colorado Amtrak stations in fiscal year 2014, and 55 percent of those travelers either boarded or alighted from trains in the Denver metropolitan area. There were 2.3 percent more riders in fiscal year 2014 than there were during the 2013 fiscal year.

Tourism

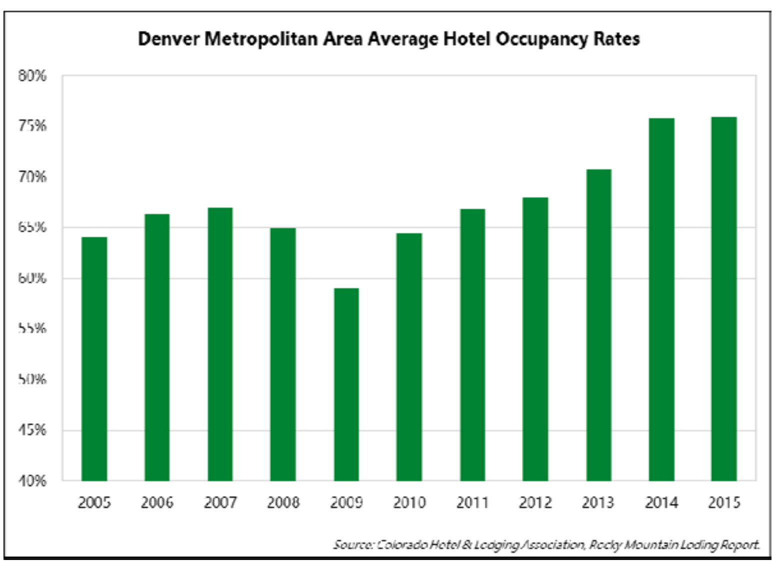
The Denver metropolitan area is an international hub of tourism, drawing visitors in through outdoor recreation, arts and cultural events, and music and sports entertainment. The area is home to seven professional sports teams with three sports arenas, 90 golf courses, 850 miles of bike paths with 87 bike sharing stations, and 200 parks covering over 20,000 acres. The area also offers major attractions including a zoo, an aquarium, two waterparks, two amusement parks, over 40 museums, and 13 historical sites. In 2013, attendance at cultural events exceeded 14.2 million people in the Denver metropolitan area and generated an economic impact of $1.85 billion.

According to the most recent study by Longwoods International, Denver tourism activity increased to a record 16.4 million overnight visitors spending $5 billion in 2015, representing a 6 percent increase in visitors and a 9 percent increase in spending over 2014. Top Denver attractions included the 16th Street Mall, the Cherry Creek Shopping District, and the Lower Downtown area, as well as numerous cultural facilities such as the Denver Zoo, the Denver Art Museum, and the Denver Botanic Gardens.



Denver metropolitan area residents and visitors have access to numerous opportunities for skiing, hiking, backpacking, camping, biking, rafting, boating, mountain climbing, and hunting. The state is home to 25 ski and snowboard resorts offering 325 ski lifts, 2,460 trails, and 42,680 skiable acres. Colorado is one of the nation's most-favored destinations for skiing: 12 of the 30 top resorts in *Ski* magazine's "2016 Resort Rankings" are located in the Colorado Rocky Mountains, with 11 resorts in the top 20.

Twelve Colorado ski resorts – including several in the top resorts ranking – are located within two hours of the Denver metropolitan area. Data from Colorado Ski Country USA and Vail Resorts, Inc. indicate that the number of skier visits during the 2015-16 ski season increased just under 7 percent compared with the prior season, rising to 13.4 million skier visits. Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – reached a new record during the most recent season.



While Colorado and the Denver metropolitan area are known to draw recreational visitors and outdoor enthusiasts, business, professional, and leisure travel has become increasingly popular in recent years. The Colorado Convention Center reported that there were 220 distinct events through 2013 and there were nearly 842,500 attendees.

Hotels, restaurants, and other attractions and events in Denver metropolitan area were awarded numerous accolades in 2015. Among the awards were hotels recognized by *Travel + Leisure* as some of the top 100 in the world, CNN ranked Denver the best beer city in America, and *Huffington Post* ranked Denver the fifth must-visit city in the country. Events such as the National Western Stock Show, the Cinco de Mayo Festival, Denver Comic Con, and the Great American Beer Festival contribute positive economic impacts and attract thousands of tourists to the area each year.

Rising interest for business and leisure travel has led to elevated demand for hotel development throughout the Denver metropolitan area. There are several new hotels that opened or are in the pipeline for 2016, including a $75 million Hilton Garden Inn, the $70 million Halcyon Hotel Cherry Creek, and a 491-room, 18-story duel branded AC Hotel by Marriot and Starwood-branded Le Meridian Hotel. In 2015, the first duel-branded Hyatt Place and Hyatt House hotel under one roof in the U.S. was opened and the ART hotel opened in the Golden Triangle neighborhood of Denver.

Between the increased demand for hotel rooms by travelers and the addition of new hotels to the market, average room rates for the Denver metropolitan area hit new highs in 2015. Data from the *Rocky Mountain Lodging Report* shows the region's average nightly room rate for 2015 ($133.65) was 7.5 percent higher than the 2014 average, and the average occupancy rate for 2015 (75.9 percent) was about the same as the 2014 rate (75.8 percent).

Summary

The Denver metropolitan area has a nonfarm employment base of over 1.57 million workers. Growth in the region has been slightly stronger than the state, with employment rising 3.5 percent between 2014 and 2015. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 53,100 jobs of the total 76,300 jobs added in the state during the last year. The unemployment rate in the Denver metropolitan area averaged 3.6 percent in 2015, representing a tight labor market.

With limited supply in the residential real estate market and above average population growth, home prices rose and construction activity continued at a quick pace. There were nearly 19,300 residential construction permits issued in the Denver metropolitan area in 2015, an increase of 14 percent compared with 2014. Multi-family construction represented 47 percent of the new units built in 2015, higher than the 35 plus-year average of multi-family units representing roughly one-quarter of construction.

The commercial real estate markets in the Denver metropolitan area continued to tighten in 2015, recording record low vacancy rates and record high average lease rates. The improvement in the commercial real estate markets has triggered significant build-to-suit activity and sparked strong hotel and hospital development throughout the area. The Denver metropolitan area is an international hub of tourism, attracting visitors with outdoor recreation opportunities, arts and cultural events, and music and sports entertainment. Continuing buildout of the FasTracks system, along with various other infrastructure improvements throughout the region, ensure the continued appeal of the Denver metropolitan area for new businesses, residents, and visitors.

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
POPULATION (July 1)												
United States (thousands)	292,805	295,517	298,380	301,231	304,094	306,772	309,347	311,719	314,103	316,427	318,907	321,419
Colorado	4,608,811	4,662,534	4,745,660	4,821,784	4,901,938	4,976,853	5,050,289	5,120,193	5,191,979	5,270,986	5,353,471	5,443,612
Denver Metropolitan Area	2,558,106	2,582,177	2,626,197	2,670,038	2,716,819	2,762,164	2,797,896	2,847,863	2,899,068	2,954,697	3,011,536	3,062,513
City and County of Denver	560,230	559,459	562,862	570,437	581,903	595,573	604,879	620,807	634,814	648,978	664,220	677,861
POPULATION GROWTH RATE												
United States	0.9%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.8%	0.8%	0.7%	0.8%	0.8%
Colorado	1.2%	1.2%	1.8%	1.6%	1.7%	1.5%	1.5%	1.4%	1.4%	1.5%	1.6%	1.7%
Denver Metropolitan Area	1.2%	0.9%	1.7%	1.7%	1.8%	1.7%	1.3%	1.8%	1.8%	1.9%	1.9%	1.7%
City and County of Denver	0.0%	-0.1%	0.6%	1.3%	2.0%	2.3%	1.6%	2.6%	2.3%	2.2%	2.3%	2.1%
NET MIGRATION												
Colorado	14,300	13,779	42,896	35,000	40,469	36,267	37,526	35,998	39,816	47,896	50,778	57,840
Denver Metropolitan Area	4,263	(1,367)	18,864	18,704	22,326	21,639	13,892	29,147	31,811	36,271	37,095	30,864
City and County of Denver	(6,069)	(6,929)	(2,537)	1,625	5,480	7,620	3,819	10,490	8,999	9,119	10,146	7,883
NONAGRICULTURAL EMPLOYMENT												
United States (millions)	131.8	134.1	136.5	138.0	137.2	131.3	130.4	131.9	134.2	136.4	139.0	141.9
Colorado (thousands)	2,179.6	2,226.0	2,279.1	2,331.3	2,350.3	2,245.6	2,222.3	2,258.6	2,313.0	2,381.9	2,464.9	2,541.2
Denver Metropolitan Area (thousands)	1,324.9	1,350.0	1,377.4	1,407.0	1,420.5	1,359.2	1,352.8	1,377.7	1,417.2	1,467.8	1,522.2	1,575.3
City and County of Denver	423,446	424,641	432,416	442,746	449,254	423,282	420,523	422,704	434,083	441,249	460,619	478,564
NONAGRICULTURAL EMPLOYMENT GROWTH RATE												
United States	1.1%	1.7%	1.8%	1.1%	-0.5%	-4.3%	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%
Colorado	1.2%	2.1%	2.4%	2.3%	0.8%	-4.5%	-1.0%	1.6%	2.4%	3.0%	3.5%	3.1%
Denver Metropolitan Area	0.8%	1.9%	2.0%	2.1%	1.0%	-4.3%	-0.5%	1.8%	2.9%	3.6%	3.7%	3.5%
City and County of Denver	-0.5%	0.3%	1.8%	2.4%	1.5%	-5.8%	-0.7%	0.5%	2.7%	1.7%	4.4%	3.9%

2015 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area	City & County of Denver
Natural Resources & Construction	5.1%	7.1%	6.4%	5.8%
Manufacturing	8.7%	5.6%	5.4%	4.3%
Wholesale & Retail Trade	15.2%	14.4%	14.4%	11.8%
Transportation, Warehousing, Utilities	3.8%	3.1%	3.4%	5.6%
Information	1.9%	2.8%	3.4%	2.5%
Financial Activities	5.7%	6.3%	7.0%	7.8%
Professional & Business Services	13.9%	15.7%	18.1%	20.2%
Education & Health Services	15.5%	12.3%	12.7%	12.3%
Leisure & Hospitality	10.7%	12.3%	11.1%	12.4%
Other Services	4.0%	4.1%	3.8%	3.4%
Government	15.5%	16.4%	14.3%	13.8%

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UNEMPLOYMENT RATE												
United States	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%
Colorado	5.5%	5.0%	4.3%	3.7%	4.8%	7.3%	8.7%	8.4%	7.9%	6.8%	5.0%	3.9%
Denver Metropolitan Area	5.6%	5.1%	4.3%	3.8%	4.9%	7.3%	8.5%	8.1%	7.6%	6.5%	4.7%	3.6%
City and County of Denver	6.5%	5.7%	4.8%	4.1%	5.4%	8.1%	9.1%	8.6%	7.8%	6.6%	4.8%	3.7%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)												
United States	188.9	195.3	201.6	207.3	215.3	214.5	218.1	224.9	229.6	233.0	236.7	237.0
Denver-Boulder-Greeley	187.0	190.9	197.7	202.0	209.9	208.5	212.4	220.3	224.6	230.8	237.2	240.0
INFLATION RATE												
United States	2.7%	3.4%	3.2%	2.8%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%
Denver-Boulder-Greeley	0.1%	2.1%	3.6%	2.2%	3.9%	-0.6%	1.9%	3.7%	1.9%	2.8%	2.8%	1.2%

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
TOTAL PERSONAL INCOME (millions, except as noted)												
United States (billions)	$10,048	$10,610	$11,381	$11,995	$12,493	$12,079	$12,460	$13,233	$13,904	$14,064	$14,683	$15,324
Colorado	$167,794	$179,090	$192,162	$203,035	$213,342	$206,385	$211,420	$227,052	$240,905	$246,448	$261,735	$275,107
Denver Metropolitan Area	$104,533	$111,559	$120,055	$125,829	$132,343	$127,134	$130,625	$140,838	$150,990	$154,331	$164,513	NA
City and County of Denver	$24,101	$25,976	$28,893	$29,931	$32,354	$29,637	$31,307	$34,605	$38,083	$39,079	$41,743	NA
TOTAL PERSONAL INCOME GROWTH RATE												
United States	5.9%	5.6%	7.3%	5.4%	4.1%	-3.3%	3.1%	6.2%	5.1%	1.2%	4.4%	4.4%
Colorado	4.6%	6.7%	7.3%	5.7%	5.1%	-3.3%	2.4%	7.4%	6.1%	2.3%	6.2%	5.1%
Denver Metropolitan Area	4.4%	6.7%	7.6%	4.8%	5.2%	-3.9%	2.7%	7.8%	7.2%	2.2%	6.6%	NA
City and County of Denver	4.6%	7.8%	11.2%	3.6%	8.1%	-8.4%	5.6%	10.5%	10.1%	2.6%	6.8%	NA
PER CAPITA PERSONAL INCOME												
United States	$34,316	$35,904	$38,144	$39,821	$41,082	$39,376	$40,277	$42,453	$44,266	$44,438	$46,049	$47,669
Colorado	$36,676	$38,665	$40,709	$42,265	$43,631	$41,508	$41,877	$44,349	$46,402	$46,746	$48,869	$50,410
Denver Metropolitan Area	$41,276	$43,567	$46,071	$47,425	$48,986	$46,244	$46,712	$49,459	$52,079	$52,216	$54,619	NA
City and County of Denver	$43,760	$47,085	$51,882	$53,032	$56,197	$50,316	$51,888	$55,869	$60,080	$60,270	$62,880	NA
PER CAPITA PERSONAL INCOME GROWTH RATE												
United States	5.0%	4.6%	6.2%	4.4%	3.2%	-4.2%	2.3%	5.4%	4.3%	0.4%	3.6%	3.5%
Colorado	3.6%	5.4%	5.3%	3.8%	3.2%	-4.9%	0.9%	5.9%	4.6%	0.7%	4.5%	3.2%
Denver Metropolitan Area	3.5%	5.5%	5.7%	2.9%	3.3%	-5.6%	1.0%	5.9%	5.3%	0.3%	4.6%	NA
City and County of Denver	5.0%	7.6%	10.2%	2.2%	6.0%	-10.5%	3.1%	7.7%	7.5%	0.3%	4.3%	NA
RETAIL TRADE SALES (millions, except as noted)												
United States (billions)	$3,834	$4,083	$4,300	$4,443	$4,383	$4,066	$4,284	$4,597	$4,820	$5,001	$5,208	$5,327
Colorado	$62,288	$65,492	$70,437	$75,375	$74,911	$66,454	$70,105	$75,804	$80,248	$84,240	$90,507	$94,936
Denver Metropolitan Area	$37,197	$38,589	$41,491	$44,177	$43,829	$38,882	$40,894	$43,658	$46,861	$49,299	$53,245	$56,192
City and County of Denver	$7,691	$7,963	$9,480	$10,162	$10,252	$8,517	$8,925	$9,454	$10,388	$10,992	$12,409	$12,946

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RETAIL TRADE SALES GROWTH RATE												
United States	6.1%	6.5%	5.3%	3.3%	-1.3%	-7.2%	5.4%	7.3%	4.9%	3.8%	4.1%	2.3%
Colorado	6.1%	5.1%	7.6%	7.0%	-0.6%	-11.3%	5.5%	8.1%	5.9%	5.0%	7.4%	4.9%
Denver Metropolitan Area	4.6%	3.7%	7.5%	6.5%	-0.8%	-11.3%	5.2%	6.8%	7.3%	5.2%	8.0%	5.5%
City and County of Denver[1]	4.4%	3.5%	19.1%	7.2%	0.9%	-16.9%	4.8%	5.9%	9.9%	5.8%	12.9%	4.3%
MEDIAN HOME PRICE (thousands)												
United States	$195.2	$219.0	$221.9	$217.9	$196.6	$172.1	$173.1	$166.2	$177.2	$197.4	$208.9	$223.9
Denver Metropolitan Area	$239.1	$247.1	$249.5	$245.4	$219.3	$219.9	$232.4	$231.4	$252.4	$280.6	$310.2	$353.6
EXISTING HOME SALES												
Denver Metropolitan Area	53,482	53,106	50,244	49,789	47,837	42,070	38,818	38,105	45,203	53,631	54,068	55,509
NEW RESIDENTIAL UNITS												
DENVER METROPOLITAN AREA												
Single Family	19,069	17,888	12,938	7,799	4,037	2,690	3,791	3,885	5,947	7,396	8,396	9,786
Two-Family	374	471	428	398	224	133	285	309	299	399	440	422
Multi-Family	3,108	2,953	4,769	6,195	5,296	1,465	1,478	3,005	8,679	9,145	8,074	9,061
Total Units	22,551	21,312	18,135	14,392	9,557	4,288	5,554	7,199	14,925	16,940	16,910	19,269
OFFICE VACANCY RATE												
Denver Metropolitan Area	14.1%	12.9%	12.5%	11.5%	12.6%	13.5%	12.9%	12.5%	12.1%	11.1%	10.3%	9.6%
HOTEL OCCUPANCY RATE												
Denver Metropolitan Area	61.9%	64.1%	66.4%	67.0%	65.0%	59.0%	64.4%	66.8%	68.0%	70.8%	75.8%	75.9%
SKIER VISITS	**04/05**	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**
Colorado (millions)	11.8	12.5	12.6	12.5	11.9	11.9	12.3	11.0	11.4	12.6	12.5	13.4

NA: Not Available

1: The large increase in retail trade sales in the City and County of Denver in 2006 was due to geographic revisions in the data series and may not accurately reflect actual activity.

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; REcolorado; U.S. Department of Commerce, Bureau of the Census; CoStar Realty Information, Inc.; Rocky Mountain Lodging Report; Vail Resorts, Inc. and 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: **May 4, 2012**

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

PURPOSE: This Executive Order establishes the policy of the City and County of Denver for the preparation and dissemination of information that must be disclosed in connection with the issuance of certain bonds, notes, certificates of participation and other municipal securities of the City and its Enterprises. The City is 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 in a timely fashion. These 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.

This Order is designed to centralize the information dissemination process, to establish appropriate controls on Disclosure Statements made by the City's Department of Finance, 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 designed to limit any person's access to public records or information, nor to infringe upon the political process, in particular the right of any elected official of the City to review, discuss, release, comment upon or criticize any information.

Executive Order No. 114, dated October 29, 1996, is hereby canceled and superseded by this Executive Order No. 114.

1. **Applicable Authority**. The applicable authority relevant to the provisions and requirements of this Executive Order No. 114 are Sections 2.5.1 and 2.5.3 (E) of the Charter of the City; and 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 in a timely fashion.

2. **Definitions.** As used in this Order, the terms "annual financial information," "issuer," "municipal securities," "obligated person," and "official statement" shall have the meanings ascribed to these terms under Rule 15c2-12. The following terms shall have the following meanings.

   2.1. "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.

   2.2. "Compliance Officer" means the Manager of the Department of Finance of the City.

   2.3. "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. The 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. The term does not include any statement made or information provided by an elected official of the City unless the statement has been coordinated with and approved by the Compliance Officer for release to the public.

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

2.5. "Rule 15c2-12" means Rule 15c2-12 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.

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

2.7. "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.

3. **<u>Statement of Policy:</u>** In order to assure compliance by the City with the disclosure requirements of Rule 15c2-12, it is the policy of the City that:

3.1. 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 Manager of the Department of Finance.

3.2. 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 its release shall be approved by the Manager of the Department of Finance.

3.3. 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 Manager of the Department of Finance.

3.4. 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 Manager of the Department of Finance any such Disclosure Statement, together with such additional information requested by the Manager of the Department of Finance, and each such employee, agent and official of the City shall consult with the Manager of the Department of Finance concerning such proposed Disclosure Statement.

3.5. 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 Manager of the Department of Finance required by this Order shall be deemed to be a statement or undertaking by or on behalf of the City or such Enterprise.

3.6. Filings with the Municipal Securities Rulemaking Board (MSRB) shall be made through the electronic platform Electronic Municipal Market Access (EMMA).

4. **Rules and Regulations:** The Manager of the Department of Finance shall promulgate and revise from time to time such rules and regulations as the Manager of the Department of Finance 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:

Douglas J. Friednash
City Attorney for the City and County
Of Denver

Approve:

Michael B. Hancock
MAYOR

Kim Day
Manager of Aviation

Doug Linkhart
Manager of Environmental Health

Adrienne Benavidez
Manager of General Services

Lauri J. Dannemiller
Manager of Parks & Recreation

Jose Cornejo
Manager of Public Works

Cary Kennedy
Manager of Finance

Alex J. Martinez
Manager of Safety

Penny L. May
Manager of Human Services

Molly Urbina
Manager of Community Planning and Development

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APPENDIX C
2015 ABSTRACT OF ASSESSMENT

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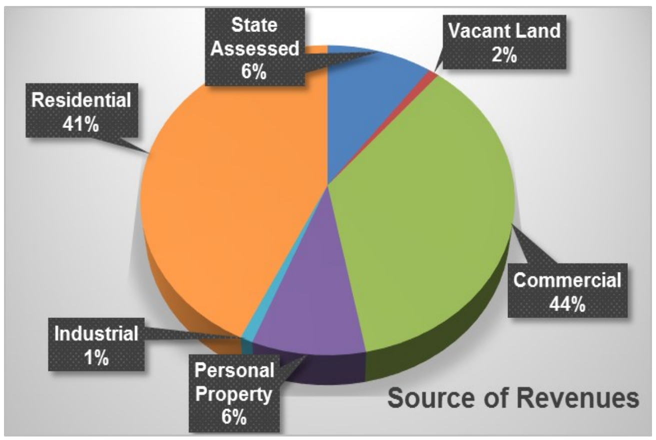
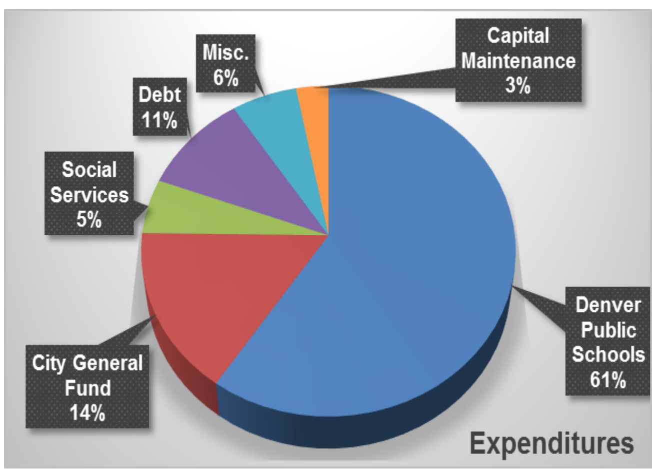
2016 Assessment Calendar

January 1—All taxable property is listed and valued based on its status.
By April 15—All assessable business personal property (equipment, fixtures, and furnishings) must be listed on a Declaration Schedule and returned to the Assessor to avoid penalties.
By May 1—Real property valuations are mailed to taxpayers.
May 1 to June 1—Assessor hears protests to real property valuations.
July 15 to July 30—Assessor hears protests to business personal property valuations.
By August 25—Initial Certification of Value is sent to each taxing entity in the county.
By December 15—Taxing entities certify mill levies to Assessor.

2015 Property Tax Dollars





General Information

Assessment Division is responsible for the accurate valuation and uniform assessment of property within the City & County of Denver. All real and personal property, except that specifically exempted by law, is subject to taxation. It is the joint responsibility of the Assessor and the owner to ensure that property is correctly listed on assessment rolls.

Please Note

- The Assessor does **not** set tax rates (mill levies).
- City & County taxes are established each year under constitutional guidelines and are approved by the Mayor and City Council.
- School taxes are levied by Denver Public Schools under authority of the School Board.
- Special district taxes are approved by boards of directors for their individual districts.

Tax bill calculations are based on four components: Actual Value, Exempt Amount, Assessment Rate and Mill Levy. The **Assessor** determines Actual Value and amount(s) under law to be exempted from taxation; the **State** of Colorado sets the Assessment Rate for various classes of property and **Taxing Jurisdictions** (City & County, School and Special Districts) establish Mill Levies (tax rates).

In 2015, the State continued the following assessment rates:

Residential Property.................................7.96%
Natural Resources.....................................87.50%
Non-residential..29.00%

Each charge or line on a Tax Bill is calculated as follows:
(Actual Value — Exemption) x Asmt Rate x Millage = Tax

Denver property taxes issued in January may be paid in one or two installments. To avoid interest charges, the first half of taxes due in 2016 must be paid by February 29th and the second half must be paid by June 15th. If paid in one installment, the entire amount must be received (or postmarked) no later than April 30th.

Denver staff are available from 7:30 AM to 4:30 PM Monday through Friday to answer questions and provide information by dialing 3-1-1 (720-913-1311). For 24x7 assistance visit the Assessor's Office online at:

www.denvergov.org/assessor

Abstract of Assessment And Summary of Levies

City & County of Denver Colorado

DENVER®
THE MILE HIGH CITY

2015

Total
Assessed Valuation
$14,384,909,283

Michael B. Hancock
Mayor

Keith A. Erffmeyer
Assessor

2015 Abstract of Assessment

	Total Assessed Value	Total Actual Value
Vacant Land		
Residential	$ 70,760,160	$ 286,777,500
Commercial	82,089,610	283,066,300
Industrial	27,899,500	96,204,400
Agricultural	78,530	265,800
PUD	1,141,800	3,936,800
All Others	37,401,260	128,969,600
Possessory Interest	235,980	813,700
Total	**$ 219,606,840**	**$ 800,034,100**
Residential		
Single Family	$ 4,191,621,580	$ 48,102,353,197
Condominiums	773,677,420	9,719,135,600
Duplexes/Triplexes	98,749,080	1,240,514,515
Multi Unit (4 to 8)	46,115,520	579,329,241
Multi Unit (9 & up)	805,375,740	10,117,761,700
Manufactured Homes	597,880	7,508,400
Partial Exempt	3,521,650	44,252,360
Total	**$ 5,919,658,870**	**$ 69,810,855,013**
Commercial		
Merchandising	$ 781,075,130	$ 2,693,354,750
Lodging	347,172,000	1,197,144,400
Offices	2,869,736,960	9,895,732,841
Recreation	103,937,310	358,404,000
Commercial Condos	189,440,770	653,244,350
Possessory Interest	49,567,990	170,923,700
Special Purpose	727,061,170	2,507,097,300
Warehouses	1,043,336,710	3,597,703,092
Multi-Use	279,103,330	2,141,107,200
Partial Exempt	54,621,310	190,977,674
Total	**$ 6,445,052,680**	**$ 23,405,689,307**
Industrial		
Manufacturing	$ 150,605,960	$ 519,329,900
Total	**$ 150,605,960**	**$ 519,329,900**
Personal Property		
Residential	$ 12,332,140	$ 41,340,941
Commercial	700,004,743	2,393,114,800
Industrial	113,461,550	391,221,244
Prod. Oil & Gas	0	0
Total	**$ 825,798,433**	**$ 2,825,676,985**
Natural Resources		
Prod. Oil & Gas	$ 0	$ 0
Total	**$ 0**	**$ 0**
State Assessed	**$ 824,186,500**	**$ 2,842,022,100**
Grand Total	**$ 14,384,909,283**	**$ 100,203,607,405**

Exempt Properties	**Total Assessed**	**Total Actual**
Federal Government	$ 187,929,470	$ 648,032,240
State Government	418,204,790	1,448,789,120
County Government	1,869,995,610	7,039,753,900
Political Subdivision	1,232,638,340	6,303,439,213
Religious Entities	267,104,760	988,382,806
Private Schools	137,180,210	477,646,541
Charitable Entities	409,436,090	1,936,250,414
All Others	306,282,140	1,249,166,588
Total	**$ 4,828,771,410**	**$ 20,091,460,822**

Special Taxing Districts

	Assessed	Mill	Tax
Aviation Station #2	30	53.000	2
Aviation Station #5	30	10.000	0
Bluebird BID	8,648,920	10.000	86,489
BMP No 2 (1)	1,141,230	5.000	5,706
BMP Metro No 2 (debt) (2)	12,192,420	15.000	182,886
BMP No 3 (3)	1,608,780	15.000	24,132
Bowles Metro	29,652,720	42.000	1,245,414
Broadway Station Metro No 3 (6)	7,632,990	6.000	45,798
Central Platte Valley Metro (8)	148,456,340	36.000	5,344,428
Central Platte Valley Metro (debt)	74,209,360	15.000	1,113,140
Cherry Creek North BID	205,233,600	17.142	3,518,114
Cherry Creek Subarea BID (7)	76,623,400	0.178	13,639
Clear Creek Valley Water/Sanitation	637,090	2.791	1,778
Colfax BID	55,631,620	7.912	440,157
Colo. Int. Center Metro No 13	60	15.000	1
Colo. Int. Center Metro No 14	11,126,220	60.000	667,573
Denargo Market Metro No 2	5,414,550	40.000	216,582
Denver Gateway Center Metro	4,248,860	36.992	157,174
Denver High Point at DIA Metro	1,165,420	15.000	17,481
Denver Intl. Business Center Metro No 1	22,117,250	40.062	886,061
DUS Metro No 2 (9)	63,955,300	30.000	1,918,659
DUS Metro No 3 (10)	1,450	10.000	15
Ebert Metro	78,487,610	84.000	6,592,959
Ebert Metro (debt)	1,939,860	65.000	126,091
Fairlake Metro	22,934,720	27.681	634,856
Fairlake Metro (debt)	10,192,900	17.000	173,279
Federal Boulevard BID	5,455,890	10.000	54,559
Gateway Regional Metro	48,242,740	16.000	771,884
Gateway Village GID	22,513,240	25.700	578,590
Goldsmith Metro	287,225,360	10.500	3,015,866
Greenwood Metro	2,337,340	7.800	18,231
GVR Metro	87,241,500	20.094	1,753,031
Holly Hills Water /Sanitation	25,396,070	2.716	68,976
Madre Metro No. 2	10,368,900	50.000	518,445
Mile High Business Center Metro	25,047,710	35.000	876,670
North Washington Fire Protection	7,119,500	16.892	120,263
North Washington Water/Sanitation	7,119,500	0.924	6,578
Old South Gaylord BID	6,955,580	7.050	49,037
RiNo BID (12)	138,474,440	4.000	553,898
RiNo GID (13)	74,893,240	4.000	299,573
Sand Creek Metro	31,124,990	33.500	1,042,687
Sand Creek Metro (debt)	11,862,480	20.000	237,250
SBC Metro (4)	69,439,090	35.000	2,430,368
Section 14 Metro	8,464,690	23.290	197,143
Section 14 Metro (debt -Raccoon Creek)	3,512,810	18.180	63,863
Section 14 Metro (debt-Fairmark)	4,221,010	6.550	27,648
Sheridan Sanitation No. 2	605,540	0.511	309
South Sloan's Lake Metro No 2 (11)	7,412,170	35.000	259,426
Southeast Public Improvement Metro	287,938,860	2.000	575,878
Town Center Metro	406,090	84.000	34,112
Town Center Metro Subdistrict 1	4,348,280	50.000	217,414
Town Center Metro Subdistrict 2	2,075,890	50.000	103,795
Valley Sanitation	11,716,860	2.126	24,910
Westerly Creek Metro (5)	405,923,590	56.619	22,982,988
Total			**$ 60,295,806**

(1) $3,964 of the tax for BMP Metro District No. 2 is distributed to South Broadway TIF
(2) $127,071 of the tax for BMP Metro District No. 2 DEBT is distributed to South Broadway TIF
(3) $16,767 of the tax for BMP Metro District No. 3 is distributed to South Broadway TIF
(4) $890,790 of the tax for SBC Metro is distributed to Stapleton TIF
(5) $21,059,592 of the tax for Westerly Creek Metro is distributed to Stapleton TIF
(6) $26,258 of the tax for Broadway Station No. 3 is distributed to Cherokee TIF
(7) $9,383 of the tax for Cherry Creek Subarea BID is distributed to Denver Union Station DDA
(8) $3,224,183 of the tax for Central Platte Valley is distributed for Denver Union Station DDA
(9) $1,279,105 of the tax for DUS Metro No. 2 is distributed to Denver Union Station DDA
(10) $11 of the tax for DUS Metro No. 3 is distributed to Denver Union Station DDA
(11) $232,994 of the tax for Sloan's Lake Metro District 2 is distributed to Saint Anthony TIF
(12) $3,425 of the tax for RiNo BID is distributed to Ironworks Phase II TIF
(13) $3,425 of the tax for RiNo GID is distributed to Ironworks Phase II TIF

Tax Increment Finance Districts

District	Assessed Value Increment
Alameda Square	$ 3,105,814
California St. Parking Garage	704,409
Cherokee	8,652,788
City Park South	20,111,679
Colorado National Bank Bldg	8,801,443
Downtown Denver	186,327,670
Executive Tower Hotel	15,515,677
Globeville Commercial	0
Guaranty Bank	2,722,855
Highlands Garden Village	11,468,945
Ironworks Foundry	877,077
Ironworks Foundry Phase 2	0
Lowenstein Theater	2,900,630
Lowry	176,200,470
Marycrest	1,309,930
Mercantile Square	2,772,329
Northeast Park Hill	4,486,320
Pepsi Center	41,469,622
Point Urban	1,263,590
South Broadway	17,695,026
Stapleton	478,884,016
York Street	6,220,200
9th Avenue	8,018,590
9th & Colorado	1,382,510
Saint Anthony	6,683,532
414 14th Street	1,771,320
2300 Welton Street	9,819
2460 Welton Street	209,040
2801 Welton Street	0
Denver Union Station DDA	139,815,366
Total	**$ 1,149,380,667**

Summary of Levies and Taxes

	Mill Levy	Tax Revenue
City & County of Denver		
General Fund	11.331	$ 162,995,407
Bond Principal	5.433	78,153,212
Bond Interest	3.000	43,154,728
Social Services	3.849	55,367,516
Developmentally Disabled	1.012	14,557,528
Fire Pension	1.350	19,419,628
Police Pension	1.610	23,159,704
Capital Maintenance	2.534	36,451,360
Total	**30.119**	**$ 433,259,083**
School District #1		
General Fund	37.147	$ 534,356,225
Bond Redemption	10.250	147,445,320
Total	**47.397**	**$ 681,801,545**
Urban Drainage & Flood Control District	**0.611**	**$ 8,789,180**
Total General Taxes	**78.127**	**$ 1,123,849,808**
Total Special District Taxes		**60,295,806**
Grand Total of All Taxes		**$ 1,184,145,614**
Taxes Distributed to DURA Denver Urban Renewal Authority		**$ 78,820,253**
Tax Distributed to DDA Denver Downtown Development Authority		**$ 10,923,355**

CITY AND COUNTY OF DENVER

SEAL