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Independent Accountants' Report on Financial Statements and Supplementary Information

Audit Committee
City and County of Denver
Denver, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and County of Denver (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Denver Art Museum, Denver Museum of Nature and Science, Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No.1, Downtown Denver Business Improvement District, Denver Metro Convention and Visitors Bureau, Inc. d/b/a Visit Denver, Colfax Business Improvement District, Denver Union Station Project Authority, Board of Water Commissioners, City and County of Denver, Colorado, and Denver Preschool Program, Inc., all of which are included as discretely presented component units, which represent 94.95 percent of total assets and 89.90 percent of total revenues of the aggregate discretely presented component units as of and for the year ended December 31, 2010, respectively. Those financial statements were audited by other accountants whose reports thereon have been furnished to us and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for the Denver Art Museum, Denver Museum of Nature and Science, Denver Convention Center Hotel Authority, Cherry Creek North Business Improvement District No.1, Downtown Denver Business Improvement District, Denver Metro Convention and Visitors Bureau, Inc., d/b/a Visit Denver, Colfax Business Improvement District, Denver Union Station Project Authority, Board of Water Commissioners, City and County of Denver, Colorado, and Denver Preschool Program, Inc., is based solely on the reports of the other accountants. Additionally, we did not audit the financial statements of the Gateway Village General Improvement District and Denver 14th Street General Improvement District, each of which are included as blended component units, which represent .03 percent of total assets and .07 percent of total revenues of the aggregate remaining fund information as of and for the year ended December 31, 2010, respectively. Those financial statements were audited by other accountants whose reports thereon have been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Gateway Village General Improvement District and Denver 14th Street General Improvement District, is based solely on the reports of the other accountants.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other accountants provide a reasonable basis for our opinions.

Audit Committee
City and County of Denver

In our opinion, based on our audit and the reports of other accountants, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and County of Denver as of December 31, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note I.E.2, during the year ended December 31, 2010, the City changed its method of accounting for derivative instruments by retroactively restating beginning net assets.

The accompanying management's discussion and analysis, budgetary comparison information and other postemployment benefit information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other accountants have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules, introduction section and statistical sections supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2010 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other accountants, are fairly stated, in all material respects, in relation to the basic financial statements as of and for the year ended December 31, 2010, taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements as of and for the year ended December 31, 2009, which are not presented with the accompanying financial statements. In our report dated May 27, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the general fund balance sheet as of December 31, 2009 and related statement of revenues, expenditures, and changes in fund balance for the year then ended supplementary information are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended December 31, 2009, taken as a whole. The introduction section and statistical section have not been subjected to the auditing procedures applied by us and the other accountants in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BKD, LLP

June 7, 2011