

DENVER UNION STATION PROJECT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS

April 5, 2012

MINUTES

BOARD MEMBERS PRESENT

Michael West
Elbra Wedgeworth
Jerry Glick
Laura Aldrete
Cary Kennedy
Steve Kaplan
Marla Lien
Kent Bagley
Jennifer Schaufele
Barbara Grogan
Judy Montero
Bill Bianco

BOARD MEMBERS ABSENT

Mark Imhoff

I. CALL TO ORDER

Elbra Wedgeworth, DUSPA Board President, called the Meeting of the Board of Directors of DUSPA to order at 1:32 p.m.

II. WELCOME AND INTRODUCTION OF GUESTS

President Wedgeworth welcomed the Board Members and guests to today's meeting.

III. PUBLIC COMMENT

There was no public comment.

IV. ROLL CALL

Dawn Bookhardt called roll. Please see above.

V. APPROVAL OF MEETING MINUTES

Elbra Wedgeworth asked for comments to the March 1, 2012 meeting minutes. There were no comments.

Kent Bagley moved to approve the minutes. Mike West seconded the motion. The motion carried unanimously.¹

VI. DISCUSSION ITEMS

A. Finance Committee Report

Brendan Hanlon introduced Cheryl Wallace, CPA of RubinBrown to present the annual financial report for 2011.

Cheryl Wallace reported that she provided a detailed review of all three reports in the Finance Committee meeting.

Dawn Bookhardt reported that the A-133 report was sent to Board Members today and the other reports were sent out to the Board earlier.

Ms. Wallace reported that RubinBrown had no disagreements with management and no significant difficulties with the audit.

She reported that the opinion of the financials, as reported in the summaries and balances, is an unqualified opinion, which is the best that can be given by an auditor. She added that she will not go into detail regarding the finances unless there are any questions.

Ms. Wallace reported that the A-133 report is required because DUSPA receives federal funds. She added that the review looks at 14 different attributes of DUSPA for compliance and control. She reported that the A-133 report also provides an unqualified opinion and that the one finding from last year's report regarding the debarment review process has been cured.

Ms. Wallace reported that the final document, the Report to Governance contains no significant deficiencies. She summarized the advisory comments in the report as follows:

1. Changes from the Past Year – are all positive comments;
2. Requirement of acceptance of budget – positive comment;
3. The DUSPA report to the federal government – RubinBrown did not find evidence that the report was reviewed and signed off prior to submission, which would be a best practice; and
4. Timing for payment – still seeing some delays.

¹ Jerry Glick, Barbara Grogan, Bill Bianco, Judy Montero and Cary Kennedy arrived shortly after this vote.

Barbara Grogan asked whether the payment delay is chronic or sporadic.

Bill Mosher reported that the delay is chronic due to the TIFIA / RRIF payment process. He added that DUSPA is behind on payment to USNC because of lack of funds and that we pay Kiewit what we can, when we can, but the RRIF funds are chronically late.

Barbara Grogan reported that, as fiduciaries, she wants to ensure that the late payment causes are documented and that the meeting minutes should be adequate.

Bill Bianco asked whether DUSPA is incurring interest on late payments.

Bill Mosher reported that DUSPA is not incurring interest.

B. Owner's Representative Report

i) Project Progress

Mike Sullivan reported that as of the end of March, 2012, the completion percentages were as follows:

Entire project is 61 percent complete
LRT is 98.8 percent complete
Bus Facility is 64 percent complete
The CRT is 43.5 percent complete
The Streets and Plazas are 70.6 percent complete
Historic Building is 8 percent complete.

Mr. Sullivan reported that, because portions of the project are ahead of schedule, the critical path is now the structural steel for the CRT and that this is a 14 month schedule. He added that electrical, conduit, Track 8 and the Amtrak move will also be critical path, which is all good.

Mr. Sullivan reported that pavers should be cut next week and that the LRT plaza should be complete by April 23. He added that trees will be planted over the next three weeks and that the driver relief station is under construction.

The second week of May is the schedule for turn over of the LRT plaza to RTD and the blue stuff will be taken off of the vent tubes on Monday for the Rockies home opener.

Kiewit is still pouring the topping slabs in the bus facility and that the Terrazzo flooring installation will start soon.

He reported that Phase 1 and 2 are continuing with the installation of lights and fixtures. He added that on Phase 3, the dewatering system will be gone by tomorrow. He reported that Kiewit is putting the pier caps on the roof columns as well as placing the first ramp to the bus facility.

Mr. Sullivan reported that the precast beams will be placed for the bus facility structural roof starting on April 16. He reported that the sanitary main line at the CRT should be complete next week and that the storm sewer line can then begin. He reported that there was an issue with the traffic signal control box on 16th Street and that when it is fixed, the north side of 16th Street can be paved.

He reported that the Chestnut-Wynkoop pedestrian access on 18th Street will be open by next week. He added that the North Wing ground breaking is scheduled for April 11, but that DUSPA won't actually turn the North Wing parcel over for construction until April 20.

Mr. Sullivan reported that DUSPA is in the process of finalizing 4 major allowances with Kiewit as follows: Flagging (for work on railroad property); asbestos containing materials; dewatering; and contaminated soil. He added that these have been big issues for the project and that wrapping them up is very good. Mr. Sullivan reported that things in the back yard are great and encouraged everyone to look at the webcam that is located on the top of 1900 16th Street.

ii) Project Issues List

Mr. Mosher reported on the issues list as follows (see handout):

1. Drainage for the Wynkoop Plaza could be costly.
2. These contracts are in progress.

Marla Lien added that there are only a few issues remaining such as setbacks and that the RTD Board is expected to approve the PSAs on April 16 and then RTD will transfer \$0.5 million to DUSPA.

Barbara Grogan asked about the cost of the drainage issue.

Bill Mosher reported that it may cost \$250,000 and that long term maintenance will be an issue.

3. Coordination with the DUS developer is working well and that other developers are also starting a project at 17th and Wewatta; there are 5 or 6 projects on-going in the area.
4. We are working on a new MOA for Amtrak's move back into the station.
5. No report.
6. No report.
7. Environmental Risk should be gone soon and we will finalize this allowance with Kiewit.
8. Bill Mosher asked Dawn Bookhardt to comment on this issue. Dawn Bookhardt reported that we have not heard anything from Christina. Marla Lien reported that she is no longer with RTD.
9. The artist needs to re-connect with the stakeholders, but he has not done this yet.
10. This issue has taken a back seat to the A/B Blocks.
11. No report.

12. This is getting finalized.

Jerry Glick commented that this report skipped 5 and 6.

Bill Mosher responded that there is no place to put parking, but that DUSPA still has funds in the budget.

Marla Lien reported that the EIS required parking at the 18th Street deck which will never exist. She added that she is meeting with Jason Longsdorf to figure this out.

Barbara Grogan asked whether there is any agreement with DURA.

Bill Mosher responded that there is no agreement with DURA, but that he plans to get them a proposal.

Jerry Glick reported that this will be an on-going issue for the whole neighborhood.

Bill Mosher reported that, with respect to number 6, the DUS developer will be a part of this and that the Union Station Advocates may also participate.

Marla Lien reported that the plazas are not a current commitment of the DUS developer and therefore additional conversations must take place.

Kent Bagley reported for the new Board Members that the EIS requires 150 public parking spaces by the year 2035.

Marla Lien reported that, now that we know more about the neighborhood, a discussion with FTA is merited for these 150 spaces.

iii) Quarterly Budget Report

Bill Mosher reported that the blue portions of the budget show a few changes.

Line 8 – the private dollars are going up, for example for Wewatta Street and for the foundation enhancement.

Jerry Glick asked for a more detailed update on the foundation issue.

Bill Mosher reported that the LOI Supplement contemplated an under build and that, since that time, the design for Block A has changed and that parking access from the EVA still exists. He added that the foundation enhancement is much less expensive than the original under build. He reported that DUSPA has agreed to advance the funds to construct the foundation enhancements and the DUSPA will be reimbursed by RTD when one of the A or B Blocks sell.

Lines 83-87 – These approved change orders are now executed.
Lines 104, 106 are placeholders for DUS and the DFD.

Lines 126-127 and 130 are all not-to-exceed numbers for allowances and as these issues are resolved, we will ask for not-to-exceed change orders.
Lines 171, 172 are set asides for environmental bills and for Amtrak.
Line 198 is a change to true-up the North Wing stair.

Jerry Glick asked whether line 172 is Faster funds.

Mike Sullivan answered that there is no relation to the Faster grant and line 172.

Marla Lien added that it is platform work and is not inside the DUS.

Lines 326 and 330 are old issues.
Lines 340 – 344 are new placeholders for the Wynkoop Plaza issues and that it is expected that Kiewit will have to move out of DUS and that DUSPA will have to pay their rent as a general condition item at another location.

Mr. Mosher reported that this leaves an unallocated contingency that is down to \$43,000 which is tough, but the parking funds may become available.

He reported that he is working with RTD on the disposition of the A/B Block proceeds and that RTD may take funds for DUS out of our budget and transfer them to the DUS Developer. He added that this may reduce our budget by \$15 million.

Jerry Glick asked about Steve Kaplan's comment from the Finance Committee meeting.

Mr. Mosher replied that he wants to make sure that RTD has a specific plan for the use of the funds and that there is an agreement in place in advance.

Barbara Grogan requested additional information regarding this issue.

Marla Lien responded that, since the DUS Developer is using the DUS, they should get the funds when RTD finalizes the development agreement. She added that, because DUSPA had no scope for the use of these funds and because RTD needs to make sure it does not foul up the federal funding requirements, the \$15 million needs to be from local funds.

Jerry Glick reported that, because DUSPA is committed to the community, DUSPA should at least review the USA/RTD agreement.

Marla Lien reported that while DUSPA and USNC have an agreement that these funds will be spent on DUS, RTD is not a party to the MDA.

Bill Mosher reported that Cary Kennedy has a good perspective on this issue, that RTD owns the DUS and the USNC, USA and RTD will coordinate to make sure that the funds are used appropriately. He added that DUSPA should not have a concern with this mechanism to use the funds budgeted by DUSPA as long as they are used on DUS.

Marla Lien added that DUSPA does not have a legal right to the land sale proceeds, but it does have an obligation to ensure that these local funds are used on the DUS building.

Steve Kaplan reported that RTD is making a commitment to spend \$17 million on the DUS building.

Marla Lien added that all of the funds will be spent on the project, it is just too early to know exactly how these funds will be spent or how much of the local funds will go into the DUS.

Bill Mosher reported that if Kiewit needs to suspend work in the Wynkoop Plaza, we will need to know very soon.

Elbra Wedgeworth reported that more detail on this issue will be brought here from the Finance Committee.

Kent Bagley added that the Finance Committee spent an hour on this single issue.

Barbara Grogan stated that this is a large amount of money and that the Finance Committee will need to explain in detail what happens.

Elbra Wedgeworth reported that the issue is not resolved, but that the Board will be informed.

iv) Proposed Change Orders

Mr. Mosher reported that the Board is requested to approve the pending change orders as follows (see handout):

1. CRT systems requirements design – DUSPA does not currently have the funds to construct this, but that we can design the system with this change order.

Mr. Mosher reported that Change Orders 2, 3 and 4 are the allowances that have been discussed. Change Order 6 is the RTD contribution to Change Order 1.

He reported that Change Orders 6 through 8 will also be funded before we finalize these.

Kent Bagley asked whether it is possible that Change Orders 1-5, 8 and 9 will be less.

Mike Sullivan replied that it is possible these change orders will be less.

C. Report Regarding A and B Block Negotiations.

Marla Lien reported that RTD and USNC have agreed that USNC will get a refund on its deposit for the cost of the foundation enhancement if USNC does not purchase the second block and that the costs of the foundation enhancement are allocated between the A and B Blocks.

VII. ACTION ITEMS

A. Proposed Change Orders.

Jerry Glick moved to approve all of the proposed change orders on today's list on a not-to-exceed basis. Kent Bagley seconded the motion. The Motion passed unanimously.

B. Quarterly Budget Report

Mike West moved to approve the Quarterly Budget Report. Cary Kennedy seconded the motion. The Motion passed unanimously.

C. Annual Financial Report

Mike West moved to approve the Annual Financial Report. Jerry Glick seconded the motion. The Motion passed unanimously.

VIII. EXECUTIVE SESSION

Elbra Wedgeworth requested a motion that the Board enter into executive session.

Jerry Glick moved that the Board enter into executive session in order to discuss certain matters as permitted under the Colorado Open Meetings Law (C.R.S. § 24-6-402 *et seq.*) related to financial and contract negotiations, financial management negotiations, and litigation.

Kent Bagley seconded the motion. The motion passed unanimously.

Jerry Glick moved that the Board return to regular session. Kent Bagley seconded the motion. The motion passed unanimously.

IX. ACTION ITEMS RESULTING FROM EXECUTIVE SESSION

None.

X. CARRYOVER AND FUTURE AGENDA ITEMS

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:23 p.m.

Approved by Vote of the Board and
accepted by:

Elbra Wedgeworth, President

PENDING CHANGE ORDER ITEMS REQUIRING BOARD APPROVAL

April 5, 2012

DUSPA ITEMS				
CM #	PR/CCD #	Description of Change	Contingency	
			Allocated	Unallocated
CM 181.2	PR 28.1	CRT Systems Requirements - Design The design price for the Technology Truss modification consisting of P3 coordination for VMS and DUS CCTV conduit system and ETEL changes, tracked as PR #28.1 & CM #181.2. (\$156,614 Total Cost, Split - \$100,000 DUSPA / \$56,614 RTD)	\$100,000	
CM 847		Allowance 7 (Asbestos) Increase Required increase to address all additional asbestos contamination within Wynkoop Plaza and the remaining CRT Area. This is in addition to CO No. 19, 26, 27 & 40.	\$50,000	
CM 879		Allowance 5 (Contaminated Dewatering) Increase Required increase to comply with the State of Colorado's newly enacted (and more stringent) water quality standards for the Phase III Bus Excavation contaminated dewatering.	\$1,368,271	\$191,750
		Allowance 6 (Contaminated Material) Increase Required increase to cover estimated contaminated material for all remaining project earthwork operations.	\$911,745	\$1,200,000
Allocated Subtotal:			\$2,430,016	
Unallocated Subtotal:			<u>\$1,391,750</u>	
TOTAL:			\$3,821,766	

ADDITIONAL ITEMS			
(To be funded separately by RTD, Zocalo Community Development, USNC & Union Station Alliance outside of the current project funding and budget)			
CM #	PR #	Description of Change	Amount
CM 181.2	PR 28.1	CRT Systems Requirements - Design The design price for the Technology Truss modification consisting of P3 coordination for VMS and DUS CCTV conduit system and ETEL changes, tracked as PR #28.1 & CM #181.2. (\$156,614 Total Cost, Split - \$100,000 DUSPA / \$56,614 RTD)	\$56,614
CM 851.1	PR 65.1	Extend Wewatta Median & ADA Loading Zone The design and construction price to extend the Wewatta Median, shift the ADA Loading Zone and include the driveway entrance off of Wewatta. (To be paid by Zocalo Community Development)	\$13,998
CM 860		South Wing Fire Line The construction price to install a 12-inch PVC Water Main (Designed By Others) within 16th Street between Wynkoop and Wewatta to service the South Wing Building, Triangle Parcel and A Block development parcels. (To be paid by USNC)	\$227,938
CM 983	CCD 30	Video Inspect EVA Sanitary The construction price to video inspect the existing VCP sanitary sewer within the EVA lane directly behind the Historic DUS Building. (To be paid by Union Station Alliance)	\$10,000
TOTAL:			\$308,550

TCC's DUSPA Issues
April 5, 2012

	Item	Target Date	Comments
	ISSUES		
1	Wynkoop Plaza Drainage (along Wynkoop)	April 2012	Additional Water Quality Requirements
2	Blocks A & B – Purchase & Sale Agreements	November 2011	Final Drafts in Review; Resolve Foundation Enhancement Repayment Terms
3	Coordination with Selected DUS Developer	2013	Underway; Agreement with RTD and USA This July
4	Amtrak Move to DUS	4 th Qtr. 2013	<ul style="list-style-type: none"> • Update MOU for New Space • Determine Location • Move In Schedule Critical
5	DUS Public Parking	2013	Location and Budget / DURA Role
6	Maintenance and Programming Responsibilities/Budgets	2012	CPV District/USNC/RTD/City 17 th Gardens – CPV/RTD Agreement / Wynkoop Plaza
	IN PROGRESS		
7	Environmental Risk in Bus Box Excavation	March 2012	Closing Out De-Watering; Costs Being Finalized
8	DUSPA DBE Policy & Goal	February 2012	Pending Federal Review
9	Interpretive Display Projects – Phase I	May 2012	Phase I – Scope and Public Review/ Underway
10	Tail Track Plaza Design/Construction	June 2012	Defer & Pay w/Land Sale Proceeds; PSA Similar to Stair/Elevator; Underway; Sole Source
11	Funding Issues: Cost Allocations; Forecasts	On-going	WBS Forecasts On-going
12	Finalize North Wing Stair/Elevator Design	2 nd Qtr. 2012	Finalize Construction Set

DUSPA BUDGET REFORECAST AS OF SECOND QUARTER 2012

PROJECT BUDGET REFORECAST AS OF: 3 APRIL 2012
WITH PHASE ONE AND PHASE TWO SHOWN TO ACCOUNT FOR THE NEW BLOCK A & B SALE DATE

Line Items or Amounts that have changed since the 5 January 12 budget are shown as this color below:

Project Name: DENVER UNION STATION REDEVELOPMENT		Adjustments		Revised Budget	
Project Address: 1701 Wynkoop, Denver, Colorado 80202		29-Apr-10			
Potential Available Project Revenue Sources:					
PHASE ONE REVENUES / SOURCES OF FUNDS					
LINE #					
1	TIFIA Loan	\$145,593,048	\$6,952	\$145,600,000	
2	RRIF Loan	\$152,125,849	\$2,874,151	\$155,000,000	
3	Grants	\$102,984,752	\$101,790	\$103,086,542	
4	CDOT FASTER Grant	\$0	\$4,000,000	\$4,000,000	
5	RTD Commitment	\$40,832,729	\$0	\$40,832,729	
6	New Money to be contributed by RTD	\$0	\$2,636,951	\$2,636,951	
7	New Money to be contributed by AMTRAK	\$0	\$325,503	\$325,503	
8	Miscellaneous Revenue (USNC, Xcel, Comcast, Sprint, S. Wing Bldg, Zecolo)	\$0	\$718,400	\$718,400	
9	Land Sales (Market Street, North Wing, South Wing, Triangle)	\$38,400,000	(\$20,000,000)	\$18,400,000	
10	Earnest Money Deposits for A & B Block	\$0	\$0	\$0	
11	CTV Infrastructure Bond Funds Transfer	\$1,084,029	(\$31,000)	\$1,053,029	
12					
13	TOTAL PROJECT REVENUES		\$481,020,407	(\$9,367,253)	\$471,653,154
14					
15					
PHASE ONE EXPENSES / USES OF FUNDS					
16			29-Apr-10	DELTA	Revised Budget
18					
19	Budget Item Description				
21	KIEWIT GMP COSTS				
22	LRT	\$20,781,197	\$0	\$20,781,197	
23	CRT	\$74,783,382	\$0	\$74,783,382	
24	Bus Box	\$113,125,932	\$0	\$113,125,932	
25	Streets	\$26,072,592	\$0	\$26,072,592	
26	Plazas	\$20,511,656	\$0	\$20,511,656	
27	100 Year Storm	\$5,325,241	\$0	\$5,325,241	
28	Contingency	\$20,000,000	\$0	\$20,000,000	
29	Escalation	\$12,000,000	\$0	\$12,000,000	
30	Project Specific E&O (non OCIP)	\$785,000	\$0	\$785,000	
31	Additional Bond Cost for 3 year warranty	\$150,000	\$0	\$150,000	
32	Warranty Call Back Costs for 3 year warranty	\$300,000	\$0	\$300,000	
33	G&A	\$19,099,283	\$0	\$19,099,283	
34	Fee	\$23,470,000	\$0	\$23,470,000	
35		336,404,283			
TOTAL GMP AT CONTRACT SIGNING:					
36					
37	Change Order 1 (executed)	\$485,620	\$0	\$485,620	
38	Change Order 2 (executed)	\$779,262	\$0	\$779,262	
39	Change Order 3 (LRT & CRT peer review design changes) (executed)	\$704,317	\$0	\$704,317	
40	Change Order 4 (no cost change order) (executed)	\$0	\$0	\$0	
41	Change Order 5 (LEED) (executed)	\$681,218	\$0	\$681,218	
42	Change Order 6 (snow melt / HOV detector / roundabout track / block G CTR / VDC & CCTV) (executed)	\$1,497,039	\$0	\$1,497,039	
43	Change Order 7 (railroad flagging allowance) (executed)	\$500,000	\$0	\$500,000	
44	Change Order 8 (allowance for contaminated soil (SJM) and water (\$500K)) (executed)	\$3,500,000	\$0	\$3,500,000	
45	Change Order 9 (rebo chiller; EIS #090293; shorter Amtrak Platform, etc) (executed)	\$0	\$636,913	\$636,913	
46	Change Order 10 (DBE #1 Sublet) (executed)	\$436,474	\$0	\$436,474	
47	Change Order 11 (TVRA Bus Box; Bus Box Drainage; Hotel Power; URA Work Orders) (executed)	\$0	\$605,936	\$605,936	
48	Change Order 12 (CCSI) (executed)	\$0	\$165,807	\$165,807	
49	Change Order 13 (fixed contractual TCO date) (executed)	\$0	\$0	\$0	
50	Change Order 14 (increase dewatering allowance by \$500K) (executed)	\$0	\$500,000	\$500,000	
51	Change Order 15 (NTE design number for track change layout in throat) (RTD to put this in)	\$0	\$478,880	\$478,880	
52	Change Order 16 (various items) (executed)	\$0	(\$5,087,620)	(\$5,087,620)	
53	Change Order 17 (increase amount of Amtrak Allowance) (executed)	\$0	\$950,000	\$950,000	
54	Change Order 18 (grading for UPRR in throat area) (executed)	\$0	\$33,666	\$33,666	
55	Change Order 19 (executed)	\$0	(\$580,787)	(\$580,787)	
56	Change Order 20 (executed) (Temp Amtrak Allowance to hard number)	\$0	\$3,323,043	\$3,323,043	
57	Change Order 21 (delay request for NTP) (executed)	\$0	\$8,187,148	\$8,187,148	
58	Change Order 22 (misc items including increase dewatering allowance) (executed)	\$0	\$1,194,566	\$1,194,566	
59	Change Order 23 (credit for not painting the mechanical room interior walls) (executed)	\$0	(\$169,379)	(\$169,379)	
60	Change Order 24 (Block B fabric construction impact, CRT canopy to DUS) (executed)	\$0	\$822,203	\$822,203	
61	Change Order 25 (bulletproof glass; ADA facilities; design to lower 19th St water line; DFD's PA) (executed)	\$0	\$460,367	\$460,367	
62	Change Order 26 (increase amount of Asbestos allowance for a second time) (executed)	\$0	\$150,000	\$150,000	
63	Change Order 27 (increase asbestos allowance for a third time) (executed)	\$0	\$500,000	\$500,000	
64	Change Order 28 (reversal of EIS mitigation items) (executed)	\$0	(\$401,514)	(\$401,514)	
65	Change Order 29 (delete stairs and elevator at N Wing Bldg) (executed)	\$0	(\$848,008)	(\$848,008)	
66	Change Order 30 (DTP / AECOM OCS coordination) (To be paid by new RTD money) (executed)	\$0	\$177,898	\$177,898	
67	Change Order 31 (various issues) (executed)	\$0	\$778,259	\$778,259	
68	Change Order 32 (increase the dewatering allowance) (executed)	\$0	\$850,000	\$850,000	
69	Change Order 33 (new boiler for DUS) (executed)	\$0	\$870,620	\$870,620	
70	Change Order 34 (RTD requested CRT under drains) (executed) (new RTD money)	\$0	\$339,080	\$339,080	
71	Change Order 35 (Early Shared Savings) (executed)	\$0	(\$2,306,969)	(\$2,306,969)	
72	Change Order 36 (AMTRAK request to lengthen temp track, platform) (executed) (new AMTRAK money)	\$0	\$309,865	\$309,865	
73	Change Order 37 (DTP requested items) (executed) (new RTD money)	\$0	\$435,657	\$435,657	
74	Change Order 38 (various items requested by RTD / DUSPA) (executed)	\$0	\$624,706	\$624,706	
75	Change Order 39 (delete Tail Tractor Plaza scope) (executed)	\$0	(\$1,013,951)	(\$1,013,951)	
76	Change Order 40 (increase to asbestos allowance) (executed)	\$0	\$700,000	\$700,000	
77	Change Order 41 (increase size of sanitary line for S. Wing) (new S. Wing money) (executed)	\$0	\$28,846	\$28,846	
78	Change Order 42 (various) (executed)	\$0	\$1,405,870	\$1,405,870	
79	Change Order 43 (Additional Amtrak temp station work) (executed)	\$0	\$15,638	\$15,638	
80	Change Order 44 (Additional Shared Savings) (executed)	\$0	(\$1,845,575)	(\$1,845,575)	
81	Change Order 45 (DTP requested items) (new RTD money) (executed)	\$0	\$1,171,770	\$1,171,770	
82	Change Order 46 (various: Redbird wall; Ped Bridge; Insect ramp & wall) (executed)	\$0	\$1,092,073	\$1,092,073	
83	Change Order 47 (additional stair / elevator credit) (executed)	\$0	(\$30,217)	(\$30,217)	
84	Change Order 48 (Millennium Bridge Plaza, Wevata utility designs for others, delete SS loading rails) (executed)	\$0	\$183,505	\$183,505	
85	Change Order 49 (LOI conversion to LS) (executed)	\$0	\$2,157,528	\$2,157,528	
86	Change Order 50 (Train Canopy Foundations along A & B Blocks) (pending)	\$0	\$455,297	\$455,297	
87	Change Order 51 (Extend Wevata median) (new Zecolo money) (proposed)	\$0	\$13,998	\$13,998	
88					
TOTAL GMP TO DATE:					
89					362,323,332
90					
91					
92	Additional General Conditions based upon a 9 month delay	\$7,000,000	(\$7,000,000)	\$0	\$0
93	CPV Infrastructure Assumption per DUSPA-CPV Agreement	\$1,084,029	(\$1,084,029)	\$0	\$0
94					
95	Change Order (delete Market Street storm scope; add throat storm sewer scope)	(\$4,699,845)	\$4,699,845	\$0	\$0
96	Change Order (VE Bus Box; moving walkways)	(\$1,300,000)	\$1,300,000	\$0	\$0
97	Change Order (A & B Block underbuild - deeper, wider canopies: DESIGN ONLY)	\$136,160	(\$136,160)	\$0	\$0
98	Change Order (Reduce Contingency / Escalation by \$4,500,000 plus fee / G&A)	(\$5,169,375)	\$5,169,375	\$0	\$0
99	Change Order (Ballasted tracks vs. direct fixation at CRT)	(\$700,000)	\$700,000	\$0	\$0
100	Change Order (relocate chiller)	\$533,839	(\$533,839)	\$0	\$0
101	Change Order (VE metal panels in bus box; don't paint mechanical rooms) (NOTE: Only not painting mesh rooms)	(\$650,000)	\$650,000	\$0	\$0
102	Change Order (Wevata Wall Foundation)	\$183,865	(\$183,865)	\$0	\$0
103	Change Order (shorten length of AMTRAK platform as per MOA)	(\$707,490)	\$707,490	\$0	\$0
104	Change Order (add PA system for emergency exits at CRT) (PR02 / CM032)	\$300,000	\$200,000	\$500,000	\$500,000
105	Change Order (placeholder for North & South Wing Precede clearing responsibilities)	\$500,000	(\$500,000)	\$0	\$0
106	Change Order (placeholder for visual imaging system requested by DFD)	\$0	\$150,000	\$150,000	\$150,000
107	Change Order (placeholder for return of unused portion of flagging allowance)	\$0	(\$247,000)	(\$247,000)	(\$247,000)
108	Transfer to Budget: new line item for differing site conditions at back of DUS after canopy removal	\$0	\$400,000	\$400,000	\$400,000
109	Transfer to Budget: new line item for FRC's design changes for OCS (PR28)	\$0	\$100,000	\$100,000	\$100,000
110	Transfer to Budget: new line item for Plaza @ Millennium Bridge / DaVita property line	\$0	\$0	\$0	\$0
111	Transfer to Budget: new line item for additional LOI scope added by DUSPA	\$0	\$0	\$0	\$0
112					
113	TOTAL GMP	\$341,062,922	\$22,163,410		\$363,226,332
114					

115	FINANCING COSTS			
116	TFHA Fees	\$456,000	(\$25,000)	\$431,000
117	RRFP Fees	\$200,000	\$0	\$200,000
118	Rating Fees	\$100,000	\$25,000	\$125,000
119	Financial Advisor	\$325,000	\$0	\$325,000
120	Feasibility Study Peer Review	\$26,470	\$0	\$26,470
121	Savings from within these Financing Cost line items	\$0	(\$450,000)	(\$450,000)
122	TOTAL FINANCING COSTS	\$1,107,470	(\$450,000)	\$657,470
123				
124	OWNER'S ALLOCATED CONTINGENCY			
125	Asbestos	\$150,000	(\$100,000)	\$50,000
126	Contaminated Soil	\$1,000,000	\$1,111,745	\$2,111,745
127	Utility Relocates	\$900,000	\$625,000	\$1,525,000
128	Desatiation and Water Quality	\$0	\$0	\$0
129	Deventering Treatment	\$0	\$1,500,021	\$1,500,021
130	Bike Lockers	\$100,000	(\$50,000)	\$50,000
131	RTD Furniture for Sales & Marketing	\$50,000	(\$12,500)	\$37,500
132	Shuttle Starter Booth	\$50,000	(\$50,000)	\$0
133	Tricket Vending Machines	\$750,000	(\$50,000)	\$700,000
134	Historic Assessment Grant Matching Funds	\$33,325	(\$33,325)	\$0
135	BIS Mitigation	\$807,818	(\$807,818)	\$0
136	Water and Sewer Taps (one 3", one 2", seven 3/4")	\$500,000	\$0	\$500,000
137	Threat and Vulnerability Requirements (steel plating of columns only)	\$350,594	(\$350,594)	\$0
138	LRT Peer Group Changes	\$285,979	(\$285,979)	\$0
139	LRT Peer Group Changes PR 98.1	(\$500,000)	\$0	\$0
140	Year Tube Changes	\$500,000	(\$500,000)	\$0
141	CRT Comply to Historic DUS PR 27	\$125,000	(\$125,000)	\$0
142	Light Bulb Supply Costs	\$650,000	(\$650,000)	\$0
143	Additional Amtrak Requirements	\$2,800,000	(\$2,800,000)	\$0
144	subtotal	\$8,552,716	(\$2,018,450)	\$6,534,266
145				
146	OWNER'S UNALLOCATED CONTINGENCY	\$10,000,000	(\$8,811,481)	\$1,188,519
147				
148	TOTAL OWNER'S CONTINGENCY	\$18,552,716	(\$10,829,931)	\$7,722,785
149				
150				
151	RTD COSTS AS OF 30 APRIL 2009			
152	CML Land Purchases	\$11,017,420	\$0	\$11,017,420
153	Architectural/Engineering	\$12,023,088	\$0	\$12,023,088
154	Public Process (CPL)	\$544,865	\$0	\$544,865
155	RTD Staff Costs to Date	\$419,543	\$0	\$419,543
156	USNC Developer Fees	\$4,200,000	\$0	\$4,200,000
157	Kiewit Preconstruction Fees	\$1,546,717	\$0	\$1,546,717
158	18th Street Tunnel	\$1,824,589	\$0	\$1,824,589
159	Xcel / Denver Water Early Utility Relocates	\$1,520,798	\$0	\$1,520,798
160	Early Environmental Work	\$3,979,900	\$0	\$3,979,900
161	BIS Prep (PB)	\$671,521	\$0	\$671,521
162	Systems Design to 30%	\$2,332,271	\$0	\$2,332,271
163	subtotal	\$40,080,712	\$0	\$40,080,712
164				
165	Additional RTD Costs	\$11,000,000	\$0	\$11,000,000
166	RTD Construction Management Fees	\$1,500,000	(\$1,500,000)	\$0
167	Union Station Overhead	(\$1,232,542)	\$1,232,542	\$0
168	Amtrak lease payments to RTD to offset Union Station Overhead (month 7 thru month 48)	\$5,000,000	\$0	\$5,000,000
169	PB Amendment #13	\$0	\$0	\$0
170	RTD's utility relocate costs for 18th Street Ped Bridge (Kiewit)	\$0	\$196,419	\$196,419
171	LRT Environmental Costs for 16th Street	\$0	\$40,004	\$40,004
172	AMTRAK Allowance for MOA #4 & #5	\$0	\$200,000	\$200,000
173	Comm at LRT	\$500,000	\$0	\$500,000
174	CRT Signals	\$12,000,000	(\$5,565,060)	\$6,434,940
175	Shuttle Vehicles	\$1,905,000	(\$5,000)	\$1,900,000
176	RTD controlled FASTER Grant Budget for DUS	\$0	\$4,000,000	\$4,000,000
177	RTD Accounting Fee	\$0	\$500,000	\$500,000
178	subtotal	\$30,672,458	(\$901,095)	\$29,771,363
179				
180	TOTAL RTD COSTS	\$70,753,170	(\$901,095)	\$69,852,075
181				
182	DUSPA COSTS			
183	Insurance (OCIP)	\$7,500,000	\$200,000	\$7,700,000
184	Legal Fees for DUSPA	\$2,000,000	\$1,500,000	\$3,500,000
185	Legal Fees for DOT	\$0	\$182,872	\$182,872
186	Directors & Officers Insurance for DUSPA	\$240,000	\$0	\$240,000
187	General & Administrative	\$144,129	(\$17,741)	\$126,388
188	Internal Audits	\$250,000	\$0	\$250,000
189	DUS Renovation - (including AMTRAK TT's / move; perm hearing system CM486, CM164) (See DUS Historic Structure-Receipt of Funds)	\$17,000,000	(\$16,895,001)	\$104,999
190	Lrt G Overbuild (Total Costs estimated to be \$5.5M) DESIGN & CONSTRUCT	\$2,500,000	(\$2,500,000)	\$0
191	Project Management Fees	\$5,940,000	(\$500,000)	\$5,440,000
192	Permittees	\$5,000,000	(\$700,948)	\$4,299,052
193	Public Art (match FTA grant)	\$300,000	\$0	\$300,000
194	USNC Developer Fees starting January 09	\$6,300,000	(\$1,155,000)	\$5,145,000
195	DUS Metro District Reimbursable Expenses (Per USNC Agreement)	\$400,000	\$0	\$400,000
196	Peer Review Group Stipend	\$20,000	\$0	\$20,000
197	Public Info Consultant	\$450,000	\$0	\$450,000
198	Payment to N Wing Bldg Group for stairs and elevator	\$0	\$878,217	\$878,217
199	Interpretive Signage	\$0	\$100,000	\$100,000
200	Third Party Testing and Inspections oversight / Peer Review Design reviews for selected construction activities	\$0	\$75,000	\$75,000
201				
202				
203				
204				
205	TOTAL DUSPA COSTS	\$48,044,129	(\$18,832,601)	\$29,211,528
206	ADDITIONAL LAND			
207	Ice House / 18th Street ROW	\$1,000,000	(\$275,000)	\$725,000
208	Temporary Easements	\$500,000	(\$440,000)	\$60,000
209	Pedestrian Transit Plaza 16th & Cheesnut at Millennium Bridge (\$52.40)	\$0	\$197,965	\$197,965
210				
211	TOTAL LAND COST	\$1,500,000	(\$517,035)	\$982,965
212				
213	SUB TOTAL ORIGINAL DUSPA PROJECT COSTS	\$481,020,407	(\$9,367,253)	\$471,653,154
214	check:			(\$0)
215				

216

Owner's Unallocated Contingency Uses

as of: 3 APRIL 2012

		Item Cost	Balance
217			
218			
219		LINE # 98	\$10,000,000
220			
221			
222	Change Order 9 - Credit for shorter platform was greater than anticipated	(\$6,098)	\$10,006,098
223	Change Order 9 - debit for bond premium	\$9,923,594	\$9,923,594
224		Balance thru Change Order 10:	
225			
226	Change Order 11 - Bus Box Under Slab Plumbing	\$166,687	\$9,756,907
227	Change Order 11 - Hotel Power Antenn Runaround Track	\$26,618	\$9,730,289
228	Change Order 11 - URA Work Orders	\$58,993	\$9,671,296
229		Balance thru Change Order 11:	
230			
231	Transfer to budget to cover preforecast changes as of 2nd Qtr 2010	\$4,978,432	\$4,692,864
232	Increase due to higher KRIF loan amount	(\$2,874,151)	\$7,567,015
233	Increase due to higher TIFA loan amount	(\$6,952)	\$7,573,967
234	Increase due to higher grant amounts	(\$101,790)	\$7,675,757
235		Balance thru 23 July 2010:	
236			
237	Change Order 16 ITS consultants	\$11,024	\$7,664,733
238	Change Order 16 CCD Comprehensive Sign Plan	\$8,767	\$7,655,966
239	Change Order 16 Concrete Rubble in Bus Box	\$9,599	\$7,646,367
240	Change Order 16 Additional LRT Signal House from FRSC	\$156,078	\$7,490,289
241	Change Order 16 18th Street TIS	\$21,448	\$7,468,841
242	Change Order 16 LPC Comments to back of DUS - Design and Construct	\$689,880	\$6,778,961
243	Change Order 16 Credit for Fee on Bond in previous change orders	(\$10,803)	\$6,789,764
244	Change Order 16 Rail realandng due to no UPRR easement	\$47,032	\$6,742,732
245		Balance thru Change Order 16:	
246			
247	Change Order 19 - stainless steel shutters	\$46,348	\$6,696,384
248	Change Order 19 - OCS Systems changes from FRSC PR28 - Design	\$88,481	\$6,607,903
249	Change Order 19 - Vent Tube lighting and metal	\$234,548	\$6,373,355
250	Change Order 19 - Wood ties TLO concrete at track 3 Wevatin wall foundation	\$13,186	\$6,360,169
251	Change Order 19 - redundant pumps for bus box mechanical system	\$101,170	\$6,258,999
252	Change Order 19 - additional credit from CRT post review changes	(\$109,087)	\$6,368,086
253		Balance thru Change Order 19:	
254			
255	Transfer to budget to increase budget amount for PA / Pene system required by DPD	\$350,000	\$6,018,086
256	Transfer to Budget for RTD's utility retentive case for 18th Street Ped Bridge (Kremer)	\$196,000	\$5,822,086
257		Balance of Contingency as of 21 December 16:	
258			
259	Change Order 22 - Payment of additional drug testing costs, as per OCTP	\$41,526	\$5,780,560
260	Change Order 22 - ABCOM design Rodrigo patio wall CM 360	\$95,701	\$5,684,859
261	Change Order 22 - RTD HOV fiber PR 36	\$252,105	\$5,432,754
262	Change Order 22 - Ped Bridge Changes PR 35 DESIGN ONLY	\$55,234	\$5,377,520
263	Change Order 24 - block b deletion over CRT and Ped Bridge; Construction impact PR @.1	\$519,594	\$4,857,926
264		Balance of Contingency as of 28 January 11:	
265			
266	Change Order 25 - Baller Proof Glass	\$42,990	\$4,814,936
267	Change Order 25 - ADA loading design	\$28,873	\$4,786,063
268	Change Order 25 - 19th Street water line lowering design	\$26,606	\$4,759,457
269	Transfer to budget to increase budget amount for contaminated soil	\$750,000	\$4,009,457
270	Balance Budget due to rebroadcast changes as of 2nd Qtr 2011	(\$4,000,000)	\$8,009,457
271	Transfer to budget to increase budget amount for contaminated water remediation	\$750,000	\$7,259,457
272		Balance of Contingency as of 7 April 11:	
273			
274	Change Order 27 - Increase asbestos allowance in GMP	\$500,000	\$6,759,457
275	Change Order 28 - reversal of EIS mitigation items	(\$401,514)	\$7,160,971
276	Change Order 29 - delete stairs and elevator at N Wing Bldg	(\$848,008)	\$8,008,979
277	Transfer to Budget for stairs and elevator from N Wing Bldg Group	\$848,008	\$7,160,971
278		Balance of Contingency as of 10 May 11:	
279			
280	Change Order 31 - Plaza at base of Millennium Bridge near DaVita - design (CM 423)	\$29,902	\$7,131,069
281	Change Order 31 - construct 7 handicapped parking spaces per CCD (CM434.1)	\$17,604	\$7,113,465
282	Change Order 31 - Utility Reloc at Triangle Property	\$91,867	\$7,021,598
283	Change Order 31 - CM464 / CCD 21 lower the 16" water line @CRT and 19th Street	\$138,728	\$6,882,870
284	Change Order 31 - PR 47 - add 3 DDC control points in bus box	\$36,358	\$6,846,512
285	Change Order 31 - CRT Automatic Dry Standpipes (CM503) NDC 126	\$83,463	\$6,763,049
286	Change Order 31 - redesign bus shuttle loop	\$18,767	\$6,744,282
287	Transfer to Budget: new line item for Interpretive Signage	\$100,000	\$6,644,282
288	Transfer to Budget: new line item for New Streetlights: Chestnut, Wevatin, LRT/HOV, 17th Street, 18th Street	\$500,000	\$6,144,282
289	Transfer to Budget: new line item for Third Party Testing and Inspections oversight / Peer Review Design reviews for selected construction activities	\$100,000	\$6,044,282
290	Transfer to Budget: new line item for Additional Project Transformers (to date we have bought 2 of 9)	\$525,000	\$5,519,282
291		Balance of Contingency as of 26 May 11:	
292			
293	Transfer from Budget: receipt of \$2M + mark up for early shared savings	(\$2,306,969)	\$7,826,251
294	Transfer from Budget: reduction in purchase price for 18th Street ROW	(\$700,000)	\$8,526,251
295	Transfer to Budget for additional asbestos costs	\$500,000	\$8,026,251
296	Transfer to Budget: new line item reducing Owners Contingency to offset some of the \$5M we are NOT getting now from Kievit, as agreed	\$1,000,000	\$7,026,251
297	Transfer to Budget: new line item for differing site conditions at back of DUS after canopy removal	\$2,000,000	\$6,826,251
298	Transfer to Budget: new line item for A & B Block underbuild construction costs (NDC 121)	\$500,000	\$6,326,251
299	Transfer to Budget: new line item for FRSC's design changes for OCS (PR28)	\$250,000	\$6,076,251
300	Transfer to Budget: new line item for Block G deletion construction price (PR39/ NDC 89)	\$500,000	\$5,576,251
301	Transfer to Budget: new line item for Plaza @ Millennium Bridge / DaVita property line	\$450,000	\$5,126,251
302	Transfer to Budget: new line item for CRT dry fire protection system versus wet	\$275,000	\$4,851,251
303	Transfer to Budget: new line item for additional LOI scope added by DUSPA	\$1,700,000	\$3,151,251
304	Transfer to Budget: new line item for Ped Bridge re-design (PR 35 / CRT A4)	\$500,000	\$2,651,251
305		Balance of Contingency as of 4 August 11:	
306			
307	Change Order 38 - State permits and fees paid by Kievit	\$26,117	\$2,625,134
308	Change Order 38 - Retaining walls at platforms 2 & 4	\$492,016	\$2,133,118
309	Change Order 38 - Enhanced Crosswalks	\$70,479	\$2,062,639
310	Change Order 39 - Delete Trail Tracks Plaza scope	(\$1,013,951)	\$3,076,590
311	Transfer to Phase Two Budget for Trail Tracks Plaza	\$1,013,951	\$2,062,639
312	Transfer to Budget for DOT legal fees	\$182,872	\$1,879,767
313		Balance of Contingency as of 6 October 11:	
314			
315	Transfer from Budget: receipt of 50% of 2nd issuance of early shared buy out savings	(\$1,845,575)	\$3,725,342
316	Change Order 42 - admin mod - design only for smoke curtains	\$63,199	\$3,662,143
317	Change Order 42 - root barrier credit	(\$44,608)	\$3,706,751
318	Change Order 42 - redesign for canopy removal (differing site conditions)	\$55,177	\$3,651,574
319	Change Order 42 - additional demo for CRT abandoned tunnels	\$97,449	\$3,554,125
320	Change Order 42 - transfer CCD's shortfall for back pipe issue at 72" storm pipe	\$44,109	\$3,510,016
321	Change Order 46 - 18th Street Rodrigo Patio Wall construct NDC 123	\$194,633	\$3,315,383
322	Transfer from Budget for savings on Millennium Plaza and A&B Foundations	(\$245,998)	\$3,561,381
323	Transfer to Phase Two Budget for deferred future parking	\$761,609	\$2,799,772
324		Balance of Contingency as of 5 January 2012:	
325			
326	Transfer to Budget for additional contaminated soil costs	\$1,200,000	\$1,599,772
327	Transfer to Budget for additional deviating costs	\$191,750	\$1,408,022
328	Change Order 48 - Chestnut Utility design & coordination	\$48,400	\$1,359,622
329	Change Order 48 - remove stainless steel leaning rails	(\$28,897)	\$1,388,519
330	Transfer to Budget for additional AM/PAK Allowances associated with MOA #4 & #5	\$200,000	\$1,188,519
331		Balance of Contingency as of 3 April 2012:	
332			
333			
334			
335	Potential Contingency Uses		
336	Shrine, Pavilion, smoke curtain from Bus Box Admin Mod - Construction Cost	\$150,000	\$1,038,519
337	Replace one 900 gallon and one 1400 gallon grease traps with two 2000 gallon grease traps	\$95,000	\$943,519
338	cell phone upgrades for bus box	\$150,000	\$793,519
339	Small tools and Equipment for RTD Operating Engineers	\$100,000	\$693,519
340	Workshop Plaza - unknown subsurface conditions	\$25,000	\$668,519
341	Workshop Plaza Additional Drainage issue	\$150,000	\$518,519
342	Kievit Relocation Costs from DUS to 772 due to Team USA	\$25,000	\$493,519
343	Kievit T Costs for new space 77 due to Team USA	\$250,000	\$243,519
344	Kievit Rent in new space 77 due to Team USA	\$200,000	\$43,519
345	Bus Box LED functions	\$0	\$43,519
346	Erosion Control for CPV	\$0	\$43,519
347	Vibration Monitoring	\$0	\$43,519
348			
349	ENDING BALANCE:	check: \$0	\$43,519
350			
351	TOTAL POTENTIAL CONTINGENCY USES	\$9,956,481	\$43,519
352			
353			

Remaining Unallocated Contingency if all potential uses are implemented

\$43,519

PHASE TWO REVENUES / SOURCES OF FUNDS				3 APRIL 2012	DELTA	Revised Budget
355						
356						
357						
358				\$0	\$0	\$0
359				\$0	\$0	\$0
360				\$0	\$0	\$0
361				\$0	\$0	\$0
362				\$0	\$0	\$0
363				\$0	\$0	\$0
364				\$0	\$0	\$0
365				\$0	\$18,500,000	\$18,500,000
366				\$0	\$1,500,000	\$1,500,000
367				\$0	\$0	\$0
368				\$0	\$0	\$0
369				\$0	\$20,000,000	\$20,000,000
TOTAL PROJECT REVENUES				\$0	\$20,000,000	\$20,000,000

374	PHASE TWO EXPENSES / USES OF FUNDS	3 APRIL 2012	DELTA	Revised Budget
375	Deferred Scope to add back in upon receipt of phase two revenues			
376	Tail Tracks Plaza	\$0	\$1,013,951	\$1,013,951
377	Future (Temp) Parking	\$0	\$1,204,471	\$1,204,471
378	CRT Signals	\$0	\$5,565,060	\$5,565,060
379	Remaining DUS Budget (less boilers, FASTER Grant, and Local Match)	\$0	\$11,061,518	\$11,061,518
380	Remaining USNC fees(Oct 2011-June 2013)	\$0	\$1,155,000	\$1,155,000
381		\$0	\$0	\$0

383	TOTAL PROJECT REVENUES	\$0	\$20,000,000	\$20,000,000
384				\$0

386

AMOUNT STILL TO DEFER: \$0

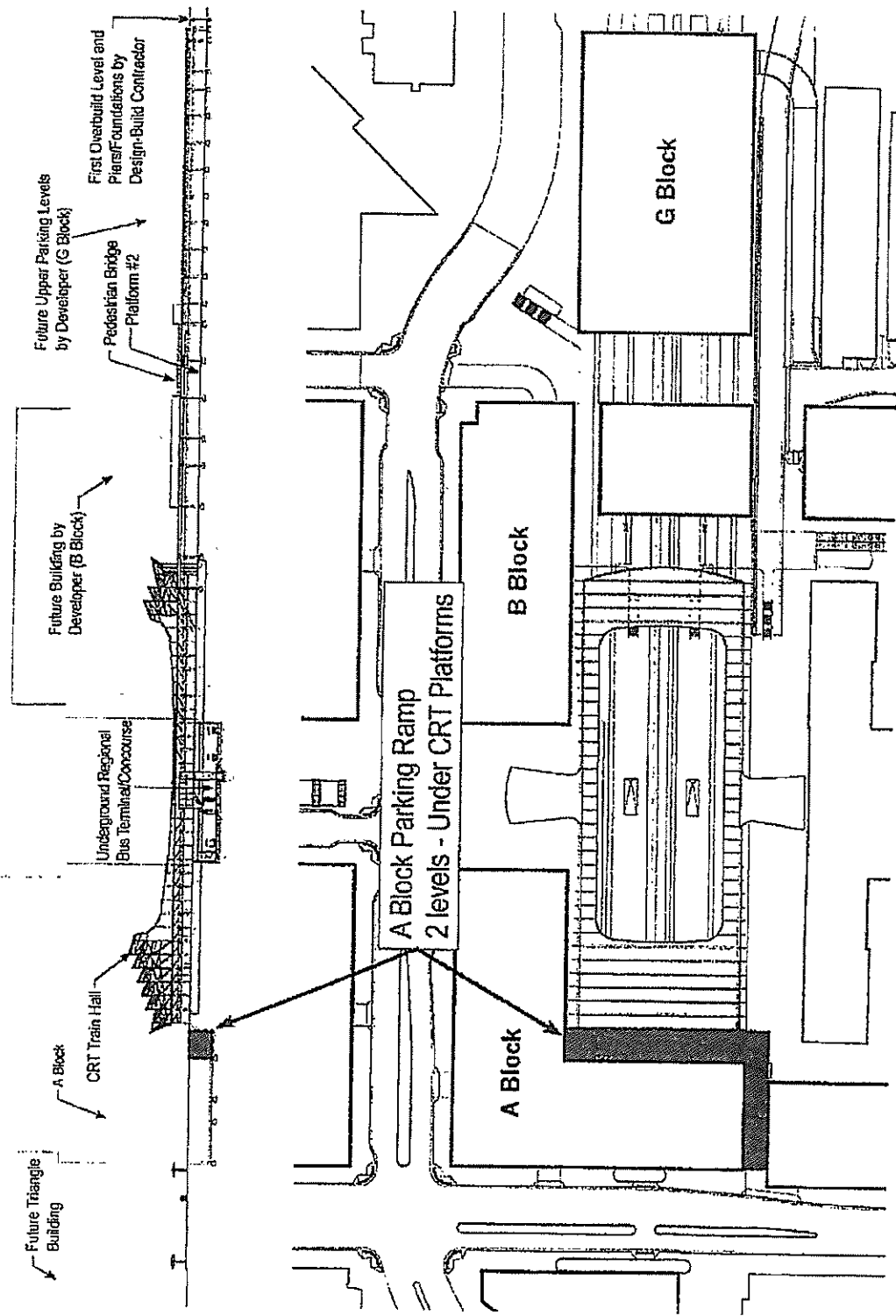
401

DUS HISTORIC STRUCTURE-RECAP OF FUNDS

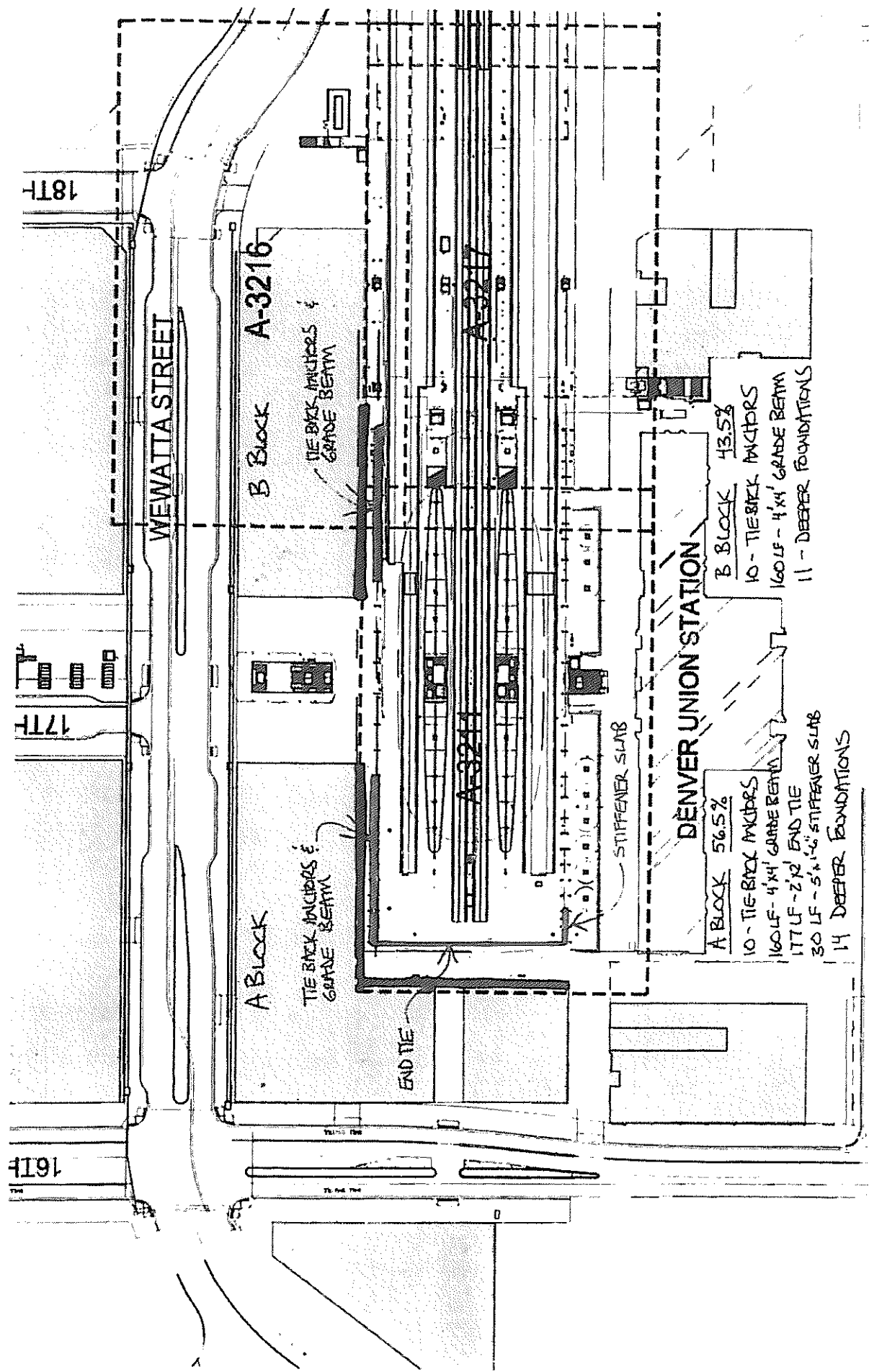
405	DUS HISTORIC STRUCTURE BUDGET STATUS				3 APRIL 2012	USE	Remaining Budget
406							
407	Original Budget				\$17,000,000	\$0	\$17,000,000
408	Toiletter Installation actual expense				\$0	\$864,122	\$16,135,878
409	Boiler Peer Review Services				\$0	\$8,654	\$16,127,224
410	Historic Match				\$0	\$33,325	\$16,093,899
411	Historic DUS Restaurant Sign				\$0	\$8,000	\$16,085,899
412	Wall and Ramp at ped tunnel opening (to be completed 1st Qtr 2012)				\$0	\$24,380	\$16,061,519
413	AMTTRAK TI Allowance / Move back into DUS (placeholder				\$0	\$1,000,000	\$15,061,519
414					\$0	\$0	\$15,061,519
415							
416	REMAINING AMOUNT OF UNCOMMITTED BUDGET, as of:				3 APRIL 2012		\$15,061,519

NOTE: see the most current WBS for the exact source of the remaining funds. However, \$4M comes from CDOT's FASTER Grant, and \$11.04M comes from land sale proceeds.

ATTACHMENT 4
OVERBUILD BELOW-GRADE LEVEL

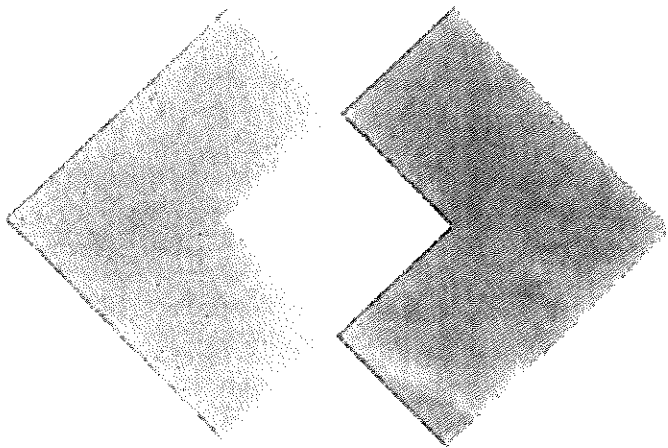


ENTANCED TRAIN HALL FOUNDATIONS



Blumberg No. 5137

Exhibit
B



DEPARTMENT OF FINANCIAL SERVICES

REPORT TO GOVERNANCE

**Resulting from the 2011
Financial Statement Audit**



Rubin Brown

Raise Your Expectations



RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Board of Directors
Denver Union Station
Project Authority
Denver, Colorado

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Dear Members of the Board:

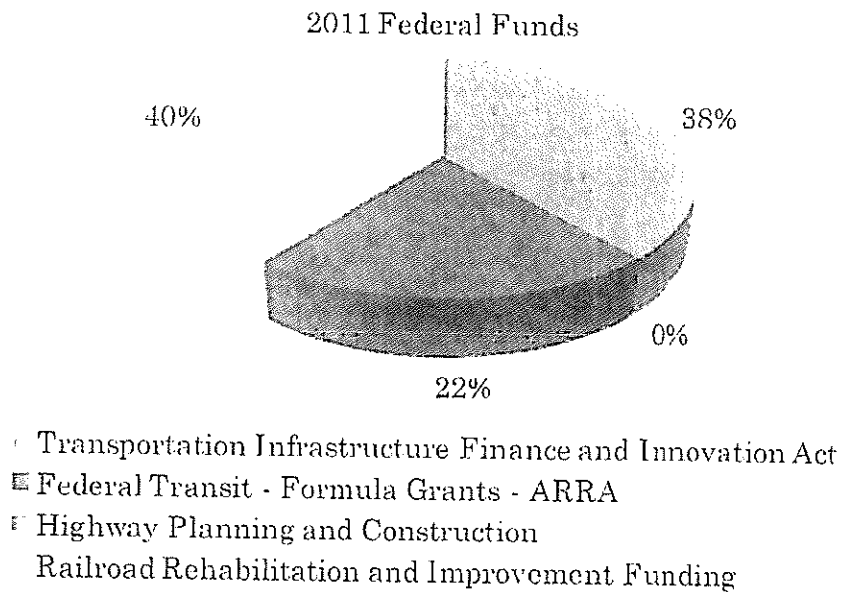
As part of the 2011 Denver Union Station Project Authority (Authority) financial statement audit, we reviewed the Authority's internal control structure. This review was limited and not necessarily designed or intended to disclose errors, irregularities, or fraud that might occur. However, we were able to compile the following report based on our observations.

The following report is divided into three sections: *Financial Analyses, Changes in the Past Year*, and *Advisory Comments and Suggestions*.

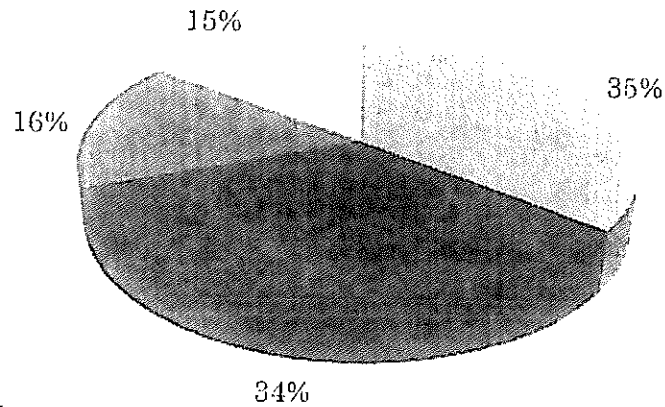
FINANCIAL ANALYSES

This section of the report graphically displays some of your financial trends. These graphs may help visualize the data presented in the financial statements.

The first two graphs illustrate the various sources of federal funds for 2010 and 2011. There were no American Recovery and Reinvestment Act (ARRA) funds received in 2011.



2010 Federal Funds



- 34% Transportation Infrastructure Finance and Innovation Act
- 35% Federal Transit - Formula Grants - ARRA
- 16% Highway Planning and Construction
- 15% Railroad Rehabilitation and Improvement Funding

	2011		2010	
Transportation Infrastructure Finance and Innovation Act	\$ 34,263,797	38%	\$ 32,450,659	35%
Federal Transit - Formula Grants - ARRA		0%	30,919,000	34%
Highway Planning and Construction	19,719,716	22%	14,755,230	16%
Railroad Rehabilitation and Improvement Funding	35,485,300	40%	13,806,026	15%
Total Federal Grant Revenues	<u>\$ 89,468,813</u>	<u>100%</u>	<u>\$ 91,930,915</u>	<u>100%</u>

CHANGES IN THE PAST YEAR

• GRANT DEBARMENTS COMPLIANCE

The Authority implemented a vendor debarment or suspension process, as required by the Office of Management and Budget (OMB) A-133 Compliance Supplement. We commend the Authority for ensuring compliance with this requirement.

• BUDGET REQUIREMENT

The Master Trust Indenture requires the Authority to establish and adopt a budget by November 15 of each year. In 2011, the Authority did approve the budget by the deadline. We applaud the Authority for enhancing the budget process.

ADVISORY COMMENTS AND SUGGESTIONS

In this section, we identified other items that came to our attention during the course of our financial statement examination we believe should be addressed by you. We hope these items will be received in the constructive manner intended.

DOCUMENTATION OF REPORT REVIEW

Federal grant reporting is an important element of the compliance requirements for grants. During our testing of cash required reporting for federal grants, we noted there was not documentation of review of the reports before they are submitted to the funding agencies. Without evidence of the review of these reports, the Authority could be at risk that the reports are not reviewed and amounts reported could be misstated.

CARRIED FORWARD FROM THE PRIOR YEAR

Timeliness of Vendor Payments

During our testing of cash disbursement transactions, we noted several instances where vendors were not being paid within 30 days of receipt of the invoice. Not paying invoices in a timely manner may result in late fees being charged to the Authority.

Board of Directors
Denver Union Station Project Authority
Page 6

CONCLUDING REMARKS

The purpose of the audit was to express an opinion on the financial statements, but not to express an opinion on the effectiveness of the Authority's internal controls over financial reporting. Therefore, we do not express an opinion on the effectiveness of the Authority's internal controls.

This report is intended solely for the information and use of the Board of Directors and management. It is not intended to be, and should not be, used by anyone other than these specified parties.

If you have any questions about this report, or if you need assistance with any other matters, please contact Cheryl Wallace, Katherine Maher, or Holly Wren. We can be reached by phone at 303.698.1883, or by email at cheryl.wallace@rubinbrown.com.

RubinBrown LLP

March 26, 2012

*DENVER UNION STATION
PROJECT AUTHORITY*

FEDERAL AWARDS REPORTS IN
ACCORDANCE WITH THE SINGLE
AUDIT ACT AND OMB CIRCULAR A-133

DECEMBER 31, 2011

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS



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Board of Directors
Denver Union Station Project Authority
Denver, Colorado

Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the governmental activities and the major fund of the Denver Union Station Project Authority (Authority), as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Board of Directors
Denver Union Station Project Authority

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated March 26, 2012.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

March 26, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133



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Denver, Colorado

Report on Compliance with Requirements That Could Have a Direct and
Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133

Independent Auditors' Report

Compliance

We have audited the Denver Union Station Project Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2011. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

Board of Directors
Denver Union Station Project Authority

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Board of Directors
Denver Union Station Project Authority

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities and the major fund of the Authority as of and for the year ended December 31, 2011 and have issued our report thereon dated March 26, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

March 26, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DENVER UNION STATION PROJECT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2011

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	<u>✓</u> no
Significant deficiency(ies) identified?	_____ yes	<u>✓</u> none
reported		
Noncompliance material to financial		
statements noted?	_____ yes	<u>✓</u> no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	<u>✓</u> no
Significant deficiency(ies) identified?	_____ yes	<u>✓</u> none
reported		

Type of auditors’ report issued on compliance for major programs:	Unqualified
--	-------------

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ yes	<u>✓</u> no
--	-----------	-------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster (Federal-Aid
20.223	Highway Program)
	Transportation Infrastructure Finance and Innovation Act
	(TIFIA)
20.316	Railroad Rehabilitation and Improvement Financing (RRIF)

Dollar threshold used to distinguish between Type A and Type B programs:	\$591,591
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Auditee qualified as low-risk auditee?	_____ yes	<u>✓</u> no
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DENVER UNION STATION PROJECT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2011

Section II – Financial Statement Findings

No financial statement findings for the year ended December 31, 2011.

DENVER UNION STATION PROJECT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2011

Section III – Federal Award Findings and Questioned Costs

No federal award findings and questioned costs for the year ended December 31, 2011.

DENVER UNION STATION PROJECT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2011

Section IV – Prior Audit Findings and Questioned Costs

Federal Programs: 2010-01 - CFDA 20.507 Federal Transit - Formula Grant (Urbanized Area Formula Program), CFDA 20.507 Federal Transit - Formula Grant (Urbanized Area Formula Program) - ARRA, 20.205 Highway Planning Construction, 20.223 Transportation Infrastructure Finance and Innovation Act (TIFIA), 20.316 Railroad Rehabilitation and Improvement Financing (RRIF)

Federal Agency: US Department of Transportation

Criteria: Per the Procurement, Suspension, and Debarment compliance requirement, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the government-wide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (e.g., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR Section 180.300).

Condition: The Authority does not check to see if a vendor is on the debarment or suspended list before it enters into a transaction.

Questioned Costs: Not applicable.

Context: The Authority does not check to see if a vendor is on the debarment or suspended list before it enters into a transaction. None of the vendors are on the debarment or suspended listing.

DENVER UNION STATION PROJECT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2011

Section IV – Prior Audit Findings and Questioned Costs (Continued)

Effect: Without thorough reviews, inappropriate costs may be charged to the federal grant, possibly leading to misuse of federal funds, repayment of grant monies, and loss of grant funding.

Cause: There is not sufficient review of all vendors to ensure they are not on the debarment or suspension list.

Recommendation: We recommend the Authority implement procurement policies to have vendors related to federal grants be appropriately reviewed for suspension or debarment through the Excluded Parties List System website before the transaction in excess of \$25,000 occurs. In addition, we recommend this review be properly documented.

Views of Responsible Officials and Planned Corrective Actions: The Authority acknowledges the audit finding and agrees to include the requirement of reviewing the Excluded Parties Listing System for vendors that may be debarred or suspended, prior to awarding contracts that will be paid with federal funds. The issue has been addressed, and a procedure implemented to include the review of the Excluded Parties Listing System to ensure vendors associated with the Authority are not debarred. The Authority agrees to comply with the OMB Compliance Supplement.

Follow-Up: During the current audit period, we tested client excluded party list forms for all vendors. We checked the debarment list and noted the client had verified all vendors were not on the list. This finding is considered resolved.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DENVER UNION STATION PROJECT AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/ Pass-Thru Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
US Department of Transportation Federal Highway Administration Highway Planning and Construction Cluster (Federal-Aid Highway Program) Pass-Thru Program from: Regional Transportation District	20.205	10-HA6-15859	\$ 19,719,716
US Department of Transportation Federal Highway Administration Transportation Infrastructure Finance and Innovation Act (TIFIA)	20.223	**	34,263,797
Total US DOT Federal Highway Administration			<u>58,983,513</u>
US Department of Transportation Federal Railroad Administration Railroad Rehabilitation and Improvement Financing (RRIF)	20.316	**	35,485,300
Total US DOT Federal Railroad Administration			<u>35,485,300</u>
Total Expenditures of Federal Awards			<u>\$ 89,468,813</u>

See the accompanying notes to the schedule of expenditures of federal awards.

DENVER UNION STATION PROJECT AUTHORITY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2011

NOTE 1: BASIS OF PRESENTATION

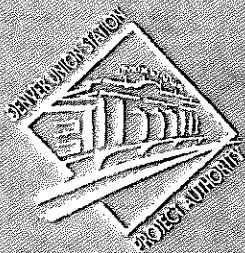
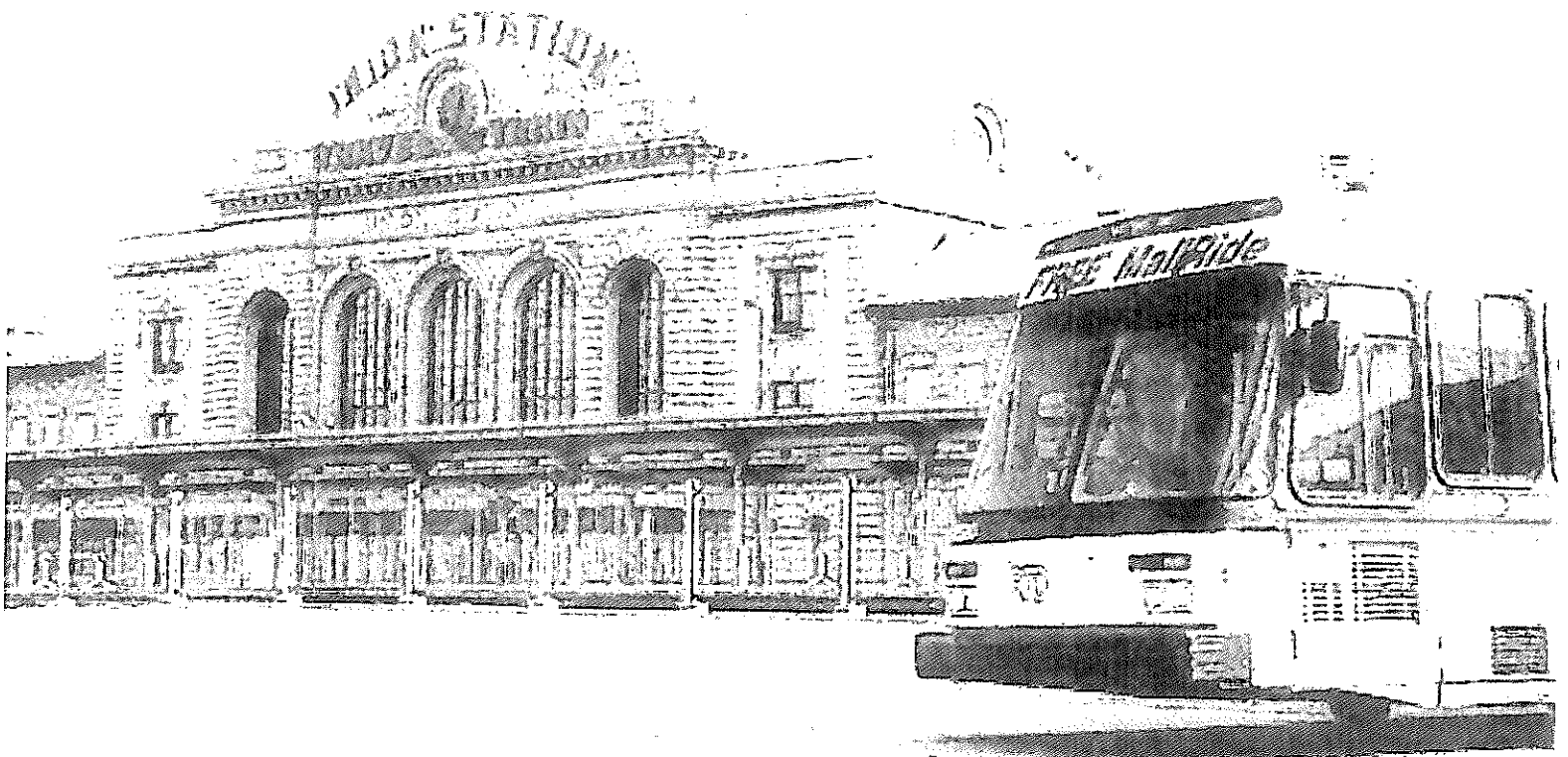
The accompanying schedule of expenditures of federal awards includes the federal grant activity of Denver Union Station Project Authority (Authority) and is presented on the accrual basis of accounting. The information in the accompanying schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from the amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2: SUBRECIPIENTS

There were no subrecipients.

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING 1997



Denver Union Station Project Authority
A Component Unit of the City and County of Denver

C/O Trammell Crow Company | 1225 17th Street, Suite 3050 | Denver, CO 80202 | 303-628-7444

DENVER UNION STATION PROJECT AUTHORITY

A Component Unit of the City and County of Denver

DENVER, COLORADO

ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2011

Prepared by Finance Department

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INTRODUCTORY SECTION

Denver Union Station Project Authority

April 28, 2012

Ms. Cary Kennedy

Treasurer

Denver Union Station Project Authority



The City and County of Denver (CCD) and creditors of the Denver Union Station Project Authority (Authority) require the Authority to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for each fiscal year end. Pursuant to that requirement, we hereby issue the annual financial report of the Authority for the fiscal year ended December 31, 2011.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The Authority's financial statements have been audited by RubinBrown, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended December 31, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Authority's financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited entity's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are in the Authority's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

THE AUTHORITY

The Denver Union Station Project Authority was established in July 2008 by the Denver City Council and is responsible for the financing, acquiring, equipping, designing, constructing, renovating, operating, and maintaining the Denver Union Station redevelopment project (Project). The Authority is a not-for-profit corporation organized pursuant to Colorado statutes. It has been created with the single purpose of undertaking the planned improvements and will not function as a general purpose government. The Authority has no employees, but contracts for professional services and support central to its mission. Trammel Crow Companies is the owner's representative responsible for the oversight and daily management of the Project.

The Authority is organized as a Colorado non-profit corporation. The Authority is governed by a 13 member Board of Directors appointed as follows: six directors are appointed by the mayor of the CCD, two directors are appointed by the Regional Transportation District (RTD), one is appointed by the Denver Regional Council of Governments (DRCOG), one is appointed by the Denver Union Station Metropolitan District (DUSMD), one is appointed by the Colorado Department of Transportation (CDOT) and two are CCD employees who serve as non voting members.

The Project is a multi-modal transportation hub project in Denver, Colorado which includes light rail, commuter rail and regional bus facility improvements and renovation of the Denver downtown train station that, in total, is currently budgeted to cost \$489,959,376 to complete. Four government entities have been involved in the planning of the Project and the creation of the Authority: CCD, CDOT, RTD and DRCOG. The Project's improvements will be owned principally by RTD who will maintain and operate the improvements once the Project is completed. CCD will own certain Project infrastructure. Project improvements that will be owned by CCD are maintained as capital assets by the Authority since they are a component unit of CCD while Project improvements that will be owned by RTD are expensed as incurred.

Construction of the Project is being funded through grant revenues in the amount of \$107,439,941, loan proceeds in the amount of \$300,600,000, and local contributions of \$81,919,435 for a total planned Project cost of \$489,959,376. The development of the area surrounding the multi-modal transportation hub was organized under the Denver Downtown Development Authority. This entity has established a tax-increment district which will capture increased property and sales tax revenue created from the development of this land area. These taxes in addition to an RTD bond issued to the Authority in the amount of \$167,954,114 and payable to the Authority over 30 years will be used to repay the outstanding debt the Authority will incur.

FINANCIAL INFORMATION

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft, or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Authority has designed its internal control structure to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control should not exceed the benefit.

Single Audit: As a recipient of federal assistance, the Authority is responsible for ensuring that an adequate internal control structure is instituted to ensure compliance with applicable laws and regulations related to those programs.

As part of the Authority's single audit, tests are made to determine the adequacy of the internal control structure; including that portion related to federal financial assistance programs as well as to evaluate the Authority's compliance. The Authority's single audit for the fiscal year ended December 31, 2011 found no instances of material weakness in the internal control structures of applicable laws and regulations. A separate report was prepared for this purpose.

Acknowledgements: Preparation of the annual financial report on a timely basis was made possible by the dedicated services of the entire staff.

Finally, without the leadership and support of the members of the Authority's Board of Directors, preparation of this report would not have been possible.

Respectfully submitted,

Libby Cox

Senior Accountant, Denver Union Station Project Authority

FINANCIAL SECTION



Board of Directors
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Denver, Colorado

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Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities and the major fund of the Denver Union Station Project Authority (Authority) as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Authority's December 31, 2010 financials, which were audited by BONDI & Co. LLC, who merged with RubinBrown LLP as of June 1, 2011, and whose report dated April 27, 2011 expressed unqualified opinions on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of December 31, 2011 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Denver Union Station Project Authority

As discussed in Note 1 to the basic financial statements, the Authority adopted Governmental Accounting Standards Board Statement No. 54 as of and for the year ended December 31, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

RubinBrown LLP
March 26, 2012

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Management's Discussion and Analysis
December 31, 2011

The management of the Denver Union Station Project Authority (Authority) offers readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ending December 31, 2011 and 2010. This discussion and analysis is designed to assist the reader to focus on significant financial activities and identify any significant changes in the financial position of the Authority. It should be read in conjunction with the financial statements that follow this section.

Financial Highlights

On July 23, 2010, the Authority secured Project funding through various funding sources. The funding sources include federal loans from the Railroad Rehabilitation and Improvement Financing Program (RRIF) and Transportation Infrastructure Finance and Innovation Act (TIFIA), a bond issued by the Regional Transportation District (RTD) and future RTD land sale proceeds, tax increment revenues from the City and County of Denver (CCD) as well as various federal and local grants.

As of December 31, 2011, and 2010 total assets of the Authority exceeded its liabilities by \$58,010,811 and \$63,987,090, respectively. The amount of restricted net position as of December 31, 2011 was \$56,586,223 compared to the restricted net position as of December 31, 2010 of \$61,776,583. As of December 31, 2011 and 2010, the Authority had capital assets net of related debt of \$1,424,588 and \$2,210,507 respectively.

The net position decreased by \$5,976,279 during 2011. The decrease in net position is due to the increased borrowing to fund the Project. In 2010 the net position increased by \$95,833,076 that was largely due to the investment in the RTD bonds in the par amount of \$167,954,114 for the development of the Project. The bond proceeds will be received by the Authority over thirty years and will be used to service outstanding debt.

The Authority's total debt increased in 2011 to \$114,122,408 from \$59,870,088 in 2010. Total debt consists of long term debt of \$111,735,514 of debt borrowings and \$2,386,894 of accrued interest. The increase in long-term debt resulted from additional borrowings under the loan agreements with RRIF and TIFIA to fund construction of the Project offset by the payments made on the RTD Loan. As part of the TIFIA loan agreement, 92.5% of the interest accrued is deferred until completion of the project.

For the year ending December 31, 2011, total expenditures of \$104,893,516 exceeded total revenues and other financing sources of \$98,917,237 resulting in a reduction in net position of \$5,976,279. Revenues for 2011 consisted of program revenues of \$88,552,077 from grant funds and contributions and general revenues of \$10,365,160 consisting of interest income from the RTD bonds and tax revenue from the tax increment district. Other financing sources of \$65,478,829 were a result of the additional borrowing during the year. For the year 2010, total revenues and other financing sources exceeded expenses resulting in an increase in net position of \$95,833,076 primarily due to the recognition of the investment in the RTD Bond.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Management's Discussion and Analysis
December 31, 2011

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 and consists of (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the Authority's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as an underlying event giving rise to the change occurs, *regardless of when cash is received or paid*.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on current inflows and outflows of available resources*, as well as on *balances of unrestricted resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in net position provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Financial Analysis

Condensed Financial Information – Condensed financial information from the Statement of Net Position and Statement of Activities and Changes in Net Position is presented below.

Statement of Net Position. The statement of Net Position presents information on the assets and liabilities which, over time, serve as a useful indicator of the Authority's financial position.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Management's Discussion and Analysis
December 31, 2011

	2011	2010	2009
Assets:			
Current Assets	\$ 19,070,124	\$ 20,229,846	\$ 5,333,387
Noncurrent Assets	171,683,790	168,379,786	-
Capital Assets	9,441,153	4,434,219	-
Total Assets	<u>200,195,067</u>	<u>193,043,851</u>	<u>5,333,387</u>
Liabilities:			
Current Liabilities	28,061,848	69,186,673	14,687,065
Noncurrent Liabilities	114,122,408	59,870,088	22,492,308
Total Liabilities	<u>142,184,256</u>	<u>129,056,761</u>	<u>37,179,373</u>
Net Position:			
Invested in Capital Assets, Net of Related Debt	1,424,588	2,210,507	-
Restricted	56,586,223	61,776,583	-
Total Net Position (Deficit)	<u>\$ 58,010,811</u>	<u>\$ 63,987,090</u>	<u>\$ -</u>

Assets

Current Assets – Current assets as of December 31, 2011 were \$19,070,124 compared to \$20,229,846 in 2010. There were no significant changes in current assets from 2010 to 2011. Receivables in 2011 of \$15,523,564 represent 81% of the total current assets while receivables in 2010 of \$17,112,181 represented 85% of the total current assets. The decrease in 2011 is primarily attributable to the timely collection of grant funds.

Noncurrent Assets – Noncurrent assets as of December 31, 2011 were \$171,683,790 compared to \$168,379,786 as of December 31, 2010. The increase in noncurrent assets was largely a result of the Investment in RTD Bonds. The Authority entered into an agreement in July 2010 in which RTD issued a bond in the par amount of \$167,954,114 payable to the Authority to provide partial funding for construction of the Project in which RTD will assume ownership of certain assets during construction. The terms of the bond agreement require RTD to make semi-annual principal and interest payments of \$6,003,244 through 2040. The coupon rate on the Bond is a fixed rate of 5.85%. The Authority received \$2,244,973 and \$1,090,587 of bond principal payments from RTD in 2011 and 2010, respectively.

Capital Assets – The Authority is constructing certain Project elements that will transfer ownership to CCD at the Project's completion. These Project elements include street and public area improvements and are considered assets of the Authority until such time as the transfer is completed. During 2011, the Authority constructed an additional \$5,006,934 of CCD Project elements bringing the balance to \$9,441,153 as of December 31, 2011.

Denver Union Station Project Authority
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Management's Discussion and Analysis
December 31, 2011

Liabilities

Current Liabilities – Current Liabilities were \$28,061,848 as of December 31, 2011 which was a decrease from 2010 of \$69,186,673. In July 2010, RTD issued a bond to the Authority in the par amount of \$167,954,114. The bond was issued in return for RTD's portion of the Project construction funding commitment of \$208,786,053 consisting of the bond and \$40,831,939 in other RTD funding. As of December 31, 2010, \$121,175,112 of the Project had been completed resulting in a remaining construction obligation to RTD of \$46,779,002. This obligation was satisfied in full in 2011.

Noncurrent Liabilities – Noncurrent liabilities were \$114,122,408 as of December 31, 2011 compared to \$59,870,088 as of December 31, 2010. The balance is comprised of principal and interest obligations on loans from RRIF and TIFIA in which funds are drawn for construction of the Project. The TIFIA agreement requires compounded deferral and capitalization of interest costs incurred exceeding 7.5% of annual interest expense.

Net Position – Net position decreased in 2011 by \$5,976,279 compared to an increase of \$95,833,076 in 2010. Net position for 2011 is comprised of Invested in Capital Assets, net of related debt in the amount of \$1,424,588 and restricted net position of \$56,586,223. Net position for 2010 was comprised of Invested in Capital Assets, net of related debt in the amount of \$2,210,507 and restricted net position of \$61,776,583. The decrease in Net Position in 2011 is primarily due to project expenditures funded by debt borrowings from the RRIF and TIFIA loans.

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December 31, 2011

Statement of Activities and Changes in Net Position. The following summary of revenues, expenses, and changes in net position shows how the activities of the Authority affected net position.

	2011	2010	2009
Expenditures/Expenses			
Project Expenditures	\$ 89,724,001	\$ 134,683,884	\$ 31,691,955
Professional Fees	2,364,060	2,395,568	116,651
General and Administrative	3,579	44,584	648
Insurance	1,591,341	1,312,826	38,000
Interest	11,210,535	2,996,474	-
Total Expenditures/Expenses	<u>104,893,516</u>	<u>141,433,336</u>	<u>31,847,254</u>
Program Revenue			
Capital Grant and Contributions	<u>88,552,077</u>	<u>227,859,084</u>	<u>-</u>
Total Program Revenues	<u>88,552,077</u>	<u>227,859,084</u>	<u>-</u>
Excess (Deficiency) of Program Revenues Over (Under) Expenditures	<u>(16,341,439)</u>	<u>86,425,748</u>	<u>(31,847,254)</u>
General Revenue			
Interest Income	9,709,127	9,011,904	1,268
Tax Revenue	<u>656,033</u>	<u>395,424</u>	<u>-</u>
Total General Revenues	<u>10,365,160</u>	<u>9,407,328</u>	<u>1,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,976,279)</u>	<u>95,833,076</u>	<u>(31,845,986)</u>
Change In Net Position	<u>(5,976,279)</u>	<u>95,833,076</u>	<u>\$ (31,845,986)</u>
Net Position - Beginning of Year	<u>63,987,090</u>	<u>(31,845,986)</u>	<u>-</u>
Net Position - End of Year	<u><u>\$ 58,010,811</u></u>	<u><u>\$ 63,987,090</u></u>	<u><u>\$ (31,845,986)</u></u>

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Expenditures/Expenses

Project Expenditures – Project expenditures represent construction expenditures of funds from sources other than RTD and were \$89,724,001 for the year ending December 31, 2011 compared to \$134,683,884 for the year ending December 31, 2010. These expenditures represented 86% and 95% of the total expenditures and expenses incurred for 2011 and 2010, respectively.

Revenue

Program Revenue – Program revenues of \$88,552,077 for 2011 and \$227,859,084 for 2010 consist of federal and local grants and other contributions secured through the funding agreement completed in July 2010. Additional grant funds were drawn in 2010 due to higher Project Expenditures. Program revenues for 2011 include grant revenues of \$25,604,912, RTD Contributions of \$15,655,824, bond amortization of \$46,779,001, and other revenue of \$512,340.

General Revenue – General revenue increased to \$10,365,160 in 2011 from \$9,407,328 in 2010. Included in general revenue is tax revenue received of \$656,033 in 2011 and \$395,424 in 2010, from the tax increment financing agreement with CCD established with the July 2010 funding agreement. Changes in tax revenues are driven by changes in development and property valuations within the tax increment district.

Request for Information

This financial report is designed to provide an overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Finance Contact, Libby Cox, Denver Union Station Project Authority, 1600 Blake Street, Denver, Colorado, 80202-1399.

BASIC FINANCIAL STATEMENTS

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Governmental Fund Balance Sheet/Statement of Net Position
As of December 31, 2011
(with summarized comparative 2010)

	General Fund	Adjustments	Statement of Net Position 2011	Statement of Net Position 2010
ASSETS				
Cash	\$ 3,546,560	\$ -	\$ 3,546,560	\$ 1,095,728
Grant Receivables	6,354,870	1,956,004	8,310,874	9,812,402
Tax Receivables	708,035	-	708,035	765,624
Other Receivables	5,282,738	1,221,917	6,504,655	6,534,155
Prepaid Items	-	-	-	19,210
Debt Issuance Costs	-	-	-	2,002,727
Restricted Cash	9,441,539	-	9,441,539	3,761,231
Investment in RTD Bonds	-	162,242,251	162,242,251	164,618,555
Capital Assets Non-Depreciable	-	9,441,153	9,441,153	4,434,219
Total Assets	<u>25,333,742</u>	<u>174,861,325</u>	<u>200,195,067</u>	<u>193,043,851</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	27,353,813	-	27,353,813	21,642,047
Deferred Tax Revenue	708,035	-	708,035	765,624
Bond Liability in Excess of Project Expenses	-	-	-	46,779,002
Long Term Liabilities (note 4)				
Due Within One Year	-	156,818	156,818	13,613,403
Due After One Year	-	113,965,590	113,965,590	46,256,685
Total Liabilities	<u>28,061,848</u>	<u>114,122,408</u>	<u>142,184,256</u>	<u>129,056,761</u>
FUND BALANCE				
Total Fund Balance (Deficit) - Restricted	<u>(2,728,106)</u>	<u>2,728,106</u>		
Total Liabilities and Fund Balance	<u>\$ 25,333,742</u>			
NET POSITION				
Invested in Capital Assets, Net of Related Debt		1,424,588	1,424,588	2,210,507
Restricted Net Position		<u>56,586,223</u>	<u>56,586,223</u>	<u>61,776,583</u>
Total Net Position		<u>\$ 58,010,811</u>	<u>\$ 58,010,811</u>	<u>\$ 63,987,090</u>

The accompanying notes are an integral part of the financial statements.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

**Statement of Governmental Fund Revenues, Expenditures and Changes in Fund
Balance/Statement of Activities**
For the Year Ended December 31, 2011
(with summarized comparative 2010)

	General Fund	Adjustments	Statement of Activities 2011	Statement of Activities 2010
Expenditures/Expenses				
Project Expenditures	\$ 88,838,307	\$ 885,694	\$ 89,724,001	\$ 134,683,884
Professional Fees	2,364,060	-	2,364,060	2,395,568
General and Administrative	3,579	-	3,579	44,584
Insurance	1,591,341	-	1,591,341	1,312,826
Capital Outlay	5,006,934	(5,006,934)	-	-
Debt Service				
Principal	13,256,424	(13,256,424)	-	-
Interest	7,177,863	4,032,672	11,210,535	2,996,474
Total Expenditures/Expenses	<u>118,238,508</u>	<u>(13,344,992)</u>	<u>104,893,516</u>	<u>141,433,336</u>
Program Revenues				
Capital Grants and Contributions	41,240,150	47,311,927	88,552,077	227,859,084
Total Program Revenues	<u>41,240,150</u>	<u>47,311,927</u>	<u>88,552,077</u>	<u>227,859,084</u>
Net Program Revenues (Expense)			<u>(16,341,439)</u>	<u>86,425,748</u>
General Revenues				
Interest Income	9,709,127	-	9,709,127	9,011,904
Tax Revenue	656,033	-	656,033	395,424
Total General Revenues	<u>10,365,160</u>	<u>-</u>	<u>10,365,160</u>	<u>9,407,328</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(66,633,198)</u>	<u>66,633,198</u>	<u>-</u>	<u>-</u>
Other Financing Sources				
Proceeds from Debt Issuance	65,478,829	(65,478,829)	-	-
Total Other Financing Sources	<u>65,478,829</u>	<u>(65,478,829)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(1,154,369)</u>	<u>1,154,369</u>		
Change In Net Position		(5,976,279)	(5,976,279)	95,833,076
Fund Balance/Net Position - Beginning of Year	<u>(1,573,737)</u>	<u>65,560,827</u>	<u>63,987,090</u>	<u>(31,845,986)</u>
Fund Balance/Net Position - End of Year	<u>\$ (2,728,106)</u>	<u>\$ 60,738,917</u>	<u>\$ 58,010,811</u>	<u>\$ 63,987,090</u>

The accompanying notes are an integral part of the financial statements.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Denver Union Station Project Authority (Authority) was incorporated in 2008, by the City and County of Denver, Colorado (CCD) as a separate and distinct corporate entity for the limited purpose of financing, acquiring equipment, constructing and maintaining the Denver Union Station Project (Project). The Authority is organized as a Colorado non-profit corporation. The Authority is governed by a 13-member Board of Directors appointed as follows: six directors are appointed by the mayor of CCD, two directors are appointed by the Regional Transportation District (RTD), one is appointed by the Colorado Department of Transportation (CDOT), one is appointed by the Denver Regional Council of Governments (DRCOG), one is appointed by the Denver Union Station Metropolitan District (DUSMD), and two are CCD employees who serve as non-voting directors. The Authority neither leases nor owns any physical facilities nor does it have any employees. Administrative functions are performed by personnel of Trammel Crow Companies, Inc. (TCC), the owner's representative for the Project. Additionally in 2010, TCC entered into an agreement with RTD whereas RTD would provide accounting services for the Project.

The Project is a multi-model transportation hub project in Denver, Colorado, which includes light rail, commuter rail and regional bus facility improvements and renovation of the Denver downtown train station that, in total, is expected to cost approximately \$500 million to complete. Four governmental entities have been involved in the planning of the Project and creation of the Authority: CCD, RTD, CDOT and DRCOG. The Project's improvements will be owned principally by RTD and therefore are not included in the Authority's assets. The other project elements include street and public area improvements and are considered assets of the Authority until such time as ownership transfer to CCD upon completion of the Project.

Funding for the Project is planned to be partially funded by RTD with the remainder of funds to be provided by grants from CDOT, the Federal Transportation Authority, Colorado Senate Bill 1, DRCOG, the American Recovery and Reinvestment Act (ARRA) and the Federal Highway Administration (FHWA). Additionally, the Project secured loans from the Federal Railroad Administration (FRA) and the U.S. Department of Transportation with loans from the Railroad Rehabilitation and Improvement Financing Program (RRIF) and the Transportation Infrastructure Finance and Innovation Act (TIFIA). Debt service on loans will be funded through tax increment revenues generated within the boundaries of the newly created Denver Downtown Development Authority (DDDA) and through RTD's commitment as mentioned above.

Calendar year 2009 was the first year of activity for the Authority when the Project was given a limited notice to proceed in May. A full notice to proceed was granted in April of 2010.

Denver Union Station Project Authority
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Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Per the criteria set forth in generally accepted accounting principles, the Authority's financial statements are included in CCD's comprehensive annual financial report (CAFR) as a component unit of CCD.

Government-wide and Fund Financial Statements

The government-wide financial statements (Government Fund Balance Sheet/Statement of Net Position and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities) report information on all activities of the primary government.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

Non-exchange transactions, in which the Authority receives value without directly giving value in return, include taxes, grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resource is required to be used or the fiscal year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available for both exchange and non-exchange transactions. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Fund Accounting

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority only uses governmental funds and has only one such fund, the general fund.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources of funds and uses the balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Authority reports the following major governmental fund:

General Fund - The general fund is used to account for all financial resources of the Authority. The general fund balance is available to the Authority for any purpose, provided it is expended or transferred according to the general laws of Colorado and the bylaws of the Authority.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- 1.) Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This category includes items such as fund balance associated with inventories and prepaids.
- 2.) Restricted: Fund balance should be reports as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Denver Union Station Project Authority
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Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

- 3.) Committed: Committed fund balance is amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which in the case of the Authority would be the Board of Directors.
- 4.) Assigned: Amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed, should be reports as assigned fund balance.
- 5.) Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

All funds received by the Authority are for the construction of the Project and are for use by the funding party. Therefore the full fund balance of the Authority is considered restricted.

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net positions are reported as not being restricted.

Budgets

For the fiscal year ending December 31, 2011, the Authority adopted a budget for the Project, which represents the full activities of the Authority. However, because the Authority is not legally required to budget its activities, no budgetary statements are presented in the financial statements.

Cash

The Authority considers all highly liquid investments, restricted and unrestricted, purchased with an original maturity of three months or less to be cash equivalents. The carrying value of cash approximates fair value because of the short maturities of those financial instruments.

Receivables

Receivables consist primarily of grant funding to be collected from the Authority's funding sources. Other receivables are made up of bond interest and principal payments expected to be collected in 2012. Management believes these amounts will be received in full and therefore has made no provision for uncollectible amounts.

Denver Union Station Project Authority
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Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods. The Authority has elected to use the consumption method of accounting to reflect the expenses incurred in the period in which the prepaid items are consumed.

Investments

Investments are made in accordance with the Colorado Revised Statutes (CRS) 24-75-601, 32-9-119 and 32-9-163.

The Authority entered into an agreement in July 2010 in which RTD issued a bond in the par amount of \$167,954,114 payable to the Authority to provide partial funding for construction of the Project in which RTD will assume ownership of certain assets during construction.

Capital Assets

The Authority is constructing certain Project elements that will transfer ownership to CCD at the Project's completion. These Project elements include street and public area improvements and are considered assets of the Authority until such time as the transfer is completed. Other construction in progress is owned by RTD and is therefore not included in the Authority's assets.

Capital asset activity for the year ended December 31, 2011, was as follows

	Beginning Balance	Additions	Reductions	Ending Balance
Construction in Progress -				
City and County of Denver	\$ 4,434,219	\$ 5,006,934	\$ -	\$9,441,153
Total Capital Assets	<u>\$ 4,434,219</u>	<u>\$ 5,006,934</u>	<u>\$ -</u>	<u>\$9,441,153</u>

Due from Denver Downtown Development Authority

The Denver Downtown Development Authority (DDDA), a component unit of CCD, collects certain tax increment revenues, principally property taxes, on behalf of the Authority and subsequently remits those funds to the Authority. Property tax revenues are considered imposed non-exchange revenue transactions under GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Under GASB 33, an asset is recorded for property taxes when an enforceable legal claim to the assets arises (assessment date) which, for Colorado property taxes, occurs in the year preceding collection of the taxes. Revenues for such property taxes

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Denver Downtown Development Authority (Continued)

are deferred and recognized in the period for which the taxes are levied. Thus property taxes assessed in one reporting period that are for a subsequent levy year are recorded by the Authority as an asset and as deferred revenue.

Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, loans are recognized as a liability in the governmental fund financial statements only when due.

Net Position

Net position presents the difference between assets and liabilities in the statement of Net Position. Net Position of the Authority as of December 31, 2011 was \$58,010,811 compared to \$63,987,090 in 2010.

Fund Balance

As of December 31, 2011, the Authority had a deficit fund balance of \$2,728,106 compared to a deficit fund balance as of December 31, 2010 of \$1,573,737.

Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Restricted Assets

Restricted assets are assets restricted by the covenants of long-term financial arrangements.

Denver Union Station Project Authority
A Component Unit of the City and County of Denver

Notes to Financial Statements
December 31, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

DDDA Tax Collection

Revenues for property taxes are deferred and recognized in the period for which the taxes are levied. Thus property taxes assessed in one reporting period that are for a subsequent levy year are recorded by the Authority as an asset and as deferred revenue.

Grants and Assistance

The federal government, through the Federal Transit Administration (FTA) as well as the state government, through the Colorado Department of Transportation (CDOT) provides financial assistance by making grants directly to the Authority. The amount recorded by the Authority for grant revenue for 2011 was \$25,604,912.

RTD Contributions

For the year ending December 31, 2011 RTD contributed \$48,021,100 to the Project.

2010 Summarized Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

NOTE 2: CASH AND DEPOSITS

Custodial Credit Risk - Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government to deposit cash in eligible public depositories. Under this act, all uninsured public deposits at qualified institutions are fully collateralized with pledged collateral which is held in custody by any Federal Reserve Bank or branch thereof, or held in escrow by an eligible banking institution.

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NOTE 2: CASH AND DEPOSITS (CONTINUED)

Custodial Credit Risk - Cash Deposits (Continued)

Custodial credit risk for deposits and investments is the risk that, in the event of failure of the custodian, the Authority may not be able to recover the value of deposits that are in the possession of a third party. In October 2008, as part of the Economic Stabilization Act, Congress increased the Federal Deposit Insurance Corporation (FDIC) coverage to \$250,000 per depositor.

As of December 31, 2011 the Authority had bank balances of \$13,128,659. Of the total bank balance \$500,000 was covered by FDIC with the remaining \$12,628,659 covered by PDPA.

NOTE 3: AMOUNTS DUE TO GOVERNMENTS

Amounts Due to Other Governments

On March 5, 2009, RTD, as lender, entered into an agreement with the Authority to advance the Authority \$1,500,000 to facilitate initial funding for the Project.

On April 30, 2009, RTD entered into an Initial Funding Reimbursement and Project Coordination Agreement with the Authority to advance the Authority moneys for improvements for the Project consisting of certain transit improvements, which will be constructed on RTD-owned property and will be owned, used and operated by RTD. The advance of funds is up to an aggregate amount of \$40,000,000. RTD received funds under the American Recovery and Reinvestment Act (ARRA) and from other federal grants for application to the Project. Rather than remitting such funds to the Authority, RTD and the Authority agreed that RTD may elect to apply such funds as reimbursement of the advances made by RTD. The Authority applied various federal grants and other available moneys of the Authority to reimburse RTD for the remaining outstanding amount of the advance during 2011.

The Initial Funding Reimbursement and Project Coordination Agreement was amended on June 8th, 2010 to increase this advance by an additional \$9,000,000. Additionally, on July 16, 2010, this agreement had a second amendment advancing an additional \$8,100,000.

As of December 31, 2010, the amount remaining due to RTD from the aforementioned funding agreements was \$13,256,424 which was repaid in 2011. As of December 31, 2011, there were no outstanding balances due to RTD.

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NOTE 4: LONG TERM DEBT

On July 23, 2010, the Authority closed loans from the RRIF for \$155,000,000 and the TIFIA for \$145,600,000. As of December 31, 2011, the Authority had drawn \$45,539,049 from the RRIF loan at a coupon rate of 3.91% and \$66,196,465 from the TIFIA loan at a coupon rate of 3.99%. In order to draw RRIF loan funds, the Authority is required to pay a Credit Risk Premium for the amount drawn at a rate of 18.64%.

Specific revenue sources pledged to the repayment of the Authority's loan obligations include the following sources of revenue.

- Pledge payments from RTD
- Tax-increment revenues from development within the Denver Downtown Development Authority (DDDA) boundaries
- Tax revenue pledges from special taxing districts
- Lodgers tax revenue generated with the Project area

RTD Pledged Revenues are \$360,194,666 with commitment terms ending in 2040. The other pledged revenue sources are not determinable at this time, however, are committed through 2040. The pledged revenue cannot be estimated in comparison to pledged debt as revenues are uncertain as to future amounts. In 2011, RTD pledged a total of \$12,006,488 of which \$1,035,954 was used to pay interest. No principal had been repaid as of December 31, 2011.

From 2010 to 2014, 92.5% of the interest accruing on the TIFIA loan will be deferred and recapitalized in the repayment schedule. The amortization schedule for the TIFIA loan will be managed to limit the maximum annual payments to an amount below the annual RTD payment of approximately \$12 million. Annual debt payments will be sculpted through 2021 and level thereafter.

The first interest payment for both the RRIF and TIFIA loans was due and paid on December 1, 2010 with payments continuing every June 1 and December 1 thereafter. The interest portion of the amount due is represented as a component of long-term debt on the government-wide financial statements and is expensed when due in the general fund.

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NOTE 4: LONG TERM DEBT (CONTINUED)

Long-term debt activity for the year ended December 31, 2011 was as follows:

	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion of Long Term Debt
Note Payable	05/31/11	\$ 13,256,424	\$ -	\$ 13,256,424	\$ -	\$ -
RRIF Loan	12/31/38	13,806,026	31,733,023	-	45,539,049	-
TIFIA Loan	06/01/40	32,450,659	33,745,806	-	66,196,465	-
Accrued Interest	06/01/40	356,979	3,065,869	1,035,954	2,386,894	156,818
Total Long-Term Debt		<u>\$ 59,870,088</u>	<u>\$ 68,544,698</u>	<u>\$ 14,292,378</u>	<u>\$ 114,122,408</u>	<u>\$ 156,818</u>

Long Term Debt Repayment Schedule

Year Ending December 31,	Principal	Capitalized Interest	Interest	Total
2012	\$ -	\$ 14,178	\$ 1,978,670	\$ 1,992,848
2013	-	22,648	1,978,670	2,001,318
2014	-	31,455	1,978,670	2,010,125
2015	2,674,716	848,245	4,421,816	7,944,777
2016	2,780,494	848,245	4,316,038	7,944,777
2017-2021	15,641,506	4,241,223	19,841,155	39,723,884
2022-2026	18,988,998	4,241,223	16,493,662	39,723,883
2027-2031	23,052,984	4,241,223	12,429,676	39,723,883
2032-2036	27,986,837	4,241,223	7,495,823	39,723,883
2037-2040	20,609,979	3,392,979	1,857,542	25,860,500
Total	<u>\$ 111,735,514</u>	<u>\$ 22,122,642</u>	<u>\$ 72,791,722</u>	<u>\$ 206,649,878</u>

NOTE 5: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to others; and natural disasters. The Authority funds its outside insurance purchases, deductibles, and uninsured losses through the general fund. The Authority carries commercial insurance for all risks of loss, including errors, omissions, and property. Settled claims resulting from these risks have not exceeded coverage for 2011, 2010 or 2009. There are no significant changes to report as of December 31, 2011.

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NOTE 6: TAXPAYERS BILL OF RIGHTS (TABOR)

In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

The Authority's management believes the Authority is exempt from the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions may require further judicial review.

NOTE 7: COMMITMENTS AND CONTINGENCIES

In April 2009, the Authority signed a long-term construction contract for the design and construction of the Project with Kiewit Western Company (Kiewit), general contractor for the Project. The contract value is \$338,373,482, which will be paid over the term of the Project.

As of December 31, 2011, \$171,267,050 had been paid to Kiewit and an additional Project expense of \$25,863,865 was recognized at December 31, 2011 for work completed but not yet paid including \$13,719,367 of contract retainage.

In September 2009, the Authority entered into an agreement with the owner's representative, TCC, for services related to the Project and for the Authority's management services. The contract amount to be paid to TCC is \$4,982,994 which is payable over the term of the Project. As of December 31, 2011, a total of \$2,779,509 had been paid and an additional \$75,982 was recognized as incurred expense to be paid in the subsequent period.

In 2009, the Authority entered into a Master Developer Agreement with Union Station Neighborhood Company, LLC (USNC) for \$6,300,000. Under this agreement USNC will assist the Authority in the design, construction and development of certain aspects of the Project.

Payment terms under the contract are as follows:

- \$700,000 paid within 15 days from the effective date of the agreement (August 2009)
- \$175,000 monthly from May 2009 through and including December 2009
- \$145,000 monthly from January 2010 through and including December 2011
- \$40,000 monthly from January 2012 through and including June 2013

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NOTE 7: COMMITMENTS AND CONTINGENCIES (CONTINUED)

For the year ended December 31, 2011 the Authority has paid USNC \$5,145,000 and has recognized an additional expense of \$435,000 earned by USNC to be paid in the subsequent period.

In 2010, the Authority entered into an agreement with RTD to perform certain accounting services. This agreement was included in the 2nd amendment to The Initial Funding Reimbursement and Project Coordination Agreement. Fees for these accounting services are payable annually in the amount of \$100,000 per year for 2010 through 2014. Through December 31, 2011 the Authority has recognized \$200,000 of related expenses.

NOTE 8: ECONOMIC DEPENDENCY

The Authority has not yet established a revenue base sufficient to pay the Authority's operational expenditures. Until a sufficient revenue base is established, continuation of the Authority's operations is dependent upon funding from CCD and RTD.