



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended
December 31, 2014 and 2013



Regional Transportation District
1600 Blake Street, Denver, Colorado
303.299.6000 | rtd-denver.com

Denver Airport Station and transit center construction.

***REGIONAL TRANSPORTATION DISTRICT
DENVER, COLORADO***

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2014 and 2013

**Prepared by
Finance Division**

Chief Financial Officer

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TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter from Chair of Financial, Administration and Audit Committee	5
Letter of Transmittal	7
Board of Directors	13
District Service Area Map	14
Organization Chart	15
Department Officials	15
GFOA Certificate of Achievement	16
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	19
Management's Discussion and Analysis	23
Basic Financial Statements	
Statements of Net Position	38
Statements of Revenues, Expenses and Changes in Net Position	40
Statements of Cash Flow	41
Notes to Financial Statements	44
Required Supplementary Information	
Pension Plan Summary	73
Supplemental Information	
Schedule of Expense and Revenue – Budget and Actual - Budgetary Basis	75
Summary Schedules	76
STATISTICAL SECTION	
Net Position by Component	79
Summary of Statements of Revenues, Expenses and Changes in Net Position	80

TABLE OF CONTENTS

(CONTINUED)

	Page
Operating and Other Expenses and Capital Outlays	81
Revenue by Source	82
Debt Coverage Ratios	83
Demographic and Operating Data	85
Debt Disclosure Tables	86
Strategic Budget Plan –Operations	87
Strategic Budget Plan - Capital Program	88
Statement of Debt	89
Annual Ridership and Fare Revenue	90
Advertising and Ancillary Revenues	90
Grant Receipts and Other Contributions	90
Five-Year Summary of Statements of Revenues, Expenses and Changes in Net Position	91
Five-Year Schedule of Expenses and Revenues – Budget and Actual - Budgetary Basis	92
Fiscal Year 2014 and 2015 Budget	93
Trip Fares	94
RTD Net Taxable Retail Sales	95



Regional Transportation District

April 30, 2015

Board of Directors
Regional Transportation District
Denver, Colorado

In accordance with Colorado statutes and Regional Transportation District (RTD) bylaws, the enclosed Comprehensive Annual Financial Report of the Regional Transportation District as of December 31, 2014, has been compiled. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with RTD. Management believes the data, as presented, fairly sets forth the financial position and operating results of RTD. Disclosures necessary to enable the reader to gain the maximum understanding of the financial affairs of RTD have been included.

In developing and evaluating RTD's accounting system, consideration has been given to the adequacy of internal accounting controls. These controls are discussed by the Chief Financial Officer in the Letter of Transmittal. Within that framework, we believe RTD's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

This report has been prepared according to the guidelines recommended by the Government Finance Officers Association of the United States and Canada. In accordance with these guidelines, the accompanying report is presented in three parts:

1. Introductory Section, including the Chief Financial Officer's Letter of Transmittal.
2. Financial Section containing the independent auditor's report, Management's Discussion and Analysis, the financial statements, notes thereto and supplemental information. In addition, the supplementary information contains unaudited financial information by fund.
3. Statistical Section, including selected tables of unaudited data depicting the financial history of RTD, demographics, and other miscellaneous information.

Colorado law requires the governing bodies of local governments to have an independent audit of RTD's financial statements performed. RTD has complied with this requirement and has included the report of the independent auditors in the Financial Section of this report.

Preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated efforts of the entire financial staff. Should you have any questions or comments, please contact me or Doug MacLeod, Chief Financial Officer (Acting).

Respectfully submitted,
Tom Tobiassen, CISSP, CISA
Chair, Financial, Administration and Audit Committee

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Regional Transportation District

April 30, 2015

Mr. Tom Tobiassen
Chair, Financial, Administration and Audit Committee
Regional Transportation District

State law requires that all general-purpose local governments publish within seven months of the close of each fiscal year 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. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Regional Transportation District (RTD) for the fiscal year ended December 31, 2014.

This report consists of management's representations concerning the finances of RTD. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of RTD has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of RTD's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, RTD'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.

RTD's financial statements have been audited by RubinBrown, LLP, and a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of RTD for the fiscal year ended December 31, 2014, 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 unmodified opinion that RTD's financial statements for the fiscal year ended December 31, 2014, 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 RTD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of 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 government'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 RTD'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). This letter of transmittal is designed to complement the MD&A and should be read in

conjunction with it. RTD's MD&A can be found immediately following the report of the independent auditors.

REGIONAL TRANSPORTATION DISTRICT (RTD)

RTD provides public mass transit service to the Denver metropolitan area. In 1969, the Colorado General Assembly (Assembly) found that public transit was a necessary part of the growing Denver Metropolitan Region. The Assembly found that public sector involvement was the best method to ensure the continuation of this vital component. Thus, the Regional Transportation District was created as a political subdivision of the State effective July 1969 "to develop, maintain, and operate a public mass transportation system for the benefit of the District."

RTD boundaries now include Jefferson, Boulder, and Denver counties, most of the City and County of Broomfield, and portions of Adams, Douglas, Weld, and Arapahoe counties. Over 2.87 million people, or approximately 57% of the population of Colorado, reside within RTD's 2,340 square mile area.

Since 1983, RTD has had a fifteen-member Board of Directors that are elected by their constituents to serve four-year terms to govern RTD. There are approximately 180,000 voters per director district. The RTD Board of Directors is responsible for setting policy, overseeing the agency's annual budget, and establishing short and long-range transit goals and plans in concert with local, state, and federal agencies.

RTD employs over 2,700 men and women, making it one of the largest employers in the eight county areas. In addition, RTD contracts with private carriers to provide access-a-ride and fixed route services employing over 1,700 men and women. Besides its administrative headquarters in Denver, RTD has six operating facilities, including three in Denver, one in Aurora, one in Englewood, and one in Boulder.

The financial reporting entity includes all of the financial activities of RTD, as well as those activities of its component unit, the RTD Asset Acquisition Authority, Inc. (the Authority), a nonprofit corporation established to facilitate RTD's use of lease/purchase financing.

RTD also maintains budgetary controls. These controls ensure compliance with legal provisions embodied in the annual appropriated budget approved by RTD's Board of Directors. The budget sets forth proposed outlays for operations, planning, administration, development, debt service, and capital assets. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the project level.

The annual budget serves as the foundation for RTD's financial planning and control. All departments of RTD are required to submit requests for appropriation to the General Manager on or before August 1st of each year. The General Manager uses these requests as the starting point for developing a proposed budget. The General Manager then presents this proposed budget to the Board of Directors for review prior to October 15th. The Board of Directors is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31st.

Unused appropriations lapse at year end, except that the Board of Directors has the authority, as stated in the adopted appropriation resolution, to carry-over the unused portion of the funds for capital projects not completed, for a period not to exceed three years.

RTD's policy also authorizes the General Manager to approve certain line-item transfers within the budget. Budget-to-actual comparisons are provided in the Supplemental Information Section of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the specific environment within which RTD operates.

RTD serves the eight-county region considered the Denver metropolitan area. It is the most populated area of the state and the economic barometer of Colorado. Employment in the Denver Metro area is dominated by small businesses. These companies represent a diverse mix of industries and are located throughout the Denver metropolitan area, providing a geographic balance in employment centers.

The Colorado Legislative Council (CLC) in its December 2014 report forecasts that the economic recession has subsided and a modest recovery has begun. Economists for CLC reported the following key economic indicators.

Key Economic Indicators	2013 Actual	2014 Forecast	2015 Forecast
Job Growth	3.0%	3.0%	3.0%
Unemployment	6.8%	5.3%	4.3%
Personal Income	2.8%	5.5%	7.0%
Population	1.5%	1.7%	1.7%
Inflation	2.8%	2.7%	2.5%

On November 3, 1992, the voters of Colorado approved a Constitutional Amendment (the "Amendment") that limits taxes, revenue, and spending for state and local governments effective December 31, 1992. On November 7, 1995, the voters of the District exempted RTD from the revenue and spending limitations concerning the Amendment through December 31, 2005. On November 2, 1999, the voters of the District further exempted RTD from the revenue and spending limitations outlined in the Amendment for the purpose of paying any debt incurred to finance the construction of the Southeast and Southwest light rail lines or to operate such for as long as any debt remains outstanding, but in no event beyond December 31, 2026.

On November 2, 2004, the voters of the District authorized an increase in the District's sales and use tax rate from 0.6% to 1.0%, effective January 1, 2005, to finance the FasTracks transit improvement program. This authorization also exempted the District from any revenue and spending limitations on the additional tax and on any investment income generated by the increased tax revenue, and allowed RTD to incur debt to finance the capital improvements included in the FasTracks program. At the time that all FasTracks debt is repaid, the District's sales and use tax rate will be reduced to a rate sufficient to operate the transit system financed through FasTracks.

Long-term Financial Planning

Each year the Board of Directors adopts a financially constrained Strategic Budget Plan (SBP) which is the six-year operating and capital improvement plan of RTD. It reflects RTD's plans for service and capital improvements excluding FasTracks. In November 2010, the Board of Directors convened a Fiscal Sustainability Task Force for the purpose of developing a formal written report that was submitted to the Board of Directors in June 2011, detailing opportunities for operating efficiencies and revenue enhancements to ensure RTD's fiscal sustainability in the long term. The Task Force consisted of 21 members from RTD management, the Board of Directors and the public and private sector. The Board of Directors gave approval to

management to pursue implementation of the Task Force's recommendations. The SBP includes those recommendations that have been implemented in the SBP timeframe, most notably an operational service adjustment, enhanced sales and use tax forecasts and implementation of a revised fund balance policy which was implemented in 2013. On July 16, 2013, the Board adopted the 2014-2019 SBP.

In addition to the SBP, RTD is planning and constructing the build-out of the FasTracks transit expansion plan. FasTracks entails the addition of six new light-rail lines and commuter rail lines, 21,000 new parking spaces, the redevelopment of Denver Union Station, and expanded bus service throughout the eight county District. Each year, RTD conducts a comprehensive evaluation of the entire FasTracks program, called an Annual Program Evaluation. RTD has worked closely with elected officials, local governments, corridor stakeholders and the public to move the FasTracks program forward.

FINANCIAL INFORMATION

RTD management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. RTD 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: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

Single Audit: As a recipient of federal assistance, RTD is responsible for ensuring that an adequate internal control structure is instituted to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the RTD internal audit staff.

As part of RTD'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 RTD's compliance. RTD's single audit for the fiscal year ended December 31, 2014 found a material weakness in the internal control structures or significant violations of applicable laws and regulations. A separate report was prepared for this purpose.

Fiscal Policy: RTD follows a fiscal policy approved by the Board of Directors annually or as necessary due to modification. The fiscal policy contains policies for revenue, investments, expenditures, capital improvements, fund balance, debt, budgeting, accounting and grants. In 2012, RTD modified its fund balance policy to establish a structure that was recommended by the RTD Fiscal Sustainability Task Force as being a necessary tool in designating funds to be available for specific purposes to ensure fiscal sustainability.

Debt Administration: RTD formulates its debt policy to protect its credit ratings and soundly manage its assets and liabilities. Included in this policy is a requirement that debt will not be used to finance current operations. Another requirement precludes financing capital projects beyond the useful life of the project. Additional policies go beyond these essential guidelines and result in further protection. RTD has a dual rating for its 1.0% sales tax credit. Moody's Investors Service rates the sales tax credit as "Aa2", Standard and Poor's Corporation rates the sales tax credit "AAA" and Fitch Ratings rates the sales tax credit "AA+" that are secured by the 0.6% sales tax. Moody's Investors Service rates the sales tax credit as "Aa2", Standard and Poor's Corporation rates the sales tax credit "AA+" and Fitch Ratings rates the sales tax credit "AA" that are secured by the 0.4% sales tax.

Cash Management: The main objective of RTD's cash management program is the protection of investment principal while providing optimal levels of cash throughout the year. The RTD investment policy is modified periodically to adapt to changes in eligible investments, benchmarks, and specific objectives.

During the year, RTD invested its cash in various investment vehicles including money market funds, U.S. Treasury securities, agency securities, discount notes, commercial paper, repurchase agreements, and variable and fixed rate mortgage-backed securities. The total average return on investments for the year was 0.2%.

Risk Management: RTD employs a combination of self-insurance and purchased insurance in its efforts to protect assets and control and prevent losses.

The areas of self-insurance are worker's compensation, automobile and general liability. RTD is self-insured for liability, the limits of which are \$350,000 per person and \$990,000 per occurrence as specified under the Colorado Governmental Immunity statute. The self-insured retention for worker's compensation claims is \$2,000,000 per claim, with any amounts above this covered by purchased insurance up to the legal limits of liability under the Colorado worker's compensation statute.

Commercial insurance policies provide property coverage up to \$1,663,245,896 for buildings, their contents, and rolling stock (other than collision); a Commercial Crime Policy and Faithful Performance Bond; a \$3,500,000 Workers' Compensation Bond; Felonious Assault Policy; travel insurance for employees on RTD business; fidelity coverage on the Trustees of the Union Pension Trust, Salaried Pension Trust, Represented Health and Welfare Union Trust, Legal Trust, and the employees administering the health benefits program for salaried employees. With the growth of Light Rail Transit (LRT) services, RTD has added Railroad Protective and Railroad Liability commercial insurance policies that provide coverage when required under operational needs.

The Risk Management Division coordinates these programs internally for RTD.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting firm of RubinBrown LLP was selected to perform the 2014 audit. This audit also was designated to meet the requirements of the Federal Single Audit Act amendments of 1996 and related OMB Circular A-133. The auditor's report on the financial statements and schedules are included in the Financial Section of this report. The auditor's report related specifically to the single audit is included in a separate report.

Awards: The Government Finance Officers Associations (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to RTD for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This is the twenty-second consecutive year, after a two-year absence from the program, that RTD has been awarded this prestigious award.

In order to receive the Certificate of Achievement for Excellence in Financial Reporting, RTD must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which must conform to program standards. This report must also satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report meets the program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: Preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Division. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report.

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

Sincerely,

Doug MacLeod
Chief Financial Officer (Acting)

Board of Directors

RTD's governing body is a 15-member elected Board of Directors, with each member elected from one of the fifteen districts comprising RTD's service area. Each district is apportioned equally by population and most districts cross county boundaries. The districts are assigned letter designations from "A" to "O". The following are the members of the Board of Directors as of February 2015:

District A

Bill James
Denver/Arapahoe Counties

District B

Barbara Deadwyler
Denver/Adams Counties

District C

Ernest Archuleta
Denver/Jefferson Counties

District D

Jeff Walker, Secretary
Denver/Jefferson/Arapahoe Counties

District E

Claudia Folska
Denver/Arapahoe Counties

District F

Tom Tobiassen, First Vice Chair
Arapahoe County

District G

Gary Lasater
Arapahoe/ Douglas Counties

District H

Kent Bagley
Arapahoe/ Douglas Counties

District I

Judy Lubow
Boulder/Broomfield/Adams/Weld Counties

District J

Larry Hoy, Treasurer
Adams/Jefferson Counties

District K

Paul Daniel Solano
Adams/Weld Counties

District L

Lorraine Anderson
Jefferson/Adams Counties

District M

Natalie Menten, Second Vice Chair
Jefferson County

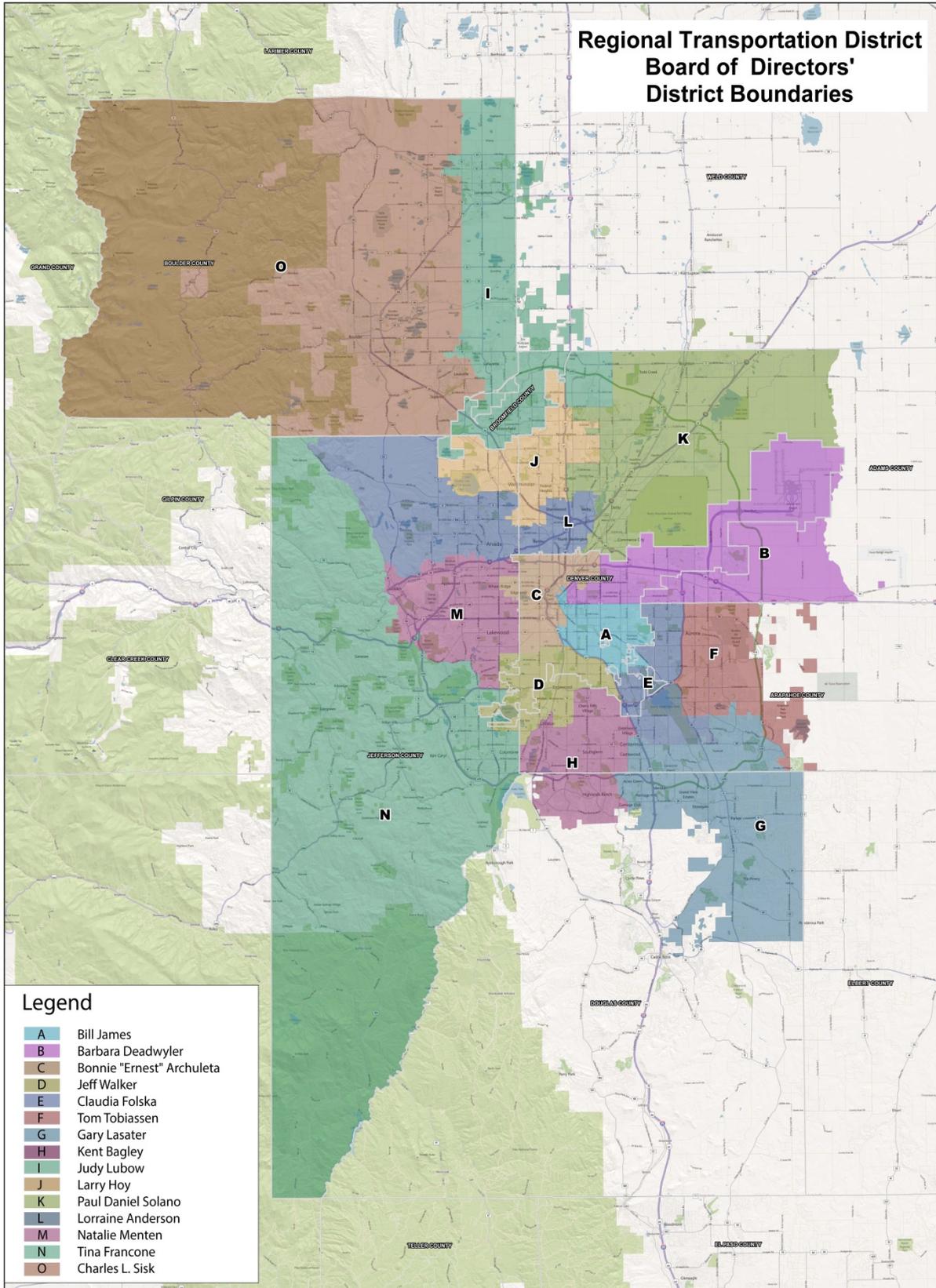
District N

Tina Francone
Jefferson County

District O

Charles L. Sisk, Chair
Boulder County

Regional Transportation District Board of Directors' District Boundaries



Legend

- A Bill James
- B Barbara Deadwyler
- C Bonnie "Ernest" Archuleta
- D Jeff Walker
- E Claudia Folska
- F Tom Tobiasen
- G Gary Lasater
- H Kent Bagley
- I Judy Lubow
- J Larry Hoy
- K Paul Daniel Solano
- L Lorraine Anderson
- M Natalie Menten
- N Tina Francone
- O Charles L. Sisk

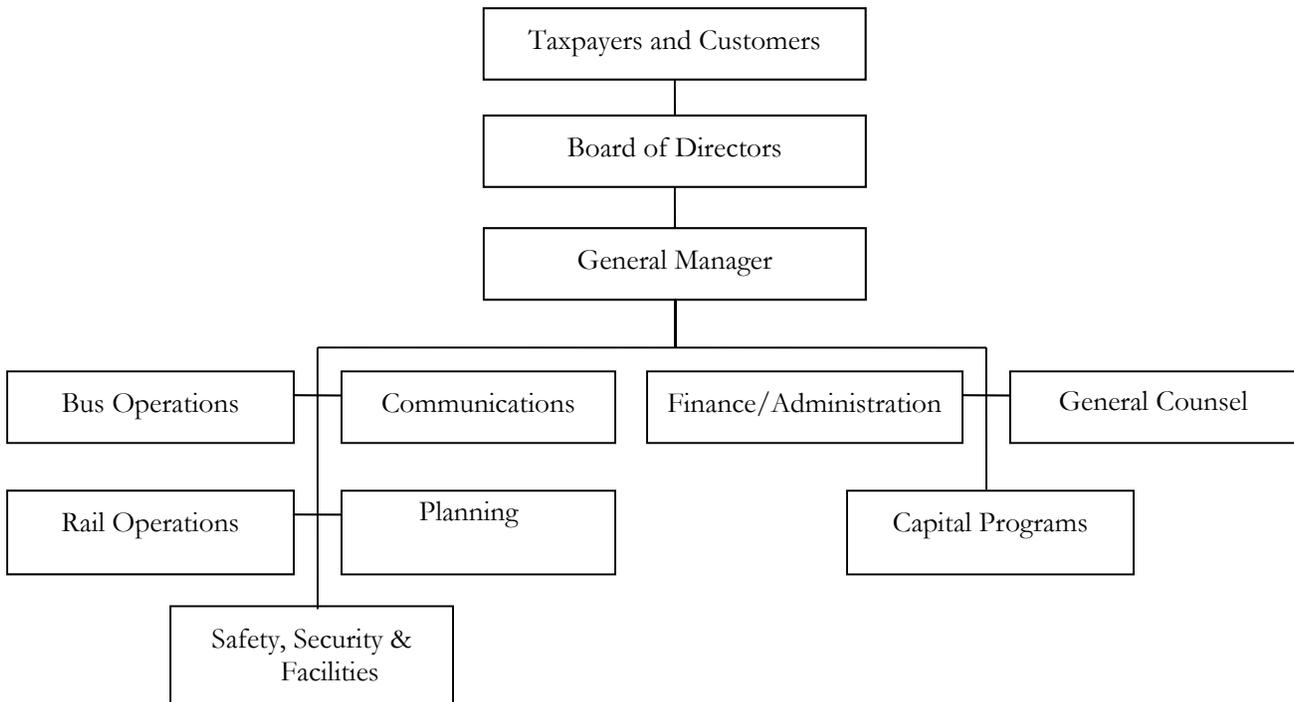


RTD
Date: 10/20/11

RTD Director Districts
based on 2010 Census redistricting



Organization Chart



Department Officials

General Manager/Chief Executive Officer (Acting)

Dave Genova

AGM, Bus Operations

Bruce Abel

Chief Financial Officer/Administration (Acting)

Doug MacLeod

AGM, Rail Operations

Terry Emmons

AGM, Safety, Security & Facilities (Acting)

John Tarbert

AGM, Planning

William C. Van Meter

AGM, Capital Programs

Richard Clarke

General Counsel

Marla L. Lien

AGM, Communications

Scott Reed



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Regional Transportation District
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

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Certified Public Accountants
& Business Consultants

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Independent Auditors' Report

Board of Directors
Regional Transportation District
Denver, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of Regional Transportation District (RTD) as of and for the years ended December 31, 2014 and 2013 and the related notes to the financial statements, which collectively comprise RTD's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RTD as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension plan summary information on pages 23 through 36 and 73, respectively, 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, which 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.

Supplementary And Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise RTD's basic financial statements. The accompanying budgetary information, summary schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The summary schedules, introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015 on our consideration of RTD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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* in considering RTD's internal control over financial reporting and compliance.

RubinBrown LLP

April 30, 2015

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REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2014 and 2013 (Dollars in Thousands)

The management of the Regional Transportation District (RTD) offers users of our financial statements this narrative overview and analysis of the financial activities for the years ended December 31, 2014 and 2013. 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 RTD. It should be read in conjunction with the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

As of December 31, 2014 and 2013, total assets of RTD exceeded total liabilities \$3,181,074 and \$2,977,449 respectively. The amount of unrestricted net position as of December 31, 2014 was \$18,842 compared to \$53,218 in 2013.

The net position of RTD increased by \$203,625 during the current year compared to an increase of \$248,539 in the previous year. The increases in both years are due to higher operating revenues and tax and grant revenues, net of increases in operating expenses and non-operating expenses which resulted from an improving economy combined with revenue enhancement and expense reduction initiatives undertaken by RTD.

RTD's sales and use tax revenues are its largest single source of revenues. These tax revenues increased \$46,135 (9.8%) in 2014 and increased \$18,799 (4.2%) in the previous year due to broad-based increases in retail sales within the District as the local economy emerges from the recession.

For 2014, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of \$534,199 compared to a loss of \$515,697 for 2013. The increase in operating loss in 2014 was due to the increased cost of salaries and fringe benefits and a full year of West Rail operating expenses. RTD anticipates operating losses, as these losses are subsidized by non-operating sales and use tax, grant revenues and other miscellaneous income.

RTD's total debt increased \$501,624 (18.5%) and increased \$285,219 (11.7%) in 2014 and 2013, respectively. Debt increased in 2014 due to the issuance of certificates of participation primarily for the purpose of funding of construction of North Metro Rail Line as well as borrowings on the Transportation Infrastructure Finance and Innovation Act (TIFIA) bond for construction of the FasTracks project elements. Debt increased in 2013 due to the issuance of certificates of participation primarily for the scheduled replacement of fleet vehicles as well as borrowings on the TIFIA bond for construction of the FasTracks project elements

Capital grants and other contributions decreased \$36,135 (14.9%) in 2014 and decreased \$69,110 (22.2%) in the previous year. The decrease in 2014 occurred as a result of the reduced contributed capital from the Denver Union Station construction project which was completed in 2014. The decrease in 2013 occurred after receiving certain one-time grants in 2012 associated with federal economic stimulus programs as well as scheduled higher grant funding on the West Line and East Corridor.

RTD's capital assets, excluding depreciation, increased \$814,250 in 2014 and increased \$748,201 in 2013. The increase in 2014 was from replacement of fleet. The increase in 2013 was primarily due to the build-out of the FasTracks project.

Basic Financial Statements

Management's Discussion and Analysis serves as an introduction to RTD's basic financial statements. RTD's financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred.

The basic financial statements are comprised of four components: statements of net position; statements of revenues, expenses and changes in net position; statements of cash flows; and notes to the financial statements.

The statements of net position presents information on assets and deferred outflows of resource and liabilities and deferred inflows of resources, with the difference between the two reported as the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of RTD is improving or deteriorating. The statements of revenues, expenses, and changes in net position presents information on operating revenues and expenses and non-operating revenues and expenses of RTD for the fiscal year with the difference, the net income or loss, combined with any capital grants and local contributions to determine the change in net position for the year. That change combined with the previous year-end total net position reconciles to the net position total at the end of the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows.

The statements of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital, and related financing activities, noncapital and related financing activities and investing activities. The result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year. The statements of cash flows, along with the related notes and information in other financial statements, can be used to assess the following: RTD's ability to generate positive cash flows and pay its debt as the debt matures; the reasons for differences between RTD's operating cash flows and operating income (loss); and the effect of investing, capital, and financing activities on RTD's financial position.

The notes to the financial statements provide additional information that is essential to fully understand the data provided in the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows.

RTD provides bus, paratransit, and light rail service in a 2,340 square mile area in and around Denver, Colorado. The activities of RTD are supported by a 0.6% and 0.4% sales and use tax collected within the District. The 0.6% sales and use tax is used to fund the Base System operations of RTD. The Base System operations provide the bus and the majority of current light rail services in the Denver area. The 0.4% sales and use tax funds the FasTracks build-out program and operation and maintenance of those program elements as well as providing for enhanced transit services in the District. Additional revenue sources include fare collections, federal, state, and local financial assistance, investment income, and other income such as advertising and rental income.

Financial Analysis

Condensed Financial Information - Condensed financial information from the statements of net position and statements of revenues, expenses, and changes in net position is presented below.

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2014 and 2013 (Dollars in Thousands)

Statements of Net Position - As of December 31, 2014 and 2013, total assets of RTD exceeded total liabilities by \$3,181,074 and \$2,977,449 respectively. The largest portion of this excess, 93.9% in 2014 and 93.6% in 2013, was invested in capital assets, net of related debt. RTD uses these capital assets to provide public transportation services to customers; consequently, these assets are not available for future spending. Although RTD's investment in capital assets is reported net of related debt, it should be noted that funding required to repay this debt will be obtained from other sources such as sales and use tax, since the capital assets themselves cannot be used to pay the related debt. The amount of unrestricted net position as of December 31, 2014 was \$18,842 compared to \$53,218 in 2013. Substantially all of the unrestricted net position, although not legally restricted, has been appropriated or reserved by the RTD Board for future capital acquisition and reserve policy requirements, and debt liquidation during the budget process.

Condensed Summary Statements of Net Position

	2014	2013	2012
Assets and Deferred Outflows of Resources:			
Current assets	\$ 549,772	\$ 546,876	\$ 720,663
Current assets - restricted	582,236	710,639	850,581
Capital assets (net of accumulated depreciation)	5,413,455	4,696,735	4,056,128
Other noncurrent assets	301,173	151,611	33,961
Deferred Outflows of resources	39,736	43,471	9,524
Total Assets and Deferred Outflows of Resources	<u>6,886,372</u>	<u>6,149,332</u>	<u>5,670,857</u>
Liabilities and Deferred Inflows of Resources:			
Current liabilities	313,687	319,004	383,740
Noncurrent liabilities	3,390,984	2,852,223	2,557,522
Deferred Inflows of resources	627	656	685
Total liabilities and Deferred Inflows of Resources	<u>3,705,298</u>	<u>3,171,883</u>	<u>2,941,947</u>
Net position:			
Net investment in capital assets	2,987,694	2,788,100	2,348,966
Restricted	174,538	136,131	334,162
Unrestricted	18,842	53,218	45,782
Total net position	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>	<u>\$ 2,728,910</u>

In 2014, capital assets net of accumulated depreciation increased \$716,720 (15.3%) for acquisition of revenue equipment, buildings, land, and construction in progress for the projects in the FasTracks program.

Current liabilities decreased \$5,317 (1.7%) in 2014 primarily due to an accrued lower construction payment for the FasTracks Eagle P3 project to the project concessionaire due in early 2015. Noncurrent liabilities and deferred inflows increased \$538,732 (18.9%) primarily due to the issuance of certificates of participation for construction of the North Metro Rail Line from Denver Union Station to 124th Avenue.

RTD's net position increased \$203,625 (6.8%) in 2014. The increase was primarily due to higher operating, tax and grant revenues, net of increases in operating expenses and non-operating expenses which resulted from an improving economy combined with revenue enhancement and expense reduction initiatives undertaken by RTD.

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2014 and 2013 (Dollars in Thousands)

Statements of Revenues, Expenses, and Changes in Net Position—The following summary of revenues, expenses, and changes in net position shows the activities of RTD resulted in an increase in net position. The net position of RTD increased by \$203,625 during the current year compared to an increase of \$248,539 in the previous year. The increases in both years were due to higher operating revenues, grant revenue income and sales and use tax collection increases, net of increases in operating expenses and non-operating expenses. The key elements of changes in net position for the fiscal years ended December 31, 2014 and 2013 with comparative information for 2012 are shown in the following table:

Summary of Revenues, Expenses, and Changes in Net Position			
	2014	2013	2012
Operating revenue:			
Passenger fares	\$ 120,497	\$ 117,841	\$ 112,929
Advertising and other	4,406	5,199	5,333
Total operating revenue	<u>124,903</u>	<u>123,040</u>	<u>118,262</u>
Operating expenses:			
Salaries and wages	143,113	135,660	127,557
Fringe benefits	61,677	56,745	51,417
Materials and supplies	62,156	64,798	58,300
Services	108,920	112,479	109,853
Utilities	14,151	13,567	11,833
Insurance	5,273	5,568	3,776
Purchased transportation	114,942	113,006	111,130
Leases and rentals	3,264	3,210	2,401
Miscellaneous	6,561	6,448	15,741
Depreciation	139,045	127,256	115,269
Total operating expenses	<u>659,102</u>	<u>638,737</u>	<u>607,277</u>
Operating loss	<u>(534,199)</u>	<u>(515,697)</u>	<u>(489,015)</u>
Nonoperating revenues (expenses):			
Sales and use tax	514,721	468,586	449,787
Grant operating assistance	75,544	88,243	68,927
Investment income	165	2,040	2,613
Other income/Gain on Sale of Assets	16,861	28,088	14,494
Interest expense	(72,293)	(61,223)	(51,371)
Other expense/ Unrealized Loss on Assets	(3,605)	(4,064)	(4,895)
Net nonoperating revenue (expenses)	<u>531,393</u>	<u>521,670</u>	<u>479,555</u>
Income before capital contribution	(2,806)	5,973	(9,460)
Capital grants and local contributions	<u>206,431</u>	<u>242,566</u>	<u>311,676</u>
Increase in net position	203,625	248,539	302,216
NET POSITION, beginning of year	2,977,449	2,728,910	2,426,694
NET POSITION, end of year	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>	<u>\$ 2,728,910</u>

The information contained in the condensed information table is used as the basis for the revenue and expense discussion presented below, surrounding RTD's activities for the fiscal years ended December 31, 2014, 2013 and 2012.

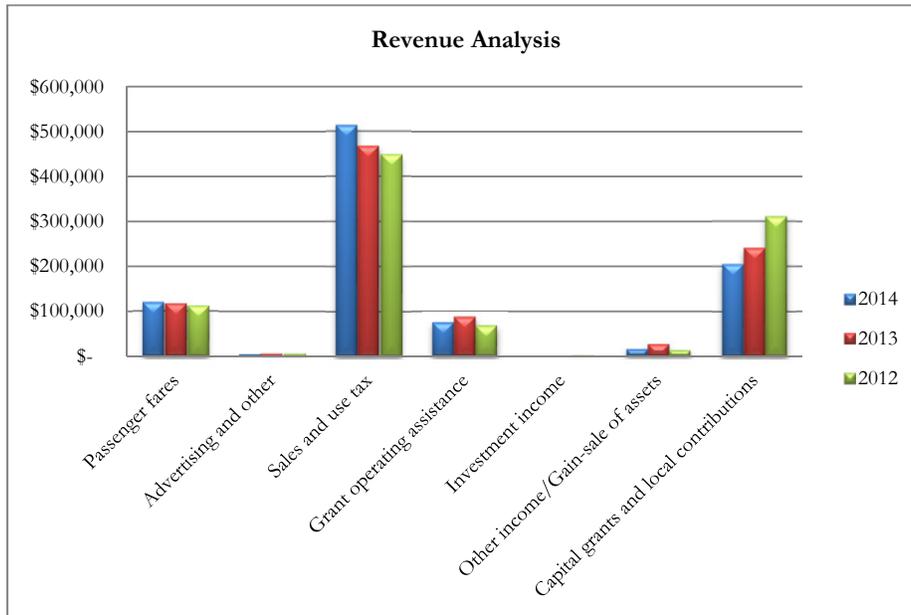
REGIONAL TRANSPORTATION DISTRICT
 Management's Discussion and Analysis (Unaudited)
 December 31, 2014 and 2013 (Dollars in Thousands)

Revenues

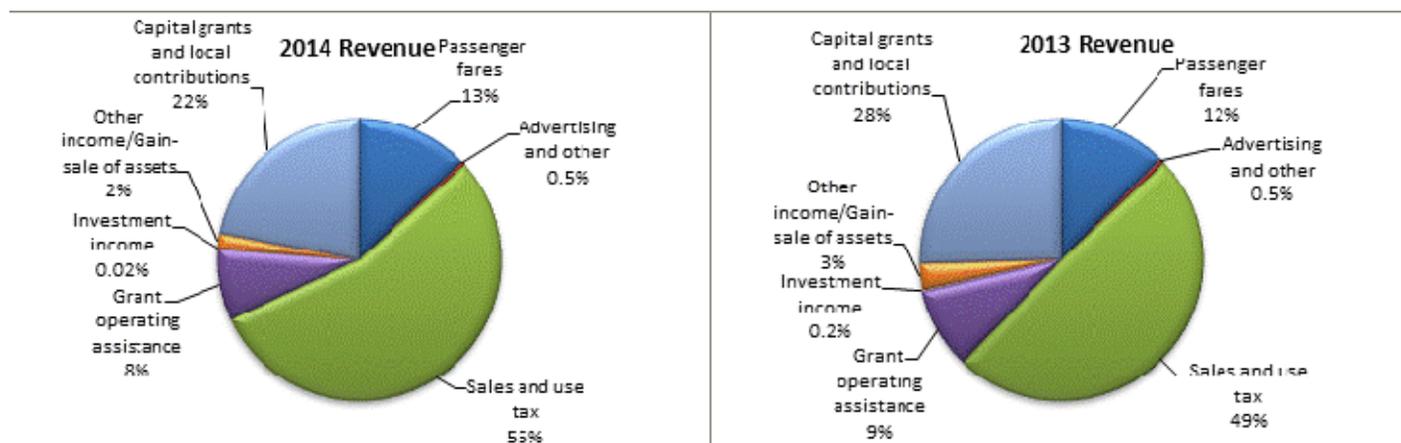
The following schedule and charts show the major sources of revenue for the years ended December 31, 2014, 2013 and 2012.

Revenue Analysis

	2014	2013	2012
Revenues			
Passenger fares	\$ 120,497	\$ 117,841	\$ 112,929
Advertising and other	4,406	5,199	5,333
Sales and use tax	514,721	468,586	449,787
Grant operating assistance	75,544	88,243	68,927
Investment income	165	2,040	2,613
Other income/Gain-sale of assets	16,861	28,170	14,494
Capital grants and local contributions	206,431	242,566	311,676
Total Revenues	\$ 938,625	\$ 952,645	\$ 965,759



REGIONAL TRANSPORTATION DISTRICT
 Management’s Discussion and Analysis (Unaudited)
 December 31, 2014 and 2013 (Dollars in Thousands)



Passenger fares – Passenger fares provided 12.8% and 12.4% of total revenues in 2014 and 2013, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in passenger fares. Passenger fares increased by \$2,656 (2.3%) in 2014 compared to an increase of \$4,912 (4.3%) in 2013. The increase in 2014 was due in part, to full year of revenue service of the West Line light rail line which opened in April 2013 while additional increases in both years were due to higher participation in fare media programs.

Advertising and other – Advertising and other revenue provided 0.5% of total revenues in 2014 and 2013; this includes revenues from advertisements primarily on RTD’s buses and external wraps on light rail vehicles. Advertising and other income decreased \$793 (15.3%) in 2014 compared to a decrease of \$134 (2.5%) in 2013. The decrease in 2014 was primarily due to reduced joint venture revenue contracts. The decrease in 2013 occurred with the expiration of certain facility leases that occurred with the redevelopment of the Denver Union Station historic building.

Sales and Use Tax – Sales and use tax provided 54.8% and 49.2% of RTD’s total revenues in 2014 and 2013 respectively. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the service area. Sales and use tax increased \$46,135 (9.8%) in 2014 compared to an increase of \$18,799 (4.2%) in 2013. In 2014 and 2013, the District experienced growth in tax revenues due to increased consumer and business spending activity as the local economy continues to emerge from the recession.

Grant operating assistance – Grant operating assistance provided 8.0% and 9.3% of total revenues in 2014 and 2013. Grant operating assistance decreased \$12,699 (14.4%) in 2014 compared to an increase of \$19,316 (28.0%) in 2013. The operating assistance is a federal grant revenue program used to perform capital maintenance and maintain RTD’s revenue fleet of bus, paratransit, and rail vehicles. The decrease/increase in 2014 and 2013 is the result of grant funding sources being available during the year.

Investment Income – Investment income provided 0.02% and 0.21% of total revenues in 2014 and 2013. Investment income decreased \$1,875 (91.9%) in 2014 compared to a decrease of \$573 (21.9%) in 2013. The decrease in 2014 and 2013 was due to lower interest rates and a progressively lower investment balance as invested funds are being utilized for the build-out of the FasTracks project in addition to unrealized losses attributed to mark-to-market valuation under a rising interest rate environment.

REGIONAL TRANSPORTATION DISTRICT
 Management's Discussion and Analysis (Unaudited)
 December 31, 2014 and 2013 (Dollars in Thousands)

Other Income/Gain on sale of Assets – Other income provided 1.8% and 3.0% of total revenues in 2014 and 2013. Other income decreased \$11,309 (40.1%) in 2014 compared to an increase of \$13,676 (94.4%) in 2013. Other income includes interest subsidy income, rental income from retail space, parking, and miscellaneous other items. The decrease in 2014 was due to the one time increase in 2013 which was primarily attributable to the sale of RTD's Civic Center air rights and the sale of an easement on RTD property.

Capital grants and local contributions – Capital grants and other contributions provided 22.0% and 25.5% of total revenues in 2014 and 2013. Capital grants and local contributions decreased \$36,135 (14.9%) in 2014 and decreased \$69,110 (22.2%) in the previous year. The decrease in both years resulted from lower capital contributions related to completion of Denver Union Station multi-modal hub.

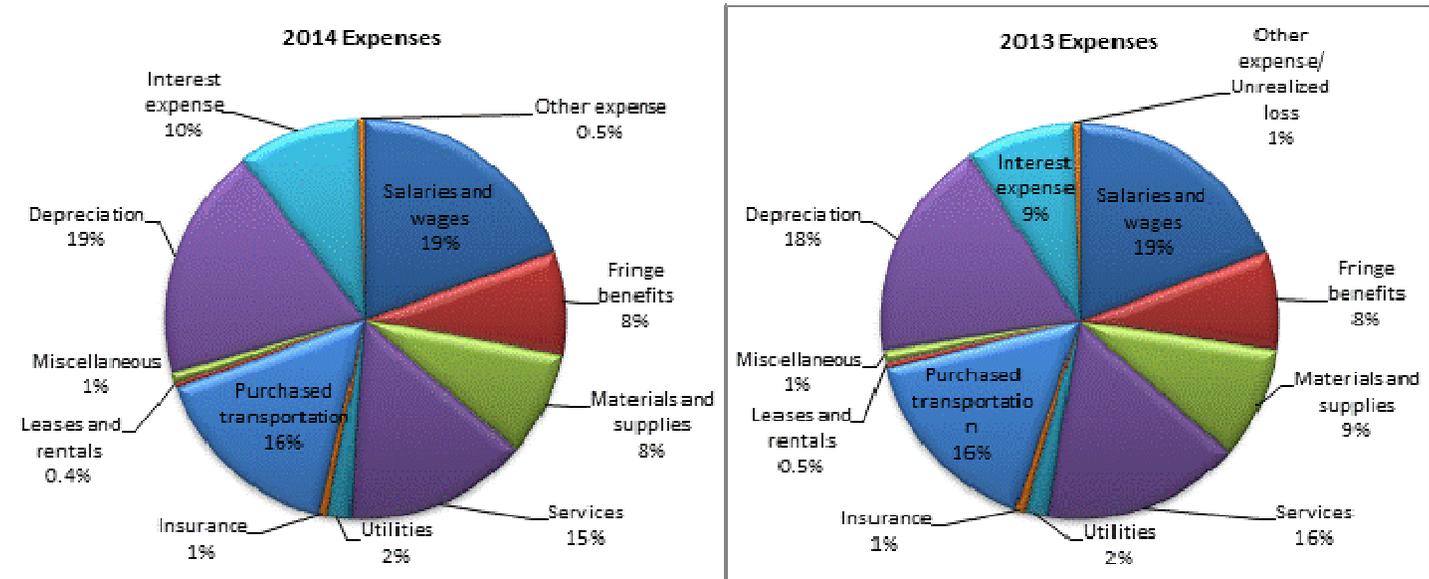
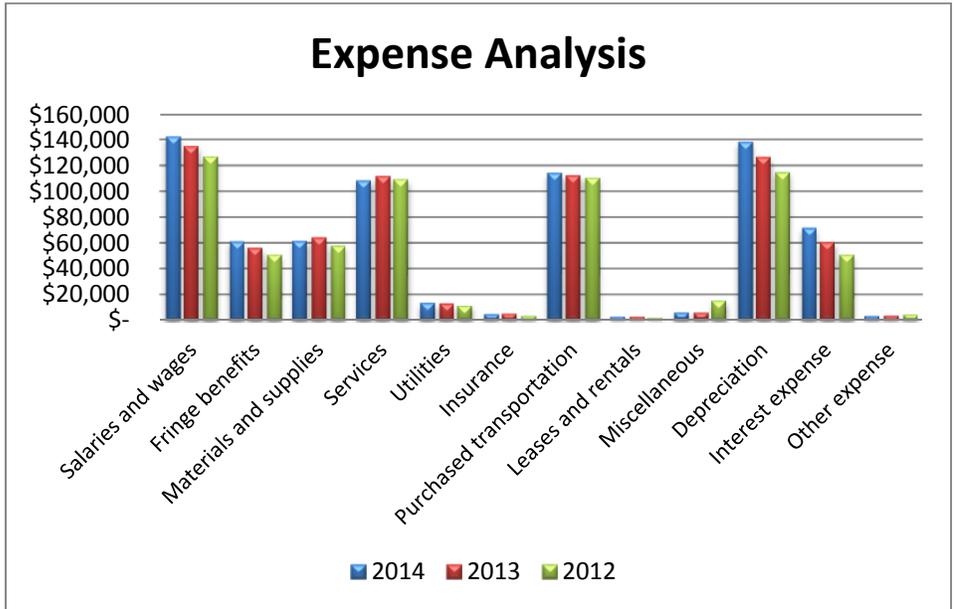
Expenses

The following schedule and charts shows the major sources of expenses for the years ended December 31, 2014, 2013 and 2012.

Expense Analysis

	2014	2013	2012
Expenses			
Salaries and wages	\$ 143,113	\$ 135,660	\$ 127,557
Fringe benefits	61,677	56,745	51,417
Materials and supplies	62,156	64,798	58,300
Services	108,920	112,479	109,853
Utilities	14,151	13,567	11,833
Insurance	5,273	5,568	3,776
Purchased transportation	114,942	113,006	111,130
Leases and rentals	3,264	3,210	2,401
Miscellaneous	6,561	6,448	15,741
Depreciation	139,045	127,256	115,269
Interest expense	72,293	61,223	51,371
Other expense	3,605	4,146	4,895
Total Expenses	\$ 735,000	\$ 704,106	\$ 663,543

REGIONAL TRANSPORTATION DISTRICT
 Management's Discussion and Analysis (Unaudited)
 December 31, 2014 and 2013 (Dollars in Thousands)



Salaries and wages—Salary and wage expense is the largest expense category accounting for 19.5% and 19.3% of the total RTD expenses in 2014 and 2013, respectively. Salary and wage expenses increased by \$7,453 (5.5%) in 2014 compared to an increase of \$8,103 (6.4%) in 2013. Increases in both years occurred from salary and wage performance (result based) and progression increases.

REGIONAL TRANSPORTATION DISTRICT

Management's Discussion and Analysis (Unaudited)

December 31, 2014 and 2013 (Dollars in Thousands)

Benefits – Fringe benefits accounted for 8.4% and 8.1% of total expenses in 2014 and 2013. Fringe benefits increased by \$4,932 (8.7%) compared to an increase of \$5,328 (10.4%) in 2013. The increase in 2014 is primarily due to medical costs; resulting from CBA employer contribution ranging from \$165-\$185/employee increase and salaried medical costs also increased from prior year. Pension cost also increased in 2014 due to increased wages and Net Pension Obligation (NPO). The 2013 increase was due primarily to an increase in the Net Pension Obligation (NPO).

Materials and supplies – The materials and supplies expense category accounted for 8.5% and 9.2% of the total RTD expenses in 2014 and 2013 respectively. Materials and supplies expenses decreased \$2,642 (4.1%) in 2014 compared to an increase of \$6,498 (11.1%) in 2013. The decrease in 2014 occurred due to a decrease in diesel fuel prices from an average of \$3.26 to \$3.12. In addition, repair parts costs decreased significantly in 2014. The increase in 2013 occurred due to the opening of the West Line and an increase in diesel fuel prices from an average of \$2.73 to \$3.26 per gallon.

Services – Services expense accounted for 14.8% and 16.0% of total expenses in 2014 and 2013. Services expense includes contracted services such as security services; vehicle, equipment and right of way maintenance services; advertising and marketing services, and legal services. Services expense decreased \$3,559 (3.2%) in 2014 compared to an increase of \$2,626 (2.4%) in 2013. The decrease in 2014 was primarily due to the contract service reduction for U.S. 36 managed lane project. The increase in 2013 was primarily due to the opening of the West Line.

Utilities – Utilities accounted for 1.9% of total expenses for both years 2014 and 2013. Utilities expense includes electric, telecommunications, water and sewer, and natural gas for facilities. Utilities expense increased \$584 (4.3%) in 2014 compared to an increase of \$1,734 (14.7%) in 2013. The increase in 2014 occurred primarily due to the full year of service for the West Line opened in April 2013 while lesser increases in both 2014 and 2013 occurred due to higher electricity rates affecting traction power costs for light rail services.

Insurance – Insurance accounted for 0.7% and 0.8% of total expenses in 2014 and 2013. Insurance expense includes RTD's self-insured cost for general liability and worker's compensation claims. In addition, RTD purchased insurance in its efforts to protect assets. Insurance expense decreased \$295 (5.3%) in 2014 compared to an increase of \$1,792 (47.5%) in 2013. The decrease in 2014 was due to favorable claim severity and frequency results. The increase in 2013 due to Worker Compensation claims.

Purchased transportation – The purchased transportation expense category accounted for 15.6% and 16.0% of the total expenses in 2014 and 2013. Purchased transportation represents the costs of contracted transportation services for bus, access-a-Ride, and call-n-Ride services. Purchased transportation costs increased \$1,936 (1.7%) in 2014 compared to \$1,876 (1.7%) in 2013. The increase in both years was primarily due to negotiated contract increases.

Leases and rentals – Leases and rentals include lease expense for office space, office equipment, park-n-Ride facilities, and use of communication towers. Leases and rentals expense increased \$54 (1.7%) in 2014 compared to an increase of \$809 (33.7%) in 2013. The increase in 2014 is primarily due to RTD's need for additional office space.

Miscellaneous – Miscellaneous expense includes other incidental operating expenses not included in other defined categories. Miscellaneous expenses increased \$113 (1.8%) in 2014 compared to a decrease of \$9,293 (59.0%) in 2013. This category includes additional one-time project expenses creating fluctuations between years.

REGIONAL TRANSPORTATION DISTRICT

Management’s Discussion and Analysis (Unaudited)

December 31, 2014 and 2013 (Dollars in Thousands)

Depreciation – The depreciation expense category accounted for 18.9% and 18.1% of the total RTD expenses in 2014 and 2013, respectively. Depreciation expense is a non-cash systematic allocation of the cost of capital assets over the estimated useful life of the assets. Depreciation expense increased \$11,789 (9.3%) in 2014 compared to an increase of \$11,987 (10.4%) in 2013. The increase in 2014 occurred primarily from the activation of the West Line into revenue service in April. The increase in 2013 occurred primarily due to a full year of depreciation for Denver Union Station project elements that were placed into service.

Interest expense – The interest expense category accounted for 9.8% and 8.7% of the total RTD expenses in 2014 and 2013, respectively. Interest expense increased \$11,070 (18.1%) in 2014 compared to an increase of \$9,852 (19.2%) in 2013. Interest expense increases are due to the additional borrowings surrounding the FasTracks build-out and scheduled fleet replacements.

Other expense – Other expense includes miscellaneous non-operating expenses not classified in other expense categories. Other expense decreased \$541 (13.0%) in 2014 compared to a decrease of \$749 (15.3%) in 2013. The decrease in 2014 was the result on reduced loss of sales of assets compared to prior year.

Capital Assets – Investments in capital assets include: land and rights-of-way; buildings and improvements; leasehold improvements; revenue and non-revenue vehicles; shop and service equipment; security and surveillance equipment; computer equipment; and furniture. RTD’s investment in capital assets, net of accumulated depreciation, in 2014 was \$5,413,455 compared to \$4,696,735 in 2013. The increase in capital assets in 2014 was \$716,720 (15.3%) compared to an increase of \$640,607 (15.8%) in 2013. RTD acquires its assets with sales and use tax revenues, farebox revenue, federal capital grants, and proceeds from the sale of revenue bonds and certificates of participation. The increases during 2014 and 2013 were primarily due to the cost of planning, design and construction of FasTracks projects.

The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2014 and 2013 with comparative information for 2012.

	Capital Assets (Net of Depreciation)		
	2014	2013	2012
Land	\$ 303,432	\$ 265,577	\$ 189,910
Land improvements	1,561,311	1,438,275	897,405
Buildings	297,212	85,639	92,169
Revenue earning equipment	458,579	397,947	397,689
Shops, maintenance and other equipment	38,859	43,206	23,549
Construction in progress	2,754,062	2,466,091	2,455,406
Total	\$ 5,413,455	\$ 4,696,735	\$ 4,056,128

Major capital asset events during the 2014 fiscal year included the following:

FasTracks Denver Union Station (DUS) - RTD, with assistance from the City and County of Denver (CCD), the Denver Regional Council of Governments (DRCOG), and the Colorado Department of Transportation (CDOT) acquired historic Denver Union Station (DUS) in August 2001. DUS and the surrounding property were being developed as a mixed-use, multi-modal transportation center located at and in the vicinity of the original Denver Union Station. The master plan was adopted by all the

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2014 and 2013 (Dollars in Thousands)

participating agencies in 2004. In addition, RTD acquired approximately two acres of property to relocate light rail tracks adjacent to the Consolidated Mainline. Expenditures for 2014 were \$38,623 for the construction of assets.

FasTracks Denver Union Station Historic Building - In connection with the redevelopment of the Denver Union Station area as a multi-modal transportation center, a contract was entered in December 2013 with Union Station Alliance (USA) to redevelop the historic building. Under the agreement, USA redeveloped the historic building to include the Great Train Hall, Amtrak facilities, a 110 room hotel as well as restaurant and retail services. The Historic Building re-opened to the public in 2014 with USA will lease the building from RTD to operate and maintain these new amenities. Expenditures for 2014 were approximately \$565.

FasTracks West Corridor - The West Corridor is a 12.1 mile light rail transit corridor between the Auraria Campus in downtown Denver and the Jefferson County Government Center in Golden, serving Denver, Lakewood, the Denver Federal Center, Golden and Jefferson County. The West Line opened for revenue service in April 2013 and was the first corridor completed in the FasTracks program. In 2014, expenditures related to the West Corridor were approximately \$10,128.

FasTracks North Metro Corridor - The North Metro Corridor is an 18 mile rail transit corridor between Denver Union Station and 162nd Avenue, passing through Denver, Commerce City, Thornton, Northglenn and unincorporated Adams County. A construction contract was entered to complete the commuter rail line from DUS north to 124th Avenue by 2018 with an option to extend construction to 162nd Avenue if additional funding is identified. In 2014, expenditures related to the North Metro Corridor were approximately \$96,496.

FasTracks Northwest Corridor - The Northwest Corridor is a 41 mile transit corridor between Denver Union Station and Longmont, passing through Denver, Westminster, Broomfield, Louisville, Boulder, Longmont, unincorporated Adams County, and unincorporated Boulder County and was constituted as a project separate from the ongoing work in the US 36 Bus Rapid Transit (BRT) corridor. In 2014, expenditures related to the Northwest Corridor were \$29,734.

East and Gold Line Public-Private Partnership (Eagle P3) -

RTD was selected for inclusion in the FTA Public-Private Partnership Pilot Program (Penta-P). In 2010, RTD entered into a public-private partnership to design, build, finance, operate and maintain several of the transit improvements contemplated under the FasTracks program. The Eagle P3 project is a \$2,185,000 project that includes a Commuter Rail Maintenance Facility, the East and Gold Line Corridors as well as the Northwest Rail Electrified Segment. The Eagle P3 partnership was awarded to a concessionaire, Denver Transit Partners (DTP), through a competitive bid process culminating in a contract price that was \$305,000 below internal estimates. The project is expected to begin revenue service in 2016.

The Eagle P3 project will be completed in two phases. Phase I includes the East Corridor, Commuter Rail Maintenance Facility and design work for Phase II. Phase II includes the Gold Line Corridor and the Northwest Electrified Rail Segment. In 2014, construction expenditures related to the Eagle P3 project were \$407,147. The Eagle P3 Project elements are described below:

FasTracks East Corridor - The East Corridor is a 23.6-mile commuter rail transit corridor between Denver Union Station and Denver International Airport. In 2010, RTD issued notice to proceed with construction on this portion of Phase I of the Eagle P3 construction.

FasTracks Commuter Rail Maintenance Facility - The Commuter Rail Maintenance Facility is being designed to service the four planned commuter rail corridors (East Corridor, Gold Line, North Metro, and Northwest Rail) included in the FasTracks plan. In 2010, RTD issued notice to proceed with construction on this portion of Phase I of the Eagle P3 construction.

REGIONAL TRANSPORTATION DISTRICT

Management's Discussion and Analysis (Unaudited)

December 31, 2014 and 2013 (Dollars in Thousands)

FasTracks Gold Line Corridor - The Gold Line Corridor is an 11.2 mile rail transit corridor between Denver Union Station to the vicinity of Ward Road, passing through northwest Denver, unincorporated Adams County, Arvada, and Wheat Ridge. RTD issued notice to proceed with construction of this portion of Phase II in 2011.

FasTracks Northwest Electrified Rail Segment – The Northwest Rail Corridor, described previously, includes a project segment, referred to as the Northwest Electrified Rail Segment, extending from Denver Union Station to Westminster which will be completed under the Eagle P3 Project Phase II which was issued a notice to proceed in 2011.

FasTracks I-225 Rail Line – The I-225 Rail Line is a 10.5 mile extension of RTD's existing light rail line from the Southeast Line Nine Mile Station to the East Line commuter rail transfer point near the intersection of Peoria Street and Smith Road. The project includes eight stations and will serve the Aurora City Center and the Anschutz/Fitzsimons Medical Campus. A notice to proceed was issued in late 2014 with revenue service expected to begin in 2016. In 2014, expenditures related to the I-225 Rail Line were \$132,742.

FasTracks Southeast Rail Extension – The Southeast Rail Extension extends the popular Southeast Rail Line from Lincoln Station to the new RidgeGate Parkway Interchange at I-25. The project will add 2.3 miles of light rail. New stations will be built at Sky Ridge Medical Center, Lone Tree City Center and RidgeGate with a 1,300 Park-n-Ride facility. In 2014, expenditures related to the Southeast Rail Extension were \$1,269. RTD has applied for a New Start Grant to fund the project.

Additional information on RTD's capital assets can be found in note D of this report.

Debt Administration

Outstanding debt – Outstanding debt includes sales tax revenue bonds and certificates of participation. The 2014 outstanding debt was \$3,219,223 compared to \$2,717,599 in 2013. Outstanding debt increased by \$501,624 (18.5%) in 2014 and increased by \$285,219 (11.7%) in 2013. The increase in both years 2014 and 2013 is due to new COPs issued for rail projects and well as replacement of rolling stock.

Sales tax revenue bonds – RTD issues sales tax revenue bonds to fund the acquisition and construction of assets. The sales tax revenue bonds were \$1,955,657 and \$1,895,180 as of December 31, 2014 and 2013, respectively. The sales tax revenue bonds increased \$60,477 (3.2%) in 2014 compared to an increase of \$66,418 (3.6%) in 2013. The increase in 2014 and 2013 is due to the receipt of the TIFIA loan borrowings. The sales tax revenue bonds are payable from RTD's sales and use tax revenue. RTD is required to maintain certain minimum deposits, as defined in bond resolutions, to meet debt service requirements. The bonds may be redeemed prior to maturity, at a price equal to the principal amount plus accrued interest thereon and a premium to the date of redemption.

Certificates of participation - Certificates of participation relate to financial obligations issued by the Regional Transportation District Asset Acquisition Authority, Inc. (Authority), a nonprofit corporation. The Authority issued Certificates of Participation (Certificates) with the proceeds being used to acquire certain equipment and facilities to be used by RTD. RTD leases the equipment acquired with the proceeds from the Certificates under separate Master Lease Purchase Agreements. For financial reporting purposes, RTD accounts for the Certificates as its own debt. Certificates outstanding were \$1,064,855 and \$655,230 as of December 31, 2014 and 2013, respectively. The Certificates outstanding increased \$409,625 (62.5%) in 2014 compared to an increase of \$160,280 (32.4%) in 2013. The increase in 2014 was due to the issuance of Certificates for the construction of

REGIONAL TRANSPORTATION DISTRICT
 Management's Discussion and Analysis (Unaudited)
 December 31, 2014 and 2013 (Dollars in Thousands)

North Metro Rail Line. The increase in 2013 is due to the issuance of Certificates for the acquisition of buses, certain ticket vending machines and refunding.

The following table summarizes outstanding debt obligations as of December 31, 2014 and 2013 with comparative information for 2012.

Outstanding Debt

	2014	2013	2012
Bonds and COPs payable:			
Sales Tax Revenue Bonds	\$ 1,955,657	\$ 1,895,180	\$ 1,828,762
Certificates of Participation	1,064,855	655,230	494,950
Total Principal	<u>3,020,512</u>	<u>2,550,410</u>	<u>2,323,712</u>
Issuance premiums and discounts	198,711	167,189	108,668
Debt net of issuance and refunding	<u>\$ 3,219,223</u>	<u>\$ 2,717,599</u>	<u>\$ 2,432,380</u>

RTD maintains credit ratings from Standard & Poor Corporation, Moody's Investor Services, and Fitch Ratings. Credit ratings vary based on the type of debt and the source of funds used for repayment.

RTD's ratings are presented in the following table:

Rating Agency	Base System Bonds 0.6% Sales & Use Tax	FasTracks Bonds 0.4% Sales & Use Tax	Certificates of Participation
Standard & Poor's	AAA	AA+	A-
Moody's	Aa2	Aa2	AA3
Fitch	AA+	AA	A+

Additional information on RTD's debt can be found in footnote E of this report.

Economic Factors and Subsequent Events after the adoption of the 2014 Budget

Sales and use taxes are the largest single source of revenue for RTD, representing 54.8% and 49.2% of the total revenues in 2014 and 2013 respectively. Sales and use tax revenues are affected by changes in the local economy. Sales and use taxes declined significantly beginning in the fourth quarter of 2008 and throughout 2009 as a result of the Great Recession. Modest improvements in sales and use tax revenues began to occur in 2010 resulting in a recovery to pre-recession levels during 2014. Actual sales and use tax revenue for 2014 was \$514,721, an increase of \$46,135 (9.8%) from 2013.

Increases in operating expenditures are expected in future years due to expansion of RTD's FasTracks program. The FasTracks program is a plan to build a comprehensive, integrated region-wide transit network that will provide a reliable and safe system, enhance mobility and respond to the growing transportation needs within the eight-county Regional Transportation District. The FasTracks program includes 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit infrastructure, 57 new stations, 31 new park-n-Rides, and redevelopment of Denver Union Station. Funding for the FasTracks program is being secured through Federal Transit Administration (FTA) grants, sales and use taxes and

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2014 and 2013 (Dollars in Thousands)

other revenues, issuance of long term debt, and public-private partnerships. Due to the 2008-9 recessions, sales and use tax revenues declined significantly delaying construction while materials costs increased. These factors are projected over the long-term to leave a gap in funding necessary to complete the program.

The first FasTracks rail line opened on April 26, 2013, adding 12.1 miles of new light rail running from Denver Union Station to Golden. The West Line has 11 new light rail stations and six Park-n-Rides serving the Auraria campus, Denver, Lakewood, the Federal Center, Golden and Jefferson County.

The North Metro Rail Line is an 18.5-mile long commuter rail line that will run from Denver Union Station through Commerce City, Thornton and Northglenn to state Highway 7 in North Adams County. On December 13, 2013 RTD signed a \$343 million contract with Regional Rail Partners (RRP) to design and build the first 13 miles of the North Metro Rail Line to 124th Avenue. Construction of the line to 124th Avenue is expected to be completed by 2018.

Requests for Information

This financial report is intended to provide an overview of RTD's finances for those with an interest in this organization. Questions concerning any information contained in this report may be directed to the Chief Financial Officer.

BASIC FINANCIAL STATEMENTS

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
As of December 31,
(In Thousands)

	2014	2013
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 253,638	\$ 311,996
Marketable interest bearing investments (note B)	89,962	33,220
Receivables:		
Sales tax	93,385	84,597
Other, less allowance for doubtful accounts of \$256 and \$191 at December, 31 2014 and 2013, respectively	24,989	20,467
Grants	13,895	10,877
Inventories	33,123	30,887
Other current assets (note C)	40,780	54,832
Cash and cash equivalents - restricted	298,822	229,865
Marketable interest bearing investments - restricted (note B)	283,414	480,774
Total current assets	1,132,008	1,257,515
Noncurrent Assets:		
Capital assets (note D):		
Land	303,432	265,577
Land improvements	2,183,870	1,981,746
Buildings	480,330	257,481
Revenue earning equipment	857,745	798,642
Shop, maintenance and other equipment	148,138	143,790
Construction in progress	2,754,062	2,466,091
Total capital assets	6,727,577	5,913,327
Less accumulated depreciation	(1,314,122)	(1,216,592)
Net capital assets	5,413,455	4,696,735
Other Noncurrent Assets:		
Long-term marketable interest bearing investments - restricted (note B)	301,173	151,611
Total other noncurrent assets	301,173	151,611
Total noncurrent assets	5,714,628	4,848,346
Total Assets	6,846,636	6,105,861
Deferred Outflows of Resources	39,736	43,471

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION (CONTINUED)
As of December 31,
(In Thousands)

	<u>2014</u>	<u>2013</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts and contracts payable	\$ 191,381	\$ 198,806
Current portion of long-term debt payable from restricted assets (note E)	54,348	57,002
Accrued compensation (note F)	20,809	19,384
Accrued interest payable from restricted assets	20,934	19,425
Other accrued expenses	26,215	24,387
Total current liabilities	<u>313,687</u>	<u>319,004</u>
Noncurrent Liabilities		
Long-term debt, net (note E)	3,164,875	2,660,597
Other liabilities (note E)	226,109	191,626
Total noncurrent liabilities	<u>3,390,984</u>	<u>2,852,223</u>
Total liabilities	<u>3,704,671</u>	<u>3,171,227</u>
Deferred Inflows of Resources	<u>627</u>	<u>656</u>
NET POSITION		
Net investment in capital assets (note I)	2,987,694	2,788,100
Restricted debt service and project related (note I)	109,822	77,795
Restricted labor reserve (note I)	19,193	18,304
Restricted FasTracks (note I)	45,523	40,032
Unrestricted (note I)	18,842	53,218
Total net position	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended December 31,
(In Thousands)

	2014	2013
OPERATING REVENUE		
Passenger fares	\$ 120,497	\$ 117,841
Advertising, rent, and other	4,406	5,199
	<u>124,903</u>	<u>123,040</u>
OPERATING EXPENSES		
Salaries and wages	143,113	135,660
Fringe benefits	61,677	56,745
Materials and supplies	62,156	64,798
Services	108,920	112,479
Utilities	14,151	13,567
Insurance	5,273	5,568
Purchased transportation	114,942	113,006
Leases and rentals	3,264	3,210
Miscellaneous	6,561	6,448
Depreciation	139,045	127,256
	<u>659,102</u>	<u>638,737</u>
OPERATING LOSS	<u>(534,199)</u>	<u>(515,697)</u>
NONOPERATING REVENUE (EXPENSES)		
Sales and use tax	514,721	468,586
Grant operating assistance (note A)	75,544	88,243
Investment income	165	2,040
Other income	10,248	28,170
Gain(Loss) on capital assets	6,613	(82)
Interest expense (note A)	(72,293)	(61,223)
Other expense	(3,605)	(4,064)
	<u>531,393</u>	<u>521,670</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND LOCAL CONTRIBUTIONS	(2,806)	5,973
Capital grants and local contributions (note A)	<u>206,431</u>	<u>242,566</u>
INCREASE IN NET POSITION	203,625	248,539
NET POSITION, beginning of year	<u>2,977,449</u>	<u>2,728,910</u>
NET POSITION, end of year	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOW
Year ended December 31,
(In Thousands)

	2014	2013
Cash flows from operating activities		
Receipts from customers	\$ 122,104	\$ 117,662
Payments to suppliers	(276,393)	(356,342)
Payments to employees	(203,364)	(190,557)
Net cash used in operating activities	<u>(357,653)</u>	<u>(429,237)</u>
Cash provided from noncapital financing activities		
Grant operating assistance	75,544	88,243
Sales and use tax collections	505,933	464,226
Other revenue	10,248	28,170
Net cash provided by noncapital financing activities	<u>591,725</u>	<u>580,639</u>
Cash flows from capital and related financing activities		
Principal paid on long-term debt	(57,002)	(424,800)
Proceeds from issuance of debt	527,104	651,538
Capital grant funds and other contributions received	203,413	345,912
Proceeds from sale of assets	13,549	1,414
Acquisition and construction of capital assets	(812,420)	(719,500)
Cost of issuance	(3,500)	(4,076)
Interest paid on long-term debt	(85,838)	(84,194)
Net cash used in capital and related financing activities	<u>(214,694)</u>	<u>(233,706)</u>
Cash flows from investing activities		
Purchases of investments	(654,271)	(814,516)
Proceeds from sales and maturities of investments	645,327	353,773
Interest and dividends on investments	165	2,040
Net cash used by investing activities	<u>(8,779)</u>	<u>(458,703)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,599	(541,007)
Cash and cash equivalents - January 1	<u>541,861</u>	<u>1,082,868</u>
Cash and cash equivalents - December 31	<u>\$ 552,460</u>	<u>\$ 541,861</u>

The accompanying notes are an integral part of these statements.

STATEMENTS OF CASH FLOWS (CONTINUED)
Year ended December 31,
(In Thousands)

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (534,199)	\$ (515,697)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation expense	139,045	127,256
Bad debt expense	(105)	12
Changes in operating assets and liabilities:		
Increase in other accounts receivable	(4,522)	(5,915)
Increase in inventories	(2,236)	(518)
Decrease in other current assets	14,052	23,084
Increase/ (decrease) in accounts payable	27,058	(60,009)
Increase in accrued compensation and expenses	1,426	1,847
Increase in long-term other assets	-	178
Increase in other accrued expenses	1,828	525
Net cash used in operating activities	<u>\$ (357,653)</u>	<u>\$ (429,237)</u>
RECONCILIATION OF CASH and CASH EQUIVALENTS		
Cash and cash equivalents	<u>\$ 253,638</u>	<u>\$ 311,996</u>
Cash and cash equivalents - restricted	<u>298,822</u>	<u>229,865</u>
Total cash and cash equivalents	<u>\$ 552,460</u>	<u>\$ 541,861</u>

Noncash investing, capital and financing activities:

RTD had unrealized losses on investments of \$47 and \$238 for 2014 and 2013, respectively.

RTD issued a DUSPA bond to fund the construction of capital assets in 2010 for \$167,954. Assets contributed were \$13,677 and \$74,704 for 2014 and 2013, respectively.

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Organization*

The Regional Transportation District (RTD) was created as a transportation planning agency, a political subdivision of the State of Colorado, by an Act of the Colorado General Assembly (the Act), effective July 1969 (Title 32, Article 9, C.R.S., 1973, as amended). In 1974, the Act was amended and RTD became an operating entity charged with the responsibility for development, operation and maintenance of a public mass transportation system for the benefit of the citizens of the District. The District is comprised of 15 separate districts located in Denver, Boulder, Broomfield and Jefferson counties, and certain portions of Adams, Arapahoe, Douglas, and Weld counties.

RTD is governed by a publicly elected board of directors consisting of 15 members. Each board member is elected to serve a term of four years by the constituents of the district in which the board member resides. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present RTD and its component unit. The component unit discussed in note A.2 is included in the RTD's reporting entity because of the significance of its operational or financial relationship with the District.

In 1988, a Senate Bill was enacted (privatization legislation) requiring RTD to implement by March 31, 1989, a plan to competitively bid contracts for the provision of at least 20% of RTD's bus service by private contractors. In 1999, the Bill was amended requiring RTD to increase this provision to at least 35% of fixed route bus service. In 2003, the Bill was amended to require that at least 50% of RTD's vehicular service be operated by private transit companies. In May of 2007, the legislation was amended to provide for "a system under which up to 58% of the District's service" is provided by private contractors.

2. *Financial Reporting Entity – Blended Component Unit*

The Regional Transportation District Asset Acquisition Authority, Inc. (the Authority) was formed in 1987 as a nonprofit corporation on behalf of RTD for the purpose of issuing certificates of participation in a public offering collateralized by an installment purchase agreement with RTD. RTD's General Manager appoints the Board of Directors of the Authority. The Authority serves as a financing mechanism for various financing arrangements for RTD. RTD follows pronouncement 61 issued by the Governmental Accounting Standards Board which provides guidance regarding the inclusion of component units in the primary government's financial statement presentation. The activity related to the underlying financial obligations of the Authority has been included as a blended component unit in RTD's financial statements for the years ended December 31, 2014 and 2013. No separately audited financial statements are prepared for the Authority.

3. *Basis of Accounting*

The accounts of RTD are reported as a Proprietary Fund. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting which reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of RTD are charges to customers for services. Operating expenses include the cost of services, administrative expenses and asset depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is RTD's policy to apply GAAP in its presentation of financial statements. When both restricted and unrestricted resources are available for use, it is RTD's policy to use restricted resources first, then unrestricted resources as they are needed.

4. *Cash Equivalents*

RTD considers all highly liquid investments, both restricted and unrestricted, with an original maturity of three months or less when purchased to be cash equivalents.

5. *Interest Bearing Investments*

Investments with a maturity date, when purchased, of less than one year are carried at cost or amortized cost which approximates fair value. Investments with a maturity date of more than one year from the date of purchase are carried at fair value.

6. *Inventories*

Inventories consist primarily of materials and supplies used in the ordinary course of operations. Materials and supplies are stated at cost using the FIFO (first-in, first-out) method.

7. *Other Assets*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Escrows are deposits held in escrow during the period of construction. At the time projects are completed, escrows are generally applied toward the cost of the project or may be forfeited by RTD upon breach of contract.

8. *Receivables*

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the consolidated financial statements.

9. *Restricted Assets*

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

10. *Capital Assets*

Property and equipment are stated at historical cost. Capital assets are defined by RTD as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to current period operating expenses and improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in non-operating revenue and expense. A pro rata share of proceeds from the sale of property and equipment, which were acquired with federal funds, is required to be invested in a similar asset.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest is capitalized on assets financed with debt or certificates of participation from the date of the borrowing until completion of the project. The amount of tax-exempt and taxable debt and certificates of participation (externally restricted) interest to be capitalized is the difference between the interest expense and interest earnings on issuance proceeds. The amount of other interest to be capitalized is calculated by weighted average construction expenditures multiplied by the weighted average interest rate of the outstanding obligations.

Total interest cost of RTD consisted of the following as of December 31:

	<u>2014</u>	<u>2013</u>
Interest expense	\$72,293	\$ 61,223
Capitalized interest	<u>50,281</u>	<u>50,952</u>
Total interest cost	\$ <u>122,574</u>	\$ <u>112,175</u>

11. Depreciation

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Land improvements	10–20 years
Buildings	30 years
Revenue earning equipment	8–25 years
Shop, maintenance and other equipment	3–10 years

Fully depreciated assets, which are still in use, are included in the asset balances in the accompanying financial statements. The cost of fully depreciated assets was approximately \$446,561 and \$429,924 at December 31, 2014 and 2013, respectively.

12. GASB 65 – Classification

RTD implemented Governmental Accounting Standards Board Statement No. 65 Items Previously Reported as Assets and Liabilities for the year ended December 31, 2013. The objective of GASB 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflow of resources (revenue).

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows consisted of losses on deferred refunding of \$39,736 and \$43,471 as of December 31, 2014 and 2013, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows consisted of a gain on deferred refunding of \$627 and \$656 as of December 31, 2014 and 2013, respectively.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Compensated Absences*

RTD employees receive compensation for vacations, holidays, illness, and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Compensated absences, which have been earned but not paid, have been accrued in the accompanying financial statements.

13. *Self-Insurance*

Liabilities for property damage and personal injury are recognized as incurred on the basis of the estimated cost to RTD. In addition, RTD offers a self-insured health benefit option as part of its employee benefits program in which costs are recognized as they are incurred.

14. *Revenue Recognition*

Passenger Fares

Passenger fares are recorded as revenue at the time services are performed and revenue is collected from the farebox. Sales of monthly passes are recorded initially as unearned revenue and recognized as income at the end of the month for which the pass is used. Sale of ten ride tickets is recorded as income at the time of sale. Sales of college based passes, which are valid for a specific academic semester, are recorded initially as unearned revenue. Sales are recognized as income at the end of each month, with the amount recognized in each month determined by prorating the total contract amount over the semesters/quarters covered. Sales of Eco Pass and Neighborhood Pass, which are valid through December 31 of a given year, are recorded initially as unearned revenue. Sales are recognized as income at the end of each month, with the total contract amount prorated evenly over the number of months of the contract.

Sales and Use Taxes

Under the provisions of the Act, as amended, RTD levies a sales tax of 1.0% on net taxable sales made within the District and a use tax of 1.0% on items purchased for use inside the District. As described in Note E, under the terms of the Sales Tax Revenue Bonds, Series 2007A, Series 2010A, Series 2010B, Series 2012A and Series 2013 bond resolutions, sales and use tax revenue is pledged for payment of debt service. Sales and use taxes are collected by the State of Colorado, Department of Revenue and are remitted to a trustee who satisfies debt service from the collections, as required under RTD's bond and commercial paper resolutions, and remits the balance to RTD.

Sales and use taxes are recorded as revenue by RTD in the month collected by the merchant. Sales and Use Tax Bonds debt service will be paid from the collateralized sales and use revenues in the amount of approximately \$3,115,885 through 2050. Principal and interest paid for the current year and pledged revenues received were \$98,527.

Grants and Other Contributions

RTD receives grants from the federal government, through the Federal Transit Administration (FTA), and the Department of Homeland Security (HSEC). Grants are also awarded to RTD by state of Colorado through the Colorado Department of Transportation. The federal and state government issues grants to RTD for operations and acquisition of property and equipment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amount recorded as capital grants was \$171,549 and \$159,783 in 2014 and 2013, respectively. Operating assistance grant revenue was \$75,544 and \$88,243 in 2014 and 2013, respectively. Other contribution revenue was \$34,882 and \$82,783 in 2014 and 2013, respectively.

Grant and other contributions are recorded as revenue by RTD in the month that the actual eligible grant expenditure was paid by RTD.

15. Use of Estimates

The financial statements contained herein have been prepared in accordance with US Generally Accepted Accounting Principles (GAAP). GAAP are uniform minimum standards of and guidelines to financial accounting and reporting. GAAP establishes appropriate measurement and classification criteria for financial reporting. Adherence to GAAP provides a reasonable degree of comparability among the financial reports of state and local governmental units. The preparation of financial statements in accordance with GAAP involves the use of management's estimates. These estimates are based upon management's best judgments, after considering past and current events and assumptions about future events. Actual results may differ from estimates.

16. Reclassification of Prior Year Amounts (Current Assets)

The Marketable interest bearing investments – restricted (Note B) include both current and long term investments. The restricted investments were previously classified as current assets. The restricted long term portions were reclassified to long-term marketable interest bearing investments, 2014 and 2013 respectively.

NOTE B – DEPOSITS AND INVESTMENTS

Deposits

RTD's deposits are subject to the State of Colorado's Public Deposit Protection Act (PDPA). 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 some other bank in a manner as the banking Commissioner shall prescribe by rule and regulation, or may be segregated from the other assets of the eligible public depository and held in its own trust department. Colorado's PDP Act requires that pledged collateral to be held is clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and is at all times entitled to collect and retain all income derived from those investments without restrictions.

As of December 31, 2014 and 2013, respectively, RTD had bank deposits of \$43,749 and \$56,950 collateralized with securities held by the pledging financial institutions' trust department or agent but not in RTD's name.

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

At December 31, 2014, the Regional Transportation District's investments consisted of the following:

Investment Type	Fair Value	<6 Months	6-12 Months	1-5 Years
U.S. Agency Securities	\$ 249,051	\$ 2,105	\$ 32,095	\$ 214,851
U.S Treasury Securities	157,378	21,834	66,841	68,703
Commercial paper	180,613	163,508	17,105	-
Corporate bonds	87,507	56,781	13,107	17,619
Total	674,549	244,228	129,148	301,173

At December 31, 2013, the Regional Transportation District's investments consisted of the following:

Investment Type	Fair Value	<6 Months	6-12 Months	1-5 Years
U.S. Agency Securities	\$ 186,360	\$ 37,115	\$ 68,989	\$ 80,256
U.S Treasury Securities	190,069	88,569	82,501	18,999
Commercial paper	211,138	211,138	-	-
Corporate bonds	78,038	19,640	6,042	52,356
Total	665,605	356,462	157,532	151,611

Interest Rate Risk, as a means of limiting its exposure to fair value losses arising from rising interest rates, RTD's investment policy limits maturities of individual investment securities to 5 years, unless otherwise authorized by RTD's Board of Directors.

Credit Risk, investment transactions are made in accordance with the Colorado Revised Statutes (CRS) 24-75-601, et seq.

The types of investments, which are authorized by RTD's internal investment policy, include the following:

1. Obligations of the United States government.
2. Obligations of the United States government agencies and United States government sponsored corporations.
3. Municipal notes or bonds that are an obligation of any state of the United States.
4. Corporate Bonds that are an obligation of corporations or financial institutions organized and operating in the United States.
5. Commercial paper.
6. Time Deposits/Time Certificates of Deposits.
7. Bankers' Acceptances.
8. Repurchase agreements.
9. Money market funds.
10. Local government Investment Pools.
11. Any other Investment permitted under CRS 24-75-601 et seq.

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Credit ratings of RTD’s portfolio, as of December 31, 2014 and 2013, are exhibited in the table below. While all portfolio holdings adhere to RTD’s investment policy and applicable statute, not all investment holdings are rated by the nationally recognized statistical rating organizations. Investments rated AAA, AA and A are from the Fitch rating service. Investments rated A-1+/P-1 are from the Standard & Poor’s and Moody’s rating services, respectively. The securities falling within the non-rated categories below are either money market funds which seek their returns through investments in high-quality short-term debt obligations, securities issued by U.S. government agencies, or repurchase agreements collateralized with securities issued by the U.S. government and government sponsored enterprises (U.S. Agencies).

At December 31, 2014, the Regional Transportation District’s investment credit ratings consisted of the following:

Investment Ratings	Market Value
AAA (Fitch Ratings)	\$ 406,613
AA (Fitch Ratings)	64,773
A	22,550
A-1+/P-1	180,613
Total:	\$ 674,549

At December 31, 2013, the Regional Transportation District’s investment credit ratings consisted of the following:

Investment Ratings	Market Value
AAA (Fitch Ratings)	\$ 351,394
AA (Fitch Ratings)	63,356
A	29,691
A-1+/P-1	211,138
Non-rated Agency Securities: Securities issued by FHLB (rated AAA Moody’s), FMLMC (rated AAA Moody’s and AAA Fitch) and FNMA (rated AAA Moody’s and AAA Fitch).	10,026
Total:	\$ 665,605

Concentration of Credit Risk, it is the policy of RTD to diversify its investment portfolio. Assets held in the investment funds shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issue or a specific class of securities. The asset allocation in the portfolio should, however, be flexible, depending upon the outlook for the economy and the securities markets.

RTD’s investment policy outlines the following maximum exposure limits for unrestricted investments. As of December 31, 2014, RTD was in compliance with these limits. As of December 31, 2013, RTD was in compliance with limitations set out in RTD’s previous investment policy limitations.

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

Investment Type	Maximum Portfolio %	Maximum Issue %	Maturity Restrictions	Rating Restrictions
U.S. Treasury Securities	100%	100%	5 years	N/A
U.S Agencies ¹	75%	25%	5 years	AA
Municipal Bonds of a Colorado Issuer	20%	3%	5 years	A
Municipal Bonds of a non-Colorado Issuer	20%	3%	5 years	AA
Municipal Bonds, Short Term	20%	3%	5 years	“A-1 or “MIG 1”
Pre-Refunded Muni Bonds	40%	5%	3 years	AA
Corporate bonds	20%	3%	3 years	AA
Commercial Paper	40%	3%	270 days	A-1/P1/F1
Time Deposits/CD	10%	3%	1 year	AA
Bankers Acceptances	20%	3%	1 year	AA
Repurchase agreements	50%	10%	90 days	AA
Local Government Investment Pools	100%	50%	N/A	AAAm
Money market funds	100%	50%	N/A	AAAm

¹ In the event that one or more nationally recognized statistical rating agency rates such Agency obligations below the highest rating category, but no lower than one of the two highest rating categories, RTD’s funds may continue to be invested in Agencies if such investments satisfy the requirements of CRS 24.75.601.1 (m) which limits the maturity from the date of settlement to three years, provided that the book value limits of CRS 24.75.601.1 (m) (II) shall not apply. Rather, the diversification limit shall be set as follows: no more than 75% of the portfolio may be invested in Agencies, with any more than 25% being invested in any one Agency.

Proceeds from the issuance of RTD’s obligations are invested in accordance with legal documentation governing the transaction, notwithstanding any provisions of RTD’s investment policy to the contrary, and do not fall within the maximum exposure limits listed above.

At December 31, 2014 and 2013, RTD had \$883,409 and \$862,250 of cash and investments that were restricted under the provisions of bond agreements.

NOTE C - OTHER ASSETS

Other Assets consist of:

	2014	2013
Prepaid expenses	\$ 3,930	\$ 3,934
Eagle P3 construction escrow	30,976	43,035
City of Arvada escrow	2,606	2,606
Park Creek Metro escrow	577	-
Other constuction escrow	273	221
Assets held for sale	2,418	5,036
Total Other Assets	<u>\$ 40,780</u>	<u>\$ 54,832</u>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2014 and 2013 (Dollars in Thousands)

NOTE D – CAPITAL ASSETS

Capital asset activity as of December 31, 2014 was as follows:
(In Thousands)

	Balances 12/31/2013	2014 Additions	2014 Deletions	Balances 12/31/2014
Capital assets not being depreciated:				
Land	\$ 265,577	\$ 42,986	\$ 5,131	\$ 303,432
Construction in progress	2,466,091	862,701	574,730	2,754,062
Total capital assets not being depreciated	<u>2,731,668</u>	<u>905,687</u>	<u>579,861</u>	<u>3,057,494</u>
Capital assets being depreciated:				
Land improvements	1,981,746	208,677	6,553	2,183,870
Buildings	257,481	222,983	134	480,330
Revenue earning equipment	798,642	91,264	32,161	857,745
Shop, maintenance and other equipment	143,790	8,820	4,472	148,138
Total capital assets being depreciated	<u>3,181,659</u>	<u>531,744</u>	<u>43,320</u>	<u>3,670,083</u>
Less accumulated depreciation:				
Land improvements	543,471	83,968	4,880	622,559
Buildings	171,842	11,401	125	183,118
Revenue earning equipment	400,695	30,509	32,038	399,166
Shop, maintenance and other equipment	100,584	13,167	4,472	109,279
Total accumulated depreciation	<u>1,216,592</u>	<u>139,045</u>	<u>41,515</u>	<u>1,314,122</u>
Total capital assets being depreciated, net	<u>1,965,067</u>	<u>392,699</u>	<u>1,805</u>	<u>2,355,961</u>
Capital assets, net	<u>\$ 4,696,735</u>	<u>\$ 1,298,386</u>	<u>\$ 581,666</u>	<u>\$ 5,413,455</u>

Depreciation expense was \$139,045 and \$127,256 for years 2014 and 2013, respectively.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2014 and 2013 (Dollars in Thousands)

NOTE D – CAPITAL ASSETS (CONTINUED)

Capital asset activity as of December 31, 2013 was as follows:
(In Thousands)

	Balances 12/31/2012	2013 Additions	2013 Deletions	Balances 12/31/2013
Capital assets not being depreciated:				
Land	\$ 189,910	\$ 77,064	\$ 1,397	\$ 265,577
Construction in progress	2,455,406	769,359	758,674	2,466,091
Total capital assets not being depreciated	<u>2,645,316</u>	<u>846,423</u>	<u>760,071</u>	<u>2,731,668</u>
Capital assets being depreciated:				
Land improvements	1,368,548	613,198	-	1,981,746
Buildings	257,881	76	476	257,481
Revenue earning equipment	781,528	33,903	16,789	798,642
Shop, maintenance and other equipment	111,853	34,879	2,942	143,790
Total capital assets being depreciated	<u>2,519,810</u>	<u>682,056</u>	<u>20,207</u>	<u>3,181,659</u>
Less accumulated depreciation:				
Land improvements	471,143	72,328	-	543,471
Buildings	165,712	6,143	13	171,842
Revenue earning equipment	383,839	33,594	16,738	400,695
Shop, maintenance and other equipment	88,304	15,191	2,911	100,584
Total accumulated depreciation	<u>1,108,998</u>	<u>127,256</u>	<u>19,662</u>	<u>1,216,592</u>
Total capital assets being depreciated, net	<u>1,410,812</u>	<u>554,800</u>	<u>545</u>	<u>1,965,067</u>
Capital assets, net	<u>\$ 4,056,128</u>	<u>\$ 1,401,223</u>	<u>\$ 760,616</u>	<u>\$ 4,696,735</u>

NOTE E – LONG-TERM DEBT

Long-term debt is comprised of the following as of December 31:

	<u>2014</u>	<u>2013</u>
Sales Tax FasTracks Revenue Refunding Bonds, Series 2007A, due serially on November 1 of each year through 2036, issued with coupons between from 4.00% to 4.50% payable semiannually on May 1 and November 1 of each year; including discount of (\$1,121) and (\$1,172) for 2014 and 2013, respectively. In 2014, The District did a Modification and Exchange on these Bonds, it resulted in a premium with an ending balance of \$17,003 for 2014.	\$ 376,193	\$ 359,653
Sales Tax Revenue Refunding Bonds, Series 2007A, due serially on November 1 of each year through 2024, issued with a 5.25% coupon, payable semiannually on May 1 and November 1 of each year; including premium of \$5,496 and \$6,055 for 2014 and 2013, respectively.	75,321	75,879
Sales Tax Revenue Refunding Bonds, Series 2010A, due serially on November 1 of each year through 2017, issued with coupons between 3.00% and 5.00%, payable semiannually on May 1 and November 1 of each year, including premium of \$2,353 and \$3,184 for 2014 and 2013, respectively.	21,688	32,274
Subordinate Sales Tax FasTracks Revenue Bonds, Series 2010, Denver Union Station Project Authority (DUSPA) with principal and interest due on February 1 and August 1 of every year through February 2040, with a coupon of 5.85%.	157,064	159,727
Sales Tax FasTracks Revenue Bonds, Series 2010A, due serially on November 1 of 2037 and 2038, issued with coupon of 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of \$2,128 and \$2,217 for 2014 and 2013, respectively.	81,268	81,357
Sales Tax FasTracks Revenue Bonds Taxable (Direct Pay Build America Bonds), Series 2010B, due serially on November 1 of 2046 through 2050, issued with coupon of 5.844%, payable semiannually on May 1 and November 1 of each year.	300,000	300,000
Sales Tax FasTracks Revenue Bonds, Series 2012A, due serially on November 1 of 2023 and 2037, issued with coupon of 3.0% and 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of \$65,014 and \$67,862 for 2014 and 2013, respectively.	539,949	542,797
Sales Tax Revenue Refunding Bonds, Series 2013A, due serially on November 1 of 2013 and 2021, issued with coupon of .25% and 2.207%, payable semiannually on May 1 and November 1 of each year; including premium of \$498 and \$571 for 2014 and 2013, respectively.	78,443	91,296
Sales Tax FasTracks Revenue Refunding Bonds, Series 2013A, due serially on November 1 of 2027 and 2036, issued with coupon of 4.25% and 5.0%, payable semiannually on May 1 and November 1 of each year; including premium of \$42,635 and \$44,587 for 2014 and 2013, respectively.	247,455	249,407

NOTE E – LONG-TERM DEBT (CONTINUED)

	<u>2014</u>	<u>2013</u>
TIFIA Sales Tax FasTracks Loan, due on May 1 of 2025 thru 2045, loaned with coupon of 3.14% and interest capitalized thru November 1, 2020. Payable semiannually on May 1 and November 1 of each year from 2021 thru 2045.	\$ 212,282	\$ 126,093
Certificates of Participation Refunding Obligations, Series 2004A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2014, issued with coupons between 3.5% and 5.00%, including premium of \$0 and \$297 for 2014 and 2013, respectively.	-	7,427
Certificates of Participation Obligations, Series 2005A, under a lease agreement for acquisition of light rail vehicles, payments are due semiannually on June 1 and December 1 to 2015, issued with coupons between 3.50% and 5.00%, including premium of \$151 and \$513 for 2014 and 2013, respectively.	5,336	10,658
Certificates of Participation Taxable Refunding Obligations, Series 2007A, under a lease agreement for acquisition of transit buses and vehicles, payments are due semiannually on June 1 and December 1 to 2021, issued with a 5.535% coupon.	10,135	11,300
Certificates of Participation Obligations, Amended and Restated Series 2002A, under a lease agreement for acquisition of transit vehicles and facilities, payments are due semiannually on June 1 and December 1 to 2022, issued with coupons between 4.00% and 5.00%, including premium of \$4,206 and \$4,738 for 2014 and 2013, respectively.	95,206	104,843
Certificates of Participation Obligations, Series 2010A, under a lease purchase agreement for acquisition of light rail vehicles, construct, install and improve certain equipment and other capital projects. Payments are due semiannually on June 1 and December 1 to 2031, issued with coupons between 3.00% and 5.50%, including premium of \$2,789 and \$3,149 for 2014 and 2013, respectively.	199,074	205,655
Certificates of Participation Taxable (Direct Pay Build America Bonds), Obligations, Series 2010B, under a lease purchase agreement for acquisition of light rail vehicles, construct, install and improve certain equipment and other capital projects. Payments are due semiannually on June 1 and December 1 through 2040, issued with a coupon of 7.672%.	100,000	100,000
Certificates of Participation Obligations, Series 2013A, as Lessee Under an Annually Renewable Lease Purchase Agreement. Payments are due semiannually on June 1 and December 1 to 2027, issued with coupons between 2.00% and 5.00%, including premium of \$32,566 and \$35,189 for 2014 and 2013, respectively.	253,901	259,233

NOTE E – LONG-TERM DEBT (CONTINUED)

	<u>2014</u>	<u>2013</u>
Certificates of Participation Obligations, Series 2014A, as Lessee Under an Annually Renewable Lease Purchase Agreement. Payments are due semiannually on June 1 and December 1 to 2044, issued with coupons between 4.125% and 5.00%, including premium of \$24,993 and \$0 for 2014 and 2013, respectively.	\$ 465,908	\$ -
	<u>3,219,223</u>	<u>2,717,599</u>
Less current portion	<u>(54,348)</u>	<u>(57,002)</u>
	<u>\$ 3,164,875</u>	<u>\$ 2,660,597</u>

The Sales Tax Revenue Bonds are payable from and secured by RTD's sales and use tax revenue. RTD is required to maintain certain minimum deposits, as defined in the bond resolution, to meet debt service requirements. The bonds may be redeemed in inverse order of maturity, at a price equal to the principal amount plus accrued interest thereon to the date of redemption and a premium Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal	TIFIA Capitalized Interest	Interest	Total
2015	\$ 26,438	\$ -	\$ 84,101	\$ 110,539
2016	27,043	-	83,490	110,533
2017	27,573	-	82,820	110,393
2018	28,212	-	81,932	110,144
2019	20,818	-	80,930	101,748
2020-2024	120,927	-	422,638	543,565
2025-2029	375,052	14,110	378,580	767,742
2030-2034	463,593	14,110	272,673	750,376
2035-2039	396,262	14,110	162,066	572,438
2040-2044	142,394	-	111,295	253,689
2045-2049	260,155	-	71,649	331,804
2050-2054	67,190	-	3,927	71,117
	<u>\$1,955,657</u>	<u>\$ 42,330</u>	<u>\$1,836,101</u>	<u>\$3,834,088</u>

Certificates of Participation are issued by Regional Transportation District Asset Acquisition Authority, Inc., a nonprofit corporation. The Authority issued Certificates of Participation (Certificates) with the proceeds being used to acquire certain equipment and facilities to be used by RTD as well as for construction of the North Metro commuter rail line. RTD leases the equipment acquired and elements constructed with the proceeds from the Certificates under separate Master Lease Purchase Agreements. For financial reporting purposes, RTD accounts for the Certificates as its own obligations.

NOTE E – LONG-TERM DEBT (CONTINUED)

Annual repayment requirements on the Certificates to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2015	\$ 27,910	\$ 54,661	\$ 82,571
2016	34,655	53,232	87,887
2017	31,325	51,663	82,988
2018	37,440	50,079	87,519
2019	37,205	48,298	85,503
2020-2024	242,515	206,666	449,181
2025-2029	180,375	148,673	329,048
2030-2034	160,825	107,732	268,557
2035-2039	159,500	59,574	219,074
2040-2044	153,105	18,301	171,406
	<u>\$ 1,064,855</u>	<u>\$ 798,879</u>	<u>\$1,863,734</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/2013	2014 Additions	2014 Reductions	Balance 12/31/2014	Due Within One Year
Sales Tax Revenue Bonds	\$1,895,180	\$ 86,189	\$ 25,712	\$1,955,657	\$ 26,438
Certificates of Participation	655,230	440,915	31,290	1,064,855	27,910
Issuance premiums and discounts	167,189	42,486	10,964	198,711	-
Total Bonds-COPs Payable	2,717,599	569,590	67,966	3,219,223	54,348
Other liabilities*	191,626	34,483	-	226,109	-
Total long-term liabilities	<u>\$2,909,225</u>	<u>\$ 604,073</u>	<u>\$ 67,966</u>	<u>\$3,445,332</u>	<u>\$ 54,348</u>

*Other liabilities consist of Net Pension Obligation liability reflecting the cumulative differences between pension cost and employer's contributions to the plan, Eagle P3 finance charge liability, 2007 Sales Tax arbitrage call modification liability and the CCD Aviation Intergovernmental Agreement (IGA).

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/2012	2013 Additions	2013 Reductions	Balance 12/31/2013	Due Within One Year
Sales Tax Revenue Bonds	\$1,828,762	\$ 427,493	\$ 361,075	\$1,895,180	\$ 25,712
Certificates of Participation	494,950	224,045	63,765	655,230	31,290
Issuance premiums and discounts	108,668	83,457	24,936	167,189	-
Total Bonds-COPs Payable	2,432,380	734,995	449,776	2,717,599	57,002
Other liabilities*	171,717	19,909	-	191,626	-
Total long-term liabilities	<u>\$2,604,097</u>	<u>\$ 754,904</u>	<u>\$ 449,776</u>	<u>\$2,909,225</u>	<u>\$ 57,002</u>

*Other liabilities consist of Net Pension Obligation liability reflecting the cumulative differences between pension cost and employer's contributions to the plan, Eagle P3 finance charge liability and CCD Aviation IGA.

NOTE E – LONG-TERM DEBT (CONTINUED)

In prior years, RTD defeased certain obligations by placing the proceeds of new obligations in an irrevocable trust to provide for all future service payments on the old obligations. Accordingly, the trust account assets and the liability for the defeased obligations are not included in these financial statements. Outstanding as of December 31, 2014 are the following amounts which are considered defeased:

2006A ST FT Bonds	FasTracks Facilities and Equipment	\$ 369,562
2004A & 2005A ST Bonds	Senior Sales Tax Escrow	\$ 93,886
2005A COPs	FasTracks Escrow	\$ 38,900
2007A ST FT Bonds	FasTracks Facilities and Equipment	\$ 254,195

In July 2014, RTD issued its Certificates of Participation, Series 2014A in the par amount of \$440,915 with an average interest rate of 4.46% for the purpose of funding the construction of the North Metro Rail Line from Denver Union Station to approximately 124th Avenue. Certain proceeds were also used to fund a debt service reserve fund for the certificates and pay for related costs of issuance. The final maturity of the certificates is in 2044.

In 2014, RTD drew \$80,000 from the Transportation Infrastructure and Innovation Act (TIFIA) loan. Under the TIFIA loan authorization, RTD may draw up to \$280,000. The draws from the TIFIA loan will be used to pay for “Eligible Project Costs” on RTD’s Eagle Project. The interest rate on the TIFIA loan is 3.14% with principal and interest payments anticipated to begin in 2025 and final maturity expected in 2045. The TIFIA loan will be used to complement the other sources of debt, resulting in a lower cost of funding than would have otherwise been available in the capital markets. The first TIFIA draw of \$125,000 was made in 2013 with the remaining \$75,000 of the \$280,000 authorization to be drawn in futures years. The TIFIA loan is secured by a pledge of RTD’s 0.4% FasTracks sales and use tax.

In December 2014, RTD entered into a Modification and Exchange agreement with Citibank N.A. who owned certain of the RTD Sales Tax Revenue Refunding Bonds (FasTracks Project), Series 2007A. The agreement modified the call dates on the affected bonds from November 1, 2017 to November 1, 2024. The affected bonds which were all owned by Citibank N.A. were as follows:

<u>Maturity</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Owned by Citibank</u>	<u>Percentage of Maturity Owned by Citibank</u>	<u>Original CUSIP for 2007A Bonds Owned by Citibank</u>	<u>New CUSIP for Amended Bonds</u>
11/1/2030	\$ 56,375,000	\$ 56,375,000	100.00%	759136NM2	759136NSQ8
11/1/2031	33,915,000	33,915,000	100.00	759136NN0	759136NSR6
11/1/2032	36,535,000	36,535,000	100.00	759136NP5	759136NSS4
11/1/2033	64,300,000	34,000,000	52.88	759136NQ3	759136NST2
11/1/2035	70,220,000	60,000,000	85.45	759136NS9	759136NSV7

NOTE E – LONG-TERM DEBT (CONTINUED)

The 2007A bonds that are not owned by Citibank N.A. were not affected by this Modification and Exchange agreement. Proceeds of the agreement were \$17,068 of which \$552 was used for costs and RTD accrued a long term arbitrage liability of \$2,620.

In March 2013, RTD issued its Taxable Sales Tax Revenue Refunding Bonds, Series 2013A in the par amount of \$96,580 with an average interest rate of 1.44% for the purpose of advance refunding the Series 2004A and 2005A Sales Tax Revenue Bonds with an average interest rate of 5.00%. The proceeds of the 2013A bonds were deposited with the escrow bank and invested in government obligations maturing at such time and in such amounts as required to provide funds sufficient to pay the principal and interest on the refunded bonds as they become due. The Series 2004A and 2005A bonds had required debt service payments of \$131,949 and the Series 2013A bonds require debt service payments of \$102,055. The refunding achieved an economic gain (difference between the present value of the debt service on the old and new bonds) of 4.19% or \$4,378.

In April 2013, RTD issued its Certificates of Participation Series 2013A in the par amount of \$224,045 with an average interest rate of 4.72% for both the purpose of advance refunding the then outstanding Series 2005 Certificates of Participation in the amount of \$52,920 with an average interest rate of 4.83% and the acquisition of buses and ticket vending machines for use in RTD's operations. Certain proceeds were also used to fund a debt service reserve fund for the Certificates. The Series 2005 certificates had required debt service payment of \$52,196 and the Series 2013A certificates require debt service payments of \$45,857. The refunding achieved economic gain (difference between the present value of the debt service on the old and new bonds) of 6.93% or \$2,633.

In May 2013, RTD issued its Sales Tax Revenue Refunding Bonds (FasTracks Project), Series 2013A in the par amount of \$204,820 with an average interest rate of 4.85% for the purpose of advance refunding the Sales Tax Revenue Bonds (FasTracks Project), Series 2006A with an average interest rate of 4.75%. The proceeds of the 2013A FasTracks bonds were deposited with the escrow bank and invested in government obligations maturing at such time and in such amounts as required to provide funds sufficient to pay the principal and interest on the refunded bonds as they become due. The Series 2006A bonds had required debt service payments of \$430,956 and the Series 2013A FasTracks bonds require debt service payments of \$376,798. The refunding achieved economic gain (difference between the present value of the debt service on the old and new bonds) of 5.50% or \$12,972.

NOTE F– EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS

Plan Description

RTD maintains two single-employer defined benefit pension plans and one defined contribution plan for substantially all full-time employees. The Regional Transportation District Salaried Employees’ Pension Plan (the RTD Plan) covers all non-union, full-time salaried employees whom were hired prior to January 1, 2008. The RTD defined contribution plan (the RTD DC Plan) represents full-time salaried employees hired after January 1, 2008. The Regional Transportation District and Amalgamated Transit Union Division 1001 Pension Plan (the Union Plan) was established pursuant to collective bargaining agreements between RTD and the Union. This plan covers substantially all full-time union-represented employees in accordance with the union agreement. The Board of Directors of each plan has the authority for establishing and amending benefits and funding policy. Each plan is administered by a pension board and issues audited financial statements, which include financial information for that plan. Those financial statements may be obtained from the plan:

Regional Transportation District Salaried Employees Pension Trust 7000 North Broadway, Building 106 Denver, Colorado 80221	RTD ATU 1001 Pension Plan 2821 S. Parker Road Aurora, Colorado 80014-2602
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The RTD Plan provides retirement benefits to RTD salaried employees who retire at or after age 55 with at least five years of service. These employees are entitled to a single lump sum distribution or an annual retirement benefit, payable monthly for life. The normal retirement benefit is equal to 2.5% of average final compensation to which a participant is entitled on the day the participant retires, multiplied by the number of years of credited service.

The RTD Board adopted amendment No. 8, effective January 1, 2008, in which salaried employee new hires shall not be eligible to participate in the RTD Plan. New salaried employees will be eligible to participate in the new RTD DC Plan. The Board of Directors for the RTD DC Plan has the authority for establishing and amending benefits and funding policy. RTD contributes 9% of the employee’s qualifying wage. Contributions totaled \$2,394 and \$1,884 in 2014 and 2013, respectively. RTD employees cannot contribute to the RTD DC Plan. Membership was 392 and 322 active employees in 2014 and 2013, respectively. In addition, RTD has one employee in 2014 and 2013 participating in both the RTD plan and the RTD DC Plan due to a compensation level in excess of the 2014-2013 compensation limits imposed under IRC section 401(a) (17).

The Union Plan provides retirement benefits to employees who retire at or after a certain age with at least a specified number of years of service. These employees are entitled to a percentage of their final average earnings based on age and credited service at retirement.

The following schedule (derived from the most recent actuarial valuation reports) reflects membership for the plans as of January 1, 2014:

	RTD Plan	Union Plan
Active employees	382	1,581
Pensioners	222	1,363
Inactive vests	<u>112</u>	<u>1,226</u>
Total	<u>716</u>	<u>4,170</u>

**NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)**

Funding Policy

Contributions to the RTD Plan are actuarially determined. RTD employees are not required to contribute to the RTD Plan. Contributions to the Union Plan are made in accordance with the collective bargaining agreement. This agreement requires RTD to contribute 8% and the employee to contribute 3% of the employee's qualifying wages. Effective March 1, 2013 RTD is to contribute 12% and the employee to contribute 4%. RTD has no liability to the Union Plan beyond its contributions.

Funding Status

Based on actuarial valuations performed as of January 1, 2014, the RTD Plan had unfunded actuarial accrued liabilities of \$19,890 and the Union Plan had unfunded actuarial accrued liabilities of \$218,837. The actuarial value of assets for both plans is determined by spreading gains and losses over a five-year period.

Schedule of Funding Progress – RTD Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/14	\$ 113,743	\$ 133,633	\$ (19,890)	85.12%	\$ 31,193	(63.76%)

Schedule of Funding Progress – Union Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/14	\$ 207,435	\$ 426,272	\$ (218,837)	48.66%	\$ 81,040	(270.03%)

The schedule of funding progress presented as Required Supplementary Information following the notes to the financial statements provides multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actual accrued liability.

Three-year Trend Information – RTD Plan

	Annual pension cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<i>RTD Pension Plan</i>			
Year-end December 31,			
2012	\$ 3,372	85%	\$ 3,892
2013	4,345	71%	5,137
2014	5,538	56%	7,575

**NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)**

Annual Pension Cost and Net Pension Obligation

RTD Pension Plan NPO Liability

<i>Disclosure</i>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution (ARC)	\$ 5,682	\$ 4,444	\$ 3,450
Interest on NPO	385	292	254
Adjustment	<u>(529)</u>	<u>(391)</u>	<u>(332)</u>
Annual Pension Cost (APC)	5,538	4,345	3,372
Contribution Made	<u>3,100</u>	<u>3,100</u>	<u>2,865</u>
Increase NPO	2,438	1,245	507
NPO Beginning of year	<u>5,137</u>	<u>3,892</u>	<u>3,385</u>
NPO Ending of year	<u>\$ 7,575</u>	<u>\$ 5,137</u>	<u>\$ 3,892</u>

Three-Year Trend Information – Union Plan

ATU 1001 Pension Plan

Year-end December 31,	Annual pension cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 19,679	34%	\$ 47,006
2013	21,649	45%	58,944
2014	19,530	52%	68,348

Annual Pension Cost and Net Pension Obligation

ATU 1001 Pension Plan NPO

<i>Liability Disclosure</i>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially Determined Contribution (ARC)	\$ 18,752	\$ 21,029	\$ 19,234
Interest on NPO	4,112	3,278	2,351
Adjustment	<u>(3,334)</u>	<u>(2,658)</u>	<u>(1,906)</u>
Annual Pension Cost (APC)	19,530	21,649	19,679
Contribution Made	<u>10,126</u>	<u>9,711</u>	<u>6,658</u>
Increase NPO	9,404	11,938	13,021
NPO Beginning of year	<u>58,944</u>	<u>47,006</u>	<u>33,985</u>
NPO Ending of year	<u>\$ 68,348</u>	<u>\$ 58,944</u>	<u>\$47,006</u>

**NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)**

Actuarial Methods and Assumptions

RTD annual pension cost for the current year, based on actuarial valuation plans performed as of January 1, 2014, and related information for each plan, is as follows:

	RTD Pension Plan	ATU 1001 Pension Plan
Contribution rates RTD	\$3,100/year	12%
Contribution rates Employees	-	4%
Annual pension cost	\$ 5,538	\$ 19,530
Contributions made	\$ 3,100	\$ 10,126
Actuarial valuation date	January 1, 2014	January 1, 2014
Actuarial cost method	Entry Age Normal	Individual Entry Age
Amortization method	Level-dollar; closed	Level percentage of payroll; open
Remaining amortization period	17 Years	30 years
Asset valuation method	5-Year Smoothed Market Value (20% Corridor)	5-Year Smoothed Market Value (20% Corridor)
Actuarial assumptions:		
Inflation/Payroll Growth	3.5% to 8.5%	3%
Investment rate of return	7.5%	7%
Projected salary increases	Age based table	3-7%

Amalgamated Transit Union Division 1001 Health and Welfare Trust

The Amalgamated Transit Union Division 1001 Health and Welfare Trust was formed pursuant to a Trust Agreement effective July 1, 1971, between Amalgamated Transit Union Division 1001 (ATU 1001) and an agent of a transit enterprise owned by the City and County of Denver, through July 3, 1974, and the Regional Transportation District (RTD) thereafter. In addition to the original Denver Metro Division, employees of other RTD divisions have been approved for participation in the Trust benefits. The Trust agreement shall continue in full force and effect in all its terms and provisions so long as there continues to be a collective bargaining agreement between the Union and RTD.

The Trust provides health benefits (hospital, medical, dental, vision, life and short-term disability) for represented employees of RTD and certain officers of ATU 1001 and health care benefits for retired employees actively working 600 hours or more per quarter. The Trust is funded through contribution by the employer and employee, the share of benefit plan contributions is set by the Collective Bargaining Agreement (CBA). RTD's contribution was \$13,876 and \$11,727 for the years ended December 31, 2014 and 2013, respectively. The Trust also provides insurance coverage for felonious assault for each employee and funds the Amalgamated Transit Union Division 1001 Legal Services Trust. The Trust self-insures part of its health benefits, life insurance coverage and short-term disability. The plan issues audited financial statements, which include financial information for the plan. The financial statements may be obtained from the plan.

RTD ATU 1001 Health and Welfare Trust
2821 S. Parker Road, Suite 1005
Aurora, Colorado 80014-2602

**NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)**

Unearned Compensation Plan

RTD offers its employees an unearned compensation plan (the Plan), created in accordance with Internal Revenue Code Section 457, which is available to substantially all employees and permits them to defer a portion of their compensation to future years. Under the terms of the Plan, the unearned compensation is available to participants upon termination, retirement, death or in the event of an unforeseeable emergency or other financial hardship.

Compensated Absences

RTD considers all accrued compensated absences as due within one year. Employees accrue paid time off (PTO), vacation, and sick leave based on time in service; employees are not allowed to accumulate more than twice their annual PTO or vacation accrual and sick leave based on years of service. Employees are paid any outstanding compensated absence balances upon leaving RTD. RTD records these accrued compensated absences as current liabilities under the principle of conservatism by assuming these amounts are the most RTD would be obligated to pay in the near-term.

Compensated absences activity for the year ended December 31, 2014, was as follows:

	12/31/2013	2014	2014	12/31/2014
	<u>Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
Represented employees	\$ 2,209	\$ 1,491	\$ 1,241	\$ 2,459
Salaried employees	<u>9,180</u>	<u>5,882</u>	<u>5,317</u>	<u>9,745</u>
Total compensated absences due	<u>\$11,389</u>	<u>\$ 7,373</u>	<u>\$ 6,558</u>	<u>\$12,204</u>

Compensated absences activity for the year ended December 31, 2013, was as follows:

	12/31/2012	2013	2013	12/31/2013
	<u>Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
Represented employees	\$ 2,157	\$ 1,241	\$ 1,189	\$ 2,209
Salaried employees	<u>8,325</u>	<u>5,317</u>	<u>4,462</u>	<u>9,180</u>
Total compensated absences due	<u>\$10,482</u>	<u>\$6,558</u>	<u>\$5,651</u>	<u>\$11,389</u>

The accrued compensation liabilities of \$20,809 and \$19,384 as of December 31, 2014 and December 31, 2013, include \$8,605 and \$7,995 of accrued wages, salaries, and fringe benefits in addition to accrued compensated absences.

NOTE G – OPERATING LEASES – LESSOR

Union Station Alliance (USA) Lease

In December 2013, RTD entered a contract with Union Station Alliance (USA) to renovate and lease RTD’s historic Denver Union Station Building. The renovation by USA includes a hotel, Amtrak facilities, office space, retail and restaurant services as well as renovation of the Great Train Hall. The agreement includes a 60 year lease to USA to operate and maintain this facility in which RTD will participate in certain revenue collections.

NOTE H – COMMITMENTS AND CONTINGENCIES

Commitments

Operating Lease

In 1976, RTD entered into an operating lease for a portion of the land on which the Civic Center transfer facility is located in downtown Denver. As collateral for the lease, RTD must maintain an account balance with a minimum market value of \$1,500 in an escrow account, the interest on which accrues to RTD until the lease expires. This amount in escrow is included in restricted assets in the accompanying financial statements.

Operating Leases

Fixed rental commitments under the lease in years subsequent to December 31, 2014, are as follows:

<u>Year ending December 31,</u>	
2015	\$ 257
2016	259
2017	262
2018	265
2019	267
2020-2024	1,377
2025-2029	1,448
2030-2034	1,521
2035-2039	1,599
2040-2044	1,680
2045-2049	1,766
2050-2054	1,856
2055-2059	1,951
2060-2064	2,051
2065-2069	2,155
2070-2074	2,265
2075	<u>467</u>
	<u>\$ 21,446</u>

Rental expense relating to this lease amounted to \$254 and \$252 for the years ended December 31, 2014 and 2013, respectively.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RTD has entered into a number of transactions in which certain of its light rail vehicles have been leased to and subleased back from certain U.S. and foreign companies and has entered into a transaction in which its maintenance facilities have been leased to and subleased back. As part of these transactions, RTD irrevocably set aside certain monies (which were received from each counter party as payment for its leasing of light rail vehicles and real property) with a third party trustee. The monies held by such trustees will be utilized to make the lease payments owed by the RTD under the transactions and are therefore considered fully funded and economically defeased.

U.S. Leveraged Lease

In July and December 1997, RTD entered into two U.S. leveraged lease agreements with Pitney Bowes Credit Corporation for the lease and leaseback of 17 light rail vehicles and four transportation and maintenance facilities. RTD has made investment arrangements to meet all its payment obligations throughout the terms of the leases. A termination agreement was executed and final payment on this defeased lease was made in March 2015.

Capital Projects

As of December 31, 2014, RTD has contracts for the construction of various capital projects and the purchase of buses and light rail vehicles. The costs to complete these projects and the purchase of buses/light rail vehicles total \$483,272 and \$514,934 in 2014 and 2013, respectively.

Grant Match Requirements

Under the provisions of current grants, RTD is obligated to satisfy certain matching requirements of these grants. At December 31, 2014, RTD had a commitment to provide \$16,130 in matching funds in order to receive \$50,301 in future federal grant funds.

Privatization Contracts

In response to the privatization legislation (Note A), RTD has awarded contracts for specific groups of routes, not to exceed 58% as required by law for vehicular services. As of January 2014, slightly over 52.37% of RTD's non-rail transit services are delivered by private contractors operating under the auspices and direction of RTD.

ADA Paratransit Service

With the passage of the Americans with Disabilities Act of 1990 (ADA), RTD was mandated to provide paratransit service to the disabled individuals unable to use RTD's fixed route buses, operating the same days and hours of service as the fixed route service. This service, called Access-a-Ride, is a curb-to-curb (with door-to-door assistance upon special request) transportation system offered to disabled individuals who cannot functionally use RTD's regular fixed route system. Passengers eligible for Access-a-Ride service must originate their trip within 3/4 of a mile of an RTD non-commuter fixed route. Since September 1996, RTD has been in full compliance with the Americans with Disabilities Act of 1990 requirement to provide paratransit service to the disabled individuals unable to use fixed route buses.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future Commitments under Construction Contracts

In 2010, RTD entered into a public-private partnership to design, build, finance and operate several of the transit improvements contemplated under the FasTracks program, including the Commuter Rail Maintenance Facility, the East Corridor, the Gold Line Rail Corridor and the electrified segment of the Northwest Rail Corridor (together, the “Eagle P3 Project”). The Eagle P3 Project is being delivered and operated under a concession agreement that RTD has entered into with a concessionaire that has been selected through a competitive proposal process. The selected concessionaire is known as Denver Transit Partners (DTP), a special purpose company owned by Fluor Enterprises, Uberior Investments and Laing Investments.

The Eagle P3 Project construction will be completed in two phases with Phase I completed in 2016 and Phase II completed in 2017. Under the terms of the Eagle P3 Project agreement, RTD will make scheduled construction payments to DTP each year from 2011 through 2017 for completed project elements totaling \$1,064,592. RTD will assume ownership of the Eagle P3 Project elements as they are constructed. In addition, RTD will make scheduled secured principal and interest payments to DTP from 2017 through 2044 for the remaining Eagle P3 Project obligation totaling \$1,438,234 resulting in a total project cost through 2044 of \$2,502,826. The Eagle P3 Project agreement also includes a provision whereby, upon project completion and placement in service, DTP will operate and maintain the Eagle P3 Project during the period 2016 through 2044 for which RTD will make service payments.

In 2011, RTD entered an Intergovernmental Agreement (IGA) with the Colorado Department of Transportation (CDOT) to provide funding for 18 miles of Bus Rapid Transit (BRT) elements between Denver and Boulder along the U.S. 36 highway. The funding will provide slip ramps and access improvements to Park-n-Rides along the corridor in addition to transit related improvements such as shared lanes along U.S. 36. The IGA requires funding of \$141,570 from RTD to CDOT of which \$90,000 has been paid through December 31, 2014. The remaining \$51,570 will be paid in future years.

In 2012, RTD entered a contract with Kiewit Infrastructure Company to complete the 10.5 mile I-225 light rail line, extending from the currently existing Nine Mile station to connect the Southeast Line to the East Line. The I-225 Line is being completed in coordination with the Colorado Department of Transportation’s I-225 highway project and will open in 2016 to provide connectivity to major activity centers like the Aurora City Center, Anschutz/Fitzsimons Medical Center and Denver International Airport through a transfer at Peoria to the East Rail Line.

In December 2013, RTD entered a contract with Regional Rail Partners to construct the North Metro Rail Line. The North Metro Rail Line is an 18.5-mile electric commuter rail line that will run from Denver Union Station through Commerce City, Thornton and Northglenn to Highway 7 at 162nd Avenue in North Adams County. The contract includes funding for the completion of the rail line through 124th Avenue in 2018 with an option to construct the remaining segments through 162nd Avenue.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future Commitments under Service Contracts

The fixed commitments under the Privatization contracts in the years subsequent to 2014 are as follows:

<u>Year ending December 31,</u>	
2015	\$ 125,550
2016	114,122
2017	101,414
2018	96,004
2019	<u>44,290</u>
Total	<u>\$ 481,380</u>

Diesel Fuel Contract

RTD contracts with Mansfield Oil Co of Gainesville, Inc. for diesel fuel. The contract is structured as a single year contract. The fixed commitment under the Mansfield contract in 2015 is \$15,989. RTD estimates usage of 9.8 million gallons at unit cost of \$2.95 per gallon: 5.42 million RTD usage and 4.38 million RTD private carriers usage.

Contingencies

Federal Grants

RTD receives federal grants for capital projects and operating assistance, which are subject to audit by FTA. Although the outcome of any such audit cannot be predicted, it is management's opinion these audits will not result in liabilities to such an extent that they would materially affect RTD's financial position.

Self-Insurance

RTD is self-insured for general liability and Workers' Compensation claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In addition, RTD offers a self-insured health benefit option as part of its employee benefits program in which costs are recognized as they are incurred.

RTD does not carry excess liability insurance for personal injury and property damage. Under the provisions of the Colorado Government Immunity Act, the maximum liability, with certain exceptions as defined in the Act, to RTD for claims involving personal injury and property damage is \$350 per individual and \$990 per incident.

For Workers' Compensation, an excess coverage insurance policy covers individual claims in excess of \$2,000. The amount of settlements has not exceeded insurance coverage in any of the past three years.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

RTD's liability for unpaid claims includes an amount for claims that have been incurred but not reported (IBNR). RTD's Risk Management determines incurred claims by investigating the accident and establishing a reserve. Reserves are established on the day of assignment, reviewed at 30 days and again at 90 days. Reserves are reviewed every 90 days thereafter and based on ultimate exposure. This amount is included in other accrued expenses in the statement of net assets. Changes in the balances of claims liabilities for both general liability and Worker's Compensation during the past year are as follows:

	General Liability	Workers' Compensation	Total
Unpaid claims, January 1, 2013	\$ 2,152	\$ 2,522	\$ 4,674
Incurred claims (including IBNR)	1,969	3,207	5,176
Claims payments	<u>(2,092)</u>	<u>(2,380)</u>	<u>(4,472)</u>
Unpaid claims, December 31, 2013	\$ 2,029	\$ 3,349	\$ 5,378
Incurred claims (including IBNR)	3,123	2,114	5,237
Claims payments	<u>(2,461)</u>	<u>(2,618)</u>	<u>(5,079)</u>
Unpaid claims, December 31, 2014*	<u>\$ 2,691</u>	<u>\$ 2,845</u>	<u>\$ 5,536</u>

*All claim liabilities are considered current liabilities payable within one year.

Contract Disputes and Legal Proceedings

RTD is party to a number of pending or threatened lawsuits under which it may be required to pay certain amounts upon final disposition of these matters. RTD's legal counsel estimates that the ultimate outcome of these matters is either sufficiently covered by RTD's general liability and Workers' Compensation reserves or would not materially affect the financial statements of RTD. As of December 31, 2014, RTD owed \$7.8 million to the Denver International Airport (DIA) for certain costs that are part of RTD's Eagle Project Development. These costs are payable as a result of an arbitration. RTD is not disputing this obligation, has budgeted for it and will pay it before the end of 2015. DIA is seeking additional payments and has appealed the arbitration that resulted in the undisputed amount.

RTD is party to a pending lawsuit in which the claimant is seeking a refund of previously paid sales taxes on purchases of aviation fuel as well as the discontinuance of such future sales tax payments. The Federal Aviation Administration (FAA) has recently issued guidance regarding state and local taxation of aviation fuel in which RTD may no longer be authorized to collect such taxes and possibly refund some taxes previously collected.

NOTE I – NET POSITION

	December 31,	
	<u>2014</u>	<u>2013</u>
Net investment in capital assets	\$2,987,694	\$2,788,100
Restricted net position		
Restricted debt service and project related	109,822	77,795
TABOR emergency	19,193	18,304
FasTracks related	<u>45,523</u>	<u>40,032</u>
Total restricted net position	3,162,232	2,924,231
Unrestricted net position ¹	<u>18,842</u>	<u>53,218</u>
Total net position	<u>\$3,181,074</u>	<u>\$2,977,449</u>

¹ Substantially all of the unrestricted net position, although not legally restricted, have been appropriated or reserved by the RTD's Board for future capital acquisition, operating reserve policy, and debt liquidation during the budget process.

NOTE J – BUDGETARY DATA

RTD's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenue and expenditures include capital outlays and bond principal payments, and excludes TABOR rebates under Amendment One, extraordinary loss and depreciation on, as well as gains and losses on disposition of, property and equipment. The budget sets forth all proposed outlays for operations, planning, administration, development, debt service, and capital outlays for the calendar year. Prior to October 15, the General Manager submits to the Board of Directors a proposed operating and capital budget for the fiscal year commencing the following January 1, which is made available for public inspection and comment. On or before December 31, the budget is adopted in conjunction with an appropriation resolution by the Board of Directors, who must also approve subsequent amendments thereto. In the absence of such adoption, RTD has authority to begin making expenditures limited to 90% of the prior year's approved appropriation. RTD's policy on budget transfers authorizes the General Manager to approve certain transfers within the budget.

A reconciliation for the years ended December 31 of the annual budget, as amended, to actual revenue and expenses is as follows:

	<u>2014</u>	<u>2013</u>
Revenue, actual	\$ 732,194	\$ 710,079
Proceeds from debt / arbitrage relief	573,324	693,841
Federal capital grants and local contributions	<u>206,431</u>	<u>242,566</u>
Revenue, actual (budgetary basis)	<u>1,511,949</u>	<u>1,646,486</u>
Revenue, budget	<u>1,498,686</u>	<u>1,214,634</u>
Expenses, actual	735,000	704,106
Capital outlays	862,701	769,359
Depreciation, amortization, other	(139,045)	(127,256)
Long-term debt principal payment	<u>57,002</u>	<u>442,598</u>
Expenses, actual (budgetary basis)	<u>1,515,658</u>	<u>1,788,807</u>
Appropriations	<u>\$2,653,183</u>	<u>\$2,587,977</u>
Unused appropriations	<u>\$1,137,525</u>	<u>\$ 799,170</u>

NOTE J – BUDGETARY DATA (CONTINUED)

Unused appropriations lapse at year-end, except the Board of Directors has the authority, as stated in the adopted appropriation resolution, to carry over the unused portion of funds for capital projects not completed, for a period not to exceed three years. As of December 31, 2014, there was approximately \$809 of unused 2014 appropriations for capital outlays available for carryover to 2015.

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) that limits the revenue raising and spending abilities of state and local governments known as the Taxpayer's Bill of Rights (TABOR). The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded to the taxpayers unless voters approve retention of these revenues. In addition, the amendment mandates that reserves equal 3% of fiscal spending be established for declared emergencies.

On November 7, 1995, the voters of the District exempted the Regional Transportation District from the revenue and spending limitations concerning the Amendment through December 31, 2005. On November 2, 1999, the voters of the District further exempted RTD from the revenue and spending limitations outlined in the Amendment for the purpose of paying any debt incurred to finance the Southeast Corridor light rail project or to operate such project for as long as any debt remains outstanding, but in no event beyond December 31, 2026.

On November 2, 2004, the voters of the District authorized an increase in RTD's sales and use tax rate from 0.6% to 1.0%, effective January 1, 2005, to finance the FasTracks transit improvement program. This authorization also exempted RTD from any revenue and spending limitations on the additional tax and on any investment income generated by the increased tax revenue, and allowed RTD to incur debt to finance the capital improvements included in the FasTracks program. At the time that all FasTracks debt is repaid, RTD's sales and use tax rate will be reduced to a rate sufficient to operate the rapid transit system financed through FasTracks. RTD has \$3.477 billion in authorized debt, subject to the Amendments' limitations. This debt was authorized by the voters of the District in 2004 to pay for the FasTracks rapid transit improvement program. Based on estimated fiscal year spending for 2014, \$19,193 of year-end net position, as restated, has been reserved for emergencies.

The Amendment is complex and subject to judicial interpretation. RTD believes it is in compliance with the requirements of the Amendment based on the interpretations of the Amendment's language available at year-end.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

REGIONAL TRANSPORTATION DISTRICT Pension Plan Summary As of December 31, 2014

Schedule of Funding Progress – RTD Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/12	\$103,941	\$110,910	\$ (6,967)	93.72%	\$31,659	(22.0%)
1/1/13	104,218	118,671	(14,453)	87.82%	31,447	(46.0%)
1/1/14	113,743	133,633	(19,890)	85.12%	31,193	(63.8%)

Schedule of Funding Progress – ATU 1001 Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funding Excess (Deficiency)	Funding Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as % of Covered Payroll
1/1/12	\$212,268	\$406,309	\$(194,041)	52.24%	\$79,743	(243.3%)
1/1/13	200,916	422,813	(221,897)	47.52%	83,084	(267.1%)
1/1/14	207,435	426,272	(218,837)	48.66%	81,040	(270.0%)

See accompanying independent auditors' opinion

SUPPLEMENTAL INFORMATION

REGIONAL TRANSPORTATION DISTRICT
SCHEDULE OF EXPENSE AND REVENUE
BUDGET AND ACTUAL - BUDGETARY BASIS
Year Ended December 31, 2014
(In Thousands)

	Adopted Budget	Final Budget	Actual	Variance - positive (negative)
Operating revenue				
Passenger fares	\$ 124,985	\$ 124,985	\$ 120,497	\$ (4,488)
Other	5,423	5,423	4,406	(1,017)
Total operating revenue	<u>130,408</u>	<u>130,408</u>	<u>124,903</u>	<u>(5,505)</u>
Operating expenses				
Salaries and wages	130,949	139,326	143,113	(3,787)
Fringe benefits	39,892	45,271	61,677	(16,406)
Materials and supplies	68,395	67,259	62,156	5,103
Services	143,363	143,911	108,920	34,991
Utilities	14,031	15,334	14,151	1,183
Insurance	6,270	7,470	5,273	2,197
Purchased transportation	116,256	118,189	114,942	3,247
Leases and rentals	2,729	3,289	3,264	25
Miscellaneous	14,620	6,931	6,561	370
Total operating expenses	<u>536,505</u>	<u>546,980</u>	<u>520,057</u>	<u>26,923</u>
Operating loss	<u>(406,097)</u>	<u>(416,572)</u>	<u>(395,154)</u>	<u>21,418</u>
Nonoperating revenue (expenses)				
Sales and use tax	503,808	503,448	514,721	11,273
Grant operating assistance	85,854	92,866	75,544	(17,322)
Investment income	2,372	2,372	165	(2,207)
Other income	20,121	20,721	10,248	(10,473)
Gain/loss on capital assets	-	-	6,613	6,613
Interest expense	(99,410)	(99,405)	(72,293)	27,112
Other expense/unrealized loss capital assets	-	-	(3,605)	(3,605)
Total nonoperating revenue (expenses)	<u>512,745</u>	<u>520,002</u>	<u>531,393</u>	<u>11,391</u>
Proceeds from debt	<u>720,000</u>	<u>795,604</u>	<u>573,324</u>	<u>(222,280)</u>
Capital outlay				
Capital expenses	1,978,463	1,811,720	862,701	(949,019)
Less capital grants	(237,253)	(276,073)	(206,431)	69,642
	<u>1,741,210</u>	<u>1,535,647</u>	<u>656,270</u>	<u>(879,377)</u>
Long-term debt principal payment	<u>(61,458)</u>	<u>(62,187)</u>	<u>(57,002)</u>	<u>5,185</u>
Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments	<u>\$ (976,020)</u>	<u>\$ (698,800)</u>	<u>(3,709)</u>	<u>\$ 695,091</u>
Increases (decreases) to reconcile budget basis to GAAP basis				
Capital expenses			862,701	
Proceeds from debt			(573,324)	
Long-term debt principal payment			57,002	
Depreciation			(139,045)	
INCREASE IN NET POSITION			<u>\$ 203,625</u>	

See accompanying independent auditors' opinion

REGIONAL TRANSPORTATION DISTRICT
SUMMARY OF SCHEDULES OF NET POSITION
As of December 31,
(In Thousands)

	BASE OPERATIONS		FASTRACKS		TOTAL	
	2014	2013	2014	2013	2014	2013
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets	\$ 221,488	\$ 213,440	\$ 328,284	\$ 333,436	\$ 549,772	\$ 546,876
Current assets - restricted	128,963	239,237	453,273	471,402	582,236	710,639
Capital assets (net of accumulated depreciation)	1,384,939	1,339,249	4,028,516	3,357,486	5,413,455	4,696,735
Other noncurrent assets	32,111	-	269,062	151,611	301,173	151,611
Total assets before deferred outflow of resources	1,767,501	1,791,926	5,079,135	4,313,935	6,846,636	6,105,861
Deferred outflows of resources	12,655	15,052	27,081	28,419	39,736	43,471
Total assets and deferred outflows of resources	1,780,156	1,806,978	5,106,216	4,342,354	6,886,372	6,149,332
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities	172,170	150,711	141,517	168,293	313,687	319,004
Noncurrent Liabilities	594,009	633,777	2,796,975	2,218,446	3,390,984	2,852,223
Total liabilities before deferred inflow of resources	766,179	784,488	2,938,492	2,386,739	3,704,671	3,171,227
Deferred inflows of resources	-	-	627	656	627	656
Total liabilities and deferred inflows of resources	766,179	784,488	2,939,119	2,387,395	3,705,298	3,171,883
NET POSITION						
Net investment in capital assets	949,722	923,590	2,037,972	1,864,510	2,987,694	2,788,100
Restricted	45,413	45,682	129,125	90,449	174,538	136,131
Unrestricted	18,842	53,218	-	-	18,842	53,218
Total net position	\$ 1,013,977	\$ 1,022,490	\$ 2,167,097	\$ 1,954,959	\$ 3,181,074	\$ 2,977,449

See accompanying independent auditors' opinion

REGIONAL TRANSPORTATION DISTRICT
SUMMARY SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended December 31,
(In Thousands)

	BASE OPERATIONS		FASTRACKS		TOTAL	
	2014	2013	2014	2013	2014	2013
OPERATING REVENUE						
Passenger fares	\$ 116,468	\$ 115,094	\$ 4,029	\$ 2,747	\$ 120,497	\$ 117,841
Advertising, rent, and other	4,406	5,199	-	-	4,406	5,199
Total operating revenue	<u>120,874</u>	<u>120,293</u>	<u>4,029</u>	<u>2,747</u>	<u>124,903</u>	<u>123,040</u>
OPERATING EXPENSES						
Salaries and wages	131,238	126,110	11,875	9,550	143,113	135,660
Fringe benefits	57,135	53,400	4,542	3,345	61,677	56,745
Materials and supplies	59,997	63,309	2,159	1,489	62,156	64,798
Services	57,407	51,020	51,513	61,459	108,920	112,479
Utilities	11,845	12,078	2,306	1,489	14,151	13,567
Insurance	5,935	5,631	(662)	(63)	5,273	5,568
Purchased transportation	114,942	113,006	-	-	114,942	113,006
Leases and rentals	1,762	1,833	1,502	1,377	3,264	3,210
Miscellaneous	(10,094)	(9,874)	16,655	16,322	6,561	6,448
Depreciation	83,855	90,650	55,190	36,606	139,045	127,256
Total operating expenses	<u>514,022</u>	<u>507,163</u>	<u>145,080</u>	<u>131,574</u>	<u>659,102</u>	<u>638,737</u>
OPERATING LOSS	<u>(393,148)</u>	<u>(386,870)</u>	<u>(141,051)</u>	<u>(128,827)</u>	<u>(534,199)</u>	<u>(515,697)</u>
NONOPERATING REVENUE (EXPENSES)						
Sales and use tax	308,833	281,152	205,888	187,434	514,721	468,586
Grant operating assistance	75,959	76,204	(415)	12,039	75,544	88,243
Investment income	691	529	(526)	1,511	165	2,040
Other income	2,017	10,457	(2,017)	17,713		28,170
Gain/(Loss) capital assets	8,952	(84)	7,909	2	16,861	(82)
Interest expense	(19,594)	(18,500)	(52,699)	(42,723)	(72,293)	(61,223)
Other expense	(105)	(2,402)	(3,500)	(1,662)	(3,605)	(4,064)
Net nonoperating revenue (expenses)	<u>376,753</u>	<u>347,356</u>	<u>154,640</u>	<u>174,314</u>	<u>531,393</u>	<u>521,670</u>
INCOME BEFORE CAPITAL GRANTS AND LOCAL CONTRIBUTIONS	<u>(16,395)</u>	<u>(39,514)</u>	<u>13,589</u>	<u>45,487</u>	<u>(2,806)</u>	<u>5,973</u>
Capital grants and local contributions	<u>7,882</u>	<u>10,894</u>	<u>198,549</u>	<u>231,672</u>	<u>206,431</u>	<u>242,566</u>
CHANGE IN NET POSITION	<u>(8,513)</u>	<u>(28,620)</u>	<u>212,138</u>	<u>277,159</u>	<u>203,625</u>	<u>248,539</u>
NET POSITION, beginning of year	<u>1,022,490</u>	<u>1,051,110</u>	<u>1,954,959</u>	<u>1,677,800</u>	<u>2,977,449</u>	<u>2,728,910</u>
NET POSITION, end of year	<u>\$ 1,013,977</u>	<u>\$ 1,022,490</u>	<u>\$ 2,167,097</u>	<u>\$ 1,954,959</u>	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>

See accompanying independent auditors' opinion

STATISTICAL SECTION

This part of the Regional Transportation District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the government’s overall financial health.

Contents **Page**

Financial Trends 79-80

These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Revenue Capacity 81-82

These tables contain information to help the reader assess the government’s most significant revenue source.

Debt Capacity 83-84

These tables present information to help the reader asses the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Operating Information 85

These tables contain service and infrastructure data to help the reader understand how the information in the financial report relates to service the government provides and the activities it performs. The demographic and economic indicators help the reader understand the environment within which the government’s financial activities take place.

REGIONAL TRANSPORTATION DISTRICT
NET POSITION BY COMPONENT¹ (In Thousands)

Table 1

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Invested in capital assets, net of related debt (Note I)	\$ 2,987,694	\$ 2,788,100	\$ 2,348,966	\$ 1,872,790	\$ 1,597,631	\$ 1,456,493	\$ 1,338,453	\$ 1,162,486	\$ 1,167,667	\$ 1,027,361
Restricted (Note I)	19,193	18,304	17,451	16,392	15,486	15,158	16,821	16,829	15,078	14,048
Emergencies	155,345	117,827	316,711	491,313	424,348	442,489	393,223	412,822	232,702	120,653
Debt and other	18,842	53,218	45,782	46,199	166,299	132,035	143,913	186,280	140,626	204,176
Unrestricted (Note I)										
Total net position	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694	\$ 2,203,764	\$ 2,046,175	\$ 1,892,410	\$ 1,778,417	\$ 1,556,073	\$ 1,366,238

¹ Data is taken from the financial records of RTD and is presented on the accrual basis.

REGIONAL TRANSPORTATION DISTRICT
SUMMARY OF STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(In Thousands)

Table 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating Revenues:										
Passenger Fares	\$ 120,497	\$ 117,841	\$ 112,929	\$ 108,497	\$ 97,942	\$ 96,890	\$ 88,205	\$ 77,128	\$ 66,211	\$ 57,638
Other	4,406	5,199	5,333	4,882	4,414	4,357	4,124	4,382	3,310	5,103
Total Operating Revenues	124,903	123,040	118,262	113,379	102,356	101,247	92,329	81,510	69,521	62,741
Operating Expenses:										
Salaries, wages, fringe benefits	204,790	192,405	178,974	166,332	160,498	161,747	155,799	150,560	136,733	130,371
Materials and supplies	62,156	64,798	58,300	52,015	48,310	56,835	61,056	49,157	43,709	39,869
Services	108,920	112,479	109,853	48,357	60,553	42,783	36,835	30,654	29,864	22,344
Utilities	14,151	13,567	11,833	11,627	10,977	9,512	10,575	8,678	7,530	7,170
Insurance	5,273	5,568	3,776	6,089	5,429	3,767	5,333	5,090	5,722	6,569
Purchased transportation	114,942	113,006	111,130	108,865	104,514	103,975	102,743	97,819	93,003	86,330
Leases and rentals	3,264	3,210	2,401	1,964	2,515	2,680	2,464	2,195	1,758	1,568
Miscellaneous	6,561	6,448	15,741	2,082	3,315	6,866	2,619	2,390	3,144	2,347
Total Operating Expenses	520,057	511,481	492,008	397,331	396,111	388,165	377,424	346,543	321,463	296,568
Operating loss before depreciation	(395,154)	(388,441)	(373,746)	(283,952)	(293,755)	(286,918)	(285,095)	(265,033)	(251,942)	(233,827)
Depreciation	139,045	127,256	115,269	104,280	104,176	106,025	102,252	103,302	67,526	58,924
Operating Loss	(534,199)	(515,697)	(489,015)	(388,232)	(397,931)	(392,943)	(387,347)	(368,335)	(319,468)	(292,751)
Nonoperating income (expense):										
Sales and use tax revenues	514,721	468,586	449,787	415,180	397,549	371,405	412,824	418,407	399,557	386,427
Grant operating assistance	75,544	88,243	68,927	89,592	92,655	68,146	50,814	47,040	42,805	41,322
Interest income	165	2,040	2,613	6,484	8,065	29,379	52,456	57,471	29,936	15,624
Other income	10,248	28,170	11,035	11,356	3,653	3,243	3,106	4,706	4,031	3,484
Gain/Loss on Capital Assets	6,613	(82)	3,459	(6,101)	(3,474)	40	1	1,055	1,929	1,450
Interest expense	(72,293)	(61,223)	(51,371)	(51,274)	(48,735)	(34,179)	(56,273)	(52,272)	(29,689)	(21,163)
Other expense/Unrealized Loss Asset:	(3,605)	(4,064)	(4,895)	(150)	(1,671)	(23,037)	(977)	(861)	(805)	(790)
Total Nonoperating Income	531,393	521,670	479,555	465,087	448,042	414,997	461,951	475,546	447,764	426,354
Net income before capital grants and local contributions	(2,806)	5,973	(9,460)	76,855	50,111	22,054	74,604	107,211	128,296	133,603
Capital grants and local contributions	206,431	242,566	311,676	238,292	107,478	131,711	39,389	115,133	61,537	97,384
Increase in Net Position	203,625	248,539	302,216	315,147	157,589	153,765	113,993	222,344	189,833	230,987
Net Position at Beginning of Year, as restated	2,977,449	2,728,910	2,426,694	2,111,547	2,046,175	1,892,410	1,778,417	1,556,073	1,366,240	1,140,841
Prior Period Adjustment					(92,217)					(5,588)
Net Position at End of Year	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694	\$ 2,111,547	\$ 2,046,175	\$ 1,892,410	\$ 1,778,417	\$ 1,556,073	\$ 1,366,240

OPERATING AND OTHER EXPENSES AND CAPITAL OUTLAYS¹

Table 3

Last Ten Years (Unaudited)

(In Thousands)

Year	Transit Operating Expenses ²	Planning, Administrative and Development	Depreciation	Interest Expense ²	Other Nonoperating Expenses	Capital Outlays ²	Total
2005	\$ 264,840	\$ 31,728	\$ 58,924	\$ 21,163	\$ 790	\$ 273,843	651,288
2006	284,360	37,104	67,526	29,689	805	208,361	627,845
2007	302,626	43,916	103,302	52,272	861	156,785	659,762
2008	324,931	52,492	102,252	56,273	977	282,758	819,683
2009	326,324	61,841	106,025	34,179	23,037	410,354	961,760
2010	318,751	77,360	104,176	48,735	5,145	712,552	1,266,719
2011	333,301	64,030	104,280	51,274	6,251	616,953	1,176,089
2012	414,893	77,115	115,269	51,371	4,895	702,119	1,365,662
2013	429,700	81,781	127,256	61,223	4,146	769,359	1,473,465
2014	436,905	83,152	139,045	72,293	3,605	862,701	1,597,701

¹ Data is taken from the financial records of RTD and is presented on the accrual basis.

² RTD capitalizes certain interest costs, which are included in capital outlays.

REGIONAL TRANSPORTATION DISTRICT
 REVENUE BY SOURCE¹
 Last Ten Years (Unaudited)
 (In Thousands)

Table 4

Year	Operating Revenues		Sales/Use Tax ²		Grant		Interest Income	Other	Total Revenue	Capital Grants	Local Contributions	Total Revenue and Capital Grant & Contributions
					Operating Assistance							
2005	\$ 62,741	\$ 386,427	\$ 41,322	\$ 15,624	\$ 3,484	\$ 509,598	\$ 86,523	\$ 10,861	\$ 606,982			
2006	69,521	399,557	42,805	29,936	4,032	545,851	57,413	4,123	607,387			
2007	81,510	418,407	47,041	57,471	4,706	609,135	107,577	7,556	724,268			
2008	92,329	412,824	50,814	52,456	3,106	611,529	39,220	169	650,918			
2009	101,247	371,405	68,146	29,379	3,283	573,460	129,211	2,500	705,171			
2010	102,356	397,549	92,655	8,065	3,653	604,278	102,213	5,265	711,756			
2011	113,379	415,180	89,592	6,484	11,356	635,991	186,073	52,219	874,283			
2012	118,262	449,787	68,927	2,613	14,494	654,083	193,991	117,685	965,759			
2013	123,040	468,586	88,243	2,040	28,170	710,079	159,783	82,783	952,645			
2014	124,903	514,721	75,544	165	16,861	732,194	171,549	34,882	938,625			

¹ Data is taken from the financial records of RTD and is presented on the accrual basis.

² RTDs Sales/Use Tax increased from 0.6% to 1.0% effective January 1, 2005.

REGIONAL TRANSPORTATION DISTRICT
 DEBT COVERAGE RATIOS¹
 (In Thousands)

Table 5

LAST TEN YEARS (UNAUDITED)

	<u>Sales Tax Bond Debt Service Requirements²</u>			<u>Sales Tax Collections</u>		<u>Coverage Ratio</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>	<u>2005</u>	<u>2006</u>	
2005	\$ 18,683	\$ 12,415	\$ 31,098	\$ 386,427	12.43	
2006	21,048	15,015	36,063	399,557	11.08	
2007	48,445	38,590	87,035	418,407	4.81	
2008	44,944	45,505	90,449	412,824	4.56	
2009	43,210	44,430	87,640	371,405	4.24	
2010	46,324	44,511	90,835	397,549	4.38	
2011	70,646	25,010	95,656	415,180	4.34	
2012	70,752	26,211	96,963	449,787	4.64	
2013	76,786	20,725	97,511	468,586	4.81	
2014	84,821	25,712	110,533	514,721	4.66	

Certificate of Participation Debt Service Requirements

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2005	\$ 12,651	\$ 11,470	\$ 24,121
2006	14,393	16,155	30,548
2007	14,428	17,105	31,533
2008	14,502	17,515	32,017
2009	13,714	18,340	32,054
2010	13,711	26,725	40,436
2011	28,973	25,955	54,928
2012	28,451	28,575	57,026
2013	31,285	25,735	57,020
2014	43,502	31,290	74,792

REGIONAL TRANSPORTATION DISTRICT
 DEBT COVERAGE RATIOS² (Continued)
 (In Thousands)

Table 5

	<u>Total Debt Service Requirements</u>			<u>Total</u>	<u>Revenue</u>	<u>Coverage</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>			
2005	\$ 31,334	\$ 23,885	\$ 55,219	\$ 509,598	6.13	
2006	35,441	31,170	66,611	545,851	9.23	
2007	62,873	55,695	118,568	609,135	8.19	
2008	59,446	63,020	122,466	611,528	5.14	
2009	56,924	62,770	119,694	573,460	4.99	
2010	60,035	71,236	131,271	654,083	4.98	
2011	99,619	50,965	150,584	874,283	5.81	
2012	99,203	54,786	153,989	965,494	6.27	
2013	108,071	46,460	154,531	952,645	6.16	
2014	128,323	57,002	185,325	938,625	5.06	

¹ Source: The financial records of RTD and the Official Statements of the respective debt issues.

² Sales Tax Bonds include the 2001A Commercial Paper.

REGIONAL TRANSPORTATION DISTRICT
DEMOGRAPHIC AND OPERATING DATA

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
January 1 population within RTD service area ¹	2,870,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,760,000	2,700,000	2,619,000	2,598,000
Cities and towns served	40	40	40	40	40	40	40	40	39	40
Square miles in service area	2,340	2,340	2,340	2,348	2,348	2,348	2,337	2,331	2,329	2,327
Total miles ²	45,746,927	45,246,715	38,824,067	42,996,614	41,449,988	48,862,622	49,947,763	50,706,993	49,167,392	49,167,392
Passenger stops	9,751	9,509	9,841	9,698	10,140	10,199	10,199	10,329	10,596	10,366
Number of fixed routes	138	136	145	138	148	150	165	170	166	174
Local	65	65	71	64	66	67	72	73	73	67
Limited	11	11	11	11	11	11	13	15	15	16
Express	14	14	17	16	20	20	24	25	24	37
Regional	17	17	17	17	16	16	18	18	16	20
Skyride	5	5	5	5	5	5	5	5	5	5
Boulder City	13	13	13	12	14	15	15	15	15	15
Longmont City	4	4	4	4	7	7	7	8	8	8
Miscellaneous	9	7	7	9	9	9	11	11	10	6
Ridership average weekday, without Mail Shuttle and Light Rail	211,702	208,387	210,811	205,504	209,172	212,758	224,918	207,734	198,629	194,077
Ridership average weekday, including Mail Shuttle	255,696	254,071	255,501	254,197	255,068	259,873	273,737	255,987	246,992	254,928
Ridership average weekday, including Mail Shuttle, Light Rail, ADA, and Van Pool	344,348	335,391	326,747	325,900	323,311	328,291	344,954	320,311	294,791	292,407
Total annual boardings without Mail Shuttle, Light Rail and ADA	63,935,032	63,010,579	63,640,443	61,634,723	62,902,963	63,578,004	67,910,015	62,007,583	57,662,038	56,736,687
Total annual boardings, including Mail Shuttle	77,464,530	77,079,604	77,320,228	76,577,627	76,825,609	77,928,088	82,727,534	76,620,488	74,637,863	75,100,270
Total annual boardings, including Mail Shuttle and Light Rail	103,851,061	100,844,239	97,959,296	97,272,342	96,657,335	97,687,476	103,362,667	95,275,984	85,915,718	85,557,899
Total annual boardings, including Mail Shuttle, Light Rail, ADA service, and Van Pool	104,987,248	101,956,009	99,122,065	98,384,882	97,724,928	98,746,429	104,071,339	96,326,580	86,842,675	86,371,859
Daily miles operated (average weekday), including Mail Shuttle	107,635	106,709	129,517	117,261	124,248	149,750	152,848	155,153	154,078	158,464
Daily miles operated (average weekday), including Mail Shuttle and Light Rail	119,706	118,385	139,083	126,849	134,294	159,824	163,987	166,571	165,666	163,398
Diesel fuel consumption, gallons ³	5,550,000	5,600,000	5,400,000	5,400,000	5,200,000	5,400,000	6,000,000	6,000,000	6,100,000	6,100,000
Total active buses	1,011	992	998	969	1,025	1,050	1,039	1,071	1,071	1,071
Wheelchair lift equipped buses	1,011	992	998	969	1,025	1,050	1,039	1,071	1,071	1,071
Number of employees ³										
Salaried	735	752	700	697	696	664	623	611	613	591
Represented (includes part-time)	1,929	1,901	1,715	1,785	1,744	1,802	1,903	1,923	1,907	1,919
Fleet requirements (peak hours)	821	785	779	797	806	830	862	862	851	880
Operating facilities ³	7	6	6	6	6	6	6	6	6	6

¹ Source: Population is based on estimates provided by the Denver Regional Council of Governments. All other data comes from the financial records of RTD.

² Reflects total Mile, including Light Rail.

³ Excludes purchased transportation services.

Debt Disclosure Tables for 2014 CAFR

CAFR Table	Table Title
7	SBP Operations Program
8	SBP Capital Program
9	RTD Statement of Debt
10	RTD Annual Ridership and Fare Revenue
11	RTD Advertising and Ancillary Revenues
12	RTD Federal Grant Receipts
13	Five-Year Summary of Revenue/Expense Statements
14	Five-Year Summary of Budget/Actuals
15	RTD 2014 and 2015 Budget
16	Trip Fares
17	RTD Net Retail Sales

Debt Disclosure Tables Updated in Body of 2013

Table Title	Location in CAFR
RTD Revenues by Source Summary Balance Sheet	Statistical Section – Table 4 Statements of Net Position – pg. 38-39

REGIONAL TRANSPORTATION DISTRICT
2015-2020 STRATEGIC BUDGET PLAN - OPERATIONS (In Thousands)

Table 7

	2015	2016	2017	2018	2019	2020	Total Cost
Interest Payments ^{1,2}	\$ 26,465	\$ 27,300	\$ 27,312	\$ 26,763	\$ 26,812	\$ 27,561	\$ 162,213
Bus Operations – Current RTD	128,036	128,300	132,089	134,984	138,279	141,736	803,424
Bus Operations – Private Carrier after Contract	97,861	100,251	102,699	105,208	107,778	110,472	624,269
Bus Operations – call-n-Ride	6,991	7,162	7,338	7,517	7,701	7,894	44,603
Private Contract Administration Costs	259	266	272	279	286	293	1,655
Service Increases – RTD-Operated	-	-	-	-	-	-	-
Service Increases – Private Contractor	-	-	-	-	-	-	-
FasTracks Service Allocation - Bus ¹	(15,020)	(15,396)	(15,781)	(16,175)	(16,580)	(16,994)	(95,946)
Cost Sharing Agreements - Bus Service	2,124	2,177	2,231	2,287	2,344	2,403	13,566
Van Pool Program	1,429	1,465	1,501	1,539	1,577	1,617	9,128
Section 5011 Local Match	1,009	1,034	1,060	1,086	1,113	1,141	6,443
LRT Operations	37,227	37,694	39,568	41,638	41,095	41,458	238,680
ADA Operating Costs	43,905	44,982	46,086	47,217	48,376	49,586	280,152
FasTracks Service Allocation - ADA ¹	(1,907)	(1,954)	(2,003)	(2,053)	(2,104)	(2,157)	(12,178)
Facilities Maintenance - Base	40,697	41,715	42,758	43,826	44,922	46,045	259,963
Facilities Maintenance - Additional Costs	2,850	8,734	17,352	4,147	2,342	2,447	37,872
Capital Programs - Additional Costs	3,719	3,812	3,908	4,005	4,106	4,208	23,758
Direct Costs - Other Departments	923	1,245	1,194	1,356	1,152	1,356	7,226
Indirect Costs - Other Departments	830	849	868	888	907	930	5,272
Grand Total	\$ 450,713	\$ 464,608	\$ 485,352	\$ 485,294	\$ 493,918	\$ 504,260	\$ 2,884,145

¹ Interest payments and FasTracks service allocation are not presented in year of expenditure dollars.

² Interest payments on bonds and certificates of participation (COPS) issued for purposes other than FasTracks.

REGIONAL TRANSPORTATION DISTRICT
2015-2020 STRATEGIC BUDGET PLAN - CAPITAL PROGRAM (In Thousands)

Table 8

	2015	2016	2017	2018	2019	2020	Total Cost
Long Term Debt Service ^{1,2}	\$ 53,733	\$ 65,712	\$ 63,959	\$ 77,306	\$ 75,748	\$ 84,127	\$ 420,585
Existing Corridors	-	-	-	-	-	-	-
Transit Buses	40,734	37,721	4,613	33,189	54,788	69,926	240,971
ADA Vehicles	4,435	9,573	593	1,301	592	6,207	22,701
Other	205	210	215	221	226	232	1,309
Light Rail Vehicles	14,400	14,400	38,400	6,400	6,400	-	80,000
Bus and Rail Infrastructure	7,792	3,415	6,246	6,733	3,338	754	28,278
park-n-Rides ³	1,281	630	1,615	1,656	2,715	-	7,897
Capital Support Equipment ³							
Vehicles and Bus Maintenance Equipment	1,776	2,224	2,413	2,282	1,868	1,163	11,726
Treasury	-	52	-	33	-	-	85
Information Systems, Computer Equip. for Ops.	15,803	8,661	6,977	6,427	2,874	423	41,165
Security Equipment	472	1,681	1,723	1,766	-	-	5,642
Bus Maintenance Facilities ³							
Boulder	-	-	-	-	-	-	-
District Shops	-	263	2,692	-	-	-	2,955
East Metro	-	-	-	-	-	-	-
Platte	-	-	-	-	-	-	-
Light Rail Maintenance Facilities ³							
Central Rail Line	-	410	-	-	-	-	410
Maintenance of Way	-	-	-	276	283	290	849
District-wide	-	-	-	353	-	-	353
Facilities Construction and Maintenance	9,379	1,649	1,960	5,791	147	151	19,077
Discretionary Capital ³	154	158	162	165	170	174	983
Grand Total	\$ 150,164	\$ 146,759	\$ 131,568	\$ 143,899	\$ 149,149	\$ 163,447	\$ 884,986

¹ Principal payments are set at the time the bonds are issued and do not change with inflation.

² Long-term debt service costs include principal payments on bonds and COPs and are not presented in year of expenditure dollars.

³ Capital expenditures and discretionary capital amounts are presented in year of expenditure dollars.

REGIONAL TRANSPORTATION DISTRICT
 STATEMENT OF DEBT
 as of December 31, 2014

Table 9

<u>Sales Tax Bonds</u>	<u>Outstanding²</u>
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹ - FasTracks	\$ 376,193
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹	75,321
RTD Sales Tax Revenue Refunding Bonds, Series 2010 ¹	21,688
RTD Subordinate Sales Tax Revenue (DUSPA) Fastracks, Series 2010	157,064
RTD Sales FasTracks Tax Revenue Bonds, Series 2010AB ¹	381,268
RTD Sales FasTracks Tax Revenue Bonds, Series 2012A ¹	539,949
RTD Sales Tax Revenue Bonds, Series 2013A ¹	78,443
RTD Sales FasTracks Tax Revenue Bonds, Series 2013AB ¹	247,455
RTD Sales Tax TIFIA Loan ⁴	212,282
Total Sales Tax Revenue Debt	<u>\$ 2,089,663</u>

<u>Lease Purchase Agreements</u>	<u>Outstanding²</u>
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2005A	5,336
Master Lease Purchase Agreement II Fixed Rate Taxable Certificates of Participation, Series 2007A	10,135
Amended and Restated Certificates of Participation, Series 2002A	95,206
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, FasTracks Series 2010AB	299,074
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2013A	253,901
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2014A	465,908
Total Certificates of Participation Debt	<u>\$ 1,129,560</u>
Total Debt	<u>\$ 3,219,223</u>

RTD Seven County Populaiton 2013 ³	2,951,798
Per Capita Debt Requirement	\$ 1,091

¹ The Bond Resolution pursuant to which the RTD Sales Tax Revenue Bonds are issued provides that pledged for the payment of such Bonds are the Sales Tax Revenues and "any additional revenues legally available to RTD which the Board in its discretion may hereafter by Supplemental Resolution pledge to the payment of the Bonds".

² RTD is current on its obligations under all such debt.

³ Metro Denver Economic Profile 2012-2013

⁴ Capitalized interest thru 2020

ANNUAL RIDERSHIP AND FARE REVENUE - 2005-2014

Table 10

(In Thousands)

Year	Revenue Boardings ¹	Fare Revenue	Percent Change in Fare Revenue
2005	67,994	\$ 57,638	4.0%
2006	69,867	66,211	14.9%
2007	81,714	77,128	16.5%
2008	89,254	88,205	14.4%
2009	83,337	96,890	9.8%
2010	83,732	97,942	1.1%
2011	83,428	108,497	10.8%
2012	85,442	112,929	4.1%
2013	87,820	117,841	4.3%
2014	91,049	120,497	2.3%

¹ Totals for 2005-2014 include both access-a-Ride boardings and vanpool boardings.

ADVERTISING AND ANCILLARY REVENUES - 2005-2014

Table 11

(In Thousands)

Year	Advertising Revenue	Ancillary Revenues
2005	\$ 3,196	\$ 3,484
2006	2,800	4,032
2007	3,194	4,706
2008	2,854	3,106
2009	2,866	3,243
2010	3,301	2,892
2011	3,992	2,528
2012	3,524	2,214
2013	2,924	20,123
2014	4,324	2,085

GRANT RECEIPTS AND OTHER CONTRIBUTIONS - 2005-2014

Table 12

(In Thousands)

Year	Grant Capital	Other Contributions	Grant Operating Assistance
2005	\$ 86,523	\$ 10,861	\$ 41,322
2006	57,413	4,124	42,805
2007	107,577	7,556	47,041
2008	39,220	169	50,814
2009	129,211	2,500	68,146
2010	102,213	5,265	92,655
2011	186,073	52,219	89,592
2012	193,991	117,685	68,927
2013	159,783	82,783	88,243
2014	171,549	34,882	75,544

REGIONAL TRANSPORTATION DISTRICT
 FIVE-YEAR SUMMARY OF STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 (In Thousands)

Table 13

	Years ended December 31				
	2014	2013	2012	2011	2010
Operating Revenues:					
Passenger Fares	\$ 120,497	\$ 117,841	\$ 112,929	\$ 108,497	\$ 97,942
Other	4,406	5,199	5,333	4,882	4,414
Total Operating Revenues	124,903	123,040	118,262	113,379	102,356
Operating Expenses:					
Salaries, wages, fringe benefits	204,790	192,405	178,974	166,332	160,498
Materials and supplies	62,156	64,798	58,300	52,015	48,310
Services	108,920	112,479	109,853	48,357	60,553
Utilities	14,151	13,567	11,833	11,627	10,977
Insurance	5,273	5,568	3,776	6,089	5,429
Purchased transportation	114,942	113,006	111,130	108,865	104,514
Leases and rentals	3,264	3,210	2,401	1,964	2,515
Miscellaneous	6,561	6,448	15,741	2,082	3,315
Total Operating Expenses	520,057	511,481	492,008	397,331	396,111
Operating loss before depreciation	(395,154)	(388,441)	(373,746)	(283,952)	(293,755)
Depreciation	139,045	127,256	115,269	104,280	104,176
Operating Loss	(534,199)	(515,697)	(489,015)	(388,232)	(397,931)
Nonoperating income (expense):					
Sales and use tax revenues	514,721	468,586	449,787	415,180	397,549
Grant operating assistance	75,544	88,243	68,927	89,592	92,655
Interest income	165	2,040	2,613	6,484	8,065
Other income	10,248	28,170	11,035	11,356	3,653
Gain/Loss on Capital Assets	6,613	(82)	3,459	(6,101)	(3,474)
Interest expense	(72,293)	(61,223)	(51,371)	(51,274)	(48,735)
Other expense/Unrealized Loss	(3,605)	(4,064)	(4,895)	(150)	(1,671)
Total Nonoperating Income	531,393	521,670	479,555	465,087	448,042
Net income before capital grants and local contribu	(2,806)	5,973	(9,460)	76,855	50,111
Federal capital grants and local contributions	206,431	242,566	311,676	238,292	107,478
Increase in Net Position	203,625	248,539	302,216	315,147	157,589
Net Position at Beginning of Year (as restated)	2,977,449	2,728,910	2,426,694	2,111,547	2,046,175
Prior Period Adjustment (as restated)					(92,217)
Net Position at End of Year	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694	\$ 2,111,547

REGIONAL TRANSPORTATION DISTRICT
 FIVE-YEAR SCHEDULE OF EXPENSES AND REVENUES - BUDGET AND ACTUAL - BUDGETARY BASIS (in Thousands)*

	2014		2013		2012		2011		2010	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating revenues:										
Passenger fares	\$ 124,985	\$ 120,497	\$ 119,346	\$ 117,841	\$ 116,092	\$ 112,929	\$ 103,236	\$ 108,497	\$ 93,449	\$ 97,942
Other	5,423	4,406	5,423	5,199	5,425	5,333	5,374	4,882	4,117	4,414
Total operating revenues	<u>130,408</u>	<u>124,903</u>	<u>124,769</u>	<u>123,040</u>	<u>121,517</u>	<u>118,262</u>	<u>108,610</u>	<u>113,379</u>	<u>97,566</u>	<u>102,356</u>
Operating expenses:										
Salaries, wages, fringe benefits	184,597	204,790	131,347	192,405	159,460	178,974	155,286	166,332	149,840	160,498
Materials and supplies	67,259	62,156	69,469	64,798	59,714	58,300	54,981	52,015	50,333	48,310
Services	143,911	108,920	149,007	112,479	189,519	109,853	89,609	48,357	86,355	60,553
Utilities	15,334	14,151	14,846	13,567	11,705	11,833	11,180	11,627	9,920	10,977
Insurance	7,470	5,273	6,270	5,568	6,299	3,776	6,943	6,089	7,505	5,429
Purchased transportation	118,189	114,942	116,675	113,006	113,346	111,130	110,487	108,865	109,032	104,514
Leases and rentals	3,289	3,264	3,263	3,210	2,464	2,401	2,482	1,964	2,463	2,515
Miscellaneous	6,931	6,561	17,916	6,448	16,983	15,741	3,575	2,082	11,640	3,315
Total Operating Expenses	<u>546,980</u>	<u>520,057</u>	<u>508,793</u>	<u>511,481</u>	<u>559,490</u>	<u>492,008</u>	<u>434,543</u>	<u>397,331</u>	<u>427,088</u>	<u>396,111</u>
Operating loss	(416,572)	(395,154)	(384,024)	(388,441)	(437,973)	(373,746)	(325,933)	(283,952)	(329,522)	(293,755)
Nonoperating revenue (expense):										
Sales and use tax	503,448	514,721	466,429	468,586	436,521	449,787	419,136	415,180	386,390	397,549
Grant operating assistance	92,866	75,544	82,385	88,243	79,760	68,927	84,789	89,592	94,042	92,655
Interest income	2,372	165	3,165	2,040	3,338	2,613	10,765	6,484	16,039	8,065
Other income	20,721	10,248	15,246	28,170	21,186	11,035	1,479	11,356	1,644	3,653
Gain/Loss on capital assets	-	6,613	-	(82)	-	3,459	-	(6,101)	-	(3,474)
Interest expense	(99,405)	(72,293)	(79,473)	(61,223)	(50,079)	(51,371)	(41,747)	(51,274)	(73,057)	(48,735)
Other expense/Unrealized loss	-	(3,605)	-	(4,064)	-	(4,895)	-	(3,895)	-	(1,671)
Total nonoperating revenue	<u>520,002</u>	<u>531,393</u>	<u>487,752</u>	<u>521,670</u>	<u>490,726</u>	<u>479,555</u>	<u>474,422</u>	<u>461,342</u>	<u>425,058</u>	<u>448,042</u>
Proceeds from issuance of long-term	795,604	573,324	261,376	693,841	583,788	545,763	-	-	279,865	916,475
Capital outlay										
Capital expenses	1,811,720	862,701	1,811,720	769,359	1,709,182	702,119	1,327,839	616,953	1,227,124	712,552
Less capital grants	(276,073)	(206,431)	(261,264)	(242,566)	(260,907)	(311,676)	(261,849)	(238,292)	(270,488)	(107,478)
Long-term debt principal payment	<u>1,535,647</u>	<u>656,270</u>	<u>1,550,456</u>	<u>526,793</u>	<u>1,448,275</u>	<u>390,443</u>	<u>1,065,990</u>	<u>378,661</u>	<u>956,636</u>	<u>605,074</u>
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	<u>\$ (698,800)</u>	<u>(3,709)</u>	<u>\$ (1,231,812)</u>	<u>(142,321)</u>	<u>\$ (868,297)</u>	<u>203,302</u>	<u>\$ (968,466)</u>	<u>(255,153)</u>	<u>\$ (652,895)</u>	<u>391,587</u>
Increases (decreases) to reconcile budget basis to GAAP basis										
Capital expenditures		862,701		769,359		702,119		616,953		712,552
Long-term debt proceeds		(573,324)		(693,841)		(545,763)		-		(916,475)
Long-term debt principal		57,002		442,598		57,827		53,882		74,101
Depreciation		(139,045)		(127,256)		(115,369)		(104,280)		(104,176)
Net income		<u>\$ 203,625</u>		<u>\$ 248,539</u>		<u>\$ 302,116</u>		<u>\$ 311,402</u>		<u>\$ 157,589</u>

* RTD's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenues, and expenditures include capital outlays and bond principal

REGIONAL TRANSPORTATION DISTRICT
FISCAL YEAR 2014 AND 2015 BUDGET SUMMARY (in thousands)

Table 15

	2014		2015	
	Adopted Budget	June 2014 Amended Budget	Adopted Budget	Adopted Budget
Beginning net position	\$ 3,354,175	\$ 2,977,449	\$	\$ 3,904,531
Revenues:				
Operating	130,408	130,408		128,559
Sales & use taxes	503,809	503,448		535,146
Federal and local grants	339,830	319,097		284,829
Interest and other income	22,493	23,093		15,330
FasTracks - change in construction reserve	5,858	5,858		5,858
Financing proceeds	720,000	795,604		333,369
Contributed capital	49,841	49,841		73,798
Total Revenues	<u>1,772,239</u>	<u>1,827,349</u>		<u>1,376,889</u>
Expenditures:				
Operating	529,524	543,172		518,495
Interest expense	99,410	99,410		97,472
Debt payments	61,458	62,187		62,471
Current capital	915,298	919,067		600,422
Capital carryforward	1,063,165	926,185		1,303,115
Total expenditures	<u>2,668,855</u>	<u>2,550,021</u>		<u>2,581,975</u>
Adjustments ¹	1,219,728	1,649,754		1,505,333
Ending net position	<u>\$ 3,677,287</u>	<u>\$ 3,904,531</u>	<u>\$</u>	<u>\$ 4,204,778</u>

Net position summary:

Net investment in capital assets	3,071,712	3,601,193	3,898,421
Restricted debt service, project related and other ²	365,590	80,983	79,883
Restricted TABOR fund	19,223	19,193	19,819
Restricted FasTracks ³	130,000	130,000	130,000
Restricted Board appropriated and capital replacement fund	67,307	63,811	63,925
Unrestricted fund	23,465	9,351	12,730
Ending net position	<u>\$ 3,677,297</u>	<u>\$ 3,904,531</u>	<u>\$ 4,204,778</u>

¹ Adjustments reflect cash activity from the Statement of Net Position.

² Funds restricted by bond covenants, other contracts and policy guidelines.

³ Appropriated funds which are available to fund future year expenditures for the FasTracks program.

⁴ Board appropriated funds per policy guidelines and funds designated for capital replacement.

REGIONAL TRANSPORTATION DISTRICT
TRIP FARES

Table 16

Single Trip Fares	Fare	Senior/ Disabled/ Student Fare ¹
	Mall Shuttle	Free
Local - Denver, Boulder, Longmont and light rail	\$ 2.25	\$ 1.10
Light rail and bus express ²	4.00	2.00
Light rail and bus regional ³	5.00	2.50
SkyRide		
Zone 1	13.00	6.50
Zone 2	11.00	5.50
Zone 3	9.00	4.50

Multiple Trip Fares	Regular 10-Ride	Other 10-Ride ¹	Regular Monthly	Other Monthly ¹
	Local - Denver, Boulder and Longmont and light rail	\$ 20.00	\$ 10.00	\$ 79.00
Light rail and bus express	36.00	18.00	140.00	70.00
Light rail and bus regional	45.00	22.50	176.00	88.00

¹ Seniors include age 65 and older

² Trips consisting of three fare zones

³ Trips consisting of four fare zones

¹ Includes monthly fares for youth, student, disabled and senior patrons. Youth patrons include children ages 6-19. Student includes any student with a school identification card. Seniors include age 65 and older.

REGIONAL TRANSPORTATION DISTRICT
RTD NET TAXABLE RETAIL SALES (In Millions)

Table 17

Year	City and County of Denver		Boulder County		Jefferson County		Adams County ¹		Arapahoe County ¹		Douglas County ¹		City and County of Broomfield ¹		Other ²		Total Taxable Transactions		Percent Annual Increase or Decrease
	\$		\$		\$		\$		\$		\$		\$		\$		\$		
2005	9,429		3,248		5,823		4,471		6,851		2,463		891		609		33,785		5.4%
2006	9,793		3,336		5,952		4,577		6,889		2,562		902		572		34,583		2.4%
2007	10,751		3,538		6,185		4,804		7,294		2,616		934		592		36,714		6.2%
2008	11,057		3,491		6,043		4,785		7,098		2,524		901		666		36,565		-0.4%
2009	9,269		3,216		5,536		4,240		6,459		2,319		790		474		32,303		-11.7%
2010	9,766		3,391		5,656		4,433		6,817		2,390		935		718		34,106		5.6%
2011	11,239		3,721		6,001		4,749		7,486		2,778		944		1,041		37,959		11.3%
2012	12,415		3,851		6,202		5,323		8,109		2,912		991		1,036		40,839		7.6%
2013	12,861		4,033		6,538		5,731		8,456		3,108		1,004		-		41,731		2.2%
2014	14,254		4,359		7,013		6,436		9,211		3,318		1,045		-		45,636		9.4%

¹ Only a portion of each of these counties lies within the District

² Represent taxable transactions that occur within RTD's service area but with sales tax collections occurring outside of RTD's service area