

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended
December 31, 2015 and 2014



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



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended December 31, 2015 and 2014

**Prepared by
Finance Division**

Chief Financial Officer

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Regional Transportation District

May 5, 2016

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, 2015, 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.
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 Heather Copp, Chief Financial Officer.

Respectfully submitted,
Tom Tobiassen, CISSP, CISA
Chair, Executive Committee

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Regional Transportation District

May 5, 2016

Mr. Tom Tobiassen
Chair, Executive 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, 2015.

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, 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, 2015, 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, 2015, 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 190,000 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 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 2015 report forecasts that the economy is expected to grow at a more moderate pace, reflecting slower economic growth. Economists for CLC reported the following key economic indicators:

Key Economic Indicators	2014 Actual	2015 Forecast	2016 Forecast
Job Growth	3.0%	3.0%	3.0%
Unemployment	4.9%	4.0%	3.8%
Personal Income	6.2%	5.1%	5.5%
Population	1.6%	1.9%	1.7%
Inflation	2.8%	1.1%	2.4%

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.

In addition to the SBP, RTD is planning and constructing the build-out of the FasTracks transit expansion plan. FasTracks entails the addition of new bus rapid transit, light-rail lines and commuter rail lines, 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, 2015 found no instances of 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 0.5%.

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 2015 audit. This audit also was designated to meet the requirements of the Federal Single Audit 2 CFR 200.501, Uniform Grant Guidance and related 2 CFR 200, Uniform Grant Guidance – Uniform Administrative Requirements, Cost Principles and Audit Requirements. 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, 2014. This is the twenty-third 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,

Heather Copp
Chief Financial Officer

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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 2016:

District A

Bill James
Denver/Arapahoe Counties

District B

Barbara Deadwyler, Second Vice Chair
Denver/Adams Counties

District C

Bonnie "Ernest" Archuleta
Denver/Jefferson Counties

District D

Jeff Walker
Denver/Jefferson/Arapahoe Counties

District E

Claudia Folska
Denver/Arapahoe Counties

District F

Tom Tobiassen, 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, First Vice Chair
Adams/Jefferson Counties

District K

Paul Daniel Solano, Secretary
Adams/Weld Counties

District L

Lorraine Anderson
Jefferson/Adams Counties

District M

Natalie Menten
Jefferson County

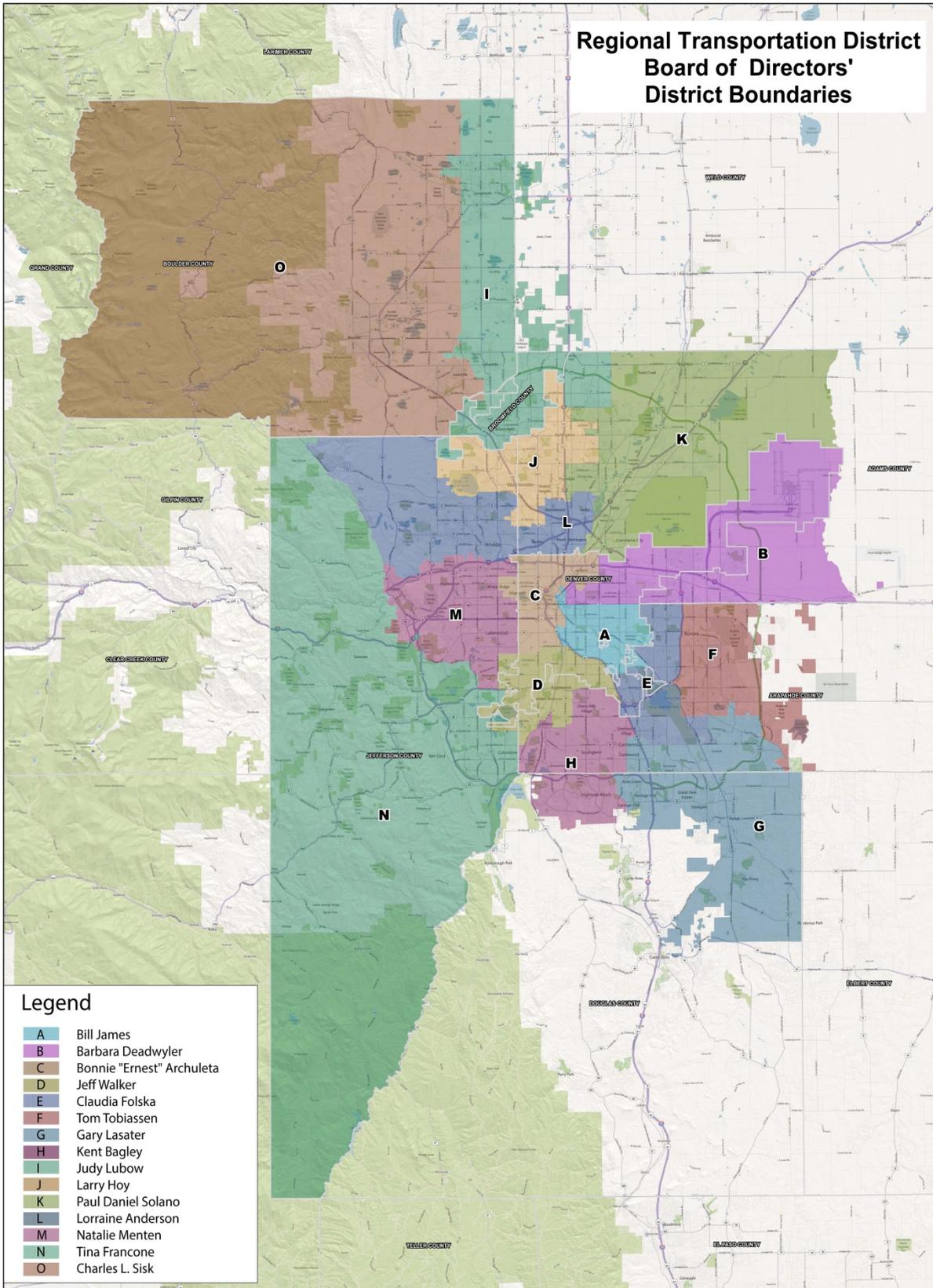
District N

Tina Francone, Treasurer
Jefferson County

District O

Charles L. Sisk
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

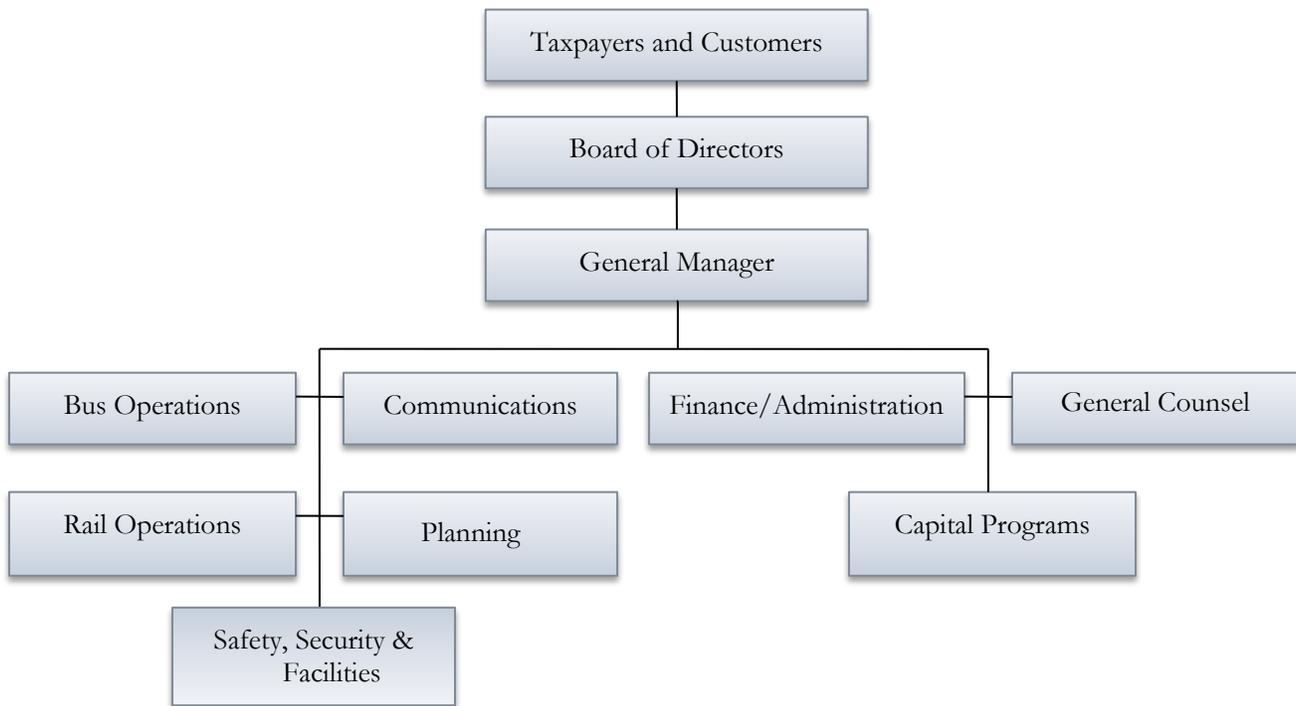


Draw 2042012

RTD Director Districts
based on 2010 Census redistricting



Organization Chart



Department Officials

General Manager/Chief Executive Officer
Dave Genova

AGM, Bus Operations
Bruce Abel

Chief Financial Officer/Administration
Heather Copp

AGM, Rail Operations
Terry Emmons

AGM, Safety, Security & Facilities (Acting)
John Tarbert

AGM, Planning
William C. Van Meter

AGM, Capital Programs (Acting)
Henry Stoppelcamp

General Counsel (Acting)
Rolf Asphaug

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, 2014

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditors' Report

RubinBrown LLP
Certified Public Accountants
& Business Consultants

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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, 2015 and 2014 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, 2015 and 2014, 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.

Emphasis Of Matters

As discussed in Note A.19, the Board adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB No. 27*, effective July 1, 2014. Our opinions were not modified with respect to this matter.

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 34 and 80 through 85, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 May 5, 2016 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

May 5, 2016

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REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2015 and 2014 (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, 2015 and 2014. 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.

Key Reporting Implementations

In fiscal year 2015 RTD implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit and defined contribution pension plans.

Financial Highlights

As of December 31, 2015 and 2014, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by \$3,176,938 and \$3,181,074, respectively. The amount of unrestricted net position as of December 31, 2015 was \$(199,265) compared to \$18,842 in 2014. RTD's unrestricted net position was negatively impacted by the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 required RTD to record the amount of unfunded pension liabilities. More information on the pension plans is available in the Notes starting on page 59.

The net position of RTD decreased by \$4,136 during the current year compared to an increase of \$203,625 in the previous year. The decrease in 2015 was the result of the GASB 68 new financial reporting requirement. The increase for 2014 was due to higher operating revenues, sales and use 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 \$26,797 (5.2%) in 2015 and increased \$46,135 (9.8%) in the previous year due to broad-based increases in retail sales within the District as the local economy emerges from the recession.

For 2015, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of \$535,478 compared to a loss of \$534,199 for 2014. The increase in operating loss for 2015 was due to the increased cost of salaries and fringe benefits. 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 \$230,096 (7.1%) and increased \$501,624 (18.5%) in 2015 and 2014, respectively. Debt increased in 2015 due to issuance of certificates of participation for the purpose of funding scheduled acquisition of equipment, buses and light rail vehicles. 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.

Capital grants and local contributions decreased \$37,118 (18.0%) in 2015 and decreased \$36,135 (14.9%) in the previous year. The decrease in 2015 occurred as a result of several major construction project being completed, U.S. 36 Manages Lanes, Denver Union Station, and West Rail Line, reducing grant funding. 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.

RTD's capital assets, excluding depreciation, increased \$798,324 in 2015 and increased \$814,250 in 2014. The increase in 2015 was primarily due to the build-out of Fastracks project. The increase in 2014 was from replacement of fleet and build-out of Fastracks project.

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2015 and 2014 (Dollars in Thousands)

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.

Statements of Net Position – As of December 31, 2015 and 2014, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by \$3,176,938 and \$3,181,074, respectively. The largest portion of this excess, in 2015 and in 2014, 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, 2015 was \$(199,265) compared to \$18,842 in 2014. 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

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requirements, and debt liquidation during the budget process. The deficit balance in Unrestricted Net Position includes an allowance for a Net Pension Liability of \$284,175 in 2015 for the represented employee defined benefit pension plan (see Note I). RTD has recognized this liability in its financial statements in accordance with *GASB Statement 68*; however, RTD is current in making all required contributions under the collective bargaining agreement.

Condensed Summary Statements of Net Position			
	2015	2014	2013
Assets and Deferred Outflows of Resources:			
Current assets	\$ 447,414	\$ 549,772	\$ 546,876
Current assets - restricted	414,548	582,236	710,639
Capital assets (net of accumulated depreciation)	6,131,608	5,413,455	4,696,735
Other noncurrent assets	357,908	301,173	151,611
Deferred outflows of resources	77,736	39,736	43,471
Total assets and deferred outflows of resources	<u>7,429,214</u>	<u>6,886,372</u>	<u>6,149,332</u>
Liabilities and Deferred Inflows of Resources:			
Current liabilities	290,568	313,687	319,004
Noncurrent liabilities	3,957,007	3,390,984	3,038,558
Deferred inflows of resources	4,701	627	656
Total liabilities and deferred inflows of resources	<u>4,252,276</u>	<u>3,705,298</u>	<u>3,358,218</u>
Net position:			
Net investment in capital assets	3,274,663	2,987,694	2,788,100
Restricted	101,540	174,538	136,131
Unrestricted	(199,265)	18,842	53,218
Total net position	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>

In 2015, capital assets net of accumulated depreciation increased \$718,153 (13.3%) for acquisition of revenue equipment, buildings, land, and construction in progress for the projects in the FasTracks program.

Current liabilities decreased \$23,119 (7.4%) in 2015 primarily due to an accrued lower construction payment for the FasTracks Eagle P3 project to the project concessionaire due in early 2016.

Noncurrent liabilities and deferred inflows increased \$570,097 (16.8%) primarily due implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, to the issuance of certificates of participation for acquisition of equipment, buses, light rail vehicles.

The net position of RTD decreased by \$4,136 during the current year compared to an increase of \$203,625 in the previous year. The decrease in 2015 was the result of GASB 68 new financial reporting requirement. The increases in 2014 was 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.

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 change of net position. The key elements of changes in net position for the fiscal years ended December 31, 2015 and 2014 with comparative information for 2013 are shown in the following table:

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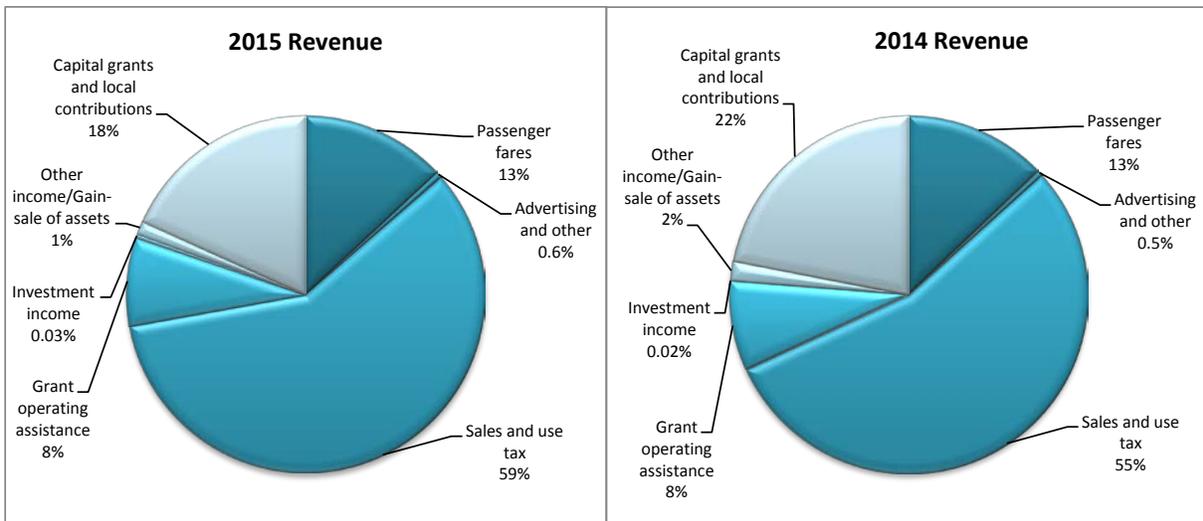
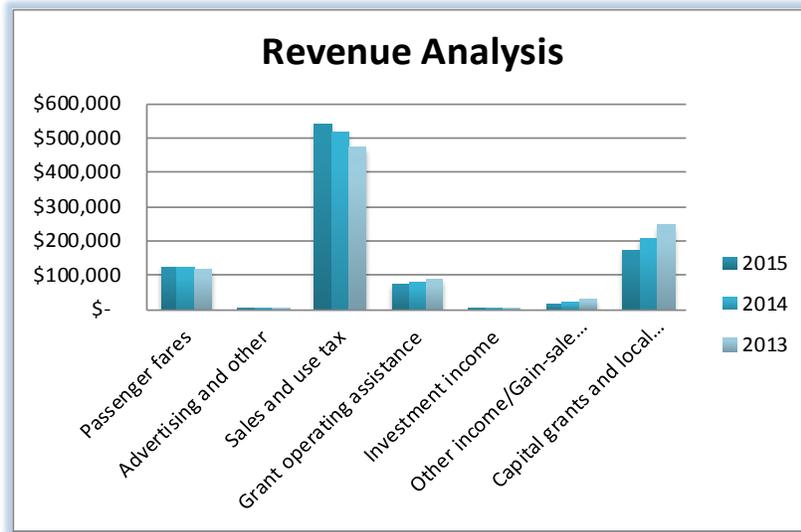
Summary of Revenues, Expenses, and Changes in Net Position			
	2015	2014	2013
Operating revenue:			
Passenger fares	\$ 120,530	\$ 120,497	\$ 117,841
Advertising and other	5,347	4,406	5,199
Total operating revenue	<u>125,877</u>	<u>124,903</u>	<u>123,040</u>
Operating expenses:			
Salaries and wages	150,808	143,113	135,660
Fringe benefits	76,399	61,677	56,745
Materials and supplies	58,884	62,156	64,798
Services	79,749	108,920	112,479
Utilities	13,673	14,151	13,567
Insurance	8,102	5,273	5,568
Purchased transportation	113,216	114,942	113,006
Leases and rentals	3,462	3,264	3,210
Miscellaneous	4,531	6,561	6,448
Depreciation	152,531	139,045	127,256
Total operating expenses	<u>661,355</u>	<u>659,102</u>	<u>638,737</u>
Operating loss	<u>(535,478)</u>	<u>(534,199)</u>	<u>(515,697)</u>
Nonoperating revenues (expenses):			
Sales and use tax	541,518	514,721	468,586
Grant operating assistance	73,383	75,544	88,243
Investment income	3,164	165	2,040
Other income/Gain on Sale of Assets	11,407	16,861	28,088
Interest expense	(79,686)	(72,293)	(61,223)
Other expense/ Unrealized Loss on Assets	(1,422)	(3,605)	(4,064)
Net nonoperating revenue (expenses)	<u>548,364</u>	<u>531,393</u>	<u>521,670</u>
Income before capital contribution	12,886	(2,806)	5,973
Capital grants and local contributions	<u>169,313</u>	<u>206,431</u>	<u>242,566</u>
Increase in net position	182,199	203,625	248,539
NET POSITION, beginning of year (as previously reported)	3,181,074	2,977,449	2,728,910
NET POSITION, beginning of year (as restated)	2,994,739	-	-
NET POSITION, end of year (as restated)	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</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, 2015, 2014 and 2013.

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Revenues - The following schedule and charts show the major sources of revenue for the years ended December 31, 2015, 2014 and 2013.

Revenue Analysis			
Revenues	2015	2014	2013
Passenger fares	\$ 120,530	\$ 120,497	\$ 117,841
Advertising and other	5,347	4,406	5,199
Sales and use tax	541,518	514,721	468,586
Grant operating assistance	73,383	75,544	88,243
Investment income	3,164	165	2,040
Other income/Gain-sale of assets	11,407	16,861	28,170
Capital grants and local contributions	169,313	206,431	242,566
Total Revenues	\$ 924,662	\$ 938,625	\$ 952,645



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Passenger fares – Passenger fares provided 13.0% and 12.8% of total revenues in 2015 and 2014, 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 \$33 (0%) in 2015 compared to an increase of \$2,656 (2.3%) in 2014. Passenger fares changes in 2015 were minimal. 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.

Advertising and other – Advertising and other revenue provided 0.6% and 0.5% of total revenues in 2015 and 2014; this includes revenues from advertisements primarily on RTD's buses and external wraps on light rail vehicles. Advertising and other income increased \$941 (21.4%) in 2015 compared to a decrease of \$793 (15.3%) in 2014. The increase in 2015 was due an increase in advertising revenue related to a stronger economic growth. The decrease in 2014 was primarily due to reduced joint venture revenue contracts.

Sales and Use Tax – Sales and use tax provided 58.6% and 54.8% of RTD's total revenues in 2015 and 2014 respectively. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the service area. Sales and use tax increased \$26,797 (5.2%) in 2015 compared to an increase of \$46,135 (9.8%) in 2014. In 2015 and 2014, 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 7.9% and 8.0% of total revenues in 2015 and 2014. Grant operating assistance decreased \$2,161 (2.9%) in 2015 compared to a decrease of \$12,699 (14.4%) in 2014. 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 in 2015 and 2014 is the result of grant funding sources being available during the year.

Investment Income – Investment income provided 0.34% and 0.02% of total revenues in 2015 and 2014. Investment income increased \$2,999 (1817.6%) in 2015 compared to a decrease of \$1,875 (91.9%) in 2014. The increase in 2015 was due to fixed securities getting better yields in 2015 and progressively higher investment balances. The decrease in 2014 was due to 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.

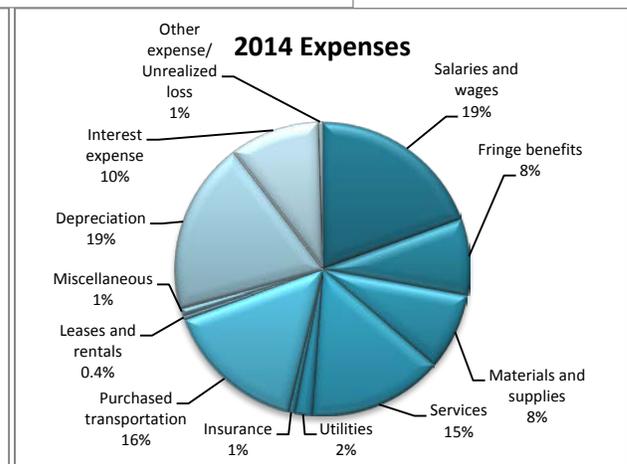
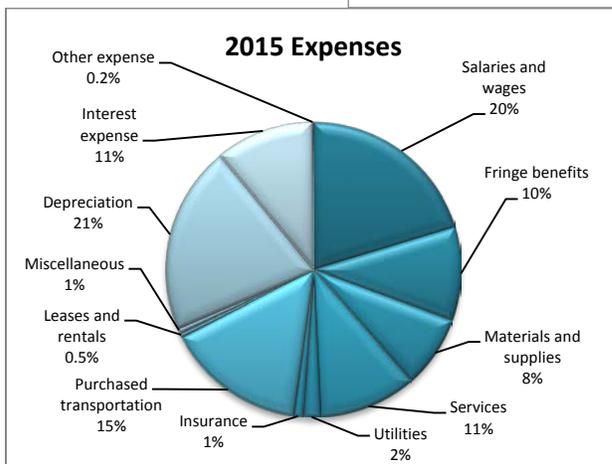
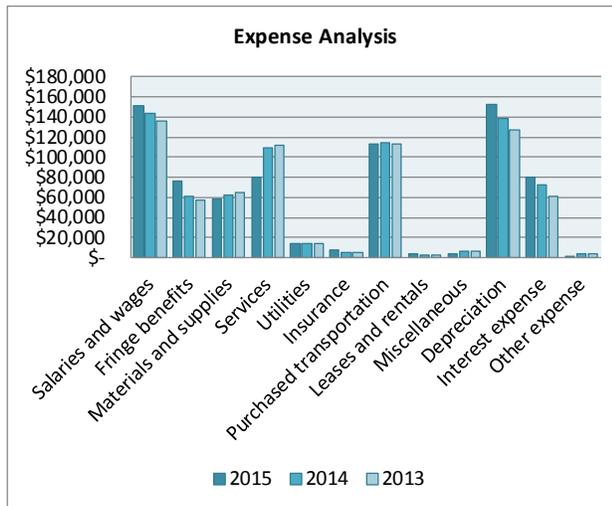
Other Income/Gain on sale of Assets – Other income provided 1.2% and 1.8% of total revenues in 2015 and 2014. Other income decreased \$5,454 (32.3%) in 2015 compared to an increase of \$11,309 (40.1%) in 2014. Other income includes interest subsidy income, rental income from retail space, parking, and miscellaneous other items. The decrease in 2015 was due to reduction of asset sales which was primarily attributable to the Denver Union Stations land parcels sold 2014. 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 local contributions provided 18.3% and 22.0% of total revenues in 2015 and 2014. Capital grants and local contributions decreased \$37,118 (18.0%) in 2015 and decreased \$36,135 (14.9%) in the previous year. The decrease in both years resulted from lower capital contributions related to completion of major construction projects: West Rail line, U.S. 36 Manages Lanes and Denver Union Station multi-modal hub.

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Expenses - The following schedule and charts shows the major sources of expenses for the years ended December 31, 2015, 2014 and 2013.

Expense Analysis			
Expenses	2015	2014	2013
Salaries and wages	\$ 150,808	\$ 143,113	\$ 135,660
Fringe benefits	76,399	61,677	56,745
Materials and supplies	58,884	62,156	64,798
Services	79,749	108,920	112,479
Utilities	13,673	14,151	13,567
Insurance	8,102	5,273	5,568
Purchased transportation	113,216	114,942	113,006
Leases and rentals	3,462	3,264	3,210
Miscellaneous	4,531	6,561	6,448
Depreciation	152,531	139,045	127,256
Interest expense	79,686	72,293	61,223
Other expense	1,422	3,605	4,146
Total Expenses	\$ 742,463	\$ 735,000	\$ 704,106



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Salaries and wages—Salary and wage expense is the largest expense category accounting for 20.3% and 19.5% of the total RTD expenses in 2015 and 2014, respectively. Salary and wage expenses increased by \$7,695 (5.4%) in 2015 compared to an increase of \$7,453 (5.5%) in 2014. Increases in both years occurred from salary and wage performance (result based) and progression increases.

Benefits – Fringe benefits accounted for 10.3% and 8.4% of total expenses in 2015 and 2014. Fringe benefits increased by \$14,722 (23.9%) compared to an increase of \$4,932 (8.7%) in 2014. The increase in 2015 is primarily due to implementation GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities. 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.

Materials and supplies – The materials and supplies expense category accounted for 7.9% and 8.5% of the total RTD expenses in 2015 and 2014 respectively. Materials and supplies expenses decreased \$3,272 (5.3%) in 2015 compared to a decrease of \$2,642 (4.1%) in 2014. The decrease in both years is primarily due to a decrease in diesel/gasoline fuel prices. In addition, replacement bus fleet acquisition lowered costs of repair parts.

Services – Services expense accounted for 10.7% and 14.8% of total expenses in 2015 and 2014. 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 \$29,171 (26.8%) in 2015 compared to an increase of \$3,559 (3.2%) in 2014. The decrease in 2015 was primarily due to the contract service reduction for U.S. 36 managed lane project (Phase I).

Utilities – Utilities accounted for 1.8% and 1.9% of total expenses in 2015 and 2014. Utilities expense includes electric, telecommunications, water and sewer, and natural gas for facilities. Utilities expense decreased \$478 (3.4%) in 2015 compared to an increase of \$584 (4.3%) in 2014. The decrease in 2015 occurred due to reduction of traction power costs as a result of West Rail Line reduced rail passenger car capacity. The increase in 2014 occurred primarily due to higher electricity rates affecting traction power costs for light rail services.

Insurance – Insurance accounted for 1.1% and 0.7% of total expenses in 2015 and 2014. 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 increased \$2,829 (53.7%) in 2015 compared to a decrease of \$295 (5.3%) in 2014. The increase in 2015 was due increased frequency and severity of claims. The decrease in 2014 was due to reduction of claim activity.

Purchased transportation – The purchased transportation expense category accounted for 15.2% and 15.6% of the total expenses in 2015 and 2014. Purchased transportation represents the costs of contracted transportation services for bus, access-a-Ride, and call-n-Ride services. Purchased transportation costs decreased \$1,726 (1.5%) in 2015 compared to an increase of \$1,936 (1.7%) in 2014. The decrease in 2015 was primarily due to reduction in service. The increase in 2014 was primarily due to negotiated contract rate 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 \$198 (6.1%) in 2015 compared to an increase of \$54 (1.7%) in 2014. The increase for both years 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 decreased \$2,030 (30.9%) in 2015 compared to an increase of \$113 (1.8%) in 2014. This category includes additional one-time project expenses creating fluctuations between years.

Depreciation – The depreciation expense category accounted for 20.5% and 18.9% of the total RTD expenses in 2015 and 2014, 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 \$13,486 (9.7%) in 2015 compared to an increase of \$11,789 (9.3%) in 2014. The increase in

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2015 occurred primarily due the acquisition of new fleets, CAD/AVL and build-out of FasTracks. The increase in 2014 occurred primarily from the activation of the West Line into revenue service in April.

Interest expense – The interest expense category accounted for 10.7% and 9.8% of the total RTD expenses in 2015 and 2014, respectively. Interest expense increased \$7,393 (10.2%) in 2015 compared to an increase of \$11,070 (18.1%) in 2014. 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 \$2,183 (60.6%) in 2015 compared to a decrease of \$541 (13.0%) in 2014. The decrease in both years 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 2015 was \$6,131,608 compared to \$5,413,455 in 2014. The increase in capital assets in 2015 was \$718,153 (13.3%) compared to an increase of \$716,720 (15.3%) in 2014. 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 2015 and 2014 were primarily due to the cost of planning, design and construction of FasTracks projects and fleet acquisition.

The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2015 and 2014 with comparative information for 2013.

Capital Assets (Net of Depreciation)			
	2015	2014	2013
Land	\$ 390,250	\$ 303,432	\$ 265,577
Land improvements	1,490,304	1,561,311	1,438,275
Buildings	295,359	297,212	85,639
Revenue earning equipment	550,425	458,579	397,947
Shops, maintenance and other equipment	79,988	38,859	43,206
Construction in progress	3,325,282	2,754,062	2,466,091
Total	\$ 6,131,608	\$ 5,413,455	\$ 4,696,735

Major capital asset events during the 2015 fiscal year included the following:

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 2015, expenditures related to the West Corridor were approximately \$643.

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 2015, expenditures related to the North Metro Corridor were approximately \$113,324.

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 2015, expenditures related to the Northwest Corridor were \$43,717.

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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 2015, construction expenditures related to the Eagle P3 project were \$350,156. 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. The East Corridor opened for revenue service in April 2016.

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. The Facility opened in 2015.

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. The Gold Line is planned to be open for revenue service in Fall 2016.

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. This segment is planned to be open for revenue service in Summer 2016, 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. This line is planned to open for revenue service in Winter 2016. In 2015, expenditures related to the I-225 Rail Line were \$156,525.

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 space Park-n-Ride facility. In 2015, expenditures related to the Southeast Rail Extension were \$6,715. RTD has applied for a Small Starts Grant to fund the project.

Base Revenue Earning Equipment Transit Buses - RTD entered into a multiyear fixed price contract in 2013 with an option to purchase up to 432 40' low floor transit buses with Gillig LLC over a 5 year period. The new bus purchases will be replacing buses that have exceeded their useful life. The transit buses are low floor handicap accessible. In 2015, expenditures related to the 40' transit buses were approximately \$81,108.

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 2015 outstanding debt was \$3,449,319 compared to \$3,219,223 in 2014. Outstanding debt increased by \$230,096 (7.1%) in 2015 and increased by \$501,624

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(18.5%) in 2014. The increase in both years 2015 and 2014 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 \$2,013,220 and \$1,955,657 as of December 31, 2015 and 2014, respectively. The sales tax revenue bonds increased \$57,563 (2.9%) in 2015 compared to an increase of \$60,477 (3.2%) in 2014. The increase in 2015 and 2014 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 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 \$1,230,860 and \$1,064,855 as of December 31, 2015 and 2014, respectively. The Certificates outstanding increased \$166,005 (15.6%) in 2015 compared to an increase of \$409,625 (62.5%) in 2014. The increase in 2015 was due to the issuance of Certificates for the acquisition of equipment, buses and light rail vehicles. The increase in 2014 is due to the issuance of Certificates for the construction of North Metro Rail Line.

The following table summarizes outstanding debt obligations as of December 31, 2015 and 2014 with comparative information for 2013.

Outstanding Debt			
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Bonds and COPs payable:			
Sales Tax Revenue Bonds	\$ 2,013,220	\$ 1,955,657	\$ 1,895,180
Certificates of Participation	1,230,860	1,064,855	655,230
Total Principal	3,244,080	3,020,512	2,550,410
Issuance premiums and discounts	205,239	198,711	167,189
Debt net of issuance and refunding	<u>\$ 3,449,319</u>	<u>\$ 3,219,223</u>	<u>\$ 2,717,599</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 adoption of the 2015 Budget

RTD is dependent on sales and use taxes, which are the largest single source of revenue for RTD, representing 58.6% and 54.8% of the total revenues in 2015 and 2014 respectively. Sales and use tax revenues are affected by the local economy in which changes will affect the level of funding available to RTD during its fiscal year.

RTD is dependent on passenger fares collected for transit services provided. Passenger fares accounted for 13.0% and 12.8% of total revenues in 2015 and 2014, respectively. Passenger fare collections may be affected by fare levels charged by RTD. In January 2016, RTD implemented a fare increase and modification to fare products offered to customers.

RTD is dependent on federal and local grant funding for both operations and capital expenditures. Grants provided 26.2% and 30.0% of total revenues in 2015 and 2014, respectively. Grant funding is only available for use by RTD for qualifying expenditures after appropriation is made by the awarding agency.

Increases in operating expenditures are expected in 2016 due to the opening of four rail lines and bus rapid transit under the 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. Additional FasTracks expansion projects are in various stages of completion with openings planned in future years.

RTD will issue revenue bonds in 2016 to provide a portion of the funding necessary to complete the Southeast Rail Line Extension as part of the FasTracks expansion program. RTD plans to issue these bonds at a fixed interest rate and conventional terms. Outstanding bonds and certificates of participation all have fixed interest rates and conventional terms in which debt service levels are not subject to fluctuations in market interest rates, however, new issuances are subject to market interest rates at the time of issuance.

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

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

	<u>2015</u>	<u>2014</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 155,485	\$ 253,638
Marketable interest bearing investments (note B)	104,757	89,962
Receivables:		
Sales tax	96,460	93,385
Other, less allowance for doubtful accounts of \$270 and \$256 at December, 31 2015 and 2014, respectively	18,453	24,989
Grants	1,780	13,895
Inventories	35,921	33,123
Other current assets (note C)	34,558	40,780
Cash and cash equivalents - restricted	163,744	298,822
Marketable interest bearing investments - restricted (note B)	250,804	283,414
Total current assets	<u>861,962</u>	<u>1,132,008</u>
Noncurrent Assets:		
Capital assets (note D):		
Land	390,250	303,432
Land improvements	2,195,281	2,183,870
Buildings	491,458	480,330
Revenue earning equipment	921,680	857,745
Shop, maintenance and other equipment	201,950	148,138
Construction in progress	3,325,282	2,754,062
Total capital assets	<u>7,525,901</u>	<u>6,727,577</u>
Less accumulated depreciation	<u>(1,394,293)</u>	<u>(1,314,122)</u>
Net capital assets	<u>6,131,608</u>	<u>5,413,455</u>
Other Noncurrent Assets:		
Long-term marketable interest bearing investments - restricted (note B)	277,999	301,173
Long-term marketable interest bearing investments - unrestricted (note B)	79,909	-
Total other noncurrent assets	<u>357,908</u>	<u>301,173</u>
Total noncurrent assets	<u>6,489,516</u>	<u>5,714,628</u>
Total assets	<u>7,351,478</u>	<u>6,846,636</u>
Deferred Outflows of Resources:		
Debt related (note A)	36,331	39,736
Pension related (note A)	41,405	-
Total deferred outflows of resources	<u>77,736</u>	<u>39,736</u>

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>2015</u>	<u>2014</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts and contracts payable	\$ 163,301	\$ 191,381
Current portion of long-term debt payable from restricted assets (note E)	61,698	54,348
Accrued compensation (note F)	19,953	20,809
Accrued interest payable from restricted assets	21,451	20,934
Other accrued expenses	24,165	26,215
Total current liabilities	<u>290,568</u>	<u>313,687</u>
Noncurrent Liabilities		
Long-term debt, net (note E)	3,387,621	3,164,875
Net Pension Liability (note E)	321,615	-
Other liabilities (note E)	247,771	226,109
Total noncurrent liabilities	<u>3,957,007</u>	<u>3,390,984</u>
Total liabilities	<u>4,247,575</u>	<u>3,704,671</u>
Deferred Inflows of Resources:		
Debt related (note A)	599	627
Pension related (note A)	4,102	-
Total deferred inflows of resources	<u>4,701</u>	<u>627</u>
NET POSITION		
Net investment in capital assets (note I)	3,274,663	2,987,694
Restricted net position (note I)	101,540	174,538
Unrestricted net position (note I)	<u>(199,265)</u>	<u>18,842</u>
Total net position, as restated	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</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)

	2015	2014
OPERATING REVENUE		
Passenger fares	\$ 120,530	\$ 120,497
Advertising, rent, and other	5,347	4,406
Total operating revenue	<u>125,877</u>	<u>124,903</u>
OPERATING EXPENSES		
Salaries and wages	150,808	143,113
Fringe benefits	76,399	61,677
Materials and supplies	58,884	62,156
Services	79,749	108,920
Utilities	13,673	14,151
Insurance	8,102	5,273
Purchased transportation	113,216	114,942
Leases and rentals	3,462	3,264
Miscellaneous	4,531	6,561
Depreciation	152,531	139,045
Total operating expenses	<u>661,355</u>	<u>659,102</u>
OPERATING LOSS	<u>(535,478)</u>	<u>(534,199)</u>
NONOPERATING REVENUE (EXPENSES)		
Sales and use tax	541,518	514,721
Grant operating assistance (note A)	73,383	75,544
Investment income	3,164	165
Other income	10,322	10,248
Gain(Loss) on capital assets	1,085	6,613
Interest expense (note A)	(79,686)	(72,293)
Other expense	(1,422)	(3,605)
Net nonoperating revenue (expenses)	<u>548,364</u>	<u>531,393</u>
INCOME (LOSS) BEFORE CAPITAL GRANTS AND LOCAL CONTRIBUTIONS	12,886	(2,806)
Capital grants and local contributions (note A)	<u>169,313</u>	<u>206,431</u>
INCREASE IN NET POSITION	182,199	203,625
NET POSITION, beginning of year (as previously reported)	3,181,074	2,977,449
Change in accounting principle (note A)	(186,335)	-
NET POSITION, beginning of year (as restated)	<u>2,994,739</u>	<u>-</u>
NET POSITION, end of year (as restated)	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</u>

The accompanying notes are an integral part of these statements.

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

	2015	2014
Cash flows from operating activities		
Receipts from customers	\$ 130,385	\$ 122,104
Payments to suppliers	(149,332)	(276,393)
Payments to employees	(265,366)	(203,364)
Net cash used in operating activities	<u>(284,313)</u>	<u>(357,653)</u>
Cash provided from noncapital financing activities		
Grant operating assistance	73,383	75,544
Sales and use tax collections	538,443	505,933
Other revenue	10,322	10,248
Net cash provided by noncapital financing activities	<u>622,148</u>	<u>591,725</u>
Cash flows from capital and related financing activities		
Principal paid on long-term debt	(54,348)	(57,002)
Proceeds from issuance of debt	277,915	527,104
Capital grant funds and other contributions received	181,428	203,413
Proceeds from sale of assets	457	13,549
Acquisition and construction of capital assets	(816,359)	(812,420)
Cost of issuance	(1,444)	(3,500)
Interest paid on long-term debt	(122,959)	(85,838)
Net cash used in capital and related financing activities	<u>(535,310)</u>	<u>(214,694)</u>
Cash flows from investing activities		
Purchases of investments	(455,295)	(654,271)
Proceeds from sales and maturities of investments	416,375	645,327
Interest and dividends on investments	3,164	165
Net cash used by investing activities	<u>(35,756)</u>	<u>(8,779)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(233,231)	10,599
Cash and cash equivalents - January 1	<u>552,460</u>	<u>541,861</u>
Cash and cash equivalents - December 31	<u>\$ 319,229</u>	<u>\$ 552,460</u>

The accompanying notes are an integral part of these statements.

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

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	2015	2014
Operating loss	\$ (535,478)	\$ (534,199)
Adjustment to reconcile operating loss to net cash used in operating activities		
Depreciation expense	152,531	139,045
Bad debt expense	21	(105)
Changes in operating assets and liabilities:		
Decrease/(increase) in other accounts receivable	6,537	(4,522)
Increase in inventories	(2,799)	(2,236)
Decrease in other current assets	6,222	14,052
Increase in deferred outflow	(41,405)	-
Increase in accounts payable	128,862	27,058
Increase/(decrease) in accrued compensation and expenses	(856)	1,426
Increase/(decrease) in other accrued expenses	(2,050)	1,828
Increase in deferred inflow	4,102	-
Net cash used in operating activities	\$ (284,313)	\$ (357,653)

RECONCILIATION OF CASH and CASH EQUIVALENTS		
Cash and cash equivalents	\$ 155,485	\$ 253,638
Cash and cash equivalents - restricted	163,744	298,822
Total cash and cash equivalents	\$ 319,229	\$ 552,460

Noncash investing, capital and financing activities:

RTD had unrealized losses on investments of \$34 and \$47 for 2015 and 2014, respectively.

RTD issued a DUSPA bond to fund the constuction of capital assets in 2010 for \$167,954. Assets contributed were (\$486) and \$13,677 for 2015 and 2014, respectively.

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 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, 2015 and 2014. 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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Current 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.

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	2015	2014
Interest expense	\$ 79,686	\$ 72,293
Capitalized interest	53,696	50,281
Total interest cost	<u>\$ 133,382</u>	<u>\$ 122,574</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 \$370,683 and \$446,561 at December 31, 2015 and 2014, respectively.

12. *Deferred Outflows/Inflows of Resources*

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. RTD's deferred outflows were \$77,736 and \$39,736 as of December 31, 2015 and 2014, 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. RTD's deferred inflows were \$4,701 and \$627 as of December 31, 2015 and 2014, respectively.

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.

14. *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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *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 and day pass 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, Series 2013 bond resolutions, and TIFIA Sales Tax Loan, 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 \$3,017,352 through 2050. Principal and interest paid for the current year and pledged revenues received were \$98,533.

Grants and Local Contributions

RTD receives grants from the federal government, through the Federal Transit Administration (FTA). 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.

The amount recorded as capital grants was \$157,616 and \$171,549 in 2015 and 2014, respectively. Operating assistance grant revenue was \$73,383 and \$75,544 in 2015 and 2014, respectively. Other contribution revenue was \$11,697 and \$34,882 in 2015 and 2014, respectively.

Grants and local contributions are recorded as revenue by RTD once all applicable eligibility requirements are met.

16. *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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

17. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

18. GASB 68 – Classification

During the year ended December 31, 2015, RTD implemented the provisions of GASB Statement No.68 (GASB 68), *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB 68 requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

19. Reinstatement of Prior Year Net Position

Net Position has been restated as required by implementation of GASB 68 as discussed in note 18 above.

Beginning net position as previously reported December 31, 2014	\$3,181,074
Prior period adjustment – Implementation of GASB 68 Net pension liability (measurement date)	(186,335)
Net position as restated, December 31, 2014	\$2,994,739

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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 PDPA 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, 2015 and 2014, respectively, RTD had bank deposits of \$44,367 and \$43,749 collateralized with securities held by the pledging financial institutions’ trust department or agent but not in RTD’s name.

Investments

At December 31, 2015, the Regional Transportation District’s investments consisted of the following:

Investment Type	Fair Value	< 6 Months	6-12 Months	1-5 Years
U.S. Treasury Securities	\$ 286,411	\$ 47,137	\$ 32,726	\$ 206,548
U.S. Agency Securities	104,662	20,492	38,508	45,662
Municipal Bonds	2,802	-	-	2,802
Commercial paper	213,026	203,086	9,940	-
Corporate bonds	82,732	-	7,031	75,701
Bankers’ Acceptance Notes	23,836	23,836	-	-
Total	\$ 713,469	\$ 294,551	\$ 88,205	\$ 330,713

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. Treasury Securities	\$ 157,378	\$ 21,834	\$ 66,841	\$ 68,703
U.S. Agency Securities	249,051	2,105	32,095	214,851
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

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

5. Commercial paper.
6. Time Deposits/Time Certificates of Deposits.
7. Bankers' Acceptances Notes.
8. Repurchase agreements.
9. Money market funds.
10. Local government Investment Pools.
11. Any other Investment permitted under CRS 24-75-601 et seq.

Credit ratings of RTD's portfolio, as of December 31, 2015 and 2014, are exhibited in the table below. Portfolio holdings adhere to RTD's investment policy and applicable statute. Investments rated AAA, AA and A are from the Standard & Poor's rating service. Investments rated A-1+/P-1 are from the Standard & Poor's and Moody's rating services, respectively.

At December 31, 2015, the Regional Transportation District's investment credit ratings consisted of the following:

Investment Ratings	Market Value
AAA (Standard & Poor's)	\$ 414,481
AA (Standard & Poor's)	85,962
A	-
A-1 +/P-1	213,026
Total:	\$ 713,469

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

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

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE B – DEPOSITS AND INVESTMENTS (CONTINUED)

RTD’s investment policy outlines the following maximum exposure limits for unrestricted investments. As of December 31, 2015, RTD was in compliance with these limits. As of December 31, 2014, RTD was in compliance with limitations set out in RTD’s previous investment policy limitations.

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, 2015 and 2014, RTD had \$692,547 and \$883,409 of cash and investments that were restricted under the provisions of bond agreements.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE C - OTHER CURRENT ASSETS

Other Current Assets consist of:

	2015	2014
Prepaid expenses	\$ 4,914	\$ 3,930
Eagle P3 construction escrow	23,861	30,976
City of Arvada escrow	2,606	2,606
Park Creek Metro escrow	486	577
Other construction escrow	273	273
Assets held for sale	2,418	2,418
Total Other Current Assets	\$ 34,558	\$ 40,780

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE D – CAPITAL ASSETS

Capital asset activity as of December 31, 2015 was as follows:
(In Thousands)

	Balances 12/31/2014	2015 Additions	2015 Deletions	Balances 12/31/2015
Capital assets not being depreciated:				
Land	\$ 303,432	\$ 86,831	\$ 13	\$ 390,250
Construction in progress	2,754,062	870,055	298,835	3,325,282
Total capital assets not being depreciated	<u>3,057,494</u>	<u>956,886</u>	<u>298,848</u>	<u>3,715,532</u>
Capital assets being depreciated:				
Land improvements	2,183,870	11,411	-	2,195,281
Buildings	480,330	11,128	-	491,458
Revenue earning equipment	857,745	134,253	70,318	921,680
Shop, maintenance and other equipment	148,138	55,944	2,132	201,950
Total capital assets being depreciated	<u>3,670,083</u>	<u>212,736</u>	<u>72,450</u>	<u>3,810,369</u>
Less accumulated depreciation:				
Land improvements	622,559	82,606	188	704,977
Buildings	183,118	12,981	-	196,099
Revenue earning equipment	399,166	42,147	70,058	371,255
Shop, maintenance and other equipment	109,279	14,797	2,114	121,962
Total accumulated depreciation	<u>1,314,122</u>	<u>152,531</u>	<u>72,360</u>	<u>1,394,293</u>
Total capital assets being depreciated, net	<u>2,355,961</u>	<u>60,205</u>	<u>90</u>	<u>2,416,076</u>
Capital assets, net	<u>\$ 5,413,455</u>	<u>\$ 1,017,091</u>	<u>\$ 298,938</u>	<u>\$ 6,131,608</u>

Depreciation expense was \$152,531 and \$139,045 for years 2015 and 2014, respectively.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE D – CAPITAL ASSETS (CONTINUED)

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>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE E – LONG-TERM DEBT

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

	2015	2014
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 (\$1,069) and (\$1,121) for 2015 and 2014, respectively. In 2014, The District did a Modification and Exchange on these Bonds, it resulted in a premium with an ending balance of \$16,224 and \$17,003 for 2015 and 2014, respectively.	\$ 374,925	\$ 376,193
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 \$4,937 and \$5,496 for 2015 and 2014, respectively.	74,762	75,321
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 \$1,523 and \$2,353 for 2015 and 2014, respectively.	14,728	21,688
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%.	154,246	157,064
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 \$2,039 and \$2,128 for 2015 and 2014, respectively.	81,179	81,268
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 \$62,167 and \$65,014 for 2015 and 2014, respectively.	537,102	539,949
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 \$425 and \$498 for 2015 and 2014, respectively.	61,420	78,443
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 \$40,682 and \$42,635 for 2015 and 2014, respectively.	245,502	247,455
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.	296,284	212,282
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 \$0 and \$151 for 2015 and 2014, respectively.	-	5,336

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE E – LONG-TERM DEBT (CONTINUED)

	2015	2014
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.	\$ 8,910	\$ 10,135
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 \$3,675 and \$4,206 for 2015 and 2014, respectively.	85,115	95,206
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 \$2,570 and \$2,789 for 2015 and 2014, respectively.	194,315	199,074
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 \$29,942 and \$32,566 for 2015 and 2014, respectively.	243,877	253,901
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 \$24,144 and \$24,993 for 2015 and 2014, respectively.	465,059	465,908
Certificates of Participation Obligations, Series 2015A, as Lessee Under an Annually Renewable Lease Purchase Agreement. Payments are due semiannually on June 1 and December 1 to 2040, issued with coupons between 3.25% and 5.00%, including premium of \$17,980 and \$0 for 2015 and 2014, respectively.	211,895	-
	<u>3,449,319</u>	<u>3,219,223</u>
Less current portion	(61,698)	(54,348)
	<u>\$ 3,387,621</u>	<u>\$ 3,164,875</u>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE E – LONG-TERM DEBT (CONTINUED)

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 Indenture of Trust, to meet debt service requirements. Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal	TIFIA Interest	Capitalized Interest	Total
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	21,705	-	80,044	101,749
2021-2025	132,365	3,212	438,599	574,176
2026-2030	381,757	16,062	376,857	774,676
2031-2035	473,087	16,062	268,714	757,863
2036-2040	377,182	12,849	162,929	552,960
2041-2045	223,478	-	124,933	348,411
2046-2050	300,000	-	54,636	354,636
	<u>\$2,013,220</u>	<u>\$ 48,185</u>	<u>\$1,835,884</u>	<u>\$3,897,289</u>

Certificates of Participation are issued by 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.

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

Year ending December 31,	Principal	Interest	Total
2016	\$ 34,655	\$ 62,373	\$ 97,028
2017	31,325	60,804	92,129
2018	37,440	59,220	96,660
2019	47,915	57,172	105,087
2020	57,675	54,606	112,281
2021-2025	314,845	226,430	541,275
2026-2030	200,180	156,912	357,092
2031-2035	198,180	108,259	306,439
2036-2040	190,265	54,309	244,574
2041-2044	118,380	11,677	130,057
	<u>\$ 1,230,860</u>	<u>\$ 851,762</u>	<u>\$ 2,082,622</u>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE E – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/2014	2015 Additions	2015 Reductions	Balance 12/31/2015	Due Within One Year
Sales Tax Revenue Bonds	\$1,955,657	\$ 84,001	\$ 26,438	\$2,013,220	\$ 27,043
Certificates of Participation	1,064,855	193,915	27,910	1,230,860	34,655
Issuance premiums and discounts	198,711	18,366	11,838	205,239	-
Total Bonds-COPs Payable	3,219,223	296,282	66,186	3,449,319	61,698
Net Pension Liability	276,116	36,499	-	321,615	-
Other liabilities*	150,186	109,205	2,620	247,771	-
Total long-term liabilities**	\$3,645,525	\$441,986	\$ 68,806	\$4,018,705	\$ 61,698

*Other liabilities consist of Eagle P3 finance charge liability, 2007 Sales Tax arbitrage call modification liability and the CCD Aviation Intergovernmental Agreement (IGA). ** Beginning year balance (as restated).

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	\$2,909,225	\$ 604,073	\$ 67,966	\$3,445,332	\$ 54,348

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

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, 2015 are the following amounts which are considered defeased:

2006A ST FT Bonds	FasTracks Facilities and Equipment	\$ 368,384
2007A ST FT Bonds	FasTracks Facilities and Equipment	\$ 244,113

In January 2015, RTD drew the final \$75,000 and recognized \$9,001 of capitalized interest from the Transportation Infrastructure and Innovation Act (TIFIA) loan. Under the TIFIA loan authorization, RTD drew a total of \$280,000 in 2013 thru 2015 and recognized \$16,284 of capitalized interest. The draws from the TIFIA loan were used to pay for "Eligible Project Costs" on RTD's Eagle Project. The interest rate on the TIFIA loan is 3.14% with interest payments anticipated to begin in 2021 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. The TIFIA loan is secured by a pledge of RTD's 0.4% FasTracks sales and use tax.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE E – LONG-TERM DEBT (CONTINUED)

In August 2015, RTD issued its Certificates of Participation, Series 2015A in the par amount of \$193,915 with an average interest rate of 4.60% to be used to finance the acquisition of equipment, vans, buses and light rail vehicles. 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 2040.

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 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

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.

NOTE F- EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS

Employee Retirement Plans

RTD maintains two single-employer defined benefit pension plans and one defined contribution plan for substantially all full-time employees:

- ATU 1001 Pension Plan - Defined Benefit
- Salaried Pension Plan - Defined Benefit
- Salaried Pension Plan - Defined Contribution

Plans are 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 administrators

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

ATU 1001 Pension Plan – Defined Benefit

Plan Description

The Regional Transportation District and Amalgamated Transit Union Local 1001 Pension 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 plan is a single-employer defined benefit pension plan administered by Compusys, Inc.

Benefits Provided

All benefits are paid in the form of a 50% joint and survivor annuity unless this form is rejected by the participant and the spouse.

Normal retirement benefits under the Plan are paid to participants who have attained age 65 and have been with the Plan for ten years. The benefit amount is based on final average earnings, years of employment under this Plan and age at date of retirement.

Early retirement, effective January 1, 1992, any Participant who has accumulated 20 or more years of credited service and terminated employment prior to attaining age 50, will be entitled to an early retirement benefit starting on the first day of any month after he has attained age 50. The Plan was amended effective January 1, 2011. The years of credited service needed to qualify for a normal retirement benefit was increased from five to ten years and the benefit multiplier for both the normal and early retirement was revised.

Death benefits state if an Employee, who is not eligible for a vested benefit or not eligible to retire, should die, his beneficiary will be paid the accumulated employee contributions plus interest. Upon the death of a pensioner, a funeral benefit of \$2,000 will be paid in a lump sum to the pensioners designated beneficiary

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
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NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)

Disability benefits, an individual who becomes totally disabled prior to age 65 and retires from active employment with RTD as a direct result of being totally disabled is entitled to a disability retirement benefit provided he has worked for at least ten years for RTD in covered employment or any of its predecessors. An individual will be considered totally disabled upon receipt of a disability award from Social Security. Effective January 1, 2011 the years of credited service needed to qualify for a disability benefit was increased from five to ten years and the benefit multiplier was revised.

Deferred Vested Retirement Benefit, an individual who terminated employment on or after January 1, 1993, for any reason other than retirement, will be entitled to a deferred vested benefit at age 65 provided he had worked for at least ten years in covered employment for RTD or any of its predecessors. A participant is entitled to deferred, vested benefits as early as age 50 if he has worked for at least 20 years in covered employment and terminates active employment on or after attaining age 50. If an individual with 20 or more years of service terminated employment prior to age 50, benefits will be payable at any time after age 50. Effective January 1, 2011 the years of credited service needed to qualify for a deferred vested retirement disability benefit was increased from five to ten years and the benefit multiplier was revised.

Benefit structure for participants hired on or after January 1, 2011. The following changes are included:

- The benefit multiplier is changed from 2.5% to 1% with a new benefit schedule. (Priority 1).
- Regular retirement is changed from age 55 with 20 years of service to age 60 with 20 years of service.
- Sick and vacation payouts are no longer included in the pension benefit calculation. (Priority 2).
- Vesting is changed from 5 years to 10 years.
- Interest on employee contributions is changed from 5% to 3%.
- The maximum service included in the benefit calculation is reduced from 30 years to 25 years. (Priority 3).

A "Trigger Policy" has also been provided that will partially rescind the modified benefit structure when certain Plan funding benchmarks are achieved. If the total Actuarial Required Contribution (ARC) is less than 11% of payroll, pension benefits would be restored in the order of priority listed above. The "Trigger" remains in effect until such time as the 11% ARC is restored.

Employees covered by the benefit terms for the FYE December 31, 2015 (December 31, 2014 measurement date), pension plan membership consisted of the following¹:

Active Plan Members	1,687
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,410
Inactive employee entitled to but not yet receiving benefits	1,228
	<hr/>
Total	4,325
	<hr/> <hr/>

¹Based on December 31, 2014 actuarial valuation demographic information

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2015 as follows:

Total Pension Liability	\$ 526,135
Plan Fiduciary Net Position	214,463
	<hr/>
Plan's Net Pension Liability	\$ 311,672
	<hr/> <hr/>
Plan Fiduciary Net Position as of Percentage of the Total Pension Liability	40.76%

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Actuarial Methods and Assumptions Used to Calculate Net Pension Liability:

Valuation Date:	December 31, 2014
Notes	Actuarially determined contribution rates are calculated as of July 1 each year for implementation the following year.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5-Year smoothed market, 0% corridor
Inflation	3.00%
Salary Increases	7.00% During first 5 years of service, 3.00% after five years of service
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Healthy Mortality	RP-2000 Combined Mortality Table, generational projected with Scale AA.
Disabled Mortality	RP-2000 Disabled Mortality Table, generational projected with Scale AA.
Other Information:	There were no benefit changes during the year.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release(H.15)); and the resulting Single Discount Rate is 5.00%.

Development of the Single Discount Rate

Single Discount Rate 5.00 %

Long-Term Expected Rate of Investment Return 7.00 %

Long-Term Municipal Bond Rate* 3.65 %

Last year ending December 31 in the 2015 to 2114 projection period for which projected benefit payments are fully funded 2034

Asset Class	30 Year Long-Term Expected Real Rate of Return	Target Asset Allocation
Domestic Equity	5%	40%
International Equity	8%	15%
Real Estate	3%	5%
Domestic Fixed Income	1%	15%
International Fixed Income	1%	10%
Commodities	5%	5%
Private Equity	10%	10%
	30 Year Inflation Assumption	2%
	Actuarial Return Assumption	7%

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/2014	\$ 488,394	\$ 213,008	\$ 275,386
Changes for the year:			
Service Cost	11,937	-	11,937
Interest	27,714	-	27,714
Differences between expected and actual experience	(6,476)	-	(6,476)
Assumption Changes	28,879	-	28,879
Contributions-employer	-	10,758	(10,758)
Contributions-employee	-	3,586	(3,586)
Net investment income	-	11,779	(11,779)
Benefit payments, including refunds of employee contributions	(24,312)	(24,312)	-
Administrative expense	-	(355)	355
Other changes	-	-	-
Net Changes	<u>37,742</u>	<u>1,456</u>	<u>36,286</u>
Balances at 12/31/2015	<u>\$ 526,136</u>	<u>\$ 214,464</u>	<u>\$ 311,672</u>

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plans' net pension liability, calculated using a Single Discount Rate of 5.00%, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Plan's Net Pension Liability	\$ 375,343	\$ 311,672	\$ 258,200

Contribution

Contributions to the Union Plan are made in accordance with the collective bargaining agreement. This agreement requires RTD to contribute 13% and the employee to contribute 5% of the employee's qualifying wages. RTD has included the full amount of the actuarially determined net pension liability for the represented pension plan, in accordance with financial reporting requirements. RTD is current in making all required contributions under the collective bargaining agreement.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended 2015 the employer recognized pension expense of \$19,547. The employer reported deferred outflows and inflows of \$27,498 of resources related from pensions from the following resources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 4,102
Differences in assumptions	18,291	-
Excess(deficit) Investment Returns	2,217	-
Contributions subsequent to the measurement date*	11,092	-
Total	\$ 31,600	\$ 4,102

*The amount reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction in the Pension Expense for the year ending 2016.

Amounts reported as deferred outflow and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	
2016	\$ 19,860
2017	6,530
2018	554
2019	554
2020	-
Total	\$ 27,498

Salaried Pension Plan - Defined Benefit

Plan Description

The Regional Transportation District Salaried Employees' Pension Plan provides coverage for all full-time salaried employees whom were hired prior to January 1, 2008. The plan is a single-employer defined benefit pension plan administered by Fringe Benefit Services, Inc.

Benefits Provided

Normal retirement eligibility age is 65 with five years of credited service; monthly benefit 2.5% of average final compensation times credited service. Early retirement age is 55 with five years of credited service; monthly benefit if retire or terminate from active status on or after age 55, the normal retirement benefit is reduced 1/30 for each year less than age 60. If terminate from active status prior to age 55, the normal retirement benefit is reduced 1/15 for each year between ages 60 and 65, and 1/30 for each year less than age 60.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
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NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)

Disability retirement is five years of credited service, totally and permanently disabled, and entitled to a Social Security disability award; monthly benefit unreduced normal retirement benefit, payable upon approval for Social Security disability. Pre-retirement death eligibility is five years of credited service; monthly benefit survivor pension assuming the participant retired the day before death with a 50% Joint and Survivor Benefit. If death occurs before age 55, payment is deferred until the participant would have reached age 55 and is reduced for early commencement. Survivors of married participants may elect to receive an annuity or a lump sum distribution. Survivors of unmarried participants will receive a lump sum distribution if death occurs while the participant is actively employed with RTD. The lump sum is the present value of the survivor's pension above but determined as if the participant was married and the spouse was the same age as the participant.

Termination eligibility is five years of credited service; monthly benefit if not eligible to retire normal retirement benefit, early retirement benefit, or if elected within six months, a lump sum equal to the present value of the age 65 accrued benefits, payable in lieu of all other benefits in the Plan. Employee monthly benefit if eligible to retire normal retirement benefit, early retirement benefit, or a lump sum equal to the present value of an immediate accrued benefit, payable in lieu of all other benefits in the Plan.

Forms of annuity payments for normal form are 50% Joint and Survivor Annuity if married, Single Life Annuity otherwise. Optional Forms are 25%, 50%, 66-2/3% or 100% Joint and Survivor Annuity with 5-year or 10-year Certain and Life Annuity (60 or 120 months guaranteed) Social Security Adjustment (Age 62 or Age 65) Lump Sum.

Credited service is one year for each calendar year of 1,000 hours of service (except years and completed months in the year of transfer). Credited service applies to vesting and service for retirement benefit eligibility. Average final compensation is average of participant's highest consecutive 36 months of compensation in the last 120 months of credited service immediately preceding the calendar month in which retirement occurs. Compensation excludes bonuses, severance pay, long-term disability pay and other extra compensation paid in the Fiscal Year. Compensation includes deferrals made to the RTD Deferred Compensation Plan and RTD Flexible Spending Account Plan, overtime, shift differentials, leave pay and salary reductions.

Employee covered by the benefit terms for the FYE December 31, 2015 (December 31, 2014 measurement date), pension plan membership consisted of the following¹:

Active Plan Members	382
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	220
Inactive Plan Members Entitled to But Not Yet Receiving Benefits ²	114
Total	<u>716</u>

¹Based on January 1, 2015 actuarial valuation demographic information

²Includes transfer outs

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2015 as follows:

Total Pension Liability	\$ 139,953
Plan Fiduciary Net Position	130,010
Plan's Net Pension Liability	<u>\$ 9,943</u>
Plan Fiduciary Net Position as of Percentage of the Total Pension Liability	92.90%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation with date of January 1, 2014, using the following actuarial assumptions applied to all periods included in the measurement with a liability roll forward to December 31, 2014 for disclosure purposes for the Fiscal Year Ending December 31, 2015:

Inflation	3.00%
Salary Increases	3.75% - 8.75%
Investment Rate of Return	7.50%, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage including expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the December 31, 2014 measurement date.

Mortality Rates for Annuities (60% Election Assumption)

Healthy: RP-2014 Blue Collar Mortality Tables for healthy employees and annuitants. Disabled: RP-2014 Disabled Retiree Mortality Tables

Mortality Rates for Lump Sums (40% Election Assumption)

RP-2014 Blue Collar Mortality Tables for healthy annuitants, blended 70% male / 30% female for participants and 30% male / 70% female for beneficiaries.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study covering the period January 1, 2009 - December 31, 2013.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that RTD contributions will be equal to the actuarially determined contribution rate for the applicable fiscal years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The below table reflects assumed long-term expected real rates of return over a 30-year horizon upon which the disclosure is based:

Asset Class	Long-Term Expected Real Rate of Return	Target Asset Allocation
Domestic Equity	8.7%	50%
International Equity	9.7%	10%
Fixed Income	1.5%	30%
Real Estate	10.1%	10%
Cash	N/A	N/A

Changes in the Net Pension Liability
(in thousands)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2014	\$ 125,723	\$ 124,993	\$ 730
Changes for the year:			
Service Cost	2,673	-	2,673
Interest	9,366	-	9,366
Differences between expected and actual experience	2,228	-	2,228
Assumption Changes	6,997	-	6,997
Contributions-employer	-	3,100	(3,100)
Net investment income	-	9,078	(9,078)
Benefit payments, including refunds of employee contributions	(7,034)	(7,034)	-
Administrative expense	-	(127)	127
Other changes	-	-	-
Net Changes	14,230	5,017	9,213
Balances at 12/31/2015	\$ 139,953	\$ 130,010	\$ 9,943

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan's Net Pension Liability/Assets	\$ 22,167	\$ 9,943	\$ (638)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended 2015 the employer recognized pension expense of \$2,508. The employer reported deferred outflows and inflows of \$9,805 of resources related from pensions from the following resources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 1,592	\$ -
Differences in assumptions	4,998	-
Excess(deficit) Investment Returns	115	-
Contributions subsequent to the measurement date*	3,100	-
Total	<u>\$ 9,805</u>	<u>\$ -</u>

*The amount reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction in the Pension Expense for the year ending 2016.

Amounts reported as deferred outflow and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	
2016	\$ 5,765
2017	2,665
2018	1,347
2019	28
2020	-
Total	<u>\$ 9,805</u>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

Defined Benefit Plan Descriptions – 2014 Presentation Prior GASB 68 Implementation

RTD maintains two single-employer defined benefit pension plans. 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 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.

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:

	<u>RTD Plan</u>	<u>Union Plan</u>
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>

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

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

Annual Pension Cost and Net Pension Obligation

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

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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

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 Liability Disclosure

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

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%

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

RTD Plan – Defined Contribution

Plan Description

The RTD defined contribution plan and represents full-time salaried employees hired after January 1, 2008. The RTD Board adopted amendment No. 8, effective January 1, 2008. RTD contributes 9% of the employee's qualifying wage. Contributions totaled \$2,870 and \$2,394 in 2015 and 2014, respectively. RTD employees cannot contribute to the Plan. Membership was 474 and 392 active employees in 2015 and 2014, respectively. In addition, RTD has one employee in 2015 and 2014 participating in both the RTD plan and the RTD DC Plan due to a compensation level in excess of the 2015-2014 compensation limits imposed under IRC section 401(a) (17).

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 \$16,846 and \$13,878 for the years ended December 31, 2015 and 2014, 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 215 Aurora, Colorado 80014-2602.

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
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NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS
(CONTINUED)

Compensated absences activity for the year ended December 31, 2015, was as follows:

	12/31/2014 Balance	2015 Accruals	2015 Payments	12/31/2015 Balance
Represented employees	\$ 2,459	\$ 1,592	\$ 1,491	\$ 2,560
Salaried employees	9,745	6,308	5,882	10,171
Total compensated absences due	<u>\$12,204</u>	<u>\$ 7,900</u>	<u>\$ 7,373</u>	<u>\$12,731</u>

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

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

The accrued compensation liabilities of \$19,953 and \$20,809 as of December 31, 2015 and December 31, 2014, include \$7,222 and \$8,605 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 2012, RTD entered a contract with Union Station Alliance (USA) to renovate and lease RTD’s historic Denver Union Station Building. The renovation by USA included a hotel, Amtrak facilities, office space, retail and restaurant services as well as renovation of the Great Train Hall. The renovations were complete and open to the public in July 2014. 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 – Civic Center Transfer Facility

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
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NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Fixed rental commitments under the lease in years subsequent to December 31, 2015, are as follows:

<u>Year ending December 31,</u>	
2016	\$ 259
2017	262
2018	265
2018	267
2020	270
2021-2025	1,391
2026-2030	1,462
2031-2035	1,536
2036-2040	1,615
2041-2045	1,697
2046-2050	1,784
2051-2055	1,875
2056-2060	1,970
2061-2065	2,071
2066-2070	2,177
2071-2075	2,288
	<u>\$ 21,189</u>

Rental expense relating to this lease amounted to \$257 and \$254 for the years ended December 31, 2015 and 2014, respectively.

Operating Lease – Purchased Transportation

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.

Capital Projects

As of December 31, 2015, 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 \$461,864 and \$483,272 in 2015 and 2014, respectively.

Grant Match Requirements

Under the provisions of current grants, RTD is obligated to satisfy certain matching requirements of these grants. At December 31, 2015, RTD had a commitment to provide \$20,329 in matching funds in order to receive \$66,374 in future federal and state grant funds.

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 2016, slightly over 54.33% 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.

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 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 North Metro Rail Line is scheduled to open in 2018.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

In September 2015, RTD entered a contract with Balfour Beatty Infrastructure, Inc. to design and construct the Southeast Rail Extension Project. The Southeast Rail Extension includes 2.3 miles extending from Lincoln Avenue in Douglas County, to RidgeGate Parkway station featuring a new Park-n-Ride with a structure of 1,300 parking spaces. The Southeast Rail Extension is scheduled to open in 2019.

Future Commitments under Service Contracts

The fixed commitments under the Privatization contracts (bus) in the years subsequent to 2015 are as follows:

Year ending December 31,	
2016	\$ 126,539
2017	114,608
2018	109,993
2019	58,544
2020	15,884
Total	<u>\$ 425,568</u>

Denver Transit Partner's concessionaire service payment commitments under the lease in years subsequent to December 31, 2015, are as follows:

Year ending December 31,	
2016	\$ 52,419
2017	77,411
2018	81,244
2019	105,406
2020	114,359
2021-2025	578,911
2026-2030	655,942
2031-2035	798,927
2036-2040	838,633
2041-2044	617,860
	<u>\$ 3,921,112</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 2016 is \$20,990. RTD estimates usage of 9.4 million gallons at unit cost of \$2.233 per gallon: 5.64 million RTD's usage and 3.76 million RTD private carriers usage.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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, 2014	\$ 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	\$ 2,691	\$ 2,845	\$ 5,536
Incurred claims (including IBNR)	3,052	4,264	7,336
Claims payments	<u>(2,162)</u>	<u>(3,177)</u>	<u>(5,339)</u>
Unpaid claims, December 31, 2015*	<u>\$ 3,581</u>	<u>\$ 3,932</u>	<u>\$ 7,513</u>

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

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE H – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

RTD has been made aware of a pending lawsuit in which the claimant is seeking a refund from the Department of Revenue 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.

RTD is party to a pending lawsuit in which the plaintiffs/appellants seek to hold unconstitutional a 2013 state statute which made several adjustments to the items upon which RTD and the Scientific and Cultural Facilities District could and could not collect sales tax. The appellants maintained that voter approval was required. The District Court granted summary judgment in favor of RTD and the other appellees (SCFD and the Colorado Department of Revenue). The matter is currently before the Colorado Court of Appeals. If the District Court's decision is reversed, RTD may no longer be authorized to collect certain taxes and may possibly have to refund some taxes previously collected.

NOTE I – NET POSITION

	December 31,	
	2015	2014
Invested in capital assets, net of related debt	\$ 3,274,663	\$ 2,987,694
Restricted net position		
Restricted debt service	114,395	108,322
Restricted TABOR	20,284	19,193
Restricted FasTracks	(34,639)	45,523
Restricted Other	1,500	1,500
Total restricted net position	\$ 101,540	\$ 174,538
Unrestricted net position		
Unrestricted - represented net pension liability*	(284,175)	-
Unrestricted - salaried net pension liability	(138)	-
Unrestricted net position	85,048	18,842
Total unrestricted net position	(199,265)	18,842
Total net position	\$ 3,176,938	\$ 3,181,074

* Note: RTD has included for 2015 the full amount of the actuarially determined net pension liability for the represented pension plan, in accordance with financial reporting requirements. RTD is current in making all required contributions under the collective bargaining agreement.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

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 fiscal 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:

	2015	2014
Revenue, actual	\$ 755,349	\$ 732,194
Proceeds from debt / arbitrage relief	299,688	573,324
Federal capital grants and local contributions	169,313	206,431
Revenue, actual (budgetary basis)	1,224,350	1,511,949
Revenue, budget	\$ 1,431,648	\$ 1,498,686
Expenses, actual	742,463	735,000
Capital outlays	870,055	862,701
Depreciation, amortization, other	(152,531)	(139,045)
Long-term debt principal payment	54,348	57,002
Expenses, actual (budgetary basis)	1,503,835	1,515,658
Appropriations	\$ 2,507,386	\$ 2,653,183
Unused appropriations	\$ 1,003,551	\$ 1,137,525

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, 2015, there was approximately \$1,004 of unused 2015 appropriations for capital outlays available for carryover to 2016.

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.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2015 and 2014 (Dollars in Thousands)

NOTE K – TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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 2015, \$20,284 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.

NOTE L – SUBSEQUENT EVENTS

On January 1, 2016, RTD implemented a fare structure modification. The modification was the culmination of a two year task force fare study with the goals of simplification, equity and the achievement of revenue levels set out in the Strategic Budget Plan.

On January 1, 2016, the RTD Board of Directors contracted with the RTD Interim General Manager and CEO for three years plus two option years to serve as the permanent RTD General Manager and CEO.

On January 3, 2016, RTD began Bus Rapid Transit service along U.S. 36 between downtown Denver and Boulder as part of the FasTracks Project.

On April 22, 2016, RTD began Commuter Rail service on the East Line between downtown Denver and Denver International Airport as part of the FasTracks Project.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

**REGIONAL TRANSPORTATION DISTRICT
Pension Plans Summary
As of December 31, 2015**

Schedule of Contributions Multiyear

Last 10 Fiscal Years

(in thousands)

ATU 1001 Pension Plan

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015 ¹	\$ 18,752	\$ 10,758	\$ 7,994	\$ 84,774	12.69%

¹ This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for one year. Additional years will be presented as they become available.

Actuarial Methods and Assumptions Used to Calculate Actuarially Determine Contribution Union:

Valuation Date:	December 31, 2014
Notes	Actuarially determined contribution rates are calculated as of July 1 each year for implementation the following year.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5-Year smoothed market, 0% corridor
Inflation	3.00%
Salary Increases	7.00% During first 5 years of service, 3.00% after five years of service
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Healthy Mortality	RP-2000 Combined Mortality Table, generational projected with Scale AA.
Disabled Mortality	RP-2000 Disabled Mortality Table, generational projected with Scale AA.
Other Information:	
Notes	There were no benefit changes during the year.

See accompanying independent auditors' opinion.

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios Multiyear

Last 10 Fiscal Years

(in thousands)

ATU 1001 Pension Plan

Period Ending December 31,	2015 ¹	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability											
Service Cost	\$ 11,937										
Interest	27,714										
Changes to Benefit Terms	-										
Differences Between Expected and Actual Experience	(6,476)										
Assumption Changes	28,879										
Benefit Payments, Including Lump Sums	(24,312)										
Net Change in Total Pension Liability	\$ 37,742										
Total Pension Liability - Beginning	488,394										
Total Pension Liability - Ending (a)	\$ 526,136										
Plan Fiduciary Net Position											
Contributions - RTD	\$ 10,758										
Contributions - Members	3,586										
Net Investment Income	11,779										
Benefit Payments, Including Lump Sums	(24,312)										
Administrative Expenses	(355)										
Other	-										
Net Change in Plan Fiduciary Net Position	\$ 1,456										
Plan Fiduciary Net Position - Beginning	213,008										
Plan Fiduciary Net Position - Ending (b)	\$ 214,464										
Plan's Net Pension Liability - Beginning											
Plan's Net Pension Liability - Ending (a) - (b)	\$ 311,672										
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b) / (a)	40.76%										
Covered-Employee Payroll	84,774										
Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll	367.65%										

¹ This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for one year. Additional years will be presented as they become available.

□

**Schedule of Contributions Multiyear
Last 10 Fiscal Years**

(in thousands)

RTD Salaried Pension Plan

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015 ¹	\$ 5,682	\$ 3,100	\$ 2,582	\$ 30,880	10.04%

¹ This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for one year. Additional years will be presented as they become available.

Methods and assumptions used to determine contribution rates:

Valuation Date	December 31, 2014	
Actuarial Cost Method	Entry Age	
Amortization Method	Level dollar, fixed and declining for 20 years.	
Remaining Amortization Period	17 years	
Asset Valuation Method	Smoothed over 5 years, based on the Actuarial Value of Assets expected return	
Inflation	3.00%	
Salary Increase	3.75% - 8.75%	
Investment Rate of Return	7.50%, net of investment expenses	
Retirement Age	<u>Age</u>	<u>Rate</u>
	55	15.00%
	56 - 61	10.00%
	62	25.00%
	63 - 64	15.00%
	65 - 66	40.00%
	67 or older	100.00%

Vested inactive participants are assumed to retire at age 62.

Mortality (Annuities)	Healthy Participants: RP-2014 Blue Collar Mortality Tables for healthy employees and annuitants Disabled Participants: RP-2014 Disabled Retiree Mortality Tables
Mortality (Lump Sums)	014 Blue Collar Mortality Tables for healthy annuitants, blended 70% male/30% female for participants and 30% male / 70% female for beneficiaries.
Other Information:	401(a) 17 and 415 limits are assumed to increase with inflation. Turnover: 0.00% - 10.43%, based on age Disablement: 0.06% - 1.63%, based on age Expenses: \$165,000 per year, payable monthly.

See accompanying independent auditors' opinion.

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios Multiyear

Last 10 Fiscal Years

(in thousands)

RTD Salaried Pension Plan

Period Ending December 31,	2015 ¹	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability											
Service Cost	\$ 2,673										
Interest	9,366										
Changes to Benefit Terms	-										
Differences Between Expected and Actual Experience	2,228										
Assumption Changes	6,997										
Benefit Payments, Including Lump Sums	(7,034)										
Net Change in Total Pension Liability	\$ 14,230										
Total Pension Liability - Beginning	125,723										
Total Pension Liability - Ending (a)	\$ 139,953										
Plan Fiduciary Net Position											
Contributions - RTD	\$ 3,100										
Contributions - Members	-										
Net Investment Income	9,078										
Benefit Payments, Including Lump Sums	(7,034)										
Administrative Expenses	(127)										
Other	-										
Net Change in Plan Fiduciary Net Position	\$ 5,017										
Plan Fiduciary Net Position - Beginning	124,993										
Plan Fiduciary Net Position - Ending (b)	\$ 130,010										
Plan's Net Pension Liability - Beginning	730										
Plan's Net Pension Liability - Ending (a) - (b)	\$ 9,943										
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b) / (a)	92.90%										
Covered-Employee Payroll	30,880										
Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll	32.20%										

¹ This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for one year. Additional years will be presented as they become available.

□

Required Supplementary Information

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

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%)

Schedule of Funding Progress – RTD Salaried 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	\$103,941	\$110,910	\$ (6,969)	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%)

See accompanying independent auditors' opinion

SUPPLEMENTAL INFORMATION

REGIONAL TRANSPORTATION DISTRICT
SCHEDULE OF EXPENSE AND REVENUE
BUDGET AND ACTUAL - BUDGETARY BASIS
Year Ended December 31, 2015
(In Thousands)

	Adopted Budget	Final Budget	Actual	Variance - positive (negative)
Operating revenue				
Passenger fares	\$ 123,364	\$ 123,373	\$ 120,530	\$ (2,843)
Other	5,195	5,245	5,347	102
Total operating revenue	<u>128,559</u>	<u>128,618</u>	<u>125,877</u>	<u>(2,741)</u>
Operating expenses				
Salaries and wages	144,800	147,191	150,808	(3,617)
Fringe benefits	49,998	54,944	76,399	(21,455)
Materials and supplies	66,695	67,741	58,884	8,857
Services	109,221	139,607	79,749	59,858
Utilities	14,980	15,015	13,673	1,342
Insurance	7,600	7,595	8,102	(507)
Purchased transportation	113,881	114,214	113,216	998
Leases and rentals	3,415	3,415	3,462	(47)
Miscellaneous	7,905	5,824	4,531	1,293
Total operating expenses	<u>518,495</u>	<u>555,546</u>	<u>508,824</u>	<u>46,722</u>
Operating loss	<u>(389,936)</u>	<u>(426,928)</u>	<u>(382,947)</u>	<u>43,981</u>
Nonoperating revenue (expenses)				
Sales and use tax	535,146	551,368	541,518	(9,850)
Grant operating assistance	85,938	78,832	73,383	(5,449)
Investment income	4,310	4,310	3,164	(1,146)
Other income	11,020	11,020	10,322	(698)
Gain/loss on capital assets	-	-	1,085	1,085
Interest expense	(97,472)	(95,365)	(79,686)	15,679
Other expense/unrealized loss capital assets	-	-	(1,422)	(1,422)
Total nonoperating revenue (expenses)	<u>538,942</u>	<u>550,165</u>	<u>548,364</u>	<u>(1,801)</u>
Proceeds from debt	<u>413,025</u>	<u>457,091</u>	<u>299,688</u>	<u>(157,403)</u>
Capital outlay				
Capital expenses	1,903,537	1,687,076	870,055	(817,021)
Less capital grants	(198,891)	(206,451)	(169,313)	37,138
	<u>1,704,646</u>	<u>1,480,625</u>	<u>700,742</u>	<u>(779,883)</u>
Long-term debt principal payment	<u>(62,471)</u>	<u>(58,942)</u>	<u>(54,348)</u>	<u>4,594</u>
Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments	<u>\$ (1,205,086)</u>	<u>\$ (959,239)</u>	<u>(289,985)</u>	<u>\$ 669,254</u>
Increases (decreases) to reconcile budget basis to GAAP basis				
Capital expenses			870,055	
Proceeds from debt			(299,688)	
Long-term debt principal payment			54,348	
Depreciation			(152,531)	
INCREASE IN NET POSITION			<u>\$ 182,199</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 89-92

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 93-94

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

Debt Capacity 95-96

These tables contain information to help the reader assess 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 97

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

	<u>2015</u>	<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>
Invested in capital assets, net of related debt (Note I)	\$ 3,274,663	\$ 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
Restricted (Note I)										
Emergencies	20,284	19,193	18,304	17,451	16,392	15,486	15,158	16,821	16,829	15,078
Debt and other	81,256	155,345	117,827	316,711	491,313	424,348	442,489	393,223	412,822	232,702
Total restricted net position	101,540	174,538	136,131	334,162	507,705	439,834	457,647	410,044	429,651	247,780
Unrestricted net position (note I)	(199,265)	18,842	53,218	45,782	46,199	166,299	132,035	143,913	186,280	140,626
Total net position	\$ 3,176,938	\$ 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 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

Table 2

(In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating Revenues:										
Passenger Fares	\$ 120,530	\$ 120,497	\$ 117,841	\$ 112,929	\$ 108,497	\$ 97,942	\$ 96,890	\$ 88,205	\$ 77,128	\$ 66,211
Other	5,347	4,406	5,199	5,333	4,882	4,414	4,357	4,124	4,382	3,310
Total Operating Revenues	125,877	124,903	123,040	118,262	113,379	102,356	101,247	92,329	81,510	69,521
Operating Expenses:										
Salaries, wages, fringe benefits	227,207	204,790	192,405	178,974	166,332	160,498	161,747	155,799	150,560	136,733
Materials and supplies	58,884	62,156	64,798	58,300	52,015	48,310	56,835	61,056	49,157	43,709
Services	79,749	108,920	112,479	109,853	48,357	60,553	42,783	36,835	30,654	29,864
Utilities	13,673	14,151	13,567	11,833	11,627	10,977	9,512	10,575	8,678	7,530
Insurance	8,102	5,273	5,568	3,776	6,089	5,429	3,767	5,333	5,090	5,722
Purchased transportation	113,216	114,942	113,006	111,130	108,865	104,514	103,975	102,743	97,819	93,003
Leases and rentals	3,462	3,264	3,210	2,401	1,964	2,515	2,680	2,464	2,195	1,758
Miscellaneous	4,531	6,561	6,448	15,741	2,082	3,315	6,866	2,619	2,390	3,144
Total Operating Expenses	508,824	520,057	511,481	492,008	397,331	396,111	388,165	377,424	346,543	321,463
Operating loss before depreciation	(382,947)	(395,154)	(388,441)	(373,746)	(283,952)	(293,755)	(286,918)	(285,095)	(265,033)	(251,942)
Depreciation	152,531	139,045	127,256	115,269	104,280	104,176	106,025	102,252	103,302	67,526
Operating Loss	(535,478)	(534,199)	(515,697)	(489,015)	(388,232)	(397,931)	(392,943)	(387,347)	(368,335)	(319,468)
Nonoperating income (expense):										
Sales and use tax revenues	541,518	514,721	468,586	449,787	415,180	397,549	371,405	412,824	418,407	399,557
Grant operating assistance	73,383	75,544	88,243	68,927	89,592	92,655	68,146	50,814	47,040	42,805
Interest income	3,164	165	2,040	2,613	6,484	8,065	29,379	52,456	57,471	29,936
Other income	10,322	10,248	28,170	11,035	11,356	3,653	3,243	3,106	4,706	4,031
Gain/Loss on Capital Assets	1,085	6,613	(82)	3,459	(6,101)	(3,474)	40	1	1,055	1,929
Interest expense	(79,686)	(72,293)	(61,223)	(51,371)	(51,274)	(48,735)	(34,179)	(56,273)	(52,272)	(29,689)
Other expense/Unrealized Loss A	(1,422)	(3,605)	(4,064)	(4,895)	(150)	(1,671)	(23,037)	(977)	(861)	(805)
Total Nonoperating Income	548,364	531,393	521,670	479,555	465,087	448,042	414,997	461,951	475,546	447,764
Net income before capital grants and local contribution	12,886	(2,806)	5,973	(9,460)	76,855	50,111	22,054	74,604	107,211	128,296
Capital grants and local contribution	169,313	206,431	242,566	311,676	238,292	107,478	131,711	39,389	115,133	61,537
Increase in Net Position	182,199	203,625	248,539	302,216	315,147	157,589	153,765	113,993	222,344	189,833
Net Position, Beginning of Year, (as previously reported)	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	1,366,240
Change in accounting principle, (note A)	(186,335)									
Net Position, Beginning of Year, (as restated)	2,994,739									
Prior Period Adjustment					(92,217)					(5,588)
Net Position at End of Year	\$3,176,938	\$3,181,074	\$2,977,449	\$2,728,910	\$2,426,694	\$2,203,764	\$2,046,175	\$1,892,410	\$1,778,417	\$1,550,485

**REGIONAL TRANSPORTATION DISTRICT
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
2006	\$ 284,360	\$ 37,104	\$ 67,523	\$ 29,689	\$ 805	\$ 208,361	627,842
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
2015	427,468	81,356	152,531	79,686	1,422	870,055	1,612,518

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	Grant Operating Assistance	Interest Income	Other	Total Revenue	Capital Grants	Local Contributions	Total Revenue and Capital Grant & Contributions
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
2015	125,877	541,518	73,383	3,164	11,407	755,349	157,616	11,697	924,662

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

**REGIONAL TRANSPORTATION DISTRICT
DEBT COVERAGE RATIOS¹**
(In Thousands)

Table 5

LAST TEN YEARS (UNAUDITED)

	Sales Tax Bond Debt Service Requirements²			Sales Tax	Coverage
	Interest	Principal	Total	Collections	Ratio
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
2015	84,101	26,428	110,529	541,518	4.90

Certificate of Participation Debt Service Requirements

	Interest	Principal	Total
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
2015	57,226	27,910	85,136

REGIONAL TRANSPORTATION DISTRICT

Table 5

DEBT COVERAGE RATIOS² (Continued)

(In Thousands)

	Total Debt Service Requirements			Total Revenue	Coverage Ratio
	Interest	Principal	Total		
2006	\$ 35,441	\$ 31,170	\$ 66,611	\$ 545,851	8.19
2007	62,873	55,695	118,568	609,135	5.14
2008	59,446	63,020	122,466	611,528	4.99
2009	56,924	62,770	119,694	573,460	4.79
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	938,645	5.08
2015	141,327	54,338	195,665	924,662	4.73

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**

Table 6

Last Ten Years (Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
January 1 population within RTD service area ¹	2,870,000	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
Cities and towns served	40	40	40	40	40	40	40	40	40	39
Square miles in service area	2,340	2,340	2,340	2,340	2,348	2,348	2,348	2,337	2,331	2,329
Total miles ²	47,575,444	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
Passenger stops	9,566	9,751	9,509	9,841	9,698	10,140	10,199	10,199	10,329	10,596
Number of fixed routes	137	138	136	145	138	148	150	165	170	166
Local	65	65	65	71	64	66	67	72	73	73
Limited	-	11	11	11	11	11	11	13	15	15
Express	15	14	14	17	16	20	20	24	25	24
Regional	20	17	17	17	17	16	16	18	18	16
Skyride	5	5	5	5	5	5	5	5	5	5
Boulder City	13	13	13	13	12	14	15	15	15	15
Longmont City	4	4	4	4	4	7	7	7	8	8
Miscellaneous	8	9	7	7	9	9	9	11	11	10
Ridership average weekday, without Mall Shuttle and Light Rail	208,086	211,702	208,387	210,811	205,504	209,172	212,758	224,918	207,734	198,629
Ridership average weekday, including Mall Shuttle	252,034	255,696	254,071	255,501	254,197	255,068	259,873	273,737	255,987	246,992
Ridership average weekday, including Mall Shuttle, Light Rail, ADA, and Van Pool	338,363	344,348	335,391	326,747	325,900	323,311	328,291	344,954	320,311	294,791
Total annual boardings without Mall Shuttle, Light Rail and ADA	62,833,246	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
Total annual boardings, including Mall Shuttle	76,257,759	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
Total annual boardings, including Mall Shuttle and Light Rail	101,776,337	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
Total annual boardings, including Mall Shuttle, Light Rail, ADA service, and Van Pool	102,991,663	104,987,248	101,966,009	99,122,065	98,384,882	97,724,928	98,746,429	104,071,339	96,326,580	86,842,675
Daily miles operated (average weekday), including Mall Shuttle	119,076	107,635	106,709	129,517	117,261	124,248	149,750	152,848	155,153	154,078
Daily miles operated (average weekday), including Mall Shuttle and Light Rail	131,221	119,706	118,385	139,083	126,849	134,294	159,824	163,987	166,571	165,666
Diesel fuel consumption, gallons ³	5,550,000	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
Total active buses	1,021	1,011	992	998	969	1,025	1,050	1,039	1,071	1,071
Wheelchair lift equipped buses	1,021	1,011	992	998	969	1,025	1,050	1,039	1,071	1,071
Number of employees ³										
Salaried	779	735	752	700	697	696	664	623	611	613
Represented (includes part-time)	1,955	1,929	1,901	1,715	1,785	1,744	1,802	1,903	1,923	1,907
Fleet requirements (peak hours)	834	821	785	779	797	806	830	862	862	851
Operating facilities ³	7	7	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 2015 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 2015 CAFR

Table Title	Location in CAFR
RTD Revenues by Source	Statistical Section – Table 4
Summary Balance Sheet	Statements of Net Position – pg. 37-38

REGIONAL TRANSPORTATION DISTRICT
2016-2021 STRATEGIC BUDGET PLAN - OPERATING PROGRAM (In Thousands)

Table 7

Program	2016	2017	2018	2019	2020	2021	Total Cost
Interest Payments ^{1,2}	\$ 28,903	\$ 24,205	\$ 23,433	\$ 23,924	\$ 23,779	\$ 23,889	\$ 148,133
Bus Operations – Current RTD	131,567	135,546	140,060	143,699	147,729	151,747	850,348
Bus Operations – Private Carrier after Contract	96,650	99,586	102,788	105,863	108,825	111,779	625,491
Bus Operations - call-n-Ride	6,292	6,503	6,713	6,914	7,110	7,307	40,839
Private Contract Administration Costs	356	368	380	392	403	414	2,313
Service Increases – RTD-Operated	1,986	1,231	1,331	-	-	-	4,548
Service Increases – Private Contractor	1,626	1,379	1,435	-	-	-	4,440
FasTracks Service Allocation - Bus ¹	(15,488)	(16,024)	(16,553)	(17,061)	(17,545)	(18,030)	(100,701)
Cost Sharing Agreements - Bus Service	2,154	2,229	2,302	2,373	2,440	2,507	14,005
Van Pool Program	850	879	908	936	962	989	5,524
Section 5011 Local Match	835	864	893	920	946	972	5,430
LRT Operations	45,192	48,604	51,534	51,377	52,872	53,585	303,164
ADA Operating Costs	42,151	43,457	44,864	46,214	47,509	48,800	272,995
FasTracks Service Allocation - ADA ¹	(1,965)	(2,033)	(2,100)	(2,165)	(2,226)	(2,288)	(12,777)
Facilities Maintenance - Base	43,061	44,406	45,873	47,282	48,603	49,919	279,144
Facilities Maintenance - Additional Costs	3,690	9,717	13,886	9,999	4,540	3,995	45,827
Capital Programs - Base	5,550	5,721	5,910	6,091	6,262	6,431	35,965
Capital Programs - Additional Costs	5,002	5,493	6,830	6,686	6,027	6,089	36,127
Direct Costs - Other Departments	830	854	879	903	929	955	5,350
Indirect Costs - Other Departments	73,201	85,512	84,254	82,187	85,112	87,127	497,393
Grand Total	\$472,443	\$498,497	\$515,620	\$516,534	\$524,277	\$536,187	\$ 3,063,558

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
2016-2021 STRATEGIC BUDGET PLAN - CAPITAL PROGRAM (In Thousands)**

Table 8

Program	2016	2017	2018	2019	2020	2021	Total Cost
Long Term Debt Service ^{1,2}	\$ 60,406	\$ 58,862	\$ 71,438	\$ 70,912	\$ 80,497	\$ 78,106	\$ 420,221
Fleet Modernization and Expansion ³	-	-	-	-	-	-	-
Transit Buses	47,027	5,220	20,587	57,081	71,579	304	201,798
ADA Vehicles	9,881	635	1,439	676	5,186	714	18,531
Other	206	214	220	227	-	-	867
Light Rail Vehicles	32,892	41,818	22,039	-	-	-	96,749
Bus and Rail Infrastructure	3,970	9,014	3,526	2,896	2,687	90,383	112,476
park-n-Rides ³	1,134	2,667	7,218	2,726	1,928	-	15,673
Capital Support Equipment ³	-	-	-	-	-	-	-
Vehicles and Bus Maintenance Equipment	1,024	1,720	1,290	1,338	1,609	1,531	8,512
Treasury	-	183	150	155	217	163	868
Information Systems, Computer Equip. for Ops.	4,165	11,948	1,581	1,919	1,197	258	21,068
Security Equipment	778	3,867	3,664	1,482	29	30	9,850
Bus Maintenance Facilities ³	-	-	-	-	-	-	-
Boulder	-	-	-	-	-	-	-
District Shops	-	213	413	3,408	-	-	4,034
East Metro	-	-	-	-	-	-	-
Platte	-	-	-	-	-	-	-
Light Rail Maintenance Facilities ³	-	-	-	-	-	-	-
Central Rail Line	-	469	-	-	-	-	469
Maintenance of Way	-	533	331	57	58	60	1,039
District-wide	515	534	1,102	-	-	-	2,151
Facilities Construction and Maintenance	7,868	4,040	5,966	34,313	742	120	53,049
System Planning	1,988	2,441	5,558	2,306	93	18,100	30,486
Discretionary Capital ³	155	160	166	170	175	180	1,006
Grand Total	\$172,009	\$144,538	\$146,688	\$179,666	\$165,997	\$189,949	\$998,847

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, 2015**

Table 9

Sales Tax Bonds	Outstanding²
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹ - FasTracks	\$ 374,925
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹	74,762
RTD Sales Tax Revenue Refunding Bonds, Series 2010 ¹	14,728
RTD Subordinate Sales Tax Revenue (DUSPA) Fastracks, Series 2010	154,246
RTD Sales FasTracks Tax Revenue Bonds, Series 2010AB ¹	381,179
RTD Sales FasTracks Tax Revenue Bonds, Series 2012A ¹	537,102
RTD Sales Tax Revenue Bonds, Series 2013A ¹	61,420
RTD Sales FasTracks Tax Revenue Bonds, Series 2013AB ¹	245,502
RTD Sales Tax TIFIA Loan ⁴	296,283
Total Sales Tax Revenue Debt	\$ 2,140,147

Lease Purchase Agreements	Outstanding²
Master Lease Purchase Agreement II Fixed Rate Taxable Certificates of Participation, Series 2007A	8,910
Amended and Restated Certificates of Participation, Series 2002A	85,115
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, FasTracks Series 2010AB	294,316
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2013A	243,878
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2014A	465,058
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2015A	211,895
Total Certificates of Participation Debt	\$ 1,309,172
Total Debt	\$ 3,449,319

RTD Seven County Population 2014 ³	3,011,536
Per Capita Debt Requirement	\$ 1,145

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 2013-2014

⁴ Capitalized interest thru 2020

ANNUAL RIDERSHIP AND FARE REVENUE - 2006-2015

(In Thousands)

Table 10

Year	Revenue Boardings¹	Fare Revenue	Percent Change in Fare Revenue
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%
2015	88,927	120,530	0.0%

¹ Totals for 2006-2015 include both access-a-Ride boardings and vanpool boardings.

ADVERTISING AND ANCILLARY REVENUES - 2006-2015

(In Thousands)

Table 11

Year	Advertising Revenue	Ancillary Revenues
2006	\$ 2,800	\$ 4,032
2007	2,800	4,032
2008	3,194	4,706
2009	2,854	3,106
2010	2,866	3,243
2011	3,301	2,892
2012	3,992	2,528
2013	3,524	2,214
2014	2,924	20,123
2015	4,160	1,186

GRANT RECEIPTS AND LOCAL CONTRIBUTIONS - 2006-2015

(In Thousands)

Table 12

Year	Grant Capital	Local Contributions	Grant Operating Assistance
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
2015	157,616	11,697	73,383

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

Table 13

	Years ended December 31				
	2015	2014	2013	2012	2011
Operating Revenues:					
Passenger Fares	\$ 120,530	\$ 120,497	\$ 117,841	\$ 112,929	\$ 108,497
Other	5,347	4,406	5,199	5,333	4,882
Total Operating Revenues	125,877	124,903	123,040	118,262	113,379
Operating Expenses:					
Salaries, wages, fringe benefits	227,207	204,790	192,405	178,974	166,332
Materials and supplies	58,884	62,156	64,798	58,300	52,015
Services	79,749	108,920	112,479	109,853	48,357
Utilities	13,673	14,151	13,567	11,833	11,627
Insurance	8,102	5,273	5,568	3,776	6,089
Purchased transportation	113,216	114,942	113,006	111,130	108,865
Leases and rentals	3,462	3,264	3,210	2,401	1,964
Miscellaneous	4,531	6,561	6,448	15,741	2,082
Total Operating Expenses	508,824	520,057	511,481	492,008	397,331
Operating loss before depreciation	(382,947)	(395,154)	(388,441)	(373,746)	(283,952)
Depreciation	152,531	139,045	127,256	115,269	104,280
Operating Loss	(535,478)	(534,199)	(515,697)	(489,015)	(388,232)
Nonoperating income (expense):					
Sales and use tax revenues	541,518	514,721	468,586	449,787	415,180
Grant operating assistance	73,383	75,544	88,243	68,927	89,592
Interest income	3,164	165	2,040	2,613	6,484
Other income	10,322	10,248	28,170	11,035	11,356
Gain/Loss on Capital Assets	1,085	6,613	(82)	3,459	(6,101)
Interest expense	(79,686)	(72,293)	(61,223)	(51,371)	(51,274)
Other expense/Unrealized Loss	(1,422)	(3,605)	(4,064)	(4,895)	(150)
Total Nonoperating Income	548,364	531,393	521,670	479,555	465,087
Net income before capital grants and local contributions	12,886	(2,806)	5,973	(9,460)	76,855
Federal capital grants and local contributions	169,313	206,431	242,566	311,676	238,292
Increase in Net Position	182,199	203,625	248,539	302,216	315,147
Net Position, Beginning of Year (as previously reported)	3,181,074	2,977,449	2,728,910	2,426,694	2,111,547
Net Position, Beginning of Year (as restated)	2,994,739				
Net Position at End of Year	\$ 3,176,938	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694

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

Table 14

	2015		2014		2013		2012		2011	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Operating revenues:										
Passenger fares	\$ 123,373	\$ 120,530	\$ 124,985	\$ 120,497	\$ 119,346	\$ 117,841	\$ 116,092	\$ 112,929	\$ 103,236	\$ 108,497
Other	5,245	5,347	5,423	4,406	5,423	5,199	5,425	5,333	5,374	4,882
Total operating revenues	<u>128,618</u>	<u>125,877</u>	<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>
Operating expenses:										
Salaries, wages, fringe benefits	202,135	227,207	184,597	204,790	131,347	192,405	159,460	178,974	155,286	166,332
Materials and supplies	67,741	58,884	67,259	62,156	69,469	64,798	59,714	58,300	54,981	52,015
Services	139,607	79,749	143,911	108,920	149,007	112,479	189,519	109,853	89,609	48,357
Utilities	15,015	13,673	15,334	14,151	14,846	13,567	11,705	11,833	11,180	11,627
Insurance	7,595	8,102	7,470	5,273	6,270	5,568	6,299	3,776	6,943	6,089
Purchased transportation	114,214	113,216	118,189	114,942	116,675	113,006	113,346	111,130	110,487	108,865
Leases and rentals	3,415	3,462	3,289	3,264	3,263	3,210	2,464	2,401	2,482	1,964
Miscellaneous	5,824	4,531	6,931	6,561	17,916	6,448	16,983	15,741	3,575	2,082
Total Operating Expenses	<u>555,546</u>	<u>508,824</u>	<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>
Operating loss	(426,928)	(382,947)	(416,572)	(395,154)	(384,024)	(388,441)	(437,973)	(373,746)	(325,933)	(283,952)
Nonoperating revenue (expense):										
Sales and use tax	551,368	541,518	503,448	514,721	466,429	468,586	436,521	449,787	419,136	415,180
Grant operating assistance	78,832	73,383	92,866	75,544	82,385	88,243	79,760	68,927	84,789	89,592
Interest income	4,310	3,164	2,372	165	3,165	2,040	3,338	2,613	10,765	6,484
Other income	11,020	10,322	20,721	10,248	15,246	28,170	21,186	11,035	1,479	11,356
Gain/Loss on capital assets	-	1,085	-	6,613	-	(82)	-	3,459	-	(6,101)
Interest expense	(95,365)	(79,686)	(99,405)	(72,293)	(79,473)	(61,223)	(50,079)	(51,371)	(41,747)	(51,274)
Other expense/Unrealized loss	-	(1,422)	-	(3,605)	-	(4,064)	-	(4,895)	-	(3,895)
Total nonoperating revenue	<u>550,165</u>	<u>548,364</u>	<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>
Proceeds from issuance of long-term debt	457,091	299,688	795,604	573,324	261,376	693,841	583,788	545,763	-	-
Capital outlay										
Capital expenses	1,687,076	870,055	1,811,720	862,701	1,811,720	769,359	1,709,182	702,119	1,327,839	616,953
Less capital grants	(206,451)	(169,313)	(276,073)	(206,431)	(261,264)	(242,566)	(260,907)	(311,676)	(261,849)	(238,292)
	<u>1,480,625</u>	<u>700,742</u>	<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>
Long-term debt principal payment	<u>58,942</u>	<u>54,348</u>	<u>62,187</u>	<u>57,002</u>	<u>46,460</u>	<u>442,598</u>	<u>56,563</u>	<u>57,827</u>	<u>50,965</u>	<u>53,882</u>
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	<u>\$ (959,239)</u>	<u>(289,985)</u>	<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>
Increases (decreases) to reconcile budget basis to GAAP basis										
Capital expenditures		870,055		862,701		769,359		702,119		616,953
Long-term debt proceeds		(299,688)		(573,324)		(693,841)		(545,763)		-
Long-term debt principal		54,348		57,002		442,598		57,827		53,882
Depreciation		(152,531)		(139,045)		(127,256)		(115,369)		(104,280)
Net Income		<u>\$ 182,199</u>		<u>\$ 203,625</u>		<u>\$ 248,539</u>		<u>\$ 302,116</u>		<u>\$ 311,402</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 2015 AND 2016 BUDGET SUMMARY (in thousands)

Table 15

	2015	June 2015	2016
	Adopted Budget	Amended Budget	Adopted Budget
Beginning net position	\$ 3,904,530	\$ 3,300,400	\$ 3,925,058
Revenues:			
Operating	128,559	128,618	163,457
Sales & use taxes	535,146	551,368	590,487
Federal and local grants	284,829	285,283	354,922
Interest and other income	15,330	15,330	12,269
FasTracks - change in construction reserve	5,858	11,900	27,229
Financing proceeds	333,369	329,098	150,000
Contributed capital	73,798	116,093	71,300
Total Revenues	<u>1,376,889</u>	<u>1,437,690</u>	<u>1,369,664</u>
Expenditures:			
Operating	518,495	555,546	635,428
Interest expense	97,472	95,365	117,313
Debt payments	62,471	58,942	61,698
Current capital	600,422	699,878	517,887
Capital carryforward	1,303,114	987,198	1,087,182
Total expenditures	<u>2,581,974</u>	<u>2,396,929</u>	<u>2,419,508</u>
Adjustments¹	<u>1,505,333</u>	<u>1,583,897</u>	<u>2,291,724</u>
Ending net position	<u>\$ 4,204,778</u>	<u>\$ 3,925,058</u>	<u>\$ 5,166,938</u>
Net position summary:			
Net investment in capital assets	3,898,421	3,614,433	4,836,121
Restricted debt service, project related and other ²	79,883	79,883	112,218
Restricted TABOR fund	19,819	20,284	19,793
Restricted FasTracks ³	130,000	145,240	120,655
Restricted Board appropriated and capital replacement fund ⁴	63,925	49,204	62,332
Unrestricted fund	12,730	16,014	15,818
Ending net position	<u>\$ 4,204,778</u>	<u>\$ 3,925,058</u>	<u>\$ 5,166,937</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.

Single Trip Fares	Fare	Senior/ Disabled/ Student Fare¹
Mall Shuttle	Free	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

¹ Seniors include age 65 and older

² Trips consisting of three fare zones

³ Trips consisting of four fare zones

Multiple Trip Fares	Regular 10- Ride	Other 10-Ride¹	Regular Monthly	Other Monthly¹
Local - Denver, Boulder and Longmont and light rail	\$ 20.00	\$ 10.00	\$ 79.00	\$ 39.50
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 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	Denver County	Boulder County	Jefferson County	Adams County¹	Arapahoe County¹	Douglas County¹	Broomfield County¹	Other	Total Taxable Transactions	Percent Annual Increase or Decrease
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%
2015	14,629	4,547	7,505	6,932	9,887	3,575	1,077	1,399	49,551	8.6%

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