

BOARD OF DIRECTORS REPORT



To: David Genova, General Manager
From: Heather Copp, Chief Financial Officer
Date: August 9, 2016
Subject: Amendment to 2016 Amended Budget

Date: August 9, 2016		
GM		
Board Meeting Date: August 16, 2016		
ACTION	DISCUSSION	INFO
X		

RECOMMENDED ACTION

It is recommended that the Board of Directors adopt Resolution No. ____, Series of 2016 to amend the 2016 Amended Budget for the Base System for the inclusion of 1) de-appropriation of debt, 2) reduction of estimated interest expense, 3) use of the Board-Appropriated Fund, 4) use of the Capital Replacement Fund, 5) reduction to the estimated unrestricted year-end fund balance; and amend the 2016 Amended Budget for FasTracks Project for the inclusion of 1) reduction of budgeted operating expense, 2) reduction to the Board-Appropriated Fund, Capital Replacement Fund, and estimated unrestricted year-end fund balance.

Revisions to appropriations in the Amended Budget that will affect the Base System only are detailed as follows:

- 1) De-appropriation of new financing proceeds of \$50.0 million. Originally appropriated in the 2016 Amended Budget, the planned debt issuance for fleet purchases is rescinded to be replaced by use of the Board-Appropriated Fund and Capital Replacement Fund.
- 2) Reduction to estimated interest expense of \$0.45 million. As a result of #1 above, estimated interest expense will be reduced in 2016.
- 3) Reduction to Board-Appropriated Fund of \$14.8 million. In place of new financing proceeds, it is proposed that the Board-Appropriated Fund be reduced by \$14.8 million to support planned fleet purchases in 2016. Use of fund balances instead of debt is necessary to preserve on-going debt service coverage. Net of a previously scheduled contribution of \$3.0 million to this fund at year-end, the actual fund usage is \$11.8 million.
- 4) Reduction to Capital Replacement Fund of \$18.0 million. In place of new financing proceeds, it is proposed that the Capital Replacement Fund be reduced by \$18.0 million to support planned fleet purchases in 2016 in combination with #3 above. Use of fund balances instead of debt is necessary to preserve on-going debt service coverage. Net of a previously scheduled contribution of \$3.0 million to this fund at year-end, the actual fund usage is \$15.0 million.
- 5) Reduction to unrestricted fund balance of \$1.4 million. As a result of the above changes, the unrestricted fund balance is projected to decline \$1.4 million to \$2.1 million at year-end 2016.

Other estimated (not appropriated) revisions to the 2016 Amended Budget affecting the Base System include:

- 1) Increase to other income of \$9.0 million. It is proposed that TABOR reserves in the amount of \$9.0 million be released in exchange for providing the Blake building as collateral.
- 2) Increase to investment income of \$0.39 million. A revision to estimated investment income is made due to higher market interest rates.

Revisions to appropriations in the Amended Budget that will affect FasTracks Project only are detailed as follows:

- 1) Reduction of \$8.8 million in budgeted operating expense in Capital Programs. This revision is necessary to correct a request made in the Amended Budget in error which resulted in overstatement of budgeted operating expense in Capital Programs of \$8.8 million.
- 2) Reduction to Board-Appropriated Fund, Capital Replacement Fund, and unrestricted fund balance of \$0.5 million each. The reduction to each of these funds is a direct result of the reduction to operating expense and is not a use of these fund balances.

The result of these revisions is a decrease in the District-wide appropriation of **\$45.0 million** to **\$2.299 million** as summarized below from the attached Exhibit I.

Operating Expenses, Debt Service, Capital Expenditures, Fund Balances

<u>BASE SYSTEM (0.6%)</u>	<u>2016 Approved Amended Budget \$000s</u>	<u>2016 Proposed Amended Budget</u>	<u>Change</u>
Operating Expense	\$ 469,492	\$ 469,492	\$ -
Interest Expense	27,710	27,260	(450)
Capitalized Interest	2,739	2,739	-
New Capital	109,788	109,788	-
Debt Payments	51,915	51,915	-
FasTracks Internal Savings Account	5,563	5,563	-
Board Appropriated Fund	25,200	10,400	(14,800)
Capital Replacement Fund	18,000	-	(18,000)
Unrestricted Funds	3,514	2,062	(1,452)
Base System (0.6%) Appropriation	\$ 713,921	\$ 679,219	\$ (34,702)
Base System Previously Approved Capital	\$ 118,742	\$ 118,742	\$ -
Total Base System Appropriation	\$ 832,663	\$ 797,961	\$ (34,702)

<u>FASTRACKS PROJECT (0.4%)</u>	<u>2016 Approved Amended Budget \$000s</u>	<u>2016 Proposed Amended Budget</u>	<u>Change</u>
Operating Expense	\$ 82,855	\$ 74,040	\$ (8,815)
Interest Expense	90,053	90,053	-
Capitalized Interest	30,242	30,242	-
New Capital	410,233	410,233	-
Debt Payments	9,783	9,783	-
FasTracks Contingency Reserve	15,890	15,890	-
FasTracks Internal Savings Account	23,364	23,364	-
Board Appropriated Fund	4,606	4,115	(490)
Capital Replacement Fund	4,606	4,115	(490)
Unrestricted Funds	4,606	4,115	(490)
FasTracks Project (0.4%) Appropriation	\$ 676,237	\$ 665,951	\$ (10,286)
FasTracks Project Previously Approved Capital	\$ 724,479	\$ 724,479	\$ -
Total FasTracks Project Appropriation	\$ 1,400,716	\$ 1,390,430	\$ (10,286)

<u>FASTRACKS OPERATIONS</u>	<u>2016 Approved Amended Budget \$000s</u>	<u>2016 Proposed Amended Budget</u>	<u>Change</u>
Operating Expense	\$ 94,721	\$ 94,721	\$ -
Interest Expense	-	-	-
Capitalized Interest	-	-	-
New Capital	-	-	-
Debt Payments	-	-	-
Board Appropriated Fund	5,265	5,265	-
Capital Replacement Fund	5,265	5,265	-
Unrestricted Funds	5,265	5,265	-
FasTracks Operations Appropriation	\$ 110,516	\$ 110,516	\$ -
FasTracks Operations Previously Approved Cap.	\$ -	\$ -	\$ -
Total FasTracks Operations Appropriation	\$ 110,516	\$ 110,516	\$ -
Total FasTracks Appropriation	\$ 1,511,232	\$ 1,500,946	\$ (10,286)

<u>DISTRICT-WIDE</u>	2016 Approved Amended Budget \$000s	2016 Proposed Amended Budget	Change
Operating Expense	\$ 647,068	\$ 638,253	\$ (8,815)
Interest Expense	117,763	117,313	\$ (450)
Capitalized Interest	32,981	32,981	\$ -
New Capital	520,021	520,021	\$ -
Debt Payments	61,698	61,698	\$ -
FasTracks Contingency Reserve	15,890	15,890	\$ -
FasTracks Internal Savings Account	28,927	28,927	\$ -
Board Appropriated Fund	35,071	19,780	\$ (15,290)
Capital Replacement Fund	27,871	9,380	\$ (18,490)
Unrestricted Funds	13,385	11,442	\$ (1,942)
District-Wide Appropriation	\$ 1,500,674	\$ 1,455,686	\$ (44,988)
District-Wide Previously Approved Capital	\$ 843,221	\$ 843,221	\$ -
Total District-Wide Appropriation	\$ 2,343,895	\$ 2,298,907	\$ (44,988)

Operating and non-operating revenue estimates are revised as detailed below:

<i>Operating Revenue, Non-Operating Revenue</i>			
<u>BASE SYSTEM (0.6%)</u>	2016 Approved Amended Budget \$000s	2016 Proposed Amended Budget	Change
Farebox Revenue	\$ 117,520	\$ 117,520	\$ -
Other Operating Revenue	4,797	4,797	-
Sales/Use Tax	341,857	341,857	-
Grant Revenue	117,580	117,580	-
Investment Income	910	1,300	390
Other Income	2,979	11,979	9,000
Base System Revenue	\$ 585,643	\$ 595,033	\$ 9,390

FASTRACKS PROJECT (0.4%)	2016 Approved Amended Budget \$000s	2016 Proposed Amended Budget	Change
Farebox Revenue	\$ -	\$ -	\$ -
Other Operating Revenue	-	-	-
Sales/Use Tax	134,382	134,382	-
Grant Revenue	237,276	237,276	-
Investment Income	2,540	2,540	-
Other Income	8,221	8,221	-
FasTracks Project Revenue	\$ 382,419	\$ 382,419	\$ -

FASTRACKS OPERATIONS	2016 Approved Amended Budget \$000s	2016 Proposed Amended Budget	Change
Farebox Revenue	\$ 12,653	\$ 12,653	\$ -
Other Operating Revenue	-	-	-
Sales/Use Tax	93,524	93,524	-
Grant Revenue	-	-	-
Investment Income	-	-	-
Other Income	572	572	-
FasTracks Operations Revenue	\$ 106,749	\$ 106,749	\$ -
Total FasTracks Revenue	\$ 489,168	\$ 489,168	\$ -

DISTRICT-WIDE	2016 Approved Amended Budget \$000s	2016 Proposed Amended Budget	Change
Farebox Revenue	\$ 130,173	\$ 130,173	\$ -
Other Operating Revenue	4,797	4,797	-
Sales/Use Tax	569,763	569,763	-
Grant Revenue	354,856	354,856	-
Investment Income	3,450	3,840	390
Other Income	11,772	20,772	9,000
District-Wide Revenue	\$ 1,074,811	\$ 1,084,201	\$ 9,390

DISCUSSION

Base System

RTD staff has completed its development of the 2017-2022 Strategic Budget Plan for the Base System and determined that certain revisions were necessary to the 2016 Amended Budget as previously approved. It was determined that the planned 2016 \$50 million COP (Certificates of Participation) debt issuance for fleet acquisition would negatively impact RTD's ability to meet projected debt service coverage requirements, which is already being challenged by overall lower revenue estimates. In order to support the planned fleet purchase, it is proposed that both the Board-appropriated reserve fund and capital replacement reserve fund be utilized in lieu of the COPs to complete the fleet purchase obligation. In the 2017-2022 SBP, restoration of both reserve funds to their previous levels is projected to occur as quickly as possible, no later than 2020.

The result of these revisions will be to lower the Base System unrestricted year-end fund balance by \$1.4 million to \$2.1 million. Also, non-issuance of the COPs is estimated to lower interest expense on the Base System by \$0.45 million.

Revenue revisions for the Base System include an increase to other income of \$9.0 million from release of TABOR reserves in exchange for collateral of the Blake building. Replacing TABOR reserves with real property or other assets will allow RTD to access \$9.0 million in cash in those accounts (we will revise the RTD Fiscal Policy Statement for 2017 to allow both cash and other assets to be pledged for this reserve). This is an approach used by several other municipalities. The \$9.0 million will be used towards fleet acquisition in 2016 as well as overall balancing of the 2016 Amended Budget. Investment income is also revised upward by \$0.39 million based on higher interest rate forecasts. Revenue is estimated and not appropriated by the Board in the RTD budget.

FasTracks

A reduction of \$8.8 million to operating expense in FasTracks Project is proposed to correct an overstatement that resulted from a request made in error for I-225 operating expense in the previously approved Amended Budget. The reduction affects the Capital Programs department. The result of this revision will be to lower the FasTracks Project Board-appropriated fund, capital replacement fund, and estimated unrestricted year-end fund balance by \$0.5 million each because these funds are calculated at two months of operating expense which is being reduced by \$8.8 million. This does not represent a use of fund balances, but rather a reduction based on calculation of required amounts.

On a District-wide basis, the unrestricted year-end fund balance is projected to be \$11.4 million, down from \$13.4 million in the previously approved Amended Budget.

ALTERNATIVES

1. Amend the 2016 Amended Budget for the Base System to reflect: 1) de-appropriation of \$50.0 million in new financing proceeds, 2) reduction of \$0.45 million in estimated interest expense, 3) reduction of \$14.8 million to the Board-Appropriated Fund, 4) reduction of \$18.0 million to the Capital Replacement Fund, and 5) reduction of \$1.4 million to the year-end unrestricted

fund balance. Amend the 2016 Amended Budget for FasTracks Project to reflect: 1) reduction of \$8.8 million in operating expense, and 2) reduction of \$0.5 million each to the Board-Appropriated Fund, Capital Replacement Fund and year-end unrestricted fund balance. This is the recommended action.

2. Request staff to revise the proposed amendments to the 2016 Amended Budget and amend with revisions.
3. Do not amend the 2016 Amended Budget. This is not recommended, because the 2016 Amended Budget would not reflect other adjustments necessary to balance the 2016 Budget and the 2017-2022 SBP, preserve debt service coverage, and correct previously budgeted operating expense.

Prepared by:
Jannette Scarpino, Senior Manager

Reviewed by:

Heather Copp, Chief Financial Officer

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget
Base System (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
BASE SYSTEM						
Operating Revenue						
Farebox Revenues ¹	\$ 115,477	\$ 131,276	\$ 117,520	\$ 117,520	\$ -	0.0%
Advertising Revenues	4,161	4,100	3,300	3,300	-	0.0%
Joint Venture Revenue ²	553	897	897	897	-	0.0%
Other Operating Revenues	633	387	600	600	-	0.0%
Total Operating Revenue	120,824	136,660	122,317	122,317	-	0.0%
Operating Expenses (excluding Depreciation)						
Bus Operations	160,168	137,823	137,820	137,820	-	0.0%
Rail Operations	40,919	47,374	47,512	47,512	-	0.0%
Private Carrier Operations	83,795	100,284	100,284	100,284	-	0.0%
Access-a-Ride	30,711	42,365	41,614	41,614	-	0.0%
Planning	3,593	6,939	8,844	8,844	-	0.0%
Capital Programs	7,465	8,334	51,424	51,424	-	0.0%
Safety, Security and Asset Management	42,178	47,478	17,307	17,307	-	0.0%
General Counsel	11,100	10,710	10,959	10,959	-	0.0%
Finance and Administration	36,594	46,856	47,777	47,777	-	0.0%
Communications	10,603	13,267	13,450	13,450	-	0.0%
Executive Office	5,036	5,905	7,481	7,481	-	0.0%
Board Office	1,121	1,294	1,536	1,536	-	0.0%
Other Non-Departmental Expenditures	-	1,182	937	937	-	0.0%
Less: FasTracks Service Increases	(16,927)	(24,601)	(24,601)	(24,601)	-	0.0%
FasTracks Internal Savings Account (FISA) Contribution	-	7,148	7,148	7,148	-	0.0%
Expense Projects Carry-forward	-	15,880	-	-	-	0.0%
Total Operating Expenses (excluding Depreciation)	416,356	468,238	469,492	469,492	-	0.0%
Operating Income/(Loss)	(295,532)	(331,578)	(347,175)	(347,175)	-	0.0%
Non-Operating Revenues						
Sales Tax	297,306	321,610	310,212	310,212	-	0.0%
Use Tax	27,605	32,683	31,645	31,645	-	0.0%
Grant Revenue - Operating	70,699	82,228	95,232	95,232	-	0.0%
Grant Revenue - Capital ³	2,425	32,934	22,348	22,348	-	0.0%
Investment Income	396	510	910	1,300	390	42.9%
Other Income/Gain & Loss	3,033	2,807	2,979	11,979	9,000	302.1%
Total Non-Operating Revenues	401,464	472,772	463,326	472,716	9,390	2.0%
Income Before Debt Service and Cap Ex	105,932	141,194	116,151	125,541	9,390	8.1%
Debt and Reserves						
Debt Payments	(49,941)	(51,915)	(51,915)	(51,915)	-	0.0%
Interest Expense	(23,361)	(27,260)	(27,710)	(27,260)	450	-1.6%
Financing Proceeds	145,463	-	50,000	-	(50,000)	-100.0%
Contributed Capital	969	-	-	-	-	0.0%
Increase / (Decrease) in Debt and Reserves	73,130	(79,175)	(29,625)	(79,175)	(49,550)	167.3%
Capital Expenditures						
Prior Year Approved Capital Carryforward	88,170	178,032	118,742	118,742	-	0.0%
Capitalized Interest	-	2,739	2,739	2,739	-	0.0%
Facilities Construction & Maintenance	-	7,868	7	7	-	0.0%
Bus Transfer Stations	-	-	-	-	-	0.0%
Bus Infrastructure	-	361	7,473	7,473	-	0.0%
Rapid Transit Development	-	-	-	-	-	0.0%
Park-n-Rides	-	1,134	113	113	-	0.0%
Capital Support Projects	-	6,153	2,327	2,327	-	0.0%
Rail Construction	-	-	-	-	-	0.0%
Rail Transit	-	4,124	37,016	37,016	-	0.0%
Fleet Modernization & Expansion	-	90,007	57,114	57,114	-	0.0%
Capital Support Equipment	-	1,802	5,583	5,583	-	0.0%
Unallocated Capital	-	154	155	155	-	0.0%
Net Capital Expenditures	88,170	292,374	231,269	231,269	-	0.0%
Current Activity	\$ 90,892	\$ (230,355)	\$ (144,743)	\$ (184,903)	\$ (40,160)	27.7%

Notes:

¹ Farebox revenues include passenger fares for regular route services, special service fares, and farebox revenues collected and retained by private carriers under contract to RTD.

² Joint venture revenues include contributions from local entities to provide local match for CMAQ grants for specific services. Joint venture revenues also include contributions from the City of Boulder to maintain the level of service on the JUMP, BOUND, and STAMPEDE above the level required by RTD's Route Service Standards.

³ Federal grant revenues include grants awarded in the current year in addition to carry-forward grant awards.

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget
FasTracks Project (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
FASTRACKS PROJECT						
Operating Revenue						
Farebox Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Other Operating Revenues	-	-	-	-	-	0.0%
Total Operating Revenue	-	-	-	-	-	0.0%
Operating Expenses (excluding Depreciation)						
Rail Operations	-	-	-	-	-	0.0%
Planning	688	343	846	846	-	0.0%
Capital Programs	24,845	16,643	61,972	53,157	(8,815)	-14.2%
Finance and Administration	644	850	850	850	-	0.0%
Communications	254	1,375	1,734	1,734	-	0.0%
Service Increases	16,927	24,601	24,601	24,601	-	0.0%
FasTracks Internal Savings Account (FISA) Contribution	-	(7,148)	(7,148)	(7,148)	-	0.0%
Expense Projects Carry-forward	-	35,805	-	-	-	0.0%
Total Operating Expenses (excluding Depreciation)	43,358	72,469	82,855	74,040	(8,815)	-10.6%
Operating Income/(Loss)	(43,358)	(72,469)	(82,855)	(74,040)	(8,815)	10.6%
Non-Operating Revenues						
Sales Tax	190,255	134,445	122,081	122,081	-	0.0%
Use Tax	17,697	21,788	12,301	12,301	-	0.0%
Grant Revenue - Operating	2,684	1,535	1,535	1,535	-	0.0%
Grant Revenue - Capital ²	155,191	238,225	235,741	235,741	-	0.0%
Investment Income	2,769	730	2,540	2,540	-	0.0%
Other Income	8,284	8,221	8,221	8,221	-	0.0%
Total Non-Operating Revenues	376,880	404,944	382,419	382,419	-	0.0%
Income Before Debt Service and Cap Ex	333,522	332,475	299,564	308,379	8,815	2.9%
Debt and Reserves						
Debt Payments	(15,747)	(9,783)	(9,783)	(9,783)	-	0.0%
Interest Expense	57,657	(90,053)	(90,053)	(90,053)	-	0.0%
Financing Proceeds	276,295	150,000	228,375	228,375	-	0.0%
Drawdown/(Increase) in FasTracks Construction Reserve	-	18,700	18,700	18,700	-	0.0%
Drawdown/(Increase) in FasTracks Internal Savings Account	-	8,529	15,995	15,995	-	0.0%
Contributed Capital ¹	5,235	71,300	197,416	197,416	-	0.0%
Increase / (Decrease) in Debt and Reserves	323,440	148,693	360,650	360,650	-	0.0%
Capital Expenditures						
Prior Year Approved Capital Carryforward	-	909,150	724,479	724,479	-	0.0%
Capitalized Interest	-	30,242	30,242	30,242	-	0.0%
Fastracks Program	710,154	373,303	410,233	410,233	-	0.0%
Net Capital Expenditures	710,154	1,312,695	1,164,954	1,164,954	-	0.0%
Current Activity	\$ (53,192)	\$ (831,527)	\$ (504,740)	\$ (495,925)	\$ 8,815	-1.7%

Notes:

¹ Includes project third party capital

² Federal grant revenues include grants awarded in the current year in addition to carry-forward grant awards.

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget
FasTracks Operations (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
FASTRACKS OPERATIONS						
Operating Revenue						
Farebox Revenues	\$ 5,053	\$ 26,797	\$ 12,653	\$ 12,653	\$ -	0.0%
Other Operating Revenues	-	-	-	-	-	0.0%
Total Operating Revenue	5,053	26,797	12,653	12,653	-	0.0%
Operating Expenses (excluding Depreciation)						
Bus Operations	385	1,877	1,877	1,877	-	0.0%
Rail Operations	8,040	76,502	76,502	76,502	-	0.0%
Planning	-	-	-	-	-	0.0%
Capital Programs	763	706	5,370	5,370	-	0.0%
Safety, Security and Asset Management	3,674	11,069	6,405	6,405	-	0.0%
Finance and Administration	-	219	219	219	-	0.0%
Communications	468	4,283	4,348	4,348	-	0.0%
Service Increases	-	-	-	-	-	0.0%
Expense Projects Carry-forward	-	65	-	-	-	0.0%
Total Operating Expenses (excluding Depreciation)	13,330	94,721	94,721	94,721	-	0.0%
Operating Income/(Loss)	(8,277)	(67,924)	(82,068)	(82,068)	-	0.0%
Non-Operating Revenues						
Sales Tax	7,948	79,962	84,728	84,728	-	0.0%
Use Tax	707	-	8,796	8,796	-	0.0%
Grant Revenue - Operating	-	-	-	-	-	0.0%
Grant Revenue - Capital	-	-	-	-	-	0.0%
Investment Income	-	-	-	-	-	0.0%
Other Income	-	550	572	572	-	0.0%
Total Non-Operating Revenues	8,655	80,512	94,096	94,096	-	0.0%
Income Before Debt Service and Cap Ex	378	12,588	12,028	12,028	-	0.0%
Debt and Reserves						
Debt Payments	-	-	-	-	-	0.0%
Interest Expense	-	-	-	-	-	0.0%
Financing Proceeds	-	-	-	-	-	0.0%
Drawdown/(Increase) in FasTracks Construction Reserve	-	-	-	-	-	0.0%
Contributed Capital	-	-	-	-	-	0.0%
Increase / (Decrease) in Debt and Reserves	-	-	-	-	-	0.0%
Capital Expenditures						
Prior Year Approved Capital Carryforward	-	-	-	-	-	0.0%
Capitalized Interest	-	-	-	-	-	0.0%
Fastracks Program	-	-	-	-	-	0.0%
Net Capital Expenditures	-	-	-	-	-	0.0%
Current Activity	\$ 378	\$ 12,588	\$ 12,028	\$ 12,028	\$ -	0.0%

Notes:

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget
Combined (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
COMBINED						
Operating Revenue						
Farebox Revenues	\$ 120,530	\$ 158,073	\$ 130,173	\$ 130,173	\$ -	0.0%
Advertising Revenues	4,161	4,100	3,300	3,300	-	0.0%
Joint Venture Revenue	553	897	897	897	-	0.0%
Other Operating Revenues	633	387	600	600	-	0.0%
Total Operating Revenue	125,877	163,457	134,970	134,970	-	0.0%
Operating Expenses (excluding Depreciation)						
Bus Operations	160,553	139,700	139,697	139,697	-	0.0%
Rail Operations	48,959	123,876	124,014	124,014	-	0.0%
Private Carrier Operations	83,795	100,284	100,284	100,284	-	0.0%
Access-a-Ride	30,711	42,365	41,614	41,614	-	0.0%
Planning	4,281	7,282	9,690	9,690	-	0.0%
Capital Programs	33,073	25,683	118,766	109,951	(8,815)	-7.4%
Safety, Security and Asset Management	45,852	58,547	23,712	23,712	-	0.0%
General Counsel	11,100	10,710	10,959	10,959	-	0.0%
Finance and Administration	37,238	47,925	48,846	48,846	-	0.0%
Communications	11,325	18,925	19,532	19,532	-	0.0%
Executive Office	5,036	5,905	7,481	7,481	-	0.0%
Board Office	1,121	1,294	1,536	1,536	-	0.0%
Other Non-Departmental Expenditures	-	1,182	937	937	-	0.0%
Less: FasTracks Service Increases	-	-	-	-	-	0.0%
FasTracks Internal Savings Account (FISA) Contribution	-	-	-	-	-	0.0%
Expense Projects Carry-forward	-	51,750	-	-	-	0.0%
Total Operating Expenses (excluding Depreciation)	473,044	635,428	647,068	638,253	(8,815)	-1.4%
Operating Income/(Loss)	(347,167)	(471,971)	(512,098)	(503,283)	8,815	-1.7%
Non-Operating Revenues						
Sales Tax	495,509	536,017	517,021	517,021	-	0.0%
Use Tax	46,009	54,471	52,742	52,742	-	0.0%
Grant Revenue - Operating	73,383	83,763	96,767	96,767	-	0.0%
Grant Revenue - Capital	157,616	271,159	258,089	258,089	-	0.0%
Investment Income	3,165	1,240	3,450	3,840	390	11.3%
Other Income	11,317	11,028	11,200	20,200	9,000	80.4%
Total Non-Operating Revenues	786,999	957,678	939,269	948,659	9,390	1.0%
Income Before Debt Service and Cap Ex	439,832	485,707	427,171	445,376	18,205	4.3%
Debt and Reserves						
Debt Payments	(65,688)	(61,698)	(61,698)	(61,698)	-	0.0%
Interest Expense	34,296	(117,313)	(117,763)	(117,313)	450	-0.4%
Financing Proceeds	421,758	150,000	278,375	228,375	(50,000)	-18.0%
Drawdown/(Increase) in FasTracks Construction Reserve	-	18,700	18,700	18,700	-	0.0%
Drawdown (Increase) in FasTracks Internal Savings Account	-	8,529	15,995	15,995	-	0.0%
Contributed Capital	6,204	71,300	197,416	197,416	-	0.0%
Increase / (Decrease) in Debt and Reserves	396,570	69,518	331,025	281,475	(49,550)	-15.0%
Capital Expenditures						
Prior Year Approved Capital Carryforward	88,170	1,087,182	843,221	843,221	-	0.0%
Capitalized Interest	-	32,981	32,981	32,981	-	0.0%
Facilities Construction & Maintenance	-	7,868	7	7	-	0.0%
Bus Transfer Stations	-	-	-	-	-	0.0%
Bus Infrastructure	-	361	7,473	7,473	-	0.0%
Rapid Transit Development	-	-	-	-	-	0.0%
Park-n-Rides	-	1,134	113	113	-	0.0%
Capital Support Projects	-	6,153	2,327	2,327	-	0.0%
Rail Construction	-	-	-	-	-	0.0%
Rail Transit	-	4,124	37,016	37,016	-	0.0%
Fleet Modernization & Expansion	-	90,007	57,114	57,114	-	0.0%
Capital Support Equipment	-	1,802	5,583	5,583	-	0.0%
Unallocated Capital	-	154	155	155	-	0.0%
Fastracks Program	710,154	373,303	410,233	410,233	-	0.0%
Net Capital Expenditures	798,324	1,605,069	1,396,223	1,396,223	-	0.0%
Current Activity	\$ 38,078	\$ (1,049,844)	\$ (638,027)	\$ (669,372)	\$ (31,345)	4.9%

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget - Fund Balance
Base System and FasTracks (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
NET POSITION						
BASE SYSTEM						
BEGINNING NET POSITION	\$ 1,013,977	\$ 1,025,576	\$ 1,062,244	\$ 1,062,244	\$ -	0.0%
Income Before Debt Service and Cap Ex	105,932	141,194	116,151	125,541	9,390	8.1%
Debt and Reserves	73,130	(79,175)	(29,625)	(79,175)	(49,550)	167.3%
Net Capital Expenditures	(88,170)	(292,374)	(231,269)	(231,269)	-	0.0%
Current Activity	90,892	(230,355)	(144,743)	(184,903)	(40,160)	27.7%
Depreciation and Amortization	(83,855)	(100,273)	(100,273)	(100,273)	-	0.0%
Other ¹	41,230	526,675	346,394	352,584	6,190	1.8%
Total Change in Net Position	48,267	196,047	101,378	67,408	(33,970)	-33.5%
ENDING NET POSITION	\$ 1,062,244	\$ 1,221,623	\$ 1,163,622	\$ 1,129,652	\$ (33,970)	-2.9%
NET POSITION						
Net Investment in Capital Assets	937,893	1,119,208	1,058,103	1,058,103	-	0.0%
Nonspendable Net Assets	937,893	1,119,208	1,058,103	1,058,103	-	0.0%
Debt Service Reserves ²	37,768	30,800	37,700	37,700	-	0.0%
Other Designated Reserves ²	1,500	1,500	1,500	1,500	-	0.0%
Tabor Reserve	13,782	14,828	14,042	14,324	282	2.0%
Restricted Net Position	53,050	47,128	53,242	53,524	282	0.5%
FasTracks Internal Savings Account (FISA)	5,563	5,563	5,563	5,563	-	0.0%
Board Appropriated Fund	22,200	25,200	25,200	10,400	(14,800)	-58.7%
Capital Replacement Fund	15,000	18,000	18,000	-	(18,000)	-100.0%
Unrestricted Fund	28,538	6,524	3,514	2,062	(1,452)	-41.3%
Unrestricted Net Position	71,301	55,287	52,277	18,025	(34,252)	-65.5%
TOTAL NET POSITION	\$ 1,062,244	\$ 1,221,623	\$ 1,163,622	\$ 1,129,652	\$ (33,970)	-2.9%
FASTRACKS PROJECT						
BEGINNING NET POSITION	\$ 2,283,606	\$ 2,738,948	\$ 2,382,066	\$ 2,382,066	\$ -	0.0%
Income Before Debt Service and Cap Ex	333,522	332,475	299,564	308,379	8,815	2.9%
Debt and Reserves	323,440	148,693	360,650	360,650	-	0.0%
Net Capital Expenditures	(710,154)	(1,312,695)	(1,164,954)	(1,164,954)	-	0.0%
Current Activity	(53,192)	(831,527)	(504,740)	(495,925)	8,815	-1.7%
Depreciation and Amortization	(58,305)	(121,584)	(121,584)	(121,584)	-	0.0%
Other ¹	203,753	2,041,586	859,943	849,658	(10,286)	-1.2%
Contributed Capital & Deferred Interest	6,204	101,542	227,658	227,658	-	0.0%
Total Change in Net Position	98,460	1,190,017	461,277	459,807	(1,471)	-0.3%
ENDING NET POSITION	\$ 2,382,066	\$ 3,928,965	\$ 2,843,343	\$ 2,841,873	\$ (1,471)	-0.1%
NET POSITION						
Net Investment in Capital Assets	2,336,770	3,716,913	2,625,419	2,625,419	-	0.0%
Nonspendable Net Assets	2,336,770	3,716,913	2,625,419	2,625,419	-	0.0%
Debt Service Reserves ²	76,627	77,500	76,780	76,780	-	0.0%
Other Designated Reserves ²	2,418	2,418	2,418	2,418	-	0.0%
Tabor Reserve	6,502	4,956	4,354	4,354	-	0.0%
FasTracks Contingency Reserve ³	30,000	15,890	15,890	15,890	-	0.0%
FasTracks Start-up Operations Reserve	40,000	25,000	25,000	25,000	-	0.0%
FasTracks Construction Reserve ⁴	(145,531)	56,300	56,300	56,300	-	0.0%
Restricted Net Position	10,016	182,064	180,742	180,742	-	0.0%
FasTracks Internal Savings Account (FISA)	21,444	17,904	23,364	23,364	-	0.0%
Board Appropriated Fund	4,612	4,028	4,606	4,115	(490)	-10.6%
Capital Replacement Fund	4,612	4,028	4,606	4,115	(490)	-10.6%
Unrestricted Fund	4,612	4,028	4,606	4,115	(490)	-10.6%
Unrestricted Net Position	35,280	29,988	37,181	35,710	(1,471)	-4.0%
TOTAL NET POSITION	\$ 2,382,066	\$ 3,928,965	\$ 2,843,343	\$ 2,841,873	\$ (1,471)	-0.1%

Notes:

- ¹ Reconciling items reflect cash activity in capital projects, inventory, accounts receivable and prepaids, accruals and capitalized interest.
- ² Reserves include funds that are legally restricted by bond covenants, other contracts, Board designation and policy guidelines.
- ³ Reserves are an appropriated reserve which is available to fund unforeseen projects expenses (such as a contingency reserve).
- ⁴ Reserves represent revenues that are designated to be spent in future years for the construction of the FasTracks capital program.

Exhibit I

**Regional Transportation District
Fiscal Year 2016 Amended Budget - Fund Balance
Combined (In Thousands)**

	2015 Actual	2016 Adopted Budget	2016 Approved Amended Budget	2016 Proposed Amended Budget	\$ Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget	% Change 2016 Proposed Amended Budget vs. 2016 Approved Amended Budget
NET POSITION						
<u>FASTRACKS OPERATIONS</u>						
BEGINNING NET POSITION						
	\$ 2,817	\$ 3,195	\$ 3,195	\$ 3,195	\$ -	0.0%
Income Before Debt Service and Cap Ex	378	12,588	12,028	12,028	-	0.0%
Debt and Reserves	-	-	-	-	-	0.0%
Net Capital Expenditures	-	-	-	-	-	0.0%
Current Activity	378	12,588	12,028	12,028	-	0.0%
Depreciation and Amortization	-	-	-	-	-	0.0%
Other ¹	-	550	572	572	-	0.0%
Total Change in Net Position	378	13,138	12,600	12,600	-	0.0%
ENDING NET POSITION	\$ 3,195	\$ 16,333	\$ 15,795	\$ 15,795	\$ -	0.0%
NET POSITION						
Net Investment in Capital Assets	-	-	-	-	-	0.0%
Nonspendable Net Assets	-	-	-	-	-	0.0%
Debt Service Reserves ²	-	-	-	-	-	0.0%
Other Designated Reserves ²	-	-	-	-	-	0.0%
Tabor Reserve	-	-	-	-	-	0.0%
FasTracks Construction Reserve ⁴	-	-	-	-	-	0.0%
Restricted Net Position	-	-	-	-	-	0.0%
FasTracks Internal Savings Account (FISA)	-	-	-	-	-	0.0%
Board Appropriated Fund	1,065	5,811	5,265	5,265	-	0.0%
Capital Replacement Fund	1,065	5,261	5,265	5,265	-	0.0%
Unrestricted Fund	1,065	5,261	5,265	5,265	-	0.0%
Unrestricted Net Position	3,195	16,333	15,795	15,795	-	0.0%
TOTAL NET POSITION	\$ 3,195	\$ 16,333	\$ 15,795	\$ 15,795	\$ -	0.0%
<u>COMBINED</u>						
BEGINNING NET POSITION						
	\$ 3,300,400	\$ 3,767,719	\$ 3,447,506	\$ 3,447,506	\$ -	0.0%
Income Before Debt Service and Cap Ex	439,832	486,257	427,743	445,948	18,205	4.3%
Debt and Reserves	396,570	69,518	331,025	281,475	(49,550)	-15.0%
Net Capital Expenditures	(798,324)	(1,605,069)	(1,396,223)	(1,396,223)	-	0.0%
Current Activity	38,078	(1,049,294)	(637,455)	(668,800)	(31,345)	4.9%
Depreciation and Amortization	(142,160)	(221,857)	(221,857)	(221,857)	-	0.0%
Other ¹	244,983	2,568,812	1,206,909	1,202,814	(4,096)	-0.3%
Contributed Capital & Deferred Interest	6,204	101,542	227,658	227,658	-	0.0%
Total Change in Net Position	147,105	1,399,203	575,255	539,815	(35,441)	-6.2%
ENDING NET POSITION	\$ 3,447,505	\$ 5,166,922	\$ 4,022,761	\$ 3,987,320	\$ (35,441)	-0.9%
NET POSITION						
Net Investment in Capital Assets	3,274,663	4,836,121	3,683,522	3,683,522	-	0.0%
Nonspendable Net Assets	3,274,663	4,836,121	3,683,522	3,683,522	-	0.0%
Debt Service Reserves ²	114,395	108,300	114,480	114,480	-	0.0%
Other Designated Reserves ²	3,918	3,918	3,918	3,918	-	0.0%
Tabor Reserve	20,284	19,784	18,396	18,678	282	1.5%
FasTracks Contingency Reserve ³	30,000	15,890	15,890	15,890	-	0.0%
FasTracks Start-up Operations Reserve	40,000	25,000	25,000	25,000	-	0.0%
FasTracks Construction Reserve ⁴	(145,531)	56,300	56,300	56,300	-	0.0%
Restricted Net Position	63,066	229,192	233,984	234,266	282	0.1%
FasTracks Internal Savings Account (FISA)	27,007	23,468	28,927	28,927	-	0.0%
Board Appropriated Fund	27,877	35,039	35,071	19,780	(15,290)	-43.6%
Capital Replacement Fund	20,677	27,289	27,871	9,380	(18,490)	-66.3%
Unrestricted Fund	34,215	15,813	13,385	11,442	(1,942)	-14.5%
Unrestricted Net Position	109,776	101,609	105,253	69,530	(35,723)	-33.9%
TOTAL NET POSITION	\$ 3,447,505	\$ 5,166,922	\$ 4,022,761	\$ 3,987,320	\$ (35,441)	-0.9%
Notes:						

¹ Reconciling items reflect cash activity in capital projects, inventory, accounts receivable and prepaids, accruals and capitalized interest.

² Reserves include funds that are legally restricted by bond covenants, other contracts, Board designation and policy guidelines.

³ Reserves are an appropriated reserve which is available to fund unforeseen projects expenses (such as a contingency reserve).

⁴ Reserves represent revenues that are designated to be spent in future years for the construction of the FasTracks capital program.