WELCOME TO YOUR TRANSIT SYSTEM

At RTD, we’re proud of our accomplishments in building one of the best transit systems in the country for our customers. In 2016, we rolled out our Flatiron Flyer bus rapid transit service along US 36 and introduced commuter rail to the metro area with the opening of the University of Colorado A Line to Denver International Airport and the B Line to Westminster. And just recently, in early 2017 we opened the newest light rail line, the R Line connecting Denver, Aurora and Lone Tree.

As we continue to expand our transit system, we will provide more transit options, more connections, and more convenience with the opening of the G Line to Wheat Ridge and Arvada later this year. We have more to come with a new tap-and-pay, reloadable smart card system that will enable passengers to purchase and store fares electronically, and we have developed real-time information that brings bus and rail predicted arrival times and vehicle locations across the District.

With all of this growth, safety, service, reliability, mobility and customer experience remain our top goals. As we expand by design, fueling growth and connections, we remain committed to providing our customers with a world-class transit system and a wide array of mobility options.
RTD BOARD OF DIRECTORS

Kate Williams
District A

Barbara Deadwyler
District B

Bonnie “Ernest” Archuleta
District C

Jeff Walker
District D

Claudia Folska
District E

Bob Broom
District F

Ken Mihalik
District G

Doug Tisdale
District H

Judy Lubow
District I

Larry Hoy
District J

Paul Daniel Solano
District K

Lorraine Anderson
District L

Natalie Menten
District M

Tina Francone
District N

Charles L. Sisk
District O

REPRESENTING YOU

RTD is governed by a 15-member, publicly elected Board of Directors. Each member represents the voters, residents, and transit riders of a specific area within the eight-county service district.

Board members actively support and advocate for constituents’ concerns, while providing governance and establishing policies for the agency.
FROM THE BOARD CHAIR

As a second-term Board member and first-year elected Chair for the RTD Board of Directors, I am pleased to share the progress that is being made across the District. As a result of a national search, the Board of Directors selected Dave Genova as the General Manager for RTD in March of 2016. Dave, along with the Board of Directors, will continue to lead RTD in the completion of FasTracks, and will continue promoting our mission statement of providing safe, clean, reliable, courteous, accessible, and cost-effective service throughout the District.

In the past year, RTD has achieved and continues to achieve significant milestones in developing the fastest growing multi-modal transportation agency in the country. Some major accomplishments include:

- Implemented the US 36 Bus Rapid Transit (BRT) Flatiron Flyer service between Boulder and Denver, a service which has exceeded ridership expectations.
- Completed construction and opened the University of Colorado A Line to the airport, which received the International Global AirRail Award for “Travelport Project of the Year,” the B Line to Westminster, and the R Line connecting Lone Tree, Aurora and Denver.
- RTD was awarded a $92 million Federal “Small Starts” Grant for the Southeast Rail Extension. The grant, RTD funding, and local funding, allowed RTD to start construction on the FastTracks Southeast Rail Extension project to extend the current Southeast corridor south to RidgeGate.
- Completed rigorous analysis of potential for FTA New Starts/Small Starts grant funding of the Central Rail Extension, Northwest Rail, North Metro Completion, and Southwest Rail Extension and presented results to stakeholders and Board.
- Received two national security industry awards/recognitions:
  - Grand Platinum Award from Security Technology Industry for Security Command Center – Command and Control Technology Project.
  - Department of Homeland Security/Transportation Safety Administration Gold Award for excellence in security programs.

As a region, we are proud of these achievements and look forward to achieving new milestones in 2017, including:

- The implementation of the General Manager Quarterly News Conferences where Dave Genova will keep the District communities informed of RTD’s progress.
- Continuing to provide technology options for constituents and begin offering:
  - Smart card technology available at select King Soopers and Albertsons/Safeway stores; and
  - Multiple transit applications for ridership convenience and reliability, including mobile ticketing, real time information and trip planning.
- The delivery of the new Free MallRide electric-powered vehicles to provide last-mile service to the downtown business district.

With all that is going on at RTD, fiscal sustainability is at the forefront of the work we do every day. Having said that, I am very mindful of the needs of all the constituents I represent, not only in my district but across the entire service District. I will continue to advocate for all the transit improvements promised to the voters.

Larry Hoy, RTD Board Chair, District J
FROM THE GENERAL MANAGER AND CEO

It is my privilege to present to you RTD’s 2015-2016 Report to the Region. RTD has so much to be proud of as we continue making the Denver metro area more connected and more accessible with mobility options throughout the region.

RTD continues to move our region forward with the opening of new transit lines and improved bus service. In 2016, we opened three new lines: the Flatiron Flyer along U.S. 36, the University of Colorado A Line to Denver International Airport, and the B Line to Westminster, and the agency continues to perform at a high level, meeting 89% of performance measures.

With the opening of the R Line in Aurora in 2017, we are linking people to local, regional, and world destinations. We will also open the G Line to Arvada and Wheat Ridge, roll out our new fully electric Free MallRide shuttles, and open a beautiful new Civic Center Station. RTD is investing in our community.

We are expanding our reach up north, with the North Metro Rail Line to Thornton, now under construction, and expanding our reach down south with the current build out of the 2.3-mile Southeast Rail Extension. We will continue to collaborate with our partners and the community to look for new opportunities to complete the few remaining partially funded projects sooner rather than later.

It’s no secret that RTD’s expansion has been good for our economy. RTD has invested more than $5 billion in the metro area from our FasTracks transit expansion program. We are focused on developing several transit-oriented communities around transit stations to promote pedestrian-oriented environments that allow people to live, work, shop and play in places accessible by transit.

RTD moved a lot of people in 2016, with more than 101 million passenger boardings last year. And, as our new projects come online and join our already robust services, we continue to focus on maintaining and strengthening our current operations for our passengers, residents, and taxpayers through our robust State of Good Repair program.

We were again recognized nationally and internationally, including two safety awards, the international Global AirRail Awards “Travelport Project of the Year” for the University of Colorado A Line and Grand Prize AdWheel Award for excellence in marketing for the A, B, G, R campaign.

In 2017, we will focus on maintaining fiscal sustainability and growing our continuous improvement and innovation programs throughout the agency. I am confident that we will be well positioned to continue to meet goals and deliver optimum service in the years to come.

RTD is an organization of extraordinary employees doing extraordinary things. We take pride in the delivery of a wide range of top-notch services and excellent public transportation options to the millions of residents we serve.

David A. Genova
RTD General Manager & CEO

We take pride in the delivery of a wide range of top-notch services and excellent public transportation options to the millions of residents we serve.
At RTD, our goal is to provide a safe, sustainable transit option for all members of the communities we serve. We constantly strive to enhance our services, expand our network, and conserve resources, all while maintaining our current system. By connecting communities and providing easy and convenient transit options, we hope to increase the quality of life for our riders.

RTD offers a comprehensive and robust system of bus and rail service – with some increasingly impressive numbers to prove it:

**Active fixed-route bus fleet:**
- 1,023 total buses
  - 590 - RTD owned and operated
  - 433 - RTD owned and leased to private contractors

**Paratransit fleet (special service and ADA):**
- 331 Access-a-Ride vehicles
- 55 Call-n-Ride vehicles

**Parking facilities:**
- 80 Park-n-Ride facilities
- 31,117 parking spaces
- 172 regular fixed routes

**Light rail operations:**
- 172 light rail vehicles
- 62 light rail stations
- 58.5 miles of track

**Commuter rail operations:**
- 66 commuter rail vehicles
- 9 commuter rail stations (including the G Line: 16)
- 29 miles of track (including the G Line: 35)

**Ridership – January 2016 – December 2016:**
- 101,322,384 annual boardings
- 44,368,116 fixed route service miles operated annually
- 172 regular fixed routes

In 2016, we opened the US 36 Flatiron Flyer bus rapid transit system, the University of Colorado A Line to the airport, and B Line to Westminster. In early 2017, we opened the R Line through Aurora, and with the opening of the G Line to Arvada later this year, you’ll soon be able to get to even more places then ever before.

We provide service to Rockies, Broncos, and CU Buffs games with more than 470,000 annual boardings as well as providing service to Avalanche and Nuggets games, special events at the Pepsi Center, BolderBoulder and Race for the Cure. In addition to our fixed-route bus service and special services, we also operate dedicated Access-a-Ride service for our customers with disabilities.

As we continue to expand and increase our services, these numbers will only continue to get better, proving a commitment to better serve our community.
IT’S ABOUT MORE VIBRANT COMMUNITIES
RTD’s Transit-Oriented Communities Division (TOC) plays a proactive role in facilitating development around RTD parking facilities and stations. Through the work of the TOC team, RTD strives to promote multi-sector, cross-jurisdictional partnerships; encourages sustainable development that complements our transit system; ensures a hierarchy of multi-modal access; and protects and enhances RTD’s transit assets.

In 2013, RTD, the City of Arvada, and the Arvada Urban Renewal Authority chose Trammell Crow to develop a nine-acre site adjacent to the future Olde Town Arvada Station along the G Line. This partnership also designed and completed construction of the Olde Town Transit Hub, which is a multi-modal center adjacent to the new Olde Town commuter rail station and includes:

- a 600-space parking facility that will allow commuters and visitors to easily transfer between bus and rail;
- a “festival deck” on the top level of the parking facility with water and power access to accommodate community events on weekends;
- four plazas that will connect Olde Town to the station and parking structure; and
- a multi-modal infrastructure for bike racks and electric vehicle charging stations.

Opened in 2014 as the multi-modal transit hub in the heart of downtown Denver, Union Station has exceeded expectations for prompting adjacent redevelopment. To date, 628,000 square feet of new office, 245,000 square feet of new retail, and 1,930 new residential units. Seven additional office, retail, and residential projects are in design, under construction, or planned to open in the next two years.

In December 2016, the RTD Board of Directors approved the sale of a 0.5-acre property to the City and County of Denver (or its assignee) for construction of mixed-income homes at the intersection of 29th and Welton streets. The development is a response to a lack of homeownership opportunities for low-income earners and a way to explore solutions to construction concerns that have limited moderately-priced condominiums across the region.

In July, renovation began at Civic Center Station – RTD’s second most popular transit facility. Once completed by early 2018, the new transit center will serve as a model of how multiple transit services can be organized within a very active, urban area with features that include an open, welcoming environment, nine bus bays, glass-enclosed terminal building and plaza.

Building on experience from past transit-oriented development projects such as Alameda Station and Boulder Junction at Depot Square Station, the TOC team routinely field inquiries from developers interested in partnering on joint development near RTD property. In 2016, RTD continued to coordinate with public and private sector partners to determine how to effectively leverage agency property at the I-25 & Broadway Station and other sites to promote vibrant, accessible, mixed-use station areas.
GOING DIGITAL

Staying connected with our customers

At RTD, we understand that in order to provide the best service, we need to remain relevant to the world of today. That’s why we’ve enhanced our communication capabilities to provide the most up-to-date information to our passengers.

rtd-denver.com

rtd-denver.com, is the main source of information for riders. The website provides quick and easy access to schedules, trip planning, fares and passes, interactive maps, FasTracks information, latest news, and much more. Traffic to the RTD website hit an all-time high in 2016, reaching 16.5 million sessions and more than 54 million page views. Content is updated daily to provide riders with the most up-to-date information available. The RTD website remains the most trusted source of information about RTD in the region. The website is mobile-, tablet-, and desktop-friendly, with the majority of users viewing the site from a mobile device.

Email

From rider alerts and special promotions to small business opportunities and more, we delivered 3,500 emails in 2016. These emails helped keep our ridership in tune with exactly what was going on within the district and their own individual routes. With 88,800 people signed up for 354,000 subscriptions, email has proven to be a growing communication channel for our riders, constituents, business partners and more. The most popular email topic continues to be rider alerts, where riders can sign up to receive informational and timely service updates for their preferred routes. In addition, our Customer Care team processed over 22,000 inbound service requests via email in 2016.

Social media updates

Staying connected to our customers and being responsive to their concerns and questions is one of the main ways we provide digital service. We have a combined 40,400 followers on Facebook and Twitter, up 25 percent from 2015. Altogether, our social media efforts resulted in 8.6 million impressions. Together with our Digital Communications team and our Customer Care Division, we monitor activity on Facebook and Twitter seven days a week to answer our riders’ questions and concerns. The number of riders choosing social media as their preferred method of communicating with RTD continues to increase. Our Customer Care team handled over 28,000 Facebook and Twitter posts in 2016.

Next Ride by phone

Our Next Ride automated phone system, which gives next departure times for any stop, was replaced with a more intuitive system in 2016 and continues to handle a significant number of requests that otherwise may be directed to our Customer Care Center. Available 24-hours a day, the system provided 1.2 million schedule requests in 2016; that is in addition to the 1.3 million calls taken by agents in 2016.
**New Next Ride tool on rtd-denver.com**

With the rollout of real time data in 2015, RTD was poised to have a huge year developing our own applications that are built specifically for the needs and concerns of our riders. Our Next Ride application, available on rtd-denver.com, was launched in December and utilizes real-time data to make accurate and timely predictions about the position and predicted arrival times for RTD vehicles district-wide. Riders can look up predicted arrival times by stop, station, location, and route, and can also track their bus as it moves along its route.

**Updated Trip Planner**

In addition to Next Ride, we launched a new Trip Planner tool on rtd-denver.com. It also utilizes real-time data to help riders plan to use RTD services in a time-effective manner, helping them get from point A to point B with time to spare. The tool allows users to plan trips using a combination of transit, walking and cycling, and gives a few different options for each trip to a destination, allowing users to tailor their trip to their needs.

**University of Colorado A Line, B Line and Flatiron Flyer**

The University of Colorado A Line, B Line and Flatiron Flyer all opened to the public in 2016, and RTD promoted these openings via various digital means. In addition to microsites for both rail lines and the Flatiron Flyer, digital marketing campaigns were undertaken that allowed RTD to get the word out to the riding public. These campaigns included digital advertising, email marketing, social media and much more. The University of Colorado A Line pages received more than 1.1 million page views in 2016, the B Line pages received 266,000 page views, and the Flatiron Flyer pages received 183,000 page views.

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**WHAT’S NEXT?**

RTD will continue to expand our digital footprint in 2017 by adding enhancements to our schedules, revamping our rider alerts system, creating a new Talent Gateway to attract and retain the best and brightest people, implementing mobile ticketing as an easier payment option for riders, and assisting in the promotion of the G Line when it opens later this year.
CIVIL RIGHTS DIVISION

Creating an equal opportunity environment for all

The Civil Rights Division works to ensure fairness, inclusion, and equal opportunities within the parameters of all Civil Rights laws. The Civil Rights Division was established in 2010 to oversee the following offices and programs:

- Equal Employment Opportunity Office (EEO)
- Americans with Disabilities Act Office (ADA)
- Workforce Initiative Now Program (WIN)
- Small Business Office (SBO)

**Equal Employment Opportunity Office (EEO)**

The Equal Employment Opportunity (EEO) office manages internal and external program initiatives to ensure compliance with federal, state, and local laws regarding workplace discrimination, and harassment for employees and RTD contractors. We strive to foster a work environment that puts a premium on individual dignity and respect for all employees.

The EEO office collaborates with internal departments to ensure the agency provides equal opportunities to employees and applicants without regard to ethnicity or race, skin color, religion, national origin, ancestry, gender, sexual orientation, age, predisposing genetic characteristics, domestic violence status, disability, veterans or marital status under federal Civil Rights and employment laws.

**Americans with Disabilities Act Office (ADA)**

The Americans with Disability Act (ADA) office leads the agency’s commitment to creating greater access to bus, rail and paratransit services by complying with federal regulations that prohibit discrimination against passengers, employees, and other individuals with disabilities.

Established in 2015, the office works to comply with all federal regulations as they pertain to accessibility and disability rights. The mission of the ADA office is to provide guidance and implementation on policies, procedures and strategies that protect the civil rights of people with disabilities. Internal efforts include, but are not limited to, training, organizational awareness, complaint procedures and resolution, effective communication, and reasonable accommodations/modifications. The ADA office, in addition to internal efforts, also exercises external proactive efforts through public information and collaboration, complementary paratransit service, and accessibility to vehicles, facilities, and transit.
Workforce Initiative Now Program (WIN)
Workforce Initiative Now (WIN) is a nationally recognized program developed at RTD. Since its 2011 inception, the program has garnered interest of state and federal transportation agencies. WIN is a collaborative partnership that helps jobseekers, businesses and communities by developing career opportunities in transportation and construction. WIN gives people the tools they need to build successful careers from skill assessment and training to placement and job retention services. The program provides demand-driven workforce services to meet the needs of employers in local construction, and transit infrastructure, operations and maintenance projects.

WIN’s founding partners include Denver Transit Partners (DTP), Community College of Denver (CCD), and the Urban League of Metro Denver; and the WIN network continues to grow with more than 60 resource partners that have been instrumental in providing career guidance, training, placement and job opportunities to participants.

Small Business Office (SBO)
The mission of the Small Business Office is to assist and foster equal opportunities for certified Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) seeking RTD contracting opportunities.

RTD administers its DBE program under specific requirements as a condition for receiving federal funds. The program is for business owners who are socially and economically disadvantaged and comply with all federal requirements. The program is designed to ensure nondiscrimination in contracts funded by the US Department of Transportation, and to promote contract awards to DBE businesses.

The focus of the SBE program is to ensure that small businesses can work on locally funded projects and compete fairly with other small businesses of the same size. The program promotes economically disadvantaged small businesses based on business size and the personal networks of qualifying applicants without regard to ethnicity, race or national identity.

The SBO measures expectation by ensuring the following “Five Pillars” are met or exceeded:

1. Comprehensive compliance monitoring and reporting.
2. SBE certification program and support services.
3. Outreach, network and public participation.
4. Training, surveying and technical assistance.
5. Implementation of a Memorandum of Understanding with community organizations and associations.
ASSET MANAGEMENT AND STATE OF GOOD REPAIR

RTD’s Asset Management Division is committed to maintaining our assets for effective performance and safety. We help provide a targeted level of service and performance for various RTD assets, in the most cost-effective and safe manner, by making the right investment in the right asset at the right time. As a growing agency, we know the time is now to protect our assets and keep them in top-running form for the long term.

At the cornerstone of how we build, manage, and maintain our transit system is our State of Good Repair program. Through this program, we manage our assets in a manner that exceeds federal compliance standards. We emphasize safety, operational reliability, continuous improvement and sustainability to transition from a “find and fix” to a “predict and prevent” approach that reduces overall cost and improves safety and reliability. We’ve set an example industry-wide with innovative approaches and practices:

- Formulated a dedicated 15-person Asset Management Division
- Updated asset inventory and developed a asset breakdown structure
- Created a state of good repair database
- Developed a progressive three-pillar assessment and scoring process utilizing age, condition, and performance
- Developed extensive standard libraries and validation processes to maintain score consistencies
- Developed a standards process for evaluating quality of data
- Invested in extensive training for all asset management employees
- Implemented new procurement language for new asset contracts
- Adopted a formal asset management policy for the organization

In the past year, our team has inspected and performed assessments on more than 1,700 bus, light rail trains, Park-n-Rides, light rail stations, and operating facilities. Our integrated lifecycle management approach enables us to effectively manage and maintain our assets and infrastructure in order to maximize benefits, reduce risk, and provide quality assurance for our tax-paying customers.

Through strategic planning and budgeting, routine inspections, database analysis, and preventable maintenance measures we’re better able to manage costs, risks, and performance throughout all phases of asset management including procurement, operations, maintenance, rehabilitation, and replacement.

Our proactive approach to system maintenance allows us to enhance the rider experience by helping to provide safer, more cost-effective service to our customers. Our State of Good Repair program contributes to this experience by providing customers:

- Fewer in-service breakdowns
- Improved on-time performance
- Improved safety

We continue to place focus on proven asset management practices and processes to protect our assets, maintain our system, and preserve the mobility of the people in the region.
FINANCIAL HIGHLIGHTS
(Dollars in thousands)

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. Revenue is recorded when earned and expenses are recorded when incurred.

FINANCIAL ANALYSIS
Statement of net position - As of December 31, 2016 and 2015, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by $3,322,352 and $3,176,938 respectively. The largest portion of this excess, in 2016 and in 2015, 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.

The amount of unrestricted net position as of December 31, 2016 was ($214,439) compared to ($199,265) in 2015. Substantially all of the unrestricted net position, although not legally restricted, has been appropriated or reserved by the RTD Board for future capital acquisition and reserve policy requirements, and debt liquidation during the budget process. The deficit balance in Unrestricted Net Position includes an allowance for a Net Pension Liability of $320,379 in 2016 and $284,175 in 2015 for the represented employee defined benefit pension plan. RTD has recognized this liability in its financial statements in accordance with new accounting requirements; however, RTD is current in making all required contributions under the collective bargaining agreement.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Current assets</td>
<td>$519,762</td>
<td>$447,414</td>
<td>$549,772</td>
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<tr>
<td>Current assets - restricted</td>
<td>424,793</td>
<td>414,548</td>
<td>582,236</td>
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<tr>
<td>Capital assets (net of accumulated depreciation)</td>
<td>6,602,020</td>
<td>6,131,608</td>
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<tr>
<td>Other noncurrent assets</td>
<td>223,397</td>
<td>357,908</td>
<td>301,173</td>
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<tr>
<td>Deferred outflows of resources</td>
<td>107,526</td>
<td>77,736</td>
<td>39,736</td>
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<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>7,877,498</td>
<td>7,429,214</td>
<td>6,886,372</td>
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<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Current liabilities</td>
<td>238,297</td>
<td>290,568</td>
<td>313,687</td>
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<tr>
<td>Noncurrent liabilities</td>
<td>4,311,085</td>
<td>3,957,007</td>
<td>3,390,984</td>
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<tr>
<td>Deferred inflows of resources</td>
<td>5,764</td>
<td>4,701</td>
<td>627</td>
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<tr>
<td><strong>Total liabilities and deferred inflows of resources</strong></td>
<td>4,555,146</td>
<td>4,252,276</td>
<td>3,705,298</td>
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<tr>
<td><strong>Net position:</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Net investment in capital assets</td>
<td>3,461,952</td>
<td>3,274,663</td>
<td>2,987,694</td>
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<td>Restricted</td>
<td>74,879</td>
<td>101,540</td>
<td>174,538</td>
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<tr>
<td>Unrestricted</td>
<td>(214,439)</td>
<td>(199,265)</td>
<td>18,842</td>
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<tr>
<td><strong>Total net position</strong></td>
<td>$3,322,352</td>
<td>$3,176,938</td>
<td>$3,181,074</td>
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</table>
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

The following summary of revenues, expenses, and changes in net position shows the activities of RTD. The net position of RTD increased by $182,196 during 2015 compared to an increase of $203,625 in 2014, however, the 2015 net position balance decreased due to a restated beginning balance as a result of new pension accounting requirements. The net position improvements from activities in both years were due to higher operating revenues, grant revenues, and increased sales and use tax collections net of increases in operating and non-operating expenses.

SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>134,622</td>
<td>120,530</td>
<td>117,841</td>
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<tr>
<td>Advertising and other</td>
<td>5,803</td>
<td>5,347</td>
<td>5,199</td>
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<tr>
<td>Total operating revenue</td>
<td>140,425</td>
<td>125,877</td>
<td>123,040</td>
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<tr>
<td><strong>Operating expenses:</strong></td>
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<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>163,650</td>
<td>150,808</td>
<td>143,113</td>
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<tr>
<td>Fringe benefits</td>
<td>96,389</td>
<td>76,339</td>
<td>61,677</td>
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<tr>
<td>Materials and supplies</td>
<td>52,180</td>
<td>58,884</td>
<td>62,156</td>
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<tr>
<td>Services</td>
<td>58,560</td>
<td>79,749</td>
<td>108,920</td>
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<tr>
<td>Utilities</td>
<td>14,220</td>
<td>13,673</td>
<td>14,151</td>
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<tr>
<td>Insurance</td>
<td>10,382</td>
<td>8,102</td>
<td>5,273</td>
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<tr>
<td>Purchased transportation</td>
<td>156,605</td>
<td>113,216</td>
<td>114,942</td>
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<tr>
<td>Leases and rentals</td>
<td>3,288</td>
<td>3,462</td>
<td>3,264</td>
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<tr>
<td>Miscellaneous</td>
<td>4,183</td>
<td>4,531</td>
<td>6,561</td>
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<td>Depreciation</td>
<td>222,154</td>
<td>152,531</td>
<td>139,045</td>
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<tr>
<td>Total operating expenses</td>
<td>781,611</td>
<td>661,355</td>
<td>659,102</td>
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<tr>
<td>Operating loss</td>
<td>(641,186)</td>
<td>(535,478)</td>
<td>(534,199)</td>
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<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Sales and use tax</td>
<td>563,598</td>
<td>514,518</td>
<td>514,721</td>
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<tr>
<td>Grant operating assistance</td>
<td>77,335</td>
<td>73,383</td>
<td>75,544</td>
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<tr>
<td>Investment income</td>
<td>6,371</td>
<td>3,164</td>
<td>165</td>
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<tr>
<td>Other income / gain on sale of assets</td>
<td>15,591</td>
<td>11,407</td>
<td>16,861</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(77,272)</td>
<td>(79,686)</td>
<td>(72,293)</td>
</tr>
<tr>
<td>Other expense / unrealized loss on assets</td>
<td>(1,258)</td>
<td>(1,422)</td>
<td>(3,605)</td>
</tr>
<tr>
<td>Net nonoperating revenue (expenses)</td>
<td>524,365</td>
<td>548,364</td>
<td>531,393</td>
</tr>
<tr>
<td>Income before capital contributions</td>
<td>(56,821)</td>
<td>12,886</td>
<td>(2,806)</td>
</tr>
<tr>
<td>Capital grants and local contributions</td>
<td>202,235</td>
<td>169,313</td>
<td>206,431</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>145,414</td>
<td>182,199</td>
<td>203,625</td>
</tr>
<tr>
<td>NET POSITION, beginning of year (as previously reported)</td>
<td>3,176,958</td>
<td>3,181,074</td>
<td>2,977,449</td>
</tr>
<tr>
<td>NET POSITION, beginning of year (as restated)</td>
<td>-</td>
<td>2,994,739</td>
<td>-</td>
</tr>
<tr>
<td>NET POSITION, end of year (as restated)</td>
<td>$3,322,372</td>
<td>$3,176,938</td>
<td>$3,181,074</td>
</tr>
</tbody>
</table>
REVENUE ANALYSIS

(Dollars in thousands)

**Passenger fares** – Passenger fares provided 13.4% and 13.0% of total revenues in 2016 and 2015, 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 $14,092 (11.7%) in 2016 compared to an increase of $33 (0.0%) in 2015. The increase in 2016 was due to new fare boundaries and pricing, in addition to the launch of the University of Colorado A Line commuter rail services. Passenger fares changes in 2015 were minimal.

**Sales and use tax** – Sales and use tax provided 56.0% and 58.6% of RTD’s total revenues in 2016 and 2015 respectively. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the service area. Sales and use tax increased $22,080 (4.1%) in 2016 compared to an increase of $26,797 (5.2%) in 2015. In 2016 and 2015, the District experienced growth in tax revenues due to increased consumer and business-spending activity as the District continues to experience population growth of 1.7% and 1.9%, low unemployment of 3.4% and 3.8% as well as growth in personal income of 3.8% and 4.2%, respectively.

**Grant operating assistance** – Grant operating assistance provided 7.7% and 7.9% of total revenues in 2016 and 2015. Grant operating assistance increased $3,952 (5.4%) in 2016 compared to a decrease of $2,161 (2.9%) in 2015. 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 increase in 2016 and decrease in 2015 is the result of grant funding sources being available during the year.

**Capital grants and local contributions** – Capital grants and local contributions provided 20.1% and 18.3% of total revenues in 2016 and 2015. Capital grants and local contributions increased $32,922 (19.4%) in 2016 and decreased $37,118 (18.0%) in the previous year. The increase in 2016 was a result of RTD securing a small starts grant for the Southeast Rail Extension, construction of the Civic Center Station and betterments for the I-225 corridor. The decrease in 2015 was a result of 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.

![Revenue Analysis Graph](image-url)
**EXPENSE ANALYSIS**

(Dollars in thousands)

**Salaries and wages** – Salary and wage expense is the largest expense category accounting for 19.0% and 20.3% of the total RTD expenses in 2016 and 2015, respectively. Salary and wage expenses increased by $12,842 (8.5%) in 2016 compared to an increase of $7,695 (5.4%) in 2015. Increases in both years occurred from salary and wage performance (result based) and progression increases.

**Purchased transportation** – The purchased transportation expense category accounted for 18.2% and 15.2% of the total expenses in 2016 and 2015. Purchased transportation represents the costs of contracted transportation services for bus, commuter rail, Access-a-Ride, and Call-n-Ride services. Purchased transportation costs increased $43,389 (38.3%) in 2016 compared to a decrease of $1,726 (1.5%) in 2015. The increase was due to the opening of the University of Colorado A Line and B Line commuter rail purchased transportation service in April 2016 and July 2016, respectively. The decrease in 2015 was primarily due to reduction in service.

**Materials and supplies** – The materials and supplies expense category accounted for 6.1% and 7.9% of the total RTD expenses in 2016 and 2015 respectively. Materials and supplies expenses decreased $6,704 (11.4%) in 2016 compared to a decrease of $3,272 (5.3%) in 2015. The decrease in both years is primarily due to a decrease in diesel/gasoline fuel prices.
CAPITAL ASSETS UPDATE
(Dollars in thousands)

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 2016 was $6,602,020 compared to $6,131,608 in 2015. The increase in capital assets in 2016 was $470,412 (7.7%) compared to an increase of $718,153 (13.3%) in 2015. 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 2016 and 2015 were primarily due to the cost of planning, design and construction of FasTracks projects and fleet acquisition.

CAPITAL ASSET FASTRACKS PROJECT
UPDATES AND MILESTONES

N Line (also known as North Metro Rail Line) – The N Line 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. Most areas of the project are issued for construction. Work continues on the Skyway Bridge, the longest bridge in Colorado when complete. Station walls, installation of overhead catenary wires, and track work are underway. In 2016, expenditures related to the N Line were approximately $138,756.

B Line (also known as Northwest Rail Line) – The B Line 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. The Westminster segment of the B Line (six miles from Union Station to Westminster Station) opened on July 25, 2016. The completion of the B Line is the long-term preferred mobility option for the corridor and will be annually reviewed for implementation opportunities. In 2016, expenditures related to the B Line were $38,541.

R Line (also known as I-225 Rail Line) – The R Line is a 10.5 mile light rail extension of RTD’s existing light rail line from the Southeast Rail Line from Nine Mile Station to the University of Colorado A Line transfer point at the Peoria Station (near the intersection of Peoria Street and Smith Road). The project includes eight stations and serves the Aurora City Center and the Anschutz/Fitzsimons Medical Campus. This line opened for revenue service on February 25, 2017. In 2016, expenditures related to the R Line were $154,338.
University of Colorado A Line, B Line and G Line (Eagle P3) – In 2010, RTD entered into a public-private partnership to design, build, finance, operate and maintain several of the transit improvements included in the FasTracks program. The Eagle P3 project is a $2.19 billion project that includes the East, Northwest Rail electrified segment and Gold Rail lines and the Commuter Rail Maintenance Facility. The Eagle P3 partnership was awarded to Denver Transit Partners (DTP) through a competitive bid process culminating in a contract price that was $305 million below internal estimates. In 2016, construction expenditures related to the Eagle P3 project were $213 million. Project elements are described below:

• **University of Colorado A Line** – The University of Colorado A Line (also known as East Rail Line) is a 23.6-mile commuter rail transit corridor between Union Station and Denver International Airport. The University of Colorado A Line opened for revenue service in April 2016.

• **Commuter Rail Maintenance Facility** – The Commuter Rail Maintenance Facility was designed to service four planned commuter rail corridors (University of Colorado A Line, B Line, G Line and N Line) included in the FasTracks plan. The facility opened in 2015.

• **B Line** – The B Line described previously, includes a project segment, referred to as the Northwest Electrified Rail Segment, extending from Union Station to Westminster. This segment opened for revenue service in July 2016.

• **G Line** – The G Line (also known as the Gold Line) is an 11.2 mile rail transit corridor between Union Station to the vicinity of Ward Road, passing through northwest Denver, unincorporated Adams County, Arvada, and Wheat Ridge. The G Line is planned to be open for revenue service in 2017.

• **L Line (also known as the Central Rail Extension)** – The proposed L Line will extend light rail from the 30th & Downing Station and will connect with the University of Colorado A Line at the 38th & Blake Station. The Central Rail Extension Mobility Study was conducted in late 2014. The study identified the most feasible rail route and operating plan that would provide a direct connection between the 38th & Blake Station and downtown Denver with no transfers. Basic engineering has been completed. Once final funding is identified, final design and construction will begin. As the project progresses, updated cost estimates will be provided.

• **C Line and D Line Extension (also known as Southwest Rail Line Extension)** – The 2.5-mile light rail extension will move the current end-of-the-line from Littleton/Mineral Station southeast to the southwest corner of the C-470/Lucent Boulevard interchange. RTD is working with local stakeholders in an effort to identify funds to move the project forward.
FEDERAL AND STATE FUNDING AWARDS/REQUESTS

CAPITAL FUNDING AWARDED (2015/2016)

Funding Advancements for Surface Transportation and Economic Recovery (FASTER) – State of Colorado Program
- $3,200,000 – RTD LRT vehicle Midlife Refurbishment and Overhaul Project
- $1,900,000 – Light Rail Crossing Rehabilitation and Reconstruction at 19th and California
- $308,000 – Thornton Park-n-Ride Passenger Amenities Refurbishment Project
- $999,999 – Light Rail Downtown Track and Switches Upgrades
- $3,900,000 – Free MallRide Shuttle Purchase

Transportation Improvement Program (TIP)
- $800,000 – Free MetroRide Service Hours Expansion 2016
THE YEAR IN REVIEW

A year of accomplishments and milestones

- RTD Board of Directors named Dave Genova as General Manager and CEO.
- Implemented a simplified fare structure, which included the introduction of a new, affordable and convenient Day Pass that provides customers with unlimited rides for the entire day for the price of one round-trip.
- Opened the new Flatiron Flyer bus rapid transit service along US 36 that provides riders frequent, reliable and optimal travel times between Boulder and Denver.
- Opened the University of Colorado A Line from Union Station to Denver International Airport. This rail line is the first commuter rail line in the Denver metro area.
- Secured the first naming rights agreement between RTD and the University of Colorado for the University of Colorado A Line.
- Opened the B Line from Union Station to Westminster. The B Line to Westminster is the first segment of future rail construction that will one day connect downtown Denver to Longmont.
- Launched a new trip planner with additional customer-friendly features.
- Launched a new Next Ride application on rtd-denver.com to show real-time information for bus and light rail.
- Designed and constructed a new sales outlet at the Denver International Airport Transit Center for the opening of the University of Colorado A Line.
- RTD hosted the 2016 National ADA Symposium, which attracted attendees worldwide.
- Started construction on the remodel and revitalization of Civic Center Station that will serve as a multi-modal transit center with nine bus bays, a glass enclosed terminal and new concourse.
- Unveiled the new fully-electric Free MallRide that will continue to travel from one end of the 16th Street Mall to the other. The new buses were custom built to include air conditioning, low floor doors, and 18 seats with the capacity to accommodate 88 passengers.
- Launched the MyRide pilot for the new stored-value smart card.
- RTD received the APTA AdWheel grand prize award for the A, B, G, R marketing campaign to introduce the opening of the University of Colorado A Line, B, G, and R lines.
- Celebrated 10 years of service on the Southeast Light Rail Line, which includes the E, F, and H lines.
- RTD celebrated the groundbreaking of the E, F and R Line Extension (also known as the Southeast Rail Extension) at the site of the future Sky Ridge Station. This project will extend light rail 2.3 miles south into Lone Tree.
STATE OF THE ECONOMY
(Dollars in thousands)

RTD is dependent on sales and use taxes, which are the largest single source of revenue for RTD, representing 56.0% and 58.6% of the total revenues in 2016 and 2015 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. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the service area. Sales and use tax increased $22,080 (4.1%) in 2016 compared to an increase of $26,797 (5.2%) in 2015. In 2016 and 2015, the District experienced growth in tax revenues due to increased consumer and business spending activity as the district continues to experience population growth of 1.7% and 1.8%, low unemployment of 3.4% and 3.8% as well as growth in personal income of 3.8% and 4.2% in 2016 and 2015, respectively.

DID YOU KNOW?

With the opening of the A, B, G, and R rail lines, RTD will more than double the amount of rail track across the district from 48 miles to 98.7 miles. The additional miles will make it easy to get just about anywhere you want to go with RTD.
Founded in 1969 by the Colorado General Assembly, the Regional Transportation District provides a dynamic public transit system across the greater metro area. Today, our service district spans 2,342 square miles and serves a population of 2.92 million across all or a portion of eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld.

In 2016, RTD provided service for more than 101 million passenger trips, including 58.3 million on bus, 24.6 million on light rail, 4.3 million on commuter rail and more than 1.5 million on Call-n-Ride, Access-a-Ride, and special event service.