THIS PAGE LEFT BLANK INTENTIONALLY
# TABLE OF CONTENTS

## INTRODUCTORY SECTION

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from Chair, Executive Committee</td>
<td>5</td>
</tr>
<tr>
<td>Letter of Transmittal</td>
<td>7</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>13</td>
</tr>
<tr>
<td>District Service Area Map</td>
<td>14</td>
</tr>
<tr>
<td>Organization Chart</td>
<td>15</td>
</tr>
<tr>
<td>Department Officials</td>
<td>15</td>
</tr>
<tr>
<td>GFOA Certificate of Achievement</td>
<td>16</td>
</tr>
</tbody>
</table>

## FINANCIAL SECTION

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report of Independent Certified Public Accountants</td>
<td>19</td>
</tr>
<tr>
<td>Management’s Discussion and Analysis</td>
<td>23</td>
</tr>
<tr>
<td>Basic Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Statements of Net Position</td>
<td>37</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position</td>
<td>39</td>
</tr>
<tr>
<td>Statements of Cash Flow</td>
<td>40</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>43</td>
</tr>
<tr>
<td>Required Supplementary Information</td>
<td></td>
</tr>
<tr>
<td>Pension Plan Summary</td>
<td>86</td>
</tr>
<tr>
<td>Supplemental Information</td>
<td></td>
</tr>
<tr>
<td>Schedule of Expense and Revenue – Budget and Actual</td>
<td>91</td>
</tr>
<tr>
<td>Budgetary Basis</td>
<td></td>
</tr>
</tbody>
</table>

## STATISTICAL SECTION

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position by Component</td>
<td>93</td>
</tr>
<tr>
<td>Summary of Statements of Revenues, Expenses and Changes in Net Position</td>
<td>94</td>
</tr>
</tbody>
</table>
## TABLE OF CONTENTS

(Continued)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Other Expenses and Capital Outlays</td>
<td>95</td>
</tr>
<tr>
<td>Revenue by Source</td>
<td>96</td>
</tr>
<tr>
<td>Debt Coverage Ratios</td>
<td>97</td>
</tr>
<tr>
<td>Demographic and Operating Data</td>
<td>99</td>
</tr>
<tr>
<td>Debt Disclosure Tables</td>
<td>100</td>
</tr>
<tr>
<td>Strategic Budget Plan — Operations</td>
<td>101</td>
</tr>
<tr>
<td>Strategic Budget Plan · Capital Program</td>
<td>102</td>
</tr>
<tr>
<td>Statement of Debt</td>
<td>103</td>
</tr>
<tr>
<td>Annual Ridership and Fare Revenue</td>
<td>104</td>
</tr>
<tr>
<td>Advertising and Ancillary Revenues</td>
<td>104</td>
</tr>
<tr>
<td>Grant Receipts and Local Contributions</td>
<td>104</td>
</tr>
<tr>
<td>Five-Year Summary of Statements of Revenues, Expenses and Changes in Net Position</td>
<td>105</td>
</tr>
<tr>
<td>Five-Year Schedule of Expenses and Revenues — Budget and Actual · Budgetary Basis</td>
<td>106</td>
</tr>
<tr>
<td>Fiscal Year 2017 and 2016 Budget</td>
<td>107</td>
</tr>
<tr>
<td>Trip Fares</td>
<td>108</td>
</tr>
<tr>
<td>RTD Net Taxable Retail Sales</td>
<td>109</td>
</tr>
</tbody>
</table>
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, 2016, 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 McKillop, Chief Financial Officer.

Respectfully submitted,
Larry Hoy
Chair, Executive Committee
THIS PAGE LEFT BLANK INTENTIONALLY
May 5, 2017

Mr. Larry Hoy
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, 2016.

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, 2016, 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, 2016, 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 2.92 million people reside within RTD’s 2,342 square mile area.

Since 1983, RTD has had a fifteen-member Board of Directors that are elected by their constituents to serve four-year terms to govern RTD. There are approximately 180,000 residents 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 2,813 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, fixed route and commuter rail services employing over 2,058 men and women. Besides its administrative headquarters in Denver, RTD has seven operating facilities (excluding purchased transportation services), including four 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 2016 report forecasts that the economy is expected to grow at a more moderate pace; demographic change, growing inflationary pressures and rising interest rates will slow consumer spending. Economists for CLC reported the following key economic indicators:

<table>
<thead>
<tr>
<th>Key Economic Indicators</th>
<th>2015 Actual</th>
<th>2016 Forecast</th>
<th>2017 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Growth</td>
<td>3.2%</td>
<td>2.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>3.8%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Personal Income</td>
<td>4.2%</td>
<td>3.8%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Population</td>
<td>1.9%</td>
<td>1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Inflation</td>
<td>1.2%</td>
<td>2.9%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

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 excluding FasTracks. Historically, FasTracks has been excluded from the SBP because the program was primarily for capital expansion. In addition, the Board of Directors adopts a financially constrained Annual Program Evaluation (APE), (which is a six year operating and capital improvement plan that includes the FasTracks program). The APE is a component of the long-term transportation planning program for the Denver metropolitan area evaluated by the Denver Regional Council of Governments (DRCOG). As the FasTracks program continues to transition from capital expansion to operations, RTD will migrate the SBP and APE into a single short, medium and long-term Financial Plan which will include the entirety of RTD in a single report. This financial information forms the basis for the development of RTD’s annual budget.

The long-term financial planning seeks to allocate resources among related and, at times, competing activities and to optimize those resources in a manner consistent with defined organizational goals and objectives.

**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, 2016 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.

**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 “Aa1”, 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 0.8%.

**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 2016 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, 2015. This is the twenty-fourth 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 McKillop
Chief Financial Officer
THIS PAGE LEFT BLANK INTENTIONALLY
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:

<table>
<thead>
<tr>
<th>District A</th>
<th>District I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kate Williams</td>
</tr>
<tr>
<td></td>
<td>Denver/Arapahoe Counties</td>
</tr>
<tr>
<td></td>
<td>Judy Lubow</td>
</tr>
<tr>
<td></td>
<td>Boulder/Broomfield/Adams/Weld Counties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District B</th>
<th>District J</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbara Deadwyler, Second Vice Chair</td>
<td>Larry Hoy, Chair</td>
</tr>
<tr>
<td>Denver/Adams Counties</td>
<td>Adams/Jefferson Counties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District C</th>
<th>District K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonnie “Ernest” Archuleta</td>
<td>Paul Daniel Solano</td>
</tr>
<tr>
<td>Denver/Jefferson Counties</td>
<td>Adams/Weld Counties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District D</th>
<th>District L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeff Walker, Secretary</td>
<td>Lorraine Anderson</td>
</tr>
<tr>
<td>Denver/Jefferson/Arapahoe Counties</td>
<td>Jefferson/Adams Counties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District E</th>
<th>District M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claudia Folska</td>
<td>Natalie Menten, Treasurer</td>
</tr>
<tr>
<td>Denver/Arapahoe Counties</td>
<td>Jefferson County</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District F</th>
<th>District N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob Broom</td>
<td>Tina Francone, First Vice Chair</td>
</tr>
<tr>
<td>Arapahoe County</td>
<td>Jefferson County</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District G</th>
<th>District O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ken Mihalik</td>
<td>Charles L. Sisk</td>
</tr>
<tr>
<td>Arapahoe/Douglas Counties</td>
<td>Boulder County</td>
</tr>
</tbody>
</table>
Organization Chart

Taxpayers and Customers

Board of Directors

General Manager

Bus Operations
Communications
Finance/Administration
General Counsel

Rail Operations
Planning
Capital Programs

Safety, Security & Facilities

Department Officials

General Manager/Chief Executive Officer
Dave Genova

AGM, Bus Operations
Bruce Abel

Chief Financial Officer/Administration
Heather McKillop

AGM, Rail Operations
Terry Emmons

AGM, Safety, Security & Asset Management
Michael Meader

AGM, Planning
William C. Van Meter

AGM, Capital Programs & Facilities
Henry Stopplecamp

General Counsel
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, 2015

[Signature]
Executive Director/CEO
FINANCIAL SECTION
Independent Auditors’ Report

Board of Directors
Regional Transportation District
Denver, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the Regional Transportation District (RTD) as of and for the years ended December 31, 2016 and 2015 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, 2016 and 2015, 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 Matter

As discussed in Note A.20, RTD adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, effective June 15, 2015. 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 86 through 89, 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, 2017 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, 2017
THIS PAGE LEFT BLANK INTENTIONALLY
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, 2016 and 2015. 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.

In fiscal year 2016 RTD implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, which would generally require state and local governments to measure investments at fair value. GASB’s goal is to enhance the comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government’s financial position.

Financial Highlights

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 amount of unrestricted net position as of December 31, 2016 was $(214,479) compared to $(199,265) in 2015. 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.

The net position of RTD increased by $145,414 during the current year compared to a decrease of $4,136 in the previous year. The increase for 2016 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. The decrease in 2015 was the result of the GASB 68 new financial reporting requirement.

RTD’s sales and use tax revenues are its largest single source of revenues. These tax revenues increased $22,080 (4.1%) in 2016 and increased $26,797 (5.2%) in the previous year. 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.

For 2016, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of $641,186 compared to a loss of $535,478 for 2015. The increase in operating loss for 2016 was mostly due to the FasTracks launch of the University of Colorado A line and B line commuter rail, purchased transportation service. 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 $165,289 (4.8%) and increased $230,096 (7.1%) in 2016 and 2015, respectively. Debt increased in 2016 due to issuance of the 2016A FasTracks Sales Tax Bonds for the purpose of funding additional FasTracks projects. 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.

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 occurred as 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 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.

RTD’s capital assets, excluding depreciation, increased $634,633 in 2016 and increased $798,324 in 2015. The increase in both 2016 and 2015 was primarily due to the build-out of the FasTracks project.

Basic Financial Statements

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

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

The statements of net position present information on assets and deferred outflows of resources 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 present 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 statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows.

RTD provides bus, paratransit, and light rail service in a 2,342 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, 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. 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, 2016 was $(214,479) 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 $312,980 in 2016 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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets and Deferred Outflows of Resources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$ 519,762</td>
<td>$ 447,414</td>
<td>$ 549,772</td>
</tr>
<tr>
<td>Current assets - restricted</td>
<td>424,793</td>
<td>414,548</td>
<td>582,236</td>
</tr>
<tr>
<td>Capital assets (net of accumulated depreciation)</td>
<td>6,602,020</td>
<td>6,131,608</td>
<td>5,413,455</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>223,397</td>
<td>357,908</td>
<td>301,173</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>107,526</td>
<td>77,736</td>
<td>39,736</td>
</tr>
<tr>
<td>Total assets and deferred outflows of resources</td>
<td>7,877,498</td>
<td>7,429,214</td>
<td>6,886,372</td>
</tr>
<tr>
<td>Liabilities and Deferred Inflows of Resources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>238,297</td>
<td>290,568</td>
<td>313,687</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>4,311,085</td>
<td>3,957,007</td>
<td>3,390,984</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>5,764</td>
<td>4,701</td>
<td>627</td>
</tr>
<tr>
<td>Total liabilities and deferred inflows of resources</td>
<td>4,555,146</td>
<td>4,252,276</td>
<td>3,705,298</td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>3,461,952</td>
<td>3,274,663</td>
<td>2,987,694</td>
</tr>
<tr>
<td>Restricted</td>
<td>74,879</td>
<td>101,540</td>
<td>174,538</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(214,479)</td>
<td>(199,265)</td>
<td>18,842</td>
</tr>
<tr>
<td>Total net position</td>
<td>$ 3,322,352</td>
<td>$ 3,176,938</td>
<td>$ 3,181,074</td>
</tr>
</tbody>
</table>

In 2016, capital assets net of accumulated depreciation increased $470,412 (7.7%) for acquisition of revenue equipment, buildings, land, and construction in progress for the projects in the FasTracks program.

Current liabilities decreased $52,271 (18.0%) in 2016 primarily due to an accrued lower construction payment for the FasTracks Eagle P3 project to the project concessionaire due in early 2017.

Noncurrent liabilities and deferred inflows increased $355,141 (9.0%) primarily due to issuance of 2016A FasTrack Sales Tax Revenue Bond and FasTracks Eagle Capital Lease, in addition to the 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.

The net position of RTD decreased by $145,414 during the current year compared to a decrease of $4,136 in the previous year. The decrease in 2016 and 2015 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.
### Summary of Revenues, Expenses, and Changes in Net Position

<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>$120,497</td>
</tr>
<tr>
<td>Advertising and other</td>
<td>5,803</td>
<td>5,347</td>
<td>4,406</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>$140,425</td>
<td>$125,877</td>
<td>$124,903</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>163,650</td>
<td>150,808</td>
<td>143,113</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>96,389</td>
<td>76,399</td>
<td>61,677</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>52,180</td>
<td>58,884</td>
<td>62,156</td>
</tr>
<tr>
<td>Services</td>
<td>58,560</td>
<td>79,749</td>
<td>108,920</td>
</tr>
<tr>
<td>Utilities</td>
<td>14,220</td>
<td>13,673</td>
<td>14,151</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,382</td>
<td>8,102</td>
<td>5,273</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>156,605</td>
<td>113,216</td>
<td>114,942</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>3,288</td>
<td>3,462</td>
<td>3,264</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,183</td>
<td>4,531</td>
<td>6,561</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>222,154</td>
<td>152,531</td>
<td>139,045</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$781,611</td>
<td>$661,355</td>
<td>$659,102</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(641,186)</td>
<td>(535,478)</td>
<td>(534,199)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax</td>
<td>563,598</td>
<td>541,518</td>
<td>514,721</td>
</tr>
<tr>
<td>Grant operating assistance</td>
<td>77,335</td>
<td>73,383</td>
<td>75,544</td>
</tr>
<tr>
<td>Investment income</td>
<td>6,371</td>
<td>3,164</td>
<td>165</td>
</tr>
<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><strong>Net nonoperating revenue (expenses)</strong></td>
<td>$584,365</td>
<td>$548,364</td>
<td>$531,393</td>
</tr>
<tr>
<td><strong>Income before capital contribution</strong></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><strong>Increase in net position</strong></td>
<td>145,414</td>
<td>182,199</td>
<td>203,625</td>
</tr>
<tr>
<td><strong>NET POSITION, beginning of year (as previously reported)</strong></td>
<td>3,176,938</td>
<td>3,181,074</td>
<td>2,977,449</td>
</tr>
<tr>
<td><strong>NET POSITION, beginning of year (as restated)</strong></td>
<td>-</td>
<td>2,994,739</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET POSITION, end of year (as restated)</strong></td>
<td>$3,322,352</td>
<td>$3,176,938</td>
<td>$3,181,074</td>
</tr>
</tbody>
</table>

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, 2016, 2015 and 2014.
Revenues - The following schedule and charts show the major sources of revenue for the years ended December 31, 2016, 2015 and 2014.

### Revenue Analysis

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger fares</strong></td>
<td>$134,622</td>
<td>$120,530</td>
<td>$120,497</td>
</tr>
<tr>
<td><strong>Advertising and other</strong></td>
<td>5,803</td>
<td>5,347</td>
<td>4,406</td>
</tr>
<tr>
<td><strong>Sales and use tax</strong></td>
<td>563,598</td>
<td>541,518</td>
<td>514,721</td>
</tr>
<tr>
<td><strong>Grant operating assistance</strong></td>
<td>77,335</td>
<td>73,383</td>
<td>75,544</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>6,371</td>
<td>3,164</td>
<td>165</td>
</tr>
<tr>
<td><strong>Other income/Gain-sale of assets</strong></td>
<td>15,591</td>
<td>11,407</td>
<td>16,861</td>
</tr>
<tr>
<td><strong>Capital grants and local contributions</strong></td>
<td>202,235</td>
<td>169,313</td>
<td>206,431</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$1,005,555</strong></td>
<td><strong>$924,662</strong></td>
<td><strong>$938,625</strong></td>
</tr>
</tbody>
</table>
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.

Advertising and other – Advertising and other revenue provided 0.6% of total revenues in both 2016 and 2015; this includes revenues from advertisements primarily on RTD’s buses and external wraps on light rail vehicles. Advertising and other income increased $456 (8.5%) in 2016 compared to an increase of $941 (21.4%) in 2015. The increase in 2016 and prior year was due an increase in advertising revenue related to a stronger economy, new rail lines and revenue for lease and naming rights.

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.

Investment Income – Investment income provided 0.6% and 0.3% of total revenues in 2016 and 2015. Investment income increased $3,207 (101.4%) in 2016 compared to an increase of $2,999 (1817.6%) in 2015. The increase in 2016 was due to fixed securities getting better yields. The increase in 2015 was due to fixed securities getting better yields in 2015 and progressively higher investment balances.

Other Income/Gain on sale of Assets – Other income provided 1.6% and 1.2% of total revenues in 2016 and 2015. Other income increased $4,184 (36.7%) in 2016 compared to a decrease of $5,454 (32.3%) in 2015. Other income includes interest subsidy income, rental income from retail space, parking, and miscellaneous other items. The increase in 2016 is attributable to the sale of three Fort Lupton parcels. The decrease in 2015 was due to reduction of asset sales, which was primarily attributable to the Denver Union Station land parcels sold 2014.

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-25 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.
**Expenses** - The following schedule and charts shows the major sources of expenses for the years ended December 31, 2016, 2015 and 2014.

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$163,650</td>
<td>$150,808</td>
<td>$143,113</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>96,389</td>
<td>76,399</td>
<td>61,677</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>52,180</td>
<td>58,884</td>
<td>62,156</td>
</tr>
<tr>
<td>Services</td>
<td>58,560</td>
<td>79,749</td>
<td>108,920</td>
</tr>
<tr>
<td>Utilities</td>
<td>14,220</td>
<td>13,673</td>
<td>14,151</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,382</td>
<td>8,102</td>
<td>5,273</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>156,605</td>
<td>113,216</td>
<td>114,942</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>3,288</td>
<td>3,462</td>
<td>3,264</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,183</td>
<td>4,531</td>
<td>6,561</td>
</tr>
<tr>
<td>Depreciation</td>
<td>222,154</td>
<td>152,531</td>
<td>139,045</td>
</tr>
<tr>
<td>Interest expense</td>
<td>77,272</td>
<td>79,886</td>
<td>72,293</td>
</tr>
<tr>
<td>Other expense</td>
<td>1,258</td>
<td>1,422</td>
<td>3,605</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$860,141</td>
<td>$742,463</td>
<td>$735,000</td>
</tr>
</tbody>
</table>

---

**Expense Analysis**

**2016**

- **Salaries and wages**: $163,650
- **Fringe benefits**: 96,389
- **Materials and supplies**: 52,180
- **Services**: 58,560
- **Utilities**: 14,220
- **Insurance**: 10,382
- **Purchased transportation**: 156,605
- **Leases and rentals**: 3,288
- **Miscellaneous**: 4,183
- **Depreciation**: 222,154
- **Interest expense**: 77,272
- **Other expense**: 1,258
- **Total Expenses**: $860,141

**2015**

- **Salaries and wages**: $150,808
- **Fringe benefits**: 76,399
- **Materials and supplies**: 58,884
- **Services**: 79,749
- **Utilities**: 13,673
- **Insurance**: 8,102
- **Purchased transportation**: 113,216
- **Leases and rentals**: 3,462
- **Miscellaneous**: 4,531
- **Depreciation**: 152,531
- **Interest expense**: 79,886
- **Other expense**: 1,422
- **Total Expenses**: $742,463

**2014**

- **Salaries and wages**: $143,113
- **Fringe benefits**: 61,677
- **Materials and supplies**: 62,156
- **Services**: 108,920
- **Utilities**: 14,151
- **Insurance**: 5,273
- **Purchased transportation**: 114,942
- **Leases and rentals**: 3,264
- **Miscellaneous**: 6,561
- **Depreciation**: 139,045
- **Interest expense**: 72,293
- **Other expense**: 3,605
- **Total Expenses**: $735,000
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.

Benefits – Fringe benefits accounted for 11.2% and 10.3% of total expenses in 2016 and 2015. Fringe benefits increased by $19,990 (26.2%) compared to an increase of $14,722 (23.9%) in 2015. The increase in 2016 and 2015 is primarily due to implementation GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities.

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.

Services – Services expense accounted for 6.8% and 10.7% of total expenses in 2016 and 2015. 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 $21,189 (26.6%) in 2016 compared to a decrease of $29,171 (26.8%) in 2015. The decrease in 2016 was primarily due to the contract service deduction for Westminster Station IGA and U.S. 36 managed lane project (Phase I). 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 1.7% and 1.8% of total expenses in 2016 and 2015. Utilities expense includes electric, telecommunications, water and sewer, and natural gas for facilities. Utilities expense increased $547 (4.0%) in 2016 compared to a decrease of $478 (3.4%) in 2015. The increase in 2016 occurred primarily due to traction power costs due to the opening of the University of Colorado A line and the B Line commuter rail. The decrease in 2015 occurred due to reduction of traction power costs as a result of West Rail Line reduced rail passenger car capacity.

Insurance – Insurance accounted for 1.2% and 1.1% of total expenses in 2016 and 2015. 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 $2,280 (28.1%) in 2016 compared to an increase of $2,829 (53.7%) in 2015. The increase in both years 2016 and 2015 was due increased frequency and severity of claims.

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.

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 decreased $174 (5.0%) in 2016 compared to an increase of $198 (6.1%) in 2015. The decrease for 2016 was primarily due to reduction in stadium management lease costs. The increase for 2015 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 $348 (7.7%) in 2016 compared to a decrease of $2,030 (30.9%) in 2015. This category includes additional one-time project expenses creating fluctuations between years.

Depreciation – The depreciation expense category accounted for 25.8% and 20.5% of the total RTD expenses in 2016 and 2015, 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 $69,623 (45.6%) in 2016 compared to an increase of $13,486 (9.7%) in 2015. The increase in
2016 occurred primarily due to the FasTracks assets that were placed in revenue service for U.S. 36, University of Colorado A line and B line. The increase in 2015 occurred primarily due the acquisition of new fleet and CAD/AVL.

**Interest expense** – The interest expense category accounted for 9.0% and 10.7% of the total RTD expenses in 2016 and 2015, respectively. Interest expense decreased $2,414 (3.0%) in 2016 compared to an increase of $7,393 (10.2%) in 2015. The decrease in 2016 is due to reduced principal resulting in decrease in interest expense. The increase in 2015 interest expense is 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 $164 (11.5%) in 2016 compared to a decrease of $2,183 (60.6%) in 2015. The decrease in 2016 was a result of reduced financial issuance costs. The decrease in 2015 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 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.

The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2016 and 2015 with comparative information for 2014.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>584,328</td>
<td>390,250</td>
<td>303,432</td>
</tr>
<tr>
<td>Land improvements</td>
<td>2,578,853</td>
<td>1,490,304</td>
<td>1,561,311</td>
</tr>
<tr>
<td>Buildings</td>
<td>396,224</td>
<td>295,359</td>
<td>297,212</td>
</tr>
<tr>
<td>Revenue earning equipment</td>
<td>760,518</td>
<td>550,425</td>
<td>458,579</td>
</tr>
<tr>
<td>Shops, maintenance and other equipment</td>
<td>116,214</td>
<td>79,988</td>
<td>38,859</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>2,165,883</td>
<td>3,325,282</td>
<td>2,754,062</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,602,020</td>
<td>6,131,608</td>
<td>5,413,455</td>
</tr>
</tbody>
</table>

Major capital asset events during the 2016 fiscal year included the following:

**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 2016, expenditures related to the North Metro Corridor were approximately $138,756.

**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 2016, expenditures related to the Northwest Corridor were $38,541.
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 2016, construction expenditures related to the Eagle P3 project were $213,479. 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 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 2017.

**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 opened for revenue service in Summer 2016.

**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 serves the Aurora City Center and the Anschutz/Fitzsimons Medical Campus. This line opened for revenue service in February 2017. In 2016, expenditures related to the I-225 Rail Line were $154,338.

**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 2016, expenditures related to the Southeast Rail Extension were $47,780. The project is expected to open for revenue service in 2019.

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 bond, a Transportation Infrastructure and Innovation Act (TIFIA) loan, certificates of participation, and a Purchase and Assignment Agreement. The 2016 outstanding debt was $3,614,608 compared to $3,449,319 in 2015. Outstanding debt increased by $165,289 (4.8%) in 2016 and increased by $230,096 (7.1%) in 2015. The increase in 2016 was due to issuance of a 2016A FasTracks Sales Tax Revenue Bond. The 2015 increase is due to new COPs issued for acquisition of equipment, buses and light rail vehicles.

**Sales tax revenue bonds** – RTD issues sales tax revenue bonds to fund the acquisition and construction of assets. The sales tax revenue bonds were $2,190,533 and $2,013,220 as of December 31, 2016 and 2015, respectively. The sales tax revenue bonds
increased $177,313 (8.8%) in 2016 compared to an increase of $24,263 (2.9%) in 2015. The increase in 2016 is primarily due to issuance of the 2016A FasTracks Sales Tax Revenue Bond. The increase in 2015 is due to the receipt of 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 $1,199,245 and $1,230,860 as of December 31, 2016 and 2015, respectively. The Certificates outstanding decreased $31,585 (2.6%) in 2016 compared to an increase of $166,005 (15.6%) in 2015. The decrease in 2016 is due to principal payment reducing debt. The increase in 2015 was due to the issuance of Certificates for the acquisition of equipment, buses and light rail vehicles.

The following table summarizes outstanding debt obligations as of December 31, 2016 and 2015 with comparative information for 2014.

<table>
<thead>
<tr>
<th>Outstanding Debt</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and COPs payable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax Revenue Bonds</td>
<td>$2,190,533</td>
<td>$2,013,220</td>
<td>$1,955,657</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>$1,199,275</td>
<td>$1,230,860</td>
<td>$1,064,855</td>
</tr>
<tr>
<td>Total Principal</td>
<td>$3,389,808</td>
<td>$3,244,080</td>
<td>$3,020,512</td>
</tr>
<tr>
<td>Issuance premiums and discounts</td>
<td>$224,800</td>
<td>$205,239</td>
<td>$198,711</td>
</tr>
<tr>
<td>Debt net of issuance and refunding</td>
<td>$3,614,608</td>
<td>$3,449,319</td>
<td>$3,219,223</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Base System Bonds 0.6% Sales &amp; Use Tax</th>
<th>FasTracks Bonds 0.4% Sales &amp; Use Tax</th>
<th>Certificates of Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>AAA</td>
<td>AA+</td>
<td>A</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Aa1</td>
<td>Aa2</td>
<td>Aa3</td>
</tr>
<tr>
<td>Fitch</td>
<td>AA</td>
<td>AA</td>
<td>AA-</td>
</tr>
</tbody>
</table>

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

Economic Factors and Subsequent Events after adoption of the 2016 Budget
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.

RTD is dependent on passenger fares collected for transit services provided. Passenger fares accounted for 13.4% and 13.0% of total revenues in 2016 and 2015, 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 as well as local capital contributions for both operations and capital expenditures. Grants and local contributions provided 27.8% and 26.2% of total revenues in 2016 and 2015, respectively. Grant funding and local capital contributions are only available for use by RTD for qualifying expenditures after appropriation is made by the awarding agency.

Each year fiscal year, RTD proposes an Amended Budget at mid-year to the Board of Directors for appropriation in order to adjust revenue and expenditures for the remainder of the fiscal year according to existing economic conditions and fiscal results. RTD may also present budget amendments to the Board of Directors for approval at any time during the fiscal year to accommodate economic factors.

In June 2016, the Board of Directors approved the 2016 Amended Budget in which revenue was adjusted downward to reflect economic conditions and results and certain adjustments to appropriated expenditures were made to accommodate the expected lower funding availability. In August 2016, the Board of Directors approved a second amendment to the 2016 Budget in which a planned debt offering for fleet purchases was canceled and replaced with working capital appropriations.

Increases in operating expenditures are expected in 2017 due to the opening of new rail lines as well as a full year of operations of services that opened during 2016 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.

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

### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

#### Current Assets:
- **Cash and cash equivalents**: $216,713, $155,485
- ** Marketable interest bearing investments (note B)**: 37,825, 104,757
- **Receivables**:
  - **Sales tax**: 101,978, 96,460
  - **Other, less allowance for doubtful accounts of $224 and $270 at December 31, 2016 and 2015, respectively**: 21,130, 18,453
  - **Grants**: 94,462, 1,780
  - **Inventories**: 34,012, 35,921
  - **Other current assets (note C)**: 13,642, 34,558
  - **Cash and cash equivalents - restricted**: 326,123, 163,744
  - **Marketable interest bearing investments - restricted (note B)**: 98,670, 250,804

**Total current assets**: 944,555, 861,962

#### Noncurrent Assets:
- **Capital assets (note D)**:
  - **Land**: 584,328, 390,250
  - **Land improvements**: 3,404,522, 2,195,281
  - **Buildings**: 606,801, 491,458
  - **Revenue earning equipment**: 1,137,735, 921,680
  - **Shop, maintenance and other equipment**: 261,265, 201,950
  - **Construction in progress**: 2,165,883, 3,325,282

**Total capital assets**: 8,160,534, 7,525,901
- **Less accumulated depreciation**: (1,558,514), (1,394,293)
**Net capital assets**: 6,602,020, 6,131,608

#### Other Noncurrent Assets:
- **Long-term marketable interest bearing investments - restricted (note B)**: 182,875, 277,999
- **Long-term marketable interest bearing investments - unrestricted (note B)**: 40,522, 79,909

**Total other noncurrent assets**: 223,397, 357,908

**Total noncurrent assets**: 6,825,417, 6,489,516

**Total assets**: 7,769,972, 7,351,478

#### Deferred Outflows of Resources:
- **Debt related (note A)**: 32,926, 36,331
- **Pension related (note A)**: 74,600, 41,405

**Total deferred outflows of resources**: 107,526, 77,736

The accompanying notes are an integral part of these statements.
### LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

#### Current Liabilities:
- Accounts and contracts payable: $105,276, $163,301
- Current portion of long-term debt payable from restricted assets (note E): 60,275, 61,698
- Accrued compensation (note F): 21,705, 19,953
- Accrued interest payable from restricted assets: 22,115, 21,461
- Other accrued expenses: 28,926, 24,165
- **Total current liabilities**: 238,297, 290,568

#### Noncurrent Liabilities:
- Net Pension Liability (note F): 390,058, 321,615
- Other liabilities (note E): 366,694, 247,771
- **Total noncurrent liabilities**: 4,311,085, 3,957,007

**Total liabilities**: 4,549,382, 4,247,575

#### Deferred Inflows of Resources:
- Debt related (note A): 843, 599
- Pension related (note A): 4,921, 4,102
- **Total deferred inflows of resources**: 5,764, 4,701

### NET POSITION

- Net investment in capital assets (note I): 3,461,952, 3,274,663
- Restricted net position (note I): 74,879, 101,540
- Unrestricted net position (note I): (214,479), (199,265)

**Total net position, as restated**: $3,322,352, $3,176,938

The accompanying notes are an integral part of these statements.
REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended December 31,
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUE:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$134,622</td>
<td>$120,530</td>
</tr>
<tr>
<td>Advertising, rent, and other</td>
<td>5,803</td>
<td>5,347</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td><strong>140,425</strong></td>
<td><strong>125,877</strong></td>
</tr>
<tr>
<td>OPERATING EXPENSES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>163,650</td>
<td>150,808</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>96,389</td>
<td>76,399</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>52,180</td>
<td>58,884</td>
</tr>
<tr>
<td>Services</td>
<td>58,560</td>
<td>79,749</td>
</tr>
<tr>
<td>Utilities</td>
<td>14,220</td>
<td>13,673</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,382</td>
<td>8,102</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>156,605</td>
<td>113,216</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>3,288</td>
<td>3,462</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,183</td>
<td>4,531</td>
</tr>
<tr>
<td>Depreciation</td>
<td>222,154</td>
<td>152,531</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>781,611</strong></td>
<td><strong>661,355</strong></td>
</tr>
<tr>
<td>OPERATING LOSS</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(641,186)</strong></td>
<td><strong>(535,478)</strong></td>
</tr>
<tr>
<td>NONOPERATING REVENUE (EXPENSES):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax</td>
<td>563,598</td>
<td>541,518</td>
</tr>
<tr>
<td>Grant operating assistance (note A)</td>
<td>77,335</td>
<td>73,383</td>
</tr>
<tr>
<td>Investment income</td>
<td>6,371</td>
<td>3,164</td>
</tr>
<tr>
<td>Other income</td>
<td>9,927</td>
<td>10,322</td>
</tr>
<tr>
<td>Gain(Loss) on capital assets</td>
<td>5,664</td>
<td>1,085</td>
</tr>
<tr>
<td>Interest expense (note A)</td>
<td>(77,272)</td>
<td>(79,686)</td>
</tr>
<tr>
<td>Other expense</td>
<td>(1,258)</td>
<td>(1,422)</td>
</tr>
<tr>
<td><strong>Net nonoperating revenue (expenses)</strong></td>
<td><strong>584,365</strong></td>
<td><strong>548,364</strong></td>
</tr>
<tr>
<td>INCOME (LOSS) BEFORE CAPITAL GRANTS AND LOCAL CONTRIBUTIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>(56,821)</strong></td>
<td><strong>12,886</strong></td>
</tr>
<tr>
<td>Capital grants and local contributions (note A)</td>
<td><strong>202,235</strong></td>
<td><strong>169,313</strong></td>
</tr>
<tr>
<td><strong>INCREASE IN NET POSITION</strong></td>
<td><strong>145,414</strong></td>
<td><strong>182,199</strong></td>
</tr>
<tr>
<td>NET POSITION, beginning of year (as previously reported)</td>
<td>3,176,938</td>
<td>3,181,074</td>
</tr>
<tr>
<td>Change in accounting principle (note A)</td>
<td>(186,335)</td>
<td></td>
</tr>
<tr>
<td>NET POSITION, beginning of year (as restated)</td>
<td>2,994,739</td>
<td></td>
</tr>
<tr>
<td>NET POSITION, end of year (as restated)</td>
<td>$3,322,352</td>
<td>$3,176,938</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.


### Regional Transportation District

**Statements of Cash Flow**

**Years ended December 31,**

*(In Thousands)*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$ 142,496</td>
<td>$ 130,385</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(147,251)</td>
<td>(149,332)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(290,663)</td>
<td>(265,366)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(295,418)</td>
<td>(284,313)</td>
</tr>
<tr>
<td><strong>Cash provided from noncapital financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant operating assistance</td>
<td>77,335</td>
<td>73,383</td>
</tr>
<tr>
<td>Sales and use tax collections</td>
<td>558,080</td>
<td>538,443</td>
</tr>
<tr>
<td>Other revenue</td>
<td>9,927</td>
<td>10,322</td>
</tr>
<tr>
<td><strong>Net cash provided by noncapital financing activities</strong></td>
<td>645,342</td>
<td>622,148</td>
</tr>
<tr>
<td><strong>Cash flows from capital and related financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal paid on long-term debt</td>
<td>(133,098)</td>
<td>(54,348)</td>
</tr>
<tr>
<td>Proceeds from issuance of debt</td>
<td>278,826</td>
<td>277,915</td>
</tr>
<tr>
<td>Issuance Premiums/Discounts</td>
<td>23,210</td>
<td>9,906</td>
</tr>
<tr>
<td>Capital grant funds and other contributions received</td>
<td>109,553</td>
<td>181,428</td>
</tr>
<tr>
<td>Proceeds from sale of assets</td>
<td>6,257</td>
<td>457</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(632,911)</td>
<td>(816,359)</td>
</tr>
<tr>
<td>Cost of issuance</td>
<td>(1,246)</td>
<td>(1,444)</td>
</tr>
<tr>
<td>Interest paid on long-term debt</td>
<td>(136,856)</td>
<td>(132,865)</td>
</tr>
<tr>
<td><strong>Net cash used in capital and related financing activities</strong></td>
<td>(486,265)</td>
<td>(535,310)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(157,517)</td>
<td>(455,295)</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>511,094</td>
<td>416,375</td>
</tr>
<tr>
<td>Interest and dividends on investments</td>
<td>6,371</td>
<td>3,164</td>
</tr>
<tr>
<td><strong>Net cash provided/(used) by investing activities</strong></td>
<td>359,948</td>
<td>(35,756)</td>
</tr>
</tbody>
</table>

**INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents - January 1</strong></td>
<td>319,229</td>
<td>552,460</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents - December 31</strong></td>
<td>$542,836</td>
<td>$319,229</td>
</tr>
</tbody>
</table>
### RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(641,186)</td>
<td>$(535,478)</td>
</tr>
<tr>
<td>Operating loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment to reconcile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating loss to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>net cash used in operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>222,154</td>
<td>152,531</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>(12)</td>
<td>21</td>
</tr>
<tr>
<td>Changes in operating assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in</td>
<td>(2,677)</td>
<td>6,536</td>
</tr>
<tr>
<td>other accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in</td>
<td>1,909</td>
<td>(2,798)</td>
</tr>
<tr>
<td>inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in other</td>
<td>20,916</td>
<td>6,222</td>
</tr>
<tr>
<td>current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in deferred</td>
<td>(33,195)</td>
<td>(41,405)</td>
</tr>
<tr>
<td>outflow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in accounts</td>
<td>129,341</td>
<td>128,862</td>
</tr>
<tr>
<td>payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in</td>
<td>1,752</td>
<td>(856)</td>
</tr>
<tr>
<td>accrued compensation and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in</td>
<td>4,761</td>
<td>(2,050)</td>
</tr>
<tr>
<td>other accrued expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in deferred</td>
<td>819</td>
<td>4,102</td>
</tr>
<tr>
<td>inflow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in</td>
<td>$(295,418)</td>
<td>$(284,313)</td>
</tr>
<tr>
<td>operating activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RECONCILIATION OF CASH and CASH EQUIVALENTS:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$216,713</td>
<td>$155,485</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- restricted</td>
<td>326,123</td>
<td>163,744</td>
</tr>
<tr>
<td>Total cash and cash</td>
<td>$542,836</td>
<td>$319,229</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Noncash investing, capital and financing activities:

- RTD had unrealized losses on investments of $100 and $34 for 2016 and 2015, respectively.

- RTD issued a DUSPA bond to fund the construction of capital assets in 2010 for $167,954. Assets contributed were $0 and ($486) for 2016 and 2015, respectively.

- RTD received noncash local match contributions for federal grants of $3,019 and $642 for 2016 and 2015, respectively.

The accompanying notes are an integral part of these statements.
NOTES TO FINANCIAL STATEMENTS
NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

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

2. Financial Reporting Entity – Blended Component Unit

The 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 pronouncements 14 and 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, 2016 and 2015. 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.
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.
Total interest cost of RTD consisted of the following as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>$77,272</td>
<td>$79,686</td>
</tr>
<tr>
<td>Capitalized interest</td>
<td>60,248</td>
<td>53,696</td>
</tr>
<tr>
<td>Total interest cost</td>
<td>$137,520</td>
<td>$133,382</td>
</tr>
</tbody>
</table>

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 $336,323 and $370,683 at December 31, 2016 and 2015, 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 $107,526 and $77,736 as of December 31, 2016 and 2015, 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 $5,764 and $4,701 as of December 31, 2016 and 2015, 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.
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 MyRide stored value, ten ride and day pass tickets are 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 2013A bond resolutions, and TIFIA Sales Tax Loan and Series 2016A, 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 tax revenues in the amount of approximately $3,167,423 through 2050. Principal and interest paid for the current year and pledged revenues received were $107,701.

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 governments issue grants to RTD for operations and acquisition of property and equipment.

The amount recorded as capital grants was $185,324 and $157,616 in 2016 and 2015, respectively. Operating assistance grant revenue was $77,335 and $73,383 in 2016 and 2015, respectively. Other contribution revenue was $16,911 and $11,697 in 2016 and 2015, 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.
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.

<table>
<thead>
<tr>
<th>Beginning net position as previously reported</th>
<th>December 31, 2014</th>
<th>$3,181,074</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior period adjustment – Implementation of GASB 68 Net pension liability (measurement date)</td>
<td>(186,335)</td>
<td></td>
</tr>
<tr>
<td>Net Position as restated, December 31, 2014</td>
<td>$2,994,739</td>
<td></td>
</tr>
</tbody>
</table>

20. **GASB 72 – Classification**

In March 2015, the Governmental Accounting Standards Board (GASB) released Statement No. 72, *Fair Value Measurement and Application*, which would generally require state and local governments to measure investments at fair value. GASB’s goal is enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government’s financial position.
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, 2016 and 2015, respectively, RTD had bank deposits of $46,919 and $44,367 collateralized with securities held by the pledging financial institutions’ trust department or agent but not in RTD’s name.

Investments

At December 31, 2016, the Regional Transportation District’s investments consisted of the following:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>&lt; 6 Months</th>
<th>6-12 Months</th>
<th>1-5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Securities</td>
<td>$232,108</td>
<td>$62,892</td>
<td>$58,493</td>
<td>$110,723</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>64,948</td>
<td>51,699</td>
<td>5,142</td>
<td>8,107</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>2,765</td>
<td>-</td>
<td>-</td>
<td>2,765</td>
</tr>
<tr>
<td>Commercial paper</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>60,071</td>
<td>27,309</td>
<td>15,164</td>
<td>17,598</td>
</tr>
<tr>
<td>Bankers’ Acceptance Notes</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$359,892</td>
<td>$141,900</td>
<td>$78,799</td>
<td>$139,193</td>
</tr>
</tbody>
</table>

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

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

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

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

The types of investments, which are authorized by RTD’s internal investment policy, include the following:
1. Obligations of the United States government.
2. Obligations of the United States government agencies and United States government sponsored corporations.
3. Municipal notes or bonds that are an obligation of any state of the United States.
4. Corporate Bonds that are an obligation of corporations or financial institutions organized and operating in the United States.
5. Commercial paper.
6. Time Deposits/Time Certificates of Deposits.
8. Repurchase agreements.
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, 2016 and 2015, 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, 2016, the Regional Transportation District’s investment credit ratings consisted of the following:

<table>
<thead>
<tr>
<th>Investment Ratings</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA (Standard &amp; Poor’s)</td>
<td>$300,077</td>
</tr>
<tr>
<td>AA (Standard &amp; Poor’s)</td>
<td>59,815</td>
</tr>
<tr>
<td>A</td>
<td>-</td>
</tr>
<tr>
<td>A-1+/P-1</td>
<td>-</td>
</tr>
<tr>
<td>Total:</td>
<td>$359,892</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Investment Ratings</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA (Standard &amp; Poor’s)</td>
<td>$414,481</td>
</tr>
<tr>
<td>AA (Standard &amp; Poor’s)</td>
<td>85,962</td>
</tr>
<tr>
<td>A</td>
<td>-</td>
</tr>
<tr>
<td>A-1+/P-1</td>
<td>213,026</td>
</tr>
<tr>
<td>Total:</td>
<td>$713,469</td>
</tr>
</tbody>
</table>

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

RTD’s investment policy outlines the following maximum exposure limits for unrestricted investments. As of December 31, 2016, RTD was in compliance with these limits. As of December 31, 2015, RTD was in compliance with limitations set out in RTD’s previous investment policy limitations.
<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Maximum Portfolio %</th>
<th>Maximum Issue %</th>
<th>Maturity Restrictions</th>
<th>Rating Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Securities</td>
<td>100%</td>
<td>100%</td>
<td>5 years</td>
<td>N/A</td>
</tr>
<tr>
<td>U.S Agencies 1</td>
<td>75%</td>
<td>25%</td>
<td>5 years</td>
<td>AA</td>
</tr>
<tr>
<td>Municipal Bonds of a Colorado Issuer</td>
<td>20%</td>
<td>3%</td>
<td>5 years</td>
<td>AA</td>
</tr>
<tr>
<td>Municipal Bonds of a non-Colorado Issuer</td>
<td>20%</td>
<td>3%</td>
<td>5 years</td>
<td>AA</td>
</tr>
<tr>
<td>Municipal Bonds, Short Term</td>
<td>20%</td>
<td>3%</td>
<td>5 years</td>
<td>“A-1 or “MIG 1”</td>
</tr>
<tr>
<td>Pre-Refunded Muni Bonds</td>
<td>40%</td>
<td>5%</td>
<td>3 years</td>
<td>AA</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>20%</td>
<td>3%</td>
<td>3 years</td>
<td>AA</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>40%</td>
<td>3%</td>
<td>270 days</td>
<td>A-1/P1/F1</td>
</tr>
<tr>
<td>Time Deposits/CD</td>
<td>10%</td>
<td>3%</td>
<td>1 year</td>
<td>AA</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>20%</td>
<td>3%</td>
<td>1 year</td>
<td>AA</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>50%</td>
<td>10%</td>
<td>90 days</td>
<td>AA</td>
</tr>
<tr>
<td>Local Government Investment Pools</td>
<td>100%</td>
<td>50%</td>
<td>N/A</td>
<td>AAAm</td>
</tr>
<tr>
<td>Money market funds</td>
<td>100%</td>
<td>50%</td>
<td>N/A</td>
<td>AAAm</td>
</tr>
</tbody>
</table>

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, 2016 and 2015, RTD had $607,668 and $692,547 of cash and investments that were restricted under the provisions of bond agreements.

**Fair Value Measurements**

In March 2015, the Governmental Accounting Standards Board (GASB) released Statement No. 72, *Fair Value Measurement and Application*, which would generally require state and local governments to measure investments at fair value. GASB’s goal is enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government’s financial position.

Level 1 - Unadjusted quoted prices in an active market for identical assets or liabilities that the District has the ability to access at the measurement date. Examples derived from NYSE, NASDAQ, Chicago Board of Trade, Pink Sheets.

Level 2 - Inputs other than quoted prices under Level 1 that are observable for the asset or liability, either directly or indirectly on the measurement date. Examples include Matrix pricing, market corroborated pricing; inputs such as yield curves and indices.

Level 3 - Unobservable inputs for the asset or liability used to measure fair value that rely on the reporting entity’s reasonably available information concerning the assumptions that market participants would use in pricing an asset or liability, including
assumptions about risk. Examples include investment Manager Pricing for Private Placement, Private Equities, and Hedge Funds.

Valuation Inputs Summary for the fiscal period ended December 31, 2016:

<table>
<thead>
<tr>
<th>Valuation Inputs</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Agency Securities</td>
<td>-</td>
<td>64,948</td>
<td>-</td>
<td>64,948</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>-</td>
<td>2,765</td>
<td>-</td>
<td>2,765</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>-</td>
<td>60,071</td>
<td>-</td>
<td>60,071</td>
</tr>
<tr>
<td>Bankers’ Acceptance Notes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$232,108</td>
<td>$127,784</td>
<td>-</td>
<td>$359,892</td>
</tr>
</tbody>
</table>

Valuation Inputs Summary for the fiscal period ended December 31, 2015:

<table>
<thead>
<tr>
<th>Valuation Inputs</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury Securities</td>
<td>$286,411</td>
<td>$</td>
<td>$</td>
<td>$286,411</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>-</td>
<td>104,662</td>
<td>-</td>
<td>104,662</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>-</td>
<td>2,802</td>
<td>-</td>
<td>2,802</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>-</td>
<td>213,026</td>
<td>-</td>
<td>213,026</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>-</td>
<td>82,732</td>
<td>-</td>
<td>82,732</td>
</tr>
<tr>
<td>Bankers’ Acceptance Notes</td>
<td>-</td>
<td>23,836</td>
<td>-</td>
<td>23,836</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$286,411</td>
<td>$427,058</td>
<td>-</td>
<td>$713,469</td>
</tr>
</tbody>
</table>

**NOTE C - OTHER CURRENT ASSETS**

Other Current Assets consist of:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid expenses</td>
<td>$3,706</td>
<td>$4,914</td>
</tr>
<tr>
<td>Eagle P3 construction escrow</td>
<td>5,120</td>
<td>23,861</td>
</tr>
<tr>
<td>City of Arvada escrow</td>
<td>2,606</td>
<td>2,606</td>
</tr>
<tr>
<td>Park Creek Metro escrow</td>
<td>282</td>
<td>486</td>
</tr>
<tr>
<td>Other construction escrow</td>
<td>273</td>
<td>273</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>1,655</td>
<td>2,418</td>
</tr>
<tr>
<td><strong>Total Other Current Assets</strong></td>
<td><strong>$13,642</strong></td>
<td><strong>$34,558</strong></td>
</tr>
</tbody>
</table>
NOTE D – CAPITAL ASSETS

Capital asset activity as of December 31, 2016 was as follows:
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Balances</th>
<th>2016</th>
<th>2016</th>
<th>Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/2015</td>
<td>Additions</td>
<td>Deletions</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$390,250</td>
<td>$194,078</td>
<td>$-</td>
<td>$584,328</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>3,325,282</td>
<td>693,159</td>
<td>1,852,558</td>
<td>2,165,883</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>3,715,532</td>
<td>887,237</td>
<td>1,852,558</td>
<td>2,750,211</td>
</tr>
</tbody>
</table>

| Capital assets being depreciated: |          |      |      |          |
| Land improvements               | 2,195,281 | 1,211,939 | 2,698 | 3,404,522 |
| Buildings                      | 491,458   | 115,658  | 315   | 606,801   |
| Revenue earning equipment      | 921,680   | 267,434  | 51,379 | 1,137,735 |
| Shop, maintenance and other equipment | 201,950 | 63,449 | 4,134 | 261,265 |
| Total capital assets being depreciated | 3,810,369 | 1,658,480 | 58,526 | 5,410,323 |

Less accumulated depreciation:

|                              |          |      |      |          |
| Land improvements            | 704,977  | 123,389 | 2,697 | 825,669  |
| Buildings                    | 196,099  | 14,685  | 207   | 210,577  |
| Revenue earning equipment    | 371,255  | 57,198  | 51,236 | 377,217  |
| Shop, maintenance and other equipment | 121,962 | 26,882 | 3,793 | 145,051  |
| Total accumulated depreciation | 1,394,293 | 222,154 | 57,933 | 1,558,514 |

Total capital assets being depreciated, net

|                              |          |      |      |          |
| 2,416,076                   | 1,436,326 | 593  | 3,851,809 |

Capital assets, net

|                              |          |      |      |          |
| 6,131,608                   | 2,323,563 | 1,853,151 | 6,602,020 |

Depreciation expense was $222,154 and $152,531 for years 2016 and 2015, respectively.
Capital asset activity as of December 31, 2015 was as follows:

(In Thousands)

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

Depreciation expense was $152,531 and $139,045 for years 2015 and 2014, respectively.
## NOTE E – LONG-TERM DEBT

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

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 ($1,017) and ($1,069) for 2016 and 2015, respectively. In 2014, The District did a Modification and Exchange on these Bonds, it resulted in a premium with an ending balance of $15,446 and $16,224 for 2016 and 2015, respectively.</td>
<td>$373,639</td>
<td>$374,925</td>
</tr>
<tr>
<td>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 $4,378 and $4,937 for 2016 and 2015, respectively.</td>
<td>74,203</td>
<td>74,762</td>
</tr>
<tr>
<td>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 $692 and $1,523 for 2016 and 2015, respectively.</td>
<td>7,414</td>
<td>14,728</td>
</tr>
<tr>
<td>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%.</td>
<td>151,263</td>
<td>154,246</td>
</tr>
<tr>
<td>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 $1,950 and $2,039 for 2016 and 2015, respectively.</td>
<td>81,090</td>
<td>81,179</td>
</tr>
<tr>
<td>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.</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>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 $459,320 and $62,167 for 2016 and 2015, respectively.</td>
<td>534,255</td>
<td>537,102</td>
</tr>
<tr>
<td>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 $352 and $425 for 2016 and 2015, respectively.</td>
<td>44,327</td>
<td>61,420</td>
</tr>
<tr>
<td>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 $38,729 and $40,682 for 2016 and 2015, respectively</td>
<td>243,549</td>
<td>245,502</td>
</tr>
<tr>
<td>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.</td>
<td>305,675</td>
<td>296,284</td>
</tr>
<tr>
<td>Sales Tax FasTracks Revenue Bonds, Series 2016A, due serially on November 1 of 2036 and 2046, issued with a coupon of 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of 34,985 for 2016.</td>
<td>229,950</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>7,620</td>
<td>8,910</td>
</tr>
</tbody>
</table>
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 $0 and $3,675 for 2016 and 2015, respectively.

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 $2,299 and $2,970 for 2016 and 2015, respectively.

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%.

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 $27,321 and $29,942 for 2016 and 2015, respectively.

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 $23,294 and $24,144 for 2016 and 2015, respectively.

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 $17,054 and $17,980 for 2016 and 2015, respectively.

JPMorgan Chase Bank, N.A., Purchase and Assignment Agreement, Refunding Project of the 2002A COP’s, as Lessee Under an Annually Renewable Lease Purchase Agreement. Payments are due semiannually on June 1 and December 1 to 2022, issued with a coupon of 1.903%.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Participation Obligations, Amended and Restated Series 2002A</td>
<td>$</td>
<td>$85,115</td>
</tr>
<tr>
<td>Certificates of Participation Obligations, Series 2010A</td>
<td>189,269</td>
<td>194,315</td>
</tr>
<tr>
<td>Certificates of Participation Taxable (Direct Pay Build America Bonds), Obligations, Series 2010B</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Certificates of Participation Obligations, Series 2013A</td>
<td>222,706</td>
<td>243,877</td>
</tr>
<tr>
<td>Certificates of Participation Obligations, Series 2014A</td>
<td>464,209</td>
<td>465,059</td>
</tr>
<tr>
<td>Certificates of Participation Obligations, Series 2015A</td>
<td>210,969</td>
<td>211,895</td>
</tr>
<tr>
<td>JPMorgan Chase Bank, N.A., Purchase and Assignment Agreement, Refunding Project of the 2002A COP’s</td>
<td>74,470</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,614,608</td>
<td>3,449,319</td>
</tr>
<tr>
<td><strong>Less current portion</strong></td>
<td>(60,275)</td>
<td>(61,698)</td>
</tr>
<tr>
<td><strong>Total Long-Term Debt</strong></td>
<td>$3,554,333</td>
<td>$3,387,621</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Principal</th>
<th>Capitalized Interest</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$27,573</td>
<td>$-</td>
<td>$92,135</td>
<td>$119,708</td>
</tr>
<tr>
<td>2018</td>
<td>28,212</td>
<td>-</td>
<td>91,681</td>
<td>119,893</td>
</tr>
<tr>
<td>2019</td>
<td>20,818</td>
<td>-</td>
<td>90,678</td>
<td>111,496</td>
</tr>
<tr>
<td>2020</td>
<td>21,705</td>
<td>-</td>
<td>89,792</td>
<td>111,497</td>
</tr>
<tr>
<td>2021</td>
<td>17,164</td>
<td>-</td>
<td>99,665</td>
<td>116,829</td>
</tr>
<tr>
<td>2022-2026</td>
<td>175,214</td>
<td>1,976</td>
<td>480,440</td>
<td>657,630</td>
</tr>
<tr>
<td>2027-2031</td>
<td>436,764</td>
<td>11,119</td>
<td>406,218</td>
<td>854,101</td>
</tr>
<tr>
<td>2032-2036</td>
<td>499,983</td>
<td>16,062</td>
<td>294,857</td>
<td>810,802</td>
</tr>
<tr>
<td>2037-2041</td>
<td>382,708</td>
<td>9,620</td>
<td>185,715</td>
<td>578,043</td>
</tr>
<tr>
<td>2042-2046</td>
<td>333,612</td>
<td>-</td>
<td>132,102</td>
<td>465,714</td>
</tr>
<tr>
<td>2047-2050</td>
<td>246,780</td>
<td>-</td>
<td>37,104</td>
<td>283,884</td>
</tr>
<tr>
<td></td>
<td>$2,190,533</td>
<td>$38,777</td>
<td>$2,000,387</td>
<td>$4,229,697</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$32,702</td>
<td>$58,484</td>
<td>$91,186</td>
</tr>
<tr>
<td>2018</td>
<td>38,465</td>
<td>57,253</td>
<td>95,718</td>
</tr>
<tr>
<td>2019</td>
<td>48,620</td>
<td>55,524</td>
<td>104,144</td>
</tr>
<tr>
<td>2020</td>
<td>58,038</td>
<td>53,301</td>
<td>111,339</td>
</tr>
<tr>
<td>2021</td>
<td>60,507</td>
<td>50,741</td>
<td>111,248</td>
</tr>
<tr>
<td>2022-2026</td>
<td>308,773</td>
<td>209,897</td>
<td>518,670</td>
</tr>
<tr>
<td>2027-2031</td>
<td>180,645</td>
<td>147,228</td>
<td>327,873</td>
</tr>
<tr>
<td>2032-2036</td>
<td>197,055</td>
<td>96,986</td>
<td>294,041</td>
</tr>
<tr>
<td>2037-2041</td>
<td>183,595</td>
<td>44,584</td>
<td>228,179</td>
</tr>
<tr>
<td>2042-2044</td>
<td>90,875</td>
<td>6,666</td>
<td>97,541</td>
</tr>
<tr>
<td></td>
<td>$1,198,275</td>
<td>$780,664</td>
<td>$1,979,939</td>
</tr>
</tbody>
</table>
Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance 12/31/15</th>
<th>Additions 2016</th>
<th>Reductions 2016</th>
<th>Balance 12/31/16</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue Bonds</td>
<td>$2,013,220</td>
<td>$204,356</td>
<td>$27,043</td>
<td>$2,190,533</td>
<td>$27,573</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>1,230,860</td>
<td>74,470</td>
<td>106,055</td>
<td>1,199,275</td>
<td>32,702</td>
</tr>
<tr>
<td>Issuance premiums and discounts</td>
<td>205,239</td>
<td>31,943</td>
<td>12,382</td>
<td>224,800</td>
<td>-</td>
</tr>
<tr>
<td>Total Bonds-COPs Payable</td>
<td>3,449,319</td>
<td>310,769</td>
<td>145,480</td>
<td>3,614,608</td>
<td>60,275</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>321,615</td>
<td>68,443</td>
<td>-</td>
<td>390,058</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities*</td>
<td>247,771</td>
<td>119,267</td>
<td>344</td>
<td>366,694</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$4,018,705</td>
<td>$498,479</td>
<td>$145,824</td>
<td>$4,371,360</td>
<td>$60,275</td>
</tr>
</tbody>
</table>

*Other liabilities consist of Eagle P3 finance charge liability and the CCD Aviation Intergovernmental Agreement (IGA).

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

<table>
<thead>
<tr>
<th></th>
<th>Balance 12/31/14</th>
<th>Additions 2015</th>
<th>Reductions 2015</th>
<th>Balance 12/31/15</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Revenue Bonds</td>
<td>$1,955,657</td>
<td>$84,001</td>
<td>$26,438</td>
<td>$2,013,220</td>
<td>$27,043</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>1,064,855</td>
<td>193,915</td>
<td>27,910</td>
<td>1,230,860</td>
<td>34,655</td>
</tr>
<tr>
<td>Issuance premiums and discounts</td>
<td>198,711</td>
<td>18,366</td>
<td>11,838</td>
<td>205,239</td>
<td>-</td>
</tr>
<tr>
<td>Total Bonds-COPs Payable</td>
<td>3,218,223</td>
<td>296,282</td>
<td>66,186</td>
<td>3,449,319</td>
<td>61,698</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>276,116</td>
<td>36,499</td>
<td>-</td>
<td>321,615</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities*</td>
<td>150,186</td>
<td>109,205</td>
<td>2,620</td>
<td>247,771</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term liabilities*</td>
<td>$3,645,525</td>
<td>$441,986</td>
<td>$68,806</td>
<td>$4,018,705</td>
<td>$61,698</td>
</tr>
</tbody>
</table>

*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).

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, 2016 are the following amounts which are considered defeased:

2002A Certificates of Participation – Light Rail Vehicles and Maintenance Facility $74,287

In December 2016, RTD entered a Capital Lease Agreement with JPMorgan Chase Bank N.A. to refund its $74,470 previously outstanding Series 2002A Certificates of Participation. The Proceeds of the 2016 Obligation will be placed in escrow with US Bank and are being used for the purpose of advance refunding the District’s Adjustable Rate Certificates of Participation (2002A Transit Vehicles Project), Series 2002A, as reissued on June 1, 2007 (the “Reissued 2002A Obligation”) and paying the costs of issuing the 2016 Obligation. The transaction achieved a 6.5% NPV savings and $5,653 million of cash flow savings between 2017 and 2022 and retained the same final maturity of 2022.

In November 2016, RTD issued its Tax Exempt Sales Tax Revenue Bonds (FasTracks Project) Series 2016A in the par amount of $194,965 for the purpose of (a) financing additional costs of improvements, facilities and equipment for the transit
expansion plan known as FasTracks (b) funding capitalized interest, and (c) funding costs of issuance of the Bonds. The Bonds were issued without a debt service reserve fund. The final maturity on the Bonds is November 1, 2046.

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 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.

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 trust that issues audited financial statements, which include financial information for that plan. Those financial statements may be obtained from the plan administrators:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Net Pension Liability</th>
<th>Deferred Outflow of Resources*</th>
<th>Deferred Inflows of Resources</th>
<th>Pension Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATU 1001 Pension Plan - DB</td>
<td>$361,264</td>
<td>$41,590</td>
<td>$4,921</td>
<td>$28,805</td>
</tr>
<tr>
<td>Salaried Pension Plan - DB</td>
<td>28,794</td>
<td>17,295</td>
<td>-</td>
<td>7,261</td>
</tr>
<tr>
<td>Salaried Pension Plan - DC</td>
<td></td>
<td>-</td>
<td>-</td>
<td>3,476</td>
</tr>
<tr>
<td>Total</td>
<td>$390,058</td>
<td>$58,885</td>
<td>$4,921</td>
<td>$39,542</td>
</tr>
</tbody>
</table>

*ATU 1001 Pension plan deferred outflow related to contributions subsequent to measurement date was $11,615. Salaried Pension Plan deferred outflow related to contributions subsequent to measurement date was $4,100.
A summary of pension related items as of December 31, 2015, is presented below:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Net Pension Liability</th>
<th>Deferred Outflow of Resources*</th>
<th>Deferred Inflows of Resources</th>
<th>Pension Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATU 1001 Pension Plan - DB</td>
<td>$311,672</td>
<td>$20,508</td>
<td>$4,102</td>
<td>$19,547</td>
</tr>
<tr>
<td>Salaried Pension Plan - DB</td>
<td>9,943</td>
<td>6,705</td>
<td>-</td>
<td>2,508</td>
</tr>
<tr>
<td>Salaried Pension Plan - DC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,870</td>
</tr>
<tr>
<td>Total</td>
<td>$321,615</td>
<td>$27,213</td>
<td>$4,102</td>
<td>$24,925</td>
</tr>
</tbody>
</table>

*ATU 1001 Pension plan deferred outflow related to contributions subsequent to measurement date was $11,092. Salaried Pension Plan deferred outflow related to contributions subsequent to measurement date was $3,100.

**ATU 1001 Pension Plan – Defined Benefit (2016)**

**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.

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 or she 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 or she 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 or she 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 Fiscal Year Ending December 31, 2016 (December 31, 2015 measurement date), pension plan membership consisted of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>1,623</td>
</tr>
<tr>
<td>Inactive Plan Members or Beneficiaries Currently Receiving Benefits</td>
<td>1,498</td>
</tr>
<tr>
<td>Inactive employee entitled to but not yet receiving benefits</td>
<td>1,418</td>
</tr>
<tr>
<td>Total</td>
<td>4,539</td>
</tr>
</tbody>
</table>

1Based on December 31, 2015 actuarial valuation demographic information

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2016 as follows:

- Total Pension Liability $563,479
- Plan Fiduciary Net Position 202,215
- Plan’s Net Pension Liability $361,264
- Plan Fiduciary Net Position as of Percentage of the Total Pension Liability 35.89%

Actuarial Methods and Assumptions Used to Calculate Net Pension Liability:

Valuation Date: January 1, 2016
Notes: Actuarially determined contribution rates are calculated as of July 1 each year for implementation the following fiscal year. Actual contributions are made pursuant to a collective bargaining agreement.
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 3.57% (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 4.54%.

**Development of the Single Discount Rate**

Single Discount Rate 4.54%
Long-Term Expected Rate of Investment Return 7.00%
Long-Term Municipal Bond Rate 3.57%
Last year ending December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded 2031

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>30 Year Long-Term Expected Real Rate of Return</th>
<th>Target Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>6%</td>
<td>40%</td>
</tr>
<tr>
<td>International Equity</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Commodities</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Inflation Assumption 2%
Actuarial Return Assumption 7%
Changes in the Net Pension Liability

(in thousands)

<table>
<thead>
<tr>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 12/31/2015</td>
<td>$526,136</td>
<td>$214,464</td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>13,074</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>26,324</td>
<td>-</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(4,711)</td>
<td>-</td>
</tr>
<tr>
<td>Assumption Changes</td>
<td>28,095</td>
<td>-</td>
</tr>
<tr>
<td>Contributions-employer</td>
<td>-</td>
<td>11,542</td>
</tr>
<tr>
<td>Contributions-employee</td>
<td>-</td>
<td>3,869</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>(1,829)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(25,439)</td>
<td>(25,439)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(391)</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Net Changes</td>
<td>37,343</td>
<td>(12,249)</td>
</tr>
<tr>
<td>Balances at 12/31/2016</td>
<td>$563,479</td>
<td>$202,215</td>
</tr>
</tbody>
</table>

Increase (Decrease)

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 4.54%, as well as what the Plan’s net pension liability would be if it were calculated using a Single Discount Rate that is one percentage-point lower or one percentage-point higher:

<table>
<thead>
<tr>
<th>Plan’s Net Pension Liability</th>
<th>1% Decrease (3.54%)</th>
<th>Current Discount Rate (4.54%)</th>
<th>1% Increase (5.54%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$430,651</td>
<td>$361,264</td>
<td>$303,168</td>
</tr>
</tbody>
</table>

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.

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

RTD reported $11,615 as deferred outflows resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.
For the year ended 2016 the employer recognized pension expense of $28,805. The employer reported deferred outflows and inflows of $36,669 of resources related from pensions from the following resources:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in experience</td>
<td>$ -</td>
<td>$ 4,921</td>
</tr>
<tr>
<td>Differences in assumptions*</td>
<td>26,746</td>
<td>-</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>14,844</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 41,590</td>
<td>$ 4,921</td>
</tr>
</tbody>
</table>

*The increase in the Total Pensions Liability due to assumption changes includes the impact of the change is the Single Discount Rate from 5.00 percent to 4.54 percent. This change in assumptions was measured at the end of the year.

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

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>17,360</td>
</tr>
<tr>
<td>2018</td>
<td>11,384</td>
</tr>
<tr>
<td>2019</td>
<td>4,630</td>
</tr>
<tr>
<td>2020</td>
<td>3,295</td>
</tr>
<tr>
<td>2021</td>
<td>.</td>
</tr>
<tr>
<td>Total</td>
<td>$ 36,669</td>
</tr>
</tbody>
</table>

**ATU 1001 Pension Plan – Defined Benefit (2015)**

**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.

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 following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>1,687</td>
</tr>
<tr>
<td>Inactive Plan Members or Beneficiaries Currently Receiving Benefits</td>
<td>1,410</td>
</tr>
<tr>
<td>Inactive employee entitled to but not yet receiving benefits</td>
<td>1,228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,325</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pension Liability</td>
<td>$ 526,135</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td>214,463</td>
</tr>
<tr>
<td>Plan's Net Pension Liability</td>
<td>$ 311,672</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</td>
<td>40.76%</td>
</tr>
</tbody>
</table>

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
### 30 Year Long-Term Expected Real Rate of Return and Target Asset Allocation

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Real Rate of Return</th>
<th>Target Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>5%</td>
<td>40%</td>
</tr>
<tr>
<td>International Equity</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Commodities</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

30 Year Inflation Assumption: 2%

Actuarial Return Assumption: 7%

### Changes in Net Pension Liability

<table>
<thead>
<tr>
<th>Increase (Decrease)</th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 12/31/2014</td>
<td>$488,394</td>
<td>$213,008</td>
<td>$275,386</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes for the year:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>11,937</td>
<td>-</td>
<td>11,937</td>
</tr>
<tr>
<td>Interest</td>
<td>27,714</td>
<td>-</td>
<td>27,714</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(6,476)</td>
<td>-</td>
<td>(6,476)</td>
</tr>
<tr>
<td>Assumption Changes</td>
<td>28,879</td>
<td>-</td>
<td>28,879</td>
</tr>
<tr>
<td>Contributions-employer</td>
<td>-</td>
<td>10,758</td>
<td>(10,758)</td>
</tr>
<tr>
<td>Contributions-employee</td>
<td>-</td>
<td>3,586</td>
<td>(3,586)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>11,779</td>
<td>(11,779)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(24,312)</td>
<td>(24,312)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(355)</td>
<td>355</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Changes</td>
<td>37,742</td>
<td>1,456</td>
<td>36,286</td>
</tr>
<tr>
<td>Balances at 12/31/2015</td>
<td>$526,136</td>
<td>$214,464</td>
<td>$311,672</td>
</tr>
</tbody>
</table>

### 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:

<table>
<thead>
<tr>
<th>Single Discount Rate</th>
<th>Plan’s Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease (4.00%)</td>
<td>$375,343</td>
</tr>
<tr>
<td>Current Discount Rate (5.00%)</td>
<td>$311,672</td>
</tr>
<tr>
<td>1% Increase (6.00%)</td>
<td>$258,200</td>
</tr>
</tbody>
</table>
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.

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:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in experience</td>
<td>$</td>
<td>$ 4,102</td>
</tr>
<tr>
<td>Differences in assumptions</td>
<td>18,291</td>
<td>-</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>2,217</td>
<td>-</td>
</tr>
<tr>
<td>Contributions subsequent to the measurement date*</td>
<td>11,092</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 31,600</td>
<td>$ 4,102</td>
</tr>
</tbody>
</table>

*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:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 19,860</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>6,530</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>554</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>554</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 27,498</td>
<td></td>
</tr>
</tbody>
</table>
Salaried Pension Plan - Defined Benefit (2016)

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 the employee terminates 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.

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.
Employees covered by the benefit terms for the Fiscal Year Ending December 31, 2016 (December 31, 2015 measurement date), pension plan membership consisted of the following:\(^1\):

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>361</td>
</tr>
<tr>
<td>Inactive Plan Members or Beneficiaries Currently Receiving</td>
<td>232</td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
</tr>
<tr>
<td>Inactive Plan Members Entitled to But Not Yet Receiving Benefits(^2)</td>
<td>108</td>
</tr>
<tr>
<td>Total</td>
<td>701</td>
</tr>
</tbody>
</table>

\(^1\)Based on January 1, 2015 actuarial valuation demographic information

\(^2\)Includes transfer outs

**Net Pension Liability**

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2016 as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pension Liability</td>
<td>$151,571</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td>$122,777</td>
</tr>
<tr>
<td>Plan’s Net Pension Liability</td>
<td>$28,794</td>
</tr>
</tbody>
</table>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation with date of January 1, 2015, using the following actuarial assumptions applied to all periods included in the measurement with a liability roll forward to December 31, 2015 for disclosure purposes for the Fiscal Year Ending December 31, 2016:

- **Inflation**: 3.00%
- **Salary Increases**: 4.75% - 9.75%, based on age
- **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, 2015 (for disclosure purposes for the Fiscal Year Ending December 31, 2016) are summarized in the following data and reflect assumed long-term expected real rate 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

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term Expected Real Rate of Return</th>
<th>Target Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>8.7%</td>
<td>50%</td>
</tr>
<tr>
<td>International Equity</td>
<td>9.7%</td>
<td>10%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>1.5%</td>
<td>30%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>10.1%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Mortality Rates for Annuities (60% Election Assumption)**


**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, 2015 valuation were based on the results of an actuarial experience study covering the period January 1, 2009 – December 31, 2013.

**Single 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 would 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 discount rate does not incorporate nor require a 20-year tax-exempt general obligation municipal bond rate (with an average rating of AA/As or higher).

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

The following present 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:

<table>
<thead>
<tr>
<th>Plan’s Net Pension Liability/Assets</th>
<th>1% Decrease (6.50%)</th>
<th>Current Discount Rate (7.50%)</th>
<th>1% Increase (8.50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan’s Net Pension Liability/Assets</td>
<td>$42,136</td>
<td>$28,794</td>
<td>$17,207</td>
</tr>
</tbody>
</table>
Changes in the Net Pension Liability

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 12/31/2015</td>
<td>$139,953</td>
<td>$130,010</td>
<td>$9,943</td>
</tr>
</tbody>
</table>

Changes for the year:

- Service Cost: $3,342
- Interest: $10,388
- Differences between expected and actual experience: $3,869
- Assumption Changes: $3,601
- Contributions-employer: -$3,100
- Net investment income: -$610
- Benefit payments, including refunds of employee contributions: $(9,582)
- Administrative expense: -$141
- Other changes: -

Net Changes: $11,618

Balances at 12/31/2016

|                                                | $151,571                 | $122,777                   | $28,794              |

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

RTD reported $4,100 as deferred outflows resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

For the year ended 2016 the employer recognized pension expense of $7,261. The employer reported deferred outflows and inflows of $17,295 of resources related from pensions from the following resources.

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in experience</td>
<td>$3,631</td>
</tr>
<tr>
<td>Differences in assumptions*</td>
<td>$5,488</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>$8,176</td>
</tr>
<tr>
<td>Total</td>
<td>$17,295</td>
</tr>
</tbody>
</table>

*Assumption changes for the Fiscal Year Ending December 31, 2015 (December 31, 2015 measurement date, January 1, 2015 actuarial valuation date): the amount reported as Assumption Changes resulted from a change in the salary increase assumption (average weighted salary increase changed from 4.00% to 5.00%). This change is expected to be more reflective of future plan experience.
Amounts reported as deferred outflow and inflows of resources related to pension will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 6,993</td>
</tr>
<tr>
<td>2018</td>
<td>5,675</td>
</tr>
<tr>
<td>2019</td>
<td>2,605</td>
</tr>
<tr>
<td>2020</td>
<td>2,022</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 17,295</td>
</tr>
</tbody>
</table>

**Salaried Pension Plan - Defined Benefit (2015)**

**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.

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 following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>382</td>
</tr>
<tr>
<td>Inactive Plan Members or Beneficiaries Currently Receiving Benefits</td>
<td>220</td>
</tr>
<tr>
<td>Inactive Plan Members Entitled to But Not Yet Receiving Benefits</td>
<td>114</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>716</strong></td>
</tr>
</tbody>
</table>

1Based on January 1, 2015 actuarial valuation demographic information

2Includes transfer outs

**Net Pension Liability**

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

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pension Liability</td>
<td>$139,953</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td>130,010</td>
</tr>
<tr>
<td>Plan’s Net Pension Liability</td>
<td>$9,943</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as of Percentage of the Total Pension Liability</td>
<td>92.90%</td>
</tr>
</tbody>
</table>

**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)

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.

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-Term Expected Real Rate</th>
<th>Target Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>8.7%</td>
<td>50%</td>
</tr>
<tr>
<td>International Equity</td>
<td>9.7%</td>
<td>10%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>1.5%</td>
<td>30%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>10.1%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Changes in the Net Pension Liability
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Pension Liability (a)</td>
</tr>
<tr>
<td>Balances at 12/31/2014</td>
<td>$125,723</td>
</tr>
</tbody>
</table>

Changes for the year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>2,673</td>
<td>-</td>
<td>2,673</td>
</tr>
<tr>
<td>Interest</td>
<td>9,366</td>
<td>-</td>
<td>9,366</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>2,228</td>
<td>-</td>
<td>2,228</td>
</tr>
<tr>
<td>Assumption Changes</td>
<td>6,997</td>
<td>-</td>
<td>6,997</td>
</tr>
<tr>
<td>Contributions-employer</td>
<td>-</td>
<td>3,100</td>
<td>(3,100)</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>9,078</td>
<td>(9,078)</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee</td>
<td>(7,034)</td>
<td>(7,034)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>-</td>
<td>(127)</td>
<td>127</td>
</tr>
<tr>
<td>Other changes</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net Changes</strong></td>
<td><strong>14,230</strong></td>
<td><strong>5,017</strong></td>
<td><strong>9,213</strong></td>
</tr>
<tr>
<td>Balances at 12/31/2015</td>
<td><strong>$139,953</strong></td>
<td><strong>$130,010</strong></td>
<td><strong>$9,943</strong></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease (6.50%)</th>
<th>Current Discount Rate (7.50%)</th>
<th>1% Increase (8.50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan's Net Pension Liability/Assets</td>
<td>$22,167</td>
<td>$9,943</td>
<td>$(638)</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in experience</td>
<td>$1,592</td>
<td>$-</td>
</tr>
<tr>
<td>Differences in assumptions</td>
<td>4,998</td>
<td>-</td>
</tr>
<tr>
<td>Excess(deficit) Investment Returns</td>
<td>115</td>
<td>-</td>
</tr>
<tr>
<td>Contributions subsequent to the measurement date*</td>
<td>3,100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,805</strong></td>
<td><strong>$-</strong></td>
</tr>
</tbody>
</table>

*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:
### RTD Plan – Defined Contribution

**Plan Description**

The RTD defined contribution plan 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 $3,476 and $2,870 in 2016 and 2015, respectively. RTD employees cannot contribute to the Plan. Membership was 520 and 474 active employees in 2016 and 2015, respectively.

### 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 $19,025 and $16,848 for the years ended December 31, 2016 and 2015, 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.

Compensated absences activity for the year ended December 31, 2016, was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Represented employees</td>
<td>$ 2,560</td>
<td>$ 1,685</td>
<td>$ 1,592</td>
<td>$ 2,653</td>
</tr>
<tr>
<td>Salaried employees</td>
<td>10,171</td>
<td>6,670</td>
<td>6,308</td>
<td>10,533</td>
</tr>
<tr>
<td>Total compensated absences due</td>
<td>$12,731</td>
<td>$ 8,355</td>
<td>$ 7,900</td>
<td>$13,186</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Represented employees</td>
<td>$ 2,459</td>
<td>$ 1,592</td>
<td>$ 1,491</td>
<td>$ 2,560</td>
</tr>
<tr>
<td>Salaried employees</td>
<td>9,745</td>
<td>6,308</td>
<td>5,882</td>
<td>10,171</td>
</tr>
<tr>
<td>Total compensated absences due</td>
<td>$12,204</td>
<td>$ 7,900</td>
<td>$ 7,373</td>
<td>$12,731</td>
</tr>
</tbody>
</table>

The accrued compensation liabilities of $21,705 and $19,953 as of December 31, 2016 and December 31, 2015, include $8,519 and $7,222 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 the 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.
Fixed rental commitments under the lease in years subsequent to December 31, 2016, are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>262</td>
</tr>
<tr>
<td>2018</td>
<td>265</td>
</tr>
<tr>
<td>2019</td>
<td>267</td>
</tr>
<tr>
<td>2020</td>
<td>270</td>
</tr>
<tr>
<td>2021</td>
<td>273</td>
</tr>
<tr>
<td>2022-2026</td>
<td>1,405</td>
</tr>
<tr>
<td>2027-2031</td>
<td>1,477</td>
</tr>
<tr>
<td>2032-2036</td>
<td>1,552</td>
</tr>
<tr>
<td>2037-2041</td>
<td>1,631</td>
</tr>
<tr>
<td>2042-2046</td>
<td>1,714</td>
</tr>
<tr>
<td>2047-2051</td>
<td>1,802</td>
</tr>
<tr>
<td>2052-2056</td>
<td>1,893</td>
</tr>
<tr>
<td>2057-2061</td>
<td>1,990</td>
</tr>
<tr>
<td>2062-2066</td>
<td>2,091</td>
</tr>
<tr>
<td>2067-2071</td>
<td>2,198</td>
</tr>
<tr>
<td>2072-2075</td>
<td>1,839</td>
</tr>
</tbody>
</table>

$ 20,929

Rental expense relating to this lease amounted to $259 and $257 for the years ended December 31, 2016 and 2015, 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, 2016, 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 $560,716 and $461,864 in 2016 and 2015, respectively.

*Grant Match Requirements*

Under the provisions of current grants, RTD is obligated to satisfy certain matching requirements of these grants. At December 31, 2016, RTD had a commitment to provide $253,704 in matching funds in order to receive $298,811 in future federal and state grant funds.
Privatization Contracts

In response to the privatization legislation (Note A), RTD has awarded contracts for specific groups of routes, not to exceed 58% as required by law for vehicular services. As of January 2017, 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 Rail 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 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. 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. 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 opened in February 2017 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 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.

In 2014, 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 of the existing Southeast Light rail Line from Lincoln Station through the City of Lone Tree 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 December 31, 2016 are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>91,212</td>
</tr>
<tr>
<td>2018</td>
<td>93,313</td>
</tr>
<tr>
<td>2019</td>
<td>84,072</td>
</tr>
<tr>
<td>2020</td>
<td>43,400</td>
</tr>
<tr>
<td>2021</td>
<td>28,883</td>
</tr>
<tr>
<td>Total</td>
<td>$340,880</td>
</tr>
</tbody>
</table>

Denver Transit Partner’s concessionaire service payment commitments under the lease in years subsequent to December 31, 2016, are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>82,168</td>
</tr>
<tr>
<td>2018</td>
<td>84,989</td>
</tr>
<tr>
<td>2019</td>
<td>111,726</td>
</tr>
<tr>
<td>2020</td>
<td>122,077</td>
</tr>
<tr>
<td>2021</td>
<td>105,193</td>
</tr>
<tr>
<td>2022-2026</td>
<td>621,636</td>
</tr>
<tr>
<td>2027-2031</td>
<td>707,673</td>
</tr>
<tr>
<td>2032-2036</td>
<td>864,355</td>
</tr>
<tr>
<td>2037-2041</td>
<td>941,373</td>
</tr>
<tr>
<td>2042-2044</td>
<td>470,519</td>
</tr>
<tr>
<td>Total</td>
<td>$4,111,709</td>
</tr>
</tbody>
</table>

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 2017 is $16,225. RTD estimates usage of 9.6 million gallons at unit cost of $1.6902 per gallon: 5.76 million gallons of RTD’s usage and 3.84 million gallons of RTD private carrier’s usage.

Contingencies

Federal Grants

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

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

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

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

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:

<table>
<thead>
<tr>
<th></th>
<th>Auto Liability</th>
<th>Workers’ Compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid claims, January 1, 2015</td>
<td>$2,691</td>
<td>$2,845</td>
<td>$5,536</td>
</tr>
<tr>
<td>Incurred claims (including IBNR)</td>
<td>3,052</td>
<td>4,264</td>
<td>7,316</td>
</tr>
<tr>
<td>Claims payments</td>
<td>(2,162)</td>
<td>(3,177)</td>
<td>(5,339)</td>
</tr>
<tr>
<td>Unpaid claims, December 31, 2015</td>
<td>3,581</td>
<td>3,932</td>
<td>7,513</td>
</tr>
<tr>
<td>Incurred claims (including IBNR)</td>
<td>3,966</td>
<td>5,278</td>
<td>9,244</td>
</tr>
<tr>
<td>Claims payments</td>
<td>(3,337)</td>
<td>(4,539)</td>
<td>(7,876)</td>
</tr>
<tr>
<td>Unpaid claims, December 31, 2016*</td>
<td>$4,210</td>
<td>$4,671</td>
<td>$8,881</td>
</tr>
</tbody>
</table>

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

Contract Disputes and Legal Proceedings

RTD is party to a number of pending or threatened tort lawsuits, workers’ compensation claims, or labor/employment claims under which it may be required to pay certain amounts upon final disposition of these matters. RTD also has certain contract disputes being considered in contractual dispute resolution proceedings. RTD’s legal counsel estimates that the ultimate outcome of these matters is sufficiently covered by RTD’s general liability or workers’ compensation reserves, project contingencies, or insurance, or would not otherwise materially affect the financial statements of RTD.

RTD is party to a lawsuit in which the plaintiffs/appellants seek to hold unconstitutional a 2013 state statute that made several adjustments to the items upon which RTD and the Scientific and Cultural Facilities District could and could not collect sales tax. The plaintiffs maintained that voter approval was required. The state District Court granted summary judgment in favor of RTD and the other defendants (SCFD and the Colorado Department of Revenue). The plaintiffs appealed to the state Court of Appeals, which affirmed the District Court’s ruling. The appellants have now sought discretionary Colorado Supreme Court review, and the Supreme Court has decided to hear the appeal. If the District Court’s decision is reversed and the statute
is ruled unconstitutional, RTD may no longer be authorized to collect certain taxes and may possibly have to refund some taxes previously collected together with interest, costs, and attorneys’ fees.

RTD is party to a lawsuit alleging that RTD has violated the Americans with Disabilities Act and Section 504 of the Rehabilitation Act by purchasing and operating light rail vehicles that do not meet the USDOT design specifications and that do not allow sufficient room for wheelchairs to board and maneuver. The complaint also alleges a pattern and practice of discrimination in RTD’s operation of its light rail service by not ensuring sufficient room for passengers in wheelchairs to board. Plaintiffs are seeking an injunction that potentially could require RTD to retrofit its fleet of light rail vehicles to remove seating and expand the area for wheelchairs. In addition, Plaintiffs are seeking attorneys’ fees and costs. The parties have executed a class settlement agreement and have submitted the matter to the court for preliminary approval; thereafter, the parties will petition the court for final judgment of the class settlement. RTD’s costs for the settlement will be handled within RTD’s budget.

**NOTE I – NET POSITION**

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>$ 3,461,952</td>
</tr>
<tr>
<td>Restricted net position</td>
<td></td>
</tr>
<tr>
<td>Restricted debt service</td>
<td>142,564</td>
</tr>
<tr>
<td>Restricted TABOR</td>
<td>21,609</td>
</tr>
<tr>
<td>Restricted FasTracks</td>
<td>(90,794)</td>
</tr>
<tr>
<td>Restricted Other</td>
<td>1,500</td>
</tr>
<tr>
<td>Total restricted net position</td>
<td>74,879</td>
</tr>
<tr>
<td>Unrestricted net position</td>
<td></td>
</tr>
<tr>
<td>Unrestricted - represented net pension liability*</td>
<td>(312,980)</td>
</tr>
<tr>
<td>Unrestricted - salaried net pension liability</td>
<td>(7,399)</td>
</tr>
<tr>
<td>Unrestricted net position</td>
<td>105,900</td>
</tr>
<tr>
<td>Total unrestricted net position</td>
<td>(214,479)</td>
</tr>
<tr>
<td>Total net position</td>
<td>$ 3,322,352</td>
</tr>
</tbody>
</table>

*  Note: 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.

**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:

<table>
<thead>
<tr>
<th>Revenues and Proceeds</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue, actual</td>
<td>$803,320</td>
<td>$755,349</td>
</tr>
<tr>
<td>Proceeds from debt/arbitrage relief</td>
<td>314,174</td>
<td>299,688</td>
</tr>
<tr>
<td>Federal capital grants and local contributions</td>
<td>202,235</td>
<td>169,313</td>
</tr>
<tr>
<td>Revenue, actual (budgetary basis)</td>
<td>$1,319,729</td>
<td>$1,224,350</td>
</tr>
<tr>
<td>Revenue, budget</td>
<td>$1,509,420</td>
<td>$1,431,648</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses, actual</td>
<td>$860,140</td>
<td>$742,463</td>
</tr>
<tr>
<td>Capital outlays</td>
<td>693,159</td>
<td>870,055</td>
</tr>
<tr>
<td>Depreciation, amortization, other</td>
<td>(222,154)</td>
<td>(152,531)</td>
</tr>
<tr>
<td>Long-term debt principal payments</td>
<td>133,098</td>
<td>54,348</td>
</tr>
<tr>
<td>Expenditures, actual (budgetary basis)</td>
<td>$1,464,243</td>
<td>$1,514,335</td>
</tr>
<tr>
<td>Appropriations, budget</td>
<td>$2,213,487</td>
<td>$2,507,386</td>
</tr>
<tr>
<td>Unused appropriations</td>
<td>$749,244</td>
<td>$983,051</td>
</tr>
</tbody>
</table>

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, 2016, there was approximately $749,244 of unused 2016 appropriations for capital outlays available for carryover to 2017.

**NOTE K – TAX, SPENDING AND DEBT LIMITATIONS**

In November 1992, Colorado voters passed an amendment (Amendment 1) to the State Constitution (Article X, Section 20) that limits the revenue raising and spending abilities of state and local governments known as the Taxpayer’s Bill of Rights (TABOR). The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded to the taxpayers unless voters approve retention of these revenues. In addition, the amendment mandates that reserves equal 3% of fiscal spending be established for declared emergencies.

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

On November 2, 2004, the voters of the District authorized an increase in RTD’s sales and use tax rate from 0.6% to 1.0%, effective January 1, 2005, to finance the FasTracks transit improvement program. This authorization also exempted RTD from any revenue and spending limitations on the additional tax and on any investment income generated by the increased tax revenue, and allowed RTD to incur debt to finance the capital improvements included in the FasTracks program. At the time that all FasTracks debt is repaid, RTD’s sales and use tax rate will be reduced to a rate sufficient to operate the rapid transit
system financed through FasTracks. RTD has $3.477 billion in authorized debt, subject to the Amendments’ limitations. This debt was authorized by the voters of the District in 2004 to pay for the FasTracks rapid transit improvement program. Based on estimated fiscal year spending for 2016, $21,609 of year-end net position 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 February 3, 2017, RTD refunded the Series 2010 FasTracks Sales Tax Revenue Bonds used for the Denver Union Station Project Authority project. The refunding was completed for both principle and interest savings.

On February 24, 2017, RTD began light rail service with the 10.5 mile R Line connecting the existing track at Nine Mile Station to the Peoria Station as part of the FasTracks Project.

RTD’s commuter rail service is operating under a waiver from the Federal Railroad Administration (FRA) which allows RTD’s commuter rail service to continue operations while certain modifications to grade-level crossing gates are completed. The waiver is subject to expiration, modification or renewal at the discretion of the FRA and may impact the services provided by RTD.
REQUIRED SUPPLEMENTARY INFORMATION
Required Supplementary Information

REGIONAL TRANSPORTATION DISTRICT
Pension Plans Summary
As of December 31,

Schedule of Contributions Multiyear
Last 10 Fiscal Years
(in thousands)

### ATU 1001 Pension Plan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contribution</td>
<td>$17,131</td>
<td>$18,752</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Contribution</td>
<td>11,542</td>
<td>10,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>5,589</td>
<td>7,994</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered-Employee Payroll</td>
<td>82,994</td>
<td>84,774</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution as a Percentage of Covered-Employee Payroll</td>
<td>13.91%</td>
<td>12.69%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

- **Valuation Date:** January 1, 2016
- **Notes:** Actuarially determined contribution rates are calculated as of July 1 each year for implementation the following fiscal year. Actual contributions are made pursuant to a collective bargaining agreement.

  - **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.

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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pension Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$13,074</td>
<td>$11,937</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>26,324</td>
<td>27,714</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to Benefit Terms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences Between Expected and Actual Experience</td>
<td>(4,711)</td>
<td>(6,476)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption Changes</td>
<td>28,095</td>
<td>28,879</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payments, Including Lump Sums</td>
<td>(25,439)</td>
<td>(24,312)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Total Pension Liability</td>
<td>$37,343</td>
<td>$37,742</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Pension Liability - Beginning</td>
<td>526,136</td>
<td>488,394</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Pension Liability - Ending (a)</td>
<td>$563,479</td>
<td>526,136</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - RTD</td>
<td>$11,542</td>
<td>$10,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - Members</td>
<td>3,868</td>
<td>3,586</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>(1,829)</td>
<td>11,779</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payments, Including Lump Sums</td>
<td>(25,439)</td>
<td>(24,312)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(391)</td>
<td>(355)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Plan Fiduciary Net Position</td>
<td>$12,248</td>
<td>$1,456</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Fiduciary Net Position - Beginning</td>
<td>214,464</td>
<td>213,008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Fiduciary Net Position - Ending (b)</td>
<td>$202,215</td>
<td>214,464</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan's Net Pension Liability - Beginning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan's Net Pension Liability - Ending (a) - (b)</td>
<td>$361,264</td>
<td>311,872</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b) / (a)</td>
<td>35.89%</td>
<td>40.76%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered-Employee Payroll</td>
<td>82,994</td>
<td>84,774</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll</td>
<td>435.29%</td>
<td>367.65%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.
## Schedule of Contributions Multiyear
### Last 10 Fiscal Years
(in thousands)

### RTD Salaried Pension Plan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contribution</td>
<td>$6,768</td>
<td>$5,682</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Contribution</td>
<td>3,100</td>
<td>3,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>3,668</td>
<td>2,582</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered-Employee Payroll</td>
<td>31,257</td>
<td>30,880</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution as a Percentage of Covered-Employee Payroll</td>
<td>9.92%</td>
<td>10.04%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

- **Valuation Date:** January 1, 2015
- **Notes:** Actuarially determined contribution rates are calculated as of January 1, twelve months prior to end of the fiscal year in which contributions are reported.
- **Actuarial Cost Method:** Entry Age
- **Amortization Method:** Level dollar, fixed and declining 20 years.
- **Remaining Amortization Period:** 16 years
- **Asset Valuation Method:** Smoothed over 5 years, based on Actuarial Value of Assets expected return.
- **Inflation:** 3.00%
- **Salary Increases:** 4.75%-9.75%
- **Investment Rate of Return:** 7.50%, net of investment expenses
- **Retirement Age:**
  - Age: 55
    - Rate: 15.00%
  - Age: 55-61
    - Rate: 10.00%
  - Age: 62
    - Rate: 25.00%
  - Age: 63-64
    - Rate: 15.00%
  - Age: 65-66
    - Rate: 40.00%
  - Age: 67 or older
    - Rate: 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 Tables
- **Mortality (Lump Sums):** RP-2014 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) compensation 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 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**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Pension Liability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$3,342</td>
<td>$2,673</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>10,388</td>
<td>9,366</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes to Benefit Terms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences Between Expected and Actual Experience</td>
<td>3,869</td>
<td>2,228</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumption Changes</td>
<td>3,601</td>
<td>6,997</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payments, Including Lump Sums</td>
<td>(9,582)</td>
<td>(7,034)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Change in Total Pension Liability</strong></td>
<td>$11,618</td>
<td>$14,230</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Pension Liability - Beginning</strong></td>
<td>139,953</td>
<td>125,723</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Pension Liability - Ending (a)</strong></td>
<td>$151,571</td>
<td>$139,953</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Plan Fiduciary Net Position**

| Contributions - RTD | $3,100 | $3,100 |      |      |      |      |      |      |      |      |
| Contributions - Members |      |      |      |      |      |      |      |      |      |      |
| Net Investment Income | (610) | 9,078 |      |      |      |      |      |      |      |      |
| Benefit Payments, Including Lump Sums | (9,582) | (7,034) |      |      |      |      |      |      |      |      |
| Administrative Expenses | (141) | (127) |      |      |      |      |      |      |      |      |
| **Net Change in Plan Fiduciary Net Position** | $(7,233) | $5,017 |      |      |      |      |      |      |      |      |
| **Plan Fiduciary Net Position - Beginning** | 130,010 | 124,993 |      |      |      |      |      |      |      |      |
| **Plan Fiduciary Net Position - Ending (b)** | $122,777 | $130,010 |      |      |      |      |      |      |      |      |
| **Plan’s Net Pension Liability - Beginning** | 730 | 730 |      |      |      |      |      |      |      |      |
| **Plan’s Net Pension Liability - Ending (a) - (b)** | $28,794 | $9,943 |      |      |      |      |      |      |      |      |

**Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b) / (a)**

81.00% 92.90%

**Covered-Employee Payroll**

31,257 30,880

**Plan’s Net Pension Liability as a Percentage of Covered-Employee Payroll**

92.12% 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 two years. Additional years will be presented as they become available.

See accompanying independent auditors’ opinion.
### REGIONAL TRANSPORTATION DISTRICT

**SCHEDULE OF EXPENSE AND REVENUE**

**BUDGET AND ACTUAL - BUDGETARY BASIS**

**Year Ended December 31, 2016**

(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Adopted Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance - positive (negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$158,073</td>
<td>$130,173</td>
<td>$134,622</td>
<td>$4,449</td>
</tr>
<tr>
<td>Other</td>
<td>5,384</td>
<td>4,797</td>
<td>5,803</td>
<td>1,006</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>163,457</td>
<td>134,970</td>
<td>140,425</td>
<td>5,455</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>162,560</td>
<td>163,836</td>
<td>163,650</td>
<td>186</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>58,779</td>
<td>59,130</td>
<td>58,389</td>
<td>(37,259)</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>141,244</td>
<td>139,385</td>
<td>156,605</td>
<td>19,190</td>
</tr>
<tr>
<td>Services</td>
<td>21,487</td>
<td>19,382</td>
<td>14,220</td>
<td>(5,162)</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,740</td>
<td>7,665</td>
<td>10,382</td>
<td>(2,717)</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>176,361</td>
<td>175,696</td>
<td>156,605</td>
<td>19,091</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>3,732</td>
<td>3,557</td>
<td>3,288</td>
<td>289</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,969</td>
<td>9,601</td>
<td>4,183</td>
<td>5,418</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>635,428</td>
<td>638,253</td>
<td>559,457</td>
<td>78,796</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(471,971)</td>
<td>(503,283)</td>
<td>(419,032)</td>
<td>84,251</td>
</tr>
<tr>
<td><strong>Nonoperating revenue (expenses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax</td>
<td>590,487</td>
<td>569,763</td>
<td>563,598</td>
<td>(6,165)</td>
</tr>
<tr>
<td>Grant operating assistance</td>
<td>83,763</td>
<td>96,767</td>
<td>77,335</td>
<td>(19,432)</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,240</td>
<td>3,840</td>
<td>6,371</td>
<td>2,531</td>
</tr>
<tr>
<td>Other income</td>
<td>11,029</td>
<td>20,200</td>
<td>9,927</td>
<td>(10,273)</td>
</tr>
<tr>
<td>Gain/loss on capital assets</td>
<td></td>
<td></td>
<td>5,664</td>
<td>5,664</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(117,313)</td>
<td>(117,313)</td>
<td>(77,272)</td>
<td>40,041</td>
</tr>
<tr>
<td>Other expense/unrealized loss capital assets</td>
<td>-</td>
<td>-</td>
<td>(1,258)</td>
<td>(1,258)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenue (expenses)</strong></td>
<td>569,206</td>
<td>573,257</td>
<td>584,365</td>
<td>11,108</td>
</tr>
<tr>
<td>Proceeds from debt</td>
<td>413,025</td>
<td>457,091</td>
<td>314,174</td>
<td>(142,917)</td>
</tr>
<tr>
<td><strong>Capital outlay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenses</td>
<td>1,605,069</td>
<td>1,396,223</td>
<td>693,159</td>
<td>(703,064)</td>
</tr>
<tr>
<td>Less capital grants</td>
<td>(271,159)</td>
<td>(258,089)</td>
<td>(202,235)</td>
<td>55,854</td>
</tr>
<tr>
<td><strong>1,333,910</strong></td>
<td>1,138,134</td>
<td>490,924</td>
<td>(647,210)</td>
<td></td>
</tr>
<tr>
<td>Long-term debt principal payment</td>
<td>(61,698)</td>
<td>(61,698)</td>
<td>(133,098)</td>
<td>(71,400)</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments</strong></td>
<td>$885,348</td>
<td>$672,767</td>
<td>(144,515)</td>
<td>$528,252</td>
</tr>
<tr>
<td><strong>Increases (decreases) to reconcile budget basis to GAAP basis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenses</td>
<td>693,159</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from debt</td>
<td>(314,174)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt principal payment</td>
<td>133,098</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(222,154)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INCREASE IN NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td>$145,414</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Trends</td>
<td>93-95</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</td>
<td></td>
</tr>
<tr>
<td>Revenue Capacity</td>
<td>96</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>These tables contain information to help the reader assess the government’s most significant revenue source.</td>
<td></td>
</tr>
<tr>
<td>Debt Capacity</td>
<td>97-98</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Demographic and Operating Information</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Invested in capital assets,</td>
<td>$3,461,952</td>
</tr>
<tr>
<td>net of related debt (Note I)</td>
<td></td>
</tr>
<tr>
<td>Restricted (Note I)</td>
<td></td>
</tr>
<tr>
<td>Emergencies</td>
<td>21,609</td>
</tr>
<tr>
<td>Debt and other</td>
<td>53,270</td>
</tr>
<tr>
<td>Total restricted net position</td>
<td>74,879</td>
</tr>
<tr>
<td>Unrestricted net position (note I)</td>
<td>(214,479)</td>
</tr>
<tr>
<td>Total net position</td>
<td>$3,322,352</td>
</tr>
</tbody>
</table>

1 Data is taken from the financial records of RTD and is presented on the accrual basis.
<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenues</th>
<th>Nonoperating Income/Expense</th>
<th>Net Position, Beginning of Year</th>
<th>Change in Net Position</th>
<th>Net Position at End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$134,632</td>
<td>$260,039</td>
<td>$3,176,938</td>
<td>$(186,335)</td>
<td>$2,994,739</td>
</tr>
<tr>
<td>2017</td>
<td>$120,530</td>
<td>$541,518</td>
<td>$3,176,938</td>
<td>$182,199</td>
<td>$3,176,938</td>
</tr>
<tr>
<td>2018</td>
<td>$117,941</td>
<td>$514,158</td>
<td>$3,176,938</td>
<td>$206,313</td>
<td>$3,181,074</td>
</tr>
<tr>
<td>2019</td>
<td>$112,942</td>
<td>$573,838</td>
<td>$3,181,074</td>
<td>$203,292</td>
<td>$3,181,074</td>
</tr>
<tr>
<td>2020</td>
<td>$110,947</td>
<td>$488,586</td>
<td>$3,181,074</td>
<td>$311,676</td>
<td>$2,522,740</td>
</tr>
<tr>
<td>2021</td>
<td>$108,497</td>
<td>$449,287</td>
<td>$2,522,740</td>
<td>$2,046,176</td>
<td>$2,522,740</td>
</tr>
<tr>
<td>2022</td>
<td>$97,942</td>
<td>$415,180</td>
<td>$2,522,740</td>
<td>$1,578,417</td>
<td>$2,522,740</td>
</tr>
<tr>
<td>2023</td>
<td>$96,890</td>
<td>$371,549</td>
<td>$2,522,740</td>
<td>$1,112,074</td>
<td>$2,522,740</td>
</tr>
<tr>
<td>2024</td>
<td>$88,205</td>
<td>$381,240</td>
<td>$2,522,740</td>
<td>$1,152,274</td>
<td>$2,522,740</td>
</tr>
</tbody>
</table>

Note A: Change in accounting principle, (as previously reported)
## Table 3

### OPERATING AND OTHER EXPENSES AND CAPITAL OUTLAYS

Last Ten Years (Unaudited)

(In Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transit Operating Expenses</th>
<th>Planning, Administrative and Development</th>
<th>Depreciation</th>
<th>Interest Expense</th>
<th>Other Nonoperating Expenses</th>
<th>Capital Outlays</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$302,626</td>
<td>$43,916</td>
<td>$103,302</td>
<td>$52,272</td>
<td>$861</td>
<td>$156,785</td>
<td>$659,762</td>
</tr>
<tr>
<td>2008</td>
<td>$324,931</td>
<td>$52,492</td>
<td>$102,252</td>
<td>$56,273</td>
<td>$977</td>
<td>$282,758</td>
<td>$819,683</td>
</tr>
<tr>
<td>2009</td>
<td>$326,324</td>
<td>$61,841</td>
<td>$106,025</td>
<td>$34,179</td>
<td>$23,037</td>
<td>$410,354</td>
<td>$961,760</td>
</tr>
<tr>
<td>2010</td>
<td>$318,751</td>
<td>$77,360</td>
<td>$104,176</td>
<td>$48,735</td>
<td>$5,145</td>
<td>$712,552</td>
<td>$1,266,719</td>
</tr>
<tr>
<td>2011</td>
<td>$333,301</td>
<td>$84,030</td>
<td>$104,280</td>
<td>$51,274</td>
<td>$6,251</td>
<td>$616,953</td>
<td>$1,176,089</td>
</tr>
<tr>
<td>2012</td>
<td>$414,893</td>
<td>$77,115</td>
<td>$115,269</td>
<td>$51,371</td>
<td>$4,895</td>
<td>$702,119</td>
<td>$1,365,662</td>
</tr>
<tr>
<td>2013</td>
<td>$429,700</td>
<td>$81,781</td>
<td>$127,256</td>
<td>$61,223</td>
<td>$4,146</td>
<td>$769,359</td>
<td>$1,473,465</td>
</tr>
<tr>
<td>2014</td>
<td>$436,905</td>
<td>$83,152</td>
<td>$139,045</td>
<td>$72,293</td>
<td>$3,605</td>
<td>$862,701</td>
<td>$1,597,701</td>
</tr>
<tr>
<td>2015</td>
<td>$427,468</td>
<td>$81,356</td>
<td>$152,531</td>
<td>$79,686</td>
<td>$1,422</td>
<td>$870,055</td>
<td>$1,612,518</td>
</tr>
<tr>
<td>2016</td>
<td>$470,005</td>
<td>$89,452</td>
<td>$222,154</td>
<td>$77,272</td>
<td>$1,258</td>
<td>$693,159</td>
<td>$1,553,300</td>
</tr>
</tbody>
</table>

---

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.
<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenues</th>
<th>Sales/Use Tax</th>
<th>Operating Assistance</th>
<th>Interest Income</th>
<th>Other</th>
<th>Total Revenue</th>
<th>Capital Grants</th>
<th>Local Contributions</th>
<th>Total Revenue &amp; Capital Grant &amp; Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$81,510</td>
<td>$418,407</td>
<td>$47,041</td>
<td>$57,471</td>
<td>$4,706</td>
<td>$608,135</td>
<td>$107,577</td>
<td>$7,558</td>
<td>$724,270</td>
</tr>
<tr>
<td>2008</td>
<td>92,329</td>
<td>412,824</td>
<td>50,814</td>
<td>52,456</td>
<td>3,106</td>
<td>611,529</td>
<td>39,220</td>
<td>169</td>
<td>650,818</td>
</tr>
<tr>
<td>2009</td>
<td>101,247</td>
<td>371,405</td>
<td>68,146</td>
<td>29,379</td>
<td>3,283</td>
<td>573,460</td>
<td>129,211</td>
<td>2,500</td>
<td>705,171</td>
</tr>
<tr>
<td>2010</td>
<td>102,356</td>
<td>397,549</td>
<td>92,655</td>
<td>8,065</td>
<td>3,653</td>
<td>604,278</td>
<td>102,213</td>
<td>5,265</td>
<td>711,756</td>
</tr>
<tr>
<td>2011</td>
<td>113,379</td>
<td>415,180</td>
<td>89,592</td>
<td>6,484</td>
<td>11,356</td>
<td>635,891</td>
<td>186,073</td>
<td>52,219</td>
<td>874,283</td>
</tr>
<tr>
<td>2012</td>
<td>118,262</td>
<td>448,787</td>
<td>68,927</td>
<td>2,613</td>
<td>14,494</td>
<td>654,083</td>
<td>193,991</td>
<td>117,686</td>
<td>965,759</td>
</tr>
<tr>
<td>2013</td>
<td>123,040</td>
<td>488,586</td>
<td>88,243</td>
<td>2,040</td>
<td>28,170</td>
<td>710,079</td>
<td>159,783</td>
<td>82,783</td>
<td>952,845</td>
</tr>
<tr>
<td>2014</td>
<td>124,903</td>
<td>514,721</td>
<td>75,544</td>
<td>165</td>
<td>16,861</td>
<td>732,194</td>
<td>171,549</td>
<td>34,882</td>
<td>938,825</td>
</tr>
<tr>
<td>2015</td>
<td>125,877</td>
<td>541,518</td>
<td>73,383</td>
<td>3,164</td>
<td>11,407</td>
<td>755,349</td>
<td>157,816</td>
<td>11,697</td>
<td>924,662</td>
</tr>
<tr>
<td>2016</td>
<td>140,425</td>
<td>563,598</td>
<td>77,335</td>
<td>6,371</td>
<td>15,591</td>
<td>803,320</td>
<td>185,324</td>
<td>16,911</td>
<td>1,005,555</td>
</tr>
</tbody>
</table>

1 Data is taken from the financial records of RTD and is presented on the accrual basis.
### LAST TEN YEARS (UNADJUSTED)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Tax Bond Debt Service Requirements</th>
<th>Sales Tax Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interest</td>
<td>Principal</td>
</tr>
<tr>
<td>2007</td>
<td>48,445 $</td>
<td>38,590 $</td>
</tr>
<tr>
<td>2008</td>
<td>44,944</td>
<td>45,505</td>
</tr>
<tr>
<td>2009</td>
<td>43,210</td>
<td>44,430</td>
</tr>
<tr>
<td>2010</td>
<td>46,324</td>
<td>44,511</td>
</tr>
<tr>
<td>2011</td>
<td>70,646</td>
<td>25,010</td>
</tr>
<tr>
<td>2012</td>
<td>70,752</td>
<td>26,211</td>
</tr>
<tr>
<td>2013</td>
<td>76,786</td>
<td>20,725</td>
</tr>
<tr>
<td>2014</td>
<td>84,821</td>
<td>25,712</td>
</tr>
<tr>
<td>2015</td>
<td>84,101</td>
<td>26,438</td>
</tr>
<tr>
<td>2016</td>
<td>83,490</td>
<td>27,043</td>
</tr>
</tbody>
</table>

### Certificate of Participation Debt Service Requirements

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest</th>
<th>Principal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>14,428 $</td>
<td>17,105 $</td>
<td>31,533 $</td>
</tr>
<tr>
<td>2008</td>
<td>14,502</td>
<td>17,515</td>
<td>32,017</td>
</tr>
<tr>
<td>2009</td>
<td>13,714</td>
<td>18,340</td>
<td>32,054</td>
</tr>
<tr>
<td>2010</td>
<td>13,711</td>
<td>26,725</td>
<td>40,436</td>
</tr>
<tr>
<td>2011</td>
<td>28,973</td>
<td>25,955</td>
<td>54,928</td>
</tr>
<tr>
<td>2012</td>
<td>28,451</td>
<td>28,575</td>
<td>57,026</td>
</tr>
<tr>
<td>2013</td>
<td>31,285</td>
<td>25,735</td>
<td>57,020</td>
</tr>
<tr>
<td>2014</td>
<td>43,502</td>
<td>31,290</td>
<td>74,792</td>
</tr>
<tr>
<td>2015</td>
<td>57,226</td>
<td>27,910</td>
<td>85,136</td>
</tr>
<tr>
<td>2016</td>
<td>62,373</td>
<td>34,655</td>
<td>97,028</td>
</tr>
</tbody>
</table>
### DEBT COVERAGE RATIOS (Continued)

(In Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Coverage</th>
<th>Revenue</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>118,568 $</td>
<td>609,135</td>
<td>5.14</td>
</tr>
<tr>
<td>2008</td>
<td>122,466 $</td>
<td>611,528</td>
<td>4.99</td>
</tr>
<tr>
<td>2009</td>
<td>119,694 $</td>
<td>573,460</td>
<td>4.79</td>
</tr>
<tr>
<td>2010</td>
<td>131,271 $</td>
<td>654,083</td>
<td>4.98</td>
</tr>
<tr>
<td>2011</td>
<td>150,584 $</td>
<td>874,283</td>
<td>5.81</td>
</tr>
<tr>
<td>2012</td>
<td>153,989 $</td>
<td>965,494</td>
<td>6.27</td>
</tr>
<tr>
<td>2013</td>
<td>154,531 $</td>
<td>952,645</td>
<td>6.16</td>
</tr>
<tr>
<td>2014</td>
<td>185,325 $</td>
<td>938,645</td>
<td>5.08</td>
</tr>
<tr>
<td>2015</td>
<td>195,665 $</td>
<td>924,662</td>
<td>4.73</td>
</tr>
<tr>
<td>2016</td>
<td>207,561 $</td>
<td>1,005,555</td>
<td>4.84</td>
</tr>
</tbody>
</table>

1 Source: The financial records of RTD and the Official Statements of the respective debt issues.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1 population within RTD service area</td>
<td>2,920,000</td>
<td>2,870,000</td>
<td>2,870,000</td>
<td>2,800,000</td>
<td>2,800,000</td>
<td>2,800,000</td>
<td>2,800,000</td>
<td>2,760,000</td>
<td>2,700,000</td>
<td></td>
</tr>
<tr>
<td>Cities and towns served</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Square miles in service area</td>
<td>2,342</td>
<td>2,340</td>
<td>2,340</td>
<td>2,340</td>
<td>2,340</td>
<td>2,348</td>
<td>2,348</td>
<td>2,348</td>
<td>2,337</td>
<td>2,331</td>
</tr>
<tr>
<td>Total miles</td>
<td>44,368,116</td>
<td>47,575,444</td>
<td>45,746,927</td>
<td>45,246,715</td>
<td>38,824,067</td>
<td>42,996,614</td>
<td>41,449,988</td>
<td>48,862,622</td>
<td>49,947,763</td>
<td>50,706,993</td>
</tr>
<tr>
<td>Passenger stops</td>
<td>9,077</td>
<td>9,566</td>
<td>9,751</td>
<td>9,509</td>
<td>9,841</td>
<td>9,698</td>
<td>10,140</td>
<td>10,199</td>
<td>10,199</td>
<td>10,329</td>
</tr>
<tr>
<td>Number of fixed routes</td>
<td>172</td>
<td>137</td>
<td>138</td>
<td>136</td>
<td>145</td>
<td>138</td>
<td>148</td>
<td>150</td>
<td>165</td>
<td>170</td>
</tr>
<tr>
<td>Local</td>
<td>124</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>71</td>
<td>64</td>
<td>66</td>
<td>67</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>Limited</td>
<td>16</td>
<td>18</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Express</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>17</td>
<td>16</td>
<td>20</td>
<td>20</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Regional</td>
<td>16</td>
<td>20</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Skyride</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Boulder City</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>12</td>
<td>14</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Longmont City</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Ridership average weekday, without Mall Shuttle and Light Rail</td>
<td>197,637</td>
<td>208,086</td>
<td>211,702</td>
<td>208,387</td>
<td>210,811</td>
<td>205,504</td>
<td>209,172</td>
<td>212,758</td>
<td>224,918</td>
<td>207,734</td>
</tr>
<tr>
<td>Ridership average weekday, including Mall Shuttle</td>
<td>236,573</td>
<td>252,034</td>
<td>255,696</td>
<td>254,071</td>
<td>254,197</td>
<td>255,068</td>
<td>259,873</td>
<td>273,737</td>
<td>255,987</td>
<td></td>
</tr>
<tr>
<td>Ridership average weekday, including Mall Shuttle, Light Rail, ADA, and Van Pool</td>
<td>331,580</td>
<td>338,363</td>
<td>344,348</td>
<td>335,391</td>
<td>326,747</td>
<td>325,900</td>
<td>323,311</td>
<td>328,291</td>
<td>344,964</td>
<td>320,311</td>
</tr>
<tr>
<td>Total annual boardings without Mall Shuttle, Light Rail and ADA</td>
<td>58,005,677</td>
<td>62,833,246</td>
<td>63,935,032</td>
<td>63,010,579</td>
<td>63,640,443</td>
<td>61,634,723</td>
<td>62,902,963</td>
<td>63,578,004</td>
<td>67,910,015</td>
<td>62,007,583</td>
</tr>
<tr>
<td>Total annual boardings, including Mall Shuttle</td>
<td>71,345,729</td>
<td>76,257,759</td>
<td>77,464,530</td>
<td>77,079,604</td>
<td>77,320,228</td>
<td>76,577,627</td>
<td>76,825,609</td>
<td>77,828,088</td>
<td>82,727,534</td>
<td>76,620,488</td>
</tr>
<tr>
<td>Total annual boardings, including Mall Shuttle and Light Rail</td>
<td>100,248,216</td>
<td>101,776,337</td>
<td>103,851,061</td>
<td>100,844,239</td>
<td>97,958,296</td>
<td>97,272,342</td>
<td>96,657,335</td>
<td>97,887,476</td>
<td>103,362,667</td>
<td>95,275,884</td>
</tr>
<tr>
<td>Total annual boardings, including Mall Shuttle, Light Rail, ADA service, and Van Pool</td>
<td>101,322,384</td>
<td>102,991,663</td>
<td>104,897,248</td>
<td>101,866,009</td>
<td>99,122,065</td>
<td>98,384,882</td>
<td>97,724,928</td>
<td>98,746,429</td>
<td>104,071,339</td>
<td>96,326,580</td>
</tr>
<tr>
<td>Daily miles operated (average weekday), including Mall Shuttle</td>
<td>120,613</td>
<td>119,076</td>
<td>107,635</td>
<td>106,709</td>
<td>129,517</td>
<td>117,261</td>
<td>124,248</td>
<td>148,750</td>
<td>152,848</td>
<td>155,153</td>
</tr>
<tr>
<td>Total annual boardings without Mall Shuttle, Light Rail and ADA</td>
<td>136,677</td>
<td>131,221</td>
<td>119,706</td>
<td>118,385</td>
<td>139,083</td>
<td>126,849</td>
<td>134,284</td>
<td>159,824</td>
<td>163,987</td>
<td>166,571</td>
</tr>
<tr>
<td>Total annual boardings, including Mall Shuttle</td>
<td>155,500</td>
<td>155,000</td>
<td>155,000</td>
<td>156,000</td>
<td>154,000</td>
<td>154,000</td>
<td>156,000</td>
<td>152,000</td>
<td>154,000</td>
<td>156,000</td>
</tr>
<tr>
<td>Total active buses</td>
<td>1,023</td>
<td>1,021</td>
<td>1,011</td>
<td>992</td>
<td>998</td>
<td>969</td>
<td>1,025</td>
<td>1,050</td>
<td>1,039</td>
<td>1,071</td>
</tr>
<tr>
<td>Number of employees</td>
<td>779</td>
<td>779</td>
<td>735</td>
<td>752</td>
<td>700</td>
<td>697</td>
<td>696</td>
<td>664</td>
<td>623</td>
<td>811</td>
</tr>
<tr>
<td>Fleet requirements (peak time)</td>
<td>834</td>
<td>834</td>
<td>821</td>
<td>785</td>
<td>779</td>
<td>797</td>
<td>806</td>
<td>830</td>
<td>862</td>
<td>862</td>
</tr>
<tr>
<td>Operating facilities</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

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 2016 CAFR

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

## Debt Disclosure Tables Updated in Body of 2016 CAFR

<table>
<thead>
<tr>
<th>Table Title</th>
<th>Location in CAFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTD Revenues by Source</td>
<td>Statistical Section – Table 4</td>
</tr>
<tr>
<td>Summary Balance Sheet</td>
<td>Statements of Net Position – pg. 37-38</td>
</tr>
<tr>
<td>Program</td>
<td>2017</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Interest Payments&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>$28,276</td>
</tr>
<tr>
<td>Bus Operations – Current RTD</td>
<td>136,109</td>
</tr>
<tr>
<td>Bus Operations – Private Carrier after Contract</td>
<td>97,276</td>
</tr>
<tr>
<td>Bus Operations - call-n-Ride</td>
<td>7,374</td>
</tr>
<tr>
<td>Private Contract Administration Costs</td>
<td>372</td>
</tr>
<tr>
<td>Service Increases – RTD-Operated</td>
<td>1,362</td>
</tr>
<tr>
<td>Service Increases – Private Contractor</td>
<td>1,027</td>
</tr>
<tr>
<td>FasTracks Service Allocation - Bus&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(15,843)</td>
</tr>
<tr>
<td>Cost Sharing Agreements - Bus Service</td>
<td>3,024</td>
</tr>
<tr>
<td>Van Pool Program</td>
<td>976</td>
</tr>
<tr>
<td>Section 5011 Local Match</td>
<td>860</td>
</tr>
<tr>
<td>LRT Operations</td>
<td>66,975</td>
</tr>
<tr>
<td>ADA Operating Costs</td>
<td>44,360</td>
</tr>
<tr>
<td>FasTracks Service Allocation - ADA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>(2,010)</td>
</tr>
<tr>
<td>Facilities Maintenance - Base</td>
<td>20,600</td>
</tr>
<tr>
<td>Facilities Maintenance - Additional Costs</td>
<td>197</td>
</tr>
<tr>
<td>Capital Programs - Base</td>
<td>42,815</td>
</tr>
<tr>
<td>Capital Programs - Additional Costs</td>
<td>3,381</td>
</tr>
<tr>
<td>Direct Costs - Other Departments</td>
<td>623</td>
</tr>
<tr>
<td>Indirect Costs - Other Departments</td>
<td>89,115</td>
</tr>
<tr>
<td>FasTracks - Cost Allocation</td>
<td>(36,860)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>$490,469</td>
</tr>
</tbody>
</table>

<sup>1</sup> Interest payments are not presented in year of expenditure dollars.

<sup>2</sup> Interest payments on bonds and certificates of participation (COPS) issued for purposes other than FasTracks.
<table>
<thead>
<tr>
<th>Program</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Debt Service&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>$48,605</td>
<td>$57,925</td>
<td>$61,825</td>
<td>$64,740</td>
<td>$62,255</td>
<td>$56,705</td>
<td>$352,055</td>
</tr>
<tr>
<td>Fleet Modernization and Expansion&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buses and ADA Vehicles</td>
<td>6,930</td>
<td>25,586</td>
<td>30,276</td>
<td>31,724</td>
<td>24,797</td>
<td>48,326</td>
<td>167,639</td>
</tr>
<tr>
<td>Other</td>
<td>206</td>
<td>212</td>
<td>219</td>
<td>225</td>
<td>230</td>
<td>237</td>
<td>1,329</td>
</tr>
<tr>
<td>Light Rail Vehicles</td>
<td>35,575</td>
<td>27,795</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,370</td>
</tr>
<tr>
<td>Passenger Infrastructure&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus Infrastructure</td>
<td>6,434</td>
<td>478</td>
<td>492</td>
<td>-</td>
<td>518</td>
<td>-</td>
<td>7,922</td>
</tr>
<tr>
<td>Rail Infrastructure</td>
<td>2,059</td>
<td>2,230</td>
<td>2,296</td>
<td>2,245</td>
<td>2,305</td>
<td>2,366</td>
<td>13,501</td>
</tr>
<tr>
<td>Park-n-Rides&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1,544</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,544</td>
</tr>
<tr>
<td>Capital Support Equipment&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles and Bus Maintenance Equipment</td>
<td>93</td>
<td>96</td>
<td>98</td>
<td>101</td>
<td>104</td>
<td>106</td>
<td>598</td>
</tr>
<tr>
<td>Information Systems, Computer Equip. for Ops.</td>
<td>3,274</td>
<td>1,189</td>
<td>1,531</td>
<td>1,707</td>
<td>-</td>
<td>391</td>
<td>8,092</td>
</tr>
<tr>
<td>Security Equipment</td>
<td>232</td>
<td>557</td>
<td>574</td>
<td>589</td>
<td>605</td>
<td>592</td>
<td>3,149</td>
</tr>
<tr>
<td>Bus Maintenance Facilities&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Shops</td>
<td>82</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td>Facilities Construction and Maintenance&lt;sup&gt;3&lt;/sup&gt;</td>
<td>5,915</td>
<td>1,062</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,977</td>
</tr>
<tr>
<td>Systems Planning&lt;sup&gt;3&lt;/sup&gt;</td>
<td>4,127</td>
<td>5,456</td>
<td>1,776</td>
<td>-</td>
<td>-</td>
<td>70,984</td>
<td>82,343</td>
</tr>
<tr>
<td>Discretionary Capital&lt;sup&gt;3&lt;/sup&gt;</td>
<td>154</td>
<td>160</td>
<td>164</td>
<td>168</td>
<td>173</td>
<td>177</td>
<td>996</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$115,230</td>
<td>$122,746</td>
<td>$99,251</td>
<td>$101,499</td>
<td>$90,987</td>
<td>$179,884</td>
<td>$709,597</td>
</tr>
</tbody>
</table>

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

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

<sup>3</sup> Capital expenditures and discretionary capital amounts are presented in year of expenditure dollars.
# Regional Transportation District

## Statement of Debt

### As of December 31, 2016

<table>
<thead>
<tr>
<th>Sales Tax Bonds</th>
<th>Outstanding²</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTD Sales Tax Revenue Refunding Bonds, Series 2007¹, FasTracks</td>
<td>$373,638</td>
</tr>
<tr>
<td>RTD Sales Tax Revenue Refunding Bonds, Series 2007¹</td>
<td>$74,203</td>
</tr>
<tr>
<td>RTD Sales Tax Revenue Refunding Bonds, Series 2010¹</td>
<td>$7,417</td>
</tr>
<tr>
<td>RTD Subordinate Sales Tax Revenue (DUSPA) Fastracks, Series 2010</td>
<td>$151,263</td>
</tr>
<tr>
<td>RTD Sales FasTracks Tax Revenue Bonds, Series 2010AB¹</td>
<td>$381,089</td>
</tr>
<tr>
<td>RTD Sales FasTracks Tax Revenue Bonds, Series 2012A¹</td>
<td>$534,255</td>
</tr>
<tr>
<td>RTD Sales Tax Revenue Bonds, Series 2013A¹</td>
<td>$44,327</td>
</tr>
<tr>
<td>RTD Sales FasTracks Tax Revenue Bonds, Series 2013AB¹</td>
<td>$243,549</td>
</tr>
<tr>
<td>RTD Sales Tax TIFIA Loan₄</td>
<td>$305,675</td>
</tr>
<tr>
<td>RTD Sales FasTracks Tax Revenue Bonds, Series 2016A¹</td>
<td>$229,949</td>
</tr>
<tr>
<td><strong>Total Sales Tax Revenue Debt</strong></td>
<td><strong>$2,345,365</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lease Purchase Agreements</th>
<th>Outstanding²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Lease Purchase Agreement II Fixed Rate Taxable Certificates of Participation, Series 2007A</td>
<td>7,620</td>
</tr>
<tr>
<td>Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, FasTracks Series 2010AB</td>
<td>289,270</td>
</tr>
<tr>
<td>Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2013A</td>
<td>222,705</td>
</tr>
<tr>
<td>Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2014A</td>
<td>464,209</td>
</tr>
<tr>
<td>Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2015A</td>
<td>210,969</td>
</tr>
<tr>
<td><strong>Total Certificates of Participation Debt</strong></td>
<td><strong>$1,269,243</strong></td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td><strong>$3,614,608</strong></td>
</tr>
</tbody>
</table>

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 pledged to the payment of the Bonds”.

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

³ Population is based on estimates provided by the Denver Regional Council of Governments.

⁴ Capitalized interest thru 2020
### Table 10

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Boardings</th>
<th>Fare Revenue</th>
<th>Percent Change in Fare Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>81,714 $</td>
<td>77,128 $</td>
<td>14.9%</td>
</tr>
<tr>
<td>2008</td>
<td>89,254 $</td>
<td>88,205 $</td>
<td>14.4%</td>
</tr>
<tr>
<td>2009</td>
<td>83,337 $</td>
<td>96,890 $</td>
<td>9.8%</td>
</tr>
<tr>
<td>2010</td>
<td>83,732 $</td>
<td>97,942 $</td>
<td>1.1%</td>
</tr>
<tr>
<td>2011</td>
<td>83,428 $</td>
<td>108,497 $</td>
<td>10.8%</td>
</tr>
<tr>
<td>2012</td>
<td>85,442 $</td>
<td>112,929 $</td>
<td>4.1%</td>
</tr>
<tr>
<td>2013</td>
<td>87,820 $</td>
<td>117,841 $</td>
<td>4.3%</td>
</tr>
<tr>
<td>2014</td>
<td>91,049 $</td>
<td>120,497 $</td>
<td>2.3%</td>
</tr>
<tr>
<td>2015</td>
<td>88,927 $</td>
<td>120,530 $</td>
<td>0.0%</td>
</tr>
<tr>
<td>2016</td>
<td>88,982 $</td>
<td>134,622 $</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

1 Totals for 2007-2016 include both access-a-Ride boardings and vanpool boardings.

### Table 11

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising Revenue</th>
<th>Ancillary Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$3,194</td>
<td>$4,706</td>
</tr>
<tr>
<td>2008</td>
<td>2,854</td>
<td>3,106</td>
</tr>
<tr>
<td>2009</td>
<td>2,866</td>
<td>3,243</td>
</tr>
<tr>
<td>2010</td>
<td>3,301</td>
<td>2,892</td>
</tr>
<tr>
<td>2011</td>
<td>3,992</td>
<td>2,528</td>
</tr>
<tr>
<td>2012</td>
<td>3,524</td>
<td>2,214</td>
</tr>
<tr>
<td>2013</td>
<td>2,924</td>
<td>20,123</td>
</tr>
<tr>
<td>2014</td>
<td>4,324</td>
<td>2,085</td>
</tr>
<tr>
<td>2015</td>
<td>4,160</td>
<td>1,186</td>
</tr>
<tr>
<td>2016</td>
<td>3,722</td>
<td>2,081</td>
</tr>
</tbody>
</table>

### Table 12

<table>
<thead>
<tr>
<th>Year</th>
<th>Grant Capital</th>
<th>Local Contributions</th>
<th>Grant Operating Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$107,577</td>
<td>$7,556</td>
<td>$47,041</td>
</tr>
<tr>
<td>2008</td>
<td>39,220</td>
<td>169</td>
<td>50,814</td>
</tr>
<tr>
<td>2009</td>
<td>129,211</td>
<td>2,500</td>
<td>68,146</td>
</tr>
<tr>
<td>2010</td>
<td>102,213</td>
<td>5,285</td>
<td>92,655</td>
</tr>
<tr>
<td>2011</td>
<td>186,073</td>
<td>52,219</td>
<td>89,592</td>
</tr>
<tr>
<td>2012</td>
<td>193,891</td>
<td>117,685</td>
<td>68,927</td>
</tr>
<tr>
<td>2013</td>
<td>159,783</td>
<td>82,783</td>
<td>88,243</td>
</tr>
<tr>
<td>2014</td>
<td>171,549</td>
<td>34,882</td>
<td>75,544</td>
</tr>
<tr>
<td>2015</td>
<td>157,616</td>
<td>11,697</td>
<td>73,383</td>
</tr>
<tr>
<td>2016</td>
<td>185,324</td>
<td>16,911</td>
<td>77,335</td>
</tr>
</tbody>
</table>
### Table 13

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

#### Years ended December 31

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$134,622</td>
<td>$120,530</td>
<td>$120,497</td>
<td>$117,841</td>
<td>$112,929</td>
</tr>
<tr>
<td>Other</td>
<td>5,803</td>
<td>5,347</td>
<td>4,406</td>
<td>5,199</td>
<td>5,333</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$140,425</td>
<td>$125,877</td>
<td>$124,903</td>
<td>$123,040</td>
<td>$118,262</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, wages, fringe benefits</td>
<td>260,039</td>
<td>227,207</td>
<td>204,790</td>
<td>192,405</td>
<td>178,874</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>52,180</td>
<td>56,884</td>
<td>62,166</td>
<td>64,798</td>
<td>58,300</td>
</tr>
<tr>
<td>Services</td>
<td>58,560</td>
<td>79,749</td>
<td>108,920</td>
<td>112,479</td>
<td>109,853</td>
</tr>
<tr>
<td>Utilities</td>
<td>14,220</td>
<td>13,673</td>
<td>14,151</td>
<td>13,567</td>
<td>11,833</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,382</td>
<td>8,102</td>
<td>5,273</td>
<td>5,568</td>
<td>3,776</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>156,605</td>
<td>113,216</td>
<td>114,942</td>
<td>113,006</td>
<td>111,130</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>3,288</td>
<td>3,462</td>
<td>3,264</td>
<td>3,210</td>
<td>2,401</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,183</td>
<td>4,531</td>
<td>6,561</td>
<td>6,448</td>
<td>15,741</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$559,457</td>
<td>$508,824</td>
<td>$520,057</td>
<td>$511,481</td>
<td>$492,008</td>
</tr>
<tr>
<td>Operating loss before depreciation</td>
<td>$(419,032)</td>
<td>$(382,947)</td>
<td>$(395,154)</td>
<td>$(388,441)</td>
<td>$(373,746)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>222,154</td>
<td>152,531</td>
<td>138,045</td>
<td>127,256</td>
<td>115,289</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>$(641,186)</td>
<td>$(535,478)</td>
<td>$(534,199)</td>
<td>$(515,697)</td>
<td>$(489,015)</td>
</tr>
<tr>
<td><strong>Nonoperating income (expense):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax revenues</td>
<td>563,598</td>
<td>541,518</td>
<td>514,721</td>
<td>468,586</td>
<td>448,787</td>
</tr>
<tr>
<td>Grant operating assistance</td>
<td>77,335</td>
<td>73,383</td>
<td>75,544</td>
<td>88,243</td>
<td>88,827</td>
</tr>
<tr>
<td>Interest income</td>
<td>6,371</td>
<td>3,164</td>
<td>165</td>
<td>2,040</td>
<td>2,613</td>
</tr>
<tr>
<td>Other income</td>
<td>9,927</td>
<td>10,322</td>
<td>10,248</td>
<td>28,170</td>
<td>11,035</td>
</tr>
<tr>
<td>Gain/Loss on Capital Assets</td>
<td>5,664</td>
<td>1,085</td>
<td>6,613</td>
<td>(82)</td>
<td>3,459</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(77,272)</td>
<td>(79,866)</td>
<td>(72,283)</td>
<td>(61,223)</td>
<td>(51,371)</td>
</tr>
<tr>
<td>Other expense/Unrealized Loss</td>
<td>(1,258)</td>
<td>(1,422)</td>
<td>(3,695)</td>
<td>(4,064)</td>
<td>(4,895)</td>
</tr>
<tr>
<td><strong>Total Nonoperating Income</strong></td>
<td>$584,365</td>
<td>$548,364</td>
<td>$531,383</td>
<td>$521,670</td>
<td>$479,555</td>
</tr>
<tr>
<td>Net income before capital grants and local contributions</td>
<td>$(56,821)</td>
<td>12,886</td>
<td>(2,808)</td>
<td>5,973</td>
<td>(9,460)</td>
</tr>
<tr>
<td>Federal capital grants and local contributions</td>
<td>202,235</td>
<td>169,314</td>
<td>206,431</td>
<td>242,566</td>
<td>311,876</td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>145,414</td>
<td>182,199</td>
<td>203,625</td>
<td>248,539</td>
<td>302,216</td>
</tr>
<tr>
<td>Net Position, Beginning of Year (as previously reported)</td>
<td>3,178,938</td>
<td>3,181,074</td>
<td>2,977,449</td>
<td>2,728,910</td>
<td>2,426,694</td>
</tr>
<tr>
<td>Net Position, Beginning of Year (as restated)</td>
<td>2,994,739</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td>$3,322,352</td>
<td>$3,176,938</td>
<td>$3,181,074</td>
<td>$2,977,449</td>
<td>$2,728,910</td>
</tr>
<tr>
<td>Year</td>
<td>Operating Revenues</td>
<td>Operating Expenses</td>
<td>Operating Loss (Gain)</td>
<td>Nonoperating Revenues and Realized Gains (Losses)</td>
<td>Net Income</td>
</tr>
<tr>
<td>------</td>
<td>--------------------</td>
<td>-------------------</td>
<td>----------------------</td>
<td>--------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>Passengers and Rings</td>
<td>Other</td>
<td><strong>Total</strong></td>
<td>Nonoperating Revenues</td>
<td>Operating Loss</td>
</tr>
<tr>
<td>2013</td>
<td>$130,173</td>
<td>$4,789</td>
<td>$134,962</td>
<td>$5,345</td>
<td>$145,414</td>
</tr>
<tr>
<td>2014</td>
<td>$134,970</td>
<td>$3,802</td>
<td>$178,772</td>
<td>$5,199</td>
<td>$182,009</td>
</tr>
<tr>
<td>2015</td>
<td>$134,970</td>
<td>$4,406</td>
<td>$179,376</td>
<td>$5,423</td>
<td>$184,797</td>
</tr>
<tr>
<td>2016</td>
<td>$134,970</td>
<td>$4,210</td>
<td>$179,180</td>
<td>$5,184</td>
<td>$184,036</td>
</tr>
</tbody>
</table>

* RTD's annual budget is prepared on the same basis as that used for accounting and reporting. The budget also includes proceeds of long-term debt and capital grants as revenues, and expenditures include capital outlays.
### Table 15: Fiscal Year 2016 and 2017 Budget Summary (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>August 2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adopted Budget</td>
<td>Amended Budget</td>
<td>Adopted Budget</td>
</tr>
<tr>
<td>Beginning net position</td>
<td>$ 3,767,719</td>
<td>$ 3,447,506</td>
<td>$ 3,830,395</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>163,457</td>
<td>134,970</td>
<td>156,434</td>
</tr>
<tr>
<td>Sales &amp; use taxes</td>
<td>590,488</td>
<td>568,763</td>
<td>608,274</td>
</tr>
<tr>
<td>Federal and local grants</td>
<td>354,922</td>
<td>354,856</td>
<td>477,004</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>12,269</td>
<td>24,040</td>
<td>16,525</td>
</tr>
<tr>
<td>FasTracks - change in construction reserve</td>
<td>27,229</td>
<td>7,466</td>
<td>(22,438)</td>
</tr>
<tr>
<td>Financing proceeds</td>
<td>150,000</td>
<td>228,375</td>
<td>-</td>
</tr>
<tr>
<td>Contributed capital</td>
<td>71,300</td>
<td>197,416</td>
<td>95,361</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>1,369,665</td>
<td>1,516,886</td>
<td>1,331,160</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>635,428</td>
<td>638,253</td>
<td>626,076</td>
</tr>
<tr>
<td>Interest expense</td>
<td>117,313</td>
<td>117,313</td>
<td>160,912</td>
</tr>
<tr>
<td>Debt payments</td>
<td>61,698</td>
<td>61,698</td>
<td>58,898</td>
</tr>
<tr>
<td>Current capital</td>
<td>517,887</td>
<td>553,002</td>
<td>334,001</td>
</tr>
<tr>
<td>Capital carryforward</td>
<td>1,087,182</td>
<td>843,221</td>
<td>864,089</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,419,508</td>
<td>2,213,487</td>
<td>2,043,976</td>
</tr>
<tr>
<td>Adjustments¹</td>
<td>2,449,046</td>
<td>1,236,415</td>
<td>1,655,049</td>
</tr>
<tr>
<td>Ending net position</td>
<td>$ 5,166,922</td>
<td>$ 3,987,320</td>
<td>$ 4,772,628</td>
</tr>
</tbody>
</table>

### Net Position Summary:

| Net Investment in Capital Assets | 4,836,121 | 3,683,525 | 4,429,744 |
| Restricted debt service, project related and other² | 112,218 | 118,398 | 137,894 |
| Restricted TABOR fund | 19,784 | 18,678 | 23,438 |
| Restricted FasTracks³ | 120,658 | 126,117 | 112,804 |
| Restricted Board appropriated and capital replacement fund⁴ | 62,328 | 29,160 | 44,732 |
| Unrestricted fund | 15,813 | 11,442 | 24,016 |
| Ending net position | $ 5,166,922 | $ 3,987,320 | $ 4,772,628 |

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.
## Table 16

### Single Trip Fares

<table>
<thead>
<tr>
<th>Fare</th>
<th>Senior/ Disabled/ Student Fare¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mall Shuttle and Free Mall Ride</td>
<td>Free</td>
</tr>
<tr>
<td>Local - Denver, Boulder, Longmont and light rail</td>
<td>$2.60</td>
</tr>
<tr>
<td>Rail and bus regional</td>
<td>$4.50</td>
</tr>
<tr>
<td>Airport</td>
<td>$9.00</td>
</tr>
</tbody>
</table>

### Multiple Trip Fares

<table>
<thead>
<tr>
<th>Regular 10-Ride</th>
<th>Other 10-Ride¹</th>
<th>Regular Day Pass Book</th>
<th>Other Day Pass Book¹</th>
<th>Regular Monthly</th>
<th>Other Monthly¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local - Denver, Boulder and Longmont and light rail</td>
<td>$23.50</td>
<td>$11.75</td>
<td>$26.00</td>
<td>$22.50</td>
<td>$99.00</td>
</tr>
<tr>
<td>Rail and bus regional</td>
<td>$40.50</td>
<td>$20.25</td>
<td>$45.00</td>
<td>$20.25</td>
<td>$171.00</td>
</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>Year</th>
<th>Denver County</th>
<th>Boulder County</th>
<th>Jefferson County</th>
<th>Adams County&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Arapahoe County&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Douglas County&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Broomfield County&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Other</th>
<th>Total Taxable Transactions</th>
<th>Percent Annual Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$10,751</td>
<td>$3,538</td>
<td>$6,185</td>
<td>$4,804</td>
<td>$7,294</td>
<td>$2,616</td>
<td>$934</td>
<td>$592</td>
<td>$36,714</td>
<td>2.4%</td>
</tr>
<tr>
<td>2008</td>
<td>11,057</td>
<td>3,491</td>
<td>6,043</td>
<td>4,785</td>
<td>7,098</td>
<td>2,524</td>
<td>901</td>
<td>666</td>
<td>36,565</td>
<td>-0.4%</td>
</tr>
<tr>
<td>2009</td>
<td>9,269</td>
<td>3,216</td>
<td>5,536</td>
<td>4,240</td>
<td>6,459</td>
<td>2,319</td>
<td>790</td>
<td>474</td>
<td>32,303</td>
<td>-11.7%</td>
</tr>
<tr>
<td>2010</td>
<td>9,766</td>
<td>3,391</td>
<td>5,656</td>
<td>4,433</td>
<td>6,817</td>
<td>2,390</td>
<td>935</td>
<td>718</td>
<td>34,106</td>
<td>5.6%</td>
</tr>
<tr>
<td>2011</td>
<td>11,239</td>
<td>3,721</td>
<td>6,001</td>
<td>4,749</td>
<td>7,486</td>
<td>2,778</td>
<td>944</td>
<td>1,041</td>
<td>37,959</td>
<td>11.3%</td>
</tr>
<tr>
<td>2012</td>
<td>12,415</td>
<td>3,851</td>
<td>6,202</td>
<td>5,323</td>
<td>8,109</td>
<td>2,912</td>
<td>991</td>
<td>1,036</td>
<td>40,839</td>
<td>7.6%</td>
</tr>
<tr>
<td>2013</td>
<td>12,861</td>
<td>4,033</td>
<td>6,538</td>
<td>5,731</td>
<td>8,456</td>
<td>3,108</td>
<td>1,004</td>
<td>-</td>
<td>41,731</td>
<td>2.2%</td>
</tr>
<tr>
<td>2014</td>
<td>14,254</td>
<td>4,359</td>
<td>7,013</td>
<td>6,436</td>
<td>9,211</td>
<td>3,318</td>
<td>1,045</td>
<td>-</td>
<td>45,636</td>
<td>9.4%</td>
</tr>
<tr>
<td>2015</td>
<td>14,629</td>
<td>4,547</td>
<td>7,505</td>
<td>6,932</td>
<td>9,887</td>
<td>3,575</td>
<td>1,077</td>
<td>1,399</td>
<td>49,551</td>
<td>8.6%</td>
</tr>
<tr>
<td>2016</td>
<td>15,251</td>
<td>4,798</td>
<td>7,718</td>
<td>7,301</td>
<td>10,144</td>
<td>3,786</td>
<td>1,055</td>
<td>1,359</td>
<td>51,412</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

<sup>1</sup> Only a portion of each of these counties lies within the District