At RTD, we’re proud of our accomplishments in expanding and operating one of the best transit systems in the country. Within the past three years, RTD has transformed the region through transit. From opening Civic Center Station, the Flatiron Flyer bus rapid transit service, the University of Colorado A Line to the airport, the B Line to Westminster, and the R Line through Aurora, RTD continues to connect communities. With the introduction of an all-electric mall shuttle bus fleet, the launch of mobile ticketing, expansion of the smart card, and real-time transit information, we’re providing mobility options and redefining our region.

We’re investing in projects that will enhance the quality of service we provide our customers, such as exploring solutions for first and last mile destinations, redeveloping the 16th Street Mall, developing rapid transit across the region, improving transit along East Colfax, and facilitating transit-oriented development across the district. As we explore transportation for tomorrow, we will continue providing more transit options with the opening of the G Line to Wheat Ridge and Arvada, and the extension of the E, F, and R lines from Lincoln Station to the new Ridgegate Parkway Station in Lone Tree in 2019.

As we expand and our communities continue to grow, safety and customer experience remain our top goals. We’ve started a K-9 unit and increased our security staff to provide added levels of protection for our customers and the public.

We’re prepared to face future growth, and remain committed to providing our customer with a world-class transit system.
As Chair of the RTD Board of Directors, I am committed to working closely with my fellow directors, the agency’s senior leadership team, our constituents, our partners and our stakeholders to deliver the transit experience that the public expects, demands and deserves. It is my pleasure to affirm that your transit agency is dedicated to providing you with safe, clean, reliable, courteous, accessible and cost-effective transportation throughout the district. We are making substantial progress in serving the region’s current needs, while concurrently anticipating those in the offing. This letter is part of my continuing commitment to communicate, to collaborate and to cooperate with you as we look to the future.

RTD continues to capture national attention and respect for its work in delivering service to a population of more than 3 million people spread over 2,342 miles. Notable accomplishments in 2017 included the following:

- **Opening new light rail lines that improve connections to the larger region.** To serve the traveling public to the south and to the east, we began service on the R Line, spanning Peoria Station in Denver to Lincoln Station in Lone Tree and extending through Aurora. We also improved reliability with the addition of the L Line, which serves as a new service pattern that loops through downtown and is expected to save RTD millions of dollars each year.

- **Opening a gorgeous new Civic Center Station** in December at the southeastern end of the 16th Street Mall with additional bus bays, a glass-enclosed terminal, an open public plaza and improved connections for passengers. The almost $31 million renovation, begun because of long-needed structural repairs and waterproofing, replaced a dark, three-decades-old structure and created a more welcoming environment for the 15,000 passengers served by 18 bus routes on this busy city corner.

- **Celebrating the first anniversary of the University of Colorado A Line.** The region’s first electric commuter rail line takes travelers 23 miles between Union Station and Denver International Airport in 37 minutes and has drawn accolades from across the globe for the connectivity and growth it has inspired.

RTD will have more exciting and long-awaited achievements to announce in 2018. The work of your transit district never stops, and I am humbled by my role in these conversations and decisions. I am dedicated to doing all I can to deliver a safe, secure, reliable and economical transportation experience for the entire district. I am mindful of the needs of travelers and RTD employees who do their best every day to meet expectations of individuals and the broader region. I encourage you to contact me and my board peers with your thoughts, ideas and inquiries. Remember, RTD belongs to you!

Doug Tisdale, RTD Board Chair, District H
REPRESENTING YOU

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

Board members actively support and advocate for constituents’ concerns, while providing governance and establishing policies for the agency.
FROM THE GENERAL MANAGER AND CEO

Author, Thomas Friedman, in his latest book, “Thank You for Being Late,” notes that technology is one of three major forces advancing at previously unforeseen speeds. Against this backdrop, he remains optimistic and encourages disruptive innovation to meet the coming opportunities and challenges.

As do I. Over the past few years, as the public transit sector in the United States has undergone significant changes, RTD has responded with leadership at all levels. I have come to call the changes we are addressing a “Transportation Transformation,” as their effects have potential to transform how our agency serves our passengers and the broader public. RTD has a tremendous opportunity to respond to and lead change by serving as the region’s mobility aggregator as transformations take place. Some we have seen to this point include the emergence of bus rapid transit on key ridership corridors, advances in fare payment technologies, the emergence of private-sector services such as Uber and Lyft, car- and bike-sharing, trip-planning software, and automated vehicles. And, let’s not forget RTD’s longstanding microtransit service, Call-n-Ride, which has been in place for years.

RTD’s leadership is evident in our accomplishments to date and our efforts to lead through the reality of Transportation Transformation. All the while, our dedicated team continues to do all we can to better connect the Denver metro region and offer safe, reliable, accessible and affordable mobility to everyone.

A key way RTD has delivered better connections is through new technology tools. Next Ride, an RTD web-based application, predicts bus arrival times through the use of real-time data. MyRide allows customers to preload smart cards to pay their fare on bus and rail. The RTD Mobile Ticket app streamlines the purchase and use of day passes. The agency’s trip planner helps thousands of people plan their trips each day. And, we initiated the electrification of the RTD bus fleet with 36 all-electric 16th Street Mall shuttles – one of the largest electric transit fleets in the country. We have also taken stakeholder engagement to a new level with the RTD Pass Program Working Group, a model we intend to use as we work through system optimization in 2019.

Thinking about future connections, RTD is collaborating with the Colorado Department of Transportation and the Denver Regional Council of Governments on the Mobility Choice Blueprint, a strategic initiative for the metro area intended to improve transit and roadway service. This partnership examines investments in our transportation system and explores how technology can help plan for our region’s future workforce.

Whether considering today’s needs or looking ahead to those in the offing, RTD is proud to be of service to the millions of people within our district. Thank you for your interest, your ridership and your feedback.

David A. Genova
RTD General Manager & CEO
At RTD, our goal is to provide a safe, sustainable transit option for all members of the communities we serve. We constantly strive to enhance our services, expand our network, and conserve resources, all while maintaining our current system. By connecting communities and providing easy and convenient transit options, we hope to increase the quality of life for our riders.

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

**ACTIVE BUS FLEET:**
1,035 Total buses
- 603 - RTD owned and operated
- 432 - RTD owned and leased to private couriers

**LIGHT RAIL OPERATIONS:**
- 172 light rail vehicles
- 54 light rail stations
- 58.5 miles of track

**ADDITIONAL SPECIAL SERVICE AND ADA BUSES:**
- 344 - Access-a-Ride vehicles
- 54 - Call-n-Ride vehicles

**COMMUTER RAIL OPERATIONS:**
- 66 commuter rail vehicles
- 9 commuter rail stations (with G Line: 17)
- 29 miles of track (with G Line: 35)
PARKING FACILITIES:
• 84 Park-n-Ride facilities
• 30,730 parking spaces
• 140 regular fixed routes

RIDERSHIP – DECEMBER 2017:
• 99,019,986 annual boardings
• 43,801,049 fixed route service miles operated annually
• 142 regular fixed routes

DID YOU KNOW?
On any given day, RTD provides transportation to more than 300,000 passengers on its buses and trains.

2017 AT A GLANCE
In 2017, we opened the R Line providing crosstown rail service through several cities, establishing connections to the greater metro area and downtown for business and entertainment activities. We started the L Line, which “loops” around downtown to deliver better on-time performance for our customers along Welton. We completed construction and reopened the renovated Civic Center Station, and we’re investing in other capital projects to consolidate bus stops, improve highly-trafficked transit ways, and provide easy access to our bus and train system with transit-oriented development, all to enhance the quality of service we provide our customers every day.

We provided transportation to more than 200 region-wide events, including service to Broncos and CU Buffs games with more than 300,000 annual boardings as well as providing service to Rockies, Avalanche and Nuggets games, special events at the Pepsi Center, and the BolderBoulder. In addition to our fixed-route bus service and special services, we also operate dedicated Access-a-Ride service for our customers with disabilities.

As we create more connections and enhance existing services, we continue our commitment to better serve our communities and take people safely to where they want to go.
RTD’s Transit-Oriented Communities (TOC) Division plays a proactive role in facilitating development around RTD parking facilities and stations. Through the work of the TOC team, RTD strives to promote multi-sector, cross-jurisdictional partnerships; encourages sustainable development that complements our transit system; ensures a hierarchy of multi-modal access; and protects and enhances RTD’s transit assets. In 2017, RTD continued to coordinate with public and private sector partners to determine how to effectively leverage agency property at sites throughout the district to promote vibrant, accessible, mixed-use stations.

Due to RTD’s FasTracks investment, development in the region continues to focus around transit. In October 2017, 66% of all apartment units proposed or under construction in the district were located within a half-mile of high frequency transit, and approximately one-third of those within a half-mile of a light rail station. The following projects contribute to the region’s portfolio of transit-oriented development.

- As the multi-modal transit hub in the heart of downtown Denver serving the region, Union Station has exceeded expectations for prompting adjacent redevelopment. To date, the area around the station includes nearly 2 million square feet of office, nearly 400,000 square feet of retail, more than 3,000 residential units, and approximately 700 hotel rooms completed or under construction.

- The renovation of Civic Center Station – RTD’s second most popular transit facility, was completed and reopened in December 2017. The new transit center features nine bus bays, a glass-enclosed terminal building and plaza, and serves as a model on how to operate multiple bus services in a very active, urban area.
• RTD, the City of Arvada, and the Arvada Urban Renewal Authority chose Trammell Crow to develop a nine-acre site adjacent to the future Olde Town Arvada Station along the G Line. This partnership also designed and completed construction of the **Olde Town Transit Hub**, which is a multi-modal center adjacent to the new Olde Town commuter rail station and includes:

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

• In partnership with the City and County of Denver, RTD is working to sell property at **29th Street and Welton Street in Denver’s Five Points neighborhood** for the construction of mixed-income homes. This project will respond to a lack of homeownership opportunities for low-income earners and will serve as a model for producing moderately priced condominiums across the region. RTD and the City selected a preferred developer in February 2018, and negotiations are currently underway.
As transit technology evolves, so do we. Our goal is to continue building, enhancing and engaging tools to help our customers access accurate and useful, at-your-fingertips information when and where they may need it.

**NEXT RIDE TOOL ON RTD-DENVER.COM**
In 2016, RTD launched a new trip planner tool on rtd-denver.com that utilizes real-time data to help riders plan to use RTD services, to efficiently help them get from point A to point B. The tool allows users to plan trips using a combination of transit, walking and cycling, and gives a few different options for each trip to a destination, allowing users to tailor their trip to their needs. In 2017, 26 million trips were planned.

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

**MOBILE TICKETING**
On November 1, 2017, RTD introduced the Mobile Tickets app that allows riders to quickly and conveniently purchase an RTD Day Pass using a stored credit card or purchase as a one-time guest. The entire app install process takes less than five minutes and riders can bypass the line, avoid a stop at the ticket vending machine, and stop worrying about having exact change to pay for their Day Pass by using the new mobile ticket app on their Apple or Android mobile device. Riders simply show the driver or fare inspector the app with Day Pass on their phone. The mobile tickets app has been installed more than 100,000 times.
SHARING REAL-TIME DIGITAL DATA
RTD continues to contribute to the development of innovative transit platforms and apps using General Transit Feed Specifications Real-Time (GTFS-RT). GTFS-RT is an open data format feed specification that allows public transportation agencies to provide real-time updates about their fleet to application developers. This real-time data can be seen in our applications like Next Ride and trip planner, as well as Google Maps, and other popular third-party smart phone transit apps like Transit App, ezRide, Moovit, and Swiftly. RTD believes in the value of sharing and dissemination of valuable transit data like what is available with GTFS-RT.

MYRIDE SMART CARDS
RTD’s MyRide smart card launched to the public in May 2017. This reloadable fare card allows users to login to an online portal, riders can reload and purchase MyRide cards at more than 60 local King Soopers and Safeway stores.
GOING DIGITAL
Staying connected with our customers

At RTD, we understand that in order to provide the best service, we need to remain relevant to the world of today. We continue to enhance our communication capabilities to provide the most up-to-date information to our passengers.

**RTD-DENVER.COM**

rtd-denver.com, is the main source of information for riders. The website provides quick and easy access to schedules, trip planning, fares and passes, interactive maps, FasTracks information, latest news, and much more. Traffic to the RTD website hit an all-time high in 2017, reaching 16.4 million sessions and more than 56 million page views. Content is updated daily to provide riders with the most up-to-date information available. The RTD website remains the most trusted source of information about RTD in the region. The website is mobile-, tablet- and desktop-friendly, with the majority of users are viewing the site from a mobile device (63 percent on mobile device, 37 percent on desktop).

**EMAIL**

From rider alerts and special promotions to small business opportunities and more, we delivered 3,800 emails in 2017. These emails helped keep our ridership in tune with exactly what was going on within the district and their own individual routes. With 96,800 people signed up for 388,000 subscriptions, email has proven to be a growing communication channel for our riders, constituents, business partners and more. The most popular email topic continues to be rider alerts, where riders can sign up to receive informational and timely service updates for their preferred routes. In addition, our Customer Care team processed over 22,000 inbound service requests via email in 2017.
WHAT’S NEXT?

RTD will continue to expand our digital footprint in 2018 by adding enhancements to our schedules, revamping our rider alerts system, launching a new Talent Gateway to attract and retain the best and brightest people, implementing mobile ticketing as an easier payment option for riders, and assisting in the promotion of the G Line when it opens later this year.

SOCIAL MEDIA UPDATES

Staying connected to our customers and being responsive to their concerns and questions is one of the main ways we provide digital service. In 2017, we had a combined 72,300 followers on Facebook, Twitter and Instagram, a 16 percent increase from 2016. Messages sent and received via Facebook, Twitter and Instagram have decreased 5 percent from 2016, with total engagements at approximately 138,000 in 2017.

Altogether, our social media efforts resulted in 18.9 million impressions, an increase of 64 percent 2016. Together with our Digital Communications team and our Customer Care Division we monitor activity on Facebook and Twitter seven days a week to answer our rider’s questions and concerns. The number of riders choosing social media as their preferred method of communicating with RTD continues to increase. Our digital teams handle more than 27,000 Facebook, Twitter and Instagram posts in 2017.

ACCESS-A-RIDE INTERACTIVE VOICE RESPONSE SCHEDULING

July 2017, RTD launched an interactive voice response (IVR) system for Access-a-Ride and Access-a-Cab customers. This voice-activated phone tree allows riders to easily manage trips and confirmations. With a simple phone call users are able to check the status of same-day trips, schedule future trips, receive reminder calls, texts or emails, and cancel trips two hours prior to the pickup window. Staff can now utilize their time more efficiently while the IVR system handles these simple tasks, and if a passenger system needs to speak with an agent, the option is still available.
The Civil Rights Division works to ensure fairness, inclusion, equal opportunities, equal access to public transit services and small business development within the parameters of all Civil Rights laws. The Civil Rights Division was established in 2010 to oversee the following offices and programs:

- Equal Employment Opportunity Office (EEO)
- Americans with Disabilities Act Office (ADA)
- Small Business Office (SBO)

EQUAL EMPLOYMENT OPPORTUNITY OFFICE (EEO)
The Equal Employment Opportunity (EEO) office manages internal and external program initiatives to ensure compliance with federal, state, and local laws regarding workplace discrimination, and harassment for employees and RTD contractors. The EEO office works to promote a work environment that supports dignity and respect for all employees.

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

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

Established in 2015, the office works to comply with all federal regulations as they pertain to accessibility and disability rights. The mission of the ADA office is to provide guidance and implementation on policies, procedures and strategies that protect the civil rights of people with disabilities. Internal efforts include, but are not limited to, training, organizational awareness, complaint procedures and resolution, effective communication, and reasonable accommodations/modifications. The ADA office, in addition to internal efforts, also exercises external proactive efforts through public information and community collaboration to improve accessibility to vehicles, facilities, and overall transit services.
In partnership with the City and County of Denver, RTD is working to sell property at 29th Street and Welton Street in Denver’s Five Points neighborhood for the construction of mixed-income homes. This project will respond to a lack of homeownership opportunities for low-income earners and will serve as a model for producing moderately-priced condominiums across the region. RTD and the City selected a preferred developer in February 2018, and negotiations are currently underway.

**SMALL BUSINESS OFFICE (SBO)**

The mission of the Small Business Office is to assist and foster equal opportunities for certified Disadvantaged Business Enterprises (DBEs) and Small Business Enterprises (SBEs) seeking RTD contracting opportunities.

RTD administers its DBE program under specific requirements as a condition for receiving federal funds. The program is for business owners who are socially and economically disadvantaged and comply with all federal requirements as defined under 49 CFR Part 26. The program is designed to ensure nondiscrimination in contracts funded by the US Department of Transportation, and to promote contract awards to DBE businesses.

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

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

1. Comprehensive compliance monitoring and reporting.
2. SBE certification program and support services.
3. Outreach, network and public participation.
4. Training, surveying and technical assistance.
5. Implementation of a Memorandum of Understanding with community organizations and associations.
RTD’s Asset Management Division is committed to maintaining our assets for effective performance and safety. We help provide a targeted level of service and performance for various RTD assets, in the most cost-effective and safe manner, by making the right investment in the right asset at the right time. As a growing agency, we know the time is now to protect our assets and keep them in top-running form for the long term.

The key to building, managing, and maintaining an industry leading transit system, is “agency alignment.” Agency alignment is achieved when all departments and working groups have the same goals and are working together to deliver them. When everyone understands the reason RTD exists is to move people, the agency can align toward delivering that goal.

Asset Management is dedicated to managing assets in a manner that exceeds federal compliance standards, and stresses safety, operational reliability, continuous improvement and sustainability. The maintenance philosophy of predict-and-prevent is emphasized over a find-and-fix approach to reduce overall cost and improve safety and reliability. RTD is a model industry-wide with innovative asset management approaches and practices.
Asset Management Division highlights:
- Asset management professionals received diplomas from the Institute of Asset Management, the highest-level qualification
- Adoption of Asset Management Policy
- A team member was accepted into the APTA Emerging Leaders program
- A team member was accepted into Leadership Denver and Vision Zero Mobility Task Force
- A team member is the co-Chair of the APTA Performance Based Planning and Programming Committee
- Team members were appointed to the APTA Asset Management Steering Group
- Team members serve on the FTA Asset Management Round Table Steering Committee
- Team members participated and presented at APTA, NTI, TRB and FTA sponsored training, and conferences
- Team members were contributors and panel members on the National Academy of Science projects including TCRP reports E-09, SH17, E11 and E12
- RTD is pursuing the International Standards Organization’s certification in Asset Management contained in ISO 55000

Our proactive approach to strategic planning and budgeting, routine inspections, database analysis, and preventable maintenance measures we’re better able to manage costs, risks, and performance throughout all phases of asset management including procurement, operations, maintenance, rehabilitation, and replacement. This allows us to enhance the rider experience by helping to provide safer, more cost effective service to our customers.

As we recognize the need to maintain the condition of our transit system, asset management has become a top priority. This continued focus on proven asset management practices and processes will protect assets and preserve the mobility of people in the region.
FINANCIAL HIGHLIGHTS
(Dollars in thousands)

BASIC FINANCIAL STATEMENTS
RTD’s financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Revenue is recorded when earned and expenses are recorded when incurred.

FINANCIAL ANALYSIS
Statement of net position - As of December 31, 2016 and 2015, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by $3,322,352 and $3,176,938, respectively. The largest portion of this excess, in 2016 and in 2015, was invested in capital assets, net of related debt. RTD uses these capital assets to provide public transportation services to customers; consequently, these assets are not available for future spending.

The amount of unrestricted net position as of December 31, 2016 was ($214,479) 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 and $284,175 in 2015 for the represented employee defined benefit pension plan. RTD has recognized this liability in its financial statements in accordance with new accounting requirements; however, RTD is current in making all required contributions under the collective bargaining agreement.

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<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><strong>Total net position</strong></td>
<td>$3,322,352</td>
<td>$3,176,938</td>
<td>$3,181,074</td>
</tr>
</tbody>
</table>
FINANCIAL REPORT
(Dollars in thousands)

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
The following summary of revenues, expenses, and changes in net position shows the activities of RTD. The net position of RTD increased by $145,414 during 2016 compared to an increase of $182,196 in 2015. The net position improvements from activities in both years were due to higher operating revenues, grant revenues, and increased sales and use tax collections net of increases in operating and non-operating expenses.

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$134,622</td>
<td>$120,530</td>
<td>$117,841</td>
</tr>
<tr>
<td>Advertising and other</td>
<td>5,803</td>
<td>5,347</td>
<td>5,199</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>140,425</td>
<td>125,877</td>
<td>123,040</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>76,339</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>Lenses 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><strong>Total operating expenses</strong></td>
<td>781,611</td>
<td>661,355</td>
<td>659,102</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(641,186)</td>
<td>(535,478)</td>
<td>(534,199)</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax</td>
<td>563,598</td>
<td>514,518</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 non-operating revenue (expenses)</strong></td>
<td>584,365</td>
<td>548,364</td>
<td>531,393</td>
</tr>
<tr>
<td>Income before capital contributions</td>
<td>56,821</td>
<td>12,886</td>
<td>(2,806)</td>
</tr>
<tr>
<td>Capital grants and local contributions</td>
<td>202,235</td>
<td>169,313</td>
<td>206,431</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>145,414</td>
<td>182,19</td>
<td>203,625</td>
</tr>
<tr>
<td><strong>NET POSITION, beginning of the year</strong></td>
<td>3,176,958</td>
<td>3,181,074</td>
<td>2,977,449</td>
</tr>
<tr>
<td>(as previously reported)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET POSITION, beginning of the year</strong></td>
<td>--</td>
<td>$ 2,994,739</td>
<td>--</td>
</tr>
<tr>
<td>(as restated)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET POSITION, end of the year (as restated)</strong></td>
<td>$3,322,372</td>
<td>$ 3,176,938</td>
<td>$ 3,181,074</td>
</tr>
</tbody>
</table>
REVENUE ANALYSIS
(Dollars in thousands)

**Passenger fares** – Passenger fares provided 13.4% and 13.0% of total revenues in 2016 and 2015, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in passenger fares. Passenger fares increased by $14,092 (11.7%) in 2016 compared to an increase of $33 (0.0%) in 2015. The increase in 2016 was due to new fare boundaries and pricing in addition to the launch of the University of Colorado A Line commuter rail service. Passenger fare changes in 2015 were minimal due to flat ridership.

**Sales and Use Tax** – Sales and use taxes 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.

**Grant operating assistance** – Grant operating assistance provided 7.7% and 7.9% of total revenues in 2016 and 2015, respectively. 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 the fluctuations in grant funding source availability during the year.

**Capital grants and local contributions** – Capital grants and local contributions provided 20.1% and 18.3% of total revenues in 2016 and 2015, respectively. Capital grants and local contributions increased $32,922 (19.4%) in 2016 and decreased $37,118 (18.0%) in the previous year. The changes in both years resulted from fluctuations in contributions related to the construction and completion schedules of major construction projects.
EXPENSE ANALYSIS
(Dollars in thousands)

Salaries and wages—Salary and wage expense is the largest expense category accounting for 19.0% and 20.3% of the total RTD expenses in 2016 and 2015, respectively. Salary and wage expenses increased by $12,842 (8.5%) in 2016 compared to an increase of $14,722 (5.4%) in 2015. Increases in both years occurred from salary and wage performance and progression increases while 2016 also increased due to the opening of new service.

Purchased transportation—The purchased transportation expense category accounted for 18.2% and 15.2% of the total expenses in 2016 and 2015, respectively. Purchased transportation represents the costs of contracted transportation services for bus, Access-a-Ride, and Call-n-Ride services. Purchased transportation costs increased $43,389 (39.3%) in 2016 compared to a decrease of $1,726 (1.5%) in 2015. The increase in 2016 was primarily due to the opening of the University of Colorado A Line. The decrease in 2015 was primarily due to a reduction in service.

Materials and supplies—The materials and supplies expense category accounted for 6.1% and 7.9% of the total RTD expenses in 2016 and 2015 respectively. Materials and supplies expenses decreased $6,704 (11.4%) in 2016 compared to a decrease of $3,272 (5.3%) in 2015. The decrease in both years is primarily due to a decrease in diesel and gasoline fuel prices. In addition, replacement bus fleet acquisitions lowered the costs of repair parts.
CAPITAL ASSETS UPDATE
(Dollars in thousands)

CAPITAL ASSETS
Investments in capital assets include: land and rights-of-way, buildings and improvements, leasehold improvements, revenue and non-revenue vehicles, shop and service equipment, security and surveillance equipment, computer equipment and furniture. RTD’s investment in capital assets, net of accumulated depreciation, in 2016 was $6,602,020 compared to $6,131,608 in 2015. The increase in capital assets in 2016 was $470,412 (7.7%) compared to an increase of $718,153 (13.3%) in 2015. RTD acquires its assets with sales and use tax revenues, farebox revenue, federal capital grants, and proceeds from the sale of revenue bonds and certificates of participation. The increases during 2016 and 2015 were primarily due to the cost of planning, design and construction of FasTracks projects and fleet acquisition.

CAPITAL ASSET FASTRACKS PROJECT UPDATES AND MILESTONES
N Line (also known as North Metro Rail Line) – The N Line is an 18-mile rail transit corridor between Union Station and 162nd Avenue, traveling through Denver, Commerce City, Thornton, Northglenn and unincorporated Adams County. A construction contract was entered to complete the commuter rail line from Union Station 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 N Line were approximately $138,756.

B Line (also known as Northwest Rail Line) – The B Line is a 41-mile rail transit corridor between Union Station and Longmont, traveling 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 along the US 36 Bus Rapid Transit (BRT) corridor. The Westminster segment of the B Line (six miles from Union Station to Westminster Station opened on July 25, 2016.) In 2016, expenditures related to the B Line were $38,541.

R Line (also known as I-225 Rail Line) – The R Line is a 10.5-mile light rail line extension of the existing light rail line from Nine Mile Station to the University of Colorado A Line transfer point at the Peoria Station (near the intersection of Peoria Street and Smith Road.) The project included eight stations and serves the Aurora City Center and the Anschutz/Fitzsimons Medical Campus. This line opened for revenue service on February 25, 2017. In 2016, expenditures related to the R Line were $154,338.

E, F, and R Line Extension (also known as Southeast Rail Line Extension) – The 2.3-mile light rail extension will move the current end-of-the-line from Lincoln Station to the new RidgeGate Parkway Interchange at I-25. New stations will be built at Sky Ridge Medical Center, Lone Tree City Center, and RidgeGate with a Park-n-Ride facility with 1,300 parking spaces. As part of its application for federal funds, RTD has been accepted into the first phase of the Federal Transit Administration New Starts Capital Investment Program. In 2016, expenditures related to the Southeast Rail Extension were $47,780.
Eagle P3 (University of Colorado A Line, B Line and G Line) – In 2010, RTD entered into a public-private partnership to design, build, finance, operate and maintain several of the transit improvements included in the FasTracks program. The Eagle P3 project is a $2.19 billion project that includes the University of Colorado A Line, B Line and G Line, and the Commuter Rail Maintenance Facility. Under a single 34-year concession contract with Denver Transit Partners (DTP), this innovative public-private partnership is the nation’s first transit project to use design-build delivery, privatized operations and maintenance, and a significant level of private financing. Funding for the project combines a grant from the Federal Transit Administration, local revenues from RTD, and private equity from DTP. In 2015, construction expenditures related to the Eagle P3 project were $350,156. The Eagle P3 project elements are described below:

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

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

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

- G Line – The G Line (also known as the Gold Line) is an 11.2 mile rail transit corridor between Union Station to the vicinity of Ward Road, passing through northwest Denver, unincorporated Adams County, Arvada, and Wheat Ridge. The G Line is planned to be open for revenue service in 2018.

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

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

CAPITAL FUNDING AWARDED (2017)

Funding Advancements for Surface Transportation and Economic Recovery (FASTER) – State of Colorado Program

- $1,056,000 – RTD Light Rail Vehicle Midlife Refurbishment and Overhaul Project
- $1,900,000 – Light Rail Crossing Rehabilitation and Reconstruction at 19th and California
- $308,000 – Thornton Park-n-Ride Passenger Amenities Refurbishment Project
- $57,000 – Mineral Park-n-Ride Pedestrian Bridge Rehabilitation Project
- $200,000 – First and Final Mile Study
- $1,500,000 – Sheridan Park-n-Ride Reconfiguration
- $350,000 – Rider Alert System
- $1,150,000 – Light Rail Downtown Track and Switches Upgrades
- $3,000,000 – Eight transit buses

Transportation Improvement Program (TIP)

- $1,000,000 – Region-wide BRT Corridor Study
- $2,400,000 – 16th Street Mall Reconstruction
- $800,000 – Free MetroRide Service Hours Expansion
- $2,600,000 – Colfax 15L Bus Stop Improvements
DID YOU KNOW?

RTD’s main source of funding comes from sales and use taxes. The agency’s operating revenues come from sales taxes and passenger fares. Sales tax revenue account for 52 percent while passenger fares account for 12 percent, grants account for 34 percent and the remaining two percent comes from miscellaneous sources.

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 cannot adopt a budget where operating expenses exceed anticipated operating revenue.
THE YEAR IN REVIEW 2017
A year of accomplishments and milestones

- Opened the R Line from the Peoria Station in Denver to the Lincoln Station in Lone Tree. The R Line runs through the heart of Aurora and provides connections to the greater metro area.
- RTD security team wins Grand Platinum Award of Excellence for using smart technology in the development of an innovative and first-of-its-kind video management system.
- Launched Next Ride, RTD’s web-based application that utilizes real-time information for predicted arrival times of bus service district-wide.
- Celebrated the one-year anniversary of the University of Colorado A Line from Union Station to Denver International Airport.
- Opened the L Line between 30th & Downing Station to the 16th & Stout Station, traveling on existing track and acting as a loop around downtown.
- Launched MyRide smart cards enabling customers to pay their bus or train fare with a preloaded smart card.
- University of Colorado A Line won one of six 56th Annual Downtown Denver Partnership Awards for having a significant economic impact on the city center.
- RTD partnered with the People’s Fair Mural Project to support young artists and celebrate community.
• RTD started a K-9 unit, to provide another level of protection for customers and the public.

• RTD mechanics, Jon Mitchell, Tim Wallace and Ernesto Perez received top honors at the APTA annual International Bus Rodeo. Bus driver, John Deschner also won first place in the ultimate safe driving competition.

• RTD partnered with the US Department of Energy to host the Sustainability Solar Decathlon Expo – a competition, open to the public that was comprised of small, energy-efficient houses that featured cost-effective architectural and engineering design, smart energy use, water use, and occupant health and comfort.

• RTD’s senior manager, Zamy Silva of the Civil Rights Division was awarded the 2017 Corporate Executive of the Year from the Colorado Black Chamber of Commerce.

• RTD received six first place APTA AdWheel awards in 2017 for the University of Colorado A Line grand opening; Train to the Plane comprehensive campaign, direct mail and digital experience; human resources digital recruitment campaign; and, the Union Station historical signage project.

• Opened the renovated Civic Center Station with new bus bays, a glass-enclosed terminal, an open public plaza, and better connections for passengers.

• Launched the RTD Mobile Tickets app for Apple and Android mobile devices to streamline the purchase and use of day passes.
ABOUT RTD

Founded in 1969 by the Colorado General Assembly, the Regional Transportation District provides a dynamic public transit system across the greater metro area. Today, our service district spans 2,342 square miles and serves a population of 3.03 million across all or a portion of eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld.

In 2017, RTD provided service for more than 99,000,000 million passenger trips, including 54.7 million on bus, 24.8 million on light rail, 710 million on commuter rail and more than 1.5 million on Call-n-Ride, Access-a-Ride, and special event service.

STATE OF THE ECONOMY

RTD is dependent on sales and use taxes, which are the largest single source of revenue for RTD, representing 56.0% and 58.6% of the total revenues in 2016 and 2015 respectively. Sales and use tax revenues are affected by the local economy in which changes will affect the level of funding available to RTD during its fiscal year. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the service area. Sales and use tax increased $22,080 (4.1%) in 2016 compared to an increase of $26,797 (5.2%) in 2015. In 2016 and 2015, the District experienced growth in tax revenues due to increased consumer and business spending activity.