



Annual Comprehensive Financial Report

Fiscal year ended December 31, 2020 and 2019

Regional Transportation District | 1660 Blake Street, Denver, Colorado | 303.299.6000 | rtd-denver.com



*REGIONAL TRANSPORTATION DISTRICT
DENVER, COLORADO*

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended December 31, 2020 and 2019

**Prepared by
Finance Department**



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Regional Transportation District

May 27, 2021

Board of Directors
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, the Annual Comprehensive Financial Report of the Regional Transportation District (RTD) for the fiscal year ended December 31, 2020, is hereby issued.

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 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. The cost of internal controls should not outweigh the 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 the General Manager and CEO, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

RTD's financial statements have been audited by Plante & Moran, PLLC, 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, 2020, 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, 2020, 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, RTD 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 3.09 million people reside within RTD's 2,342 square mile service area.

Since 1983, RTD has had a 15-member Board of Directors that are elected by their constituents to serve four-year terms to govern RTD. There are approximately 205,000 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.

In 2020, RTD employed 2,986 people, making it one of the largest employers in the eight county area. In addition, RTD contracts with private carriers to provide paratransit service branded "Access-a-Ride", fixed route and commuter rail services employing 1,608 individuals. 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. In addition, the financial reporting entity also includes activities of the RTD Salaried Pension Plan and RTD Salaried Employee 401(a) Plan for which there is a fiduciary relationship.

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 and CEO on or before August 1st of each year. The General Manager and CEO uses these requests as the starting point for developing a proposed budget. The General Manager and CEO 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 and CEO 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 March 2021 report forecasts that the outlook for the economy continues to improve as the population immunized against the COVID-19 virus grow daily and business and consumer confidence increases. The approval of federal stimulus packages also favorably affects the forecasts. At the same time, this economic optimism is dampened by concerns surrounding the lasting effects of the Pandemic, its disproportionate impact on those with low incomes and its impact on Colorado’s leisure and hospitality sectors.

Economists for CLC reported the following key economic indicators:

Key Economic Indicators	2019 Actual	2020 Actual	2021 Forecast
Job Growth	2.30%	-5.20%	3.10%
Unemployment	2.70%	7.30%	5.30%
Personal Income Growth	5.10%	5.00%	5.20%
Population Growth	1.20%	0.90%	0.90%
Inflation	1.90%	2.00%	2.70%

On November 3, 1992, the voters of Colorado approved a constitutional amendment known as the Taxpayer’s Bill of Rights (TABOR), hereinafter referred to as 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 under TABOR on the additional tax and on 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 and the TABOR restriction exemption will expire.

Long-term Financial Planning

Each year the Board of Directors adopts a financially balanced Mid-Term Financial Plan (MTFP), which is the six-year operating and capital improvement plan for RTD including both the Base System and FasTracks. This plan was previously made up of two separate components known as the Strategic Budget Plan (SBP) for the Base System and the Annual Program Evaluation (APE) for FasTracks. The MTFP is a component of the long-term transportation planning program for the Denver metropolitan area evaluated by the Denver Regional Council of Governments (DRCOG). While the MTFP is developed separately for the Base System and FasTracks, RTD integrates both plans into a single medium and long-range Financial Plan which includes the entirety of RTD in a single report. This financial information forms the basis for the development of RTD's annual budget. In November 2020, the Board of Directors approved only years 2021 and 2022 of the 2021-2026 MTFP due to the financial volatility and uncertainty as a result of the effects of the COVID-19 Pandemic.

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, 2020 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 separate ratings for its 1.0% sales and use taxes. Base System bonds secured by the 0.6% sales tax are rated by Moody's Investors Service as "Aa1", by Standard and Poor's Corporation as "AAA" and by Fitch Ratings as "AA". FasTracks Bonds that are secured by the 0.4% sales tax are rated by Moody's Investors Service as "Aa2", by Standard and Poor's Corporation as "AA+" and by Fitch Ratings as "AA".

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 1.2%.

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 \$387,000 per person and \$1,093,000 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 coverage including: property coverage up to \$500,000,000 for buildings, their contents, and rolling stock (other than collision); a Commercial Crime Policy with a limit of \$10,000,000; a \$5,000 bond for CDL Testing Performance Bond; \$2,600,000 Workers' Compensation Bond; Felonious Assault Policy; travel insurance for employees on RTD business; fiduciary 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 a limit of \$8,000,000; Cyber Liability policy with a limit of \$10,000,000; Drone policy with a limit of \$10,000,000. With the growth of Commuter Rail Transit (CRT) services, RTD has added Railroad Protective and Railroad Liability commercial insurance policies that provide coverage when required under operational needs.

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent certified public accountants. The accounting firm of Plante & Moran, PLLC was selected to perform the 2020 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2019. This is the twenty-eighth consecutive year 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 Annual Comprehensive 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. It is my belief the current Annual Comprehensive Financial Report meets the program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements: Timely preparation of the Annual Comprehensive Financial Report was made possible by the dedicated services of the Finance Department led by Doug MacLeod, Chief Financial Officer. I extend my sincere appreciation to each of them for their contributions. Moreover, I thank the Board of Directors for its continued support and leadership.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Debra A. Johnson'.

Debra A. Johnson
General Manager and CEO

2021 Board of Directors

RTD's governing body is an elected Board of Directors, with each member elected from one of the 15 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".

District A

Kate Williams
Denver/Arapahoe counties

District B

Shontel Lewis
Denver/Adams counties

District C

Angie Rivera-Malpiede, Chair
Denver/Jefferson counties

District D

Bobby Dishell
Denver/Jefferson/Arapahoe counties

District E

Paul Rosenthal, Treasurer
Denver/Arapahoe counties

District F

Bob Broom
Arapahoe County

District G

Julien Bouquet
Arapahoe/Douglas counties

District H

Doug Tisdale
Arapahoe/Douglas counties

District I

Erik Davidson
Boulder/Broomfield/Adams/Weld counties

District J

Vince Buzek, Secretary
Adams/Jefferson counties

District K

Troy Whitmore
Adams/Weld counties

District L

Shelley Cook, Second Vice Chair
Jefferson/Adams counties

District M

Marjorie Sloan
Jefferson County

District N

Peggy Catlin
Jefferson County

District O

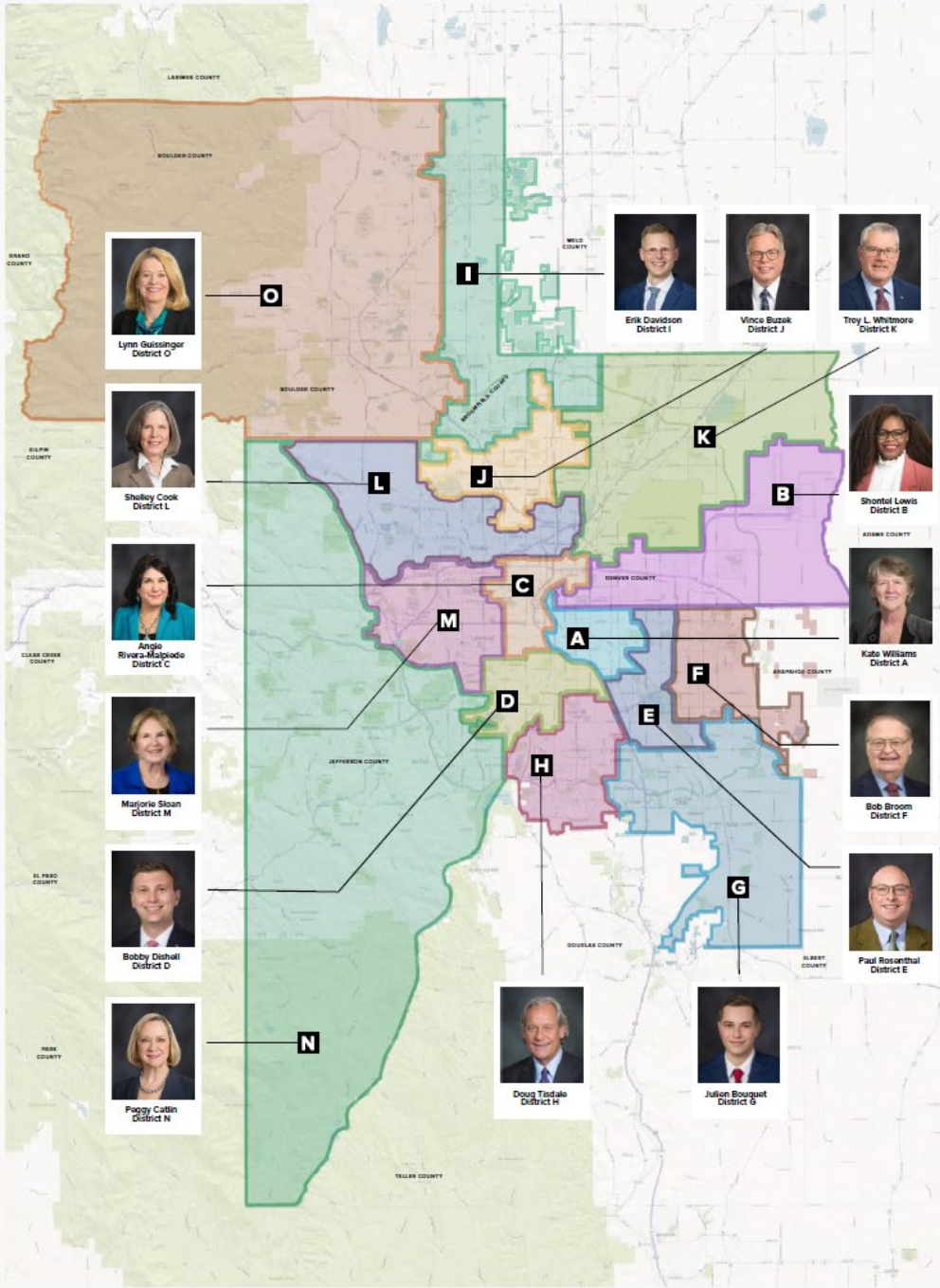
Lynn Guissinger, First Vice Chair
Boulder County



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As of January 2021

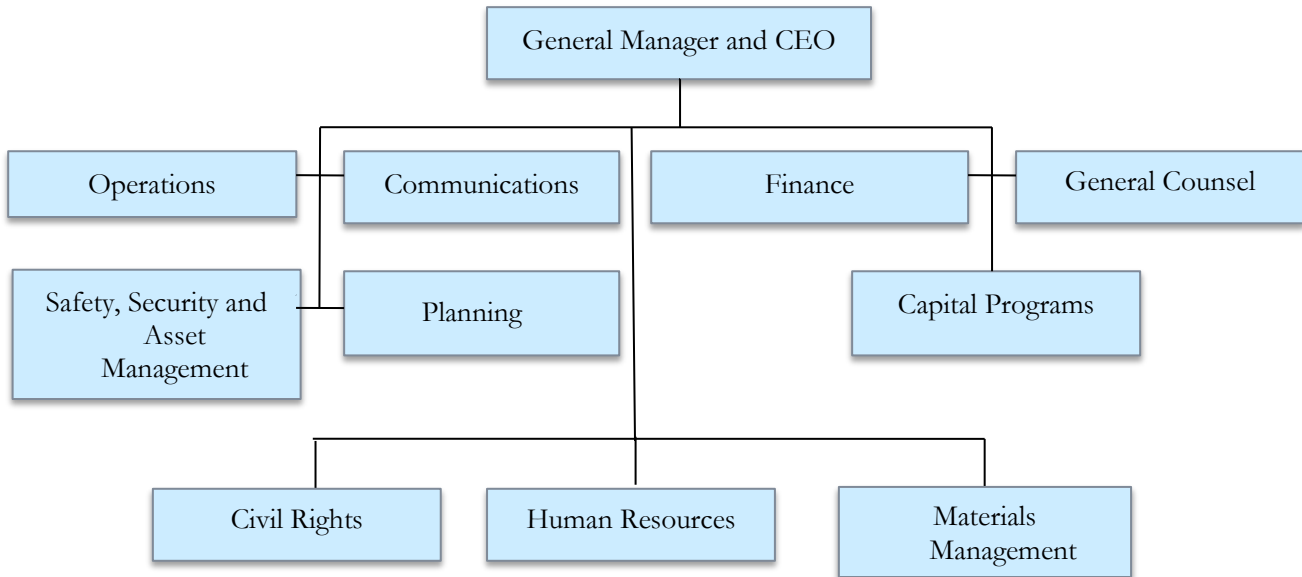
BOARD OF DIRECTORS DISTRICT BOUNDARIES





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Organization Chart January 2020



Agency Officials

General Manager and Chief Executive Officer

Debra A. Johnson (November 9, 2020)

AGM, Safety, Security & Asset Management

Michael Meader

Chief Operations Officer

Michael Ford

AGM, Bus Operations

Fred Worthen

AGM, Rail Operations

Dave Jensen

AGM, Communications

Pauletta Tonilas

AGM, Planning

William C. Van Meter

AGM, Capital Programs & Facilities

Henry Stoppolecamp

Chief Financial Officer

Doug MacLeod (April 15, 2021)

General Counsel

Melanie Snyder



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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, 2019

Christopher P. Morill

Executive Director/CEO



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FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors
Regional Transportation District

Report on the Financial Statements

We have audited the accompanying financial statements of the enterprise fund and aggregate fiduciary funds of the Regional Transportation District (the "District") as of and for the year ended December 31, 2020; the Section 401(a) Retirement Plan as of December 31, 2019; and the related notes to the financial statements, which collectively comprise the Regional Transportation District'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Salaried Pension Plan, a fiduciary fund of the District, for the years ended December 31, 2020 and 2019, which represents 78.1 percent, 78.1 percent, and 58.1 percent of the assets, net position, and revenue of the fiduciary funds, respectively, for 2020 and 81.1 percent, 81.1 percent, and 71.1 percent, respectively, for 2019. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Salaried Pension Plan, is based solely on the report of the other auditors.

We conducted our audit 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. The financial statements of the Salaried Employees Pension Plan were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 opinions.

To the Board of Directors
Regional Transportation District

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and aggregate fiduciary funds of the Regional Transportation District as of December 31, 2020 and the Section 401(a) Retirement Plan as of December 31, 2019 and the respective changes in its financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A to the basic financial statements, in 2020, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established accounting and financial report standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

Other Matters

Report on Prior Year Financial Statements

The basic financial statements of the enterprise fund of the Regional Transportation District as of and for the year ended December 31, 2019 were audited by a predecessor auditor, which expressed an unmodified opinion on the enterprise fund. The predecessor auditor's report was dated June 3, 2020.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Transportation District's basic financial statements. The supplemental information, as identified in the table of contents, and introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
Regional Transportation District

The 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 27, 2021 on our consideration of the Regional Transportation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 the Regional Transportation District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

May 27, 2021



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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, 2020 and 2019. 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 2020, RTD implemented Governmental Accounting Standards Board (GASB) pronouncement 84 Fiduciary Activities. GASB 84 establishes criteria for identifying fiduciary activities for state and local governments. The focus of criteria is generally on whether the government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. As such, RTD has included the financial activities of the RTD Salaried Pension Plan and RTD 401(a) retirement plan in its financial statements.

Financial Highlights

In December 2019, a novel strain of the coronavirus, SARS-CoV-2 causing COVID-19, emerged. The virus subsequently spread globally resulting in a worldwide pandemic and caused significant disruptions to the economy in 2020. The State of Colorado and several governmental entities within the District implemented various safety measures including directives for social distancing and stay-at-home orders to mitigate the spread of COVID-19. The Governor of Colorado issued the first statewide stay at home order for non-essential businesses on March 25, 2020. Additional safety protocols were enacted throughout 2020. As a result of COVID-19, RTD experienced a significant reduction in ridership, fare revenues and its largest source of revenues, sales and use taxes. Beginning in April 2020, RTD began implementing several cost saving measures culminating in more severe reductions contemplated in the 2021 Budget. RTD continues to monitor the effects of COVID-19 on transit and will make the necessary adjustments to adapt its services and expenditures to available resources.

In March 2020, RTD was awarded \$232,254 in federal COVID-19 relief grant funding through the Coronavirus, Aid, Relief and Economic Security (CARES) Act to maintain transit operations. The CARES Act funding was fully drawn by RTD during 2020. In January 2021, RTD was notified of an additional federal COVID-19 relief grant apportionment through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) of \$203,368. Furthermore, in March 2021, RTD was notified of another federal COVID-19 relief grant apportionment through the American Rescue Plan Act (ARPA) of \$338,468. For each of these three COVID-19 relief grant apportionments, RTD has and will apply the funding to maintain transit operations.

As of December 31, 2020 and 2019, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by \$3,361,993 and \$3,336,878, respectively. The amount of unrestricted net position as of December 31, 2020 was \$1,165 compared to a deficit of \$165,410 in 2019. RTD's 2020 unrestricted net position was positively impacted by expenditure reduction efforts in response to the impact of COVID-19 as well as additional federal COVID-19 relief funding.



The net position of RTD increased by \$25,115 (0.8%) during the current year compared to a decrease of \$126,628 (3.7%) in the previous year. The increase in 2020 was primarily due to the aforementioned cost reductions and federal funding in response to the COVID-19 Pandemic. The decrease for 2019 was due to additional depreciation on assets that were placed in service during 2019 and 2018 due to the opening of additional rail lines as well as expensing interest costs on the Eagle P3 project that had previously been recorded as prepaid items.

RTD experienced an approximate 60% decrease in ridership due to COVID-19 beginning in March 2020 which negatively affected fare revenues. Fare revenue is a significant source of funding for RTD.

RTD's sales and use tax revenues are its largest single source of revenues. These tax revenues were negatively impacted by the economic effects of COVID-19.

For 2020, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of \$869,060 compared to a loss of \$837,088 for 2019. The increase in operating loss for 2020 was primarily due to a reduction in fare revenue from significant decreases in ridership and lower sales and use tax revenues due to the COVID-19 Pandemic. RTD anticipates operating losses each year, as these losses are subsidized by non-operating sales and use tax, grant revenues and other miscellaneous income.

RTD's total debt decreased \$83,422 (2.2%) and decreased \$69,194 (2.0%) in 2020 and 2019, respectively. Outstanding debt decreased in 2020 and 2019 due to payment of outstanding principal balances.

Capital grants and local contributions decreased \$28,320 (22.7%) in 2020 and increased 43,495 (53.4%) in the previous year. The decrease in 2020 was a result of lower capital grant eligible expenditures as the FasTracks capital expansion project winds down. The increase in 2019 was a result of additional grant draws on the FasTracks Eagle P3 project.

Grant operating assistance increased \$230,585 (267.3%) in 2020 as a result of receiving \$232,254 from the Coronavirus Aid, Relief and Economic Security (CARES) Act. Grant operating assistance decreased \$140 (0.1%) in 2019 due to a small change in RTD's federal appropriation.

RTD's capital assets, net of depreciation, decreased \$241,786 (3.5%) in 2020 and increased \$297,820 (3.3%) in 2019. The decrease in 2020 was due to a reduction in capital additions as large expansion projects were placed in revenue service during the year and systematic depreciation was applied. The increase in 2019 occurred as capital expansion projects were continuing to be constructed.

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 a similar basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting is used. Revenue is recorded when earned and expenses are recorded when incurred.



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

The statements of net position presents information on assets and deferred outflows of 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 presents information on operating revenues and expenses and non-operating revenues and expenses of RTD for the fiscal year with the difference, the net income or loss, combined with any capital grants and local contributions to determine the change in net position for the year. That change combined with the previous year-end total net position reconciles to the net position total at the end of the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows.

The statements of cash flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, capital, and related financing activities, noncapital and related financing activities and investing activities. The result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year. The statements of cash flows, along with the related notes and information in other financial statements, can be used to assess the following: RTD's ability to generate positive cash flows and pay its debt as the debt matures; the reasons for differences between RTD's operating cash flows and operating income (loss); and the effect of investing, capital, and financing activities on RTD's financial position.

The notes to the financial statements provide additional information that is essential to fully understand the data provided in the statements of net position, statements of revenues, expenses, and changes in net position, and statements of cash flows.

RTD provides bus, paratransit, light rail and commuter rail service in a 2,342 square mile area (District) 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.

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



Statements of Net Position – The following summary of net position shows RTD's financial position and obligations as of December 31 for each of the last three fiscal years.

Condensed Summary Statements of Net Position			
	2020	2019	2018
Assets and Deferred Outflows of Resources:			
Current assets	\$ 796,659	\$ 636,702	\$ 590,800
Current assets - restricted	110,029	148,698	231,752
Capital assets (net of accumulated depreciation)	6,600,057	6,841,843	6,851,205
Other noncurrent assets	127,971	112,762	146,383
Total assets	<u>7,634,716</u>	<u>7,740,005</u>	<u>7,820,140</u>
Deferred outflows of resources	61,811	106,844	80,739
Total assets and deferred outflows of resources	<u>7,696,527</u>	<u>7,846,849</u>	<u>7,900,879</u>
Liabilities and Deferred Inflows of Resources:			
Current liabilities	233,009	232,739	249,953
Noncurrent liabilities	4,075,870	4,218,495	4,083,427
Total liabilities	<u>4,308,879</u>	<u>4,451,234</u>	<u>4,333,380</u>
Deferred inflows of resources	25,655	58,737	103,993
Total liabilities and deferred inflows of resources	<u>4,334,534</u>	<u>4,509,971</u>	<u>4,437,373</u>
Net position:			
Net investment in capital assets	2,813,989	2,987,538	3,144,175
Restricted debt service	118,845	117,805	139,779
Restricted TABOR	26,861	25,940	24,079
Restricted FasTracks	399,633	369,502	361,275
Restricted deposits	1,500	1,503	1,504
Unrestricted	1,165	(165,410)	(207,306)
Total net position	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>	<u>\$ 3,463,506</u>

In 2020, current assets increased by \$121,288 (15.4%) primarily due to an increase in cash as federal COVID-19 relief was provided and RTD drew 2020 grant apportionments during the fiscal year.

In 2020, capital assets net of accumulated depreciation decreased \$241,786 (3.5%) primarily due to the completion and activation of the final rail corridors in the FasTracks program. The decrease resulted from additional depreciation from assets that were placed in service.

Total liabilities and deferred inflows decreased \$175,437 (4.1%) in 2020 primarily due to debt service payments reducing outstanding obligations as well as favorable investment returns in pension funds which have reduced projected retirement obligations.

The net position of RTD increased by \$25,115 (0.8%) during the current year compared to a decrease of \$126,628 (3.7%) in the previous year. The increase in 2020 was primarily due to the aforementioned cost reductions and federal funding in response to the COVID-19 Pandemic. The decrease for 2019 was due to

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
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additional depreciation on assets that were placed in service during 2018 and 2019 due to the activation of additional rail lines as well as expensing interest costs on the Eagle P3 project that had previously been recorded as prepaid items.

Statements of Revenues, Expenses, and Changes in Net Position – The following summary of revenues, expenses, and changes in net position shows the financial activities of RTD and the resulting change of net position.

Summary of Revenues, Expenses, and Changes in Net Position			
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue:			
Passenger fares	\$ 76,265	\$ 154,390	\$ 143,231
Advertising and other	6,183	\$ 6,553	7,535
Total operating revenue	<u>82,448</u>	<u>160,943</u>	<u>150,766</u>
Operating expenses:			
Salaries and wages	194,407	196,505	183,899
Fringe benefits	54,188	54,569	52,993
Materials and supplies	42,108	54,983	51,335
Services	84,673	96,085	81,189
Utilities	16,206	17,823	16,419
Insurance	10,186	10,833	9,941
Purchased transportation	203,964	203,559	176,416
Leases and rentals	3,397	3,204	1,996
Miscellaneous	2,546	5,053	4,317
Depreciation	339,833	355,417	285,653
Total operating expenses	<u>951,508</u>	<u>998,031</u>	<u>864,158</u>
Operating loss	(869,060)	(837,088)	(713,392)
Nonoperating revenues (expenses):			
Sales and use tax	632,665	659,418	634,192
Grant operating assistance	316,848	86,263	86,403
Investment income	8,965	17,669	13,409
Other income and gains	6,575	24,130	12,618
Interest expense	(167,055)	(200,845)	(62,770)
Other expenses and losses	-	(672)	(1,465)
Net nonoperating revenue	<u>797,998</u>	<u>585,963</u>	<u>682,387</u>
Income before capital contributions	(71,062)	(251,125)	(31,005)
Capital grants and local contributions	<u>96,177</u>	<u>124,497</u>	<u>81,002</u>
Increase in net position	25,115	(126,628)	49,997
Net position, beginning of year	<u>3,336,878</u>	<u>3,463,506</u>	<u>3,413,509</u>
Net position, end of year	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>	<u>\$ 3,463,506</u>

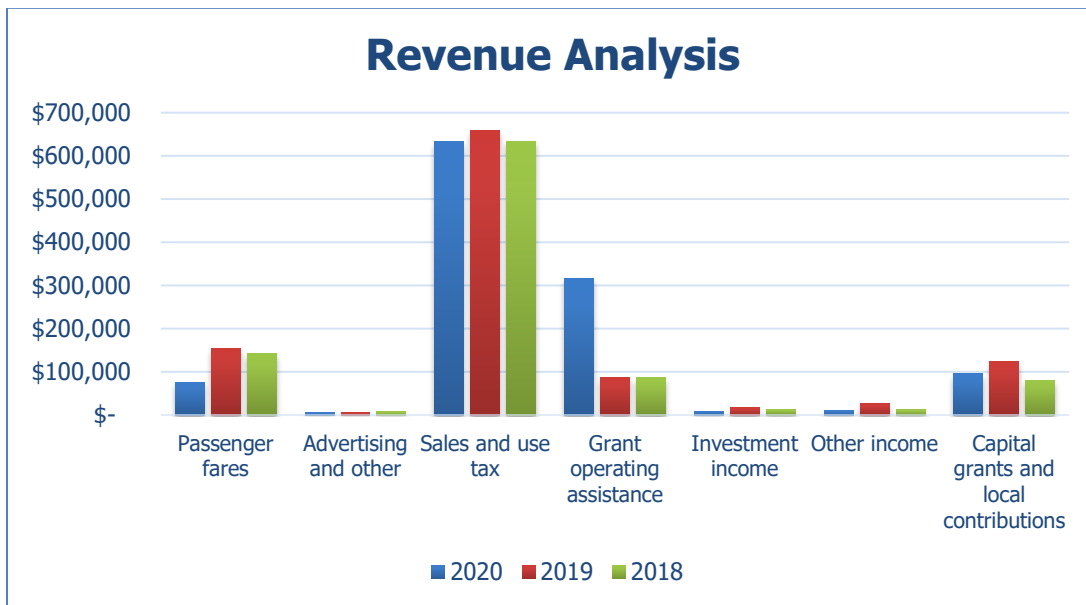
REGIONAL TRANSPORTATION DISTRICT
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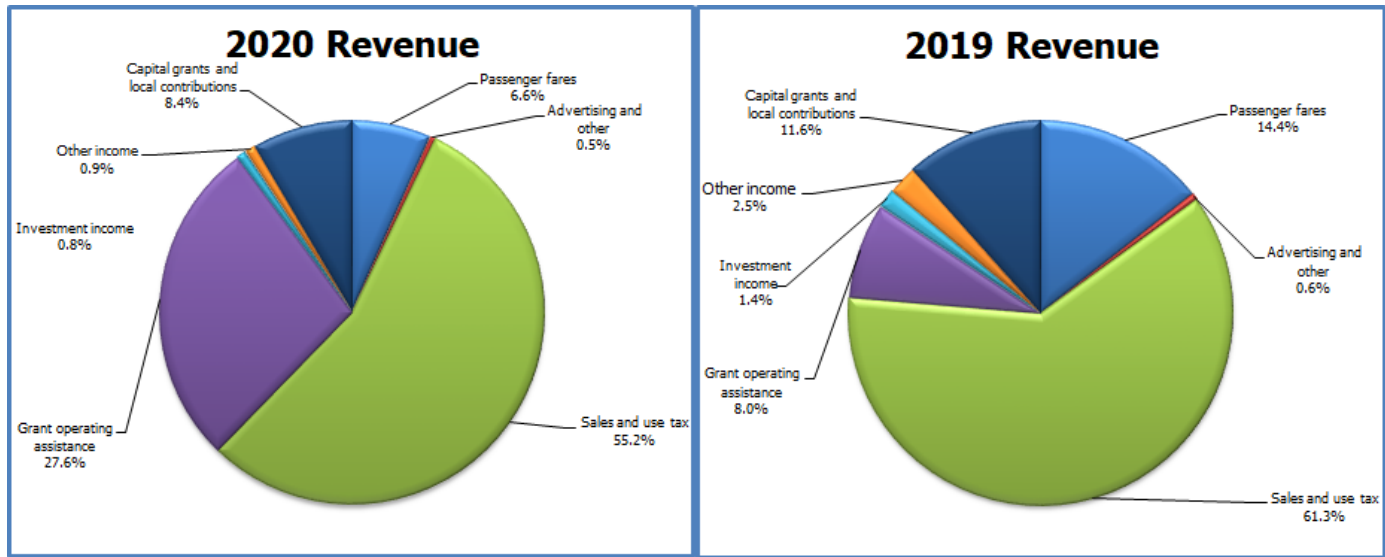


The information contained in the condensed information table presented below is used as the basis for the revenue and expense discussion surrounding RTD’s activities for the fiscal years ended December 31, 2020, 2019 and 2018.

Revenues - The following tables and charts show the sources of revenue for the years ended December 31, 2020, 2019 and 2018.

Revenue Analysis				
	2020	2019	2018	
Revenues				
Passenger fares	\$ 76,265	\$ 154,390	\$ 143,231	
Advertising and other	6,183	6,553	7,535	
Sales and use tax	632,665	659,418	634,192	
Grant operating assistance	316,848	86,263	86,403	
Investment income	8,965	17,669	13,409	
Other income	10,397	26,582	12,618	
Capital grants and local contributions	96,177	124,497	81,002	
Total Revenues	\$ 1,147,500	\$ 1,075,372	\$ 978,390	





Passenger fares – Passenger fares provided 6.6% and 14.4% of total revenues in 2020 and 2019, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in passenger fares. Passenger fares decreased by \$78,125 (50.6%) in 2020 compared to an increase of \$11,159 (7.8%) in 2019. Passenger fare changes in 2020 were due to an approximate 60% loss of ridership due to COVID-19. The increase in 2019 was due to the opening of the G Line commuter rail corridor.

Advertising and other – Advertising and other revenue provided 0.5% and 0.6% of total revenues in 2020 and 2019. This revenue category primarily includes revenues from advertisements on RTD’s buses and external wraps on light rail vehicles as well as revenue from naming rights. Advertising and other income decreased \$370 (5.6%) in 2020 compared to a decrease of \$982 (13.0%) in 2019. The decreases in both years were primarily due to lower advertising revenues from lower advertisement sales.

Sales and Use Tax – Sales and use tax provided 55.2% and 61.3% of RTD’s total revenues in 2020 and 2019, respectively. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the District. Sales and use tax decreased \$26,753 (4.1%) in 2020 compared to an increase of \$25,226 (4.0%) in 2019. The decrease in 2020 was due to the negative economic impacts of COVID-19. In 2019, the District experienced growth in tax revenues due to increased consumer and business-spending activity as the area continued to experience population growth, low unemployment as well as growth in personal income.

Grant operating assistance – Grant operating assistance provided 27.6% and 8.0% of total revenues in 2020 and 2019. Grant operating assistance increased \$230,585 (267.3%) in 2020 compared to a decrease of \$140 (0.2%) in 2019. 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 revenue increase in 2020 was the result of federal COVID-19 relief grant funding from the Coronavirus Aid, Relief and Economic Security (CARES) Act of \$232,254 to maintain certain operating levels in order to serve ongoing public transit needs.

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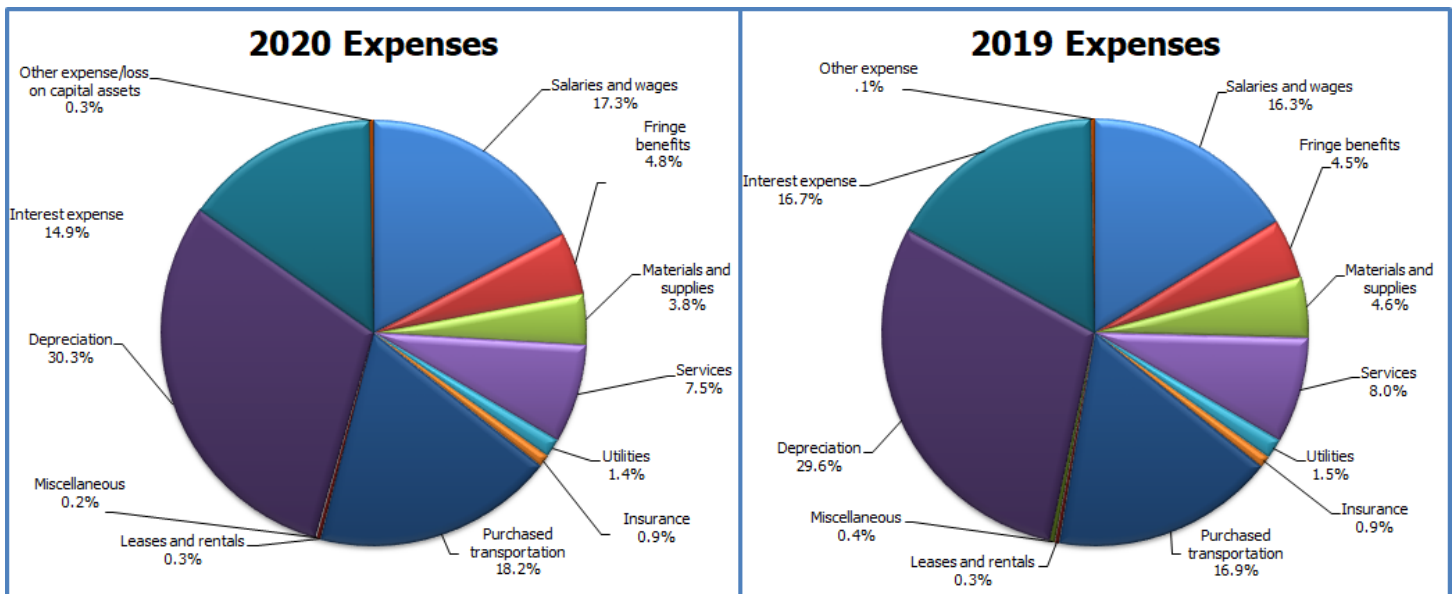
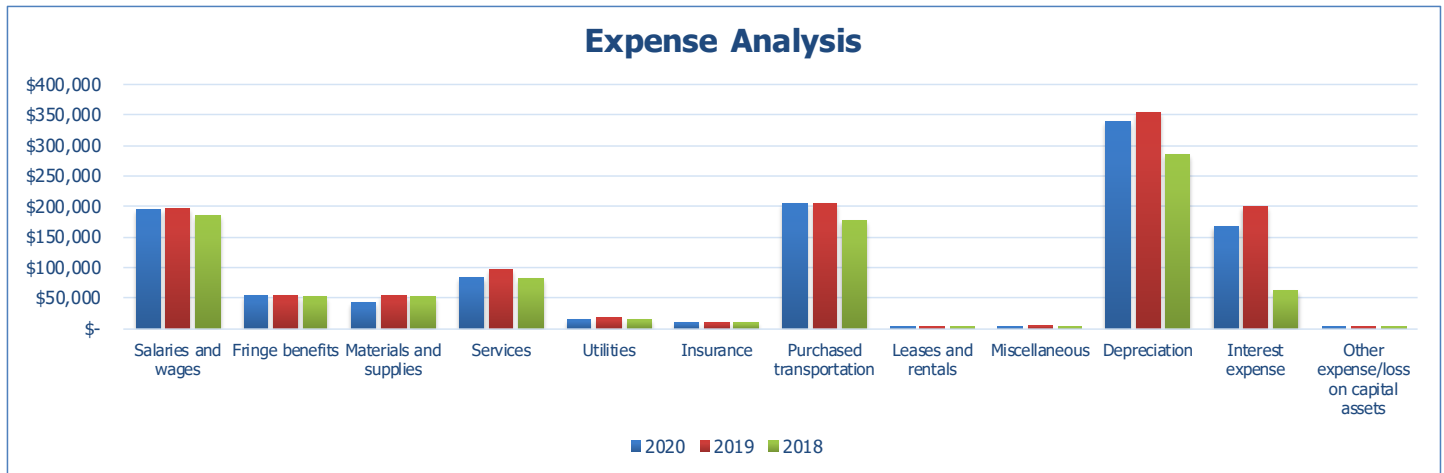
Investment Income – Investment income provided 0.8% and 1.4% of total revenues in 2020 and 2019. Investment income decreased \$8,704 (49.3%) in 2020 compared to an increase of \$4,260 (31.8%) in 2019. The decrease in 2020 was due to the lower interest rate environment and lower investible balances. The increase in 2019 was due to higher yields on fixed income securities.

Other Income/Gain on sale of Assets – Other income provided 0.9% and 2.5% of total revenues in 2020 and 2019. Other income decreased \$16,185 (60.9%) in 2020 compared to an increase of \$13,964 (110.7%) in 2019. Other income includes interest subsidy income, rental income from retail space, parking, and miscellaneous other items. The decrease in 2020 was primarily due to having no realized one-time gains such as those that occurred in 2019. The increase in 2019 was primarily due to insurance refunds and other miscellaneous items.

Capital grants and local contributions – Capital grants and local contributions provided 8.4% and 11.6% of total revenues in 2020 and 2019. Capital grants and local contributions decreased \$28,320 (22.7%) in 2020 and increased \$43,495 (53.7%) in 2019. The decrease in 2020 resulted from lower infrastructure expenditures due to completion of the FasTracks G commuter rail line which was funded, in part, with federal funding. The increase in 2019 was due to grant draws on the FasTracks project elements that were under construction or reached final completion during the year.

Expenses - The following tables and charts shows the major sources of expenses for the years ended December 31, 2020, 2019 and 2018.

Expense Analysis			
	2020	2019	2018
Expenses			
Salaries and wages	\$ 194,407	\$ 196,505	\$ 183,899
Fringe benefits	54,188	54,569	52,993
Materials and supplies	42,108	54,983	51,335
Services	84,673	96,085	81,189
Utilities	16,206	17,823	16,419
Insurance	10,186	10,833	9,941
Purchased transportation	203,964	203,559	176,416
Leases and rentals	3,397	3,204	1,996
Miscellaneous	2,546	5,053	4,317
Depreciation	339,833	355,417	285,653
Interest expense	167,055	200,845	62,770
Other expense/loss on capital assets	3,822	3,124	1,465
Total Expenses	\$ 1,122,385	\$ 1,202,000	\$ 928,393



Salaries and wages – Salary and wage expense is one of the largest expense categories accounting for 17.3% and 16.3% of the total RTD expenses in 2020 and 2019, respectively. Salary and wage expenses decreased by \$2,098 (1.1%) in 2020 compared to an increase of \$12,606 (6.9%) in 2019. The decrease in 2020 was due to expense reductions initiated due to COVID-19 impacts to revenue while the increase in 2019 occurred from salary and wage performance and progression increases, and additional service provided with the openings of new FasTracks rail corridors.

Benefits – Fringe benefits accounted for 4.8% and 4.5% of total expenses in 2020 and 2019. Fringe benefits decreased by \$381 (0.7%) in 2020 compared to an increase of \$1,576 (3.0%) in 2019. The decrease in 2020 was due to a decrease in compensation resulting from expense reduction efforts in response to COVID-19 as well as recognition of lower pension liabilities due to favorable pension investment returns. The increase in 2019 was largely due to an increase in health and welfare benefit rates.



Materials and supplies – The materials and supplies expense category accounted for 3.8% and 4.6% of the total expenses in 2020 and 2019 respectively. Materials and supplies expenses decreased \$12,875 (23.4%) in 2020 compared to an increase of \$3,648 (7.1%) in 2019. The decrease in 2020 resulted after prior years saw increases as materials and supplies were increased for the opening of new rail lines in addition to reduced uses of consumable materials such as fuel and parts resulting from COVID-19 expense reduction efforts.

Services – Services expense accounted for 7.5% and 8.0% of total expenses in 2020 and 2019. 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 \$11,412 (11.9%) in 2020 compared to an increase of \$14,896 (18.3%) in 2019. The decrease in 2020 resulted from service expense reductions to adjust to lower revenues caused by the COVID-19 economic effects. The increase in 2019 was due to increased contractual increases and additional security services due to opening of new rail lines.

Utilities – Utilities accounted for 1.4% and 1.5% of total expenses in 2020 and 2019. Utilities expense includes electric, telecommunications, water and sewer, and natural gas for facilities as well as traction power for rail lines. Utilities expense decreased \$1,617 (9.1%) in 2020 compared to an increase of \$1,404 (8.6%) in 2019. The decrease in 2020 resulted from a decrease in rail service and the associated electric power as a result of service reductions for COVID-19. The increase in 2019 occurred primarily due to traction power cost increases from the opening of the G Line commuter rail corridor.

Insurance – Insurance accounted for 0.9% and 0.9% of total expenses in 2020 and 2019. Insurance expense includes RTD's self-insured cost for general liability and worker's compensation claims as well as the premium cost for excess insurance lines and railroad liability insurance. In addition, RTD purchased insurance for cybersecurity needs. Insurance expense decreased \$647 (6.0%) in 2020 compared to a decrease of \$892 (9.0%) in 2019. The decreases in both years was due to lower frequency and severity of claims as RTD has focused additional cost containment efforts in this area.

Purchased transportation – The purchased transportation expense category accounted for 18.2% and 16.9% of the total expenses in 2020 and 2019. Purchased transportation represents the costs of contracted transportation services for bus, commuter rail, Access-a-Ride, and FlexRide services. Purchased transportation costs increased \$405 (0.2%) in 2020 compared to an increase of \$27,143 (15.4%) in 2019. The increase in 2020 was due to additional rail corridors being opened of which the increased costs were partially offset by service reductions and in 2019 the increase was due to additional rail corridors being opened.

Leases and rentals – Leases and rentals include lease expense for office space, office equipment, Park-n-Ride facilities, and use of communication towers and accounted for 0.3% and 0.3% of total expenses in 2020 and 2019, respectively. Leases and rentals expense increased \$193 (6.0%) in 2020 compared to an increase of \$1,208 (60.5%) in 2019. The increase in 2020 was due to contractual increases as well as the minor addition of certain facilities to accommodate the new rail corridors. The increase in 2019 was due to additional leased office space for the N Line commuter rail operation startup.

Miscellaneous – Miscellaneous expense includes other incidental operating expenses not included in other defined categories and accounted for 0.2% and 0.4% of total expenses in 2020 and 2019, respectively.



Miscellaneous expenses decreased \$2,507 (49.6%) in 2020 compared to an increase of \$736 (17.0%) in 2019. This category includes additional one-time project expenses creating fluctuations between years.

Depreciation – The depreciation expense category accounted for 30.3% and 29.6% of the total expenses in 2020 and 2019, 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 decreased \$15,584 (4.4%) in 2020 compared to an increase of \$69,764 (14.9%) in 2019. The increase beginning in 2019 was primarily related to placement in service of the majority of the FasTracks Project infrastructure for rail corridors.

Interest expense – The interest expense category accounted for 14.9% and 16.7% of the total expenses in 2020 and 2019, respectively. Interest expense decreased \$33,790 (16.8%) in 2020 compared to an increase of \$138,075 (24.4%) in 2019. The increase in 2019 was an anomaly due to Eagle P3 Project catch-up recognition of interest expense due to the project reaching final completion.

Other expense – Other expense includes miscellaneous non-operating expenses not classified in other expense categories and accounted for 0.3% and 0.1% in 2020 and 2019, respectively. Other expense increased \$698 (22.3%) in 2020 compared to an increase of \$1,659 (113.2%) in 2019. The decrease in 2020 was due to no miscellaneous non-operating costs being incurred. The increase in cost for 2019 was due to retirement of capital assets resulting in a loss.

Capital Assets – Investments in capital assets include land and right-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 2020 was \$6,600,057 compared to \$6,841,843 in 2019. The decrease in capital assets in 2020 was \$241,786 (3.5%) compared to a decrease of \$9,362 (0.1%) in 2019. The decrease in 2020 was due to additional accumulated depreciation after assets were placed in service with the opening of new rail corridors. The decrease in 2019 was due primarily to retirement of capital assets, primarily revenue earning equipment and additional depreciation of assets placed in service with new rail corridors.



Capital Assets - The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2020, 2019 and 2018.

Capital Assets			
	2020	2019	2018
Land	\$ 860,458	\$ 789,639	\$ 741,541
Land improvements	5,838,359	5,089,458	4,181,583
Buildings	689,916	664,678	637,720
Revenue earning equipment	1,361,911	1,323,153	1,219,967
Shop, maintenance and other equipment	394,411	335,707	310,316
Construction in progress	133,676	988,547	1,802,235
Total	9,278,731	9,191,182	8,893,362
Less accumulated depreciation:			
Land improvements	1,555,447	1,347,276	1,133,755
Buildings	283,497	265,306	243,160
Revenue earning equipment	589,332	523,983	475,388
Shop, maintenance and other equipment	250,397	212,774	189,854
Total accumulated depreciation	2,678,674	2,349,339	2,042,157
Total capital assets being depreciated, net	5,605,923	5,063,657	4,307,429
Capital assets, net	<u>\$ 6,600,057</u>	<u>\$ 6,841,843</u>	<u>\$ 6,851,205</u>

Major capital asset events during the 2020 fiscal year included the following:

FasTracks North Metro Corridor - The North Metro Corridor (N Line) is an 18-mile commuter rail transit corridor between Denver Union Station (DUS) 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 with an option to extend construction to 162nd Avenue if additional funding is identified. This corridor was opened for revenue service extending to 124th Avenue in September 2020.

Additional information on RTD's capital assets can be found in Note D of this report.



Debt Administration - The following table summarizes outstanding debt obligations as of December 31, 2020, 2019 and 2018.

	Outstanding Debt		
	2020	2019	2018
Bonds and certificates payable:			
Sales tax revenue bonds	\$ 2,062,918	\$ 2,067,664	\$ 2,072,489
Certificates of participation (COPs)	1,011,319	1,089,312	1,137,932
Total principal	3,074,237	3,156,976	3,210,421
Issuance premiums and discounts	225,650	226,333	242,082
Net bonds and certificates payable	<u>\$ 3,299,887</u>	<u>\$ 3,383,309</u>	<u>\$ 3,452,503</u>

Outstanding debt – Outstanding debt includes sales tax revenue bonds, a Transportation Infrastructure and Innovation Act (TIFIA) loan, certificates of participation, and a purchase and assignment agreement. The 2020 outstanding debt was \$3,299,887 compared to \$3,383,309 in 2019. Outstanding debt decreased by \$83,422 (2.5%) in 2020 and decreased by \$69,194 (2.0%) in 2019. The decrease in 2020 and 2019 was due to payment of principal on outstanding debt.

Sales tax revenue bonds – RTD issues sales tax revenue bonds to fund the acquisition and construction of assets. These bonds are secured by future sales and use tax revenues. The sales tax revenue bonds were \$2,062,918 and \$2,067,664 as of December 31, 2020 and 2019, respectively. The sales tax revenue bonds decreased \$4,746 (0.2%) in 2020 compared to a decrease of \$4,825 (0.2%) in 2019. The decrease in 2020 and 2019 was due to payment of principal on outstanding debt.

Certificates of participation - Certificates of participation (Certificates) relate to financial obligations issued by the Asset Acquisition Authority, Inc. (Authority), a nonprofit corporation and component unit of RTD. Certificates are lease-purchase financial obligations secured by the underlying assets. Outstanding Certificates were issued with the proceeds being used to acquire certain equipment, facilities and infrastructure to be used by RTD. For financial reporting purposes, RTD accounts for the Certificates as its own debt. Certificates outstanding were \$1,011,319 and \$1,089,312 as of December 31, 2020 and 2019, respectively. The Certificates outstanding decreased \$77,993 (7.2%) in 2020 compared to a decrease of \$48,620 (4.3%) in 2019. The decrease in 2020 and 2019 is due to payment of outstanding principal.

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 credit ratings are presented in the following table:

	<u>Base System Bonds</u>	<u>FasTracks Bonds</u>	<u>Certificates of Participation</u>
Standard and Poors	AAA	AA+	A
Moodys	Aa1	Aa2	Aa3
Fitch	AA	AA	AA-

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

Economic Factors and Subsequent Events after adoption of the 2020 Budget

RTD is dependent on sales and use taxes, which are the largest single source of revenue for RTD, representing 55.2% and 61.3% of the total revenues in 2020 and 2019, 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’s 2020 sales and use taxes decreased 4.1% in 2020 due to the economic effects of COVID-19.

RTD is dependent on passenger fares collected for transit services that it provides. Passenger fares accounted for 6.6% and 14.4% of total revenues in 2020 and 2019, respectively. Passenger fare collections were significantly impacted by COVID-19 and lower ridership in 2020.

RTD is dependent on federal and local grant funding as well as local capital contributions for both operations and capital expenditures. Grant operating assistance provided 27.6% and 8.0% of total revenues in 2020 and 2019, respectively with the increase in 2020 being attributable to federal COVID-19 relief funding to replace lost revenues while maintaining public transit service.

Each year, RTD may propose an Amended Budget at any point 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 2020, RTD reached final completion on the remaining FasTracks Project elements for which funding had been identified. Additional FasTracks elements approved by the voters of the District have been deferred due to a lack of current identifiable funding.

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 RTD Finance Department.

BASIC FINANCIAL STATEMENTS

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

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 600,837	\$ 343,514
Marketable interest bearing investments (note B)	22,756	53,895
Receivables:		
Sales tax	114,958	119,300
Other, less allowance for doubtful accounts of \$231 and \$358 at December, 31 2020 and 2019, respectively	8,551	13,696
Grants	5,485	63,448
Inventories	34,253	33,354
Other current assets (note C)	9,819	9,495
Cash and cash equivalents - restricted	97,688	130,818
Marketable interest bearing investments - restricted (note B)	12,341	17,880
Total current assets	<u>906,688</u>	<u>785,400</u>
Noncurrent Assets:		
Capital assets (note D):		
Land	860,458	789,639
Land improvements	5,838,359	5,089,458
Buildings	689,916	664,678
Revenue earning equipment	1,361,911	1,323,153
Shop, maintenance and other equipment	394,411	335,707
Construction in progress	133,676	988,547
Total capital assets	<u>9,278,731</u>	<u>9,191,182</u>
Less accumulated depreciation	<u>(2,678,674)</u>	<u>(2,349,339)</u>
Net capital assets	6,600,057	6,841,843
Other Noncurrent Assets:		
Long-term marketable interest bearing investments - restricted (note B)	93,997	89,906
Long-term marketable interest bearing investments - unrestricted (note B)	33,974	22,856
Total other noncurrent assets	<u>127,971</u>	<u>112,762</u>
Total noncurrent assets	<u>6,728,028</u>	<u>6,954,605</u>
Total assets	<u>7,634,716</u>	<u>7,740,005</u>
Deferred Outflows of Resources:		
Debt related (note A)	30,686	33,506
Pension related (note A and F)	31,125	73,338
Total deferred outflows of resources	<u>61,811</u>	<u>106,844</u>

The accompanying notes are an integral part of these statements.



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

	<u>2020</u>	<u>2019</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts and contracts payable	\$ 89,774	\$ 85,337
Current portion of long-term debt payable from restricted assets (note E)	77,096	78,128
Accrued compensation (note F)	27,408	25,805
Accrued interest payable from restricted assets	19,556	17,840
Other accrued expenses	19,175	25,629
Total current liabilities	<u>233,009</u>	<u>232,739</u>
Noncurrent Liabilities:		
Long-term debt, net (note E)	3,222,791	3,305,181
Net Pension Liability (note F)	284,791	319,177
Other liabilities (note E)	568,288	594,137
Total noncurrent liabilities	<u>4,075,870</u>	<u>4,218,495</u>
Total liabilities	<u>4,308,879</u>	<u>4,451,234</u>
Deferred Inflows of Resources:		
Debt related (note A)	347	416
Pension related (note A and F)	25,308	58,321
Total deferred inflows of resources	<u>25,655</u>	<u>58,737</u>
NET POSITION		
Net investment in capital assets (note I)	2,813,989	2,987,538
Restricted debt service (note I)	118,845	117,805
Restricted TABOR (note I)	26,861	25,940
Restricted FasTracks (note I)	399,633	369,502
Restricted deposits (note I)	1,500	1,503
Unrestricted net position (note I)	1,165	(165,410)
Total net position	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>

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)

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:		
Passenger fares	\$ 76,265	\$ 154,390
Advertising, rent, and other	6,183	6,553
Total operating revenue	<u>82,448</u>	<u>160,943</u>
OPERATING EXPENSES:		
Salaries and wages	194,407	196,505
Fringe benefits	54,188	54,569
Materials and supplies	42,108	54,983
Services	84,673	96,085
Utilities	16,206	17,823
Insurance	10,186	10,833
Purchased transportation	203,964	203,559
Leases and rentals	3,397	3,204
Miscellaneous	2,546	5,053
Depreciation	<u>339,833</u>	<u>355,417</u>
Total operating expenses	951,508	998,031
OPERATING LOSS	<u>(869,060)</u>	<u>(837,088)</u>
NONOPERATING REVENUE (EXPENSES):		
Sales and use tax	632,665	659,418
Grant operating assistance (note A)	316,848	86,263
Investment income	8,965	17,669
Other income	10,397	26,582
Gain(Loss) on capital assets	(3,822)	(2,452)
Interest expense (note A)	(167,055)	(200,845)
Other expense	<u>-</u>	<u>(672)</u>
Net nonoperating revenue (expenses)	797,998	585,963
Income (loss) before capital grants and local contributions	(71,062)	(251,125)
Capital grants and local contributions (note A)	<u>96,177</u>	<u>124,497</u>
Increase (decrease) in net position	25,115	(126,628)
Net position, beginning of year	<u>3,336,878</u>	<u>3,463,506</u>
Net position, end of year	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2020 and 2019 (Dollars in Thousands)



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

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 81,275	\$ 152,774
Payments to suppliers	(420,101)	(121,105)
Payments to employees	(237,792)	(323,470)
Other revenue	10,397	26,582
Net cash used in operating activities	(566,221)	(265,219)
Cash provided from noncapital financing activities:		
Grant operating assistance	316,848	86,263
Sales and use tax collections	637,007	653,447
Net cash provided by noncapital financing activities	953,855	739,710
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(155,013)	(146,475)
Proceeds from issuance of debt	72,273	93,030
Issuance Premiums/Discounts	(682)	(15,749)
Capital grant funds and other contributions received	154,140	77,328
Proceeds from sale of assets	(14,320)	1,713
Acquisition and construction of capital assets	(102,727)	(315,916)
Cost of issuance	(626)	(740)
Interest paid on long-term debt	(146,920)	(233,026)
Net cash used in capital and related financing activities	(193,875)	(539,835)
Cash flows from investing activities:		
Purchases of investments	(30,771)	(11,227)
Proceeds from sales and maturities of investments	52,240	148,106
Interest and dividends on investments	8,965	17,669
Net cash provided by investing activities	30,434	154,548
Increase in cash and cash equivalents	224,193	89,204
Cash and cash equivalents - beginning of year	474,332	385,128
Cash and cash equivalents - end of year	\$ 698,525	\$ 474,332



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

	<u>2020</u>	<u>2019</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (869,060)	\$ (837,088)
Adjustment to reconcile to net cash used in operating activities:		
Depreciation expense	339,833	355,417
Bad debt expense	136	68
Other income	10,397	26,582
Changes in operating assets and liabilities:		
Decrease in other accounts receivable	5,145	1,838
Increase in inventories	(899)	(2,251)
(Increase) decrease in other current assets	(324)	76,651
Decrease (increase) in deferred outflow pension	42,213	(29,146)
(Decrease) increase in accounts payable	(55,798)	196,035
Increase in accrued compensation and expenses	1,603	1,937
Decrease in other accrued expenses	(6,454)	(10,075)
Decrease in deferred inflow pension	(33,013)	(45,187)
Net cash used in operating activities	<u>\$ (566,221)</u>	<u>\$ (265,219)</u>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	\$ 600,837	\$ 343,514
Cash and cash equivalents - restricted	<u>97,688</u>	<u>130,818</u>
Total cash and cash equivalents	<u>\$ 698,525</u>	<u>\$ 474,332</u>

Noncash investing, capital and financing activities:

RTD received noncash local match contributions for federal grants of \$121 and \$389 for 2020 and 2019, respectively.

The accompanying notes are an integral part of these statements.



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

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 8,414	\$ 10,732
Investments		
Equities	13,720	\$ 963
Common Collective Trusts	84,319	\$ 81,888
Real Estate Investment Trusts	19,265	\$ 20,362
Mutual Funds	<u>60,777</u>	<u>\$ 62,032</u>
Total Investments	<u>178,081</u>	<u>165,245</u>
Total assets	<u>186,495</u>	<u>175,977</u>
Liabilities		
Accounts payable	<u>75</u>	<u>57</u>
Total liabilities	75	57
Net position - restricted for pensions	<u>\$ 186,420</u>	<u>\$ 175,920</u>

The accompanying notes are an integral part of these statements.



REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - FIDUCIARY FUNDS
Years ended December 31,
(In Thousands)

	<u>2020</u>	<u>2019</u>
Additions		
Contributions	\$ 11,703	\$ 10,697
Forfeitures	100	-
Investment income and change in value	14,825	26,471
Total additions	<u>26,628</u>	<u>37,168</u>
Deductions		
Distributions and benefits paid	15,452	14,365
Investment expenses	407	587
Administrative expenses	269	233
Total deductions	<u>16,128</u>	<u>15,185</u>
Increase in net position	10,500	21,983
Net position, beginning of year, as restated	<u>175,920</u>	<u>153,937</u>
Net position, end of year	<u>\$ 186,420</u>	<u>\$ 175,920</u>

The accompanying notes are an integral part of these statements.



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NOTES TO FINANCIAL STATEMENTS

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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 units. The component unit discussed in note A. 2. is included in RTD's reporting entity because of the significance its financial relationship with the RTD.

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 Entities

Blended Component Unit

The Asset Acquisition Authority, Inc. (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 Governmental Accounting Standards Board (GASB) pronouncement 14 (GASB 14) and 61 (GASB 61) which provide 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, 2020 and 2019. No separately audited financial statements are prepared for the Authority.

Fiduciary Funds

GASB 84 requires that funds held in a trustee or custodial capacity that meet certain criteria be included in RTD's financial statement presentation. Those criteria include the governmental agency having control of the assets of the fiduciary activity and the existence of a fiduciary relationship with the beneficiaries. RTD has determined that the RTD Salaried



Pension Plan and RTD Salaried 401(a) Retirement Plan meet these fiduciary criteria and has included the financial activity of each in 2020 in the financial statement section of this report.

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 (fares) 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 Generally Accepted Accounting Principles (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 and 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 first-in, first-out (FIFO) 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 the custody of a third party until a certain condition has been met such as retainage for construction projects. At the time projects are completed, escrows are generally applied toward the cost of the project or may be forfeited 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 or other contractual 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 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 reinvested in a similar asset.

Prior to 2020, interest was 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:

	<u>2020</u>	<u>2019</u>
Interest expense	\$ 167,055	\$ 200,845
Capitalized interest	-	34,305
Total interest cost	<u>\$ 167,055</u>	<u>\$ 235,150</u>



11. *Depreciation*

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Land improvements	10-20 years
Buildings	30 years
Revenue earning equipment	8-25 years
Shop, maintenance and other equipment	3-10 years

Fully depreciated assets, which are still in use, are included in the asset balances in the accompanying financial statements. The cost of fully depreciated assets was approximately \$485,650 and \$417,209 at December 31, 2020 and 2019, respectively.

12. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element 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.

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 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.

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 included as liabilities in the accompanying financial statements.

14. *Self-Insurance*

Liabilities for property damage, personal injury and qualifying unemployment benefits 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. Sale of MyRide stored value, mobile ticketing products, monthly passes, ticket books 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 then recognized as income at the end of each month, with the amount



recognized determined by prorating the total contract amount over the semesters/quarters covered. Sales of EcoPass and Neighborhood Pass, which are valid through December 31 of a given year, are recorded initially as unearned revenue then 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 2010B, Series 2012A, Series 2013A, 2016A, 2017A, 2017B, 2019A bond resolutions and the TIFIA loan, sales and use tax revenue is pledged for payment of debt service. Sales and use taxes are collected by the State of Colorado Department of Revenue and are remitted to a trustee who satisfies debt service requirements for these obligations through remittances to a trustee and then remits the remaining balance to RTD.

Sales and use taxes are recorded as revenue by RTD in the month collected by the merchant. Sales tax bond and TIFIA loan debt service will be paid from the collateralized sales and use tax revenues in the amount of approximately \$3,592,863 through 2050. Principal and interest paid for the current year and pledged revenues received were \$102,767.

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 grant revenue was \$66,215 and \$116,303 in 2020 and 2019, respectively. Operating assistance grant revenue was \$316,848 and \$86,263 in 2020 and 2019, respectively. Other contribution revenue was \$29,962 and \$8,194 in 2020 and 2019, respectively.

In March, 2020, RTD was awarded \$232,254 in federal COVID-19 relief grant funding through the Coronavirus, Aid, Relief and Economic Security (CARES) Act to maintain transit operations. The CARES Act funding was fully drawn by RTD during 2020 and is included in operating assistance grant revenue.

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 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 RTD's net pension liabilities, 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. *TABOR (Taxpayer's Bill of Rights) – Reserve Composition*

Restricted net position represents amounts constrained by external parties or legislation. In 1992, Colorado voters approved an amendment to the state constitution referred to as the TABOR Amendment in which certain annual limitations were placed on the growth of government revenues. The Amendment also requires that an emergency reserve, referred to as Restricted TABOR, of 3.0% of fiscal year spending excluding debt service be maintained for all years subsequent to 1994 for declared emergencies.

19. *Upcoming Accounting Pronouncements*

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. RTD is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the RTD's financial statements for the year ending December 31, 2021, but were extended to December 31, 2022 with the issuance of GASB Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance.



GASB 89

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for RTD's financial statements for the December 31, 2020 fiscal year, but were extended to December 31, 2021 with the issuance of GASB Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance.

GASB 91

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for RTD's financial statements for the December 31, 2022 fiscal year.

GASB 92

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intra-entity transfers of assets, post-employment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. RTD does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

GASB 94

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators



will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for RTD's financial statements for the year ending December 31, 2023.

GASB 97

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 plan should be considered a pension plan or another employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. RTD is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for RTD's financial statements for the year ending December 31, 2022.

20. *Change in Accounting Principle*

In 2020, RTD adopted GASB 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the accounting for fiduciary components has changed. RTD has included the financial statements of those fiduciary activities for December 31, 2020 and 2019 in the Financial Statement section and the Other Supplementary Information section of this report. The impact of adoption is included below.

	2019
Net position - beginning of year	\$ -
Adjustment for GASB Statement 84	153,937
Increase in net position	-
Net position - beginning of year, as restated	\$ 153,937



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 another 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 securely maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The public depository has the right at any time to make substitutions of eligible collateral that is 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, 2020 and 2019, respectively, RTD had bank deposits of \$11,799 and \$5,861 collateralized with securities held by the pledging financial institutions’ trust department or agent but not in RTD’s name.

Investments

Enterprise Funds

At December 31, 2020, investments in enterprise funds consisted of the following:

Investment Type	Fair Value	<6 Months	6-12 Months	1-5 Years
U.S. treasury securities	\$ 91,263	\$ 22,497	\$ 9,648	\$ 59,118
U.S. agency securities	64,383	-	-	64,383
Municipal bonds	2,667	-	-	2,667
Corporate bonds	4,755	2,951	-	1,804
Total	\$ 163,068	\$ 25,448	\$ 9,648	\$ 127,972

At December 31, 2019, investments in enterprise funds consisted of the following:

Investment Type	Fair Value	<6 Months	6-12 Months	1-5 Years
U.S. treasury securities	\$ 149,007	\$ 21,419	\$ 28,396	\$ 99,192
U.S. agency securities	27,279	8,952	8,392	9,935
Municipal bonds	207	-	-	207
Corporate bonds	8,044	4,271	346	3,427
Total	\$ 184,537	\$ 34,642	\$ 37,134	\$ 112,761



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 five 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. FDIC insured certificates of deposit (CD)
7. Bankers' acceptances notes
8. Repurchase agreements
9. Money market funds
10. Local government investment pools
11. Any other investment permitted under Colorado Revised Statute (CRS) 24-75-601 et seq.

Credit ratings of RTD's portfolio, as of December 31, 2020 and 2019, 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.

In 2020, RTD invested in a government money market fund with Wells Fargo Bank that is AAAM rated by Standard and Poor's and maintains a \$1 net asset value (NAV). As of December 31, 2020 the balance in this money market fund was \$11,132.

Enterprise Funds

At December 31, 2020, investment credit ratings for enterprise funds consisted of the following:

<u>Investment Rating</u>	<u>Fair Value</u>
AAA (Standard and Poor's)	\$ 155,974
AA (Standard and Poor's)	4,142
A (Standard and Poor's)	2,952
Total	<u>\$ 163,068</u>



At December 31, 2019, investment credit ratings for enterprise funds consisted of the following:

Investment Rating	Fair Value
AAA (Standard and Poor's)	\$ 164,394
AA (Standard and Poor's)	20,143
A (Standard and Poor's)	-
Total	\$ 184,537

Fiduciary Funds

Fiduciary fund investments of \$178,801 and \$165,245 at December 31, 2020 and 2019, respectively, consist of a broad spectrum of individual holdings of cash and cash equivalents, equity mutual funds and fixed income mutual funds. Because these investments are primarily mutual funds consisting of multiple investments and also contain equity investments, credit ratings of the underlying portfolios are not available.

Concentration of Credit Risk

Enterprise Funds

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, 2020, RTD was in compliance with these limits. As of December 31, 2019, RTD was in compliance with limitations set out in RTD's previous investment policy limitations.

Investment Type	Maximum Portfolio %	Maximum Issue %	Maturity Restrictions	Rating Restrictions
U.S. treasury securities	100%	100%	5 years	N/A
U.S. agency securities ¹	75%	25%	5 years	AA
Municipal bonds - Colorado	20%	3%	5 years	A
Municipal bonds - non-Colorado	20%	3%	5 years	AA
Municipal bonds - short-term	20%	3%	5 years	A-1 or MIG-1
Pre-refunded municipal bonds	40%	5%	3 years	AA
Corporate bank securities	20%	3%	3 years	AA
Commercial paper	40%	3%	270 days	A-1/P1/F1
FDIC-insured CDs	10%	3%	1 year	AA
Bankers acceptances	20%	3%	1 year	AA
Repurchase agreements	50%	10%	90 days	AA
Local government investments	100%	50%	N/A	AAAm/AAAf
Money market funds	100%	50%	N/A	AAAm



¹ In the event that one or more nationally recognized statistical rating agency rates such Agency obligations below the highest rating category, but no lower than one of the two highest rating categories, RTD's funds may continue to be invested in Agencies if such investments satisfy the requirements of CRS 24.75.601.1 (m) which limits the maturity from the date of settlement to three years, provided that the book value limits of CRS 24.75.601.1 (m) (II) shall not apply. Rather, the diversification limit shall be set as follows: no more than 75% of the portfolio may be invested in Agencies, with any more than 25% being invested in any one Agency.

Proceeds from the issuance of RTD's obligations are invested in accordance with legal documentation governing the transaction, notwithstanding any provisions of RTD's investment policy to the contrary, and do not fall within the maximum exposure limits listed above.

At December 31, 2020 and 2019, RTD had \$204,026 and \$238,604 of cash and investments that were restricted under the provisions of bond agreements.

Fiduciary Funds

Fiduciary fund investments for the Section 401(a) Retirement Plan and Salaried Pension Plan are established by the RTD Salaried Pension Board of Trustees. The investment choices and target portfolio weightings set by the Trustees are as follows:

Investment Type	Maximum Portfolio Percent	
	Section 401(a) Retirement Plan	Salaried Pension Plan
Domestic equity	100%	40.0%
International equity	100%	20.0%
Fixed income	100%	22.5%
Real estate	100%	15.0%
Cash	100%	2.5%

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 to 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 RTD has the ability to access at the measurement date. Examples are derived values from the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), Chicago Board of Trade and "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 and 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.

Enterprise Funds

The valuation inputs summary for the fiscal period ended December 31, 2020 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
U.S. treasury securities	\$ -	\$ 90,558	\$ -	\$ 90,558
U.S. agency securities	-	63,423	-	63,423
Municipal bonds	-	2,667	-	2,667
Corporate bonds	-	6,420	-	6,420
Total	\$ -	\$ 163,068	\$ -	\$ 163,068

The valuation inputs summary for the fiscal period ended December 31, 2019 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
U.S. treasury securities	\$ -	\$ 149,007	\$ -	\$ 149,007
U.S. agency securities	-	27,279	-	27,279
Municipal bonds	-	207	-	207
Corporate bonds	-	8,044	-	8,044
Total	\$ -	\$ 184,537	\$ -	\$ 184,537



Fiduciary Funds

The valuation inputs summary for the fiscal period ended December 31, 2020 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Investments measured at fair value				
Domestic equities	\$ 13,294	\$ -	\$ -	\$ 13,294
Foreign equities	426	-	-	426
Common collective trusts	-	-	51,623	51,623
Mutual Funds	38,652	-	-	38,652
Total assets at fair value	52,372	-	51,623	103,995
Investments measured at net asset value				
Real estate investment trusts (1)	-	-	-	19,265
Common collective trusts (2)	-	-	-	32,696
Mutual funds (3)	-	-	-	22,125
Total assets at net asset value	-	-	-	74,086
Total	\$ 52,372	\$ -	\$ 51,623	\$ 178,081

The valuation inputs summary for the fiscal period ended December 31, 2019 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Investments measured at fair value				
Domestic equities	\$ 6	\$ -	\$ -	\$ 6
Foreign equities	957	-	-	957
Common collective trusts	-	-	54,664	54,664
Mutual Funds	29,721	-	-	29,721
Total assets at fair value	30,684	-	54,664	85,348
Investments measured at net asset value				
Real estate investment trusts (1)	-	-	-	20,362
Common collective trusts (2)	-	-	-	27,224
Mutual funds (3)	-	-	-	32,311
Total assets at net asset value	-	-	-	79,897
Total	\$ 30,684	\$ -	\$ 54,664	\$ 165,245



- (1) The real estate investment trust invests primarily in commercial and residential real estate. The fund focuses on properties with high quality physical improvements, stabilized occupancies and competitive positions within their markets that produce a relatively high level of current income combined with moderate appreciation potential.
- (2) The common collective trusts invest primarily in asset-backed securities, corporate bonds, U.S. government agency securities and foreign common stocks. The investment objectives include matching the return of the Barclay's Aggregate Bond Index through investment in substantially all of the bonds contained in that index and matching the MSCI All Country World ex-U.S. Index benchmark.
- (3) The mutual funds primarily invest in U.S. corporate bonds and U.S. equity securities. The investment objectives of the U.S. equity securities mutual funds include matching the performance of the Russell Mid-cap Growth Index. The investment objectives of the U.S. corporate bond funds include matching the return of the Intercontinental Exchange Bank of America U.S. high Yield Constrained Index through investment in a diversified portfolio of high-yield debt securities.

NOTE C – OTHER CURRENT ASSETS

Other current assets consist of the following:

	2020	2019
Prepaid expenses	\$ 8,163	\$ 7,458
Park Creek Metro escrow	-	227
Other construction escrow	-	155
Assets held for sale	1,655	1,655
Total Other Current Assets	\$ 9,819	\$ 9,495



NOTE D – CAPITAL ASSETS

Capital asset activity as of December 31, 2020 was as follows:

	Balances 12/31/2019	Additions	Deletions	Balances 12/31/2020
Capital assets not being depreciated:				
Land	\$ 789,639	\$ 71,440	\$ 621	\$ 860,458
Construction in progress	988,547	102,727	957,598	133,676
Total capital assets not being depreciated	<u>1,778,186</u>	<u>174,167</u>	<u>958,219</u>	<u>994,134</u>
Capital assets being depreciated:				
Land improvements	5,089,458	757,582	8,681	5,838,359
Buildings	664,678	25,238	-	689,916
Revenue earning equipment	1,323,153	41,330	2,572	1,361,911
Shop, maintenance and other equipment	335,707	62,006	3,302	394,411
Total capital assets being depreciated	<u>7,412,996</u>	<u>886,156</u>	<u>14,555</u>	<u>8,284,597</u>
Less accumulated depreciation:				
Land improvements	1,347,276	213,847	5,676	1,555,447
Buildings	265,306	18,191	-	283,497
Revenue earning equipment	523,983	67,873	2,525	589,331
Shop, maintenance and other equipment	212,774	39,922	2,297	250,399
Total accumulated depreciation	<u>2,349,339</u>	<u>339,833</u>	<u>10,498</u>	<u>2,678,674</u>
Total capital assets being depreciated, net	<u>5,063,657</u>	<u>546,323</u>	<u>4,057</u>	<u>5,605,923</u>
Capital assets, net	<u>\$ 6,841,843</u>	<u>\$ 720,490</u>	<u>\$ 962,276</u>	<u>\$ 6,600,057</u>

Depreciation expense was \$339,833 and \$355,417 as of December 31, 2020 and 2019, respectively.

REGIONAL TRANSPORTATION DISTRICT
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Capital asset activity as of December 31, 2019 was as follows:

	Balances 12/31/2018	Additions	Deletions	Balances 12/31/2019
Capital assets not being depreciated:				
Land	\$ 741,541	\$ 49,268	\$ 1,170	\$ 789,639
Construction in progress	1,802,235	350,221	1,163,909	988,547
Total capital assets not being depreciated	<u>2,543,776</u>	<u>399,489</u>	<u>1,165,079</u>	<u>1,778,186</u>
Capital assets being depreciated:				
Land improvements	4,181,583	913,596	5,721	5,089,458
Buildings	637,720	27,110	152	664,678
Revenue earning equipment	1,219,967	124,531	21,345	1,323,153
Shop, maintenance and other equipment	310,316	49,404	24,013	335,707
Total capital assets being depreciated	<u>6,349,586</u>	<u>1,114,641</u>	<u>51,231</u>	<u>7,412,996</u>
Less accumulated depreciation:				
Land improvements	1,133,755	217,381	3,860	1,347,276
Buildings	243,160	22,220	74	265,306
Revenue earning equipment	475,388	69,353	20,758	523,983
Shop, maintenance and other equipment	189,854	46,463	23,543	212,774
Total accumulated depreciation	<u>2,042,157</u>	<u>355,417</u>	<u>48,235</u>	<u>2,349,339</u>
Total capital assets being depreciated, net	<u>4,307,429</u>	<u>759,224</u>	<u>2,996</u>	<u>5,063,657</u>
Capital assets, net	<u>\$ 6,851,205</u>	<u>\$ 1,158,713</u>	<u>\$ 1,168,075</u>	<u>\$ 6,841,843</u>

Depreciation expense was \$355,417 and \$285,653 as of December 31, 2019 and 2018, respectively.



NOTE E – LONG-TERM DEBT

In April 2018, GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The primary objective of GASB 88 related to providing additional information regarding debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses.

For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. RTD implemented the new reporting requirements for the fiscal year ended December 31, 2020 and amending December 31, 2019 tables where necessary. There was no impact on the changes in fund balance or net position as a result of the adoption of this statement.

RTD sales tax revenue bonds Series 2007A, 2010B, 2012A, 2013A, 2016A, 2017A, 2017B, and 2019A and the TIFIA loan are secured by a pledge of future sales and use tax revenues. These tax-secured future liabilities of \$3,592,863 remain outstanding through 2050. The pledged revenue includes a 0.6% and 0.4% tax on the net taxable sales made within the District and use taxes of 0.6% and 0.4% on items purchased for use inside the District. For the year 2020, these tax-generated revenues were \$632,655.

RTD's Base System sales tax obligations are secured by a 0.6% sales and use tax. The Fastracks bonds and TIFIA loan are secured by a 0.4% sales and use tax and a subordinate pledge from the 0.6% Base System sales tax. Per TABOR, at the time that all FasTracks debt is repaid, RTD's 0.4% sales and use tax rate will be reduced to a rate sufficient to operate and maintain the assets financed through FasTracks. For the year 2020 and 2019, respectively, RTD paid interest and principal for sales tax revenue bonds and TIFIA loan of \$102,767 and \$104,377.

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

Direct borrowings/placements	2020	2019
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.	\$ 344,452	\$ 335,619
JPMorgan Chase Bank, N.A., purchase and assignment (2016) agreement , refunding project of the 2002A COPs, as lessee under an annually renewable lease purchase agreement. Payments are due semiannually on June and December 1 to 2022, issued with a coupon of 1.903%	25,734	38,242
JPMorgan Chase Bank, N.A., purchase and assignment (2017) agreement , partial refunding projects of the 2010A COP's and 2015A COP's, as lessee under an annually renewable lease purchase agreement. Payments are due semiannually on June 1 and December 1 to 2025, issued with a coupon of 2.437%.	152,525	153,140
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.	1,690	3,295
Total debt direct borrowings/placement	524,401	530,296
Less current portion	(44,766)	(14,728)
Total long-term direct borrowings/placements	\$ 479,635	\$ 515,568

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Other Debt-Bonds Secured by Sales and Use Tax Revenues	2020	2019
Sales tax FasTracks revenue refunding bonds, Series 2007A , due serially on November 1 of 2030 through 2035, issued with a coupon of 4.50% payable semiannually on May 1 and November 1 of each year; including discount of (\$493) and (\$526) for 2020 and 2019, respectively. In 2014, The District made a partial modification and exchange on these bonds resulting in a premium with an ending balance of \$12,331 and \$13,109 for 2020 and 2019, respectively. Furthermore, in 2017, the District made another partial modification and exchange on these bonds resulting in a premium with an ending balance of \$16,056 and \$16,007 for 2020 and 2019, respectively.	\$ 247,374	\$ 249,070
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 \$2,142 and \$2,701 for 2020 and 2019, respectively.	39,477	50,806
Sales tax FasTracks revenue bonds taxable (Direct Pay Build America Bonds), Series 2010B , due serially on November 1 of 2046 through 2050, issued with coupon of 5.844%, payable semiannually on May 1 and November 1 of each year.	300,000	300,000
Sales tax FasTracks revenue Bonds, Series 2012A , due serially on November 1 of 2023 and 2037, issued with coupon of 3.0% and 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of \$47,930 and \$50,778 for 2020 and 2019, respectively.	522,865	525,713
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 \$61 and \$134 for 2020 and 2019, respectively.	1,216	7,819
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 \$30,918 and \$32,871 for 2020 and 2019, respectively	235,738	237,691
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 \$30,294 and \$31,466 for 2020 and 2019, respectively.	225,259	226,431
Sales tax FasTracks revenue refunding bonds, Series 2017A , due serially on November 1 of each thru 2040, issued with a coupon between 3.625% to 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of \$ 9,639 and \$10,126 for 2020 and 2019, respectively.	86,314	88,976
Sales tax FasTracks revenue refunding bonds, Series 2017B , due serially on November 1 of 2033 thru 2036, issued with a coupon between 4.0% to 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of and \$17,876 and \$19,005 for 2020 and 2019, respectively.	137,341	138,470
Sales tax FasTracks revenue refunding bonds, Series 2019A , due serially on November 1 of 2035 thru 2038 issued with a 3.258% coupon, payable semiannually on May 1 and November 1 of each year.	82,740	82,740
Total Other debt bonds secured by sales tax revenues	1,878,324	1,907,716
Less current portion	(14,795)	(19,475)
Total Other Debt-Bonds secured by sales and use tax revenues	\$ 1,863,529	\$ 1,888,241

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Other Debt - Certificates of Participation (Certificates)	2020	2019
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 5.00% and 5.50%, including premium of \$0 and \$634 for 2020 and 2019, respectively.	\$ -	\$ 93,444
Certificates of participation taxable (Direct Pay Build America Bonds) obligations, Series 2010B , under a lease purchase agreement for acquisition of light rail vehicles, construct, install and improve certain equipment and other capital projects. Payments are due semiannually on June 1 and December 1 through 2040, issued with a coupon of 7.672%.	100,000	100,000
Certificates of participation obligations, Series 2013A , as lessee under an annually renewable lease purchase agreement. Payments are due semiannually on June 1 and December 1 to 2027, issued with coupons between 2.00% and 5.00%, including premium of \$16,830 and \$19,452 for 2020 and 2019, respectively.	142,790	162,157
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 \$19,895 and \$20,746 for 2020 and 2019, respectively.	460,811	461,660
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 \$9,338 and \$9,831 for 2020 and 2019, respectively.	116,288	128,036
Certificates of participation obligations, Series 2020A , as lessee under an annually renewable lease purchase agreement. Payments are due semiannually on June 1 and December 1 to 2031, issued with couponrate of 5.00%, including premium of \$1,145 and \$0 for 2020 and 2019, respectively.	77,273	-
Total other debt certificate of participation	897,162	945,297
Less current portion	(17,535)	(43,925)
Total other debt - Certificates of Participation (Certificates)	\$ 879,627	\$ 901,372
Total other debt	\$ 2,775,486	\$ 2,853,013
Total direct borrowing/placement	524,401	530,296
Less total current portion	(77,096)	(78,128)
Total long term debt	\$ 3,222,791	\$ 3,305,181

Direct Borrowing/Placements include the TIFIA loan which is payable from and secured by RTD's sales and use tax revenue. RTD established the TIFIA loan of up to \$280,000 on December 1, 2011. The proceeds from the TIFIA loan were used to pay eligible project costs on the FasTracks Eagle P3 Project. RTD had drawn the full amount of the TIFIA loan through 2015 with interest payments deferred and capitalized through November 1, 2020. The total outstanding principal and interest for the TIFIA loan as of December 31, 2020 was \$563,439 which is payable through November 2045. In the event of a payment default, RTD will pay interest on any overdue amount from its due date to the date of actual payment at the rate of 200 basis points above the 3.14% stated TIFIA loan interest rate. The TIFIA loan is secured by a senior pledge of RTD's 0.4% sales and use tax and a subordinate pledge of the 0.6% sales and use tax. The TIFIA loan debt service schedules have been developed to allow for a projected 2.0x coverage, in accordance with RTD's sales tax bond resolutions and the TIFIA Loan Agreement. In addition, in 2016 RTD refunded the Series 2002A Certificates with a capital lease agreement with JP Morgan Chase Bank N.A. In 2017, RTD refunded portions of previously outstanding Series 2010A and Series 2015A Certificates with a capital lease agreement with JP Morgan Chase Bank N.A. Furthermore, refunding of the Series 2007 Certificates was completed with a direct placement loan with DEPFA Bank.



Annual repayment requirements on direct borrowings/placements is as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 44,766	\$ 14,498	\$ 59,264
2022	42,423	13,478	55,901
2023	30,175	12,628	42,803
2024	30,910	11,883	42,793
2025	40,475	10,917	51,392
2026-2030	13,467	50,466	63,933
2031-2035	5,833	49,923	55,756
2036-2040	92,886	40,004	132,890
2041-2045	223,466	25,124	248,590
Total	<u>\$ 524,401</u>	<u>\$ 228,921</u>	<u>\$ 753,322</u>

The sales tax 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 Indentures of Trust, to meet debt service requirements. Sales tax revenue bond debt service requirements to maturity are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 14,795	\$ 82,839	\$ 97,634
2022	10,675	82,103	92,778
2023	30,975	81,549	112,524
2024	32,550	79,984	112,534
2025	24,600	78,347	102,947
2026-2030	367,455	350,509	717,964
2031-2035	458,410	248,837	707,247
2036-2040	353,975	148,694	502,669
2041-2045	96,780	108,237	205,017
2046-2050	322,355	55,754	378,109
Total	<u>\$ 1,712,570</u>	<u>\$ 1,316,853</u>	<u>\$ 3,029,423</u>

Both the sales tax bonds and TIFIA loan are secured by RTD's 1.0% sales and use tax for which debt service payments are withheld by a trustee from the monthly remittance prior to the Colorado Department of Revenue remitting such taxes to RTD. Withholdings are equivalent to a proportionate monthly amount of the annual principal and semi-annual interest payments and are held by the trustee until such debt service payments are satisfied.

Certificates are issued by the Asset Acquisition Authority, Inc. (Authority), a nonprofit corporation and component unit of RTD. The Authority issued Certificates with the proceeds used to acquire certain equipment, facilities and infrastructure to be used by RTD as well as for construction of the North Metro (N Line) 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 and the capital lease agreements as its own obligations.

Annual repayment requirements on Certificates is as follows:

Year ending December 31,	Principal	Interest	Total
2021	\$ 17,535	\$ 42,819	\$ 60,354
2022	18,190	41,948	60,138
2023	31,890	40,724	72,614
2024	33,485	39,117	72,602
2025	35,190	37,400	72,590
2026-2030	194,130	156,022	350,152
2031-2035	198,200	108,235	306,435
2036-2040	190,265	54,308	244,573
2041-2045	118,380	11,677	130,057
Total	\$ 837,265	\$ 532,250	\$ 1,369,515



Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Reductions	Balance 12/31/2020	Due Within One Year
<u>Direct borrowings/placements</u>					
TIFIA loan	\$ 335,619	\$ 8,833	\$ -	\$ 344,452	\$ -
2016 JP Morgan lease purchase	38,242	-	12,508	25,734	12,746
2017 JP Morgan lease purchase	153,140	-	615	152,525	30,330
DEPFE Bank lease purchase	3,295	-	1,605	1,690	1,690
Total direct borrowings/placements	530,296	8,833	14,728	524,401	44,766
<u>Other debt</u>					
Sales tax revenue bonds	1,732,045	-	19,475	1,712,570	14,795
Certificates	894,635	63,440	120,810	837,265	17,535
Issuance premiums and discounts	226,333	14,979	15,661	225,651	-
Total other debt	2,853,013	78,419	155,946	2,775,486	32,330
<u>Other obligations</u>					
Net pension liability	319,177	-	34,386	284,791	-
Eagle P3 finance charges	594,137	-	25,849	568,288	-
Total other obligations	913,314	-	60,235	853,079	-
Total long-term liability	\$ 4,296,623	\$ 87,252	\$ 230,909	\$ 4,152,966	\$ 77,096



Long-term liability activity for the year ended December 31, 2019, was as follows:

	Balance 12/31/2018	Additions	Reductions	Balance 12/31/2019	Due Within One Year
<u>Direct borrowings/placements</u>					
TIFIA loan	\$ 325,328	\$ 10,291	\$ -	\$ 335,619	\$ -
2016 JP Morgan lease purchase	50,513	-	12,271	38,242	12,508
2017 JP Morgan lease purchase	153,140	-	-	153,140	615
DEPFE Bank lease purchase	4,815	-	1,520	3,295	1,605
Total direct borrowings/placements	533,796	10,291	13,791	530,296	14,728
<u>Other debt</u>					
Sales tax revenue bonds	1,747,160	82,740	97,855	1,732,045	19,475
Certificates	929,465	-	34,830	894,635	43,925
Issuance premiums and discounts	242,082	-	15,749	226,333	-
Total other debt	2,918,707	82,740	148,434	2,853,013	63,400
<u>Other obligations</u>					
Net pension liability	268,278	50,899	-	319,177	-
Eagle P3 finance charge	429,981	164,156	-	594,137	-
Total other obligations	698,259	215,055	-	913,314	-
Total long-term liability	\$ 4,150,762	\$ 308,086	\$ 162,225	\$ 4,296,623	\$ 78,128

In March 2020, RTD issued its refunding Certificates, Series 2020 in the par amount of \$63,440 for refunding its previously outstanding Series 2010A Certificates for interest expense savings. The transaction achieved a 22.5% net present value savings and \$19,900 of gross cash flow savings between 2020 and 2031 while retaining the same final maturity of 2038.

In December 2019, RTD issued its FasTracks Sales Tax Revenue Bonds, Series 2019A in the par amount of \$82,740 for refunding its previously outstanding Series 2010A bonds for interest expense savings. The transaction achieved a 19.9% net present value savings and \$20,142 of gross cash flow savings between 2020 and 2038 while retaining the same final maturity of 2038.



NOTE F – EMPLOYEE RETIREMENT AND UNEARNED COMPENSATION PLANS

Employee Retirement Plans

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

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

Retirement plans are administered by pension trusts that issue audited financial statements for each plan. Those financial statements may be obtained from the plan administrators:

*Regional Transportation District
Salaried Employees Pension Trust
7000 North Broadway, Building 106
Denver, Colorado 80221*

*RTD ATU 1001 Pension Plan
2821 S. Parker Road, Suite 215
Aurora, Colorado 80014-2602*

A summary of pension-related financial items as of December 31, 2020 is presented below:

Plan Name	Net Pension Liability	Deferred Outflow of Resources*	Deferred Inflows of Resources	Pension Expense
ATU 1001 Pension Plan	\$ 246,701	\$ 22,992	\$ 20,390	\$ (6,993)
Salaried Pension Plan	38,090	8,133	4,918	8,734
Salaried Retirement Plan	-	-	-	5,181
Total	<u>\$ 284,791</u>	<u>\$ 31,125</u>	<u>\$ 25,308</u>	<u>\$ 6,922</u>

**The ATU 1001 Pension Plan deferred outflow of resources related to contributions made subsequent to the measurement date were \$20,146. The Salaried Pension Plan deferred outflow of resources related to contributions made subsequent to the measurement were \$6,100.*

A summary of pension-related financial items as of December 31, 2019 is presented below:

Plan	Net Pension Liability	Deferred Outflow of Resources*	Deferred Inflows of Resources	Pension Expense
ATU 1001 Pension Plan	\$ 268,271	\$ 47,127	\$ 50,775	\$ (31,516)
Salaried Pension Plan	50,906	26,211	7,546	19,754
Salaried Retirement Plan	-	-	-	4,818
Total	<u>\$ 319,177</u>	<u>\$ 73,338</u>	<u>\$ 58,321</u>	<u>\$ (6,944)</u>

**The ATU 1001 Pension Plan deferred outflow of resources related to contributions made subsequent to the measurement date were \$20,664. The Salaried Pension Plan deferred outflow of resources related to contributions made subsequent to the measurement were \$5,100.*



ATU 1001 Pension Plan – Defined Benefit (2020)

Plan Description

The Amalgamated Transit Union (ATU) Local 1001 Pension Plan was established pursuant to a collective bargaining agreement (CBA) between RTD and the ATU. This plan covers substantially all full-time union-represented employees in accordance with the CBA. 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 ATU Plan are paid to participants who have attained age 65 and have been in the ATU Plan for 10 years. The benefit amount is based on final average earnings, years of employment and age at the date of 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 or she has attained age 50. The ATU Plan was subsequently amended effective January 1, 2011 for new employees in which the years of credited service needed to qualify for a normal retirement benefit was increased from five to 10 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 or her beneficiary will be paid the accumulated employee contributions plus interest. Upon the death of a pensioner, a funeral benefit of \$2 (two thousand dollars) will be paid in a lump sum to the pensioner's designated beneficiary.

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 10 years for RTD in covered employment. An individual will be considered totally disabled upon receipt of a disability award from the Social Security Administration. Effective January 1, 2011 the years of credited service needed to qualify for a disability benefit was increased from five to 10 years and the benefit multiplier was revised.

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 10 years in covered employment for RTD. 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 benefit was increased from five to 10 years and the benefit multiplier was revised.



The following changes are applicable for participants hired on or after January 1, 2011:

- The benefit multiplier is changed from 2.5% to 1.0% with a new benefit schedule
- 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
- Vesting is changed from five years to 10 years
- Interest on employee contributions is changed from 5.0% to 3.0%
- The maximum service included in the benefit calculation is reduced from 30 to 25 years

A "Trigger Policy" has also been provided that will partially rescind the modified benefit structure above when certain ATU Plan funding benchmarks are achieved. If the total Actuarial Required Contribution (ARC) is less than 11.0% of payroll, pension benefits would be restored in a certain priority order.

Employees covered by the benefit terms for the Fiscal Year Ending December 31, 2020 (December 31, 2019 measurement date), pension plan membership consisted of the following¹:

Active plan members	1,699
Inactive plan members or beneficiaries currently receiving benefits	1,693
Inactive individuals entitled to but not yet receiving benefits	<u>1,764</u>
Total	<u><u>5,156</u></u>

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2020 is as follows:

Total pension liability	\$ 493,321
Plan fiduciary net position	<u>246,620</u>
Plan's net pension liability	<u><u>\$ 246,701</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>49.99%</u></u>

Actuarial Methods and Assumptions Used to Calculate Net Pension Liability:

Valuation date:	January 1, 2020
Notes	Actuarially determined contribution rates are calculated as of December 31st each year. Actual contributions are made pursuant to a collective bargaining agreement.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	3.00%



Salary increases	7.00% during first five years of service, 3.00% after five years of service
Investment 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-2014 combined mortality table, generational projected with MP-2017
Disabled mortality	RP-2014 combined mortality table, generational projected with MP-2017
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 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index") and the resulting single discount rate is 7.00%.

Development of the Single Discount Rate

Single discount rate is 7.00%
 Long-term expected rate of investment return is 7.00%
 Long-term municipal bond rate is 2.75%
 Inflation assumption 2.0%
 Actuarial return assumption 7.0%

Asset Class	30 Year Long-term Expected Real Rate of Return	Target Asset Allocation
Domestic equity	4%	30%
International equity	6%	25%
Real estate	3%	5%
Domestic fixed income	1%	10%
International fixed income	0%	10%
Commodities	3%	5%
Private equity	10%	15%



Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2019	\$ 478,082	\$ 209,811	\$ 268,271
Changes for the year:			
Service cost	9,007	-	9,007
Interest	33,056	-	33,056
Differences between expected and actual experience	2,908	-	2,908
Assumption changes	-	-	-
Contributions-employer	-	21,346	(21,346)
Contributions-employee	-	5,052	(5,052)
Net investment income	-	40,540	(40,540)
Benefit payments and refunds of employee contributions	(29,732)	(29,732)	-
Administrative expense	-	(397)	397
Other changes	-	-	-
Net changes	15,239	36,809	(21,570)
Balance at December 31, 2020	<u>\$ 493,321</u>	<u>\$ 246,620</u>	<u>\$ 246,701</u>

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

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plans' net pension liability, calculated using a single discount rate of 7.00% as well as what the 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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	<u>\$ 297,007</u>	<u>\$ 246,701</u>	<u>\$ 203,885</u>

Contributions

Contributions are made in accordance with the collective bargaining agreement. This agreement requires RTD to contribute 13% of wages for years March 1, 2018 through February 28, 2021 and the employee to contribute 5% of the employee's qualifying wages. In addition, RTD contributes a lump sum payment each year of \$6,200. RTD has included the full amount of the actuarially determined net pension liability 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 2020 the employer recognized a pension expense reduction of \$6,922. The employer reported deferred outflows and inflows of resources related from pensions from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ 2,846	\$ -
Differences in assumptions	-	8,532
Excess(deficit) investment returns	-	11,858
Contributions subsequent to measurement date	<u>20,146</u>	<u>-</u>
Total	<u>\$ 22,992</u>	<u>\$ 20,390</u>

Employer contributions subsequent to the measurement date of \$20,146 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2021	\$ (9,579)
2022	(2,429)
2023	(340)
2024	<u>(5,197)</u>
Total	<u>\$ (17,545)</u>



ATU 1001 Pension Plan – Defined Benefit (2019)

Employees covered by the benefit terms for the fiscal year ending December 31, 2019 (December 31, 2018 measurement date), pension plan membership consisted of the following:

Active plan members	1,644
Inactive plan members or beneficiaries currently receiving benefits	1,682
Inactive individuals entitled to but not yet receiving benefits	<u>1,712</u>
Total	<u><u>5,038</u></u>

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2019 (December 31, 2018 measurement date), are as follows:

Total pension liability	\$ 478,082
Plan fiduciary net position	<u>209,811</u>
Plan's net pension liability	<u><u>\$ 268,271</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>43.89%</u></u>

Actuarial Methods and Assumptions Used to Calculate Net Pension Liability:

Valuation Date:	January 1, 2019
Notes	Actuarially determined contribution rates are calculated as of December 31st each year. Actual contributions are made pursuant to a collective bargaining agreement.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	30 years
Asset valuation method	5 year smoothed market
Inflation	3.00%
Salary increases	7.00% during first five years of service, 3.00% after five years of service
Investment 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-2014 combined mortality table, generational projected with MP-2017
Disabled mortality	RP-2014 combined mortality table, generational projected with MP-2017
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 3.71% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index") and the resulting single discount rate is 7.00%.

Development of the Single Discount Rate

Single discount rate 7.00%
 Long-term expected rate of investment return 7.00%
 Long-term municipal bond rate 3.71%
 Inflation assumption 2.0%
 Actuarial return assumption 7.0%

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2018	\$ 463,756	\$ 222,666	\$ 241,090
Changes for the year:			
Service cost	9,045	-	9,045
Interest	32,102	-	32,102
Differences between expected and actual experience	1,596	-	1,596
Assumption changes	-	-	-
Contributions-employer	-	20,163	(20,163)
Contributions-employee	-	4,627	(4,627)
Net investment income	-	(8,837)	8,837
Benefit payments and refunds of employee contributions	(28,417)	(28,417)	-
Administrative expense	-	(391)	391
Other changes	-	-	-
Net changes	14,326	(12,855)	27,181
Balance at December 31, 2019	<u>\$ 478,082</u>	<u>\$ 209,811</u>	<u>\$ 268,271</u>

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



Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the net pension liability, calculated using a single discount rate of 7.00%, 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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 316,421	\$ 268,271	\$ 225,516

Contributions

Contributions to the Union Plan are made in accordance with the collective bargaining agreement. This agreement requires RTD to contribute 13% of wages for years March 1, 2018 through February 28, 2021 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 2019 the employer recognized a pension expense reduction of \$10,443. The employer reported deferred outflows and inflows of resources related from pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 2,965	\$ -
Differences in assumptions	-	41,732
Excess(deficit) investment returns	23,498	9,043
Contributions subsequent to measurement date	20,664	-
Total	<u>\$ 47,127</u>	<u>\$ 50,775</u>



Employer contributions subsequent to the measurement date of \$20,664 will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,		
2021	\$	(25,678)
2022		(5,414)
2023		1,923
2024		4,857
Total	\$	<u>(24,312)</u>

Salaried Pension Plan - Defined Benefit (2020)

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.

The disability provisions apply to fully vested participants who are totally and permanently disabled and entitled to a Social Security disability award. The payout amount is the unreduced accrued normal pension retirement, payable upon approval for Social Security disability.

Termination eligibility is five years of credited service, otherwise a lump sum payment will be made equal to the present value of the age 65 accrued benefits payable in lieu of all other benefits.

Forms of annuity payments for normal retirement are 50% joint and survivor if married, otherwise a retirement benefits are for a single annuity with no survivor option. Optional forms of retirement benefits are 25%, 50%, 66-2/3% or 100% joint and survivor annuity with five year or 10 year certain and life annuity.

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 the average of the 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, 2020 (December 31, 2019 measurement date), pension plan membership consisted of the following:

Active plan members	209
Inactive plan members or beneficiaries currently receiving benefits	304
Inactive individuals entitled to but not yet receiving benefits	<u>109</u>
Total	<u><u>622</u></u>

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2020 (December 31, 2019 measurement date), are as follows:

Total pension liability	\$ 180,774
Plan fiduciary net position	<u>142,684</u>
Plan's net pension liability	<u><u>\$ 38,090</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>78.93%</u></u>

Contributions

Employee contributions are a source of revenue for the Trust and prior to 2013 were based on a percentage of the Regional Transportation District's (RTD) salaried employees' base compensation. Due to the decreasing active population and resulting reduction in future expected payroll, the RTD Board approved a funding policy effective January 1, 2013, where the recommended dollar contribution up to a cap of \$3.1 million is made to the Trust each year. This funding policy was established with the goal of achieving 100% funding by the end of 2032; however, due to net actuarial losses, the RTD Board adopted a new funding policy effective in 2016 to remove the \$3.1 million maximum and allowed for an amount to be contributed to keep the Trust "actuarially sound" based on recommendations from the Trust's actuary and RTD's Chief Financial Officer. Note that the recommended contribution can fluctuate annually due to such factors as projected total base compensation, investment results, and retirement patterns of participants. RTD contributed \$6.1 million in 2020 and \$5.1 million in 2019.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation with date of January 1, 2020 using the following actuarial assumptions applied to all periods included in the measurement with a liability roll forward to December 31, 2020:

Inflation	2.75%
Salary increases	3.70% - 6.45%, based on age
Investment rate of return	7.00%



The long-term expected rates of return on pension plan investments were determined using a building-block method in which best estimate ranges of expected future real rates of return 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.

The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the December 31, 2020 are summarized in the following data and reflect assumed long-term expected real rates of return over a 30-year horizon upon which the disclosure is based:

Asset Class	30 Year Long-term Expected Real Rate of Return	Target Asset Allocation
Domestic equity	7.0%	40.0%
International equity	7.4%	20.0%
Fixed income	2.2%	22.5%
Real estate	5.6%	15.0%
Cash	0.1%	2.5%

Mortality Rates for Annuities (75% Election Assumption)

Healthy: RP-2014 blue collar mortality tables for healthy employees and annuitants
 Disabled: RP-2014 disabled retiree mortality tables

Mortality Rates for Lump Sums (25% Election Assumption)

Healthy: RP-2014 blue collar mortality tables, blended 70% male/30% female for participants and 30% male/70% female for beneficiaries.

The actuarial assumptions used in the January 1, 2020 evaluation were based on the results of an actuarial experience study covering the period January 1, 2014 – December 31, 2017.

Single Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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/Aa or higher).

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

The following presents the net pension liability calculated using the discount rate of 7.00%, as well as the net pension liability if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 55,515	\$ 38,090	\$ 23,014

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2018	\$ 180,572	\$ 129,666	\$ 50,906
Changes for the year:			
Service cost	3,066	-	3,066
Interest	12,411	-	12,411
Differences between expected and actual experience	(2,604)	-	(2,604)
Assumption changes	-	-	-
Contributions-employer	-	5,100	(5,100)
Net investment income	-	20,778	(20,778)
Benefit payments and refunds of employee contributions	(12,671)	(12,671)	-
Administrative expense	-	(189)	189
Other changes	-	-	-
Net changes	202	13,018	(12,816)
Balance at December 31, 2019	\$ 180,774	\$ 142,684	\$ 38,090

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

For the year ended 2020 the employer recognized pension expense of \$8,734. The employer reported deferred outflows and inflows of resources related from pensions from the following resources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 2,028
Differences in assumptions	2,034	-
Excess(deficit) investment returns	-	2,890
Contributions subsequent to measurement date	6,100	-
Total	\$ 8,134	\$ 4,918



Employer contributions subsequent to the measurement date of \$6,100 will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,		
2021	\$	(614)
2022		(1,019)
2023		1,143
2024		(2,395)
Total	\$	<u>(2,885)</u>

Salaried Pension Plan - Defined Benefit (2019)

Employees covered by the benefit terms for the fiscal year ending December 31, 2019, pension plan membership consisted of the following¹:

Active plan members	267
Inactive plan members or beneficiaries currently receiving benefits	276
Inactive individuals entitled to but not yet receiving benefits	<u>115</u>
Total	<u>658</u>

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2019 (December 31, 2018 measurement date), are as follows:

Total pension liability	\$ 180,572
Plan fiduciary net position	<u>129,666</u>
Plan's net pension liability	<u>\$ 50,906</u>
Plan fiduciary net position as a percentage of total pension liability	<u>71.81%</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation with date of January 1, 2019, using the following actuarial assumptions applied to all periods included in the measurement with a liability roll forward to December 31, 2018 for disclosure purposes for the fiscal year ending December 31, 2019:

Inflation	2.75%
Salary increases	3.70% - 6.45%, based on age
Investment rate of return	7.00%



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 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 target asset allocation as of the December 31, 2019 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	30 Year Long-term Expected Real Rate of Return	Target Asset Allocation
Domestic equity	7.6%	35.0%
International equity	7.8%	25.0%
Fixed income	3.3%	20.0%
Real estate	7.2%	15.0%
Cash	2.2%	5.0%

Mortality Rates for Annuities (60% Election Assumption)

Healthy: RP-2014 blue collar mortality tables for healthy employees and annuitants

Disabled: RP-2014 disabled retiree mortality tables.

Mortality Rates for Lump Sums (40% Election Assumption)

Healthy: RP-2014 blue collar mortality tables, blended 70% male/30% female for participants and 30% male/70% female for beneficiaries.

Single Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on 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 presents the net pension liability calculated using the discount rate of 7.00%, 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 or 1 percentage point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net pension liability	\$ 68,742	\$ 50,906	\$ 35,522

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2017	\$ 171,550	\$ 144,362	\$ 27,188
Changes for the year:			
Service cost	3,000	-	3,000
Interest	12,624	-	12,624
Differences between expected and actual experience	(1,981)	-	(1,981)
Assumption changes	7,844	-	7,844
Contributions-employer	-	5,100	(5,100)
Net investment income	-	(7,143)	7,143
Benefit payments and refunds of employee contributions	(12,465)	(12,465)	-
Administrative expense	-	(188)	188
Other changes	-	-	-
Net changes	9,022	(14,696)	23,718
Balance at December 31, 2018	\$ 180,572	\$ 129,666	\$ 50,906



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

For the year ended December 31, 2019 RTD recognized pension expense of \$13,181. RTD reported deferred outflows and inflows of resources related from pensions from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$ -	\$ 1,435
Differences in assumptions	4,938	-
Excess(deficit) investment returns	16,173	6,111
Contributions subsequent to measurement date	5,100	-
Total	<u>\$ 26,211</u>	<u>\$ 7,546</u>

Employer contributions subsequent to the measurement date of \$5,100 will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2021	\$ 5,357
2022	2,871
2023	1,800
2024	3,537
Total	<u>\$ 13,565</u>

RTD Plan – Defined Contribution

Plan Description

The RTD defined contribution plan is available for full-time salaried employees hired after January 1, 2008. The RTD Board adopted Amendment 8, effective January 1, 2008 for which RTD contributes 7-9% of the employee’s qualifying wages. Contributions totaled \$5,603 and \$5,597 in 2020 and 2019, respectively. RTD employees cannot contribute to this plan. Membership was 646 and 709 active employees in 2020 and 2019, respectively.

Amalgamated Transit Union Division 1001 Health and Welfare Trust

The Amalgamated Transit Union Division 1001 Health and Welfare Trust (Trust) was formed pursuant to a Trust Agreement effective July 1, 1971 between Amalgamated Transit Union (ATU) Local 1001 and an agent of a transit enterprise owned by the City and County of Denver, through July 3, 1974 and 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 (CBA) between the ATU 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 the ATU and health care benefits for retired employees actively working 600 hours or more per quarter. The Trust is funded through contributions by the employer and employee in which the share of benefit plan contributions is set by the CBA. RTD's contribution was \$22,780 and \$20,890 the years ended December 31, 2020 and 2019, respectively. The Trust also provides insurance coverage for felonious assault for each employee. The Trust self-insures part of its health, life insurance and short-term disability benefits. The Trust issues audited financial statements which include financial information for the plan. Those audited financial statements may be obtained from the Trust: 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 (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 years of 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.

Compensated absences activity for the year ended December 31, 2020 was as follows:

	12/31/2019			12/31/2020
	Balance	Accruals	Payments	Balance
Represented employees	\$ 3,526	\$ 2,277	\$ 2,558	\$ 3,245
Salaried employees	10,751	8,464	6,888	12,327
Total compensated absences obligations	<u>\$ 14,277</u>	<u>\$ 10,741</u>	<u>\$ 9,446</u>	<u>\$ 15,572</u>

Compensated absences activity for the year ended December 31, 2019 was as follows:

	12/31/2018			12/31/2019
	Balance	Accruals	Payments	Balance
Represented employees	\$ 3,251	\$ 2,558	\$ 2,283	\$ 3,526
Salaried employees	10,248	6,888	6,385	10,751
Total compensated absences obligations	<u>\$ 13,499</u>	<u>\$ 9,446</u>	<u>\$ 8,668</u>	<u>\$ 14,277</u>



The accrued compensation liabilities of \$27,408 and \$25,806 as of December 31, 2020 and 2019, respectively, include \$11,836 and \$11,529 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 sharing.



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, 2020, are as follows:

<u>Year ending December 31,</u>	
2021	\$ 273
2022	275
2023	278
2024	281
2025	284
2026-2030	1,462
2031-2035	1,536
2036-2040	1,615
2041-2045	1,697
2046-2050	1,784
2051-2055	1,875
2056-2060	1,970
2061-2065	2,071
2066-2070	2,177
2071-2075	2,287
	<u>\$ 19,865</u>

Rental expense relating to this lease amounted to \$270 and \$267 for the years ended December 31, 2020 and 2019, 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, 2020, 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 and light rail vehicles total \$82,604 and \$115,716 in 2020 and 2019, respectively.

Grant Match Requirements

Under the provisions of current grants, RTD is obligated to satisfy certain matching requirements. At December 31, 2020, RTD had a commitment to provide \$74,066 in matching funds in order to receive \$109,629 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 2020, 57.1% 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 (ADA) of 1990, RTD was mandated to provide paratransit service to persons with disabilities unable to use RTD's fixed route buses. This service, branded Access-a-Ride, is a curb-to-curb transportation system offered to persons with disabilities who cannot functionally use RTD's regular fixed route system. Customers eligible for Access-a-Ride services must originate their trip within 3/4 of a mile of an RTD fixed route. Since September 1996, RTD has been in full compliance with ADA requirement to provide paratransit service to persons with disabilities unable to use the fixed route system.

Future Commitments under Construction Contracts

In 2010, RTD entered into a public-private partnership (P3) 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 (A Line), the Gold Line Rail Corridor (G Line) and the electrified segment of the Northwest Rail Corridor (B Line), 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 was selected through a competitive proposal process. The selected concessionaire, Denver Transit Partners (DTP), is a special purpose company owned by Fluor Enterprises, Uberior Investments and Laing Investments.

The Eagle P3 Project construction was completed in two phases with Phase I completed in 2016 and Phase II completed in 2019. Under the terms of the Eagle P3 Project agreement, RTD made scheduled construction payments to DTP from 2011 through 2017 for completed project elements. RTD began commuter rail services on the University of Colorado A Line and the B Line in 2016 and began services on the G Line in 2019. Under the terms of the concessionaire agreement, RTD will make scheduled secured principal and interest payments to DTP from 2017



through 2044 in addition to service payments for the provision of operations and maintenance services by DTP. The principal and interest payments are fixed amounts for the term of the agreement while the service payments are indexed each year according to certain inflation measurements. In addition, the service payments may also be adjusted for schedule changes, special services and certain availability factors.

In 2013, RTD entered a contract with Regional Rail Partners to construct the North Metro Rail Line (N Line). The N 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 N Line opened in September of 2020 with service extending to 124th Avenue.

In 2014, RTD entered a contract with Balfour Beatty Infrastructure, Inc. to design and construct the Southeast Rail Extension (SERE) Project. SERE includes 2.3 miles extending 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. SERE opened in 2019.

Future Commitments under Service Contracts

The fixed commitments under the privatization contracts (bus) in the years subsequent to December 31, 2020 are as follows:

2021	\$ 157,352
2022	142,790
2023	89,522
2024	68,215
2025	21,675
Total	<u>\$ 479,554</u>



Payment commitments the Eagle P3 concessionaire, Denver Transit Partners, are as follows:

Year ending December 31,	TABOR Secured Payment	Service Availability Payment	Total
2021	\$ 44,880	\$ 58,431	\$ 103,311
2022	43,235	60,055	103,290
2023	44,407	63,849	108,256
2024	45,827	81,018	126,845
2025	48,428	107,449	155,877
2026-2030	239,337	440,880	680,217
2031-2035	347,553	498,777	846,330
2036-2040	299,323	597,163	896,486
2041-2044	125,447	533,354	658,801
Total	\$1,238,437	\$ 2,440,976	\$ 3,679,413

The projected amounts include an estimation for certain future inflation indexes as required by the concessionaire agreement. These inflation indexes will be adjusted annually as projects are revised.

Diesel Fuel Contract

RTD contracts with Mansfield Oil Company, Inc. (Mansfield) for diesel fuel for buses. The contract is structured as a single year contract. RTD estimates 2021 usage of about 5.4 million gallons: 3.24 million gallons of RTD's usage and 2.16 million gallons of RTD's private carriers' usage.

The estimated locked-in price commitment under the Mansfield contract in 2021 is for 3.6 million gallons of diesel fuel for both RTD and private carriers at \$2.04 per gallon or \$7,344. The estimated non-locked portion of 1.8 million gallons will be at the OPIS PADD IV 5-Day Average price on a week-to-week basis.

Contingencies

Federal Grants

RTD receives federal grants for capital projects and operating assistance, which are subject to audit by the 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 \$387 per individual and \$1,093 per incident.

For worker's 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 Department 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:

	Auto Liability	Workers' Compensation	Total
Unpaid claims, January 1, 2018	\$ 5,983	\$ 7,575	\$ 13,558
Incurred claims (including IBNR)	3,386	4,636	8,022
Claims payments	<u>(3,490)</u>	<u>(4,340)</u>	<u>(7,830)</u>
Unpaid claims, December 31, 2019	5,879	7,871	13,750
Incurred claims (including IBNR)	3,788	4,254	8,042
Claims payments	<u>(4,984)</u>	<u>(4,331)</u>	<u>(9,315)</u>
Unpaid claims, December 31, 2020:	<u>\$ 4,683</u>	<u>\$ 7,794</u>	<u>\$ 12,477</u>

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 worker's compensation reserves, project contingencies, or insurance, or would not otherwise materially affect the financial statements of RTD.

The concessionaire for the Eagle Project, Denver Transit Partners, has filed litigation in Denver District Court asserting claims against RTD based on an alleged change in law. DTP has alleged damages for those claims in excess of \$120,000 and RTD has filed a counterclaim of



approximately \$30,000. RTD is vigorously defending that lawsuit and believes it is likely to prevail.

NOTE I – NET POSITION

	December 31,	
	2020	2019
Invested in capital assets, net of related debt	\$ 2,813,989	\$ 2,987,538
Restricted net position		
Restricted debt service	118,845	117,805
Restricted TABOR	26,861	25,940
Restricted FasTracks	399,633	369,502
Restricted deposits	1,500	1,503
Total restricted net position	546,839	514,750
Unrestricted net position		
Unrestricted - represented net pension liability*	(244,099)	(265,841)
Unrestricted - salaried net pension liability	(34,875)	(32,241)
Unrestricted net position	280,139	132,672
Total unrestricted net position	1,165	(165,410)
Total net position	\$ 3,361,993	\$ 3,336,878

* 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 obligation principal payments and excludes TABOR rebates under Amendment 1 of the Colorado Constitution, 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 RTD 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 RTD 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:

	2020	2019
Revenues and Proceeds		
Revenue, actual	\$ 1,051,323	\$ 950,875
Proceeds from debt/arbitrage relief	(72,273)	(96,071)
Federal capital grants and local contributions	96,177	124,497
Revenue, actual (budgetary basis)	\$ 1,075,227	\$ 979,301
Revenue, budget	\$ 1,169,665	\$ 952,171
Expenditures		
Expenses, actual	\$ 1,462,218	\$ 789,932
Capital outlays	102,727	350,221
Depreciation, amortization, other	(339,833)	(355,417)
Long-term debt principal payments	155,013	146,475
Expenditures, actual (budgetary basis)	\$ 1,380,125	\$ 931,211
Appropriations, budget	\$ 1,370,287	\$ 1,932,662
Unused/(Excess use of) appropriations	\$ (9,838)	\$ 1,001,451

Unused appropriations lapse at year-end, except the RTD 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, 2020, there was approximately \$409,976 of unused 2020 appropriations for capital outlays available for carryover to 2021.

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. Amendment 1 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, Amendment 1 mandates that reserves equal to 3% of fiscal spending be established for declared emergencies.

On November 7, 1995, the voters of the District exempted RTD from the revenue and spending limitations concerning Amendment 1 through December 31, 2005. On November 2, 1999, the voters of the District further exempted RTD from the revenue and spending limitations outlined in Amendment 1 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 transit system financed through FasTracks. RTD has \$3.477 billion in authorized debt, subject to Amendment 1's limitations. This debt was authorized by the voters of the District in 2004 to pay for the FasTracks transit improvement program. Based on estimated fiscal year spending for 2020, \$26,861 of year-end net position has been reserved for emergencies. Amendment 1 is complex and subject to judicial interpretation. RTD believes it is in compliance with the requirements of Amendment 1 based on the interpretations of the amendment's language available at year-end.

NOTE L – SUBSEQUENT EVENTS

In December 2019, a novel strain of the coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. The virus subsequently spread globally resulting in a worldwide pandemic which is expected to cause significant disruptions to the economy. Several measures have been implemented by governments in the District including directives for social distancing and stay-at-home orders to mitigate the spread of COVID-19. These measures have severely curtailed activity within the District with RTD experiencing an approximate 70% reduction in ridership that began in mid-March 2020. In response, RTD undertook several initiatives including safety precautions for its employees and evaluating service levels, costs and impacts to revenue. On March 26, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES) was signed into law in which grant funding through the Federal Transit Administration (FTA) of \$232,254 was made available to RTD to fund operations during the pandemic. On April 5, 2020, RTD suspended the collection of fares in accordance with social distancing measures and on April 19, 2020 RTD reduced its transit services by approximately 40% to reduce costs and adjust services to the lower demand. The extent to which COVID-19 impacts RTD's operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak.

In January 2021, RTD received notice that it had received a federal funding grant apportionment of \$203,368 from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The CRRSAA grant is 100% federally funded with no local match required and is to be used primarily for sustaining transit operations. RTD intends to fully draw this funding during 2021 for those purposes.

In February 2021, RTD and the Amalgamated Transit Union (ATU) Local 1001 extended by one year the collective bargaining agreement set to expire February 28, 2021.

In March 2021, RTD refunded its FasTracks Series 2012A bonds and TIFIA loan for interest savings. The Series 2012A bonds included a call provision for 2022 for which those bonds were defeased as an advance refunding.



In March 2021, RTD received notice that it had received a federal funding apportionment of \$338,468 from the American Rescue Plan Act (ARPA). The ARPA grant is 100% federally funded with no local match required and is to be used primarily for sustaining transit operations.

In May 2021, the State of Colorado General Assembly passed House Bill HB21-1186 which removed several statutory restrictions for RTD expanding entities that RTD may contract with including nonprofits and local governments, repealing the farebox recovery ratio requirements, repealing limitations on development affecting parking or resulting in competitive disadvantages to private business and certain fee and other restrictions at RTD's parking facilities.



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REQUIRED SUPPLEMENTARY INFORMATION

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REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
PENSION PLANS SUMMARY

As of December 31,
 Schedule of Contributions Multiyear
 Last 10 Fiscal Years*
 (in thousands)

ATU 1001 Pension Plan

Period ending December 31,

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 22,594	\$ 18,109	\$ 17,644	\$ 17,170	\$ 17,131	\$ 18,752
Actual contribution	21,345	20,163	13,168	12,128	11,542	10,758
Contribution excess (deficiency)	(1,249)	2,054	(4,476)	(5,042)	(5,589)	(7,994)
Covered payroll	\$ 107,888	\$ 103,646	\$ 103,729	\$ 94,802	\$ 82,994	\$ 84,774
Contribution as a percentage of covered payroll	19.78%	19.45%	12.69%	12.79%	13.91%	12.69%

* Fiscal year 2015 was the first year of implementation

Actuarial methods and assumption used to calculate actuarially determined contributions:

Valuation date:

January 1, 2020

Actuarially determined contribution rates are calculated as of December 31st each year for implementation the following fiscal year. Actual contributions are made pursuant to a collective bargaining agreement

Notes:

Actuarial cost method:

Amortization method:

Remaining amortization period:

Asset valuation method:

Inflation rate:

Wage increases:

Investment rate of return:

3.00%

7.00% during the first 5 years of service, 3.00% after 5 years of service

7.00%

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

RP-2014 combined mortality table, generational projected with MP-2017

RP-2014 combined mortality table, generational projected with MP-2017

There were no benefit changes during the year

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
PENSION PLANS SUMMARY

As of December 31,
 Schedule of Changes in the Plan's Net Pension Liability and Related Ratios - Multiyear
 Last 10 Fiscal Years*

ATU 1001 Pension Plan

Period ending December 31,

Total Pension Liability

	2020	2019	2018	2017	2016	2015
Service cost	\$ 9,007	\$ 9,045	\$ 14,387	\$ 13,145	\$ 13,074	\$ 11,937
Interest	33,056	32,102	27,099	25,276	26,324	27,714
Changes to benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	2,908	1,596	4,855	(3,164)	(4,711)	(6,476)
Assumption changes	-	-	(108,133)	(19,822)	28,095	28,879
Benefit payments, including lump sum distributions	(29,732)	(28,417)	(27,233)	(26,133)	(25,439)	(24,312)
Net change in total pension liability	15,239	14,326	(89,025)	(10,698)	37,343	37,742
Total pension liability - beginning	478,082	463,756	552,781	563,479	526,136	488,394
Total pension liability - ending	\$ 493,321	\$ 478,082	\$ 463,756	\$ 552,781	\$ 563,479	\$ 526,136

Plan Fiduciary Net Position

Contributions - RTD	\$ 21,345	\$ 20,163	\$ 13,168	\$ 12,128	\$ 11,542	\$ 10,758
Contributions - employees	5,052	4,627	4,389	4,069	3,868	3,586
Net investment income	40,540	(8,837)	28,983	11,855	(1,829)	11,779
Benefit payments, including lump sum distributions	(29,731)	(28,417)	(27,233)	(26,133)	(25,439)	(24,312)
Administrative expenses	(397)	(391)	(411)	(364)	(391)	(355)
Net change in plan fiduciary net position	36,809	(12,855)	18,896	1,555	(12,249)	1,456
Plan fiduciary net position - beginning	209,811	222,666	203,770	202,215	214,464	213,008
Plan fiduciary net position - ending	\$ 246,620	\$ 209,811	\$ 222,666	\$ 203,770	\$ 202,215	\$ 214,464
Plan's net pension liability - ending	\$ 246,701	\$ 268,271	\$ 241,090	\$ 349,011	\$ 361,264	\$ 311,672
Plan fiduciary net position as a percentage of the total pension liability	49.99%	43.89%	48.01%	35.86%	35.89%	40.76%
Covered payroll	\$ 107,888	\$ 103,646	\$ 103,729	\$ 94,802	\$ 82,994	\$ 84,774
Net pension liability as a percentage of covered payroll	229.66%	258.83%	232.42%	368.58%	435.29%	367.65%

* Fiscal year 2015 was the first year of implementation

Notes to Schedule

Changes in Assumptions

Assumption changes for the Fiscal Year Ending December 31, 2015 (December 31, 2014 measurement date, January 1, 2014 actuarial valuation date): Assumption changes were the result of an increase in the Total Pension Liability due to the impact of the change in the Single Discount Rate from 5.68 percent to 5.00 percent as well as a change in the retirement rates first reflected in the January 1, 2015 funding valuation. This change in assumptions was measured at the end of the year. Assumption changes for the Fiscal Year Ending December 31, 2016 (December 31, 2016 measurement date, January 1, 2016 actuarial valuation date): Assumption changes were a result of a change in the Single Discount Rate changing from 5.00 to 4.54, measured at the end of the year. Assumption changes for the Fiscal Year Ending December 31, 2017 (December 31, 2016 measurement date, January 1, 2016 actuarial valuation date): Assumption changes were a result of the update of mortality assumptions to RP-2014 blue-collar tables published by the Society of Actuaries with project scale MP-2017. This Assumption changes for the Fiscal Year Ending December 31, 2018 (December 31, 2017 measurement date, January 1, 2017 actuarial valuation date): Assumption changes were the result of the initiation of employer contributions of \$6,200.

REGIONAL TRANSPORTATION DISTRICT Required Supplementary Information December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT PENSION PLANS SUMMARY

As of December 31,
Schedule of Contributions Multiyear
Last 10 Fiscal Years*
(in thousands)

RTD Salaried Pension Plan

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 8,082	\$ 7,954	\$ 7,296	\$ 7,632	\$ 6,768	\$ 5,682
Actual contribution	6,100	5,100	4,600	4,100	3,100	3,100
Contribution excess (deficiency)	(1,982)	(2,854)	(2,696)	(3,532)	(3,668)	(2,582)
Covered payroll	\$ 23,631	\$ 26,460	\$ 27,619	\$ 30,378	\$ 31,257	\$ 30,880
Contribution as a percentage of covered payroll	21.58%	19.27%	16.66%	13.50%	9.92%	10.04%

* Fiscal year 2015 was the first year of implementation

Actuarial methods and assumption used to calculate actuarially determined contributions:

Valuation date: January 1, 2020
 Notes: Actuarially determined contribution rates are calculated as of January 1st each year for implementation the following fiscal
 Actuarial cost method: Entry age normal
 Amortization method: Level dollar, fixed and declining 20 years
 Remaining amortization period: 12 years
 Asset valuation method: 5 year smoothed market
 Inflation rate: 2.75%
 Wage increases: 3.70%-6.45%, based on age
 Investment rate of return: 7.00%
 Retirement age:

Age	Rate
55	5.00%
56-61	10.00%
62	25.00%
63-64	15.00%
65-69	40.00%
70 or older	100.00%

Vested inactive participants are assumed to retire at age 64

RP-2014 mortality tables for healthy employees and annuitants (adjusted to 2006) and projected to 2022 using the MP-2017 mortality improvement scale

RP-2014 mortality tables for healthy employees and annuitants (adjusted to 2006) and projected to 2022 using the MP-2017 mortality improvement scale

401(a) compensation and 415 limits are assumed to increase with inflation

Turnover: 0.00% - 9.93% based on age

Disablement: 0.03% - 0.81% based on age

Expenses: \$140 per year payable monthly

Mortality (annuities):

Mortality (lump sums):

Other:

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
PENSION PLANS SUMMARY

As of December 31,
 Schedule of Changes in the Plan's Net Pension Liability and Related Ratios - Multiyear
 Last 10 Fiscal Years*
 (in thousands)

	2020	2019	2018	2017	2016	2015
RTD Salaried Pension Plan						
Period ending December 31,						
Total Pension Liability						
Service cost	\$ 3,066	\$ 3,000	\$ 3,201	\$ 3,587	\$ 3,342	\$ 2,673
Interest	12,412	12,624	12,351	11,371	10,388	9,366
Changes to benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(2,605)	(1,981)	(816)	6,716	3,869	2,228
Assumption changes	-	7,844	-	-	3,601	6,997
Benefit payments, including lump sum distributions	(12,671)	(12,465)	(9,339)	(7,092)	(9,582)	(7,034)
Net change in total pension liability	202	9,022	5,397	14,582	11,618	14,230
Total pension liability - beginning	180,572	171,550	166,153	151,571	139,953	125,723
Total pension liability - ending	\$ 180,774	\$ 180,572	\$ 171,550	\$ 166,153	\$ 151,571	\$ 139,953

Plan Fiduciary Net Position

Contributions - RTD	\$ 5,100	\$ 5,100	\$ 4,600	\$ 4,100	\$ 3,100	\$ 3,100
Contributions - employees	-	-	-	-	-	-
Net investment income	20,778	(7,143)	18,322	11,337	(610)	9,078
Benefit payments, including lump sum distributions	(12,671)	(12,465)	(9,339)	(7,092)	(9,582)	(7,034)
Administrative expenses	(189)	(188)	(177)	(166)	(141)	(127)
Net change in plan fiduciary net position	13,018	(14,696)	13,406	8,179	(7,233)	5,017
Plan fiduciary net position - beginning	129,666	144,362	130,956	122,777	130,010	124,993
Plan fiduciary net position - ending	\$ 142,684	\$ 129,666	\$ 144,362	\$ 130,956	\$ 122,777	\$ 130,010

Plan's net pension liability - ending	\$ 38,090	\$ 50,906	\$ 27,188	\$ 35,197	\$ 28,794	\$ 9,943
Plan fiduciary net position as a percentage of the total pension liability	78.93%	71.81%	84.15%	78.82%	81.00%	92.90%
Covered payroll	\$ 23,631	\$ 26,460	\$ 27,619	\$ 30,378	\$ 31,257	\$ 30,880
Net pension liability as a percentage of covered payroll	161.19%	192.39%	98.44%	115.86%	92.12%	32.20%

* Fiscal year 2015 was the first year of implementation
 Note: In 2019, the assumed investment rate of return was reduced from 7.5% to 7.0%

Notes to schedule:

Measurement Periods: January 1, 2019-December 31, 2019 for the Fiscal Year Ending December 31, 2020 (December 31, 2019 Measurement date) and January 1, 2020-December 31, 2020 for the Fiscal Year Ending December 31, 2021 (December 31, 2020 measurement date). RTD elected the one-year lookback for measurement date and measurement period.
 Assumption changes for the Fiscal Year ending December 31, 2019 (December 31, 2018 measurement date), January 1, 2019 (December 31, 2018 measurement date): Effective with the January 1, 2019 valuation, the operating expense assumption was increased from \$135,000 per year, payable monthly, to \$140,000 per year payable monthly with a 2% annual increase thereafter (described in the Notes to the Schedule).
 Assumption changes for the Fiscal Year Ending December 31, 2016 (December 31, 2015 measurement date), January 1, 2016 (December 31, 2015 measurement 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.
 Assumption changes for the Fiscal Year Ending December 31, 2014 (December 31, 2014 measurement date), January 1, 2015 (December 31, 2014 measurement date): the amount reported as Assumption Changes resulted from a change in the salary increase assumption (average weighted salary increase changed from 3.75% to 4.00%). This change is expected to be more reflective of future plan experience.

Changes to Benefit Terms for the Fiscal Year ending December 31, 2020 (December 31, 2019 measurement date, January 1, 2019 actuarial valuation date): None.
 Changes to Benefit Terms for the fiscal year ending December 31, 2021 (December 31, 2020 measurement date, January 1, 2020 actuarial valuation date): None.

SUPPLEMENTAL INFORMATION

REGIONAL TRANSPORTATION DISTRICT
Supplemental Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
SCHEDULE OF EXPENSE AND REVENUE
BUDGET AND ACTUAL - BUDGETARY BASIS
Year Ended December 31, 2020
(In Thousands)

	Adopted Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance
Operating revenue				
Passenger fares	\$ 158,116	\$ 93,824	\$ 76,265	\$ (17,559)
Other	6,596	6,596	6,183	(413)
Total operating revenue	164,712	100,420	82,448	(17,972)
Operating expenses				
Salaries and wages	212,517	200,086	194,407	5,679
Fringe benefits	74,174	85,362	54,188	31,174
Materials and supplies	59,563	61,332	42,108	19,224
Services	119,625	122,652	84,673	37,979
Utilities	19,685	18,857	16,206	2,651
Insurance	14,295	12,945	10,186	2,759
Purchased transportation	225,361	218,488	203,964	14,524
Leases and rentals	4,303	4,358	3,397	961
Miscellaneous	10,220	4,026	2,546	1,480
Total operating expenses	739,743	728,106	611,675	116,431
Operating loss	(575,031)	(627,686)	(529,227)	98,459
Nonoperating revenue (expenses)				
Sales and use tax	659,417	500,954	632,665	131,711
Grant operating assistance	209,021	400,594	316,848	(83,746)
Investment income	7,496	3,748	8,965	5,217
Other income	12,969	11,886	10,397	(1,489)
Gain/loss on capital assets	-	-	(3,822)	(3,822)
Interest expense	(170,834)	(168,977)	(167,055)	1,922
Total nonoperating revenue (expenses)	718,069	748,205	797,998	49,793
Proceeds from debt	-	-	(72,273)	(72,273)
Capital outlay				
Capital expenses	613,324	548,927	-	(548,927)
Less capital grants	(218,109)	(231,088)	(96,177)	134,911
	395,215	317,839	(96,177)	(414,016)
	(88,174)	(88,174)	(155,013)	(66,839)
Long-term debt principal payment				
Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments	\$ (340,351)	\$ (285,494)	137,662	\$ 423,156
Increases (decreases) to reconcile budget basis to GAAP basis				
Capital expenses			-	
Proceeds from debt			72,273	
Long-term debt principal payment			155,013	
Depreciation			339,833	
INCREASE IN NET POSITION			\$ 704,781	

See accompanying independent auditors' opinion

REGIONAL TRANSPORTATION DISTRICT
Supplemental Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



STATEMENTS OF NET POSITION - FIDUCIARY FUNDS
As of December 31,
(In Thousands)

	Section 401(a) Retirement Plan		Salaried Pension Plan		2020		Section 401(a) Retirement Plan		Salaried Pension Plan		2019	
Assets												
Cash and cash equivalents	\$	72	\$	8,342	\$	8,414	\$	53	\$	10,679	\$	10,732
Investments												
Equities				13,720		13,720				963		963
Common Collective Trusts				84,319		84,319				81,888		81,888
Real Estate Investment Trusts				19,265		19,265				20,362		20,362
Mutual Funds		40,688		20,089		60,777		33,183		28,849		62,032
Total Investments		40,688		137,393		178,081		33,183		132,062		165,245
Total assets		40,760		145,735		186,495		33,236		142,741		175,977
Liabilities												
Accounts payable		-		75		75		-		57		57
Total liabilities		-		75		75		-		57		57
Net position - restricted for pensions	\$	40,760	\$	145,660	\$	186,420	\$	33,236	\$	142,684	\$	175,920



REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - FIDUCIARY FUNDS
Years ended December 31,
(In Thousands)

	Section 401(a) Retirement Plan	Salaried Pension Plan	2020	Section 401(a) Retirement Plan	Salaried Pension Plan	2019
Additions						
Contributions	\$ 5,603	\$ 6,100	\$ 11,703	\$ 5,597	\$ 5,100	\$ 10,697
Forfeitures	100	-	100	-	-	-
Investment income and change in value	5,455	9,370	14,825	5,143	21,328	26,471
Total additions	11,158	15,470	26,628	10,740	26,428	37,168
Deductions						
Distributions and benefits paid	3,553	11,899	15,452	1,694	12,671	14,365
Investment expenses	-	407	407	-	587	587
Administrative expenses	81	188	269	81	152	233
Total deductions	3,634	12,494	16,128	1,775	13,410	15,185
Increase in net position	7,524	2,976	10,500	8,965	13,018	21,983
Net position, beginning of year-as restated	33,236	142,684	175,920	24,271	129,666	153,937
Net position, end of year	\$ 40,760	\$ 145,660	\$ 186,420	\$ 33,236	\$ 142,684	\$ 175,920



STATISTICAL SECTION

This part of the RTD's Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosure, and required supplementary information.

Contents

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Financial Trends

110-112

These tables contain trend information to help the reader understand how RTD's financial performance and well-being have changed over time.

Revenue Capacity

113

These tables contain information to help the reader assess RTD's most significant revenue source.

Debt Capacity

114-115

These tables contain information to help the reader assess the affordability of RTD's current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Operating Information

116

These tables contain service and infrastructure data to help the reader understand how the information in the financial report relates to service that RTD provides and the activities it performs. The demographic and economic indicators help the reader understand the environment within which financial activities take place.



REGIONAL TRANSPORTATION DISTRICT
NET POSITION BY COMPONENT¹ (In Thousands)

Table 1

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Invested in capital assets, net of related debt (Note I)	\$ 2,813,989	\$ 2,987,538	\$ 3,144,175	\$ 3,135,186	\$ 3,119,274	\$ 2,936,397	\$ 2,987,694	\$ 2,788,100	\$ 2,348,966	\$ 1,872,790
Restricted (Note I)										
Emergencies	26,861	25,940	24,079	25,735	21,609	20,284	19,193	18,304	17,451	16,392
Debt and other	519,978	488,810	502,558	475,792	395,948	304,667	155,345	117,827	316,711	491,313
Total restricted net position ²	546,839	514,750	526,637	501,527	417,557	324,951	174,538	136,131	334,162	507,705
Unrestricted net position (note H)	1,165	(165,410)	(207,306)	(223,204)	(214,479)	(84,409)	18,842	53,218	45,782	46,199
Total net position	\$ 3,361,993	\$ 3,336,878	\$ 3,463,506	\$ 3,413,509	\$ 3,322,352	\$ 3,176,938	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694

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

² Restricted net position for 2016 and 2015 has been restated by category.

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



Table 2
REGIONAL TRANSPORTATION DISTRICT
SUMMARY OF STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues:										
Passenger fares	\$ 76,265	\$ 154,390	\$ 143,231	\$ 140,217	\$ 134,622	\$ 120,497	\$ 120,497	\$ 117,841	\$ 112,929	\$ 108,497
Other	6,183	6,553	7,535	7,159	5,803	5,347	4,406	5,199	5,333	4,882
Total operating revenues	82,448	160,943	150,766	147,376	140,425	125,844	124,903	123,040	118,262	113,379
Operating expenses:										
Salaries, wages, fringe benefits	248,595	251,074	236,892	263,977	260,039	227,207	204,790	192,405	178,974	166,332
Materials and supplies	42,108	54,983	51,335	44,686	52,180	58,884	62,156	64,798	58,300	52,015
Services	84,673	96,085	81,189	77,323	58,560	79,749	108,920	112,479	109,853	48,357
Utilities	16,206	17,823	16,419	16,503	14,220	13,673	14,151	13,567	11,833	11,627
Insurance	10,186	10,833	9,941	13,319	10,382	8,102	5,273	5,568	3,776	6,089
Purchased transportation	203,964	203,559	176,416	159,051	156,605	113,216	114,942	113,006	111,130	108,865
Leases and rentals	3,397	3,204	1,996	2,829	3,288	3,462	3,264	3,210	2,401	1,964
Miscellaneous	2,546	5,053	4,317	4,213	4,183	4,531	6,561	6,448	15,741	2,082
Total operating expenses	611,675	642,614	578,505	581,901	559,457	508,824	520,057	511,481	492,008	397,331
Operating loss before depreciation	(529,227)	(481,671)	(427,739)	(434,525)	(419,032)	(382,947)	(395,154)	(388,441)	(373,746)	(283,952)
Depreciation	339,833	355,417	285,653	248,633	222,154	152,531	139,045	127,256	115,269	104,280
Operating loss	(869,060)	(837,088)	(713,392)	(683,158)	(641,186)	(535,478)	(534,199)	(515,697)	(489,015)	(388,232)
Nonoperating income (expense):										
Sales and use tax revenues	632,665	659,418	634,192	598,187	563,598	541,518	514,721	468,586	449,787	415,180
Grant operating assistance	316,848	86,263	86,403	80,412	77,335	73,383	75,544	88,243	68,927	89,592
Interest income	8,965	17,669	13,409	63,030	6,371	3,164	165	2,040	2,613	6,484
Other income	10,397	26,582	12,618	10,596	9,927	10,322	10,248	28,170	11,035	11,356
Gain/Loss on capital assets	(3,822)	(2,452)	(1,449)	4,022	5,664	1,085	6,613	(82)	3,459	(6,101)
Interest expense	(167,055)	(200,845)	(62,770)	(65,346)	(77,272)	(79,686)	(72,293)	(61,223)	(51,371)	(51,274)
Other expense/unrealized loss assets	-	(672)	(16)	(2,981)	(1,258)	(1,422)	(3,605)	(4,064)	(4,895)	(150)
Total nonoperating income	797,998	585,963	682,387	687,920	584,365	548,364	531,393	521,670	479,555	465,087
Net income before capital grants and local contributions	(71,062)	(251,125)	(31,005)	4,762	(56,821)	12,886	(2,806)	5,973	(9,460)	76,855
Capital grants and local contributions	96,177	124,497	81,002	86,395	202,235	169,313	206,431	242,566	311,676	238,292
Increase in net position	25,115	(126,628)	49,997	91,157	145,414	182,199	203,625	248,539	302,216	315,147
Net position, beginning of year, (as previously reported)	3,336,878	3,463,506	3,413,509	3,322,352	3,176,938	3,181,074	2,977,449	2,728,910	2,426,694	2,203,764
Change in accounting principle, (note A)	-	-	-	-	-	(186,335)	-	-	-	-
Net position, beginning of year, (as restated)	-	-	-	-	-	2,994,739	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Net position at end of year	\$ 3,361,993	\$ 3,336,878	\$ 3,463,506	\$ 3,413,509	\$ 3,322,352	\$ 3,176,938	\$ 3,181,074	\$ 2,977,449	\$ 2,728,910	\$ 2,426,694



REGIONAL TRANSPORTATION DISTRICT
OPERATING AND OTHER EXPENSES AND CAPITAL OUTLAYS¹

Table 3

Last Ten Years (Unaudited)
(In Thousands)

Year	Operating Expenses	Depreciation	Interest Expense	Other			Capital Outlays ²	Total
				Nonoperating Expenses	Interest Expense	Capital Outlays ²		
2011	\$ 397,331	\$ 104,280	\$ 51,274	\$ 6,251	\$ 616,953	\$ 1,176,089		
2012	492,008	115,269	51,371	4,895	702,119	1,365,662		
2013	511,481	127,256	61,223	4,146	769,359	1,473,465		
2014	520,057	139,045	72,293	3,605	862,701	1,597,701		
2015	508,824	152,531	79,686	1,422	870,055	1,612,518		
2016	559,457	222,154	77,272	1,258	693,159	1,553,300		
2017	581,901	248,633	65,346	2,981	451,245	1,350,106		
2018	578,505	285,653	62,770	1,465	335,080	1,263,473		
2019	642,614	355,417	200,845	672	350,221	1,549,769		
2020	611,675	339,833	167,055	-	-	1,118,563		

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

² Prior to 2020, RTD capitalized certain interest costs, which are included in capital outlays.

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT

REVENUE BY SOURCE¹

Last Ten Years (Unaudited)

(In Thousands)

Table 4

Year	Operating Revenues	Sales/Use Tax	Grant Operating Assistance	Interest Income	Other	Total Revenue	Capital Grants	Local Contributions	Total Revenue and Capital Grant & Contributions
2011	\$ 113,379	\$ 415,180	\$ 89,592	\$ 6,484	\$ 11,356	\$ 635,991	\$ 186,073	\$ 52,219	\$ 874,283
2012	118,262	449,787	68,927	2,613	14,494	654,083	193,991	117,685	965,759
2013	123,040	468,586	88,243	2,040	28,170	710,079	159,783	82,783	952,645
2014	124,903	514,721	75,544	165	16,861	732,194	171,549	34,882	938,625
2015	125,877	541,518	73,383	3,164	11,407	755,349	157,616	11,697	924,662
2016	140,525	563,598	77,335	6,371	15,591	803,420	185,324	16,911	1,005,655
2017	147,376	598,187	80,412	63,030	14,618	903,623	75,500	10,895	990,018
2018	150,766	634,192	86,403	13,409	12,618	897,388	52,229	28,773	978,390
2019	160,943	659,418	86,263	17,669	26,582	950,875	116,303	8,194	1,075,372
2020	82,448	632,665	316,848	8,965	10,397	1,051,323	66,215	29,962	1,147,500

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
DEBT SERVICE COVERAGE RATIOS (Continued)¹
(In Thousands)

Table 5

	Total Debt Service Requirements		Total	Total Revenue	Coverage Ratio
	Interest	Principal			
2011	\$ 99,619	\$ 50,965	\$ 150,584	\$ 654,083	4.34
2012	99,203	54,786	153,989	874,283	5.68
2013	108,071	46,460	154,531	965,494	6.25
2014	128,323	57,002	185,325	952,645	5.14
2015	141,327	54,348	195,675	938,645	4.80
2016	145,863	61,698	207,561	924,662	4.45
2017	145,104	58,066	203,170	990,018	4.87
2018	140,211	64,700	204,911	978,390	4.77
2019	137,603	67,335	204,938	1,075,372	5.25
2020	131,245	78,128	209,373	1,147,500	5.48

¹ Source: The financial records of RTD and the Official Statements of the respective debt issues.

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
DEMOGRAPHIC AND OPERATING DATA
Last Ten Years (Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
January 1 population within RTD service area ¹	3,080,000	3,090,000	3,080,000	2,920,000	2,920,000	2,870,000	2,870,000	2,800,000	2,800,000	2,800,000
Cities and towns served	40	40	40	40	40	40	40	40	40	40
Square miles in service area	2,342	2,342	2,342	2,342	2,342	2,340	2,340	2,340	2,340	2,348
Total miles	35,550,924	64,369,963	59,239,576	49,348,647	44,368,116	47,575,444	45,746,927	45,246,715	38,824,067	42,996,614
Passenger stops	9,750	9,800	9,800	9,077	9,077	9,566	9,751	9,509	9,841	9,698
Number of fixed routes	134	169	169	172	172	137	138	136	145	138
Local	72	107	107	115	115	69	65	65	71	64
Express	-	-	-	-	-	15	14	14	17	16
Regional	23	23	23	16	16	20	17	17	17	17
Skyride	3	3	3	3	3	5	5	5	5	5
Boulder City	13	13	13	13	13	13	13	13	13	12
Longmont City	4	4	4	4	4	4	4	4	4	4
Limited	14	14	14	16	16	18	11	11	10	11
Miscellaneous	5	5	5	5	5	8	9	7	7	9
Ridership average weekday, without Mall Shuttle and Light Rail	103,458	196,699	183,293	193,391	197,637	208,086	211,702	208,387	210,811	205,504
Ridership average weekday, including Mall Shuttle	114,736	231,416	221,938	229,966	236,573	252,034	255,696	254,071	255,501	254,197
Ridership average weekday, Rail, ADA, and Van Pool	164,886	345,299	321,891	326,413	331,580	338,363	344,348	335,391	326,747	325,900
Total annual boardings, including Mall Shuttle, Light Rail, ADA service, and Van Pool	52,616,640	105,823,892	105,388,415	106,849,922	101,322,384	102,991,663	104,987,248	101,966,009	99,122,065	98,384,882
Daily miles operated (average, weekday) including Mall Shuttle	114,550	141,621	124,202	124,688	120,613	119,076	107,635	106,709	129,517	117,261
Daily miles operated (average, weekday) including Mall Shuttle and Light Rail	135,495	176,356	141,621	142,489	136,677	131,221	119,706	118,385	139,083	126,849
Diesel fuel consumption, gallons ²	4,032,532	5,178,712	5,238,000	5,550,000	5,550,000	5,550,000	5,550,000	5,600,000	5,400,000	5,400,000
Total active buses	1,026	1,030	1,026	1,023	1,023	1,021	1,011	992	998	969
Wheelchair lift equipped buses	1,026	1,030	1,026	1,023	1,023	1,021	1,011	992	998	969
Number of employees ²										
Salaried	923	870	870	817	779	779	735	752	700	697
Represented (includes part-time)	2,063	2,018	2,018	1,962	2,034	1,955	1,929	1,901	1,715	1,785
Fleet requirements (peak hours)	-	841	841	834	834	834	821	785	779	797
Operating facilities ²	8	7	7	7	7	7	7	6	6	6

¹ Source: Population is based on estimates provided by the Denver Regional Council of Governments. All other data comes from the financial records of RTD.

² Excludes purchased transportation services.

Table 6

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



Debt Disclosure Tables for 2020 ACR

ACFR Table	Table Title
7	Mid-Term Financial Plan
8	RTD Statement of Debt
9	RTD Annual Ridership and Fare Revenue
10	RTD Advertising and Ancillary Revenues
11	RTD Federal Grant Receipts
12	Five-Year Summary of Revenue/Expense Statements
13	Five-Year Summary of Budget/Actuals
14	RTD 2020 and 2021 Budget
15	Trip Fares
16	RTD Net Retail Sales

**REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)**



**REGIONAL TRANSPORTATION DISTRICT
2021-2026 MID-TERM FINANCIAL PLAN (In Thousands)**

Table 7

Modified Accrual Basis	2021	2022	2023	2024	2025	2026	Total
Operating revenue	\$ 96,967	\$ 105,679	\$ 134,256	\$ 135,445	\$ 136,672	\$ 166,400	\$ 775,419
Sales and use tax revenue	655,042	696,298	740,300	776,947	812,988	851,158	4,532,733
Grant revenue	112,707	105,855	108,633	111,460	127,699	136,060	702,414
Other Income	-	-	-	-	-	3,243	3,243
Total revenue	864,716	907,832	983,189	1,023,852	1,077,359	1,156,861	6,013,809
Operating expenses (excluding depreciation)	619,044	625,321	645,316	681,289	725,021	711,134	4,007,125
Capital expenditures and state of good repair	16,076	53,787	59,726	53,673	56,296	51,563	291,121
Debt service	255,196	245,117	265,412	266,821	268,421	263,078	1,564,045
Total expenditures	890,316	924,225	970,454	1,001,783	1,049,738	1,025,775	5,862,291
Net sources/(uses) of funds	(25,600)	(16,393)	12,735	22,069	27,621	131,086	151,518
Contributions to/(use) of reserves	(44,626)	(21,598)	(35,070)	(41,251)	(17,497)	(1,799)	(161,841)
Remaining funds	\$ 19,026	\$ 5,205	\$ 47,805	\$ 63,320	\$ 45,118	\$ 132,885	\$ 313,359
Cumulative remaining funds	19,026	24,231	72,036	135,356	180,474	313,359	

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
STATEMENT OF DEBT
as of December 31, 2020

Table 8

Direct Borrowings/Placements:	Outstanding ²
RTD Sales Tax TIFIA Loan	344,452
2016A JPM Lease Purchase Agreement Refunding	25,734
2017A JPM Lease Purchase Agreement Refunding	152,525
Master Lease Purchase Agreement II Fixed Rate Taxable Certificates of Participation, Series 2007A	1,690
	\$ 524,401
Sales Tax Bonds	
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹ - FasTracks	\$ 247,374
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹	39,477
RTD Sales FasTracks Tax Revenue Bonds, Series 2010B ¹	300,000
RTD Sales FasTracks Tax Revenue Bonds, Series 2012A ¹	522,865
RTD Sales Tax Revenue Bonds, Series 2013A ¹	1,216
RTD Sales FasTracks Tax Revenue Bonds, Series 2013A ¹	235,738
RTD Sales FasTracks Tax Revenue Bonds, Series 2016A ¹	225,259
RTD Sales FasTracks Tax Revenue Bonds, Series 2017A ¹	86,314
RTD Sales FasTracks Tax Revenue Bonds, Series 2017B ¹	137,341
RTD Sales FasTracks Tax Revenue Bonds, Series 2019A ¹	82,740
Total Sales Tax Revenue Debt	\$ 1,878,324
Lease Purchase Agreements	Outstanding ²
Series 2010B	100,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2013A	142,790
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2014A	460,811
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2015A	116,288
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2020A	77,273
Total Certificates of Participation Debt	\$ 897,162
Total Debt	\$ 3,299,887
RTD District Population ³	3,080,000
Per Capita Debt Requirement	\$ 1,071

¹ The Bond Resolution pursuant to which the RTD Sales Tax Revenue Bonds are issued provides that pledged for the payment of such Bonds are the Sales Tax Revenues and "any additional revenues legally available to RTD which the Board in its discretion may hereafter by Supplemental Resolution pledge to the payment of the Bonds".

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

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

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



ANNUAL RIDERSHIP AND FARE REVENUE - 2011-2020

Table 9

(In Thousands)

Year	Revenue Boardings¹	Fare Revenue	Percent Change in Fare Revenue
2011	83,428	\$ 108,497	10.8%
2012	85,442	112,929	4.1%
2013	87,820	117,841	4.3%
2014	91,049	120,497	2.3%
2015	88,927	120,530	0.0%
2016	88,982	134,622	11.7%
2017	87,823	140,217	4.2%
2018	95,114	143,231	2.1%
2019	95,041	154,390	7.8%
2020	48,878	76,265	-50.6%

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

ADVERTISING AND ANCILLARY REVENUES - 2011-2020

Table 10

(In Thousands)

Year	Advertising Revenue	Ancillary Revenues
2011	\$ 3,992	\$ 2,528
2012	3,524	2,214
2013	2,924	20,123
2014	4,324	2,085
2015	4,160	1,186
2016	3,722	2,081
2017	4,280	2,879
2018	4,433	3,102
2019	4,482	2,071
2020	4,484	1,699

GRANT RECEIPTS AND LOCAL CONTRIBUTIONS - 2011-2020

Table 11

(In Thousands)

Year	Grant Capital	Local Contributions	Grant Operating Assistance
2011	\$ 186,073	\$ 52,219	\$ 89,592
2012	193,991	117,685	68,927
2013	159,783	82,783	88,243
2014	171,549	34,882	75,544
2015	157,616	11,697	73,383
2016	185,324	16,911	77,335
2017	75,500	10,895	80,412
2018	52,229	28,773	86,403
2019	116,303	8,194	86,263
2020	66,215	29,962	316,848

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



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

Table 12

	Years Ended December 31,				
	2020	2019	2018	2017	2016
Operating revenues:					
Passenger fares	\$ 76,265	\$ 154,390	\$ 143,231	\$ 140,217	\$ 134,622
Other	6,183	6,553	7,535	7,159	5,803
Total operating revenues	<u>82,448</u>	<u>160,943</u>	<u>150,766</u>	<u>147,376</u>	<u>140,425</u>
Operating expenses:					
Salaries, wages, fringe benefits	248,595	251,074	236,892	263,977	260,039
Materials and supplies	42,108	54,983	51,335	44,686	52,180
Services	84,673	96,085	81,189	77,323	58,560
Utilities	16,206	17,823	16,419	16,503	14,220
Insurance	10,186	10,833	9,941	13,319	10,382
Purchased transportation	203,964	203,559	176,416	159,051	156,605
Leases and rentals	3,397	3,204	1,996	2,829	3,288
Miscellaneous	2,546	5,053	4,317	4,213	4,183
Total operating expenses	<u>611,675</u>	<u>642,614</u>	<u>578,505</u>	<u>581,901</u>	<u>559,457</u>
Operating loss before depreciation	(529,227)	(481,671)	(427,739)	(434,525)	(419,032)
Depreciation	<u>339,833</u>	<u>355,417</u>	<u>285,653</u>	<u>248,633</u>	<u>222,154</u>
Operating loss	(869,060)	(837,088)	(713,392)	(683,158)	(641,186)
Nonoperating income (expense):					
Sales and use tax revenues	632,665	659,418	634,192	598,187	563,598
Grant operating assistance	316,848	86,263	86,403	80,412	77,335
Interest income	8,965	17,669	13,409	63,030	6,371
Other income	10,397	26,582	12,618	10,596	9,927
Gain/Loss on capital assets	(3,822)	(2,452)	(1,449)	4,022	5,664
Interest expense	(167,055)	(200,845)	(62,770)	(65,346)	(77,272)
Other expense/Unrealized Loss	-	(672)	(16)	(2,981)	(1,258)
Total nonoperating income	<u>797,998</u>	<u>585,963</u>	<u>682,387</u>	<u>687,920</u>	<u>584,365</u>
Net income before capital grants and local contributions	(71,062)	(251,125)	(31,005)	4,762	(56,821)
Federal capital grants and local contributions	<u>96,177</u>	<u>124,497</u>	<u>81,002</u>	<u>86,395</u>	<u>202,235</u>
Increase in net position	25,115	(126,628)	49,997	91,157	145,414
Net position, beginning of year (as previously reported)	3,336,878	3,463,506	3,413,509	3,322,352	3,176,938
Net position at end of year	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>	<u>\$ 3,463,506</u>	<u>\$ 3,413,509</u>	<u>\$ 3,322,352</u>

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



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

Table 13

	2020		2019		2018		2017		2016	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating revenues:										
Passenger fares	\$ 158,116	\$ 76,265	\$ 163,600	\$ 154,390	\$ 146,785	\$ 143,231	\$ 142,500	\$ 140,217	\$ 130,173	\$ 134,622
Other	6,596	6,183	5,616	6,553	5,666	7,535	6,023	7,159	4,797	5,803
Total operating revenues	<u>164,712</u>	<u>82,448</u>	<u>169,216</u>	<u>160,943</u>	<u>152,451</u>	<u>150,766</u>	<u>148,523</u>	<u>147,376</u>	<u>134,970</u>	<u>140,425</u>
Operating expenses:										
Salaries, wages, fringe benefits	286,691	248,595	279,004	251,074	258,452	236,892	238,452	263,977	222,966	260,039
Materials and supplies	59,563	42,108	63,563	54,983	60,853	51,335	55,853	44,686	60,001	52,180
Services	119,625	84,673	139,262	96,085	148,405	81,189	154,405	77,323	139,385	58,560
Utilities	19,685	16,206	19,926	17,823	18,149	16,419	22,149	16,503	19,382	14,220
Insurance	14,295	10,186	14,151	10,833	11,485	9,941	8,485	13,319	7,665	10,382
Purchased transportation	225,361	203,964	211,016	203,559	187,209	176,416	174,209	159,051	175,696	156,605
Leases and rentals	4,303	3,397	3,090	3,204	3,712	1,996	3,712	2,829	3,557	3,288
Miscellaneous	10,220	2,546	7,204	5,053	12,102	4,317	14,432	4,213	9,601	4,183
Total Operating Expenses	<u>739,743</u>	<u>611,675</u>	<u>737,216</u>	<u>642,614</u>	<u>700,367</u>	<u>578,505</u>	<u>671,697</u>	<u>581,901</u>	<u>638,253</u>	<u>559,457</u>
Operating loss	(575,031)	(529,227)	(568,000)	(481,671)	(547,916)	(427,739)	(523,174)	(434,525)	(503,283)	(419,032)
Nonoperating revenue (expense):										
Sales and use tax	659,417	632,665	662,376	659,418	622,834	634,192	586,053	598,187	569,763	563,598
Grant operating assistance	209,021	316,848	92,013	86,263	102,681	86,403	103,785	80,412	96,767	77,335
Interest income	7,496	8,965	15,695	17,669	11,732	13,409	4,197	63,030	3,840	6,371
Other income	12,969	10,397	12,871	26,582	13,246	12,618	11,244	10,596	20,200	9,927
Gain/Loss on capital assets	-	(3,822)	-	(2,452)	-	(1,449)	-	4,022	-	5,664
Interest expense	(170,834)	(167,055)	(152,155)	(200,845)	(153,248)	(62,770)	(129,719)	(65,346)	(117,313)	(77,272)
Other expense/Unrealized loss	-	-	-	(672)	-	(16)	-	(2,981)	-	(1,258)
Total nonoperating revenue	<u>718,069</u>	<u>797,998</u>	<u>630,800</u>	<u>585,963</u>	<u>597,245</u>	<u>682,387</u>	<u>575,560</u>	<u>687,920</u>	<u>573,257</u>	<u>584,365</u>
Proceeds from issuance of long-term de	-	-	-	(96,071)	-	(5,805)	457,091	402,435	457,091	314,174
Capital outlay										
Capital expenses	613,324	548,927	693,520	350,221	849,538	335,080	1,055,839	451,245	1,396,223	693,159
Less capital grants	(218,109)	(231,088)	(266,591)	(124,497)	(311,134)	(81,002)	(418,898)	(86,395)	(258,089)	(202,235)
	395,215	317,839	426,929	225,724	538,404	254,078	636,941	364,850	1,138,134	490,924
Long-term debt principal payment	88,174	88,174	76,771	146,475	58,065	64,700	58,065	489,841	61,698	133,098
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	<u>\$ (340,351)</u>	<u>(137,242)</u>	<u>\$ (440,900)</u>	<u>(363,978)</u>	<u>\$ (547,140)</u>	<u>(69,935)</u>	<u>\$ (185,529)</u>	<u>(198,861)</u>	<u>\$ (672,767)</u>	<u>(144,515)</u>
Increases (decreases) to reconcile budget basis to GAAP basis										
Capital expenditures		548,927		350,221		335,080		451,245		693,159
Long-term debt proceeds		-		96,071		5,805		(402,435)		(314,174)
Long-term debt principal		88,174		146,475		64,700		489,841		133,098
Depreciation		(339,833)		(355,417)		(285,653)		(248,633)		(222,154)
Net income	<u>\$ 160,026</u>	<u>\$ 160,026</u>	<u>\$ (126,628)</u>	<u>\$ (126,628)</u>	<u>\$ 49,997</u>	<u>\$ 49,997</u>	<u>\$ 91,157</u>	<u>\$ 91,157</u>	<u>\$ 145,414</u>	<u>\$ 145,414</u>

* RTD's annual budget is prepared on the same basis as that used for accounting except that the budget also includes proceeds of long-term debt and capital grants as revenues, and expenditures include capital outlays and bond principal

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
FISCAL YEAR 2020 AND 2021 BUDGET SUMMARY (in thousands)

Table 14

	2020		2021	
	Adopted Budget	Amended Budget	Adopted Budget	Adopted Budget
Beginning net position	\$	\$	\$	\$
Revenues:				
Operating	163,629	99,337	93,268	
Sales & use taxes	664,743	500,955	655,042	
Federal and local grants	310,340	552,657	185,282	
Interest and other income	7,496	3,748	-	
FasTracks - change in debt service reserve	2,650	-	(2,088)	
FasTracks - change in FISA	(11,461)	(16,101)	(17,658)	
Change in capital acquisition reserve	623	(312)	2,885	
Financing proceeds	-	-	-	
Contributed capital and other income	129,759	91,994	54,366	
Total Revenues	1,267,779	1,232,278	971,097	
Expenditures:				
Operating	1,093,528	1,086,970	954,784	
Interest expense	170,384	168,977	175,724	
Debt payments	88,174	88,174	87,791	
Current capital	612,470	489,748	469,323	
Capital carryforward	854	59,179	-	
Total expenditures	1,965,410	1,893,048	1,687,622	
Adjustments ¹	1,555,351	1,889,287	910,903	
Ending net position	\$ 4,158,912	\$ 4,529,709	\$ 4,432,699	

Net position summary:

Net investment in capital assets	\$ 3,823,912	\$ 3,967,219	\$ 3,829,719
Restricted debt service, project related and other ²	114,932	294,650	279,122
Restricted TABOR fund	25,465	18,511	22,808
Restricted FasTracks ³	104,435	120,536	137,304
Restricted Board appropriated and capital replacement fund ⁴	57,312	57,936	52,030
Unrestricted fund	32,856	70,857	111,716
Ending net position	\$ 4,158,912	\$ 4,529,709	\$ 4,432,699

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.

**REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)**



**REGIONAL TRANSPORTATION DISTRICT
TRIP FARES**

Table 15

Trip Fares	Full Fare	Discount Fare ¹	Youth Discount Fare ²	LIVE Discount Fare ³
<i>Single trip fares (3 hour pass)</i>				
Mall Shuttle and Free Mall Ride		Free	Free	Free
Local	\$ 3.00	\$ 1.50	\$ 0.90	\$ 1.80
Regional	5.25	2.60	1.60	3.15
Airport	10.50	5.25	3.20	6.30
<i>Multiple trip fares (10 Ride Ticket Book)</i>				
Local	\$ 28.00	\$ 14.00	\$ 9.00	\$ 18.00 ⁴
Regional	50.50	25.25	16.00	31.50 ⁴
<i>Multiple trip fares (Day Pass)</i>				
Local	\$ 6.00	\$ 3.00	\$ 1.80	\$ 3.60
Regional/Airport	10.50	5.25	3.20	6.30
<i>Multiple trip fares (monthly pass)</i>				
Local	\$ 114.00	\$ 57.00	\$ 34.20	N/A
Regional/Airport	200.00	99.00	60.00	N/A

¹ Discount fares apply to seniors 65+, individuals with disabilities, and Medicare recipients

² Youth discount fares apply to youth ages 6-19 (up to three children ages 5 and younger ride free with a fare-paying adult)

³ LIVE discount fares apply to individuals enrolled in LIVE, RTD's income-based fare discount program.

⁴ LIVE 10 Ride Ticket Books are only available to government and nonprofit organizations through RTD's Nonprofit Program.

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2020 and 2019 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
RTD NET TAXABLE RETAIL SALES (In Millions)

Table 16

Year	Denver County	Boulder County	Jefferson County	Adams County ¹	Arapahoe County ¹	Douglas County ¹	Broomfield County ¹	Other	Total Taxable Transactions	Percent Annual Increase or Decrease
2011	\$ 11,239	\$ 3,721	\$ 6,001	\$ 4,749	\$ 7,486	\$ 2,778	\$ 944	\$ 1,041	\$ 37,959	11.3%
2012	12,415	3,851	6,202	5,323	8,109	2,912	991	1,036	40,839	7.6%
2013	12,861	4,033	6,538	5,731	8,456	3,108	1,004	-	41,731	2.2%
2014	14,254	4,359	7,013	6,436	9,211	3,318	1,045	-	45,636	9.4%
2015	14,629	4,547	7,505	6,932	9,887	3,575	1,077	1,399	49,551	8.6%
2016	15,251	4,798	7,718	7,301	10,144	3,786	1,055	1,359	51,412	3.8%
2017	16,125	4,924	7,986	8,117	10,481	4,036	1,144	1,886	54,699	6.4%
2018	16,777	5,148	8,585	9,031	10,840	4,191	1,225	1,181	56,978	4.2%
2019	17,901	5,821	9,222	9,542	11,809	4,572	1,409	203	60,479	6.1%
2020	15,075	5,948	9,615	9,783	12,111	4,607	1,447	296	58,882	-2.6%

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

