



Annual Comprehensive Financial Report

Fiscal year ended December 31, 2021 and 2020



*REGIONAL TRANSPORTATION DISTRICT
DENVER, COLORADO*

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended December 31, 2021 and 2020

**Prepared by
Finance Department**

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TABLE OF CONTENTS

<i>INTRODUCTORY SECTION</i>	Page
Letter of Transmittal	6
2022 Board of Directors	13
District Service Area Map	14
Organization Chart	15
Department Officials	15
GFOA Certificate of Achievement	16
 <i>FINANCIAL SECTION</i>	
Report of Independent Certified Public Accountants	19
Management's Discussion and Analysis	23
Statements of Net Position	39
Statements of Revenues, Expenses and Changes in Net Position	41
Statements of Cash Flow	42
Statements of Net Position – Fiduciary Funds	44
Statements of Revenues, Expenses and Changes in Net Position – Fiduciary Funds	45
Notes to Financial Statements	47
Required Supplementary Information	
Pension Plans Summary	96
Supplemental Information	
Schedule of Expense and Revenue – Budget and Actual - Budgetary Basis	104
Fiduciary Financial Statements	105

*TABLE OF CONTENTS
(CONTINUED)*

Page

Statistical Section

Net Position by Component	108
Summary of Statements of Revenues, Expenses and Changes in Net Position	109
Operating and Other Expenses and Capital Outlays	110
Revenue by Source	111
Debt Coverage Ratios	112
Demographic and Operating Data	114
Debt Disclosure Tables	115
Mid-term Financial Plan	116
Statement of Debt	117
Annual Ridership and Fare Revenue	118
Advertising and Ancillary Revenues	118
Grant Receipts and Local Contributions	118
Five-Year Summary of Statements of Revenues, Expenses and Changes in Net Position	119
Five-Year Schedule of Expenses and Revenues – Budget and Actual - Budgetary Basis	120
Fiscal Year 2020 and 2021 Budget Summary	121
Trip Fares	122
RTD Net Taxable Retail Sales	123

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Regional Transportation District

May 23, 2022

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, 2021, is hereby issued.

This report consists of management's representations concerning RTD's finances. 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, 2021, 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, 2021, 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 transportation 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 service. 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 207,000 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 2021, RTD employed 2,507 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 bus and commuter rail services employing 2,099 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 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 2022 report forecasts that the outlook for the economy is clouded by emerging challenges. Although economic activity has rebounded and exceeded pre-pandemic levels, employment has not recovered in several hard-hit industries. Increasing inflation, supply chain challenges, a tight labor market and concerns about the escalating conflict in the Ukraine all point to the potential for an economic downturn.

Economists for CLC reported the following key economic indicators for the Denver Metro Area (Inflation is based on National numbers):

Key Economic Indicators	2020 Actual	2021 Actual	2022 Forecast
Job Growth	-5.0%	3.5%	3.5%
Unemployment	6.9%	5.4%	3.9%
Personal Income Growth	5.7%	8.2%	1.80%
Population Growth	.3%	.7%	1.1%
Inflation	1.20%	4.70%	7.10%

On November 3, 1992, the voters of Colorado approved a constitutional amendment known as the Taxpayer’s Bill of Rights (TABOR), 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 Tabor’s revenue and spending limitations through December 31, 2005. On

November 2, 1999, the voters of the District further exempted RTD from Tabor's revenue and spending limitations 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. 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 2021, the Board of Directors approved the 2022-2027 MTFP.

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, 2021 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 0.2%.

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, general liability and felonious assault. 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 for claims arising on or after January 1, 2018 and before January 1, 2022. 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; 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, 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

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. RTD has submitted its 2020 Report and will submit its 2021 Report for award of this Certificate.

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 RTD 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 member of the department for their contributions. Moreover, I thank the Board of Directors for its continued support and leadership.

Sincerely,



Debra A. Johnson
General Manager and CEO



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2022 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
Denver/Jefferson counties

District D

Bobby Dishell
Denver/Jefferson/Arapahoe counties

District E

Paul Rosenthal
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, Chair
Adams/Jefferson counties

District K

Troy Whitmore, Treasurer
Adams/Weld counties

District L

Shelley Cook
Jefferson/Adams counties

District M

Marjorie Sloan, Secretary
Jefferson County

District N

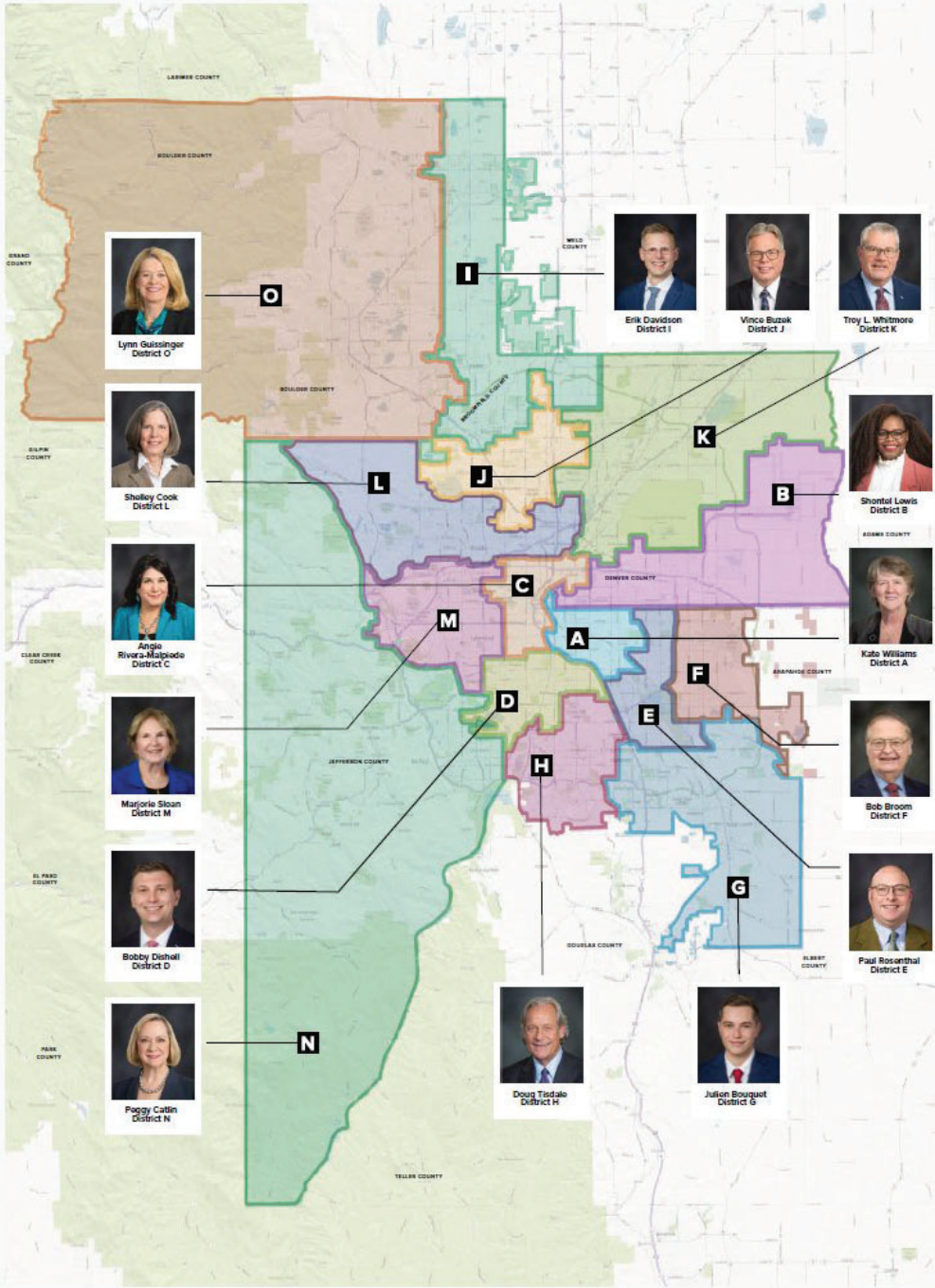
Peggy Catlin, Second Vice Chair
Jefferson County

District O

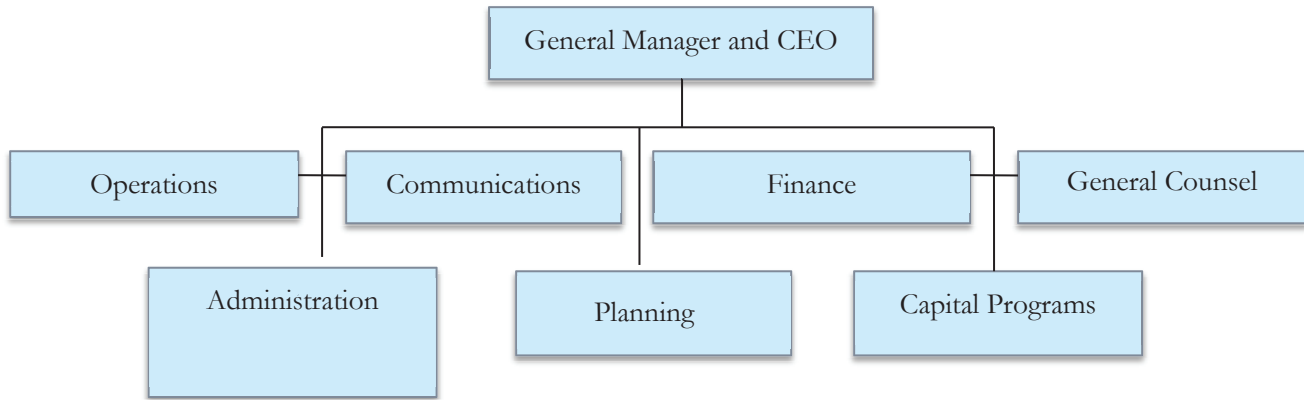
Lynn Guissinger, First Vice Chair
Boulder County

As of January 2022

BOARD OF DIRECTORS DISTRICT BOUNDARIES



Organization Chart January 2022



Agency Officials

General Manager and Chief Executive Officer

Debra A. Johnson

Chief Administrative Officer

Leah Riley

Chief Operations Officer

Michael Ford

AGM, Bus Operations

Fred Worthen

AGM, Rail Operations

Dave Jensen

Interim AGM, Communications

Marta Sipeki

AGM, Planning

William C. Van Meter

AGM, Capital Programs & Facilities

Henry Stopplecamp

Chief Financial Officer

Doug MacLeod

General Counsel

Melanie Snyder



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

FINANCIAL SECTION

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Independent Auditor's Report

To the Board of Directors
Regional Transportation District, Colorado

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Regional Transportation District (the "District") as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District as of December 31, 2021 and 2020 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Salaried Pension Plan, a fiduciary fund of the District, which represents 76.9 percent, 76.9 percent, and 70.0 percent of the assets, net position, and revenue of the fiduciary activities, respectively, for 2021 and 78.1 percent, 78.1 percent, and 58.1 percent of the assets, net position, and revenue of the fiduciary activities, respectively, for 2020. 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.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Salaried Pension Plan were not audited under *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
Regional Transportation District, Colorado

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Regional Transportation District, Colorado

Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such 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. The 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.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022 on our consideration of the 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 solely 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 effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 23, 2022

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The management of the Regional Transportation District (RTD) offers users of its financial statements this narrative overview and analysis of the financial activities for the years ended December 31, 2021 and 2020. 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.

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 and public transit through 2021. 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 March 2020. With the onset of the Pandemic, RTD instituted several measures to reduce costs and align services with customer needs. While sales and use taxes rebounded sharply in 2021, ridership and fare revenue have experienced modest recoveries but remain significantly lower. 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 which was fully drawn by RTD during 2021. In March 2021, RTD was notified of another federal COVID-19 relief grant apportionment through the American Rescue Plan Act (ARPA) of \$338,468. Each of these three apportionments have been and will be utilized to sustain transit operations. In November 2021, the Infrastructure Investment and Jobs Act (IIJA) was signed into law which will provide additional federal funding primarily directed towards asset repair and replacement.

As of December 31, 2021 and 2020, total assets and deferred outflows of resources of RTD exceeded total liabilities and deferred inflows of resources by \$3,462,798 and \$3,361,993, respectively. The amount of unrestricted net position as of December 31, 2021 was \$252,843 compared to \$1,165 in 2020. RTD's 2021 unrestricted net position was positively impacted by expenditure reduction efforts in response to the impact of COVID-19, improved sales and use tax collections as well as additional federal COVID-19 relief funding.

The net position of RTD increased by \$100,805 (3.0%) during the current year compared to a decrease of \$25,115 (0.8%) in the previous year. The increase in 2021 was primarily due to the aforementioned cost reductions, tax collections and federal funding in response to the COVID-19 Pandemic. The increase for 2020 was due to cost reductions and federal funding in response to COVID-19.

RTD experienced an approximate 60% decrease in ridership due to COVID-19 beginning in March 2020 followed by an additional 6.8% decrease in 2021 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 in 2020 with a 4.1% decrease followed by a 19.6% increase in 2021.

For 2021, total operating expenses exceeded total revenues resulting in a loss before non-operating revenue and expenses of \$825,504 compared to a loss of \$869,060 for 2020. The decrease in operating loss for 2021 was primarily due to a reduction of operating expenses resulting from decreased service provision resulting from decreased demand during 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 \$88,597 (2.7%) and decreased \$83,422 (2.2%) in 2021 and 2020, respectively. Outstanding debt decreased in 2021 and 2020 due to payment of outstanding principal balances and, to a lesser extent, refinancing of outstanding obligations for interest savings.

Capital grants and local contributions decreased \$79,008 (82.1%) in 2021 and decreased \$28,320 (22.7%) in the previous year. The decrease in both years was a result of lower capital grant eligible expenditures as the funded FasTracks capital expansion project winds down.

Grant operating assistance decreased \$17,796 (5.6%) in 2021 due to a lower federal grant apportionment of \$203,368 from CRRSAA funding than in 2020. Grant operating assistance increased \$230,585 (267.3%) in 2020 as a result of receiving \$232,254 from the CARES Act. This federal COVID-19 relief funding in both years was unprecedented and resulted in substantially higher federal funding than previous years.

RTD's capital assets, net of depreciation, decreased \$318,453 (4.8%) in 2021 and decreased \$241,786 (3.5%) in 2020. The decrease in both years was due to a reduction in capital additions as large expansion projects were placed in revenue service and systematic depreciation was applied.

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

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

The statements of net position present information on assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of RTD is improving or deteriorating. The statements of revenues, expenses, and changes in net position present information on operating revenues and expenses and non-operating revenues and expenses of RTD for the fiscal year with the difference, the net income or loss, combined with any capital



grants and local contributions to determine the change in net position for the year. That change combined with the previous year-end total net position reconciles to the net position total at the end of the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows.

The statements of cash flows report 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 metropolitan Denver, Colorado. The activities of RTD are supported by a 0.6% and a 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, 2021 and 2020 (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

	2021	2020	2019
Assets and Deferred Outflows of Resources:			
Current assets	\$ 945,412	\$ 796,659	\$ 636,702
Current assets - restricted	83,142	110,029	148,698
Capital assets (net of accumulated depreciation)	6,281,605	6,600,057	6,841,843
Other noncurrent assets	276,612	127,971	112,762
Total assets	7,586,771	7,634,716	7,740,005
Deferred outflows of resources	54,203	61,811	106,844
Total assets and deferred outflows of resources	7,640,974	7,696,527	7,846,849
Liabilities and Deferred Inflows of Resources:			
Current liabilities	183,758	233,009	232,739
Noncurrent liabilities	3,958,195	4,075,870	4,218,495
Total liabilities	4,141,953	4,308,879	4,451,234
Deferred inflows of resources	36,223	25,655	58,737
Total liabilities and deferred inflows of resources	4,178,176	4,334,534	4,509,971
Net position:			
Net investment in capital assets	2,552,419	2,813,989	2,987,538
Restricted debt service	126,822	118,845	117,805
Restricted TABOR	25,623	26,861	25,940
Restricted FasTracks	503,645	399,633	369,502
Restricted deposits	1,500	1,500	1,503
Unrestricted	252,789	1,165	(165,410)
Total net position	\$ 3,462,798	\$ 3,361,993	\$ 3,336,878

In 2021, current assets increased by \$121,866 (13.4%) primarily due to an increase in cash from higher sales and use tax collections and federal COVID-19 relief grant funding.

In 20210, capital assets net of accumulated depreciation decreased \$318,452 (4.8%) primarily due to the depreciation of assets.

Total liabilities and deferred inflows decreased \$156,358 (3.6%) in 2021 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 \$100,805 (3.0%) during the current year compared to an increase of \$25,115 (0.8%) in the previous year. The increase in 2021 was primarily due to the aforementioned cost reductions, increased tax collections and federal funding in response to the COVID-19 Pandemic. The increase in 2020 was due to cost reductions and federal COVID-19 relief funding.



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>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenue:			
Passenger fares	\$ 78,923	\$ 76,265	\$ 154,390
Advertising and other	4,197	\$ 6,183	6,553
Total operating revenue	<u>83,120</u>	<u>82,448</u>	<u>160,943</u>
Operating expenses:			
Salaries and wages	185,551	194,407	196,505
Fringe benefits	60,574	54,188	54,569
Materials and supplies	39,663	42,108	54,983
Services	74,500	84,673	96,085
Utilities	17,512	16,206	17,823
Insurance	10,104	10,186	10,833
Purchased transportation	174,747	203,964	203,559
Leases and rentals	3,202	3,397	3,204
Miscellaneous	2,213	2,546	5,053
Depreciation	340,558	339,833	355,417
Total operating expenses	<u>908,624</u>	<u>951,508</u>	<u>998,031</u>
Operating loss	(825,504)	(869,060)	(837,088)
Nonoperating revenues (expenses):			
Sales and use tax	756,974	632,665	659,418
Grant operating assistance	299,052	316,848	86,263
Investment income	2,401	8,965	17,669
Other income and gains	4,809	6,575	24,130
Interest expense	(154,096)	(167,055)	(200,845)
Other expenses and losses	-	-	(672)
Net nonoperating revenue	<u>909,140</u>	<u>797,998</u>	<u>585,963</u>
Income before capital contributions	83,636	(71,062)	(251,125)
Capital grants and local contributions	<u>17,169</u>	<u>96,177</u>	<u>124,497</u>
Increase in net position	100,805	25,115	(126,628)
Net position, beginning of year	<u>3,361,993</u>	<u>3,336,878</u>	<u>3,463,506</u>
Net position, end of year	<u>\$ 3,462,798</u>	<u>\$ 3,361,993</u>	<u>\$ 3,336,878</u>

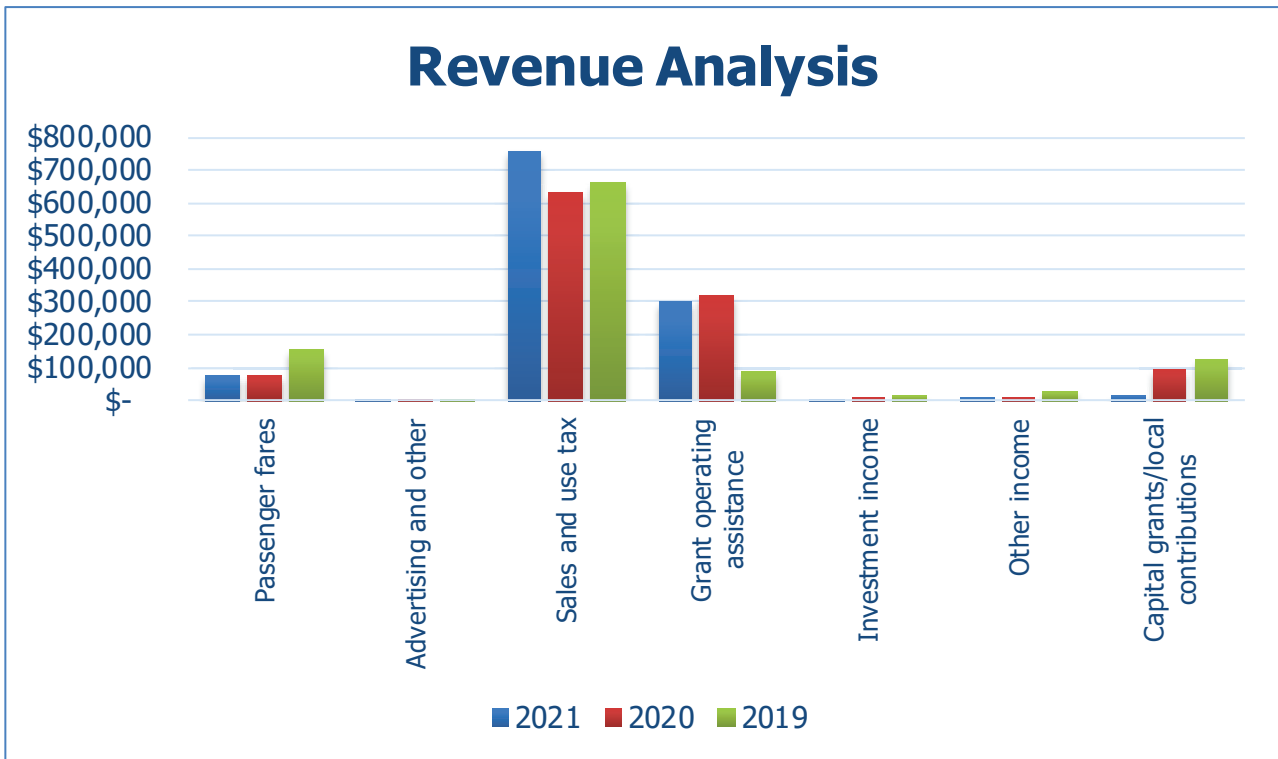
The information contained in the following condensed information table is used as the basis for the revenue and expense discussion surrounding RTD's activities for the fiscal years ended December 31, 2021, 2020 and 2019.

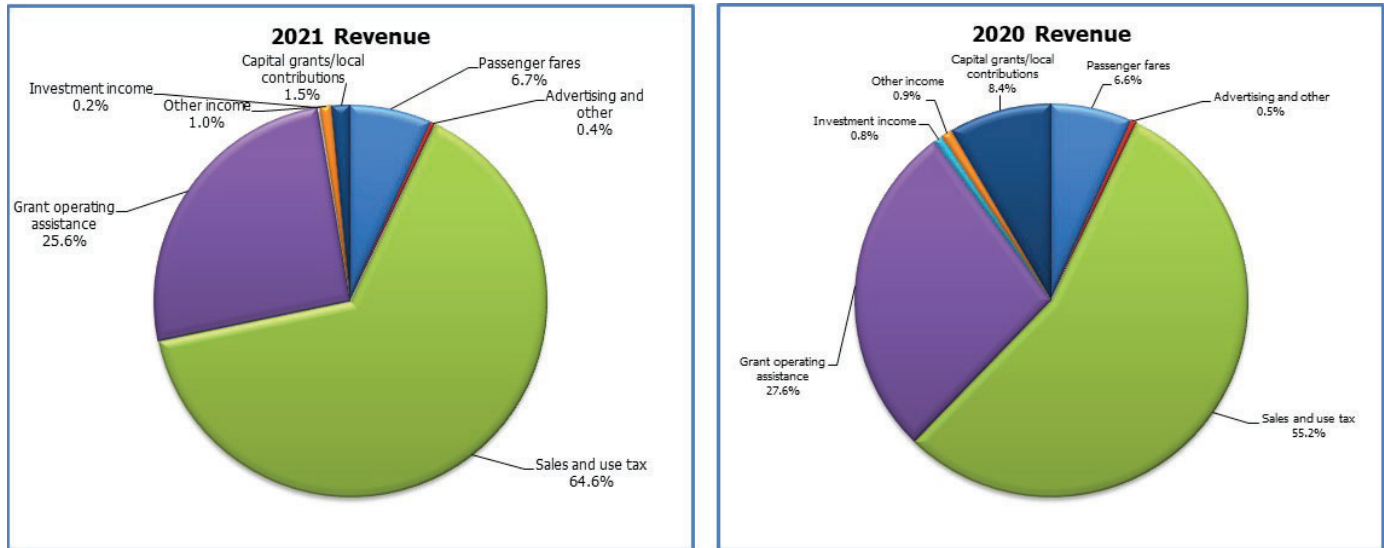
REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



Revenues - The following tables and charts show the sources of revenue for the years ended December 31, 2021, 2020 and 2019.

Revenue Analysis			
	2021	2020	2019
Revenues			
Passenger fares	\$ 78,923	\$ 76,265	\$ 154,390
Advertising and other	4,197	6,183	6,553
Sales and use tax	756,974	632,665	659,418
Grant operating assistance	299,052	316,848	86,263
Investment income	2,401	8,965	17,669
Other income	11,596	10,397	26,582
Capital grants/local contributions	17,169	96,177	124,497
Total Revenues	<u>\$ 1,170,312</u>	<u>\$ 1,147,500</u>	<u>\$ 1,075,372</u>





Passenger fares – Passenger fares provided 6.7% and 6.6% of total revenues in 2021 and 2020, respectively. Farebox receipts, monthly and annual pass revenue, and special event fares for bus and rail services are included in passenger fares. Passenger fares increased by \$2,658 (3.5%) in 2021 compared to a decrease of \$78,125 (50.6%) in 2020. Passenger fare changes in 2021 were due to a full year of operations of the N Line and stabilization of ridership losses from COVID-19. The decrease in 2020 was due to the loss of ridership due to COVID-19.

Advertising and other – Advertising and other revenue provided 0.4% and 0.5% of total revenues in 2021 and 2020. 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 \$1,986 (32.1%) in 2021 compared to a decrease of \$370 (5.6%) in 2020. The decreases in both years were primarily due to lower advertising revenues from lower advertisement sales resulting from COVID-19 impacts to the economy.

Sales and Use Tax – Sales and use tax provided 64.7% and 55.1% of RTD’s total revenues in 2021 and 2020, respectively. Sales and use tax is a dedicated 1.0% tax imposed on certain sales within the District. Sales and use tax increased \$124,309 (19.6%) in 2021 compared to a decrease of \$26,753 (4.1%) in 2020. The increase in 2021 resulted from a recovery in spending within the District after the initial economic shocks of COVID-19 reduced spending in 2020 which resulted from continued population growth, low unemployment as well as growth in personal income.

REGIONAL TRANSPORTATION DISTRICT
Management’s Discussion and Analysis (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



Grant operating assistance – Grant operating assistance provided 25.6% and 27.6% of total revenues in 2021 and 2020. Grant operating assistance decreased \$17,796 (5.6%) in 2021 compared to an increase of \$230,585 (267.3%) in 2020. 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 decrease in 2021 was the result of lower federal COVID-19 relief grant collections while the sharp increase in 2020 resulted from the first apportionment of COVID-19 federal funding to maintain certain operating levels in order to serve ongoing public transit needs.

Investment Income – Investment income provided 0.2% and 0.8% of total revenues in 2021 and 2020. Investment income decreased \$6,564 (73.2%) in 2021 compared to a decrease of \$8,704 (49.3%) in 2020. The decrease in 2021 was due to the lower interest rate environment and 2020 including a realized gain from debt refinancing.

Other Income/Gain on sale of Assets – Other income provided 1.0% and 0.9% of total revenues in 2021 and 2020. Other income includes interest subsidy income, rental income from retail space, parking, and miscellaneous other items. Other income increased \$1,199 (11.5%) in 2021 compared to a decrease of \$16,185 (60.9%) in 2020. The increase in 2021 was primarily due to less activity with asset disposals. The decrease in 2020 resulted from having no realized one-time gains such as those that occurred in the prior year.

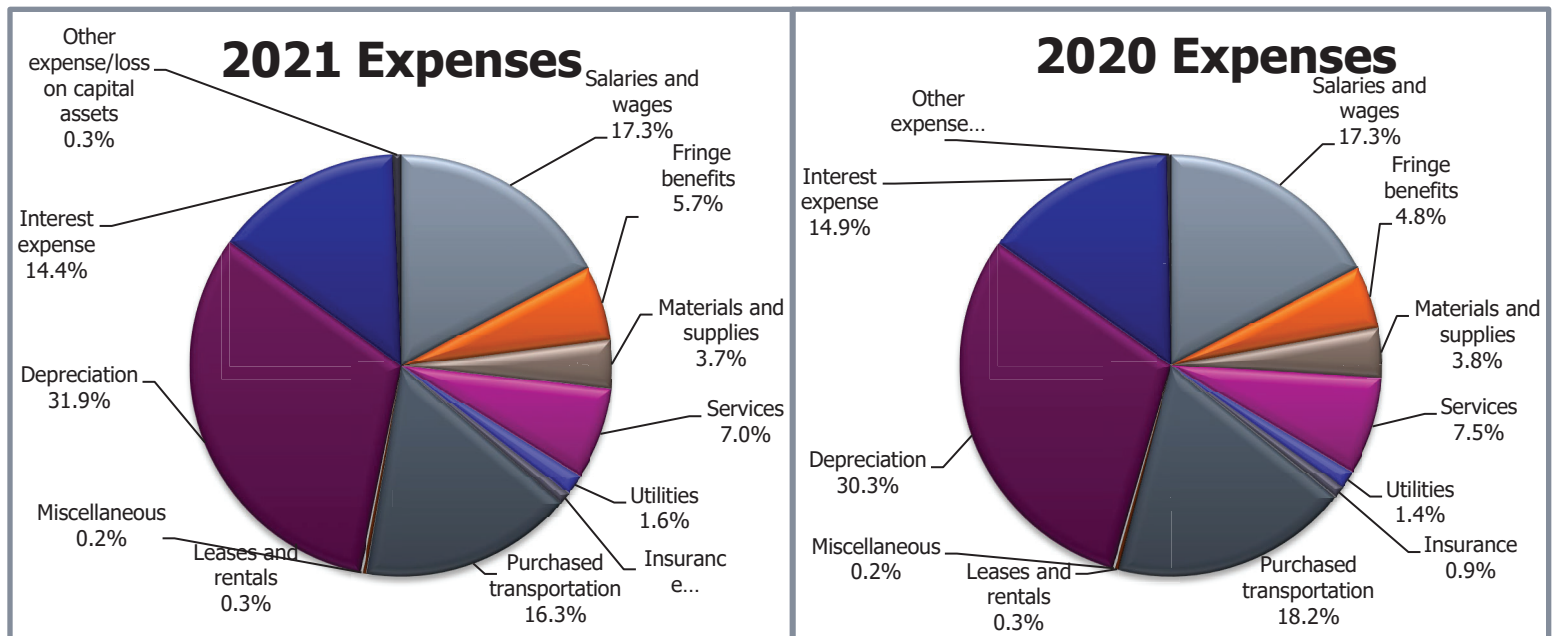
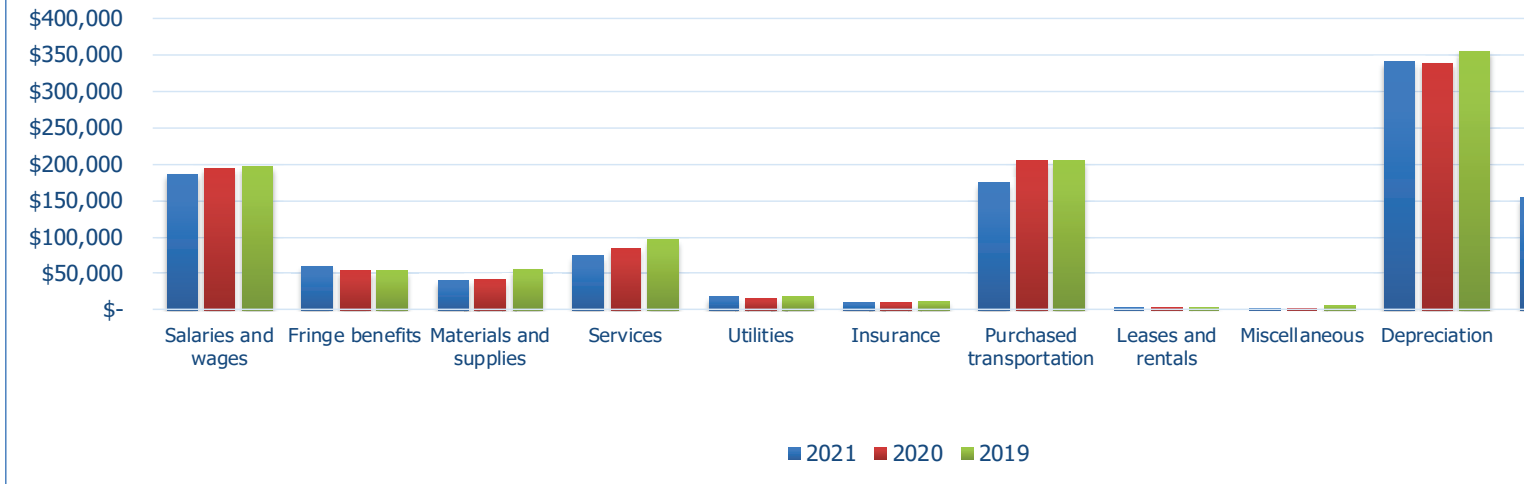
Capital grants and local contributions – Capital grants and local contributions provided 1.5% and 8.4% of total revenues in 2021 and 2020. Capital grants and local contributions decreased \$79,008 (82.1%) in 2021 and decreased \$28,320 (22.7%) in 2020. The decreases in both years resulted from lower infrastructure expenditures due to completion of FasTracks expansionary projects.

Expenses - The following tables and charts shows the major sources of expenses for the years ended December 31, 2021, 2020 and 2019.

Expense Analysis			
	2021	2020	2019
Expenses			
Salaries and wages	\$ 185,551	\$ 194,407	\$ 196,505
Fringe benefits	60,574	54,188	54,569
Materials and supplies	39,663	42,108	54,983
Services	74,500	84,673	96,085
Utilities	17,512	16,206	17,823
Insurance	10,104	10,186	10,833
Purchased transportation	174,747	203,964	203,559
Leases and rentals	3,202	3,397	3,204
Miscellaneous	2,213	2,546	5,053
Depreciation	340,558	339,833	355,417
Interest expense	154,096	167,055	200,845
Other expense/loss on capital assets	6,787	3,822	3,124
Total Expenses	\$ 1,069,507	\$ 1,122,385	\$ 1,202,000



Expense Analysis



Salaries and wages – Salary and wage expense is one of the largest expense categories accounting for 17.3% and 17.3% of the total RTD expenses in 2021 and 2020, respectively. Salary and wage expenses decreased by \$8,856 (4.6%) in 2021 compared to an increase of \$2,098 (1.1%) in 2020. The decrease in both years was due to reductions in service and staffing shortfalls due to COVID-19.



Benefits – Fringe benefits accounted for 5.7% and 4.8% of total expenses in 2021 and 2020. Fringe benefits increased by \$6,386 (11.8%) in 2021 compared to a decrease of \$381 (0.7%) in 2020. The increase in 2021 was due to higher pension liabilities from lower investment returns and 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.

Materials and supplies – The materials and supplies expense category accounted for 3.7% and 3.8% of the total expenses in 2021 and 2020 respectively. Materials and supplies expenses decreased \$2,445 (5.8%) in 2021 compared to a decrease of \$12,875 (23.4%) in 2020. The decrease in both years was due to reduced service levels due to COVID-19 with a more substantial decrease in 2020 resulting after prior years included 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.

Services – Services expense accounted for 7.0% and 7.5% of total expenses in 2021 and 2020. 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 \$10,173 (12.0%) in 2021 compared to a decrease of \$11,412 (11.9%) in 2020. The decrease in both years resulted from service expense and project reductions to adjust to lower revenues caused by the COVID-19 economic effects.

Utilities – Utilities accounted for 1.6% and 1.4% of total expenses in 2021 and 2020. Utilities expense includes electric, telecommunications, water and sewer, and natural gas for facilities as well as traction power for rail lines. Utilities expense increased \$1,306 (8.1%) in 2021 compared to a decrease of \$1,617 (9.1%) in 2020. The increase in 2021 resulted from higher traction power costs while decrease in 2020 resulted from a decrease in rail service and the associated electric power as a result of service reductions for COVID-19.

Insurance – Insurance accounted for 0.9% and 0.9% of total expenses in 2021 and 2020. 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, cybersecurity and railroad liability insurance. Insurance expense decreased \$82 (0.8%) in 2021 and decreased \$647 (6.0%) in 2020. The decrease 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 16.3% and 18.2% of the total expenses in 2021 and 2020. Purchased transportation represents the costs of contracted transportation services for bus, commuter rail, Access-a-Ride, and FlexRide services. Purchased transportation costs decreased \$29,217 (14.3%) in 2021 and increased \$405 (0.2%) in 2020. The decrease in 2021 was due to service reductions from COVID-19 impacts while the increase in 2020 was due to additional rail corridors being opened of which the increased costs were partially offset by service reductions.

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 2021 and 2020, respectively. Leases and rentals expense decreased \$195 (5.7%) in 2021 compared to an increase of \$193 (6.0%) in 2020. The decrease in 2021 resulted from cost reduction efforts to mitigate



impacts from COVID-19 while the increase in 2020 was due to contractual increases as well as the minor addition of certain facilities to accommodate the new rail corridors.

Miscellaneous – Miscellaneous expense includes other incidental operating expenses not included in other defined categories and accounted for 0.2% and 0.2% of total expenses in 2021 and 2020, respectively. Miscellaneous expenses decreased \$333 (13.1%) in 2021 compared to a decrease of \$2,507 (49.6%) in 2020. This category includes additional one-time project expenses creating fluctuations between years.

Depreciation – The depreciation expense category accounted for 31.8% and 30.3% of the total expenses in 2021 and 2020, respectively. RTD's depreciation expense is a straight-line non-cash systematic allocation of the cost of capital assets over the estimated useful life of the assets. Depreciation expense increased \$725 (0.2%) in 2021 compared to a decrease of \$15,584 (4.4%) in 2020. The decrease in 2021 was due to retirement of assets and the increase in 2020 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 14.4% and 14.9% of the total expenses in 2021 and 2020, respectively. Interest expense decreased \$12,959 (7.8%) in 2021 and decreased \$33,790 (16.8%) in 2020. The decrease in both years was attributable to lower outstanding balances resulting from paying down principal. In addition, in 2021, a refinancing was completed to realize savings from lower market rates of interest.

Other expense – Other expense includes miscellaneous non-operating expenses not classified in other expense categories and accounted for 0.6% and 0.3% in 2021 and 2020, respectively. Other expense increased \$2,965 (77.6%) in 2021 and increased \$698 (22.3%) in 2020. The increase in both years was due to retirement of capital assets resulting in losses.

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 2021 was \$6,281,605 compared to \$6,600,057 in 2020. The decrease in capital assets in 2021 was \$318,452 (4.8%) compared to a decrease of \$241,786 (3.5%) in 2020. The decrease in both years was due to additional accumulated depreciation.

Capital Assets - The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2021, 2020 and 2019.

REGIONAL TRANSPORTATION DISTRICT
Management's Discussion and Analysis (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



Capital Assets			
	2021	2020	2019
Land	\$ 857,406	\$ 860,458	\$ 789,639
Land improvements	5,846,148	5,838,359	5,089,458
Buildings	689,980	689,916	664,678
Revenue earning equipment	1,356,062	1,361,911	1,323,153
Shop, maintenance and other equipment	409,168	394,411	335,707
Construction in progress	115,696	133,676	988,547
Total	9,274,460	9,278,731	9,191,182
Less accumulated depreciation:			
Land improvements	1,775,221	1,555,447	1,347,276
Buildings	301,969	283,497	265,306
Revenue earning equipment	629,644	589,332	523,983
Shop, maintenance and other equipment	286,021	250,397	212,774
Total accumulated depreciation	2,992,855	2,678,674	2,349,339
Total capital assets being depreciated, net	5,308,503	5,605,923	5,063,657
Capital assets, net	\$ 6,281,605	\$ 6,600,057	\$ 6,841,843

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, 2021, 2020 and 2019.

Outstanding Debt			
	2021	2020	2019
Bonds and certificates payable:			
Sales tax revenue bonds	\$ 2,056,875	\$ 2,062,918	\$ 2,067,664
Certificates of participation (COPs)	955,782	1,011,319	1,089,312
Total principal	3,012,657	3,074,237	3,156,976
Issuance premiums and discounts	198,633	225,650	226,333
Net bonds and certificates payable	\$ 3,211,290	\$ 3,299,887	\$ 3,383,309

Outstanding debt – Outstanding debt includes sales tax revenue bonds, certificates of participation, and a purchase and assignment agreement. The 2021 outstanding debt was \$3,211,290 compared to \$3,299,887 in 2020. Outstanding debt decreased by \$88,597 (2.7%) in 2020 and decreased by \$83,422 (2.5%) in 2020. The decrease in both years 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 \$2,056,875 and \$2,062,918 as of December 31, 2021 and 2020, respectively. The sales tax revenue bonds decreased \$6,043 (0.3%) in 2021 compared to a decrease of \$4,746 (0.2%) in 2020. The decrease in both years 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 \$955,782 and \$1,011,319 as of December 31, 2021 and 2020, respectively. The Certificates outstanding decreased \$55,537 (5.5%) in 2021 compared to a decrease of \$77,993 (7.2%) in 2020. The decrease in both years 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:

	Base System Bonds	FasTracks Bonds	Certificates of Participation
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 2021 Budget

RTD is dependent on sales and use taxes, which are the largest single source of revenue for RTD, representing 64.7% and 55.2% of the total revenues in 2021 and 2020, 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 2021 sales and use taxes increased 19.6% in 2021 due to a recovery from the economic effects of COVID-19.

RTD is dependent on passenger fares collected for transit services that it provides. Passenger fares accounted for 6.7% and 6.6% of total revenues in 2021 and 2020, respectively. Passenger fare collections were significantly impacted by COVID-19 and lower ridership in both years.

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 25.6% and 27.6% of total revenues in 2021 and 2020, respectively which represented a more substantial portion of revenues in both years 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.

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BASIC FINANCIAL STATEMENTS

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2021 and 2020 (Dollars in Thousands)



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

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets:		
Cash and cash equivalents	\$ 683,932	\$ 600,837
Marketable interest bearing investments (note B)	12,373	22,756
Receivables:		
Sales tax	140,401	114,958
Other, less allowance for doubtful accounts of \$201 and \$231 at December, 31 2021 and 2020, respectively	13,156	8,551
Grants	49,251	5,485
Inventories	34,692	34,253
Other current assets (note C)	11,607	9,819
Cash and cash equivalents - restricted	76,682	97,688
Marketable interest bearing investments - restricted (note B)	6,460	12,341
Total current assets	<u>1,028,554</u>	<u>906,688</u>
Noncurrent Assets:		
Capital assets (note D):		
Land	857,406	860,458
Land improvements	5,846,148	5,838,359
Buildings	689,980	689,916
Revenue earning equipment	1,356,062	1,361,911
Shop, maintenance and other equipment	409,168	394,411
Construction in progress	115,696	133,676
Total capital assets	<u>9,274,460</u>	<u>9,278,731</u>
Less accumulated depreciation	<u>(2,992,855)</u>	<u>(2,678,674)</u>
Net capital assets	6,281,605	6,600,057
Other Noncurrent Assets:		
Long-term marketable interest bearing investments - restricted (note B)	94,271	93,997
Long-term marketable interest bearing investments - unrestricted (note B)	182,341	33,974
Total other noncurrent assets	<u>276,612</u>	<u>127,971</u>
Total noncurrent assets	<u>6,558,217</u>	<u>6,728,028</u>
Total assets	<u>7,586,771</u>	<u>7,634,716</u>
Deferred Outflows of Resources:		
Debt related (note A)	26,578	30,686
Pension related (note A and F)	27,625	31,125
Total deferred outflows of resources	<u>54,203</u>	<u>61,811</u>

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2021 and 2020 (Dollars in Thousands)



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

	2021	2020
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities:		
Accounts and contracts payable	\$ 54,402	\$ 89,774
Current portion of long-term debt payable from restricted assets (note E)	71,548	77,096
Accrued compensation (note F)	25,264	27,408
Accrued interest payable from restricted assets	17,060	19,556
Other accrued expenses	15,484	19,175
Total current liabilities	183,758	233,009
Noncurrent Liabilities:		
Long-term debt, net (note E)	3,139,742	3,222,791
Net Pension Liability (note F)	260,200	284,791
Other liabilities (note E)	558,253	568,288
Total noncurrent liabilities	3,958,195	4,075,870
Total liabilities	4,141,953	4,308,879
Deferred Inflows of Resources:		
Debt related (note A)	5,347	347
Pension related (note A and F)	30,876	25,308
Total deferred inflows of resources	36,223	25,655
NET POSITION		
Net investment in capital assets (note I)	2,552,419	2,813,989
Restricted debt service (note I)	126,822	118,845
Restricted TABOR (note I)	25,623	26,861
Restricted FasTracks (note I)	503,645	399,633
Restricted deposits (note I)	1,500	1,500
Unrestricted net position (note I)	252,789	1,165
Total net position	\$ 3,462,798	\$ 3,361,993

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2021 and 2020 (Dollars in Thousands)



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

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE:		
Passenger fares	\$ 78,923	\$ 76,265
Advertising, rent, and other	4,197	6,183
Total operating revenue	<u>83,120</u>	<u>82,448</u>
OPERATING EXPENSES:		
Salaries and wages	185,551	194,407
Fringe benefits	60,574	54,188
Materials and supplies	39,663	42,108
Services	74,500	84,673
Utilities	17,512	16,206
Insurance	10,104	10,186
Purchased transportation	174,747	203,964
Leases and rentals	3,202	3,397
Miscellaneous	2,213	2,546
Depreciation	340,558	339,833
Total operating expenses	<u>908,624</u>	<u>951,508</u>
OPERATING LOSS	<u>(825,504)</u>	<u>(869,060)</u>
NONOPERATING REVENUE (EXPENSES):		
Sales and use tax	756,974	632,665
Grant operating assistance (note A)	299,052	316,848
Investment income	2,401	8,965
Other income	11,596	10,397
Gain(Loss) on capital assets	(6,787)	(3,822)
Interest expense (note A)	(154,096)	(167,055)
Other expense	-	
Net nonoperating revenue (expenses)	<u>909,140</u>	<u>797,998</u>
Income (loss) before capital grants and local contributions	83,636	(71,062)
Capital grants and local contributions (note A)	<u>17,169</u>	<u>96,177</u>
Increase (decrease) in net position	100,805	25,115
Net position, beginning of year	<u>3,361,993</u>	<u>3,336,878</u>
Net position, end of year	<u>\$ 3,462,798</u>	<u>\$ 3,361,993</u>

The accompanying notes are an integral part of these statements.



REGIONAL TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS - BUSINESS TYPE ACTIVITIES
Years ended December 31,
(In Thousands)

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 74,886	\$ 81,275
Payments to suppliers	(391,696)	(420,101)
Payments to employees	(241,671)	(237,792)
Other revenue	11,596	10,397
Net cash used in operating activities	(546,885)	(566,221)
Cash provided from noncapital financing activities:		
Grant operating assistance	253,150	316,848
Sales and use tax collections	731,531	637,007
Net cash provided by noncapital financing activities	984,681	953,855
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(896,483)	(155,013)
Proceeds from issuance of debt	834,904	72,273
Issuance Premiums/Discounts	(27,018)	(682)
Capital grant funds and other contributions received	19,305	154,140
Proceeds from sale of assets	1,366	858
Acquisition and construction of capital assets	(30,259)	(102,727)
Cost of issuance	(4,185)	(626)
Interest paid on long-term debt	(143,361)	(162,098)
Net cash used in capital and related financing activities	(245,731)	(193,875)
Cash flows from investing activities:		
Purchases of investments	(141,100)	(30,771)
Proceeds from sales and maturities of investments	8,723	52,240
Interest and dividends on investments	2,401	8,965
Net cash (used in) provided by investing activities	(129,976)	30,434
Increase in cash and cash equivalents	62,089	224,193
Cash and cash equivalents - beginning of year	698,525	474,332
Cash and cash equivalents - end of year	\$ 760,614	\$ 698,525

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2021 and 2020 (Dollars in Thousands)



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

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (825,504)	\$ (869,060)
Adjustment to reconcile to net cash used in operating activities:		
Depreciation expense	340,558	339,833
Bad debt expense	62	136
Other income	11,596	10,397
Changes in operating assets and liabilities:		
(Increase)/Decrease in other accounts receivable	(4,605)	5,145
Increase in inventories	(439)	(899)
(Increase) in other current assets	(1,788)	(324)
Decrease in deferred outflow pension	3,500	42,213
Increase in accounts payable	(69,998)	(55,798)
(Decrease)/Increase in accrued compensation and expenses	(2,144)	1,603
Decrease in other accrued expenses	(3,691)	(6,454)
Increase/(Decrease) in deferred inflow pension	5,568	(33,013)
Net cash used in operating activities	<u>\$ (546,885)</u>	<u>\$ (566,221)</u>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	\$ 683,932	\$ 600,837
Cash and cash equivalents - restricted	<u>76,682</u>	<u>97,688</u>
Total cash and cash equivalents	<u>\$ 760,614</u>	<u>\$ 698,525</u>

Noncash investing, capital and financing activities:

RTD received noncash local match contributions for federal grants of \$0 and \$121 for 2021 and 2020 respectively.

The accompanying notes are an integral part of these statements.

REGIONAL TRANSPORTATION DISTRICT
Financial Statements
December 31, 2021 and 2020 (Dollars in Thousands)



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

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 5,609	\$ 8,414
Investments		
Equities	\$ 14,594	13,720
Common Collective Trusts	\$ 105,916	84,319
Real Estate Investment Trusts	\$ 21,157	19,265
Mutual Funds	54,133	60,777
Total Investments	<u>195,800</u>	<u>178,081</u>
Total assets	<u>201,409</u>	<u>186,495</u>
Liabilities		
Accounts payable	<u>66</u>	<u>75</u>
Total liabilities	66	75
Net position - restricted for pensions	<u>\$ 201,343</u>	<u>\$ 186,420</u>



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

	<u>2021</u>	<u>2020</u>
Additions		
Contributions	\$ 11,673	\$ 11,703
Forfeitures	100	100
Investment income and change in value	24,932	14,825
Investment expenses	<u>(342)</u>	<u>(269)</u>
Total additions	<u>36,363</u>	<u>26,359</u>
Deductions		
Distributions and benefits paid	21,117	15,452
Administrative expenses	<u>323</u>	<u>269</u>
Total deductions	<u>21,440</u>	<u>15,721</u>
Increase in net position	14,923	10,500
Net position, beginning of year	186,420	175,920
Net position, end of year	<u>\$ 201,343</u>	<u>\$ 186,420</u>



NOTES TO FINANCIAL STATEMENTS



NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Organization*

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

RTD is governed by a publicly elected board of directors consisting of 15 members. Each board member is elected to serve a term of four years by the constituents of the District in which the board member resides. As required by Generally Accepted Accounting Principles (GAAP), these financial statements present RTD and its component 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, 2021 and 2020. 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 2021 and 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 as of December 31 2021 and 2020, respectively was \$154,096 and \$167,055.

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 \$572,783 and \$485,650 at December 31, 2021 and 2020, 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 2013A, 2016A, 2017A, 2017B, 2019A, 2021A and 2021B bond resolutions, 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 service will be paid from the collateralized sales and use tax revenues in the amount of approximately \$3,376,648 through 2050. Principal and interest paid for the current year and pledged revenues received were \$88,756.

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 \$15,739 and \$66,215 in 2021 and 2020, respectively. Operating assistance grant revenue was \$299,052 and \$316,848 in 2021 and 2020, respectively. Other contribution revenue was \$1,430 and \$29,962 in 2021 and 2020, respectively.

In April, 2021, RTD was awarded \$203,368 in federal COVID-19 relief grant funding through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) to maintain transit operations. The CRRSAA funding was fully drawn by RTD during 2021 and is included in operating assistance grant revenue. RTD was awarded additional COVID-19 relief funding of \$304,227 through the American Rescue Plan Act (ARPA) in August 2021. A portion of these funds were also drawn in 2021 and are included in the 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. *Reclassifications*

Certain 2020 amounts have been reclassified to conform to the 2021 presentation.

20. *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 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.



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 always entitled to collect and retain all income derived from those investments without restrictions.

As of December 31, 2021, and 2020, respectively, RTD had bank deposits of \$13,407 and \$11,799 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, 2021, investments in enterprise funds consisted of the following:

Investment Type	Fair Value	<6 Months	6-12 Months	1-5 Years
U.S. treasury securities	\$ 216,871	\$ 1,151	\$ 8,881	\$ 206,839
U.S. agency securities	69,897	169	8,631	61,097
Municipal bonds	7,348	-	-	7,348
Corporate bonds	1,329	-	-	1,329
Total	\$ 295,445	\$ 1,320	\$ 17,512	\$ 276,613

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



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, 2021 and 2020, 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 2021, 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, 2021, the balance in this money market fund was \$6,706.

Enterprise Funds

At December 31, 2021, investment credit ratings for enterprise funds consisted of the following:

Investment Rating	Fair Value
AAA (Standard and Poor's)	\$ 293,186
AA (Standard and Poor's)	2,259
A (Standard and Poor's)	-
Total	\$ 295,445

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



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

Fiduciary Funds

Fiduciary fund investments of \$195,888 and \$178,801 at December 31, 2021 and 2020, 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, 2021, RTD followed these limits. As of December 31, 2020, RTD was following 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, 2021 and 2020, RTD had \$177,413 and \$204,026 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, 2021 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
U.S. treasury securities	\$ -	\$ 216,871	\$ -	\$ 216,871
U.S. agency securities	-	69,897	-	69,897
Municipal bonds	-	7,348	-	7,348
Corporate bonds	-	1,329	-	1,329
Total	\$ -	\$ 295,445	\$ -	\$ 295,445

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



Fiduciary Funds

The valuation inputs summary for the fiscal period ended December 31, 2021 were:

Investment Type	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Investments measured at fair value				
Domestic equities	\$ 14,143	\$ -	\$ -	\$ 14,143
Foreign equities	451	-	-	451
Common collective trusts	-	-	31,425	31,425
Mutual Funds	46,411	-	-	46,411
Total assets at fair value	61,005	-	31,425	92,430
Investments measured at net asset value				
Real estate investment trusts (1)	-	-	-	21,157
Common collective trusts (2)	-	-	-	74,491
Mutual funds (3)	-	-	-	7,722
Total assets at net asset value	-	-	-	103,370
Total	\$ 61,005	\$ -	\$ 31,425	\$ 195,800

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

(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:

	2021	2020
Prepaid expenses	\$ 9,952	\$ 8,164
Assets held for sale	1,655	1,655
Total Other Current Assets	\$ 11,607	\$ 9,819



NOTE D – CAPITAL ASSETS

Capital asset activity as of December 31, 2021 was as follows:
(In Thousands)

	Balances 12/31/2020	Additions	Deletions	Balances 12/31/2021
Capital assets not being depreciated:				
Land	\$ 860,458	\$ 1,732	\$ 4,784	\$ 857,406
Construction in progress	133,676	30,259	48,239	115,696
Total capital assets not being depreciated	<u>994,134</u>	<u>31,991</u>	<u>53,023</u>	<u>973,102</u>
Capital assets being depreciated:				
Land improvements	5,838,359	11,607	3,818	5,846,148
Buildings	689,916	64	-	689,980
Revenue earning equipment	1,361,911	20,500	26,349	1,356,062
Shop, maintenance and other equipment	394,411	15,316	559	409,168
Total capital assets being depreciated	<u>8,284,597</u>	<u>47,487</u>	<u>30,726</u>	<u>8,301,358</u>
Less accumulated depreciation:				
Land improvements	1,555,447	219,774	-	1,775,221
Buildings	283,497	18,471	-	301,968
Revenue earning equipment	589,331	66,170	25,859	629,644
Shop, maintenance and other equipment	250,399	36,142	518	286,022
Total accumulated depreciation	<u>2,678,674</u>	<u>340,558</u>	<u>26,377</u>	<u>2,992,855</u>
Total capital assets being depreciated, net	<u>5,605,923</u>	<u>(293,071)</u>	<u>4,349</u>	<u>5,308,503</u>
Capital assets, net	<u>\$ 6,600,057</u>	<u>\$ (261,080)</u>	<u>\$ 57,372</u>	<u>\$ 6,281,605</u>

Depreciation expense was \$340,558 and \$339,833 as of December 31, 2021 and 2020, respectively.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2021 and 2020 (Dollars in Thousand)



Capital asset activity as of December 31, 2020 was as follows:
(In Thousands)

	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 for years 2020 and 2019, 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.

RTD sales tax revenue bonds Series 2007A, 2010B, 2013A, 2016A, 2017A, 2017B, 2019A, and 2021AB are secured by a pledge of future sales and use tax revenues. These tax-secured future liabilities of \$3,376,648 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 2021, these tax-generated revenues were \$756,974.

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 2021 and 2020, respectively, RTD paid interest and principal for sales tax revenue bonds and TIFIA loan of \$88,756 and \$102,767.

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2021 and 2020 (Dollars in Thousand)



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

Direct borrowings/placements	2021	2020
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
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%	13,055	25,734
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%.	122,997	152,525
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
Total debt direct borrowings/placement	136,052	524,401
Less current portion	(42,683)	(44,766)
Total long-term direct borrowings/placements	\$ 93,369	\$ 479,635

Other Debt-Bonds Secured by Sales and Use Tax Revenues

	2021	2020
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 (\$460) and (\$493) for 2021 and 2020, respectively. In 2014, The District made a partial modification and exchange on these bonds resulting in a premium with an ending balance of \$11,552 and \$12,331 for 2021 and 2020, respectively. Furthermore, in 2017, the District made another partial modification and exchange on these bonds resulting in a premium with an ending balance of \$14,105 and \$15,056 for 2021 and 2020, respectively.	\$ 245,677	\$ 247,374
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 \$1,584 and \$2,142 for 2021 and 2020, respectively.	27,564	39,477
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 \$0 and \$47,930 for 2021 and 2020, respectively.	-	522,865

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2021 and 2020 (Dollars in Thousand)



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 \$0 and \$61 for 2021 and 2020, respectively.	-	1,216
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 \$28,966 and \$30,918 for 2020 and 2019, respectively	233,786	235,738
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 \$29,121 and \$30,294 for 2021 and 2020, respectively.	224,086	225,259
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 \$9,639 for 2021 and 2020, respectively.	83,543	86,314
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 \$16,747 and \$17,876 for 2021 and 2020, respectively.	136,212	137,341
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
Sales tax FasTracks revenue refunding bonds, Series 2021A , due serially on November 1 of 2025 thru 2037 issued with a .070 to 2.387% coupon, payable semiannually on May 1 and November 1 of each year.	422,405	-
Sales tax FasTracks revenue refunding bonds, Series 2021B , due serially on November 1 of 2028 thru 2040, issued with a coupon between 4.0% to 5.0%, payable semiannually on May 1 and November 1 of each year, including premium of \$33,297 and \$0 for 2021 and 2020, respectively.	444,927	-
Total Other debt bonds secured by sales tax revenues	2,200,940	1,878,324
Less current portion	(10,675)	(14,795)
Total Other Debt-Bonds secured by sales and use tax revenues	<u>\$ 2,190,265</u>	<u>\$ 1,863,529</u>

REGIONAL TRANSPORTATION DISTRICT
Notes to Financial Statements
December 31, 2021 and 2020 (Dollars in Thousand)



Other Debt - Certificates of Participation (Certificates)	2021	2020
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 \$14,206 and \$16,830 for 2021 and 2020, respectively.	122,631	142,790
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 \$19,046 and \$19,895 for 2021 and 2020, respectively.	459,961	460,811
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 \$8,857 and \$9,338 for 2021 and 2020, respectively.	115,807	116,288
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 \$12,459 and \$13,833 for 2021 and 2020, respectively.	75,899	77,273
Total other debt certificate of participation	874,298	897,162
Less current portion	(18,190)	(17,535)
Total other debt - Certificates of Participation (Certificates)	\$ 856,108	\$ 879,627
Total other debt	\$ 3,075,238	\$ 2,775,486
Total direct borrowing/placement	136,052	524,401
Less total current portion	(71,548)	(77,096)
Total long term debt	\$ 3,139,742	\$ 3,222,791

Direct Borrowing/Placements include the TIFIA loan which is payable from and secured by RTD's sales and use tax revenue. In 2021, The District paid off the TIFIA loan with proceeds from the 2021B Sales Tax Bonds. 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, 2021 was \$0. The TIFIA loan was 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. 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. In September 2021, The District did an interest modification on the 2016 & 2017 JP Morgan lease agreements. The interest outstanding in September 2021, was rolled into the principal



balance of the respective JP Morgan lease agreements and new schedules for principal and interest payments were updated. Furthermore, refunding of the Series 2007 Certificates was completed with a direct placement loan with DEPFA Bank. In 2021, the direct placement loan with DEPFA matured.

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>
2022	\$ 42,683	\$ 1,347	\$ 44,030
2023	30,373	930	31,303
2024	31,113	564	31,677
2025	31,883	189	32,072
Total	<u>\$ 136,052</u>	<u>\$ 3,030</u>	<u>\$ 139,082</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>
2022	\$ 10,675	\$ 80,366	\$ 91,041
2023	11,225	79,811	91,036
2024	11,815	79,228	91,043
2025	14,840	78,615	93,455
2026	64,130	78,389	142,519
2027-2031	461,705	351,493	813,198
2032-2036	507,680	257,363	765,043
2037-2041	369,455	169,577	539,032
2042-2046	358,570	114,986	473,556
2047-2050	246,780	37,105	283,885
Total	<u>\$ 2,056,875</u>	<u>\$ 1,326,933</u>	<u>\$ 3,383,808</u>

The sales tax bonds 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
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	48,280	35,313	83,593
2027-2031	181,170	146,693	327,863
2032-2036	197,055	96,985	294,040
2037-2041	183,595	44,584	228,179
2042-2044	90,875	6,667	97,542
Total	<u>\$ 819,730</u>	<u>\$ 489,431</u>	<u>\$ 1,309,161</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Direct borrowings/placements					
TIFIA loan	\$ 344,452	\$ -	\$ 344,452	-	\$ -
2016 JP Morgan lease purchase	25,734	67	12,746	13,055	13,055
2017 JP Morgan lease purchase	152,525	802	30,330	122,997	29,628
DEPFE Bank lease purchase	1,690	-	1,690	-	-
Total direct borrowings/placements	524,401	869	389,218	136,052	42,683
Other debt					
Sales tax revenue bonds	1,712,570	834,035	489,730	2,056,875	10,675
Certificates	837,265	-	17,535	819,730	18,190
Issuance premiums and discounts	225,651	34,461	61,479	198,633	-
Total other debt	2,775,486	868,496	568,744	3,075,238	28,865
Other obligations					
Net pension liability	284,791	2,875	27,466	260,200	-
Eagle P3 finance charges	568,288	-	10,034	558,254	-
Total other obligations	853,079	2,875	37,500	818,454	-
Total long-term liability	<u>\$ 4,152,966</u>	<u>\$ 872,240</u>	<u>\$ 995,462</u>	<u>\$ 4,029,744</u>	<u>\$ 71,548</u>



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
Direct borrowings/placements					
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
Other debt					
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
Other obligations					
Net pension liability	319,177	-	34,386	284,791	-
Eagle P3 finance charge	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

In March 2021, RTD issued Sales Tax Revenue Refunding Bonds (FasTracks Project), Series 2021A and Series 2021B in the par amount of \$834,035 for refunding its previously outstanding Series 2012A Sales Tax Revenue bonds and TIFIA loan for interest expense savings. The transaction achieved a 15.0% net present value savings and \$127,539 of gross cash flow savings between 2021 and 2045 while retaining the same final maturity of 2045.

In September 2021, RTD amended its JPMorgan Chase Bank, N.A., purchase and assignment agreement (2017) to lower the interest rate from 2.437% to 1.189%. The amendment achieved a 2.75% net present value savings and \$2,441 of gross cash flow savings between 2021 and 2025 while retaining the same final maturity of 2025.

In September 2021, RTD amended its JPMorgan Chase Bank, N.A., purchase and assignment agreement (2016) to lower the interest rate from 1.903% to 0.93%. The amendment achieved \$63 of gross cash flow savings for 2022 which is the final maturity.

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.



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, 2021 is presented below:

Plan Name	Net Pension Liability	Deferred Outflow of Resources*	Deferred Inflows of Resources	Pension Expense
ATU 1001 Pension Plan	\$ 219,235	\$ 20,212	\$ 29,234	\$ 5,752
Salaried Pension Plan	40,965	7,413	1,642	6,418
Salaried Retirement Plan	-	-	-	4,313
Total	\$ 260,200	\$ 27,625	\$ 30,876	\$ 16,483

**The ATU 1001 Pension Plan deferred outflow of resources related to contributions made subsequent to the measurement date were \$19,286. 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, 2020 is presented below:

Plan	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	\$ 284,791	\$ 31,125	\$ 25,308	\$ 6,922

**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.*



ATU 1001 Pension Plan – Defined Benefit (2021)

Plan Description

The Amalgamated Transit Union Local 1001 (ATU) 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, 2021 (December 31, 2020 measurement date), pension plan membership consisted of the following¹:

Active plan members	1,815
Inactive plan members or beneficiaries currently receiving benefits	1,762
Inactive individuals entitled to but not yet receiving benefits	<u>1,640</u>
Total	<u><u>5,217</u></u>

Net Pension Liability

The components of the net pension liability of the plan for Fiscal Year Ending December 31, 2021 as follows:

Total pension liability	\$ 495,786
Plan fiduciary net position	<u>276,551</u>
Plan's net pension liability	<u><u>\$ 219,235</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>55.78%</u>

Actuarial Methods and Assumptions Used to Calculate Net Pension Liability:

Valuation date:	January 1, 2021
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 2.00% (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 2.00%
 Inflation assumption 3.0%
 Actuarial return assumption 7.0%

Asset Class	30 Year Long-term Expected Real Rate of Return	Target Asset Allocation
Domestic equity	3%	30%
International equity	4%	25%
Real estate	5%	5%
Domestic fixed income	0%	10%
International fixed income	0%	10%
Commodities	5%	5%
Private equity	9%	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, 2020	\$ 493,321	\$ 246,620	\$ 246,701
Changes for the year:			
Service cost	8,998	-	8,998
Interest	34,057	-	34,057
Differences between expected and actual experience	(1,498)	-	(1,498)
Assumption changes	(7,519)	-	(7,519)
Contributions-employer	-	22,454	(22,454)
Contributions-employee	-	4,070	(4,070)
Net investment income	-	35,313	(35,313)
Benefit payments and refunds of employee contributions	(31,573)	(31,573)	-
Administrative expense	-	(333)	333
Other changes	-	-	-
Net changes	2,465	29,931	(27,466)
Balance at December 31, 2021	<u>\$ 495,786</u>	<u>\$ 276,551</u>	<u>\$ 219,235</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>\$ 269,324</u>	<u>\$ 219,235</u>	<u>\$ 176,509</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 2021 the employer recognized a pension expense increase of \$5,752. 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	\$ 926	\$ (956)
Differences in assumptions	-	(4,797)
Excess(deficit) investment returns	-	(23,481)
Contributions subsequent to measurement date	19,286	-
Total	<u>\$ 20,212</u>	<u>\$ (29,234)</u>

Employer contributions subsequent to the measurement date of \$19,286 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. 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,

2022	\$ (9,341)
2023	(6,476)
2024	(8,844)
2025	(3,647)
Total	<u>\$ (28,308)</u>

ATU 1001 Pension Plan – Defined Benefit (2020)

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	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>5,156</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	\$ 493,321
Plan fiduciary net position	<u>246,620</u>
Plan's net pension liability	<u>\$ 246,701</u>
Plan fiduciary net position as a percentage of total pension liability	<u>49.99%</u>



Actuarial Methods and Assumptions Used to Calculate Net Pension Liability and the Basis for Determining Contributions to the Plan:

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 7.00%
 Long-term expected rate of investment returns 7.00%
 Long-term municipal bond rate 2.75%
 Inflation assumption 3.0%
 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, 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 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	<u>\$ 297,007</u>	<u>\$ 246,701</u>	<u>\$ 203,885</u>

Contributions

Contributions to the 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 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 sources:



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

Employer contributions subsequent to the measurement date of \$20,146 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	\$ (9,579)
2022	(2,429)
2023	(340)
2024	(5,197)
Total	<u>\$ (17,545)</u>

Salaried Pension Plan - Defined Benefit (2021)

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 Benesys.

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, 2021 (December 31, 2020 measurement date), pension plan membership consisted of the following:

Date of Member Count January 1, 2020

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, 2021 (December 31, 2020 measurement date), are as follows:

Total pension liability	\$ 186,625
Plan fiduciary net position	<u>145,660</u>
Plan's net pension liability	<u><u>\$ 40,965</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u>78.05%</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 2021 and \$6.1 million in 2020.

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 the measurement date of 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, 2021 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:

<u>Asset Class</u>	<u>30 Year Long-term Expected Real Rate of Return</u>	<u>Target Asset Allocation</u>
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 as of 12/31/21 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	\$ 58,390	\$ 40,965	\$ 25,889

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2020	\$ 180,774	\$ 142,684	\$ 38,090
Changes for the year:			
Service cost	2,828	-	2,828
Interest	12,436	-	12,436
Differences between expected and actual experience	2,486	-	2,486
Assumption changes	-	-	-
Contributions-employer	-	6,100	(6,100)
Net investment income	-	8,991	(8,991)
Benefit payments and refunds of employee contributions	(11,899)	(11,899)	-
Administrative expense	-	(216)	216
Other changes	-	-	-
Net changes	5,851	2,976	2,875
Balance at December 31, 2021	\$ 186,625	\$ 145,660	\$ 40,965



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

For the year ended 2021 the employer recognized pension expense of \$6,418. 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	\$ 1,313	\$ (425)
Differences in assumptions		-
Excess(deficit) investment returns	-	(1,217)
Contributions subsequent to measurement date	6,100	-
Total	<u>\$ 7,413</u>	<u>\$ (1,642)</u>

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, 2022. 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	\$ 311
2022	1,441
2023	(2,237)
2024	157
Total	<u>\$ (328)</u>

Salaried Pension Plan - Defined Benefit (2020)

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:

Date of Member Count-January 1, 2019

Active plan members	267
Inactive plan members or beneficiaries currently receiving benefits	276
Inactive individuals entitled to but not yet receiving benefits	115
Total	<u>658</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	142,684
Plan's net pension liability	<u>\$ 38,090</u>
Plan fiduciary net position as a percentage of total pension liability	<u>78.93%</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, 2019 for disclosure purposes for the fiscal year ending 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 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, 2020 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:

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

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.

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 as of December 31, 2020 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	\$ 55,515	\$ 38,090	\$ 23,014

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	\$ 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, 2020	\$ 180,774	\$ 142,684	\$ 38,090



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

For the year ended December 31, 2020 RTD recognized pension expense of \$8,734. RTD 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	\$ -	\$ 2,028
Differences in assumptions	2,034	-
Excess(deficit) investment returns		2,890
Contributions subsequent to measurement date	6,100	-
Total	<u>\$ 8,134</u>	<u>\$ 4,918</u>

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>

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 \$4,314 and \$5,603 in 2021 and 2020, respectively. RTD employees cannot contribute to this plan. Membership was 681 and 646 active employees in 2021 and 2020, 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) Division 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 \$21,061 and \$22,780 for the years ended December 31, 2021 and 2020, 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, 2021 was as follows:

	12/31/2020			12/31/2021
	Balance	Accruals	Payments	Balance
Represented employees	\$ 3,245	\$ 2,099	\$ 2,277	\$ 3,067
Salaried employees	12,327	7,326	8,464	11,189
Total compensated absences obligations	<u>\$ 15,572</u>	<u>\$ 9,425</u>	<u>\$ 10,741</u>	<u>\$ 14,256</u>

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>

The accrued compensation liabilities of \$25,264 and \$27,408 as of December 31, 2021 and 2020, respectively, include \$11,008 and \$11,836 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, 2021, are as follows:

<u>Year ending December 31,</u>	
2022	\$ 275
2023	278
2024	281
2025	284
2026	287
2027-2031	1,476
2032-2036	1,552
2037-2041	1,631
2042-2046	1,714
2047-2051	1,802
2052-2056	1,894
2057-2061	1,990
2062-2066	2,092
2067-2071	2,198
2072-2075	1,839
	<u>\$ 19,593</u>

Rental expense relating to this lease amounted to \$273 and \$270 for the years ended December 31, 2021 and 2020, 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, 2021, 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 \$151,213 and \$82,604 in 2021 and 2020, respectively.

Grant Match Requirements

Under the provisions of current grants, RTD is obligated to satisfy certain matching requirements. At December 31, 2021, RTD had a commitment to provide \$69,774 in matching funds in order to receive \$333,152 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 2021, 56.8% 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, 2021 are as follows:

2022	\$	158,812
2023		125,266
2024		105,690
2025		61,061
2026		41,996
2027		15,408
Total	\$	<u>508,233</u>



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

Year ending December 31,	TABOR Secured Payment	Service Availability Payment	Total
2022	\$ 43,235	\$ 61,363	\$ 104,598
2023	44,407	64,874	109,281
2024	45,827	72,479	118,306
2025	48,429	78,050	126,479
2026	43,140	67,744	110,885
2027-2031	244,074	421,110	665,184
2032-2036	342,140	624,249	966,389
2037-2041	333,227	684,044	1,017,269
2042-2044	49,079	135,180	184,259
Total	\$ 1,193,557	\$ 2,209,093	\$ 3,402,650

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 2022 usage of about 7.75 million gallons: 4.69 million gallons of RTD's usage and 2.91 million gallons of RTD's private carriers' usage.

The estimated locked-in price commitment under the Mansfield contract in 2022 is for 7.75 million gallons of diesel fuel for both RTD and private carriers at \$2.30 per gallon or \$17,442.

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 claims arising on or after January 1, 2018 and before January 1, 2022.

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 Division 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, 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	4,683	7,794	12,477
Incurred claims (including IBNR)	204	3,224	3,428
Claims payments	<u>(506)</u>	<u>(4,642)</u>	<u>(5,148)</u>
Unpaid claims, December 31, 2021*	<u>\$ 4,381</u>	<u>\$ 6,376</u>	<u>\$ 10,757</u>

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

Contract Disputes and Legal Proceedings

RTD is party to a number of pending or threatened tort lawsuits, workers' compensation claims, or labor/employment claims under which it may be required to pay certain amounts upon final disposition of these matters. RTD also has certain contract disputes being considered in contractual dispute resolution proceedings. RTD's legal counsel estimates that the ultimate outcome of these matters is sufficiently covered by RTD's general liability or 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,	
	2021	2020
Invested in capital assets, net of related debt	\$ 2,552,419	\$ 2,813,989
Restricted net position		
Restricted debt service	126,822	118,845
Restricted TABOR	25,623	26,861
Restricted FasTracks	503,645	399,633
Restricted deposits	1,500	1,500
Total restricted net position	657,590	546,839
Unrestricted net position		
Unrestricted - represented net pension liability*	(228,257)	(244,099)
Unrestricted - salaried net pension liability	(35,193)	(34,875)
Unrestricted net position	516,240	280,139
Total unrestricted net position	252,789	1,165
Total net position	<u>\$ 3,462,798</u>	<u>\$ 3,361,993</u>

* 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:

	2021	2020
Revenues and Proceeds		
Revenue, actual	\$ 1,153,143	\$ 1,051,323
Proceeds from debt/arbitrage relief	\$ 834,904	\$ 72,273
Federal capital grants and local contributions	17,169	96,177
Revenue, actual (budgetary basis)	\$ 2,005,216	\$ 1,219,773
Revenue, budget	\$ 1,157,480	\$ 1,169,665
Expenditures		
Expenses, actual	\$ 1,069,507	\$ 1,122,385
Capital outlays	30,259	102,727
Depreciation, amortization, other	(340,558)	(339,833)
Long-term debt principal payments	896,483	155,013
Expenditures, actual (budgetary basis)	\$ 1,655,691	\$ 1,040,292
Appropriations, budget	\$ 1,339,231	\$ 1,370,287
Unused/(Excess use of) appropriations	\$ (316,460)	\$ 329,995

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, 2021, there was approximately \$428,640 of unused 2021 appropriations for capital outlays available for carryover to 2022.

In 2021, the RTD Board of Directors approved refinancing certain debt instruments by separate resolution independent of the 2021 approved budget appropriations. The cost of extinguishment of this debt resulted in expenditures exceeding the initial approved appropriations in 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 2021, \$25,623 of year-end net position has been reserved for emergencies. Amendment 1 is complex and subject to judicial interpretation. RTD believes it follows the requirements of Amendment 1 based on the interpretations of the amendment's language available at year-end.

NOTE L – SUBSEQUENT EVENTS

On March 1, 2022, RTD and the Amalgamated Transit Union (ATU) Local 1001 completed negotiations regarding the 2022 through 2024 Collective Bargaining Agreement (CBA). Approximately 2/3 of RTD's employees are represented by this sole RTD labor agreement. The CBA term is retroactive to January 1, 2022 through December 31, 2024. Contract terms include improved working conditions, wage increases of 16% in 2022, 4% in 2023 and 4% in 2024 as well as improvements to retirement benefits. Retirement benefit improvements include an employer contribution of \$160,000 by April 1, 2022 to the defined benefit (DB) pension plan to reduce the funding shortfall and increase the annual multiplier for certain employees as well as closing the DB plan to new employees beginning January 1, 2023 and funding a defined contribution retirement plan for those new employees.

In April 2022, RTD received notice from the FTA regarding increases in federal grant funding apportionments from the Infrastructure Investment and Jobs Act available beginning in 2022.

REQUIRED SUPPLEMENTARY INFORMATION

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (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,

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 22,670	\$ 22,594	\$ 18,109	\$ 17,644	\$ 17,170	\$ 17,131	\$ 18,752
Actual contribution	19,286	21,345	20,163	13,168	12,128	11,542	10,758
Contribution excess (deficiency)	(3,384)	(1,249)	2,054	(4,476)	(5,042)	(5,589)	(7,994)
Covered payroll	\$ 108,766	\$ 107,888	\$ 103,646	\$ 103,729	\$ 94,802	\$ 82,994	\$ 84,774
Contribution as a percentage of covered payroll	20.84%	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
Notes:	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
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 rate:	3.00%
Wage increases:	7.00% during the first 5 years of service, 3.00% after 5 years of service
Investment rate of return:	7.00%
Retirement age:	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014
Healthy mortality:	RP-2014 combined mortality table, generational projected with MP-2017
Disabled mortality:	RP-2014 combined mortality table, generational projected with MP-2017
Other:	There were no benefit changes during the year

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (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)

ATU 1001 Pension Plan

Period ending December 31,

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	\$ 8,998	\$ 9,007	\$ 9,045	\$ 14,387	\$ 13,145	\$ 13,074	\$ 11,936
Interest	34,057	33,056	32,102	27,099	25,276	26,324	27,714
Changes to benefit terms		-	-	-	-	-	-
Differences between expected and actual experience	(1,498)	2,908	1,596	4,855	(3,164)	(4,711)	(6,476)
Assumption changes	(7,519)	-	-	(108,133)	(19,822)	28,095	28,879
Benefit payments, including lump sum distributions	(31,573)	(29,732)	(28,417)	(27,233)	(26,133)	(25,439)	(24,312)
Net change in total pension liability	2,465	15,239	14,326	(89,025)	(10,698)	37,343	37,742
Total pension liability - beginning	493,321	478,082	463,756	552,781	563,479	526,136	488,394
Total pension liability - ending	<u>\$ 495,786</u>	<u>\$ 493,321</u>	<u>\$ 478,082</u>	<u>\$ 463,756</u>	<u>\$ 552,781</u>	<u>\$ 563,479</u>	<u>\$ 526,136</u>
Plan Fiduciary Net Position							
Contributions - RTD	\$ 22,454	\$ 21,345	\$ 20,163	\$ 13,168	\$ 12,128	\$ 11,542	\$ 10,758
Contributions - employees	4,070	5,052	4,627	4,389	4,069	3,868	3,586
Net investment income	35,313	40,540	(8,837)	28,983	11,855	(1,829)	11,779
Benefit payments, including lump sum distributions	(31,573)	(29,731)	(28,417)	(27,233)	(26,133)	(25,439)	(24,312)
Administrative expenses	(333)	(397)	(391)	(411)	(364)	(391)	(355)
Net change in plan fiduciary net position	29,931	36,809	(12,855)	18,896	1,555	(12,249)	1,456
Plan fiduciary net position - beginning	246,620	209,811	222,666	203,770	202,215	214,464	213,008
Plan fiduciary net position - ending	<u>\$ 276,551</u>	<u>\$ 246,620</u>	<u>\$ 209,811</u>	<u>\$ 222,666</u>	<u>\$ 203,770</u>	<u>\$ 202,215</u>	<u>\$ 214,464</u>
Plan's net pension liability - ending	<u>\$ 219,235</u>	<u>\$ 246,701</u>	<u>\$ 268,271</u>	<u>\$ 241,090</u>	<u>\$ 349,011</u>	<u>\$ 361,264</u>	<u>\$ 311,672</u>
Plan fiduciary net position as a percentage of the total pension liability	55.78%	49.99%	43.89%	48.01%	35.86%	35.89%	40.76%
Covered payroll	\$ 108,766	\$ 107,888	\$ 103,646	\$ 103,729	\$ 94,802	\$ 82,994	\$ 85
Net pension liability as a percentage of covered payroll	201.56%	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

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

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.

Assumption changes for the Fiscal Year Ending December 31, 2021 (December 31, 2020 measurement date, January 1, 2020 actuarial valuation date) Assumption changes were the result of the employer contribution amount to be determined during collective bargaining.

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (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

Period ending December 31,

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 8,643	\$ 8,082	\$ 7,954	\$ 7,296	\$ 7,632	\$ 6,768	\$ 5,682
Actual contribution	6,100	6,100	5,100	4,600	4,100	3,100	3,100
Contribution excess (deficiency)	(2,543)	(1,982)	(2,854)	(2,696)	(3,532)	(3,668)	(2,582)
Covered payroll	\$ 21,336	\$ 23,631	\$ 26,460	\$ 27,619	\$ 30,378	\$ 31,257	\$ 30,880
Contribution as a percentage of covered payroll	28.59%	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, twelve months prior to end of the fiscal year in which contributions are reported.
Actuarial cost method:	Entry age normal
Amortization method:	Level dollar, fixed and declining 20 years
Remaining amortization period:	11 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%

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (Dollars in Thousands)



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

Mortality (annuities):

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

Mortality (lump sums):

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

Other:

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: \$143 per year payable monthly, with a 2% annual increase thereafter

Marital Status: 60% Male/30% female, female spouses 3 years younger

Form of Benefit (active retirements): 25% Lump Sum, 75% Annuity

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (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)

RTD Salaried Pension Plan

Period ending December 31,

Total Pension Liability

	2021	2020	2019	2018	2017	2016	2015
Service cost	\$ 2,828	\$ 3,066	\$ 3,000	\$ 3,201	\$ 3,587	\$ 3,342	\$ 2,673
Interest	12,436	12,412	12,624	12,351	11,371	10,388	9,366
Changes to benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	2,486	(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	(11,899)	(12,671)	(12,465)	(9,339)	(7,092)	(9,582)	(7,034)
Net change in total pension liability	5,851	202	9,022	5,397	14,582	11,618	14,230
Total pension liability - beginning	180,774	180,572	171,550	166,153	151,571	139,953	125,723
Total pension liability - ending	<u>\$ 186,625</u>	<u>\$ 180,774</u>	<u>\$ 180,572</u>	<u>\$ 171,550</u>	<u>\$ 166,153</u>	<u>\$ 151,571</u>	<u>\$ 139,953</u>

Plan Fiduciary Net Position

Contributions - RTD	\$ 6,100	\$ 5,100	\$ 5,100	\$ 4,600	\$ 4,100	\$ 3,100	\$ 3,100
Contributions - employees	-	-	-	-	-	-	-
Net investment income	8,991	20,778	(7,143)	18,322	11,337	(610)	9,078
Benefit payments, including lump sum distributions	(11,899)	(12,671)	(12,465)	(9,339)	(7,092)	(9,582)	(7,034)
Administrative expenses	(216)	(189)	(188)	(177)	(166)	(141)	(127)
Net change in plan fiduciary net position	2,976	13,018	(14,696)	13,406	8,179	(7,233)	5,017
Plan fiduciary net position - beginning	142,684	129,666	144,362	130,956	122,777	130,010	124,993
Plan fiduciary net position - ending	<u>\$ 145,660</u>	<u>\$ 142,684</u>	<u>\$ 129,666</u>	<u>\$ 144,362</u>	<u>\$ 130,956</u>	<u>\$ 122,777</u>	<u>\$ 130,010</u>
Plan's net pension liability - ending	<u>\$ 40,965</u>	<u>\$ 38,090</u>	<u>\$ 50,906</u>	<u>\$ 27,188</u>	<u>\$ 35,197</u>	<u>\$ 28,794</u>	<u>\$ 9,943</u>
Plan fiduciary net position as a percentage of the total covered payroll	78.05%	78.93%	71.81%	84.15%	78.82%	81.00%	92.90%
Net pension liability as a percentage of covered payroll	191.99%	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%

REGIONAL TRANSPORTATION DISTRICT
Required Supplementary Information
December 31, 2021 and 2020 (Dollars in Thousands)



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 actuarial valuation 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 Assumption changes for the Fiscal year Ending December 31, 2016 (December 31, 2015 measurement date, January 1, 2016 actuarial valuation date): the amount reported as Assumption Changes resulted from a change in the salary increase assumption (average weighted salary increase changed from 4.00% to 5.00%). This change is expected to be more reflective of future plan experience. Assumption changes for the Fiscal year Ending December 31, 2015 (December 31, 2014 measurement date, January 1, 2015 actuarial valuation date): the amount reported as Assumption Changes resulted from a change in the salary increase assumption (average weighted salary increase changed from 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
December 31, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
SCHEDULE OF EXPENSE AND REVENUE
BUDGET AND ACTUAL - BUDGETARY BASIS
Year Ended December 31, 2021
(In Thousands)

	Adopted Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance
Operating revenue				
Passenger fares	\$ 88,462	\$ 68,186	\$ 78,923	\$ 10,737
Other	4,805	4,806	4,197	(609)
Total operating revenue	<u>93,267</u>	<u>72,992</u>	<u>83,120</u>	<u>10,128</u>
Operating expenses				
Salaries and wages	183,022	226,948	185,551	41,397
Fringe benefits	75,316	82,973	60,574	22,399
Materials and supplies	46,514	58,249	39,663	18,586
Services	108,443	132,831	74,500	58,331
Utilities	19,259	17,482	17,512	(30)
Insurance	14,900	16,100	10,104	5,996
Purchased transportation	174,105	213,239	174,747	38,492
Leases and rentals	4,542	4,566	3,202	1,364
Miscellaneous	9,085	9,110	2,213	6,897
Total operating expenses	<u>635,186</u>	<u>761,498</u>	<u>568,066</u>	<u>193,432</u>
Operating loss	<u>(541,919)</u>	<u>(688,506)</u>	<u>(484,946)</u>	<u>203,560</u>
Nonoperating revenue (expenses)				
Sales and use tax	655,041	683,002	756,974	73,972
Grant operating assistance	91,100	499,645	299,052	(200,593)
Investment income			2,401	2,401
Other income	11,930	11,931	11,596	(335)
Gain/loss on capital assets	-	-	(6,787)	(6,787)
Interest expense	(174,105)	(155,218)	(154,096)	1,122
Total nonoperating revenue (expenses)	<u>583,966</u>	<u>1,039,360</u>	<u>909,140</u>	<u>(130,220)</u>
Proceeds from debt	<u>-</u>	<u>-</u>	<u>834,904</u>	<u>834,904</u>
Capital outlay				
Capital expenses	469,323	551,682	30,259	(521,423)
Less capital grants	(94,182)	(94,182)	(17,169)	77,013
	<u>375,141</u>	<u>457,500</u>	<u>13,090</u>	<u>(444,410)</u>
Long-term debt principal payment	(87,790)	(88,174)	(896,483)	(808,309)
Excess (deficiency) of revenue and nonoperating income over (under) expenses, capital outlays and debt principal payments	<u>\$ (420,884)</u>	<u>\$ (194,820)</u>	349,525	<u>\$ 544,345</u>
Increases (decreases) to reconcile budget basis to GAAP basis				
Capital expenses			30,259	
Proceeds from debt			(834,904)	
Long-term debt principal payment			896,483	
Depreciation			(340,558)	
INCREASE IN NET POSITION			<u>\$ 100,805</u>	

See accompanying independent auditors' opinion

REGIONAL TRANSPORTATION DISTRICT
Supplemental Information
December 31, 2021 and 2020 (Dollars in Thousands)



STATEMENTS OF NET POSITION - FIDUCIARY FUNDS

As of December 31,
(In Thousands)

	Section 401(a) Retirement	Salaried Pension Plan	2021	Section 401(a) Retirement	Salaried Pension Plan	2020
Assets						
Cash and cash equivalents	\$ 40	\$ 5,569	\$ 5,609	\$ 72	\$ 8,342	\$ 8,414
Investments						
Equities		14,594	14,594		13,720	13,720
Common Collective Trusts		105,916	105,916		84,319	84,319
Real Estate Investment Trusts		21,157	21,157		19,265	19,265
Mutual Funds	46,411	7,722	54,133	40,688	20,089	60,777
Total Investments	46,411	149,389	195,800	40,688	137,393	178,081
Total assets	46,451	154,958	201,409	40,760	145,735	186,495
Liabilities						
Accounts payable	-	66	66	-	75	75
Total liabilities	-	66	66	-	75	75
Net position - restricted for pensions	\$ 46,451	\$ 154,892	\$ 201,343	\$ 40,760	\$ 145,660	\$ 186,420

REGIONAL TRANSPORTATION DISTRICT
Supplemental Information
December 31, 2021 and 2020 (Dollars in Thousands)



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	2021	Section 401(a) Retirement Plan	Salaried Pension Plan	2020
Additions						
Contributions	\$ 5,573	\$ 6,100	\$ 11,673	\$ 5,603	\$ 6,100	\$ 11,703
Forfeitures	100	-	100	100	-	100
Investment income and change in value	5,330	19,602	24,932	5,455	9,370	14,825
Total additions	11,003	25,702	36,705	11,158	15,470	26,628
Deductions						
Distributions and benefits paid	5,180	15,937	21,117	3,553	11,899	15,452
Investment expenses	-	342	342	-	407	407
Administrative expenses	132	191	323	81	188	269
Total deductions	5,312	16,470	21,782	3,634	12,494	16,128
Increase in net position	5,691	9,232	14,923	7,524	2,976	10,500
Net position, beginning of year	40,760	145,660	186,420	33,236	142,684	175,920
Net position, end of year	\$ 46,451	\$ 154,892	\$ 201,343	\$ 40,760	\$ 145,660	\$ 186,420

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

Page

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
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
NET POSITION BY COMPONENT¹ (In Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Invested in capital assets, net of related debt (Note I)	\$ 2,552,419	\$ 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
Restricted (Note I)										
Emergencies	25,623	26,861	25,940	24,079	25,735	21,609	20,284	19,193	18,304	17,451
Debt and other	631,967	519,978	488,810	502,558	475,792	395,948	304,667	155,345	117,827	316,711
Total restricted net position ²	657,590	546,839	514,750	526,637	501,527	417,557	324,951	174,538	136,131	334,162
Unrestricted net position (note H)	252,789	1,165	(165,410)	(207,306)	(223,204)	(214,479)	(84,409)	18,842	53,218	45,782
Total net position	<u>\$ 3,462,798</u>	<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>	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>	<u>\$ 2,728,910</u>

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

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

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues:										
Passenger fares	\$ 78,923	\$ 76,265	\$ 154,390	\$ 143,231	\$ 140,217	\$ 134,622	\$ 120,497	\$ 120,497	\$ 117,841	\$ 112,929
Other	4,197	6,183	6,553	7,535	7,159	5,803	5,347	4,406	5,199	5,333
Total operating revenues	<u>83,120</u>	<u>82,448</u>	<u>160,943</u>	<u>150,766</u>	<u>147,376</u>	<u>140,425</u>	<u>125,844</u>	<u>124,903</u>	<u>123,040</u>	<u>118,262</u>
Operating expenses:										
Salaries, wages, fringe benefits	246,125	248,595	251,074	236,892	263,977	260,039	227,207	204,790	192,405	178,974
Materials and supplies	39,663	42,108	54,983	51,335	44,686	52,180	58,884	62,156	64,798	58,300
Services	74,500	84,673	96,085	81,189	77,323	58,560	79,749	108,920	112,479	109,853
Utilities	17,512	16,206	17,823	16,419	16,503	14,220	13,673	14,151	13,567	11,833
Insurance	10,104	10,186	10,833	9,941	13,319	10,382	8,102	5,273	5,568	3,776
Purchased transportation	174,747	203,964	203,559	176,416	159,051	156,605	113,216	114,942	113,006	111,130
Leases and rentals	3,202	3,397	3,204	1,996	2,829	3,288	3,462	3,264	3,210	2,401
Miscellaneous	2,213	2,546	5,053	4,317	4,213	4,183	4,531	6,561	6,448	15,741
Total operating expenses	<u>568,066</u>	<u>611,675</u>	<u>642,614</u>	<u>578,505</u>	<u>581,901</u>	<u>559,457</u>	<u>508,824</u>	<u>520,057</u>	<u>511,481</u>	<u>492,008</u>
Operating loss before depreciation	(484,946)	(529,227)	(481,671)	(427,739)	(434,525)	(419,032)	(382,947)	(395,154)	(388,441)	(373,746)
Depreciation	340,558	339,833	355,417	285,653	248,633	222,154	152,531	139,045	127,256	115,269
Operating loss	<u>(825,504)</u>	<u>(869,060)</u>	<u>(837,088)</u>	<u>(713,392)</u>	<u>(683,158)</u>	<u>(641,186)</u>	<u>(535,478)</u>	<u>(534,199)</u>	<u>(515,697)</u>	<u>(489,015)</u>
Nonoperating income (expense):										
Sales and use tax revenues	756,974	632,665	659,418	634,192	598,187	563,598	541,518	514,721	468,586	449,787
Grant operating assistance	299,052	316,848	86,263	86,403	80,412	77,335	73,383	75,544	88,243	68,927
Interest income	2,401	8,965	17,669	13,409	63,030	6,371	3,164	165	2,040	2,613
Other income	11,596	10,397	26,582	12,618	10,596	9,927	10,322	10,248	28,170	11,035
Gain/Loss on capital assets	(6,787)	(3,822)	(2,452)	(1,449)	4,022	5,664	1,085	6,613	(82)	3,459
Interest expense	(154,096)	(167,055)	(200,845)	(62,770)	(65,346)	(77,272)	(79,686)	(72,293)	(61,223)	(51,371)
Other expense/unrealized loss assets	-	-	(672)	(16)	(2,981)	(1,258)	(1,422)	(3,605)	(4,064)	(4,895)
Total nonoperating income	<u>909,140</u>	<u>797,998</u>	<u>585,963</u>	<u>682,387</u>	<u>687,920</u>	<u>584,365</u>	<u>548,364</u>	<u>531,393</u>	<u>521,670</u>	<u>479,555</u>
Net income before capital grants and local contributions	83,636	(71,062)	(251,125)	(31,005)	4,762	(56,821)	12,886	(2,806)	5,973	(9,460)
Capital grants and local contributions	<u>17,169</u>	<u>96,177</u>	<u>124,497</u>	<u>81,002</u>	<u>86,395</u>	<u>202,235</u>	<u>169,313</u>	<u>206,431</u>	<u>242,566</u>	<u>311,676</u>
Increase in net position	100,805	25,115	(126,628)	49,997	91,157	145,414	182,199	203,625	248,539	302,216
Net position, beginning of year, (as previously reported)	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
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	<u>\$ 3,462,798</u>	<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>	<u>\$ 3,176,938</u>	<u>\$ 3,181,074</u>	<u>\$ 2,977,449</u>	<u>\$ 2,728,910</u>

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



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 Nonoperating Expenses	Capital Outlays ²	Total
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	641,614	355,417	200,845	672	350,221	1,468,784
2020	611,675	339,833	167,055	-	-	1,118,563
2021	568,066	340,558	154,096	-	30,259	1,092,979

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, 2021 and 2020 (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
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
2021	83,120	756,974	299,052	2,401	11,596	1,153,143	15,739	1,430	1,170,312

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
DEBT COVERAGE RATIOS¹
(In Thousands)

Table 5

LAST TEN YEARS

	Sales Tax Bond Debt Service Requirements			Sales Tax	Coverage
	Interest	Principal	Total	Collections	Ratio
2012	70,752	26,211	96,963	449,787	4.64
2013	76,786	20,725	97,511	468,586	4.81
2014	84,821	25,712	110,533	514,721	4.66
2015	84,101	26,438	110,539	541,518	4.90
2016	83,490	27,043	110,533	563,598	5.10
2017	89,033	25,364	114,397	598,187	5.23
2018	86,542	26,235	112,777	634,192	5.62
2019	85,662	18,715	104,377	659,418	6.32
2020	83,292	19,475	102,767	632,665	6.16
2021	73,961	14,795	88,756	756,974	8.53

Certificate of Participation Debt Service Requirements

	Interest	Principal	Total
2012	28,451	28,575	57,026
2013	31,285	25,735	57,020
2014	43,502	31,290	74,792
2015	57,226	27,910	85,136
2016	62,373	34,655	97,028
2017	56,071	32,702	88,773
2018	53,669	38,465	92,134
2019	51,941	48,620	100,561
2020	47,953	58,653	106,606
2021	45,335	62,301	107,636

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



(In Thousands)

	Total Debt Service Requirements			Total Revenue	Coverage Ratio
	Interest	Principal	Total		
2012	99,203	54,786	153,989	965,759	6.27
2013	108,071	46,460	154,531	952,645	6.16
2014	128,323	57,002	185,325	938,625	5.06
2015	141,327	54,348	195,675	924,662	4.73
2016	145,863	61,698	207,561	1,005,655	4.85
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
2021	119,296	77,096	196,392	1,170,312	5.96

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

REGIONAL TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
DEMOGRAPHIC AND OPERATING DATA

Table 6

Last Ten Years (Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
January 1 population within RTD service area ¹	3,098,000	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
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	2,342	2,340	2,340	2,340	2,340
Total service miles	37,337,138	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
Passenger stops	9,720	9,750	9,800	9,800	9,077	9,077	9,566	9,751	9,509	9,841
Number of fixed routes	134	134	169	169	172	172	137	138	136	145
Local	78	72	107	107	115	115	69	65	65	71
Express	-	-	-	-	-	-	15	14	14	17
Regional	17	23	23	23	16	16	20	17	17	17
Skyride	2	3	3	3	3	3	5	5	5	5
Boulder City	17	13	13	13	13	13	13	13	13	13
Longmont City	4	4	4	4	4	4	4	4	4	4
Limited	10	14	14	14	16	16	18	11	11	10
Miscellaneous	6	5	5	5	5	5	8	9	7	7
Average weekday ridership	145,998	164,886	345,299	321,891	326,413	331,580	338,363	344,348	335,391	326,747
Total Annual Boardings	49,029,218	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
Total Revenue Boardings	45,604,684	48,877,655	93,982,340	94,033,303	87,822,890	82,019,742	88,973,903	90,955,825	87,510,626	85,442,280
Average weekday miles operated	117,620	135,495	176,356	141,621	142,489	136,677	131,221	119,706	118,385	139,083
Diesel fuel consumption, gallons ²	3,376,453	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
Total active buses	1,034	1,026	1,030	1,026	1,023	1,023	1,021	1,011	992	998
Wheelchair lift equipped buses	1,034	1,026	1,030	1,026	1,023	1,023	1,021	1,011	992	998
Number of employees ²										
Salaried	785	923	870	870	817	779	779	735	752	700
Represented (includes part-time)	1,722	2,063	2,018	2,018	1,962	2,034	1,955	1,929	1,901	1,715
Fleet requirements (peak hours)	-	-	841	841	834	834	834	821	785	779
Operating facilities ²	8	8	7	7	7	7	7	7	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.

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



Debt Disclosure Tables for 2020 ACFR

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, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
2022-2027 MID-TERM FINANCIAL PLAN (In Thousands)

Table 7

Modified Accrual Basis	2022	2023	2024	2025	2026	2027	Total
Operating revenue	\$ 98,180	\$ 122,486	\$ 118,877	\$ 121,254	\$ 123,678	\$ 126,152	\$ 710,627
Sales and use tax revenue	768,368	802,169	841,690	866,618	894,205	921,068	5,094,118
Grant revenue	217,848	220,164	222,530	123,967	122,792	125,355	1,032,656
Other Income	-	-	-	-	-	-	-
Total revenue	1,084,396	1,144,819	1,183,097	1,111,839	1,140,675	1,172,575	6,837,401
Operating expenses (excluding depreciation)	744,474	754,419	773,079	791,563	810,069	825,449	4,699,053
Capital expenditures and state of good repair	153,242	50,060	20,613	22,222	130,388	111,869	488,394
Debt service	236,564	237,110	238,515	243,519	265,852	285,376	1,506,936
Total expenditures	1,134,280	1,041,589	1,032,207	1,057,304	1,206,309	1,222,694	6,694,383
Net sources/(uses) of funds	424,214	103,230	150,890	54,535	(65,634)	(50,119)	143,018
Contributions to/(use) of reserves	185,000	87,000	88,500	86,600	(18,300)	(50,200)	378,600
Remaining funds	\$ 239,214	\$ 16,230	\$ 62,390	\$ (32,065)	\$ (47,334)	\$ 81	\$ (235,582)
Cumulative remaining funds	239,214	255,444	317,834	285,769	238,435	238,516	

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
STATEMENT OF DEBT
as of December 31, 2021

Table 8

Direct Borrowings/Placements:	Outstanding ²
2016A JPM Lease Purchase Agreement Refunding	13,055
2017A JPM Lease Purchase Agreement Refunding	122,997
	\$ 136,052
Sales Tax Bonds	
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹ - FasTracks	\$ 245,677
RTD Sales Tax Revenue Refunding Bonds, Series 2007 ¹	27,563
RTD Sales FasTracks Tax Revenue Bonds, Series 2010B ¹	300,000
RTD Sales FasTracks Tax Revenue Bonds, Series 2012A ¹	-
RTD Sales Tax Revenue Bonds, Series 2013A ¹	-
RTD Sales FasTracks Tax Revenue Bonds, Series 2013A ¹	233,785
RTD Sales FasTracks Tax Revenue Bonds, Series 2016A ¹	224,086
RTD Sales FasTracks Tax Revenue Bonds, Series 2017A ¹	83,543
RTD Sales FasTracks Tax Revenue Bonds, Series 2017B ¹	136,212
RTD Sales FasTracks Tax Revenue Bonds, Series 2019A ¹	82,740
RTD Sales FasTracks Tax Revenue Bonds, Series 2021AB	867,332
Total Sales Tax Revenue Debt	\$ 2,200,938
Lease Purchase Agreements	
Series 2010B	100,000
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2013A	122,632
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2014A	459,961
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2015A	115,807
Master Lease Purchase Agreement II Fixed Rate Certificates of Participation, Series 2020A	75,899
Total Certificates of Participation Debt	\$ 874,299
Total Debt	\$ 3,211,289
RTD District Population ³	3,098,000
Per Capita Debt Requirement	\$ 1,037

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, 2021 and 2020 (Dollars in Thousands)



ANNUAL RIDERSHIP AND FARE REVENUE - 2012-2021

Table 9

(In Thousands)

Year	Revenue Boardings ¹	Fare Revenue	Percent Change in Fare Revenue
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%
2021	48,172	78,923	3.5%

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

ADVERTISING AND ANCILLARY REVENUES - 2012-2021

Table 10

(In Thousands)

Year	Advertising Revenue	Ancillary Revenues
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
2021	1,135	3,062

GRANT RECEIPTS AND LOCAL CONTRIBUTIONS - 2012-2021

Table 11

(In Thousands)

Year	Grant Capital	Local Contributions	Grant Operating Assistance
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
2021	15,739	1,430	284,604

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



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

Table 12

	Years Ended December 31,				
	2021	2020	2019	2018	2017
Operating revenues:					
Passenger fares	\$ 78,923	\$ 76,265	\$ 154,390	\$ 143,231	\$ 140,217
Other	4,197	6,183	6,553	7,535	7,159
Total operating revenues	83,120	82,448	160,943	150,766	147,376
Operating expenses:					
Salaries, wages, fringe benefits	246,125	248,595	251,074	236,892	263,977
Materials and supplies	39,663	42,108	54,983	51,335	44,686
Services	74,500	84,673	96,085	81,189	77,323
Utilities	17,512	16,206	17,823	16,419	16,503
Insurance	10,104	10,186	10,833	9,941	13,319
Purchased transportation	174,747	203,964	203,559	176,416	159,051
Leases and rentals	3,202	3,397	3,204	1,996	2,829
Miscellaneous	2,213	2,546	5,053	4,317	4,213
Total operating expenses	568,066	611,675	642,614	578,505	581,901
Operating loss before depreciation	(484,946)	(529,227)	(481,671)	(427,739)	(434,525)
Depreciation	340,558	339,833	355,417	285,653	248,633
Operating loss	(825,504)	(869,060)	(837,088)	(713,392)	(683,158)
Nonoperating income (expense):					
Sales and use tax revenues	756,974	632,665	659,418	634,192	598,187
Grant operating assistance	299,052	316,848	86,263	86,403	80,412
Interest income	2,401	8,965	17,669	13,409	63,030
Other income	11,596	10,397	26,582	12,618	10,596
Gain/Loss on capital assets	(6,787)	(3,822)	(2,452)	(1,449)	4,022
Interest expense	(154,096)	(167,055)	(200,845)	(62,770)	(65,346)
Other expense/Unrealized Loss	-	-	(672)	(16)	(2,981)
Total nonoperating income	909,140	797,998	585,963	682,387	687,920
Net income before capital grants and local contributions	83,636	(71,062)	(251,125)	(31,005)	4,762
Federal capital grants and local contributions	17,169	96,177	124,497	81,002	86,395
Increase in net position	100,805	25,115	(126,628)	49,997	91,157
Net position, beginning of year (as previously reported)	3,361,993	3,336,878	3,463,506	3,413,509	3,322,352
Net position at end of year	\$ 3,462,798	\$ 3,361,993	\$ 3,336,878	\$ 3,463,506	\$ 3,413,509

REGIONAL TRANSPORTATION DISTRICT
Debt Disclosures (Unaudited)
December 31, 2021 and 2020 (Dollars in Thousands)



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

Table 13

	2021		2020		2019		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Operating revenues:										
Passenger fares	\$ 88,462	\$ 78,923	\$ 158,116	\$ 76,265	\$ 163,600	\$ 154,390	\$ 146,785	\$ 143,231	\$ 142,500	\$ 140,217
Other	4,805	4,197	6,596	6,183	5,616	6,553	5,666	7,535	6,023	7,159
Total operating revenues	<u>93,267</u>	<u>83,120</u>	<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>
Operating expenses:										
Salaries, wages, fringe benefits	258,338	246,125	286,691	248,595	279,004	251,074	258,452	236,892	238,452	263,977
Materials and supplies	46,514	39,663	59,563	42,108	63,563	54,983	60,853	51,335	55,853	44,686
Services	108,443	74,500	119,625	84,673	139,262	96,085	148,405	81,189	154,405	77,323
Utilities	19,259	17,512	19,685	16,206	19,926	17,823	18,149	16,419	22,149	16,503
Insurance	14,900	10,104	14,295	10,186	14,151	10,833	11,485	9,941	8,485	13,319
Purchased transportation	174,105	174,747	225,361	203,964	211,016	203,559	187,209	176,416	174,209	159,051
Leases and rentals	4,542	3,202	4,303	3,397	3,090	3,204	3,712	1,996	3,712	2,829
Miscellaneous	9,085	2,213	10,220	2,546	7,204	5,053	12,102	4,317	14,432	4,213
Total Operating Expenses	<u>635,186</u>	<u>568,066</u>	<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>
Operating loss	(541,919)	(484,946)	(575,031)	(529,227)	(568,000)	(481,671)	(547,916)	(427,739)	(523,174)	(434,525)
Nonoperating revenue (expense):										
Sales and use tax	655,041	756,974	659,417	632,665	662,376	659,418	622,834	634,192	586,053	598,187
Grant operating assistance	91,100	299,052	209,021	316,848	92,013	86,263	102,681	86,403	103,785	80,412
Interest income	-	2,401	7,496	8,965	15,695	17,669	11,732	13,409	4,197	63,030
Other income	11,930	11,596	12,969	10,397	12,871	26,582	13,246	12,618	11,244	10,596
Gain/Loss on capital assets	-	(6,787)	-	(3,822)	-	(2,452)	-	(1,449)	-	4,022
Interest expense	(174,105)	(154,096)	(170,834)	(167,055)	(152,155)	(200,845)	(153,248)	(62,770)	(129,719)	(65,346)
Other expense/Unrealized loss	-	-	-	-	-	(672)	-	(16)	-	(2,981)
Total nonoperating revenue	<u>583,966</u>	<u>909,140</u>	<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>
Proceeds from issuance of long-term de	-	-	-	-	-	(96,071)	-	(5,805)	457,091	402,435
Capital outlay										
Capital expenses	469,323	551,682	613,324	548,927	693,520	350,221	849,538	335,080	1,055,839	451,245
Less capital grants	(94,182)	(94,182)	(218,109)	(231,088)	(266,591)	(124,497)	(311,134)	(81,002)	(418,898)	(86,395)
Total capital outlay	<u>375,141</u>	<u>457,500</u>	<u>395,215</u>	<u>317,839</u>	<u>426,929</u>	<u>225,724</u>	<u>538,404</u>	<u>254,078</u>	<u>636,941</u>	<u>364,850</u>
Long-term debt principal payment	<u>87,790</u>	<u>88,174</u>	<u>88,174</u>	<u>88,174</u>	<u>76,771</u>	<u>146,475</u>	<u>58,065</u>	<u>64,700</u>	<u>58,065</u>	<u>489,841</u>
Excess (deficit) of revenue and nonoperating income over (under) expenses, capital outlay and debt principal payments	<u>\$ (420,884)</u>	<u>(121,480)</u>	<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>
Increases (decreases) to reconcile budget basis to GAAP basis										
Capital expenditures		551,682		548,927		350,221		335,080		451,245
Long-term debt proceeds		-		-		96,071		5,805		(402,435)
Long-term debt principal		88,174		88,174		146,475		64,700		489,841
Depreciation		<u>(340,558)</u>		<u>(339,833)</u>		<u>(355,417)</u>		<u>(285,653)</u>		<u>(248,633)</u>
Net income		<u>\$ 177,818</u>		<u>\$ 160,026</u>		<u>\$ (126,628)</u>		<u>\$ 49,997</u>		<u>\$ 91,157</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, 2021 and 2020 (Dollars in Thousands)



REGIONAL TRANSPORTATION DISTRICT
FISCAL YEAR 2021 AND 2022 BUDGET SUMMARY (in thousands)

Table 14

	2021 Adopted Budget	2021 Amended Budget	2022 Adopted Budget
Beginning net position	\$ 4,238,321	\$ 3,379,723	\$ 3,717,086
Revenues:			
Operating	93,268	72,992	106,533
Sales & use taxes	655,042	683,002	798,368
Federal and local grants	185,282	389,555	209,464
Interest and other income	-	-	-
FasTracks - change in debt service reserve	(2,088)	-	-
FasTracks - change in FISA	(17,658)	-	-
Change in capital acquisition reserve	2,885	-	-
Financing proceeds	-	-	-
Contributed capital and other income	54,366	11,931	-
Total Revenues	<u>971,097</u>	<u>1,157,480</u>	<u>1,114,365</u>
Expenditures:			
Operating	954,784	691,316	772,130
Interest expense	175,724	155,218	153,844
Debt payments	87,791	87,790	81,324
Current capital	469,323	30,246	146,934
Capital carryforward	-	-	-
Total expenditures	<u>1,687,622</u>	<u>964,570</u>	<u>1,154,232</u>
Adjustments ¹	<u>910,903</u>	<u>144,453</u>	<u>204,800</u>
Ending net position	<u>\$ 4,432,699</u>	<u>\$ 3,717,086</u>	<u>\$ 3,882,019</u>
Net position summary:			
Net investment in capital assets	\$ 3,829,719	\$ 3,040,264	\$ 3,187,198
Restricted debt service, project related and other ²	279,122	279,122	279,122
Restricted TABOR fund	22,808	23,038	27,147
Restricted FasTracks ³	137,304	137,304	149,338
Restricted Board appropriated and capital replacement fund ⁴	52,030	52,030	52,030
Unrestricted fund	111,716	185,328	187,184
Ending net position	<u>\$ 4,432,699</u>	<u>\$ 3,717,086</u>	<u>\$ 3,882,019</u>

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, 2021 and 2020 (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	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, 2021 and 2020 (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
2012	\$ 12,415	\$ 3,851	\$ 6,202	\$ 5,323	\$ 8,109	\$ 2,912	\$ 991	\$ 1,036	\$ 40,839	11.3%
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%
2021	19,285	7,041	10,479	11,635	13,999	5,543	1,686	961	70,629	20.0%

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