M & A

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To the Board of Directors
Roaring Fork Transportation Authority
Carbondale, Colorado

We have audited the financial statements of Roaring Fork Transportation Authority (the “Authority”) for the year ended December 31, 2022. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note I to the 2022 audited financial statements. The Authority implemented Governmental Accounting Standard Board Statement No. 87, *Leases*. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Estimating allowance for uncollectible receivables: Management’s estimate is based on industry practice and experience together with actual collections history since year-end. All amounts were considered to be collectible at December 31, 2022.

- Estimated useful lives for depreciation on capital assets: Management’s estimate of is based on industry practice and experience.

- Estimating discount rate and term extension for lease receivables, deferred inflows of resources, long-term lease liabilities and leased assets: Management’s estimate is based on the average of 10 years of Consumer Price Index increase factors, and the expectation of extension options.

We evaluated the key factors and assumptions used to develop these estimates and found it to be reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The Authority had no material adjustments as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

As is required in an audit engagement we have requested certain representations from management that are included in the management representation letter.

General Comment – Accounting Standard

Governmental Accounting Standards Board Statement 96

Financial reporting standards for the Authority are promulgated by the Governmental Accounting Standards Board ("GASB"). GASB has issued Statement 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"), which requires recognition of certain right-to-use subscription assets and corresponding subscription liabilities. GASB 96 is effective for reporting periods beginning after June 15, 2022 so the Authority's financial statements as of and for the year ending December 31, 2023 must reflect the changes imposed by this new reporting standard. We will work with you to support implementation of this new standard and the related presentation considerations.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
July 13, 2023

Roaring Fork Transportation Authority
Carbondale, Colorado

Financial Statements
December 31, 2022

Roaring Fork Transportation Authority
Financial Report
December 31, 2022

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MCMAHAN AND ASSOCIATES, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Roaring Fork Transportation Authority
Carbondale, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Roaring Fork Transportation Authority RFTA (the "Authority"), as of and for the year ended December 31, 2022, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roaring Fork Transportation Authority, as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Roaring Fork Transportation Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

The Authority adopted Governmental Accounting Standard No. 87, *Leases* as detailed in Note VI. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Roaring Fork Transportation Authority's 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.

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Responsibilities of Management for the Financial Statements (continued)

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 Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit 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 an audit conducted in accordance with auditing standards generally accepted in the United States of America 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 an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Authority'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 Authority'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 audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Roaring Fork Transportation Authority's basic financial statements. The individual fund budgetary comparisons in Section E, and the Schedule of Expenditures of Federal Awards as required by *Title 2 U.S. Code of Federal Regulations, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Sections E and F are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated **July 13, 2023** on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
July 13, 2023

Roaring Fork Transportation Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Roaring Fork Transportation Authority (the "Authority"), we offer readers of the Authority's financial report this narrative summary for the fiscal year ended December 31, 2022.

Financial Highlights

- When looking at a short-term view, the General Fund had an increase in Fund balance of $17.0 million compared to $6.2 million in the amended budget. The $10.8 million improvement over budget was driven by total revenues exceeding the amended budget by approximately 7.1% primarily due to better than anticipated sales and use tax revenue, increased investment income, and total expenditures savings of approximately 11.4% throughout the organization, including transit fuel, labor and benefits due to vacant positions, vehicle maintenance expenditures (bus parts), general liability claims, insurance costs, and timing of capital projects.

- When looking at a long-term view, the Authority had an increase in Net Position of $21.9 million resulting in a total Net Position amount of $172.0 million. This increase was driven primarily by investments in capital assets and construction in process, including completion of the Glenwood Maintenance Facility (GMF) Phase 2 expansion project, the start of the GMF Phase 3, 4, 5, and 7 expansion project, and the acquisition of the Rodeway Inn in Glenwood Springs for conversion into an employee housing complex.

- The Authority's total ridership increased by approximately 33.7% from 3.2 million in 2021 to 4.2 million in 2022. The increase in ridership was primarily attributed to the reduction in constrained capacity and modified transit services due to the pandemic in 2021 versus 2022. One major component of the service plan was the reduced maximum capacity on buses to promote social distancing that was eliminated in June 2021. In 2022, no bus capacity restrictions were in place, allowing 100% seating capacity throughout the year. Although the Authority experienced an increase in ridership for the 2022 calendar year, levels remain approximately 22% lower than 2019 calendar year (pre-pandemic levels).

    - Annual ridership on regional transit service and percentage changes were as follows:
        - Valley Service (Highway 82 Corridor) 2.3 million and +35%
        - Grand Hogback Service (I-70 Corridor) 144,400 and +86%.

- Transit Operations' overtime for 2022 and 2021 was $1.7 and $1.3 million, respectively, resulting in $399,000 increase. Historically, the Authority faces challenges to attract, retain and maintain adequate staffing levels due to the seasonal nature of the region and high cost of living, which includes employee housing. During the pandemic, hiring and maintaining staffing levels challenges further increased the shortfall of bus operators. As a result, overtime for bus operators increased to maintain the Authority's service plan.

- In 2022, the Authority experienced a 5.0% decrease in transit mileage, or 309,000 miles versus 2021. National shortage of qualified bus drivers, high cost of living in the Roaring Fork Valley, and employee housing issues resulted in reduction of services and decrease of mileage. Total transit fuel expenditures for 2022 and 2021 were $2.3 and $1.9 million, respectively; a net increase of approximately 24.2%. The increase in fuel expenditures is primarily due to the increased cost per gallon. The Authority continued to receive Alternative Fuel Tax Credits, receiving $267,000 in 2022, compared to $279,000 in 2021.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) financial statements; and 2) notes to the financial statements. These components are discussed below.

The Financial Statements are designed to provide readers with an overview of the Authority's finances, from both a short-term fund perspective and a long-term economic perspective.

The Balance Sheet/ Statement of Net Position presents information on all of the Authority's assets, deferred outflows of resources, liabilities (both short-term and long-term for assets and liabilities), and deferred inflows of resources, with the difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources as fund balance or net position.

Government Funds, the General, Special Revenue, Capital Projects, and Debt Service Fund columns, present the financial position focusing on short-term available resources and are reported on a modified accrual basis of accounting. These columns show the various components (non-spendable, restricted, committed, assigned and unassigned) of fund balance. The unassigned, assigned, and committed fund balances may be spent for Board approved activities.

The Adjustments column represents the changes to the value of long-term assets and liabilities.

The Statement of Net Position column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis of accounting. This column adds capital assets net of both depreciation and debt into a long-term equation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities illustrates how the government's fund balance and net position changed during the most recent fiscal year.

Government Funds, the General, Special Revenue, Capital Projects, and Debt Service Fund columns, focus on short-term available resources and are reported on a modified accrual basis. It illustrates the increase or decrease in fund balance.

The Adjustments column represents the changes to the value of long-term assets and liabilities. For example, depreciation or changes in debt service may increase or decrease the value of an asset.

The Statement of Activities column focuses on long-term economic resources and is reported on a full accrual basis of accounting. Though the focus is on long-term, it should not be associated with the future but rather with the changes in net position from January through December. This column represents the Authority's net worth.

Overview of the Financial Statements (continued)

The 2022 Authority financial statements report six individual government funds in four types: the general fund, three special revenue funds, a capital projects fund, and a debt service fund:

The General Fund accounts for the Administration, Transit, and Trails Program activities of the general Government. The general Government provides administrative support services (the Administrative Program), public commuter transit services (the Transit Program), and maintains the Authority-owned railroad right-of way for pedestrian, equestrian and other recreational uses (the Trails and Corridor Management Program).

The Service Contracts Special Revenue Fund accounts for revenue and operating activity for additional services based on contractual agreements. These services are provided in certain areas within the overall Authority service area. In the current year, the Authority had contractual agreements with the Aspen Skiing Company Skier Shuttles, Ride Glenwood Springs, City of Aspen local bus service, and the Garfield County Traveler Program.

The Bus Shelter and Park and Ride Special Revenue Fund accounts for vehicle fee revenue and bus shelter and park and ride expenditure activities as required by State rural transit authority enabling legislation. Additionally, by resolution, Garfield County has dedicated certain development fees to construct bus shelter and park and ride improvements in unincorporated Garfield County.

The Mid Valley Trails Special Revenue Fund accounts for Eagle County sales tax funded capital trails projects within the Roaring Fork Valley boundaries of Eagle County. Through intergovernmental agreement, in return for membership, Eagle County dedicated a half cent sales tax collected in the Roaring Fork Valley to the Authority. 10% of the tax collected must be used to fund trail projects. Resolution 2002-14 adopted the Mid Valley Trails Committee as an Authority committee.

The Capital Projects Fund accounts for all expenditure activity for a variety of Capital Projects related to transit assets and infrastructure such as the GMF Vehicle Maintenance Expansion Project Phases 2, 3, 4, 5, and 7, and 27th Street Park and Ride Expansion Project Property Acquisition. Projects funded through bond proceeds contain expenditures that are certain and specific in accordance with State and Federal tax law as identified by Bond Counsel.

The Debt Service Fund accounts for all principal and interest expenditures for the Series 2012A bonds, Series 2013B loans, the Series 2019 bonds, the Series 2021A bonds, and interest earned as required by resolution. The 2013B loan is tax-exempt. The 2012A bonds are Qualified Energy Conservation Bonds. This fund also accounts for all activity related to the required reserves for the bonds and interest earned as required by resolution.

The Authority's financial statements are included in Section C of this report.

The Notes to the Financial Statements provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements.

The Notes to the Financial Statements are included in Section D of this report.

Overview of the Financial Statements (continued)

Supplementary Information concerning the Authority is also presented in addition to the basic financial statements and notes. This information is included in section E of this report.

Statutory Information concerning the Authority is also presented in addition to the basic financial statements, notes, and supplementary information. This information is included in section F of this report.

Groundbreaking Ceremony for the Glenwood Maintenance Facility Expansion Phases 3, 4, 5, and 7 to celebrate construction for the new RFTA Regional Transit Center.

Financial Analysis of the Authority

Roaring Fork Transportation Authority's Net Position
(in thousands)

	2022	2021	$ dif	% dif
Assets:				
Current assets	$ 138,960	$ 132,405	6,555	5.0%
Inventory and prepaid expenditures	2,345	1,534	811	52.9%
Capital assets, net	131,883	120,325	11,558	9.6%
Total Assets	273,188	254,264	18,924	7.4%
Deferred Outflows of Resources:				
Deferred refunding charge, net of amortization	607	687	(80)	-11.6%
Total Deferred Outflows of Resources	607	687	(80)	-11.6%
Liabilities:				
Current liabilities and LT Debt due within a year	12,612	12,025	587	4.9%
Accrued compensated absences	3,142	2,461	681	27.7%
Non-current liabilities	73,870	78,115	(4,245)	-5.4%
Total Liabilities	89,624	92,601	(2,977)	-3.2%
Deferred Inflows of Resources:				
Unavailable property tax revenue	11,845	11,876	(31)	-0.3%
Unavailable lease revenue	304	329	(25)	-7.6%
Total Deferred Inflows of Resources	12,149	12,205	(56)	-0.5%
Net Position:				
Net investment in capital assets	72,669	68,718	3,951	5.7%
Restricted	23,173	33,619	(10,446)	-31.1%
Unrestricted	76,180	47,809	28,371	59.3%
Total Net Position	$ 172,021	$ 150,146	21,875	14.6%

As of December 31, 2022, the following trends were noted:

- *Current assets compared to current liabilities* – $139.0 million and $132.4 million of current assets were available to meet $12.6 million and $12.0 million of current liabilities due within a year for 2022 and 2021, respectively. The $6.6 million net increase in current assets was primarily due to the increase in investments and receivables; the $587,000 increase in current liabilities was primarily due to an increase in accounts payable.

- *Inventory and prepaid expenditures* – $811,000 net increase is primarily due to an increase in prepaid expenditures. Inventory levels also increased in 2022 compared to 2021 due to continued inflationary and supply chain impacts.

- *Capital assets, net* – $131.9 million of net capital assets were used to provide transit and trails services. The $11.6 million increase was primarily due to capital investments made related to transit assets and infrastructure, including expansion of the current Glenwood Springs Maintenance Facility (GMF) Phase 2 Expansion Project, the start of the GMF Phase 3, 4, 5, and 7 Expansion Project, and acquisition of the Rodeway Inn in Glenwood Springs for conversion into an employee housing complex, offset by annual depreciation and amortization and disposal of fully depreciated transit buses.

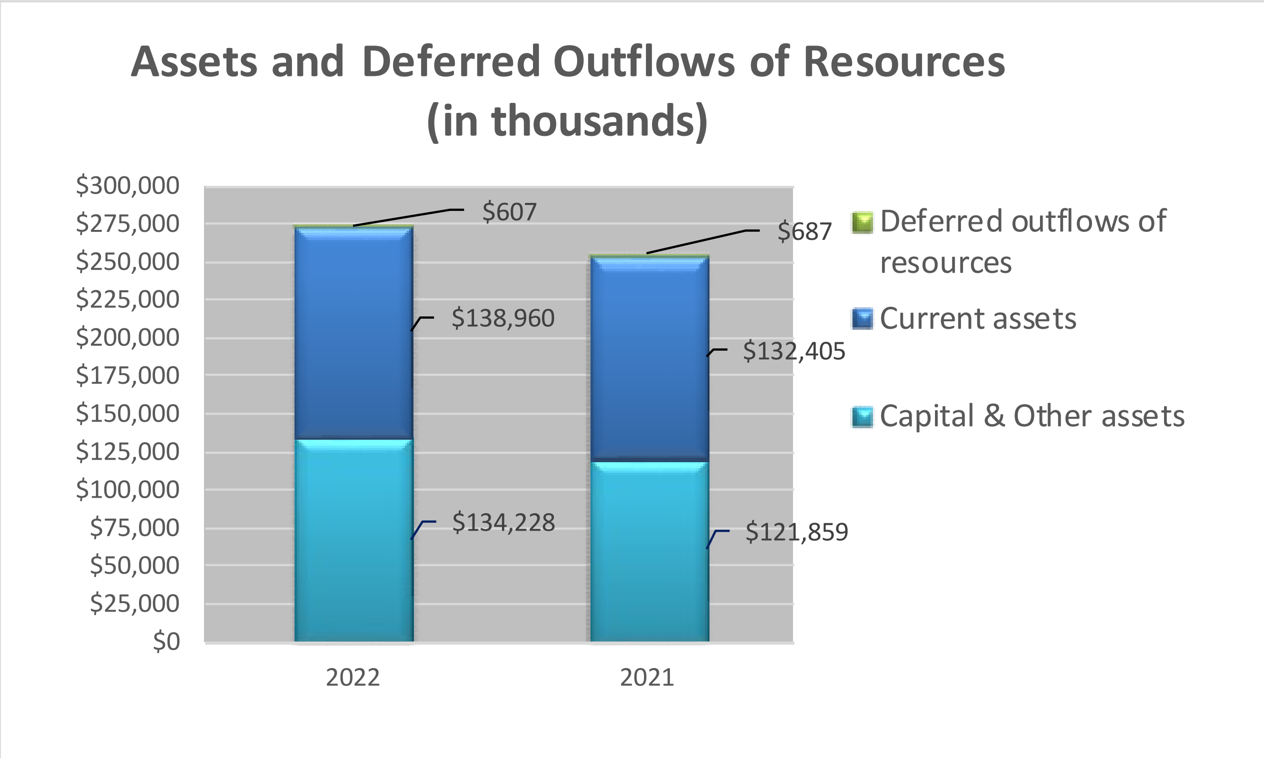
- *Non-current liabilities* – $4.2 million decrease was primarily due to payments on existing liabilities.

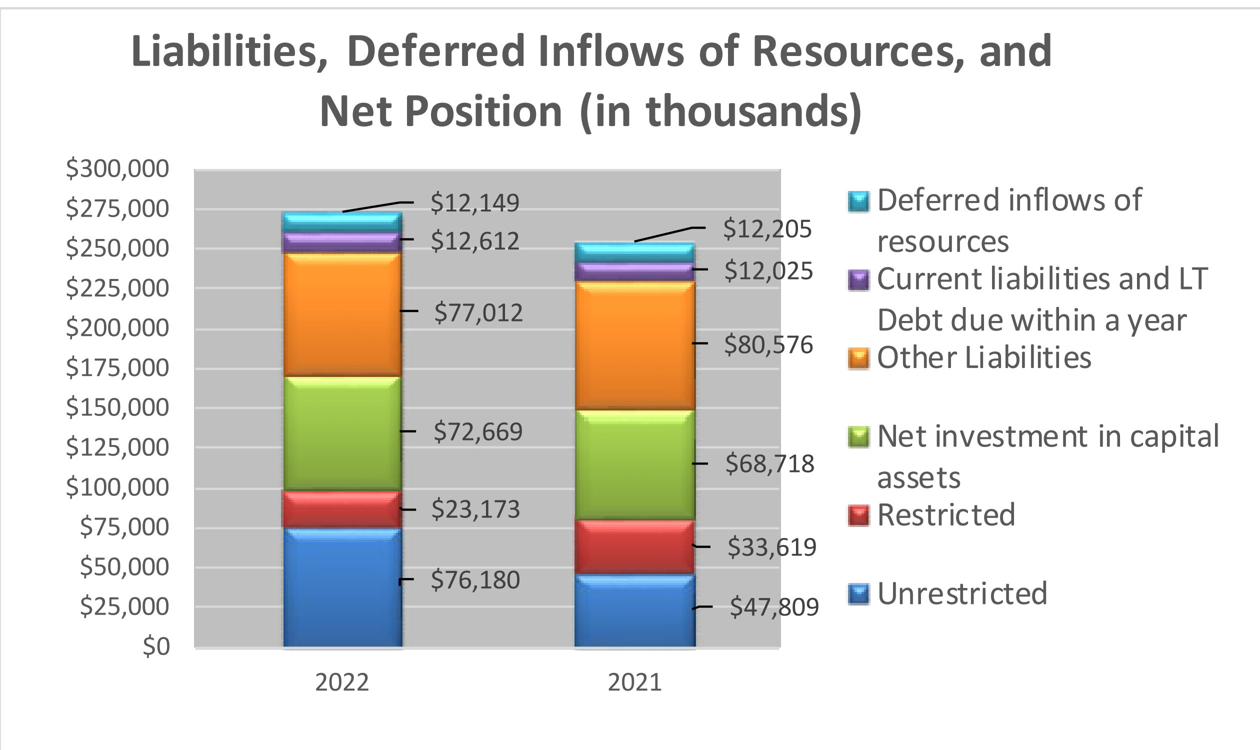
- *Deferred Inflow of Resources* – Unavailable property tax revenue - $31,000 decrease is due to the 2022 tax year not being a reassessment year for the uniform mill levy of 2.65 mills for the 2021 tax year collected in 2022. Unavailable lease revenue - $25,000 decrease is due to payments associated with lease revenue received in 2022 due to the implementation of Governmental Accounting Standard No. 87 in 2022.

Financial Analysis of the Authority (continued)

- *Total net position* – $21.9 million increase was primarily from capital investments made related to transit assets and infrastructure, increase in sales and use tax, increase in service contracts revenue, and increase in investment income.

Details regarding the Authority's assets and liabilities are included on Page C1.





Financial Analysis of the Authority (continued)

Roaring Fork Transportation Authority's Change in Net Position
(in thousands)

	2022	2021	$ dif	% dif
Revenues:				
Sales and use tax	$ 39,800	$ 34,528	5,272	15.3%
Property tax	12,390	11,409	981	8.6%
Service contracts	14,290	7,617	6,673	87.6%
Operating revenue	4,543	4,198	345	8.2%
Capital grant revenue	6,071	4,608	1,463	31.7%
Operating grant revenue	2,831	25,704	(22,873)	-89.0%
Local government capital contributions	356	130	226	173.8%
Local government operating contributions	560	1,374	(814)	-59.2%
Lease revenue	32	-	32	0.0%
Other income	1,413	1,289	124	9.6%
Investment income	1,859	38	1,821	4792.1%
Total Revenues	$ 84,145	$ 94,896	(10,751)	-11.3%

For the Year Ended December 31, 2022, the following trends were noted:

- Sales tax revenues increased over the prior year for the following Authority member jurisdictions: Pitkin County, the City of Aspen, the Town of Snowmass Village, the Town of Basalt, Eagle County, the Town of Carbondale, and the City of Glenwood Springs.

- Property tax revenue increased by $981,000 due to 2021 tax year, with collections in 2022, being a reassessment year.

- Service contracts revenue (cost reimbursement contracts) increased primarily due to the City of Aspen's COVID-19 related operating grant received in 2021, which resulted in an increase in the amount of service contract billed. In addition, an overall increase in operational service costs contributed to higher service contract revenue.

- Operating revenue (transit fares and advertising revenue) increased primarily due to higher ridership levels from the elimination of the 50% seating capacity limit that was in effect until June 2021. In 2022, there were no seating capacity limits. Mobile ticketing was implemented in November 2022, resulting in an increase of single ride purchases.

- Operating grant revenues decreased due to lower federal operating grant amounts awarded to the Authority, primarily due to the $24.3 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Winter Surge funds, received in 2021, decreasing overall operating grant revenues to $2.8 million:
    - $2.6 million from Federal Transit Administration (FTA) Section 5311 operating grants
    - $200,000 from Colorado Department of Transportation (CDOT) FASTER operating grant for the Hogback service

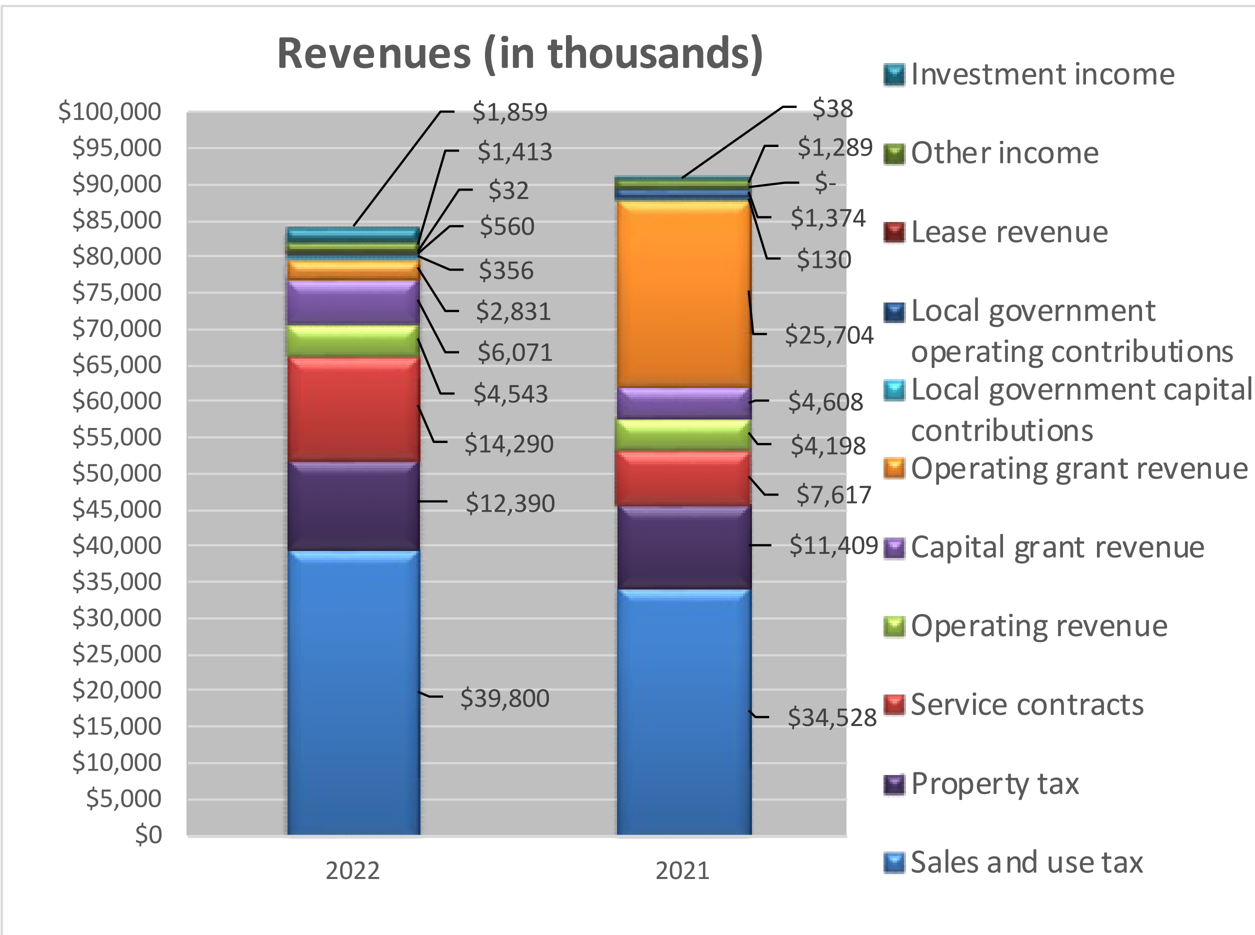
- Capital grants revenues increased by $1.5 million primarily from capital grants received for the GMF Expansion Project Phases 3, 4, 5, and 7:
    - $3.0 million from CDOT SB267 capital grant for GMF Expansion Project Phases 3 and 7
    - $1.4 million from FTA Section 5339b capital grant for GMF Expansion Project Phases 3 and 7
    - $1.3 million from U.S. Department of Transportation BUILD capital grant for GMF Expansion Project Phases 4 and 5
    - $379,000 from CDOT FASTER capital grant for the purchase of an On-Route Battery Electric Bus (BEB) Charger

Financial Analysis of the Authority (continued)

- Local government contributions vary from year to year. In 2022, the Authority received a total of $916,000 in local governments operating and capital contributions:

  - $500,000 from Garfield County and $20,000 from the City of Rifle for continued Grand Hogback I-70 Corridor bus service
  - $237,000 from the City of Aspen for the purchase of an On-Route BEB Charger
  - $95,000 from Pitkin County for Open Space & Trails for the Wingo Bridge Project
  - $40,000 from Garfield county for the Traveler program
  - $25,000 from selected member jurisdictions for their share of the We-Cycle Bikeshare program

Details regarding the Authority's revenues and expenditures are included on Page C2.



Financial Analysis of the Authority (continued)

	2022	2021	$ dif	% dif
Expenditure:				
Transit operations, maintenance, fuel, and administration	$ 44,899	$ 40,095	4,804	12.0%
Facilities	4,749	4,692	57	1.2%
Trails & corridor management	747	553	194	35.1%
Capital outlay	1,352	1,085	267	24.6%
Depreciation and amortization	8,418	7,464	954	12.8%
Lease expenditures	37	-	37	0.0%
Debt service	2,951	2,789	162	5.8%
Total Expenditure	63,152	56,677	6,475	11.4%
Other Financing Sources (Uses):				
Transfer to other funds	(4,726)	(3,670)	(1,056)	28.8%
Transfer from other Funds	4,726	3,670	1,056	28.8%
Bond premium	866	900	(34)	-3.8%
Contributed principal debt payments	-	794	(794)	-100.0%
Gain (loss) on disposal of assets	17	(1,176)	1,193	101.4%
Total Other Financing Sources (Uses)	882	518	364	70.3%
Change in Net Position	21,876	38,738	(16,862)	-43.5%
Net Position - Beginning of Year	150,146	111,408	38,738	34.8%
Net Position - End of Year	$ 172,021	$ 150,146	21,875	14.6%

For the Year Ended December 31, 2022, the following trends were noted:

- Transit Operations and Vehicle Maintenance expenditures increased primarily due to increased labor costs for bus operators and mechanics, added dispatch and supervisor job positions, bus parts, fuel costs, and continued inflationary impacts. Administration costs increased primarily due to higher labor costs, two new full-time trainer job positions, contributions to bike share, advertising, and training costs. The increased labor costs were primarily due to the cost of living adjustment (COLA) approved by the RFTA Board of Directors effective July 3, 2022.

- Facilities expenditures increased primarily due to increased operating and maintenance expenditures related to facilities, employee housing, bus stops, and park and rides, including higher janitorial and utility costs. Two temporary office locations in Glenwood Springs were added to support ongoing operations.

- Trails & Corridor Management expenditures increased due to higher labor, benefits, and repair and maintenance (including tree and shrub removal) costs.

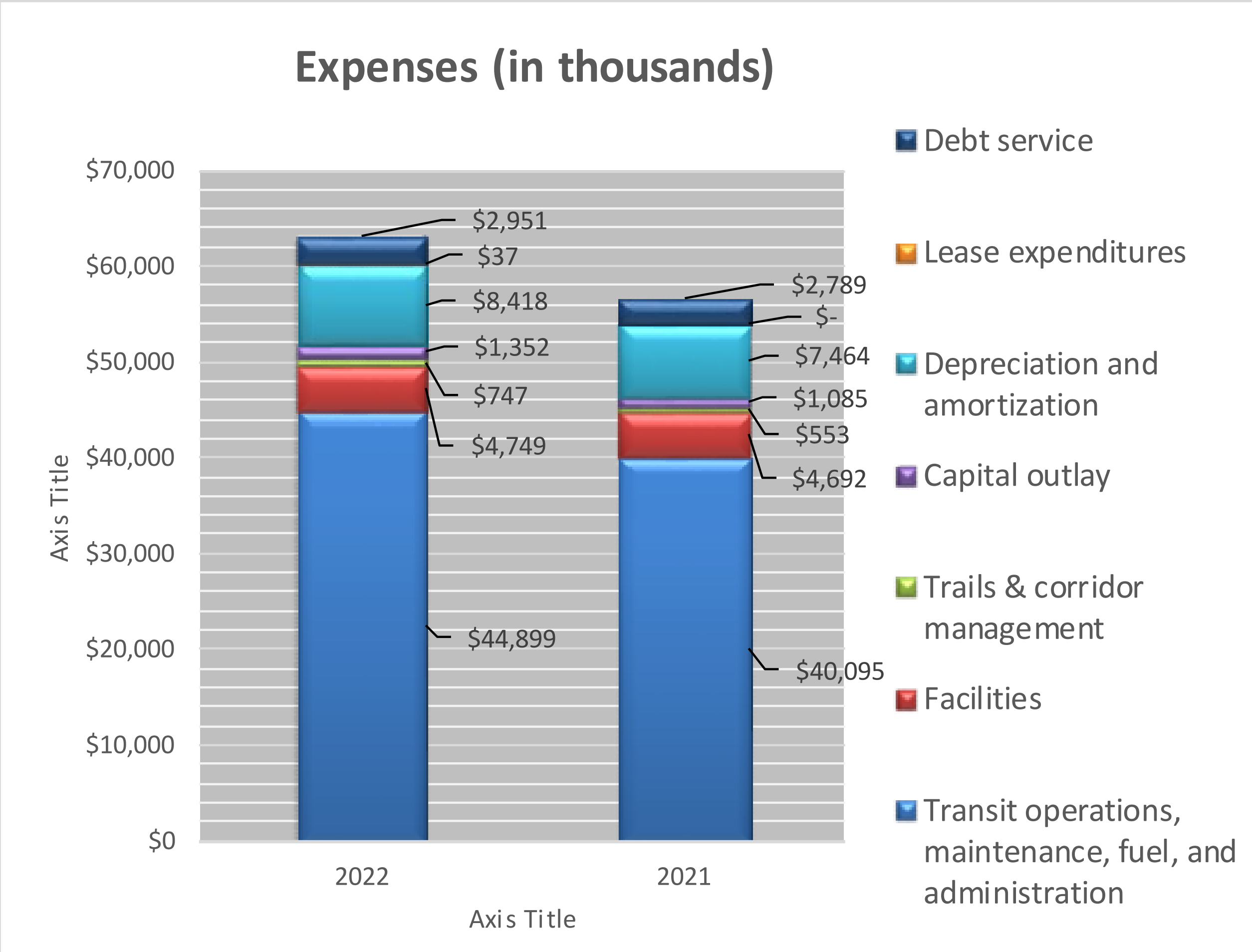
- Capital outlay expenditures increased due to installation of transit equipment on the Authority's buses, including radio consoles and a Fleet Air Purification System, an On-Route Battery Electric Bus (BEB) Charger, and contributions to other local governments.

- Depreciation expenditures increased slightly primarily due to the timing of depreciation for twenty-three (23) buses placed in service in 2021, for which depreciation was not taken in the first year of service. The depreciation on these buses began in 2022.

- Debt service expenditures increased due to payments on debt service issued in 2021.

- Gain (loss) on disposal of fixed assets increased due to the loss on the sale of the Authority's leased photovoltaic solar panels to Holy Cross Energy (HCE) due to the bankruptcy filing by Clean Energy Collective (CEC) and the acquisition of CEC by HCE in 2021.

Financial Analysis of the Authority (continued)



The Authority receives revenues from various sources to fund the Administration, Transit and Trails Programs.

- Regional transit services are primarily funded through Sales and Use Tax and Operating revenues. Sales and Use Tax and Fees have been dedicated in various amounts by all member jurisdictions to fund regional services (see Notes to the Financial Statements, section V.B. Intergovernmental Agreement);

- Property Tax Revenues also support regional transit services, including Destination 2040 service enhancements and capital projects (see Major Capital Asset events on page B13). Voters approved a mill levy of 2.65 mills at the November 2018 General Election;

- Service contracts revenue (cost allocation contracts) provides reimbursement of operating expenditures and a capital contribution for the services provided. The services provided under contract are typically within a limited area. See page B17 for the transit service area map. These services are identified as local circulator services. (see Notes to the Financial Statement, section V.C. Service Agreements);

- Operating revenues consist of transit fares collected on regional service routes; these routes are on the I-70 highway corridor between Rifle and Glenwood Springs, Colorado and State Highway 82 between Glenwood Springs and Aspen, Colorado. See page B17 for a transit service area map;

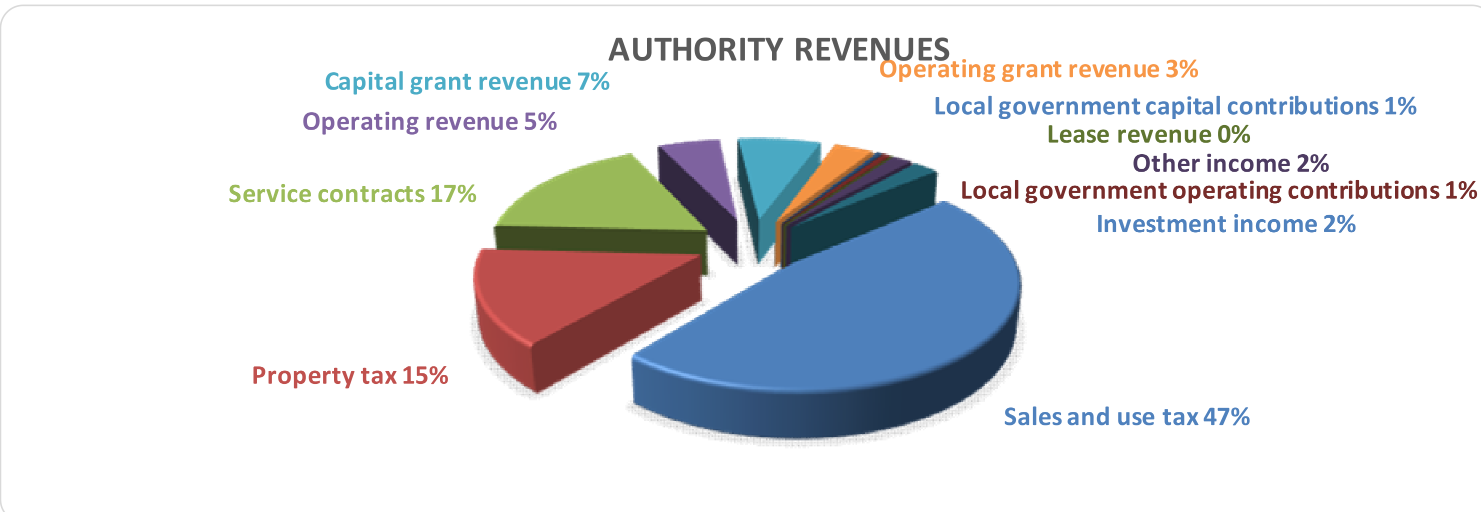
Financial Analysis of the Authority (continued)

- Grant revenues are provided at the Federal or State level and fund capital and operating expenditures; the Authority received $6.1 million and $2.8 million in capital and operating grants, respectively;

- Local jurisdictions generally provide operating contributions but may provide capital contributions depending on the project or capital asset;

- Other income includes the following: Fees, Miscellaneous, Other capital contributions, Rental, Build America Bonds credit for interest expenditures paid on the related Series 2012A bonds and Series 2013A Loan.

The following chart depicts the Authority's 2022 revenues by percentage:



Details regarding the Authority's revenue sources are included on Page C2.

The Authority records the General Government activities as follows:

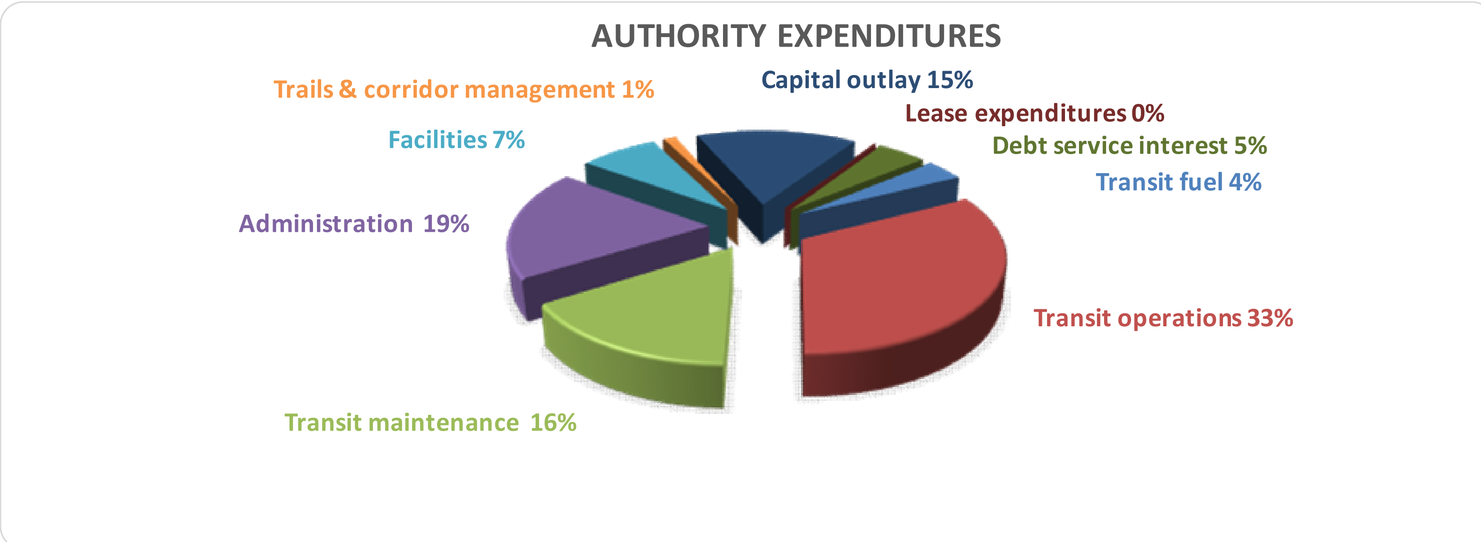
- The Administration line item includes the activities of the following Departments: Attorney, Board of Directors, CEO (including Procurement), Finance, Human Resources and Risk Management, Information Technology and Planning (including Marketing);

- The Trails and corridor management line item includes the activities of The Trails and Corridor Management Program and Department;

- The Transit Program is reported on four-line items: Transit operations, maintenance, fuel, and facilities. Each line item, except for fuel, includes the activities of the respective Department.

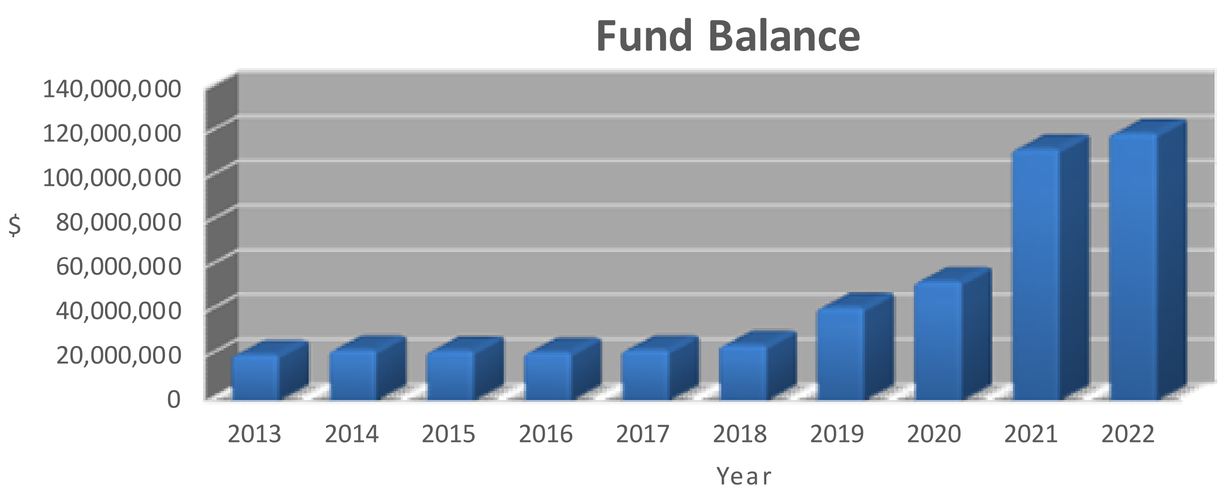
Financial Analysis of the Authority (continued)

The following chart depicts the Authority's 2022 expenditures:



Details regarding the Authority's expenditures are included on Page C2.

The following chart illustrates fund balances for 2013 – 2022



Financial Analysis of the Authority (continued)

As of December 31, 2022, the Authority's total fund balance was approximately $120.1 million.

- The 2022/2021 increase was due to higher than anticipated sales, use and property tax revenues, higher service contracts revenues, and overall organizational savings related to transit operations, administrative expenditures, and timing of capital projects.

- The 2021/2020 increase was due to sales and use tax revenues exceeding estimates, Federal operating grant revenues primarily from Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), timing of capital projects, including Destination 2040 Plan projects, to be funded with the proceeds received from issuing Property Tax Revenue Bonds, Series 2021A, and overall savings throughout the organization.

- The 2020/2019 increase was due to timing of capital projects, including Destination 2040 Plan projects, CARES Act operating grant revenues due to the pandemic, reduced debt service expenditures, and overall savings throughout the organization.

- The 2019/2018 increase was due to sales and use tax revenues exceeding estimates, the timing of the Destination 2040 Plan projects to be funded by property tax revenues, savings throughout the organization, including transit fuel, insurance, employee benefits, transit operations and maintenance, facilities, trails & corridor management, and timing of capital projects to be funded with the proceeds received from issuing Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2019.

- The 2018/2017 increase was due to sales and use tax revenues exceeding estimates and savings throughout the organization, including transit fuel (related to the Alternative Fuel Excise Tax Credit from 2017 which was received and recorded in 2018), insurance, employee benefits, and facilities.

- The 2017/2016 increase was due to sales and use tax revenues exceeding estimates, and savings throughout the organization, including transit fuel, insurance & other employee benefits, transit operating and maintenance, and facilities.

- The 2016/2015 decrease was primarily due to the completion of Phases III and Phases IV of the AMF Recommissioning Project in 2016.

- The 2015/2014 decrease was primarily due to the timing of the capital investment in the AMF Recommissioning Project.

- The 2014/2013 increase was due to higher sales tax revenues and unexpended capital budget.

Major Capital Asset events

Approximately $8.4 million was expended on the Glenwood Maintenance Facility (GMF) Phases 3, 4, 5, and 7 Expansion Project, $3.4 million was expanded on construction of the Glenwood Maintenance Facility (GMF) Phase 2 Expansion Project. $4.9 million was expended for the acquisition of the Rodeway Inn motel in Glenwood Springs for conversion into an employee housing complex. $1.8 million was expended on transit equipment including $473,000 for an On-Route BEB Charger, $463,000 for Mobile Ticketing, and $378,000 for radio consoles. Rolling stock expenditures included $281,000 of engine and transmissions rebuilds and $452,000 of Fleet Air Purification system on the Authority's buses.

Financial Analysis of the Authority (continued)

Major Debt events

The Authority did not have any major debt events. Additional debt information is available in the Notes to the Financial Statements, section IV.G. Other Liabilities.

Long term Financial Plan
The Authority's long-term goal is to be financially sustainable by maintaining operating and capital reserves in accordance with Management's policies and to maintain a long-range financial forecast to communicate and plan for future opportunities and issues.

The Authority uses fund accounting to ensure and demonstrate compliance with accounting and related legal requirements.

The General Fund had an unassigned fund balance of $14.9 million, while total fund balance increased to $99.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31.8% of total general fund expenditures, while total fund balance represents 213.5% of the same amount.

The Service Contracts Special Revenue Fund had a total fund balance of $0.

The Bus Shelter and Park and Ride Special Revenue Fund had a total fund balance of $97,000, out of which $89,000 is restricted by enabling legislation for bus shelter and park and ride expenditure activities and $8,000 is designated as non-spendable.

The Mid Valley Trails Special Revenue Fund had a total fund balance of $337,000, all of which is restricted by enabling legislation to fund trail projects within the Roaring Fork Valley boundaries of Eagle County. The net increase in fund balance was $79,000.

The Capital Projects Fund had a total fund balance of $18.8 million. The decrease in fund balance is due to the outflows related to capital projects. $7.6 million was expended on the Glenwood Springs Maintenance Facility (GMF) Phases 3, 4, 5, and 7 Expansion Project, and $2.8 million on the GMF Phase 2 Expansion Project.

The Debt Service Fund had a total fund balance of $920,000 representing the required reserves for the 2012A bonds and 2013B loan and interest earned as required by resolution, as well as the debt service payments for the Series 2019 and Series 2021A bonds. The fund received a Qualified Energy Conservation Bond credit of $114,000 on the Series 2012A QECBs, received a Qualified Energy Conservation Bond credit of $29,000 on the Series 2013B Sales Tax Revenue Loan, and a transfer from the General Fund for the remaining balance. Expenditures included $2.5 million of debt service interest expenditures related to these bonds.

General Fund Budgetary Highlights

The Authority's revenues came in over budget by $4.5 million. Expenditures were $6.0 million under budget. Significant budget variances were as follows

Description	Final Budget	Actual	Variance Positive (Negative)	Reason
Revenues:				
Sales and use tax revenue	$ 36,681,900	$ 39,671,939	$ 2,990,039	Better than anticipated/budgeted revenues
Property tax revenue	11,876,000	12,390,218	514,218	Better than anticipated/budgeted revenues
Operating revenues	4,108,500	4,535,611	427,111	Due to higher than anticipated ridership
Investment income	429,300	1,363,367	934,067	Due to increase in interest rates
Total Revenues	$ 63,956,622	$ 68,495,904	$ 4,539,282	
Expenditures:				
Transit Fuel	$ 2,160,194	$ 1,605,446	$ 554,748	Lower than expected transit fuel usage and CNG Excise Tax Credit received
Transit operations	15,201,432	13,855,322	1,346,110	Savings due to vacant job positions
Transit maintenance	7,739,416	6,911,232	828,184	Savings due to vacant job positions and lower than anticipated maintenance costs
Administration	9,770,494	8,432,969	1,337,525	Savings due to vacant job positions, lower than anticipated general liability insurance costs and overall operating costs
Capital outlay	12,396,420	10,855,363	1,541,057	Savings due to timing of capital projects
Total Expenditures	$ 52,823,430	$ 46,790,022	$ 6,033,408	

Subsequent Year's Budget

- The Authority ended the year with a combined ending fund balance of $120.1 million. The 2023 adopted budget anticipates a net decrease of $354,000 in the General Fund, net decrease of $14,000 in the Special Revenue Funds, and no changes to the Capital Projects Fund and Debt Service Fund.

- Management continues to review and monitor increasing health care and labor costs. With the capital-intensive nature of the transit industry, management continues to develop funding strategies for short and long-term capital replacement and improvement needs.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Roaring Fork Transportation Authority, Attention: Finance, 0766 Industry Way Carbondale, Colorado 81623.

Below is a map of the Authority's commuter transit service area which includes the I-70 Corridor between Rifle and Glenwood Springs and the Highway 82 Corridor between the Glenwood Springs and Aspen. Additionally, the Authority-owed railroad right-of-way runs adjacent to Highway 82 and connects with the Pitkin County trail near Aspen.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Roaring Fork Transportation Authority
Balance Sheet/Statement of Net Position
December 31, 2022

	Funds Financial Statements								
	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets:									
Cash and cash equivalents - unrestricted	$ 7,396,219	$ -	$ -	$ -	$ -	$ -	$ 7,396,219	$ -	$ 7,396,219
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	43,800	43,800
Investments	78,913,026	-	60,085	325,460	22,041,876	919,718	102,260,165	-	102,260,165
Accounts receivable	206,439	-	-	-	-	-	206,439	-	206,439
Property taxes receivable	11,844,974	-	-	-	-	-	11,844,974	-	11,844,974
Due from other funds	3,496,404	38,715	110,623	3,599	-	-	3,649,341	-	3,649,341
Due from other governments	11,392,442	1,818,353	30,506	11,435	-	-	13,252,736	-	13,252,736
Leases receivable	306,058	-	-	-	-	-	306,058	-	306,058
Prepaid expenses	1,192,369	-	7,992	-	-	-	1,200,361	-	1,200,361
Inventory	1,144,979	-	-	-	-	-	1,144,979	-	1,144,979
Capital assets	-	-	-	-	-	-	-	210,104,271	210,104,271
Leased assets	-	-	-	-	-	-	-	1,525,895	1,525,895
Accumulated depreciation and amortization	-	-	-	-	-	-	-	(79,747,436)	(79,747,436)
Total Assets	115,892,910	1,857,068	209,206	340,494	22,041,876	919,718	141,261,272	131,926,530	273,187,802
Deferred Outflows of Resources:									
Deferred refunding costs, net of amortization	-	-	-	-	-	-	-	606,957	606,957
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	606,957	606,957
Liabilities:									
Accounts payable	1,900,058	38,715	112,002	3,599	1,324,377	-	3,378,751	-	3,378,751
Due to other funds	152,936	1,616,878	-	-	1,879,527	-	3,649,341	-	3,649,341
Accrued expenses	1,773,346	201,475	-	-	-	-	1,974,821	94,510	2,069,331
Accrued compensated absences	-	-	-	-	-	-	-	3,142,057	3,142,057
Accrued interest	-	-	-	-	-	-	-	251,794	251,794
Non-current liabilities:									
Due within one year	-	-	-	-	-	-	-	3,263,138	3,263,138
Due longer than one year	-	-	-	-	-	-	-	73,870,002	73,870,002
Total Liabilities	3,826,340	1,857,068	112,002	3,599	3,203,904	-	9,002,913	80,621,501	89,624,414
Deferred Inflows of Resources:									
Unavailable property tax revenue	11,844,974	-	-	-	-	-	11,844,974	-	11,844,974
Unavailable lease revenue	303,926	-	-	-	-	-	303,926	-	303,926
Total Deferred Inflows of Resources	12,148,900	-	-	-	-	-	12,148,900	-	12,148,900
Fund Balance/Net Position:									
Fund Balance:									
Non-spendable fund balance	2,337,348	-	7,992	-	-	-	2,345,340	(2,345,340)	
Restricted fund balance	2,989,073	-	89,212	336,895	18,837,972	919,718	23,172,870	(23,172,870)	
Committed fund balance	79,701,124	-	-	-	-	-	79,701,124	(79,701,124)	
Unassigned fund balance	14,890,125	-	-	-	-	-	14,890,125	(14,890,125)	
Total Fund Balance	$ 99,917,670	$ -	$ 97,204	$ 336,895	$ 18,837,972	$ 919,718	$ 120,109,459	(120,109,459)	
Net Position:									
Net investment in capital assets								72,668,624	72,668,624
Restricted								23,172,870	23,172,870
Unrestricted								76,179,951	76,179,951
Total Net Position								$ 172,021,445	$ 172,021,445

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority
Statement of Revenues, Expenditures and Changes in Fund Balance/ Statement of Activities
For the Year Ended December 31, 2022

	Funds Financial Statements								
	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:									
Sales and use tax revenue	$ 39,671,939	$ -	$ -	$ 128,549	$ -	$ -	$ 39,800,488	$ -	$ 39,800,488
Property tax revenue	12,390,218	-	-	-	-	-	12,390,218	-	12,390,218
Service contracts	-	14,289,799	-	-	-	-	14,289,799	-	14,289,799
Operating revenue	4,535,611	7,144	-	-	-	-	4,542,755	-	4,542,755
Capital grant revenue	6,071,439	-	-	-	-	-	6,071,439	-	6,071,439
Operating grant revenue	2,801,244	30,000	-	-	-	-	2,831,244	-	2,831,244
Local government capital contributions	331,159	-	-	-	-	-	331,159	24,645	355,804
Local government operating contributions	560,000	-	-	-	-	-	560,000	-	560,000
Lease revenue	32,349	-	-	-	-	-	32,349	-	32,349
Other income	738,578	-	536,735	-	-	143,723	1,419,036	(6,350)	1,412,686
Investment income	1,363,367	-	1,517	5,699	417,694	70,388	1,858,665	-	1,858,665
Total Revenues	68,495,904	14,326,943	538,252	134,248	417,694	214,111	84,127,152	18,295	84,145,447
Expenditures/Expenses:									
Transit fuel	1,605,446	742,393	-	-	-	-	2,347,839	-	2,347,839
Transit operations	13,855,322	6,233,473	-	-	-	-	20,088,795	680,866	20,769,661
Transit maintenance	6,911,232	2,919,838	-	-	-	-	9,831,070	-	9,831,070
Administration	8,432,969	3,516,982	-	-	-	-	11,949,951	-	11,949,951
Facilities	2,800,398	1,035,334	912,822	-	-	-	4,748,554	-	4,748,554
Trails & corridor management	691,094	-	-	55,599	-	-	746,693	-	746,693
Capital outlay	10,855,363	-	-	-	10,447,964	-	21,303,327	(19,950,902)	1,352,425
Depreciation and amortization	-	-	-	-	-	-	-	8,417,943	8,417,943
Lease expenditures	108,461	44,603	-	-	-	-	153,064	(116,282)	36,782
Debt service:									
Principal	1,182,966	-	-	-	-	1,865,000	3,047,966	(3,047,966)	-
Interest	346,771	-	-	-	-	2,534,740	2,881,511	69,889	2,951,400
Total Expenditures/Expenses	46,790,022	14,492,623	912,822	55,599	10,447,964	4,399,740	77,098,770	(13,946,452)	63,152,318
Excess (Deficiency) of Revenues Over Expenditures/ Expenses	21,705,882	(165,680)	(374,570)	78,649	(10,030,270)	(4,185,629)	7,028,382	13,964,747	20,993,129
Other Financing Sources (Uses):									
Transfer to other funds	(4,725,879)	-	-	-	-	-	(4,725,879)	-	(4,725,879)
Transfer from other funds	-	165,680	374,570	-	-	4,185,629	4,725,879	-	4,725,879
Bond premium	-	-	-	-	-	-	-	865,544	865,544
Gain (loss) on disposal of assets	16,952	-	-	-	-	-	16,952	-	16,952
Total Other Financing Sources (Uses)	(4,708,927)	165,680	374,570	-	-	4,185,629	16,952	865,544	882,496
Change in Fund Balance/Net Position	16,996,955	-	-	78,649	(10,030,270)	-	7,045,334	14,830,291	21,875,625
Fund Balance/Net Position:									
Beginning of Year	82,920,715	-	97,204	258,246	28,868,242	919,718	113,064,125		150,145,820
End of Year	$ 99,917,670	$ -	$ 97,204	$ 336,895	$ 18,837,972	$ 919,718	$ 120,109,459		$ 172,021,445

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Sales and use tax revenue	$ 31,881,900	$ 36,681,900	$ 39,671,939	$ 2,990,039
Property tax revenue	11,876,000	11,876,000	12,390,218	514,218
Operating revenue	3,723,500	4,108,500	4,535,611	427,111
Capital grant revenue	480,000	6,071,439	6,071,439	-
Operating grant revenue	1,967,530	2,801,244	2,801,244	-
Local government capital contributions	375,000	406,159	331,159	(75,000)
Local government operating contributions	560,000	560,000	560,000	-
Lease revenue	-	32,349	32,349	-
Other income	902,080	989,731	738,578	(251,153)
Investment income	39,300	429,300	1,363,367	934,067
Total Revenues	51,805,310	63,956,622	68,495,904	4,539,282
Expenditures:				
Transit fuel	1,949,694	2,160,194	1,605,446	554,748
Transit operations	14,956,546	15,201,432	13,855,322	1,346,110
Transit maintenance	7,678,753	7,739,416	6,911,232	828,184
Administration	9,428,422	9,770,494	8,432,969	1,337,525
Facilities	2,771,926	3,021,029	2,800,398	220,631
Trails & corridor management	896,000	896,000	691,094	204,906
Capital outlay	18,329,800	12,396,420	10,855,363	1,541,057
Lease expenditures	-	108,461	108,461	-
Debt service:				
Principal	1,272,213	1,152,213	1,182,966	(30,753)
Interest	377,771	377,771	346,771	31,000
Total Expenditures	57,661,125	52,823,430	46,790,022	6,033,408
Excess (Deficiency) of Revenues Over Expenditures	(5,855,815)	11,133,192	21,705,882	10,572,690
Other Financing Sources / (Uses)				
Transfer to other funds	(4,993,360)	(4,916,459)	(4,725,879)	190,580
Gain on disposal of assets	-	-	16,952	16,952
Issuance of leases	9,233,281	-	-	-
Total Other Financing Sources / (Uses)	4,239,921	(4,916,459)	(4,708,927)	207,532
Change in Fund Balance	$ (1,615,894)	$ 6,216,733	16,996,955	$ 10,780,222
Fund Balance:				
Beginning of Year			82,920,715	
End of Year			$ 99,917,670	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Service Contracts Fund
Special Revenue Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Service contracts	$ 14,514,375	$ 14,599,375	$ 14,289,799	$ (309,576)
Operating revenue	-	-	7,144	7,144
Operating grant revenue	30,000	30,000	30,000	-
Total Revenues	14,544,375	14,629,375	14,326,943	(302,432)
Expenditures:				
Transit fuel	761,306	819,000	742,393	76,607
Transit operations	13,878,114	6,454,663	6,233,473	221,190
Transit maintenance	26,000	2,919,838	2,919,838	-
Administration	40,000	3,516,982	3,516,982	-
Facilities	-	1,035,334	1,035,334	-
Lease expenditures	-	44,603	44,603	-
Total Expenditures	14,705,420	14,790,420	14,492,623	297,797
Excess (Deficiency) of Revenues Over Expenditures	(161,045)	(161,045)	(165,680)	(4,635)
Other Financing Sources / (Uses)				
Transfers from other funds	161,045	161,045	165,680	4,635
Total Other Financing Sources / (Uses)	161,045	161,045	165,680	4,635
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance:				
Beginning of Year			-	
End of Year			$ -	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bus Shelter/PNR Fund
Special Revenue Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Other income	$ 515,000	$ 515,000	$ 536,735	$ 21,735
Investment income	-	-	1,517	1,517
Total Revenues	515,000	515,000	538,252	23,252
Expenditures:				
Facilities	1,091,175	1,084,785	912,822	171,963
Total Expenditures	1,091,175	1,084,785	912,822	171,963
Excess (Deficiency) of Revenues Over Expenditures	(576,175)	(569,785)	(374,570)	195,215
Other Financing Sources / (Uses)				
Transfers from Other Funds	576,175	569,785	374,570	(195,215)
Total Other Financing Sources / (Uses)	576,175	569,785	374,570	(195,215)
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance:				
Beginning of Year			97,204	
End of Year			$ 97,204	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Mid Valley Trails Fund
Special Revenue Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Sales and use tax revenue	$ 100,000	$ 128,549	$ 28,549
Investment income	-	5,699	5,699
Total Revenues	100,000	134,248	34,248
Expenditures:			
Administration	25,000	-	25,000
Trails & corridor management	84,000	55,599	28,401
Total Expenditures	109,000	55,599	53,401
Change in Fund Balance	$ (9,000)	78,649	$ 87,649
Fund Balance:			
Beginning of Year		258,246	
End of Year		$ 336,895	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Roaring Fork Transit Agency was formed by an intergovernmental agreement between the City of Aspen and Pitkin County in 1983. In November of 2000, the electorate of the Roaring Fork Valley, subject to an intergovernmental agreement authorized by participating entities, approved the establishment of the Roaring Fork Transportation Authority (the "Authority"). The function of the Authority is to create, operate, and maintain a public transportation system and a multi-purpose non-motorized trail network that serves the residents and visitors of the Roaring Fork and Colorado River Valley with environmentally friendly, convenient, safe, efficient and economical transportation. The Authority's service area encompasses six towns and two counties that include the City of Aspen, Town of Basalt, Town of Carbondale, Eagle County, City of Glenwood Springs, Town of New Castle, Pitkin County and Town of Snowmass Village. The Authority's regional transit services are supported by dedicated sales tax collections by governments within the service area, contributions, and fares.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"), as applied to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Authority are discussed below.

A. Reporting Entity

The Authority is governed by a Board of Directors which is comprised of eight members and eight alternates who consist of two elected officials from each participating governmental entity. The Board is responsible for setting policy, appointing administrative personnel, and adopting an annual budget in accordance with state statutes. As required by GAAP, the financial statements of the reporting entity include those of the Authority. Additionally, a second Authority Board, the Mid Valley Trails Board administers 20% (0.10%) of the Eagle County sales tax dedicated to the Authority. No additional separate governmental units, agencies, or non-profit corporations are included in the financial statements of the Authority since none were discovered to fall within the oversight responsibility based on the application of the following criteria: financial accountability, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

B. Government-wide and Fund Financial Statements

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental (i.e., normally supported by taxes and intergovernmental revenues) or business (i.e., relying to a significant extent on fees and charges for support) type activities. Currently, the Authority performs only governmental activities. Neither fiduciary nor component units that are fiduciary in nature are included.

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Authority's net position is reported as unrestricted net position. The government-wide focus is on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures. The fund focus is on current available resources and budget compliance.

The Authority reports six funds:

- **General Fund** – accounts for all activities of the general government except those accounted for in the special revenue, capital projects, debt service, and reserve funds.

- **Service Contracts Special Revenue Fund** – reports revenue and operating activity for additional services based on contractual agreement.

- **Bus Shelter and Park and Ride Special Revenue Fund** – reports vehicle fee revenue and bus shelter and park and ride expenditure activity as required by State rural transit authority enabling legislation.

- **Mid Valley Trails Special Revenue Fund** – reports transactions restricted to trail activities in accordance with the June 2002 resolution where the Authority adopted the Eagle County Mid Valley Trails Committee which administers all aspects of appropriating the funds and the Authority provides accounting of the funds and other services as requested by the Committee.

- **Capital Projects Fund** – reports expenditures for assets and infrastructure using proceeds from Series 2019 and Series 2021A bond issuances.

- **Debt Service Fund** – reports all principal and interest expenditures for the 2012A $6.65 million bond issuance, Series 2013B taxable sales tax revenue loan, Series 2019 $24.5 million refunding and improvement bond issuance, Series 2021A $28.8 million bond issuance, interest earned, and the required reserves for these bonds.

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt is recognized when due.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities to the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales tax, fees, and licenses associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents – unrestricted are defined as amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Authority.

Cash and cash equivalents – restricted are defined as certain proceeds from debt issuance with limited use by applicable debt covenants.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents, and Investments (continued)

The Authority has adopted a formal investment policy to manage its safety of principal, liquidity to meet all operating requirements, and yield. The following is a summary of relevant guidelines from the policy:

- **Investment Types** – All investments will be made in accordance with the Colorado Revised Statutes as follows: C.R.S. 11-10.5-101, et seq. Public Deposit Protection Act; C.R.S. 24-75-601, et. seq. Funds - Legal Investments; C.R.S. 24-75-603, Depositories; and C.R.S. 24-75-702, Local governments – authority to pool surplus funds.

- **Diversification** – The investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in securities that have higher credit risks, investing in securities with varying maturities, and continuously investing a portion of the portfolio in readily available funds such as local government investment pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

- **Maturity** – Investment maturities shall be based on the anticipated cash flow requirements of the Authority. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than five (5) years. The Authority adopts weighted average maturity limitations (which often range from 90 days to 3 years). Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide with the expected use of funds.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. However, no allowance for uncollectible accounts has been established, as the Authority considers all accounts to be collectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and a deferred inflow of resources.

4. Inventory

Inventory consists of fuel and bus equipment parts and is recorded at the lower of cost or market.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

6. Compensated Absences

The Authority allows its employees to accumulate sick and vacation leave, based on the employee's length and hours of service, and compensates overtime in the form of overtime pay or compensatory time off.

Accrued compensated absences may be carried over to the following year, with a maximum accrual of 300 hours for vacation time, 160 hours for compensatory time, and no maximum accrual for sick time. Upon an employee's separation from service from the Authority, the Authority pays the full amount of accrued vacation time and accrued compensatory time. Accrued sick time is also paid out, up to a maximum of 33% of 400 accrued hours.

At year end, the estimated value of accumulated compensated absence leave, including the Authority's portion of employment costs, is $3,142,057.

7. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of $5,000 or more and an estimated useful life in excess of three years for all assets other than equipment. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest, if any, incurred during the construction phase is expensed as incurred.

Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	5 - 40
Machinery and equipment	3 - 20
Vehicles	5 - 12

Depreciation is not taken on assets in the first year of service.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Non-Current Liabilities

Non-current liabilities consist of bonds payable, financing leases, long-term leases, bond premiums and discounts. Bonds payable are reported net of the applicable bond premium or discount. These premiums and discounts are amortized over the life of the applicable bonds using the bonds outstanding method. At December 31, 2022, the Authority had $66,877,675 of bonds payable, financing leases and long-term leases, of which $63,614,537 is due longer than one year.

9. Leases

Lessee: The Authority is lessee for a noncancellable lease of apartment units. The Authority recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements. The Authority recognized lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lessor of its useful life or the lease term.

Key estimates and judgments related to leases include how the Authority determines the following:

- **Discount Rate** – The Authority uses its estimated incremental borrowing rate as the discount rate for leases.

- **Lease Term** – The lease term includes the noncancellable period of the lease and extended term(s) that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with non-current liabilities on the Statement of Net Position.

Lessor: The Authority is lessor for noncancellable leases of land. The Authority recognized a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Leases (continued)

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the Authority determines the following:

- **Discount Rate** – The Authority uses its estimated incremental borrowing rate as the discount rate for leases.

- **Lease Term** – The lease term includes the noncancellable period of the lease and extended term(s) that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease liability.

10. Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority has one item which qualifies for reporting in this category: deferred charges on refunding. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. Accordingly, the items, unavailable property tax revenue and unavailable lease revenue, are deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Categories and Classification of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Authority classifies governmental fund balances as follows:

1. **Non-spendable –** includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

   - **Restricted** – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

2. **Spendable Fund Balance:**

   - **Committed** – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Authority's Board of Directors. For details on the Authority's budget process, refer to Note III.A.

   - **Assigned** – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board or its management designee.

   - **Unassigned** – includes residual positive fund balance within the General Fund which has not been classified within the other categories mentioned above. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Authority uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Authority would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Categories and Classification of Fund Balance (continued)

The Authority does not have a formal minimum fund balance policy. However, the Authority's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to the Board.

The following are fund definitions:

- **General Fund –** The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

- **Special Revenue Funds** – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

- **Capital Projects Funds** – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

- **Debt Service Funds** – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements is in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental funds Balance Sheet and the government-wide Statement of Net Position

The governmental funds Balance Sheet includes reconciliation between Fund balance – Governmental funds and Net Position – Governmental activities as reported in the government-wide Statement of Net Position. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds. Details of these amounts are as follows:

Capital assets	$ 210,104,271	
Leased assets	1,525,895	
Accumulated depreciation	(79,616,645)	
Accumulated amortization on leased assets	(130,791)	
		$ 131,882,730

Deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds:

Deferred costs on bond refunding	$ 606,957	
		$ 606,957

Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	$ (58,820,000)	
Financing leases payable	(6,648,062)	
Long-term leases payable	(1,409,613)	
Unamortized bond issuance premiums	(10,255,465)	
Accrued interest payable	(251,794)	
Accrued general insurance claims	(94,510)	
Accrued compensated absences	(3,142,057)	
		$ (80,621,501)

Funds collected from Pitkin County sales tax revenues and dedicated to a portion of the Authority's succeeding year's bond interest and principal due.

Restricted cash and cash equivalents	$ 43,800	
		$ 43,800

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures and changes in Fund Balance and the government-wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between Net change in fund balance – Governmental funds and Changes in net position – Governmental activities as reported in the government-wide Statement of Activities. Explanation of adjustments included in the reconciling column is as follows:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital additions	$ 19,950,902	
Depreciation expense	(8,287,152)	
Amortization expense	(130,791)	
		$ 11,532,959

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

Donation of capital assets	$ 24,645	
		$ 24,645

Some revenues reported in the Statement of Activities are not available from current financial resources and, therefore, are not recorded as revenues in governmental funds.

Net change in restricted cash and cash equivalents	$ 50	
		$ 50

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in governmental funds.

Net change in general insurance claims	$ (6,400)	
Net change in compensated absences	(680,866)	
		$ (687,266)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental funds Statement of Revenues, Expenditures and changes in Fund Balance and the government-wide Statement of Activities (continued)

The issuance of long-term debt (e.g., leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these difference in the treatment of long-term debt and related items.

Principal repayments - bonds payable	$ 2,225,000	
Principal repayments - financing leases payable	822,966	
Principal repayments - long-term leases payable	116,282	
Amortization on bond premiums	865,544	
Amortization on bond refunding costs	(80,153)	
Net change to accrued interest	10,264	
		$ 3,959,903

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with U.S. GAAP. The Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2022.

(1) On or before October 15th, the Authority submitted to the Board a recommended budget that details the revenues necessary to meet the Authority's operating requirements.

(2) After appropriate public notice and a required public hearing, the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year on or before December 15th.

(3) After adoption of the initial budget resolution, the Authority may make the following changes: (a) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

All appropriations lapse at year end. During the year, the following supplemental appropriation resolutions were adopted by the Authority. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. As a result of the supplementary budget appropriations, the 2022 appropriations were increased (decreased) as follows:

Resolution	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	Capital Projects Fund	Total
Original Appropriation					$ 82,959,820
Changes to annual appropriations:					
Resolution No. 2022-08	$ 42,226,923	$ 85,000	$ 46,100	$ 28,868,242	71,226,265
Resolution No. 2022-12	24,653,433	-	(52,490)	-	24,600,943
Resolution No. 2022-16	1,748,361	-	-	-	1,748,361
Resolution No. 2022-24	4,868,062	-	-	-	4,868,062
Resolution No. 2023-09	(78,411,375)	-	-	(18,420,278)	(96,831,653)
Total changes to annual appropriations	$ (4,914,596)	$ 85,000	$ (6,390)	$ 10,447,964	5,611,978
Final Appropriation					$ 88,571,798

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue. As required by TABOR, the Authority has restricted $2,054,813 of its fund balance in the General Fund for emergencies, which is the approximate required reserve at December 31, 2022.

The ballot question authorizing the creation of the Authority in 2000 allows the Authority to treat all amounts received from taxes, contributions and otherwise and earnings thereon as a voter approved revenue change.

The Authority’s management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

At year end, the Authority had the following investments and maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on Hand	Not Rated	$ 46,514	$ 46,514	$ -
Checking	Not Rated	3,909,439	3,909,439	-
Savings	Not Rated	3,440,268	3,440,268	-
Deposits held by Pitkin County Treasurer	Not Rated	43,800	43,800	-
Total Deposits		7,440,021	7,440,021	-
Local Government Investment Pools	AAAm	102,260,163	102,260,163	-
Total Investments		102,260,163	102,260,163	-
Total		$ 109,700,184	$ 109,700,184	$ -

The local government investment pool represents investments in COLOTRUST and CSIP. The investment in COLOTRUST is measured at the net asset value, and the investment in CSIP is measured at amortized cost. The Authority has no regulatory oversight for the pools. At December 31, 2022, the Authority's investments in COLOTRUST and CSIP were $50,369,285 and $51,890,878, respectively.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Authority diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Authority coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date.

Credit Risk: State law and Authority policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The Authority's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk: The Authority diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured or issued by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, and congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding Authority funds must provide the Authority a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of bank failure, the Authority's deposits may be returned to it. The Authority's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under PDPA. The FDIC insures the first $250,000 of the Authority's deposits at each financial institution. Deposit balances over $250,000 are collateralized as required by PDPA.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are made in the name of the Authority. Marketable securities are held by either (1) a third-party custodian as evidenced by safekeeping receipts or (2) a broker-dealer in a customer account that is insured by the Securities Investor Protection Corporation and supplemental insurance for the maximum held in such account.

B. Receivables

Accounts receivable is due primarily from pass sales and insurance reimbursements in 2022. Due from other Governments consists of amounts due from the Federal and State Government and other local entities, including sales and use tax. The Authority has recorded no allowance for doubtful accounts at December 31, 2022 and anticipates the collection of all receivables.

C. Leases Receivable

The Authority leases land to two entities. The leases bear an annual interest rate of 2.36%. Variable revenues are recognized when the original measured lease payments differ from actual. In accordance with generally accepted accounting principles, the outstanding lease receivable balances have been recorded as a receivable and deferred inflow of resources. There is a difference between reductions in receivables and deferred inflow when lease terms specify lease payments adjustments (i.e., periodic increases) throughout the term of the lease, and these differences are recognized as an adjustment to lease principal revenue.

Changes in the Authority's leases receivable consisted of the following for the year ended December 31, 2022:

	12/31/21	Increases	Decreases	12/31/22	Receivable within one year
Long-term leases receivable:					
Verizon Wireless	$ 106,689	$ -	$ (11,179)	$ 95,510	$ 11,446
AT&T Wireless	222,072	-	(11,524)	210,548	11,799
Long-term receivables	$ 328,761	$ -	$ (22,703)	$ 306,058	$ 23,245

IV. Detailed Notes on All Funds (continued)

C. Leases Receivable (continued)

The Authority recognized the following lease revenues during the year:

	General Fund		Total	
Lease revenue:				
Principal	$	24,835	$	24,835
Interest		7,514		7,514
Total	$	32,349	$	32,349

The following lease receivables were outstanding as of December 31, 2022:

Colorado RSA No. 3, d/b/a Verizon Wireless: In 2005, the Authority began leasing approximately 500 square feet of land located at 2307 Wulfsohn Road, Glenwood Springs Colorado. The lease was for 5 years with four extension periods of 5 years each, that are reasonably expected to be exercised, and calls for monthly payments of $850. The monthly payments are increased 10% at the start of each extension period.

Octagon Towers LLC, d/b/a AT&T Wireless, assignee, and New Singular Wireless PCS LLC, assignor: In 2020, the Authority purchased property City of Glenwood Springs, assignor, and became assignee to the existing lease agreement which began in 2011. The lease is for 971 square feet of land located at 2301 Wulfsohn Road, Glenwood Springs Colorado. The lease was for 5 years with four extension periods of 5 years each, that are reasonably expected to be exercised, and calls for monthly payments of $1,200. The monthly payments are increased 7.5% at the start of each extension period.

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	12/31/21	Increases	Decreases	12/31/22
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 8,508,427	$ 8,903,789	$ (5,833,821)	$ 11,578,395
Land and improvements	24,190,800	2,468,549	-	26,659,349
Total Capital Assets, Not Being Depreciated	32,699,227	11,372,338	(5,833,821)	38,237,744
Other capital assets:				
Buildings	5,916,422	2,455,625	-	8,372,047
Improvements other than buildings	67,830,415	8,873,837	(267,536)	76,436,716
Equipment	88,836,908	3,107,568	(4,886,712)	87,057,764
Leased buildings	1,525,895	-	-	1,525,895
Total Other Capital Assets	164,109,640	14,437,030	(5,154,248)	173,392,422
Less accumulated depreciation for:				
Buildings	(5,110,160)	(106,350)	-	(5,216,510)
Improvements other than buildings	(22,705,399)	(2,785,754)	267,536	(25,223,617)
Equipment	(48,668,183)	(5,395,047)	4,886,712	(49,176,518)
Less accumulated amortization for leased buildings	-	(130,791)	-	(130,791)
Total Accumulated Depreciation and Amortization	(76,483,742)	(8,417,942)	5,154,248	(79,747,436)
Total Other Capital Assets, Net	87,625,898	6,019,088	-	93,644,986
Governmental Activities Capital Assets, Net	$ 120,325,125	$ 17,391,426	$ (5,833,821)	$ 131,882,730

E. Interfund Transfers

Interfund balances as of December 31, 2022 are comprised of the following interfund transfers:

	Transfer In:			
Transfer Out:	**SRF Service Contracts**	**SRF Bus Shelter/ PNR**	**Debt Service Fund**	**Total**
General Fund	$ 165,680	$ 374,570	$ 4,185,629	$ 4,725,879
Total	$ 165,680	$ 374,570	$ 4,185,629	$ 4,725,879

The General Fund transfers to the Service Contracts Special Revenue Fund represent its contribution on behalf of its members participating in the Traveler Program. The General Fund transfer to the Bus Shelter/PNR Special Revenue Fund was to cover a shortfall, and the General Fund transfers to the Debt Service Fund were to cover debt service requirements.

IV. Detailed Notes on All Funds (continued)

F. Non-spendable, Restriction and Commitment of Fund Balances

At December 31, 2022, the fund balance of the Authority's General Fund was restricted and committed for the following:

Non-spendable for inventory & prepaids	$	2,337,348
Restricted for TABOR reserve		2,054,813
Restricted for Grant reserves		387,664
Restricted for Capital project		546,596
Committed for Transit		44,097,919
Committed for Trails		3,442,528
Committed for Facilities		12,245,111
Committed for Operating reserves		12,235,374
Committed for First- and Last- Mile Mobility		7,680,192
Total	$	85,027,545

Funds restricted for emergencies are required by Colorado's TABOR amendment. Funds are non-spendable for inventories and prepaid expenses as they are not readily spendable and, therefore, are not included in unassigned fund balance. Additional amounts have been committed for specific purposes by the Authority as indicated.

Funds restricted for capital project represent a restriction of funds due to an intergovernmental agreement with the City of Glenwood Springs for the purposes of either reestablishing a freight rail, for commuter or freight purposes, or to acquire, in fee simple, private property interests underlying the corridor.

Funds restricted for grant reserves represent a restriction of funds due to Department of Local Affairs grant funds received for 6 CNG MCI Commuter Coach Buses, which were purchased using a lease purchase financial agreement. Over a 10-year period, the restriction shall be removed on one-tenth of the grant amount, making those funds an unrestricted resource.

At December 31, 2022, the fund balance of the Capital Projects Fund was restricted for the following:

Various public improvements	$	18,837,972
Total	$	18,837,972

Funds restricted for various public improvements are from a portion of the Series 2021A bond issuances.

At December 31, 2022, the fund balance of the Debt Service Fund was restricted for the following:

Restricted for debt	$	919,718
Total	$	919,718

Funds restricted for debt are reserve requirements by the 2012A bonds and 2013B loan. The debt service requirement for the Series 2019 bonds is satisfied through a surety with a maximum policy limit of $1,151,388.

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities

1. Sales Tax Revenue Bonds

The original intergovernmental agreement forming the Authority allows Pitkin County, Colorado (the "County") to reduce the sales tax paid to the Authority by the principal and interest payments on the County's outstanding transit debt, the Series 1998 and 2001 Sales Tax Revenue Bonds. The transit debt was originally issued in order to provide capital for the Roaring Fork Transit Agency. Upon formation of the Authority, the obligation for payment of transit debt, along with specific Agency assets were transferred to the Authority. On December 22, 2010, the County issued additional transit debt on behalf of the Authority: $2,530,000 of Taxable Sales Tax Revenue Build America Bonds, Series 2010A and $5,830,000 of Tax-Exempt Sales Tax Revenue Refunding Bonds, Series 2010B.

Series 2010A bonds carry an interest rate of 6.689% to 6.939% with final maturity date of 2040. Series 2010B tax-exempt bonds carry an interest rate of 2.0% to 4.25% with final maturity date of 2026. These bonds were refunded with the issuance of Pitkin County's Sales Tax Revenue Refunding Bonds, Series 2020 noted below.

In August 2012, the Authority issued Taxable Sales and Use Tax Revenue Bonds (Qualified Energy Conservation Bonds – Direct Payment to Issuer), Series 2012A to finance the Roaring Fork Transportation Authority Green Community Program, including the Compressed Natural Gas infrastructure and safety modifications. The Series 2012A bonds carry an interest rate of 0.79% to 4.50% with final maturity date of 2032.

In September 2019, the Authority issued Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2019 to refund the Series 2009B Bonds and the 2013A loan and to finance various public improvements. The Series 2019 bonds carry an interest rate of 2% and 5% with final maturity date of 2049. The refunding of the Series 2009B Bonds and the 2013A loan resulted in an economic gain of $4,790,286.

In September 2020, Pitkin County issued Sales Tax Revenue Refunding Bonds, Series 2020 to: (i) refund the County's outstanding Taxable Sales Tax Revenue Build America Bonds, Series 2010A; and (ii) refund the County's outstanding Tax-Exempt Sales Tax Revenue Refunding Bonds, Series 2010B. Although the debt is issued by the County, it is shown on the Authority financial statements as it reduces the sales tax dedicated to the Authority. The refunding resulted in an economic gain of $917,198.

2. Sales Tax Revenue Loans

In November 2013, the Authority entered into a $1,300,000 taxable sales tax revenue (Qualified Energy Conservation Bonds – Direct Payment to Issuer) loan agreement and promissory note with Banc of America Leasing & Capital, LLC, Series 2013B loan, to finance the Roaring Fork Transportation Green Community Program including energy efficient upgrades, improvements and renovations at the Aspen Maintenance Facility. The loan carries a fixed interest rate of 4.96% with a final maturity date of 2030.

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

3. Property Tax Revenue Bonds

In June 2021, the Authority issued Property Tax Revenue Bonds, Series 2021A, in the amount of $28,780,000, to finance the costs of acquisition, construction, installation, and equipping of various public improvements. The Series 2021A bonds carry an interest rate at 4% and 5% with a final maturity date of 2051.

4. Financing Leases

In 2008, the Authority signed a lease for an employee housing complex totaling $2,300,000. The lease carries an interest rate of 4.39% with final maturity of 2028. The employee housing financing was a private placement and subject to the following covenants. The Authority is required each year to have revenues not less than 110% of the amount required to pay all annual payments in the year; additionally, revenues for the immediately preceding year are equal to at least 125% of the maximum annual payments required to be paid in any succeeding year.

In 2011, the Authority signed a lease with Alpine Bank for the acquisition of commercial real estate, located at 1340 Main Street in Carbondale, CO. The lease carries an interest rate of 4.5% and has an original principal amount, at inception of the lease, of $1,000,000 with a final maturity of 2031.

In 2016, the Authority signed leases for six buses totaling $4,440,264. The lease carries an interest rate of 1.87% with a final maturity of 2028.

In 2019, the Authority signed a lease for trails equipment totaling $50,333. The lease carries an interest rate of 6.32% with a final maturity of 2025.

In 2019, the Authority signed a lease for an operations vehicle totaling $34,946. The lease carries an interest rate of 7% with a final maturity of 2022.

In 2019, the Authority signed a lease for an operations vehicle totaling $41,613. The lease carries an interest rate of 7% with a final maturity of 2022.

In 2021, the Authority signed a lease for six buses totaling $3,302,454. The lease carries an interest rate of 2.1% with a final maturity of 2033.

5. Long-Term Leases

Related to leased assets, the Authority has the following outstanding agreement as of December 31, 2022:

Burlingame Housing Inc: In 2000, the Authority entered into a 32-year lease agreement as lessee for 10 two-bedroom units for the seasonal period September through April each year plus 4 one-bedroom units for year-round use. The lease calls for monthly payments of $910 per two-bedroom unit plus $800 per one-bedroom unit. The monthly rent is subject to annual increases approved by the Aspen/Pitkin County Housing Authority but not to exceed 10% in any one year.

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

5. Long-Term Leases (continued)

The Authority recognized the following lease expenditures under long-term leases during the year:

	General Fund		SRF Service Contracts		Total	
Lease expenditures:						
Principal	$	82,398	$	33,885	$	116,283
Interest		24,629		10,128		34,757
Variable		1,434		590		2,024
Total	$	108,461	$	44,603	$	153,064

6. Debt Requirements

The Authority is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

7. Authorized Unissued Debt

In November 2008, qualified electors of the Authority approved the issuance of up to $44,555,000 in bonds to finance the costs of the Authority's Regional Transportation Improvement Plan. After the issuances of the Series 2009A, Series 2009B, the Series 2012A sales tax bonds, the Series 2013A and 2013B sales tax loans, and a portion of the Series 2019 sales and use and refunding bonds, the Authority had no remaining authorized unissued debt, of the approved $44,555,000, as of December 31, 2022.

In November 2018 the Authority's electorate approved increasing ad valorem property taxes at a rate of 2.65 Mills. The electorate also approved issuing $74,675,000 in revenue bonds to be used for, but not limited to:

- Bus rapid transit and local bus service improvements to reduce congestion along highway 82
- Mobility enhancements for pedestrians, bicyclist and transit users
- Construction of the lower valley trail
- Improved access and maintenance for the Rio Grande trail
- Construction and maintenance of park and rides, bus stops and other transit and transportation facilities
- Purchase of new buses, including electrification of buses for emission and noise reductions

After issuance of the Series 2021A property tax revenue bonds, the Authority had $45,895,000 remaining authorized unissued debt, of the approved $74,675,000, as of December 31, 2022.

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

8. Changes in Debt

The Authority had the following changes in its outstanding debt:

	12/31/21	Increases	Decreases	12/31/22	Due within one year
Bonds payable:					
Sales tax revenue bonds:					
Series 2012A	$ 3,930,000	$ -	$ (340,000)	$ 3,590,000	$ 340,000
Series 2019	23,355,000	-	(965,000)	22,390,000	1,025,000
Series 2020	4,125,000	-	(360,000)	3,765,000	375,000
Property tax revenue bonds:					
Series 2021A	28,780,000	-	(485,000)	28,295,000	505,000
Loans payable:					
Taxable sales/use tax revenue loans:					
Series 2013B	855,000	-	(75,000)	780,000	75,000
Financing leases payable:					
2008 Parker House	965,770	-	(133,239)	832,531	139,207
1340 Main Street, Carbondale	600,342	-	(50,031)	550,311	52,363
2016 CNG Buses	2,680,049	-	(366,390)	2,313,659	373,300
2019 Vermeer Brush Chipper	29,521	-	(6,698)	22,823	7,134
2019 Ford Explorer	9,011	-	(9,011)	-	-
2019 Ford F250	10,731	-	(10,731)	-	-
2021 Gillig Buses	3,175,604	-	(246,866)	2,928,738	252,077
Long-term leases payable:					
2000 Burlingame Housing	1,525,895	-	(116,282)	1,409,613	119,057
Bond premiums / discounts:					
Series 2019 premium	4,623,450	-	(460,717)	4,162,733	-
Series 2020 premium	578,679	-	(72,275)	506,404	-
Series 2021A premium	5,918,880	-	(332,552)	5,586,328	-
Total non-current liabilities	81,162,932	-	(4,029,792)	77,133,140	3,263,138
Compensated absences	2,461,191	680,866	-	3,142,057	-
Long-term liabilities	$ 83,624,123	$ 680,866	$ (4,029,792)	$ 80,275,197	$ 3,263,138

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

9. Future Debt Payments

The following schedule shows the future debt payments of the Authority for all outstanding debt at year end:

	2008 Financing Lease-Parker House		1340 Main Street, Carbondale		2012A Sales/Use Tax Rev. Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 139,207	$ 33,770	$ 52,363	$ 24,013	$ 340,000	$ 152,850
2024	145,443	27,534	54,802	21,574	345,000	139,250
2025	151,958	21,019	57,355	19,021	350,000	125,450
2026	158,765	14,212	60,028	16,348	350,000	111,450
2027	165,877	7,100	62,824	13,552	355,000	97,450
2028 - 2032	71,281	783	262,939	23,613	1,850,000	252,000
2033 - 2037	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-
2048 - 2051	-	-	-	-	-	-
Total	$ 832,531	$ 104,418	$ 550,311	$ 118,121	$ 3,590,000	$ 878,450

	2013B Taxable Sales/Use Tax Rev. Loan		2016 Financing Lease - Buses		2019 Financing Lease - Equipment	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 75,000	$ 38,688	$ 373,300	$ 40,077	$ 7,134	$ 1,485
2024	80,000	34,968	380,341	33,036	7,598	1,021
2025	85,000	31,000	387,515	25,862	8,091	526
2026	90,000	26,784	394,824	18,553	-	-
2027	105,000	22,320	402,270	11,107	-	-
2028 - 2032	345,000	34,720	375,409	3,519	-	-
2033 - 2037	-	-	-	-	-	-
2038 - 2042	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-
2048 - 2051	-	-	-	-	-	-
Total	$ 780,000	$ 188,480	$ 2,313,659	$ 132,154	$ 22,823	$ 3,032

	2019 Sales/Use Tax Rev. Bonds		2020 Sales Tax Refunding Bonds		2021A Property Tax Rev. Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 1,025,000	$ 1,084,650	$ 375,000	$ 150,600	$ 505,000	$ 1,176,200
2024	1,080,000	1,033,400	400,000	135,600	525,000	1,156,000
2025	1,135,000	979,400	410,000	119,600	545,000	1,135,000
2026	1,195,000	922,650	425,000	103,200	575,000	1,107,750
2027	1,255,000	862,900	125,000	86,200	600,000	1,079,000
2028 - 2032	5,555,000	3,440,000	670,000	354,600	3,485,000	4,913,250
2033 - 2037	5,295,000	2,078,000	800,000	210,600	4,320,000	4,079,800
2038 - 2042	3,270,000	840,550	560,000	45,400	5,255,000	3,144,000
2043 - 2047	1,770,000	380,000	-	-	6,385,000	2,006,200
2048 - 2051	810,000	49,000	-	-	6,100,000	622,000
Total	$ 22,390,000	$ 11,670,550	$ 3,765,000	$ 1,205,800	$ 28,295,000	$ 20,419,200

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

9. Future Debt Payments (continued)

	2021 Financing Lease - Buses		2000 Burlingame Housing	
Year	Principal	Interest	Principal	Interest
2023	$ 252,077	$ 60,187	$ 119,057	$ 31,983
2024	257,399	54,865	121,897	29,143
2025	262,832	49,432	124,805	26,235
2026	268,381	43,883	127,782	23,258
2027	274,047	38,217	130,831	20,209
2028 - 2032	1,459,492	101,828	702,490	52,710
2033 - 2037	154,510	1,625	82,751	529
2038 - 2042	-	-	-	-
2043 - 2047	-	-	-	-
2048 - 2051	-	-	-	-
Total	$ 2,928,738	$ 350,037	$ 1,409,613	$ 184,067

	Total	
Year	Principal	Interest
2023	$ 3,263,138	$ 2,794,503
2024	3,397,480	2,666,391
2025	3,517,556	2,532,545
2026	3,644,780	2,388,088
2027	3,475,849	2,238,055
2028 - 2032	14,776,611	9,177,023
2033 - 2037	10,652,261	6,370,554
2038 - 2042	9,085,000	4,029,950
2043 - 2047	8,155,000	2,386,200
2048 - 2051	6,910,000	671,000
Total	$ 66,877,675	$ 35,254,309

V. Other Information

A. Legal Claims

During the normal course of business, the Authority incurs claims and other assertions against it from various agencies and individuals. Management of the Authority and their legal counsel feel none of these claims or assertions, after coverage applying appropriate insurance coverage are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2022.

V. Other Information (continued)

B. Intergovernmental Agreement

The creation of the Authority was formed by an intergovernmental agreement, dated September 12, 2000, which authorized ballot questions which were ultimately approved by the appropriate electorate of the City of Aspen, Town of Basalt, Town of Carbondale, Eagle County, the City of Glenwood Springs, Pitkin County, and the Town of Snowmass Village (the "Participating Entities"). The Authority was created pursuant to Colorado Revised Statutes [Title 43, Article 4, Part 6] known as the Colorado Rural Transportation Authority Law. The Town of New Castle became a member pursuant to an intergovernmental agreement and election held on November 2, 2004 approved by the electorate.

Included in the intergovernmental agreement is a requirement to provide funding through an allocation of sales tax received in the Participating Entities. Effective January 1, 2009, the sales tax sharing agreements have been amended and approved by the Authority's electorate to the following:

- **New Castle** – 0.8% sales and use tax.
- **City of Glenwood Springs** – 1.0% sales and use tax.
- **Town of Carbondale** – 1.0% sales and use tax.
- **Town of Basalt** – 0.8% sales and use tax.
- **Eagle County** – 0.5% sales and use tax on the portion of sales and use tax collected within the Town of Basalt and 0.6% within the Unincorporated Eagle County within precincts 7,8,24 and 25. A minimum of 20% (0.1%) of the first 0.5% sales and use tax proceeds of this tax shall be used for trails construction and maintenance within the aforementioned precincts. The 0.1% sales tax dedicated to trails construction and maintenance is recorded in the Mid Valley Trails special revenue fund.
- **Pitkin County** (including the **City of Aspen** and the **Town of Snowmass Village**) – 0.8104% of a 0.5% sales tax and 0.4813% of a 1% sales tax for an equivalent total of a 0.8865% sales tax and 0.4% sales and use tax within Unincorporated Pitkin County.
- **City of Aspen** – 0.4% sales and use tax.
- **Town of Snowmass Village** – 0.4% sales and use tax.

V. Other Information (continued)

C. Service Agreements

The Authority has the following extended local service contracts reported in a separate special revenue fund:

- **Aspen Skiing Company Skier Shuttles** – The Authority operates skier shuttles on behalf of Aspen Skiing Company. Shuttles are free and open to the public. The agreement provides for reimbursement of operational expenses and a capital cost recovery component.

- **Ride Glenwood Springs** – The Authority operates local service on behalf of the City of Glenwood Springs, Colorado. The agreement provides for reimbursement of operational expenses and a capital cost recovery component. Reimbursement is accounted for as municipal service revenue on the Authority’s financial statements.

- **City of Aspen** –The Authority operates local service for the City of Aspen shuttles. The agreement provides for reimbursement of operational expenses and a capital cost recovery component. Reimbursement is accounted for as municipal service revenue on the Authority’s financial statements. A portion of the proceeds of the Pitkin County mass transit sales tax, parking revenues and the 0.5% City of Aspen Visitor Benefit tax indicated above are applied towards the cost of this service contract.

- **The Traveler** – The Authority operates Senior Services in Garfield County and Americans with Disabilities Act services in Glenwood Springs and Carbondale. The agreement provides for reimbursement of operational expenses and a capital cost recovery component. Reimbursement is accounted for as municipal service contract revenue on the Authority’s financial statements.

D. Union Agreement

The Authority executed an agreement with Amalgamated Transit Union Local 1774, AFL-CIO (the “Union”), effective January 1, 2019 through December 31, 2021. The agreement was superseded by and replaced with an agreement effective July 1, 2021 through December 31, 2024. Under the agreement, the Union is the exclusive collective bargaining representative for all full-time year-round bus operators who are covered by the agreement.

E. Contingent Liabilities

The Authority held a line of credit of $1 million from Alpine Bank which matured in December 2022. No draws were made on the line of credit during 2022.

V. Other Information (continued)

F. Employee Benefits

The Authority carried a traditional medical insurance through Anthem. Vision Service is carried through Vision Service Plan, Inc. The Authority also provides dental, short-term and long-term disability to its full-time employees.

In compliance with the provisions of COBRA, all Authority employees may continue their health insurance for a period of 18 months due to a reduction in work hours or termination of employment. Employees who elect continued coverage must pay the insurance carrier for premiums from the termination date of coverage and monthly thereafter. No cost to the Authority is recognized as employees reimburse 100% of their premium cost.

G. Retirement Plans

1. Deferred Compensation Plan – Section 457

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

A participant is allowed to contribute up to the lesser of $20,500 or the participant's includible compensation. Participants over age 50 are eligible to contribute up to an additional $6,500, due to a catch-up provision by the plan. The Authority makes no contributions to the plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the plan participant and, therefore, the plan's investment concentration varies between participants. The Authority has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority is neither the trustee nor the administrator for the plan. The plan is administered by the Colorado Retirement Association.

V. Other Information (continued)

G. Retirement Plans (continued)

2. Retirement Plan - Section 401(a)

In 2005, the Authority established a defined contribution money purchase plan under Code Section 401 of the Internal Revenue code. The plan is administered by Empower Retirement.

The Plan is governed by a plan document and amendment requires approval by the Retirement Plan Board. The Retirement Plan Board is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor; however, has no liability for losses under the plan.

The Plan sponsor is the only contributor to the Plan. All Authority employees receive a 12.55% contribution to the Plan. Only full-time employees who have been with the Authority for six consecutive months are eligible. The Authority's total and covered payroll for 2022 was approximately $26,195,000 and $23,422,000, respectively. The Authority's expenses to the plan were approximately $2,939,000 for 2022.

The Authority's contributions start vesting at 50% and increase by 10% for each year of service. After 5 years of services, employees become fully vested in the Plan.

The Authority shall first use forfeited amounts to pay expenses of administering the plan, and then shall be used to reduce the Authority's contributions for the plan year in which the forfeitures arose. In 2022, the Authority used $67,761 in forfeitures to pay plan expenses. There was no liability outstanding as of December 31, 2022.

H. Risk Management

The Authority is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Authority purchases commercial insurance to mitigate these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Authority is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Authority is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Authority joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the Board of Directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

V. Other Information (continued)

H. Risk Management (continued)

The Authority's share of assets, liabilities and fund equity as of December 31, 2022 is as follows:

Property and Casualty Pool:	%
Loss fund	1.584%
Pooled excess fund	0.132%

The December 31, 2022 combined financial information is as follows:

Cash and investments	$	84,448,127
Other assets		12,479,376
Total	$	96,927,503
Liabilities	$	52,728,701
Members fund balance		44,198,802
Total	$	96,927,503
Total revenue	$	32,686,577
Total expense		(43,548,592)
Excess of Revenue Over Expense	$	(10,862,015)

Coverage provided by CIRSA is as follows: (I) $250,000 per claim/occurrence property; (ii) $1,000,000 per claim/occurrence liability; and (iii) $150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Authority may be liable for any losses in excess of the above coverage. At December 31, 2022, the Authority does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

VI. New Financial Reporting Standard

In 2022, the Authority implemented Governmental Accounting Standard No. 87, *Leases*. The statement requires recognition of certain leased assets, liabilities and receivables for leases that were previously classified as operating leases and recognized as outflows of resources or inflows of resources based on the payment provisions of the contract.

VII. Subsequent Event

In 2023, the Authority signed a financing lease for six buses totaling $3,465,770. The lease carries an interest rate of 3.888% with a final maturity of 2035.

SUPPLEMENTARY INFORMATION

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Investment income	$ -	$ 417,694	$ 417,694	$ -
Total Revenues	-	417,694	417,694	-
Expenditures:				
Capital outlay	-	10,447,964	10,447,964	-
Total Expenditures	-	10,447,964	10,447,964	-
Change in Net Position	$ -	$ (10,030,270)	(10,030,270)	$ -
Fund Balance/Net Position:				
Beginning of Year			28,868,242	
End of Year			$ 18,837,972	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Other income	$ 143,600	$ 143,723	$ 143,723	$ -
Investment income	-	70,388	70,388	-
Total Revenues	143,600	214,111	214,111	-
Expenditures:				
Debt service:				
Principal	1,865,000	1,865,000	1,865,000	-
Interest	2,534,740	2,534,740	2,534,740	-
Total Expenditures	4,399,740	4,399,740	4,399,740	-
Excess (Deficiency) of Revenues Over Expenditures	(4,256,140)	(4,185,629)	(4,185,629)	-
Other Financing Sources / (Uses)				
Transfers from other funds	4,256,140	4,185,629	4,185,629	-
Total Other Financing Sources / (Uses)	4,256,140	4,185,629	4,185,629	-
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance:				
Beginning of Year			919,718	
End of Year			$ 919,718	

The accompanying notes are an integral part of these financial statements.

Roaring Fork Transportation Authority

STATUTORY INFORMATION

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Roaring Fork Transportation Authority
Authority, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Roaring Fork Transportation Authority (the "Authority") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe that a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Michael N. Jenkins, CA, CPA, CGMA
Matthew D. Miller, CPA

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 13, 2023

M & A

McMahan and Associates, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Roaring Fork Transportation Authority
Authority, Colorado

Report on Compliance for Each Major Program

We have audited the Roaring Fork Transportation Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR's REPOR
To the Board of Directors
Roaring Fork Transportation Authority

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 13, 2023

Roaring Fork Transportation Authority, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

Part I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Buses and Bus Facilities Competitive	ALN 20.526
79-BUILD (OST) 2020	ALN 20.933
Formula Grants for Rural Areas Section 5311	ALN 20.509
Dollar threshold used to identify Type A from Type B programs:	$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by *Government Auditing Standards*	None noted
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

Roaring Fork Transportation Authority
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2022

U.S. Department of Transportation
Formula Grants for Rural Areas – Assistance Listing Number 20.509
2020-001 *Allowable Costs – Significant Deficiency*

Condition: The Authority submitted reimbursement for utility billing and volumetric fee expenses, overallocated payroll expenditures and sales tax paid.

Recommendation: We recommend that the Authority develop internal controls over compliance that includes a review process of reimbursement requests.

Current Status: The Authority has implemented the above recommendation and corrected the error described above in 2021.

Roaring Fork Transportation Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 2022

Program Title	Federal Assistance Listing Number	Grant/ Project Code	Expenditures
U.S. Department of Transportation:			
Buses and Bus Facilities Competitive	20.526	CO-2021-020-00	$ 1,420,216
79-BUILD (OST) 2020	20.933	CO-2021-027-01	1,296,693
Passed through Colorado Department of Transportation:			
Formula Grants for Rural Areas	20.509	22-HTR-ZL-00207	1,767,530
Formula Grants for Rural Areas	20.509	22-HTR-ZL-00279	733,714
Formula Grants for Rural Areas - COVID-19	20.509	22-HTR-ZL-00177	100,000
Subtotal - Formula Grants for Rural Areas			*2,601,244*
Total U.S. Department of Transportation			5,318,153
Total Federal Financial Awards			$ 5,318,153

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022.

Note 1. Basis of Presentation:
The Schedule of Expenditures of Federal Awards includes the federal grant activity of Roaring Fork Transportation Authority (the "Authority") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance").* Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Pass Through Sub recipients:
The Authority had no sub recipients as of December 31, 2022.

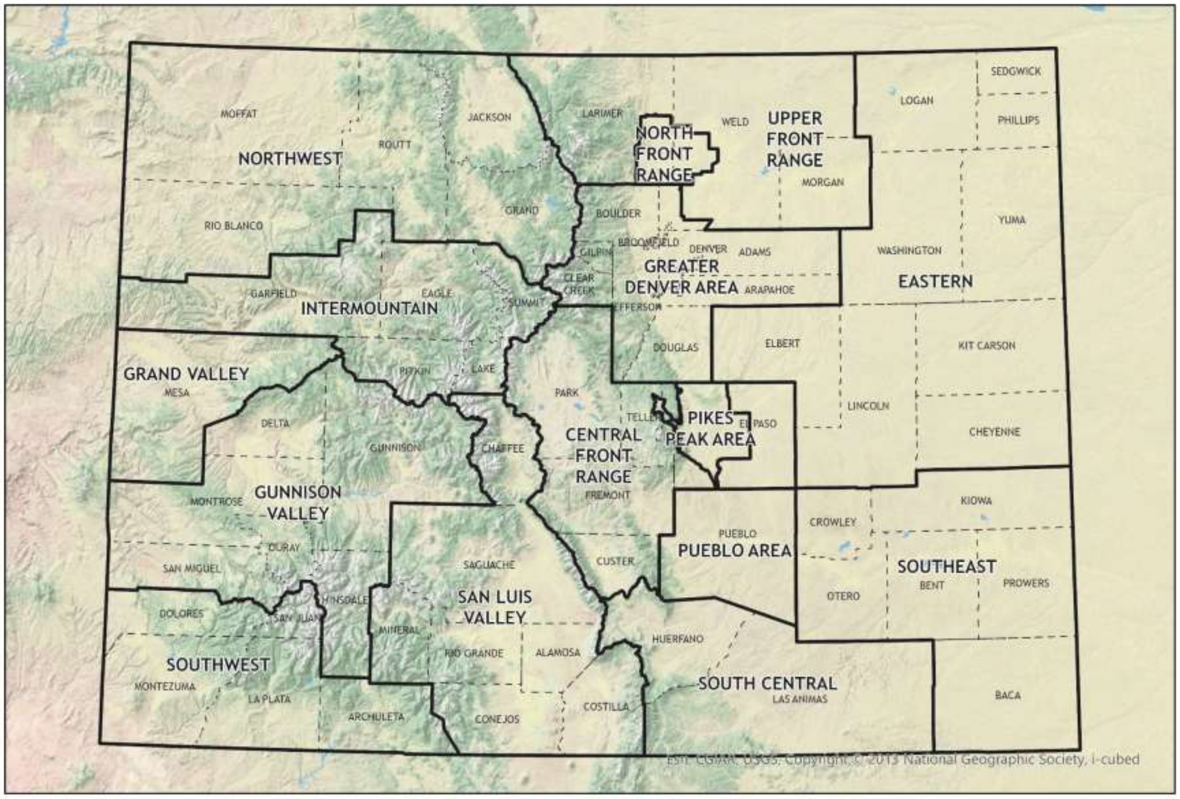
Note 3. Indirect Facilities and Administration Costs
The Authority does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs. Instead, the Authority prepares an annual cost allocation plan to allocate indirect costs.

RFTA Planning Department Monthly Update
July 13, 2023

CDOT TPR Boundary Study
David Johnson attended the second meeting of the Transportation Planning Region (TPR) Boundary Study Advisory Committee, initiated by CDOT this year. The following members sit on this committee:

Name	Organization	Position
Keith Baker	Chaffee County	County Commissioner
Dick Elsner	Park County	County Commissioner
Jonathan Godes	City of Glenwood Springs	City Councilor
Andy Gunning	Pikes Peak Area Council of Governments	Executive Director
Terry Hofmeister	Phillips County	County Commissioner
Suzette Mallette	North Front Range MPO	Executive Director
Ron Papsdorf	Denver Regional Council of Governments	Transportation Operations Director
Tamera Pogue	Summit County	County Commissioner
Kristin Stephens	Larimer County	County Commissioner
Anna Stout	City of Grand Junction	Mayor
David Johnson	Roaring Fork Transit Authority	Planning Manager

The 15 transportation planning regions were created in 1993, and remain the same after 30 years, in spite of changed population, employment, demographics and other factors.



Colorado House Bill 2023-1101 stipulates that on or before November 30, 2023, CDOT shall complete a Study and Study Report of:

- The Consistency and Transparency of the Transportation Planning Process Across the TPRs
- The boundaries of the Transportation Planning Regions (TPRs)
- Membership of the State Transportation Advisory Committee (STAC)
- Membership of the Special Interim Transit And Rail Advisory Committee (TRAC)

The amendment protects rural Colorado's transportation interests by mandating that the number of rural TPRs cannot be reduced. There are currently 10 rural TPRs and 5 urban MPOs. This number will remain the same.

The Department shall submit the Study Report to the Transportation Commission and to the Transportation Legislation Review Committee on or before November 30, 2023. Following completion of the study and with consideration of its findings, the Transportation Commission shall initiate updates to the rules before June 1, 2024.

In conducting the study, the Department shall provide opportunity for public comment throughout the State. CDOT has established the following public meetings for public input on the study:

- Five virtual meetings 6:00 PM-7:30 PM (one for each CDOT region)
- July 25, July 31, August 1, August 2 and August
- In-person Meetings so far (in conjunction with scheduled TPR Meetings)
- July 21 in Eagle (Intermountain)
- July 26 in Lamar (Southeast)
- July 27 in Walsenburg (South Central)
- August 10 in Durango (Southwest TPR)
- August 10 in Montrose (Gunnison Valley TPR)

The following TPRs will be scheduled at a later date:

- Central Front Range
- Eastern
- Northwest
- San Luis Valley
- Upper Front Range

Climate Action Plan (CAP)

The final RFTA Climate Action Plan (CAP) was provided at the 6/8/23 RFTA Board Retreat. This is exciting news for the RFTA organization, who is once again demonstrating leadership and proactivity by taking ownership of carbon emissions and creating action strategies to reduce these emissions into the future.

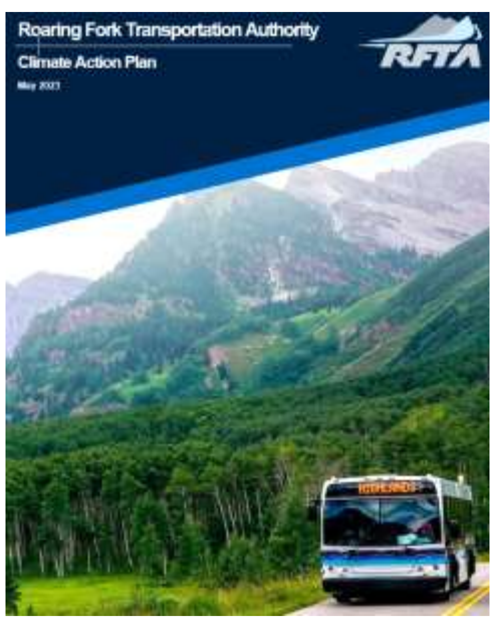
The major takeaway is that RFTA produces an estimated **17,315 metric tons CO2e** annually, using a 2019 baseline. About 76% of these Scope 1 emissions source from the diesel bus fleet. Likely the number one strategy to reduce fleet emissions is to replace diesels and electrify the fleet. While electrification is the most potent and most expensive strategy, also other less-expensive, and faster-acting, strategies might have greater benefit-cost ratios i.e. facility energy codes or fare optimization.

RFTA is also unique in that our transit and Rio Grande Corridor services also allow us to displace emissions by offering alternative travel modes to personal vehicle trips that increase regional emissions even more. While these Scope 3 emissions are more difficult to quantify, the clear message is that RFTA needs to continue to collaborate with regional partners to catalyze smart transit-oriented land use development patterns.

The RFTA Board has adopted the following bold climate action goals. The baseline is the year 2019, and benchmark time periods will be established to revisit targets:

- 50% transit emissions reduction by 2030
- 80% to 100% transit emissions reduction by 2050

RFTA Staff are currently discussing the cost-benefits of various recommended CAP strategies and will be creating a work plan to begin to implement strategies.



Zero Emission Bus (ZEB) Transition Plan
The Stantec/FHU consulting team continues to advance the ZEB Plan. Some recent milestones of note include:

- Project launch on 4/5/23
- A well-attended interdepartmental Staff workshop on 6/7/23 in Carbondale
- Analy Castillo, project manager, provided a brief project overview at the 6/8/23 RFTA Board Retreat
- Stantec is completing the Existing Conditions Report and Preliminary Modeling Scenarios
- We are still on the path for a final plan by November 2023

Bike to Work Day 6/28/23
RFTA once again participated in the annual Colorado Bike to Work Day on Wednesday June 28th. This year's event took place at the ArtWay DeRail Park, along the RFTA Rio Grande Railroad Corridor/Rio Grande Trail, across the highway from the Carbondale BRT Station. Bikers were greeted with coffee, donuts, breakfast burritos and RGT swag. The State of Colorado reports 267 station organizers, 390 businesses and 18,000 riders that helped to reduce traffic congestion and improve air quality.

RFTA greeted about 25 bikers this year, a considerable decrease from the 125+ bikers in 2022. RFTA Staff are always excited to celebrate the Rio Grande Trail and promote first-last mile solutions to complement transit trips.

Grants Update
Please see the 2023 Q2 RFTA Grants Report in the portfolio. In summary, RFTA Staff is currently managing approximately **15 active grant projects** for bus replacement, facility improvements, operating funding and planning studies. Total active grant awards are **$67.6 million, with $55 million in local "overmatch" funds, for total estimated grant project costs of $122.5 million**.

Despite a trip to DC, Staff recently learned that we did not receive FY23 FTA 5339b/c funding for either the GMF/RTC project or the replacement of 10 diesels with 10 additional battery electric buses (BEBs). We will likely seek a fairly new source of funding at the State level, CO Clean Transit Enterprise (CTE), for fleet electrification.

2023 Q2 Grants Report, revised 7/7/2023	Grant Source	COTRAMS Budget #	PO # or Contract	Execution Date	Expiration Date	Grant Amount	RFTA Match	Total Grant Project Cost	Status
EXECUTED GRANTS									
Buses: 12 Diesel Replacements	FY22 FTA Combined 5339b & 5339c Low-No	14721	491003130	3/2/2023	12/31/2024	$5,721,272	$1,430,318	$7,151,590	RFTA intends to purchase 10 CNGs and 2 Diesels. Per the FMP, intended replacements buses are 277, 278, 279, 432, 433, 435, 436, 437, 438, 439, 440 and 542. We received notice of full award on 8-15-22. Following a discussion with DTR Staff on 1/9/23, we provided the original application material once again to advance to contract execution.
Buses: (1) Traveler Cutaway	FY21 FTA 5339(a) Rural FY21 Super Call	014486	491002777	10/22/2021	12/31/2024	$72,160	$18,040	$90,200	With this grant we are replacing Traveler G11. The order was placed on 2/3/2022, $91,522, and Garfield County is providing $18,041 in match to benefit the Traveler. Delivery has been delayed to May 2023.
Facility: BEB 450 kW (1) On-Route Charger	FY20 FASTER FY20 Super Call	013633	491002133	3/18/2022	12/31/2023	$480,000	$120,000	$600,000	SEH is providing design/engineering. The charger has been ordered and delivered. A construction RFP will be solicited in early summer 2023, with projected installation in late 2023 or early 2024. There are lefotver grant funds that will be expended on design costs.
Facility: GWS SH82/27th St. Bike-Ped Crossings	CY21, CY22 CDOT RMS, MMOF, TAP, RPP & GWS contribution	N/A	21-HA3-XC-00134 AMENDMENT 3	10/25/2022	9/29/2032	$11,070,860	$4,876,965	$15,947,825	Grants funding breakdown: TAP ($1 M award + $250,000 local = $1,250,000) + RAISE ($6,020,468 award + $2,326,573 match = $8,347,041) + ARPA ($2M award + $1,250,000 match = $3,250,000) + CDOT RPP $1 M total + MMOF ($1,050,392 award + $1,050,392 match = $2,100,784). Total grant awards $11,070,860 + Total RFTA match $4,876,965. COGS is also contributing $750,000 M toward total local match.
Facility: 82/27th Ped Crossings	CY22CDOT MMOF	TBD	TBD	TBD	TBD	$1,000,000	$15,420,000	$16,420,000	We applied last-minute for cost overruns in the $6m range from our first bid. This amount has been added to the multi-source CDOT TAP grant, mentioned above. CDOT provided a concurrence leter on 1/17/23 to contract with Myers.
Facility: GMF/RTC Phases 3,4,5,7	FY20 USDOT BUILD	N/A	CO-2021-027-00	7/21/2021	4/30/2025	$13,009,000	$5,575,137	$18,584,137	Finance Department is administering this grant via the TRAMS online portal.
Facility: GMF/RTC Phases 3,4,5,7	FY20 5339(b) Bus & Bus Facilities	N/A	CO-2021-020-00	6/7/2021	4/30/2025	$11,475,000	$12,428,800	$23,903,800	Finance Department is administering this grant via the TRAMS online portal.
Facility: GMF/RTC Gap Project P 3,4,5,7	FY21 FTA 5339(b) Buses & Bus Facilities	021245	TBD	TBD	TBD	$9,350,000	TBD	$9,350,000	We requested $12.8 m for the gap project list. FTA Awards List: https://www.transit.dot.gov/funding/grants/fiscal-year-2021-buses-and-bus-facilities-projects. The Risk Assessment was submitted 9/28/22. David Carle confirmed that this grant amendment is needed to add the project to the STIP, and combine grant funds for the same project. On 11/18/23, Emma with FTA confirmed that a Buy America waiver is hanging up amendment execution.
Facility: GMF/RTC Phase 6A WGWS Transit Hub	FY23 DOLA	TBD	9586	2/6/2023	1/31/2025	$250,000	$0	$250,000	The contract lists $5,983,676 as "other funds", which is our "overmatch" from some of the RAISE grant award.
Operating: FY23 Systemwide	CY23 FASTER, Super Call	0725	491003244	6/16/2023	6/30/2024	$1,201,678	$1,201,678	$2,403,356	Our annual award is more predictable as part of a 5-year base funding model agreed upon by CDOT partners. The source funds have switched from 5311 to FASTER.
Planning: Zero Emission Bus (ZEB) Transition Plan	FY21 FTA 5304 Planning	Pending	491002800	3/22/22	12/31/2023	$75,620	$75,620	$151,240	We were granted another grant deadline extension. The RFP was solicited on 11/9/22 and we received 5 valid proposals. We hope to have a consultant contract by the end of January 2023, and an estimated 8-9 month project schedule.
				EXECUTED SUBTOTALS		$53,705,590	$41,146,558	$94,852,148	
AWARDED GRANTS PENDING EXECUTION									
Facility: GMF/RTC P6 Multimodal Center (I-70 MOVE Hubs) & 82/27 Ped Crossings	FY22 USDOT RAISE	TBD	TBD	TBD	TBD	$10,820,468	$12,900,000	$23,720,468	RFTA was part of a collaborative application for I-70 Multimodal Hubs (MOVE). Additionally, a portion of costs for the SH 82/27th St. Ped Crossings are also included.
Facility: GMF/RTC Gap Project P 3,4,5,7	FTA 5311, FY22 Super Call	021222	TBD	TBD	TBD	$2,762,280	$690,570	$3,452,850	Submitted September 9/3/21 for FY22 Super Call. Milestones and Risk Assessment were submitted on 6/2/22. On 1/17/23, CDOT received our edits to the draft SOW and Brian is estimating a March 15th contract execution date.
Operating: CY23 Regional Hogback	CY23 FASTER, Super Call	0725	TBD	TBD	TBD	$200,000	$200,000	$400,000	Our annual award is more predictable as part of a 5-year base funding model agreed upon by CDOT partners. We have to work with Bustang Ops Unit for contract execution.
Planning: RFTA Zero Emission Vehicle (ZEV) Safety & Training Program	CDOT Office Innovative Mobility (OIM) ZEV Workforce Development Grant	TBD	TBD	TBD	TBD	$60,000	$15,000	$75,000	This a collaborative project with several departments. The draft SOW should be provided to RFTA in late April 2023.
				AWARDED SUBTOTALS		$13,842,748	$13,805,570	$27,648,318	
				TOTAL ACTIVE GRANTS		$67,548,338	$54,952,128	$122,500,466	
GRANTS SUBMITTED AWAITING POTENTIAL AWARDS									
RGT Corridor: Roaring Fork River Bridge	CY23 CDOT TAP	TBD	TBD	TBD	TBD	$400,000	$406,000	$806,000	Final grant applications are due April 21st. Awards are projected for Summer 2023.
RGT Corridor: Rosebud Cemetery Trailhead Improvements	CY23 CDOT TAP	TBD	TBD	TBD	TBD	$392,000	$392,000	$784,000	Final grant applications are due April 21st. Awards are projected for Summer 2023.
				SUBTOTALS SUBMITTED		$792,000	$798,000	$1,590,000	