



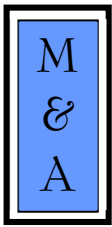
Roaring Fork Transportation Authority
Carbondale, Colorado

Financial Statements
December 31, 2024

**Roaring Fork Transportation Authority
Financial Report
December 31, 2024**

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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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, 2024, 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 and each major fund of the Authority, as of December 31, 2024 and the respective changes in financial position and, where applicable, the respective budgetary comparison for the General Fund, Service Contract Fund, Bus Shelter and Park and Ride Fund, and the Mid Valley Trails Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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. 101, *Compensated Absences*, as detailed in Note VI. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

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

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 U.S. GAAS 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 U.S. GAAS, 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

U.S. GAAP 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 U.S. GAAS, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 U.S. GAAS. In our opinion, the information is 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 10, 2025 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.
Avon, Colorado
July 10, 2025



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, 2024.

Financial Highlights

- When looking at a short-term view, the General Fund had a decrease in Fund balance of \$5.6 million compared to \$14.1 million decrease in the final budget. The \$8.6 million improvement over budget was primarily driven by total revenues exceeding the final budget by 3.2% and expenditures being under budget by 4.9%. The reason for the increased revenues was better than anticipated sales and use tax revenue, higher property tax revenue, and increased investment income. Expenditures savings included transit fuel, labor, benefits, and health insurance due to vacant positions, vehicle maintenance expenditures (bus parts and third-party repairs), and general liability claims.
- When looking at a long-term view, the Authority had an increase in Net Position of \$39.4 million resulting in a total Net Position amount of \$256.5 million. This increase was driven primarily by investments in capital assets, lease assets, and construction in progress. The main investments in capital assets were the Glenwood Maintenance Facility (“GMF”) Phases 3, 4, 5, and 7 expansion project, the 27th Street and SH 82 Underpass Project in Glenwood Springs, and the ongoing construction of the Iron Mountain Place employee housing construction project scheduled to be completed in 2025.
- The Authority’s total ridership increased by approximately 4.5% from 4.8 million in 2023 to 5.0 million in 2024. Ridership continues to increase since the end of the COVID-19 public health emergency, with an 90.2% increase over 2020.
 - Annual ridership on regional transit service and percentage changes were as follows:
 - Valley Service (Highway 82 Corridor) 2.7 million and +5%
 - Grand Hogback Service (I-70 Corridor) 200,548 and +12%.
- Transit Operations’ overtime for 2024 and 2023 was \$1.6 and \$1.9 million, respectively, resulting in \$248,253 decrease. 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. Although Authority has seen a decrease in the overtime amount in 2024, it continues to see high overtime costs. The number of full-time bus operators did increase by approximately 10-15 full-time equivalents from 2023 to 2024.
- In 2024, the Authority’s transit mileage stayed consistent with the mileage in 2023. Successful resource management and optimization of the transit service plan allowed service levels to remain the same in 2024, with a 4.5% increase in ridership compared to 2023. Total transit fuel expenditures for 2024 and 2023 were \$2.5 and \$2.7 million, respectively; a net decrease of approximately 7.2%. The decrease in fuel expenditures is primarily due to the decreased cost per gallon. The Authority continued to receive Alternative Fuel Tax Credits, receiving \$248,000 in 2024, compared to \$255,000 in 2023. The Alternative Fuel Tax Credits expired at the end of 2024.

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 Authority'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 2024 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 reports expenditures for assets and infrastructure proceeds from debt issuances. There was no budget or activity for the fund in 2024.

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.



A battery electric bus waiting for riders outside of the Wheeler Opera House in Aspen.

Financial Analysis of the Authority

	<u>2024</u>	<u>2023</u>	<u>\$ dif</u>	<u>% dif</u>
Assets:				
Current assets	\$ 131,160	\$138,675	(7,515)	-5.4%
Inventory and prepaid expenditures	4,210	2,785	1,425	51.2%
Capital assets, net	231,612	188,498	43,114	22.9%
Total Assets	<u>366,982</u>	<u>329,958</u>	37,024	11.2%
Deferred Outflows of Resources:				
Deferred refunding charge, net of amortization	463	532	(69)	-13.0%
Total Deferred Outflows of Resources	<u>463</u>	<u>532</u>	(69)	-13.0%
Liabilities:				
Current liabilities and LT Debt due within a year	19,451	18,651	800	4.3%
Accrued compensated absences	3,111	3,020	91	3.0%
Non-current liabilities	70,162	73,433	(3,271)	-4.5%
Total Liabilities	<u>92,724</u>	<u>95,104</u>	(2,380)	-2.5%
Deferred Inflows of Resources:				
Unavailable property tax revenue	17,958	17,963	(5)	0.0%
Unavailable lease revenue	253	279	(26)	-9.3%
Total Deferred Inflows of Resources	<u>18,210</u>	<u>18,242</u>	(32)	-0.2%
Net Position:				
Net investment in capital assets	150,630	108,943	41,687	38.3%
Restricted	5,613	5,582	31	0.6%
Unrestricted	100,268	102,619	(2,351)	-2.3%
Total Net Position	<u>\$ 256,511</u>	<u>\$ 217,144</u>	39,367	18.1%

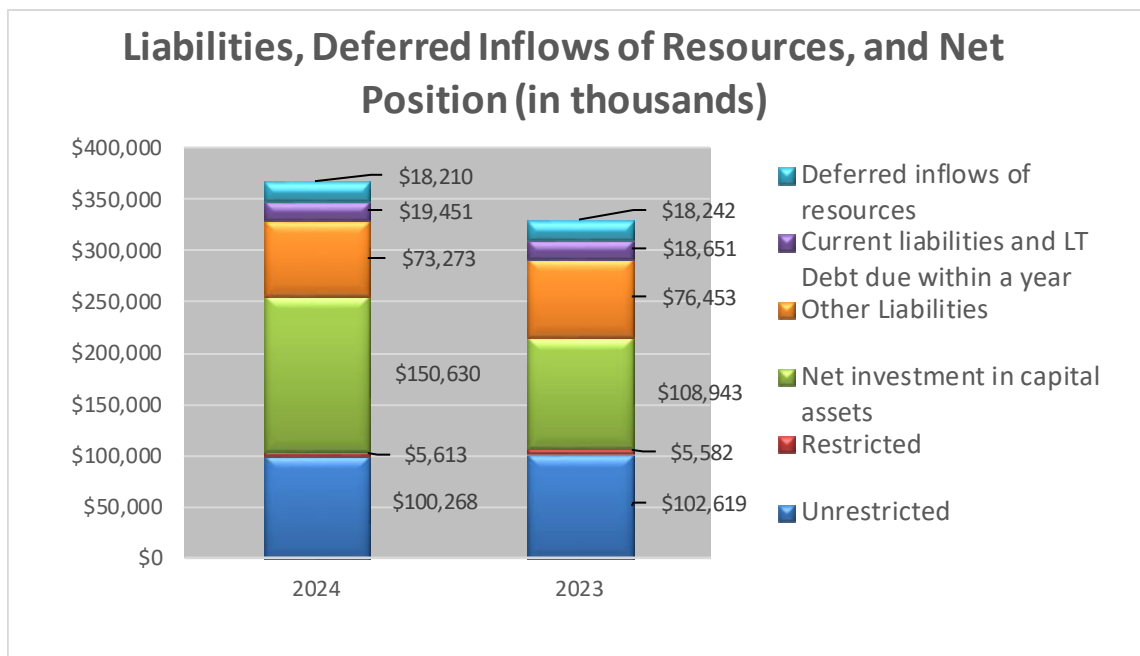
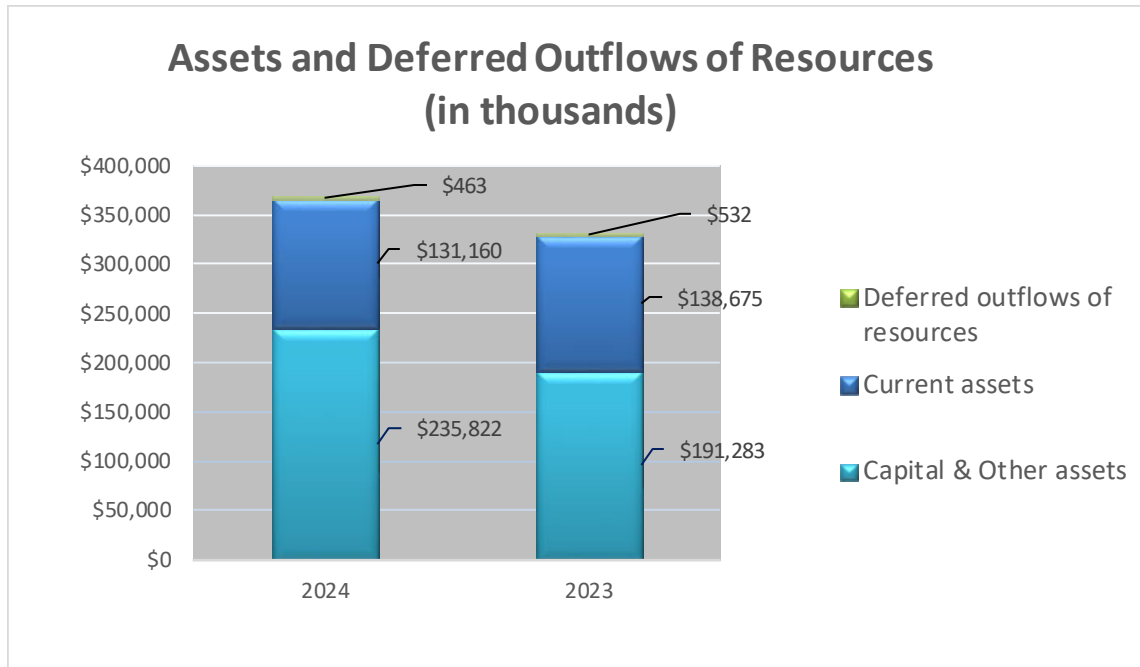
As of December 31, 2024, the following trends were noted:

- *Current assets compared to current liabilities* – \$131.2 million and \$138.7 million of current assets were available to meet \$19.5 million and \$18.7 million of current liabilities due within a year for 2024 and 2023, respectively. The \$7.5 million net decrease in current assets was primarily due to the decrease in unrestricted cash and investments; the \$800,000 increase in current liabilities was primarily due to an increase in accrued expenses and debt due within one year.
- *Inventory and prepaid expenditures* – \$1.4 million net increase in 2024 compared to 2023 is primarily due to an increase in the amount of prepaid expenses from higher subscription costs and continued inflationary impacts. Higher inventory levels are due to continuing challenges with supply chain, which requires the Authority to increase inventory across several categories to minimize vehicle downtime and avoid service disruptions.
- *Capital assets, net* – \$231.6 million of net capital assets were used to provide transit and trails services. The \$43.1 million increase was primarily due to capital investments made related to transit assets and infrastructure, including the completed GMF Phases 3, 4, 5, and 7 Expansion projects, completed 27th Street and SH82 Underpasses project in Glenwood Springs, and the ongoing construction of Iron Mountain Place employee housing project.
- *Non-current liabilities* – \$3.3 million decrease was primarily due to payments on existing liabilities.
- *Deferred Inflows of Resources* – Unavailable property tax revenue - \$5,000 decrease is due to the 2024 tax year not being a reassessment year for the uniform mill levy of 2.65 mills for the 2023 tax year collected in 2024. Unavailable lease revenue - \$26,000 decrease is due to payments associated with lease revenue received in 2024 in accordance with Governmental Accounting Standard No. 87.

Financial Analysis of the Authority (continued)

- *Total net position* – \$39.4 million increase was primarily from capital investments made related to transit assets and infrastructure, decrease in non-current liabilities is offset by decrease in current assets.

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



Financial Analysis of the Authority (continued)

	<u>2024</u>	<u>2023</u>	<u>\$ dif</u>	<u>% dif</u>
Revenues:				
Sales and use tax	\$ 42,912	\$ 41,372	1,540	3.7%
Property tax	19,021	12,330	6,691	54.3%
Service contracts	16,868	15,713	1,155	7.4%
Operating revenue	5,161	4,992	169	3.4%
Capital grant revenue	23,788	29,646	(5,858)	-19.8%
Operating grant revenue	1,544	1,281	263	20.5%
Local government capital contributions	25	1,705	(1,680)	-98.5%
Local government operating contributions	1,153	1,112	41	3.7%
Lease revenue	32	32	-	0.0%
Other income	1,650	1,491	159	10.7%
Investment income	5,441	5,761	(320)	-5.6%
Total Revenues	<u>\$ 117,596</u>	<u>\$ 115,435</u>	2,161	1.9%

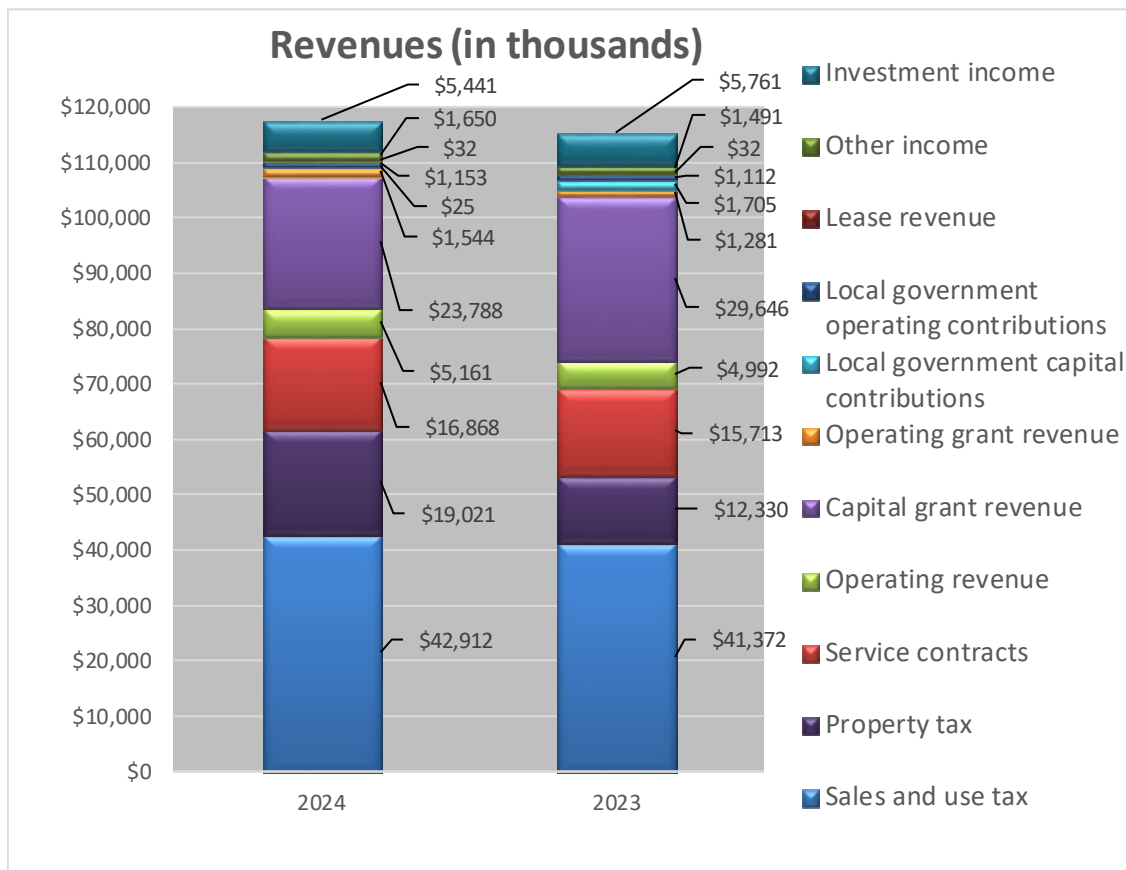
For the Year Ended December 31, 2024, the following trends were noted:

- 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, the Town of Carbondale, the Town of Eagle, and the City of Glenwood Springs.
- Property tax revenue increased by \$6.7 million due to 2023 tax year, with collections in 2024, being a reassessment year.
- Service contracts revenue (cost reimbursement contracts) increased primarily due to an overall increase in operational service costs resulting in higher service contract revenue.
- Operating revenue (transit fares and advertising revenue) increased primarily due to higher ridership levels.
- Operating grant revenues increased to \$1.5 million due to higher operating grant amounts awarded and timing of grant reimbursements to the Authority:
 - \$1.2 million from Federal Transit Administration (FTA) 5311 operating grant
 - \$150,000 from Colorado Department of Transportation (CDOT) FASTER 2023 operating grant for the Hogback service was received in 2024. \$126,000 from Colorado Department of Transportation (CDOT) FASTER 2024 operating grant for the Hogback service was received in 2024. The total amount awarded was \$300,000 and the remaining balance will be received in 2025.
- Capital grants revenues decreased by \$5.9 million primarily due to the timing of capital expenditures and grants associated with them:
 - \$9.8 million from FTA section 5339(b) capital grant for the GMF Phases 3 and 7 Expansion project
 - \$4.5 million from FTA BUILD capital grant for GMF Phases 4 and 5 Expansion the project
 - \$3.7 million from FTA RAISE grant for 27th Street and SH82 Underpasses project

Financial Analysis of the Authority (continued)

- \$3.0 million from CDOT capital grant for 27th Street and SH82 Underpasses project
- \$2.8 million from FTA section 5311 capital grant for the GMF Phases 3, 4, 5, and 7 Expansion project
- \$33,000 from CDOT grant for Zero Emission Vehicle (ZEV) Safety and Training Equipment
- Local government contributions vary from year to year. In 2024, the Authority received a total of \$1.2 million in local governments operating and capital contributions:
 - \$494,000 from selected member jurisdictions for their share of the regional bikeshare equipment
 - \$605,000 from Garfield County and \$40,000 from the City of Rifle for continued Grand Hogback I-70 Corridor bus service
 - \$40,000 from Garfield county for the Traveler program

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



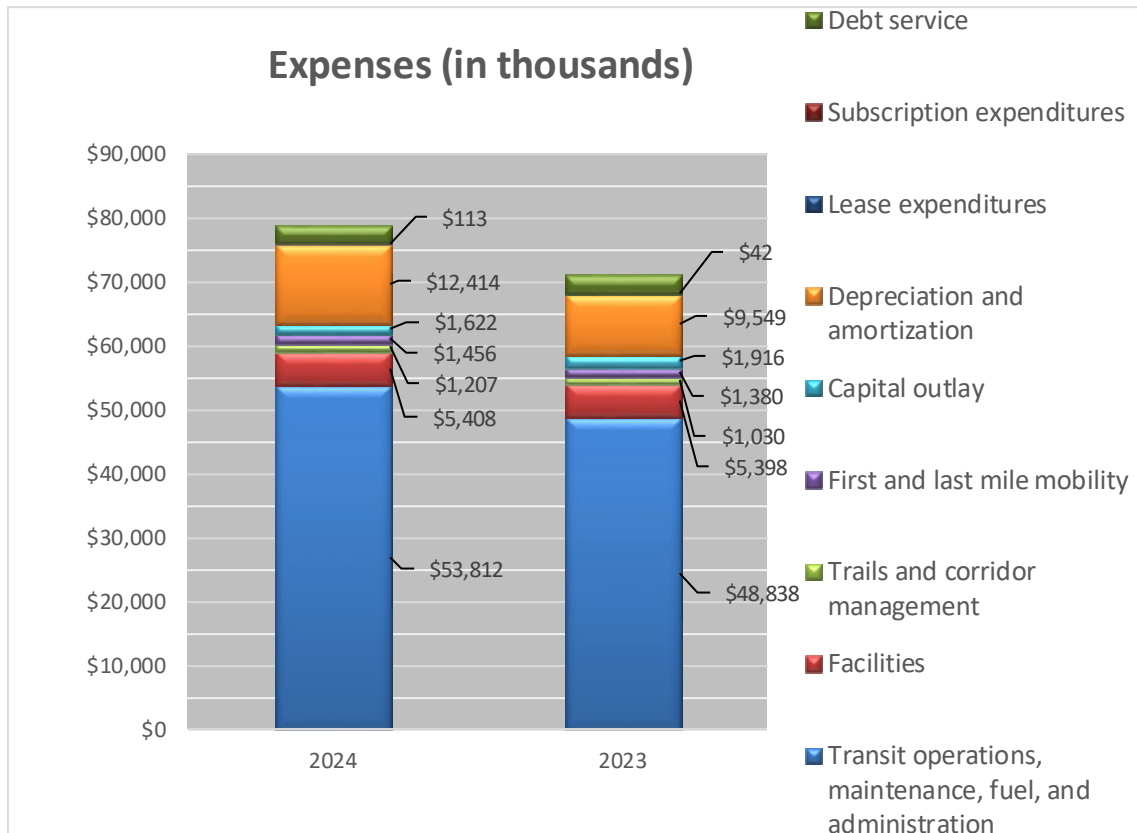
Financial Analysis of the Authority (continued)

	<u>2024</u>	<u>2023</u>	<u>\$ dif</u>	<u>% dif</u>
Expenditure:				
Transit operations, maintenance, fuel, and administration	\$ 53,812	\$ 48,838	4,974	10.2%
Facilities	5,408	5,398	10	0.2%
Trails and corridor management	1,207	1,030	177	17.2%
First and last mile mobility	1,456	1,380	76	5.5%
Capital outlay	1,622	1,916	(294)	-15.3%
Depreciation and amortization	12,414	9,549	2,865	30.0%
Lease expenditures	113	42	71	169.0%
Subscription expenditures	48	(15)	63	-420.0%
Debt service	2,819	2,934	(115)	-3.9%
Total Expenditure	<u>78,900</u>	<u>71,072</u>	7,828	11.0%
Other Financing Sources (Uses):				
Transfer to other funds	(5,441)	(4,901)	(540)	11.0%
Transfer from other Funds	5,441	4,901	540	11.0%
Bond premium	790	829	(39)	-4.7%
Gain (loss) on disposal of assets	(119)	(70)	(49)	-70.0%
Total Other Financing Sources (Uses)	<u>671</u>	<u>759</u>	(88)	-11.6%
Change in Net Position	39,367	45,123	(5,756)	-12.8%
Net Position - Beginning of Year	<u>217,144</u>	<u>172,021</u>	45,123	26.2%
Net Position - End of Year	<u>\$ 256,511</u>	<u>\$ 217,144</u>	39,367	18.1%

For the Year Ended December 31, 2024, the following trends were noted:

- Transit Operations and Vehicle Maintenance expenditures increased primarily due to increased labor and benefits costs for bus operators, bus parts, third-party repairs, and continued inflationary impacts. Administration costs increased primarily due to higher labor costs, increased property tax collection costs, higher software and support costs, and rental expenses.
- Trails & Corridor Management expenditures increased due to higher labor, repair and maintenance (including weed management) costs.
- Capital outlay varies from year to year and, in 2024, it decreased to \$1.6 million. Primary contributions were towards the First and Last Mile Mobility (FLMM) assistance, Truscott sidewalk project, River Walk Trail/Crossing project, engines and transmissions, and software integration costs.
- Depreciation expenditures increased by \$2.9 million primarily due to the timing of 24 buses. 14 non-revenue vehicles, and facility improvements placed in service in 2023, with depreciation starting in 2024.
- Debt service expenditures decreased due to continuing payments related to existing debt.
- Gain (loss) on disposal of fixed assets decreased due to the loss on disposal of initial costs incurred as part of software integration costs for a cancelled project. .

Financial Analysis of the Authority (continued)



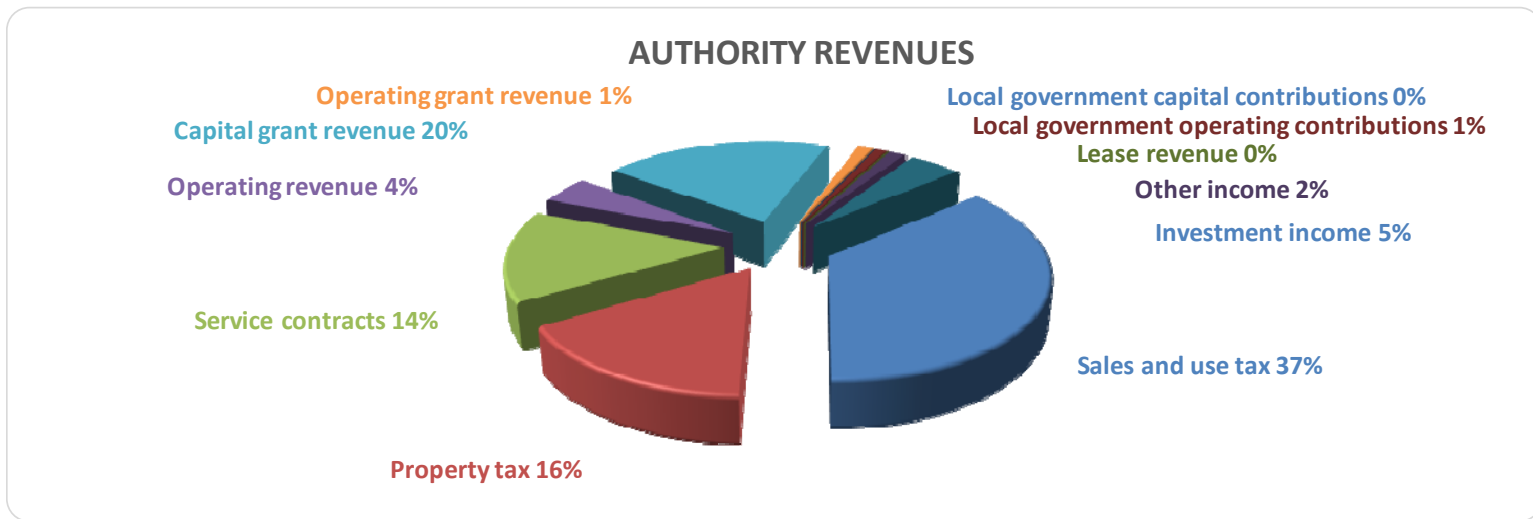
The Authority receives revenues from various sources to fund the Administration, Transit and Trails Programs.

- 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 B18 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 B18 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 \$23.8 million and \$1.5 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, 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 2024 revenues by percentage:



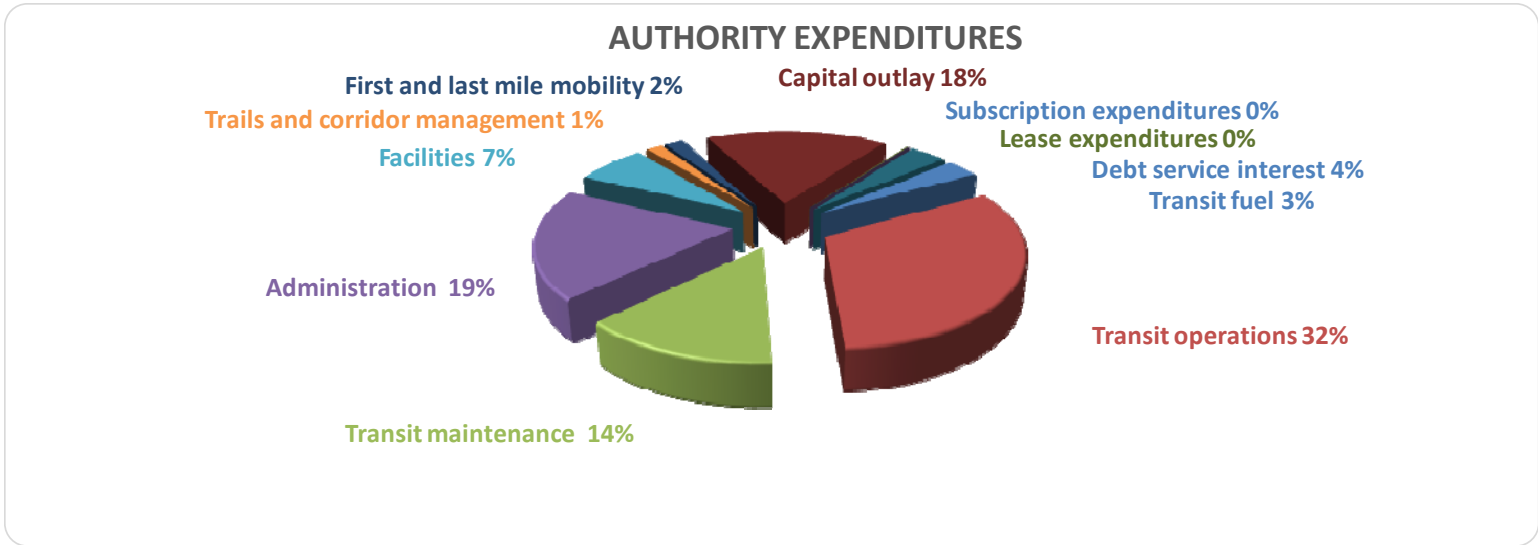
Details regarding the Authority’s revenue sources are included on Page C2.

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, Procurement, Finance, Human Resources and Risk Management, Information Technology, Capital Projects, and Sustainability and Legislative Affairs;
- 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 or functional area.
- The First and Last Mile Mobility line item includes the activities for Regional Bikeshare indirect and direct operations, planning, and startup operations.

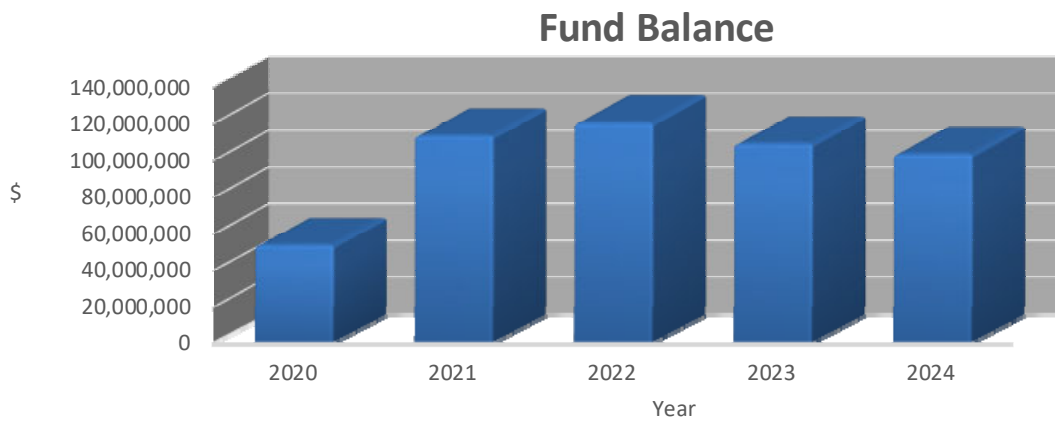
Financial Analysis of the Authority (continued)

The following chart depicts the Authority's 2024 expenditures by percentage:



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

The following chart illustrates fund balances for 2020 – 2024



Financial Analysis of the Authority (continued)

As of December 31, 2024, the Authority's total fund balance was approximately \$103.3 million.

- The 2024/2023 decrease was due to the timing of capital investments in Iron Mountain Place employee housing construction project, continuing investments in GMF Phases 3,4,5, and 7 Expansion project, and 27th Street and SH82 Underpasses project and associated depreciation, as well as overall increase in administrative, operating, and maintenance costs.
- The 2023/2022 decrease was due to the timing of the capital investments, offset by capital grants, in GMF Phases 3,4,5, and 7 Expansion project, 27th Street and SH82 Underpasses project, and the purchase of twenty-four buses.
- 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.

Major Capital Asset events

Approximately \$25.2 million was expended on the GMF Phases 3, 4, 5, and 7 Expansion project, \$12.5 million was expended on 27th Street and SH82 Underpasses project, \$6.5 million was expended on the Iron Mountain Place employee housing project, \$1.3 million was expended on the design for GMF Phases 6 and 8 Expansion project. \$1.7 million was expended for the Roaring Fork Bridge rehabilitation project, and \$1.3 million was expended for the Rio Grande Trail improvements. \$788,000 was expended on various project improvements. \$1.3 million was expended on transit equipment, \$448,000 was expended on facilities and non-revenue vehicles, \$315,000 was expended on Regional Bikeshare equipment, and \$126,000 was expended on trails equipment. Rolling stock expenditures included \$253,000 for engine and transmission rebuilds and \$173,000 for bus driver barriers. \$252,000 was expended on the Enterprise Resource Planning (ERP) system implementation.

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 \$8.0 million, while total fund balance increased to \$101.8 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 7.8% of total general fund expenditures, while total fund balance represents 98.7% 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, fully restricted by enabling legislation for bus shelter and park and ride expenditure activities.

The Mid Valley Trails Special Revenue Fund had a total fund balance of \$449,000, 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 \$70,000.

The Capital Projects Fund had a total fund balance of \$0.

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 \$95,000 on the Series 2012A QECBs, received a Qualified Energy Conservation Bond credit of \$25,000 on the Series 2013B Sales Tax Revenue Loan, \$109,000 in investment income, and a transfer from the General Fund for the remaining balance. Expenditures included \$2.4 million of debt service interest expenditures related to these bonds.

General Fund Budgetary Highlights

The Authority’s revenues came in over budget by \$3.1 million. Expenditures were \$5.2 million under budget. Significant budget variances were as follows

Description	Final Budget	Actual	Variance Positive (Negative)	Reason
Revenues:				
Sales and use tax revenue	\$ 41,598,000	\$ 42,784,030	\$ 1,186,030	Better than anticipated/budgeted revenues
Property tax revenue	17,963,000	19,020,933	1,057,933	Better than anticipated/budgeted revenues
Operating revenues	4,794,360	5,154,395	360,035	Due to higher than anticipated ridership
Investment income	4,868,000	5,308,468	440,468	Interest rates higher than anticipated
Total Revenues	\$ 96,641,661	\$ 99,751,984	\$ 3,110,323	
Expenditures:				
Transit Fuel	\$ 2,593,606	\$ 1,637,269	\$ 956,337	Lower than anticipated price per gallon, timing of the on-route charger, lower than anticipated CNG transport cost
Transit maintenance	8,482,248	7,726,316	755,932	Savings due to vacant job positions and lower than anticipated maintenance costs
Administration	12,374,740	11,046,612	1,328,128	Savings due to vacant job positions, lower than anticipated general liability insurance costs and overall operating costs
Facilities	3,422,502	2,312,742	1,109,760	Lower than anticipated operating and maintenance costs, and timing of capital asset additions
Capital outlay	57,893,167	57,146,912	746,255	Timing of capital projects and additions made in accordance with GASB 96
Total Expenditures	\$ 108,475,986	\$ 103,368,651	\$ 5,107,335	

Subsequent Year’s Budget

- The Authority ended the year with a combined ending fund balance of \$103.3 million. The 2025 amended budget, as of Resolution 2025-16, anticipates a net decrease of \$15.7 million in the General Fund, net increase of \$34,000 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. Affordable housing inventory continues to be a challenge and RFTA is currently evaluating its housing program. 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-owned 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, 2024

	Funds Financial Statements						Total	Adjustments	Statement of Net Position
	General Fund	SRF Service Contracts	SRF Bus Shelter/PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund			
Assets:									
Cash and cash equivalents - unrestricted	\$ 6,647,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,647,368	\$ -	\$ 6,647,368
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	44,133	44,133
Investments	87,297,217	-	59,438	439,366	-	919,718	88,715,739	-	88,715,739
Accounts receivable	414,267	474,953	-	-	-	-	889,220	-	889,220
Property taxes receivable	17,957,703	-	-	-	-	-	17,957,703	-	17,957,703
Due from other funds	2,488,584	38,447	96,404	-	-	-	2,623,435	-	2,623,435
Due from other governments	11,616,079	2,352,970	45,124	9,318	-	-	14,023,491	-	14,023,491
Leases receivable	259,014	-	-	-	-	-	259,014	-	259,014
Prepaid expenses	2,413,056	12,997	-	-	-	-	2,426,053	(206,230)	2,219,823
Inventory	1,990,172	-	-	-	-	-	1,990,172	-	1,990,172
Capital assets	-	-	-	-	-	-	-	317,638,775	317,638,775
Lease assets	-	-	-	-	-	-	-	3,509,968	3,509,968
Intangible subscription assets	-	-	-	-	-	-	-	2,689,088	2,689,088
Accumulated depreciation and amortization	-	-	-	-	-	-	-	(92,225,525)	(92,225,525)
Total Assets	131,083,460	2,879,367	200,966	448,684	-	919,718	135,532,195	231,450,209	366,982,404
Deferred Outflows of Resources:									
Deferred refunding costs, net of amortization	-	-	-	-	-	-	-	463,031	463,031
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	463,031	463,031
Liabilities:									
Accounts payable	4,496,027	27,956	83,916	-	-	-	4,607,899	-	4,607,899
Due to other funds	134,852	2,485,898	2,685	-	-	-	2,623,435	-	2,623,435
Accrued expenses	6,436,240	365,513	17,161	-	-	-	6,818,914	59,209	6,878,123
Accrued compensated absences	-	-	-	-	-	-	-	3,111,400	3,111,400
Accrued interest	-	-	-	-	-	-	-	256,592	256,592
Non-current liabilities:									
Due within one year	-	-	-	-	-	-	-	5,084,022	5,084,022
Due longer than one year	-	-	-	-	-	-	-	70,162,435	70,162,435
Total Liabilities	11,067,119	2,879,367	103,762	-	-	-	14,050,248	78,673,658	92,723,906
Deferred Inflows of Resources:									
Unavailable property tax revenue	17,957,703	-	-	-	-	-	17,957,703	-	17,957,703
Unavailable lease revenue	252,618	-	-	-	-	-	252,618	-	252,618
Total Deferred Inflows of Resources	18,210,321	-	-	-	-	-	18,210,321	-	18,210,321
Fund Balance/Net Position:									
Fund Balance:									
Non-spendable fund balance	4,403,228	12,997	-	-	-	-	4,416,225	(4,416,225)	
Restricted fund balance	4,147,621	-	97,204	448,684	-	919,718	5,613,227	(5,613,227)	
Committed fund balance	85,216,553	-	-	-	-	-	85,216,553	(85,216,553)	
Unassigned fund balance	8,038,618	(12,997)	-	-	-	-	8,025,621	(8,025,621)	
Total Fund Balance	\$ 101,806,020	\$ -	\$ 97,204	\$ 448,684	\$ -	\$ 919,718	\$ 103,271,626	(103,271,626)	
Net Position:									
Net investment in capital assets								150,629,824	150,629,824
Restricted								5,613,227	5,613,227
Unrestricted								100,268,157	100,268,157
Total Net Position								\$ 256,511,208	\$ 256,511,208

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, 2024

	Funds Financial Statements							Adjustments	Statement of Activities
	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total		
Revenues:									
Sales and use tax revenue	\$ 42,784,030	\$ -	\$ -	\$ 128,399	\$ -	\$ -	\$ 42,912,429	\$ -	\$ 42,912,429
Property tax revenue	19,020,933	-	-	-	-	-	19,020,933	-	19,020,933
Service contracts	-	16,867,589	-	-	-	-	16,867,589	-	16,867,589
Operating revenue	5,154,395	6,820	-	-	-	-	5,161,215	-	5,161,215
Capital grant revenue	23,788,144	-	-	-	-	-	23,788,144	-	23,788,144
Operating grant revenue	1,513,560	30,000	-	-	-	-	1,543,560	-	1,543,560
Local government capital contributions	25,281	-	-	-	-	-	25,281	-	25,281
Local government operating contributions	1,153,491	-	-	-	-	-	1,153,491	-	1,153,491
Lease revenue	32,349	-	-	-	-	-	32,349	-	32,349
Other income	971,333	-	561,113	-	-	119,120	1,651,566	(1,700)	1,649,866
Investment income	5,308,468	-	1,933	21,806	-	108,655	5,440,862	-	5,440,862
Total Revenues	99,751,984	16,904,409	563,046	150,205	-	227,775	117,597,419	(1,700)	117,595,719
Expenditures/Expenses:									
Transit fuel	1,637,269	867,721	-	-	-	-	2,504,990	-	2,504,990
Transit operations	18,088,509	7,142,310	-	-	-	-	25,230,819	91,695	25,322,514
Transit maintenance	7,726,316	3,064,033	-	-	-	-	10,790,349	-	10,790,349
Administration	11,046,612	4,147,719	-	-	-	-	15,194,331	-	15,194,331
Facilities	2,312,742	1,525,448	1,569,757	-	-	-	5,407,947	-	5,407,947
Trails and corridor management	1,126,405	-	-	80,498	-	-	1,206,903	-	1,206,903
First and last mile mobility	1,456,165	-	-	-	-	-	1,456,165	-	1,456,165
Capital outlay	57,146,912	-	95,810	-	-	-	57,242,722	(55,620,248)	1,622,474
Depreciation and amortization	-	-	-	-	-	-	-	12,413,658	12,413,658
Lease expenditures	726,810	253,348	-	-	-	-	980,158	(867,157)	113,001
Subscription expenditures	218,428	76,138	-	-	-	-	294,566	(246,290)	48,276
Debt service:									
Principal	1,481,149	-	-	-	-	2,030,000	3,511,149	(3,511,149)	-
Interest	401,334	-	-	-	-	2,363,618	2,764,952	54,159	2,819,111
Total Expenditures/Expenses	103,368,651	17,076,717	1,665,567	80,498	-	4,393,618	126,585,051	(47,685,332)	78,899,719
Excess (Deficiency) of Revenues Over Expenditures/ Expenses	(3,616,667)	(172,308)	(1,102,521)	69,707	-	(4,165,843)	(8,987,632)	47,683,632	38,696,000
Other Financing Sources (Uses):									
Transfer to other funds	(5,440,672)	-	-	-	-	-	(5,440,672)	-	(5,440,672)
Transfer from other funds	-	172,308	1,102,521	-	-	4,165,843	5,440,672	-	5,440,672
Bond premium	-	-	-	-	-	-	-	790,185	790,185
Gain (loss) on disposal of assets	36,234	-	-	-	-	-	36,234	(155,280)	(119,046)
Long-term lease issuance	1,560,448	-	-	-	-	-	1,560,448	(1,560,448)	-
Long-term subscription issuance	1,897,787	-	-	-	-	-	1,897,787	(1,897,787)	-
Total Other Financing Sources (Uses)	(1,946,203)	172,308	1,102,521	-	-	4,165,843	3,494,469	(2,823,330)	671,139
Change in Fund Balance/Net Position	(5,562,870)	-	-	69,707	-	-	(5,493,163)	44,860,302	39,367,139
Fund Balance/Net Position:									
Beginning of Year	107,368,890	-	97,204	378,977	-	919,718	108,764,789		217,144,069
End of Year	\$ 101,806,020	\$ -	\$ 97,204	\$ 448,684	\$ -	\$ 919,718	\$ 103,271,626		\$ 256,511,208

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:				
Sales and use tax revenue	\$ 40,598,000	\$ 41,598,000	\$ 42,784,030	\$ 1,186,030
Property tax revenue	18,296,000	17,963,000	19,020,933	1,057,933
Operating revenue	4,794,360	4,794,360	5,154,395	360,035
Capital grant revenue	-	23,788,140	23,788,144	4
Operating grant revenue	1,437,728	1,513,560	1,513,560	-
Local government capital contributions	27,295	27,066	25,281	(1,785)
Local government operating contributions	1,154,675	1,154,675	1,153,491	(1,184)
Lease revenue	-	25,931	32,349	6,418
Other income	934,860	908,929	971,333	62,404
Investment income	2,868,000	4,868,000	5,308,468	440,468
Total Revenues	<u>70,110,918</u>	<u>96,641,661</u>	<u>99,751,984</u>	<u>3,110,323</u>
Expenditures:				
Transit fuel	2,406,678	2,593,606	1,637,269	956,337
Transit operations	18,202,003	18,154,293	18,088,509	65,784
Transit maintenance	8,489,748	8,482,248	7,726,316	755,932
Administration	12,516,498	12,374,740	11,046,612	1,328,128
Facilities	4,302,996	3,422,502	2,312,742	1,109,760
Trails and corridor management	1,263,978	1,263,978	1,126,405	137,573
First and last mile mobility	1,394,696	1,463,731	1,456,165	7,566
Capital outlay	25,551,953	57,893,167	57,146,912	746,255
Lease expenditures	-	726,810	726,810	-
Subscription expenditures	-	218,428	218,428	-
Debt service:				
Principal	1,481,149	1,481,149	1,481,149	-
Interest	401,334	401,334	401,334	-
Total Expenditures	<u>76,011,033</u>	<u>108,475,986</u>	<u>103,368,651</u>	<u>5,107,335</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,900,115)</u>	<u>(11,834,325)</u>	<u>(3,616,667)</u>	<u>8,217,658</u>
Other Financing Sources / (Uses)				
Transfer to other funds	(5,779,993)	(5,779,993)	(5,440,672)	339,321
Gain on disposal of assets	-	-	36,234	36,234
Financing note issuance	15,859,890	-	-	-
Long-term lease issuance	-	1,624,000	1,560,448	(63,552)
Long-term subscription issuance	-	1,876,000	1,897,787	21,787
Total Other Financing Sources / (Uses)	<u>10,079,897</u>	<u>(2,279,993)</u>	<u>(1,946,203)</u>	<u>333,790</u>
Change in Fund Balance	<u>\$ 4,179,782</u>	<u>\$ (14,114,318)</u>	<u>(5,562,870)</u>	<u>\$ 8,551,448</u>
Fund Balance:				
Beginning of Year			107,368,890	
End of Year			<u>\$ 101,806,020</u>	

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues:				
Service contracts	\$ 17,209,334	\$ 17,209,334	\$ 16,867,589	\$ (341,745)
Operating revenue	9,600	9,600	6,820	(2,780)
Operating grant revenue	30,000	30,000	30,000	-
Total Revenues	<u>17,248,934</u>	<u>17,248,934</u>	<u>16,904,409</u>	<u>(344,525)</u>
Expenditures:				
Transit fuel	887,164	870,587	867,721	2,866
Transit operations	16,453,138	7,492,641	7,142,310	350,331
Transit maintenance	49,612	3,064,033	3,064,033	-
Administration	40,000	4,147,719	4,147,719	-
Facilities	-	1,525,448	1,525,448	-
Lease expenditures	-	253,348	253,348	-
Subscription expenditures	-	76,138	76,138	-
Total Expenditures	<u>17,429,914</u>	<u>17,429,914</u>	<u>17,076,717</u>	<u>353,197</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(180,980)</u>	<u>(180,980)</u>	<u>(172,308)</u>	<u>8,672</u>
Other Financing Sources / (Uses)				
Transfers from other funds	180,980	180,980	172,308	(8,672)
Total Other Financing Sources / (Uses)	<u>180,980</u>	<u>180,980</u>	<u>172,308</u>	<u>(8,672)</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:				
Beginning of Year			-	
End of Year			<u>\$ -</u>	

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues:				
Other income	\$ 525,000	\$ 525,000	\$ 561,113	\$ 36,113
Investment income	-	-	1,933	1,933
Total Revenues	<u>525,000</u>	<u>525,000</u>	<u>563,046</u>	<u>38,046</u>
Expenditures:				
Facilities	1,759,011	1,759,011	1,569,757	189,254
Capital outlay	187,200	95,810	95,810	-
Total Expenditures	<u>1,946,211</u>	<u>1,854,821</u>	<u>1,665,567</u>	<u>189,254</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,421,211)</u>	<u>(1,329,821)</u>	<u>(1,102,521)</u>	<u>227,300</u>
Other Financing Sources / (Uses)				
Transfers from other funds	1,324,007	1,324,007	1,102,521	(221,486)
Total Other Financing Sources / (Uses)	<u>1,324,007</u>	<u>1,324,007</u>	<u>1,102,521</u>	<u>(221,486)</u>
Change in Fund Balance	<u>\$ (97,204)</u>	<u>\$ (5,814)</u>	-	<u>\$ 5,814</u>
Fund Balance:				
Beginning of Year			97,204	
End of Year			<u>\$ 97,204</u>	

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, 2024

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Sales and use tax revenue	\$ 120,000	\$ 128,399	\$ 8,399
Investment income	-	21,806	21,806
Total Revenues	<u>120,000</u>	<u>150,205</u>	<u>30,205</u>
Expenditures:			
Administration	21,200	-	21,200
Trails & corridor management	120,000	80,498	39,502
Total Expenditures	<u>141,200</u>	<u>80,498</u>	<u>60,702</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,200)</u>	<u>69,707</u>	<u>90,907</u>
Change in Fund Balance	<u>\$ (21,200)</u>	<u>69,707</u>	<u>\$ 90,907</u>
Fund Balance:			
Beginning of Year		378,977	
End of Year		<u>\$ 448,684</u>	

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



Roaring Fork Transportation Authority

NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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 debt issuances. There was no budget or activity for the fund in 2024.
- **Debt Service Fund** – reports all principal and interest expenditures for the Series 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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.

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 \$10,000 and an estimated useful life in excess of one year. 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Non-Current Liabilities

Non-current liabilities consist of bonds payable, financing notes, long-term leases, long-term subscriptions, 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.

9. Leases

Lessee: The Authority is lessee for noncancellable leases of apartment units and office units. The Authority recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements.

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 lesser 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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. Subscription Based Information Technology Arrangements (“SBITA”)

The Authority is a subscriber for noncancellable agreements for software access. The Authority recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements. The Authority recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

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

- **Discount Rate** – The Authority uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- **Subscription Term** – The subscription term includes the noncancellable period of the subscription and extended term(s) that the Authority is reasonably certain to exercise.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Subscription Based Information Technology Arrangements (“SBITA”) (continued)

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

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

11. 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.

12. 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Categories and Classification of Fund Balance (continued)

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.
- 2. Spendable Fund Balance:**
 - **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.
 - **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.

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 Service Contracts Fund has a negative unassigned fund balance of \$12,997 at December 31, 2024, due to the restriction of fund balance for prepaid items, categorized as non-spendable fund balance.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Categories and Classification of Fund Balance (continued)

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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	\$ 317,638,775	
Lease assets	3,509,968	
Intangible subscriptions	2,689,088	
Accumulated depreciation	(90,366,994)	
Accumulated amortization	<u>(1,858,531)</u>	
		\$ 231,612,306

Prepaid expenses relating to long-term subscription payables are not current year expenditures; however, the prepaid expenses are applied against the related long-term payable in the government-wide Statement of Net Position:

Prepaid expenses	<u>\$ (206,230)</u>	\$ (206,230)
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Deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds:

Deferred costs on bond refunding	<u>\$ 463,031</u>	\$ 463,031
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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	\$ (54,070,000)	
Financing notes payable	(8,085,731)	
Long-term leases payable	(2,387,519)	
Long-term subscriptions payable	(2,066,754)	
Unamortized bond issuance premiums	(8,636,453)	
Accrued interest payable	(256,592)	
Accrued general liability claims	(59,209)	
Accrued compensated absences	<u>(3,111,400)</u>	
		\$ (78,673,658)

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	<u>\$ 44,133</u>	\$ 44,133
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Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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	\$	55,620,248	
Depreciation expense		(11,078,748)	
Amortization expense		(1,334,910)	
Loss on disposal of capital assets		<u>(155,280)</u>	
			\$ 43,051,310

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	\$	<u>(500)</u>	\$ (500)
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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	\$	(1,200)	
Net change in compensated absences		<u>(91,695)</u>	
			\$ (92,895)

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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.

Proceeds from long-term leases	\$	(1,560,448)	
Proceeds from long-term subscriptions		(1,897,787)	
Principal repayments - bonds payable		2,430,000	
Principal repayments - financing notes		1,081,150	
Principal repayments - long-term leases		865,350	
Principal repayments - long-term subscriptions		246,290	
Amortization on bond premiums		790,184	
Amortization on bond refunding costs		(69,134)	
Net change to accrued interest		16,782	
	\$		1,902,387

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 follows the required timetable noted below in preparing, approving, and enacting its budget for 2024.

- (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.

Changes enacted by the Colorado Legislature delayed the Certification of County tax rolls. In November 2023, a short-term property tax solution was passed during a special session, allowing Counties an extension to December 29, 2023, to provide final assessed valuations. The deadlines for the mill levy certifications were extended from December 15, 2023, to January 5, 2024. For the 2024 budget, the final budget resolution was adopted prior to January 10, 2024.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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 2024 appropriations were increased (decreased) as follows:

<u>Resolution</u>	<u>General Fund</u>	<u>SRF Service Contracts</u>	<u>SRF Bus Shelter/ PNR</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Original Appropriation					\$ 105,701,970
<i>Changes to annual appropriations:</i>					
Resolution No. 2024-08	\$ 56,850,851	\$ -	-	\$ -	56,850,851
Resolution No. 2024-15	384,000	-	-	-	384,000
Resolution No. 2025-15	<u>(24,769,898)</u>	<u>-</u>	<u>(91,390)</u>	<u>-</u>	<u>(24,861,288)</u>
<i>Total changes to annual appropriations</i>	<u>\$ 32,464,953</u>	<u>\$ -</u>	<u>\$ (91,390)</u>	<u>\$ -</u>	<u>32,373,563</u>
Final Appropriation					<u>\$ 138,075,533</u>

B. Excess of Expenditures over Appropriations

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at year-end. The appropriated budget is prepared by fund, by object. The Authority may make transfers of appropriations within a fund. Transfers of appropriations between funds require approval of the Board. The legal level of budgetary controls (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

C. 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment (continued)

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 \$2,992,560 of its fund balance in the General Fund for emergencies, which is the approximate required reserve at December 31, 2024.

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 cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on Hand	Not Rated	\$ 47,133	\$ 47,133	\$ -
Checking	Not Rated	3,276,574	3,276,574	-
Savings	Not Rated	3,323,661	3,323,661	-
Deposits held by Pitkin County Treasurer	Not Rated	44,133	44,133	-
Total Deposits		<u>6,691,501</u>	<u>6,691,501</u>	<u>-</u>
Local Government Investment Pools	AAAm	88,715,739	88,715,739	-
Total Investments		<u>88,715,739</u>	<u>88,715,739</u>	<u>-</u>
Total		<u>\$ 95,407,240</u>	<u>\$ 95,407,240</u>	<u>\$ -</u>

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The local government investment pool represents investments in COLOTRUST and CSIP, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Authority has no regulatory oversight for the pools. Investment balances in the pools are not subject to limitations or restriction on withdrawals.

Fair Value of Investments: The Authority measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and
- *Level 3:* Unobservable inputs.

At year end, the Authority had the following recurring measurements:

Investments Measured at Net Asset Value	
Colostrust	\$ 44,373,506
Investments Measured at Amortized Cost	
CSIP	44,342,233
Total Investments	\$ 88,715,739

Investments classified in Level 1 are valued using prices quoted in active markets for those securities. Investments classified in Level 2 are valued using the following approaches:

- Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurpose Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

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 in 2024. 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, 2024 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Leases Receivable (continued)

Changes in the Authority's leases receivable consisted of the following for the year ended December 31, 2024:

	<u>12/31/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/24</u>	<u>Receivable within one year</u>
Long-term leases receivable:					
Verizon Wireless	\$ 84,065	\$ -	\$ (11,718)	\$ 72,347	\$ 13,139
AT&T Wireless	198,748	-	(12,081)	186,667	12,369
Long-term receivables	<u>\$ 282,813</u>	<u>\$ -</u>	<u>\$ (23,799)</u>	<u>\$ 259,014</u>	<u>\$ 25,508</u>

The Authority recognized the following lease revenues during the year:

	<u>General Fund</u>	<u>Total</u>
Lease revenue:		
Principal	\$ 25,931	\$ 25,931
Interest	6,418	6,418
Total	<u>\$ 32,349</u>	<u>\$ 32,349</u>

The following lease receivables were outstanding as of December 31, 2024:

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 in the 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.

The following is a schedule of future principal and interest lease payments due under the terms of the leases, without regard to future variable payments, at December 31, 2024:

Year Ending December 31,	Verizon		AT&T		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 13,139	\$ 1,568	\$ 12,369	\$ 4,272	\$ 25,508	\$ 5,840
2026	13,684	1,250	12,977	3,976	26,661	5,226
2027	14,010	923	14,235	3,654	28,245	4,577
2028	14,345	589	14,575	3,314	28,920	3,903
2029	14,687	247	14,923	2,967	29,610	3,214
2030 - 2034	2,482	8	84,653	9,153	87,135	9,161
2035 - 2039	-	-	32,935	717	32,935	717
Total	<u>\$ 72,347</u>	<u>\$ 4,585</u>	<u>\$ 186,667</u>	<u>\$ 28,053</u>	<u>\$ 259,014</u>	<u>\$ 32,638</u>

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>12/31/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/24</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 58,631,377	\$ 9,015,643	\$ (56,922,981)	\$ 10,724,039
Land and improvements	26,659,349	-	-	26,659,349
Total Capital Assets, Not Being Depreciated	<u>85,290,726</u>	<u>9,015,643</u>	<u>(56,922,981)</u>	<u>37,383,388</u>
Other capital assets:				
Buildings	8,372,047	47,760,527	-	56,132,574
Improvements other than buildings	76,803,628	44,489,511	(262,102)	121,031,037
Equipment	99,514,134	7,664,034	(4,086,393)	103,091,775
Lease assets: buildings	1,949,521	1,560,447	-	3,509,968
Intangible subscriptions	791,301	1,897,787	-	2,689,088
Total Other Capital Assets	<u>187,430,631</u>	<u>103,372,306</u>	<u>(4,348,495)</u>	<u>286,454,442</u>
Less accumulated depreciation for:				
Buildings	(5,445,640)	(229,131)	-	(5,674,771)
Improvements other than buildings	(28,032,603)	(3,172,881)	262,102	(30,943,382)
Equipment	(50,221,968)	(7,613,265)	4,086,393	(53,748,840)
Less accumulated amortization for:				
Lease assets	(355,569)	(778,387)	-	(1,133,956)
Intangible subscriptions	(168,052)	(556,523)	-	(724,575)
Total Accumulated Depreciation and Amortization	<u>(84,223,832)</u>	<u>(12,350,187)</u>	<u>4,348,495</u>	<u>(92,225,524)</u>
Total Other Capital Assets, Net	<u>103,206,799</u>	<u>91,022,119</u>	<u>-</u>	<u>194,228,918</u>
Governmental Activities Capital Assets, Net	<u>\$ 188,497,525</u>	<u>\$ 100,037,762</u>	<u>\$ (56,922,981)</u>	<u>\$ 231,612,306</u>

E. Interfund Transfers

Interfund balances as of December 31, 2024 are comprised of the following interfund transfers:

	<u>Transfer In:</u>			<u>Total</u>
	<u>SRF Service Contracts</u>	<u>SRF Bus Shelter/ PNR</u>	<u>Debt Service Fund</u>	
Transfer Out:				
General Fund	\$ 172,308	\$ 1,102,521	\$ 4,165,843	\$ 5,440,672
Total	<u>\$ 172,308</u>	<u>\$ 1,102,521</u>	<u>\$ 4,165,843</u>	<u>\$ 5,440,672</u>

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

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

At December 31, 2024, the fund balance of the Authority's General Fund was restricted and committed for the following:

Non-spendable for inventory and prepaids	\$	4,403,228
Restricted for TABOR reserve		2,992,560
Restricted for Grant reserves		187,579
Restricted for Capital project		567,482
Restricted for Tree farm PUD (Parking)		400,000
Committed for Transit		47,104,701
Committed for Trails		3,642,980
Committed for Facilities		13,046,920
Committed for Operating reserves		14,337,054
Committed for First- and Last- Mile Mobility		7,084,898
Total	\$	<u>93,767,402</u>

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 Tree Farm PUD represent a restriction of funds due to an agreement with the Tree Farm PUD for the purposes of acquiring or building additional parking anywhere within RTFA's service area, at RFTA's discretion.

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 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, 2024, the fund balance of the Debt Service Fund was restricted for the following:

Restricted for debt	\$	919,718
Total	\$	<u>919,718</u>

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

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 Notes

In 2008, the Authority signed a note for an employee housing complex totaling \$2,300,000. The note 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 note with Alpine Bank for the acquisition of commercial real estate, located at 1340 Main Street in Carbondale, CO. The note carries an interest rate of 4.5% and has an original principal amount, at inception of the note, of \$1,000,000 with a final maturity of 2031.

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

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

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

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

5. Long-Term Leases

Related to leased assets, the Authority has the following outstanding agreements as of December 31, 2024:

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 and bears interest of 2.36%. 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

5. Long-Term Leases (continued)

HCG Holdings: In 2023, the Authority entered into a 4-year lease agreement as lessee for 1759 square feet of office space located at 401 23rd Street in Glenwood Springs, CO. The lease calls for monthly payments of \$3,664.58 increasing by \$1 per square foot annually starting August 1, 2024 and bears interest of 2.74%.

HNH Blake, LLC: In 2023, the Authority entered into a 2-year lease agreement as lessee for 1,500 square feet of office space located at 1517 Blake Street, Suite 202, in Glenwood Springs, CO. The lease calls for monthly payments of \$2,750 increasing 3% annually starting June 1, 2025, and bears interest of 2.74%. Effective January 1, 2025, the Authority remeasured the lease for options to extend the lease term through May 2027 at an interest rate of 2.88%.

Jack Gustafson: In 2023, the Authority entered into a 3-year lease agreement as lessee for office space located at 100 Midland, Suite 220, in Glenwood Springs, CO. The lease calls for monthly payments of \$3,331.61 increasing to \$4,024.42 starting January 1, 2024, then increasing to \$4,092.39 starting January 1, 2025, and bears interest of 2.74%.

HNH Blake, LLC: In 2024, the Authority entered into a 4-year lease agreement as lessee for 1,500 square feet of office space located at 1517 Blake Street, Suite 201, in Glenwood Springs, CO. The lease calls for monthly payments of \$2,750 increasing 3% starting June 1, 2027, and bears interest of 2.88%.

LB 1826 Grand: In 2024, the Authority entered into a 3-year lease agreement as lessee for 31 units at the “Residences on Grand” apartments located at 1826 Grand Avenue, Glenwood Springs, CO. The lease calls for variable monthly payments between \$27,062 and \$55,703 starting May 1, 2024, and bears an interest of 2.88%.

ImageNet Consulting: In 2024, the Authority entered into a 5-year lease agreement as lessee for office equipment – copier. The lease calls for variable monthly payments between \$1,730 and \$3,675 starting May 1, 2024, and bears an interest of 2.88%.

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

	General Fund	SRF Service Contracts	Total
Lease expenditures:			
Principal	\$ 641,676	\$ 223,672	\$ 865,348
Interest	52,699	18,370	71,069
Variable	32,435	11,306	43,741
Total	\$ 726,810	\$ 253,348	\$ 980,158

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

6. Long-Term Subscriptions

Related to intangible subscription assets, the Authority has the following outstanding agreements as of December 31, 2024:

Masabi: In 2022, the Authority entered into an 8-year agreement for subscription service for mobile ticketing software. The agreement calls for monthly payments of \$4,500 and bears interest of 2.74%. The agreement is amended calling for an increase in monthly payments to \$4,600 effective February 1, 2024.

Zonar: In 2022, the Authority entered into a 4-year agreement for subscription service for fleet management system. The agreement calls for annual payments of \$53,000.06 and bears interest of 2.74%.

Insight: In 2022, the Authority entered into a 1-year agreement for subscription service for diversity management software (B2GNow) and certified payroll software (LCP Tracker). The agreement called for a one-time payment of \$33,357.94 and bears interest of 2.74%. The agreement is amended extending the term for 4 years and decreasing the annual payments to \$30,761 effective June 2, 2024.

Trillium: In 2022, the Authority entered into a 5-year agreement for subscription service for interactive maps, transit alerts and timetables related to the Authority's GTFS maintenance. The agreement calls for annual payments of \$24,156 and bears interest of 2.74%. The agreement is amended calling for a decrease in monthly payments to \$12,700 effective January 1, 2024.

ClearGov: In 2023, the Authority entered a 3-year agreement for subscription service for budgeting software. The agreement calls for annual payments of \$26,400 and bears interest of 2.74%.

Trapeze Software: In 2024, the Authority entered into a 3-year agreement for subscription service for an asset management system that improves the flow of information throughout the Authority's operations as well for other transit systems in Colorado. The agreement calls for variable annual payments between \$37,537 and \$53,265, and bears interest of 2.88%.

Workday: In 2024, the Authority entered into a 4-year agreement for subscription service for Enterprise Asset Management System to be used for the Authority's asset management requirements and for a statewide transit asset management pilot project. The agreement calls for variable annual payments between \$297,000 and \$413,998, and bears interest of 2.88%.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

6. Long-Term Subscriptions (continued)

The Authority recognized the following subscription expenditures under long-term subscriptions during the year:

	<u>General Fund</u>	<u>SRF Service Contracts</u>	<u>Total</u>
Subscription expenditures:			
Principal	\$ 182,630	\$ 63,660	\$ 246,290
Interest	22,105	7,705	29,810
Variable	13,693	4,773	18,466
Total	<u>\$ 218,428</u>	<u>\$ 76,138</u>	<u>\$ 294,566</u>

7. 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.

8. Authorized Unissued Debt

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, 2024.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

9. Changes in Debt

The Authority had the following changes in its outstanding debt:

	<u>12/31/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/24</u>	<u>Due within one year</u>
Bonds payable:					
Sales tax revenue bonds:					
Series 2012A	\$ 3,250,000	\$ -	\$ (345,000)	\$ 2,905,000	\$ 350,000
Series 2019	21,365,000	-	(1,080,000)	20,285,000	1,135,000
Series 2020	3,390,000	-	(400,000)	2,990,000	410,000
Property tax revenue bonds:					
Series 2021A	27,790,000	-	(525,000)	27,265,000	545,000
Loans payable:					
Taxable sales/use tax revenue loans:					
Series 2013B	705,000	-	(80,000)	625,000	85,000
Financing notes payable:					
2008 Parker House	693,323	-	(145,443)	547,880	151,958
1340 Main Street, Carbondale	497,947	-	(54,802)	443,145	57,355
2016 CNG Buses	1,940,360	-	(380,342)	1,560,018	387,516
2019 Vermeer Brush Chipper	15,690	-	(7,598)	8,092	8,092
2021 Gillig Buses	2,676,660	-	(257,399)	2,419,261	262,832
2023 Gillig Buses	3,342,901	-	(235,566)	3,107,335	244,814
Long-term leases payable:					
2000 Burlingame Housing	1,290,556	-	(121,898)	1,168,658	124,805
2023 HCG Holdings	159,795	-	(40,834)	118,961	43,748
2023 HNH Blake 202	78,020	33,045	(31,253)	79,812	31,692
2023 Jack Gustafson	102,387	-	(46,063)	56,324	48,167
2024 HNH Blake 201	-	125,434	(17,267)	108,167	30,282
2024 LB 1826 Grand	-	1,301,103	(598,289)	702,814	595,215
2024 Imagenet	-	162,529	(9,746)	152,783	24,666
Long-term subscriptions payable:					
2022 Masabi	257,554	-	(48,650)	208,904	50,102
2022 Zonar	150,671	-	(48,872)	101,799	50,211
2022 Insight	115,056	-	(27,608)	87,448	28,365
2022 Trillium	47,502	-	(11,398)	36,104	11,711
2023 ClearGov	50,706	-	(25,011)	25,695	25,696
2024 Trapeze	-	178,282	(43,504)	134,778	47,189
2024 Workday	-	1,719,505	(247,479)	1,472,026	334,606
Bond premiums / discounts:					
Series 2019 premium	3,725,594	-	(412,340)	3,313,254	-
Series 2020 premium	441,331	-	(57,398)	383,933	-
Series 2021A premium	5,259,712	-	(320,446)	4,939,266	-
Total non-current liabilities	<u>77,345,765</u>	<u>3,519,898</u>	<u>(5,619,206)</u>	<u>75,246,457</u>	<u>5,084,022</u>
Compensated absences	3,019,705	91,695	-	3,111,400	-
Long-term liabilities	<u>\$ 80,365,470</u>	<u>\$ 3,611,593</u>	<u>\$ (5,619,206)</u>	<u>\$ 78,357,857</u>	<u>\$ 5,084,022</u>

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments

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

Year	2008 Financing Note-Parker House		1340 Main Street, Carbondale		2012A Sales/Use Tax Rev. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	71,280	783	65,752	10,624	360,000	83,250
2029	-	-	68,815	7,561	365,000	67,050
2030 - 2034	-	-	128,371	5,427	1,125,000	101,700
Total	\$ 547,880	\$ 43,114	\$ 443,145	\$ 72,533	\$ 2,905,000	\$ 586,350

Year	2013B Taxable Sales/Use Tax Rev. Loan		2016 Financing Note - Buses		2019 Financing Note - Equipment	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 85,000	\$ 31,000	\$ 387,516	\$ 25,862	\$ 8,092	\$ 526
2026	90,000	26,784	394,824	18,553	-	-
2027	105,000	22,320	402,271	11,107	-	-
2028	110,000	17,112	375,410	3,519	-	-
2029	115,000	11,656	-	-	-	-
2030 - 2034	120,000	5,952	-	-	-	-
Total	\$ 625,000	\$ 114,824	\$ 1,560,021	\$ 59,041	\$ 8,092	\$ 526

Year	2019 Sales/Use Tax Rev. Bonds		2020 Sales Tax Refunding Bonds		2021A Property Tax Rev. Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,135,000	800,150	125,000	81,200	630,000	1,049,000
2029	1,180,000	743,400	125,000	76,200	665,000	1,017,500
2030 - 2034	5,385,000	2,881,500	720,000	300,000	3,820,000	4,579,550
2035 - 2039	5,515,000	1,550,500	865,000	145,400	4,670,000	3,727,400
2040 - 2044	1,570,000	576,400	195,000	7,800	5,680,000	2,715,200
2045 - 2049	1,915,000	235,600	-	-	6,910,000	1,485,200
2050 - 2051	-	-	-	-	3,170,000	191,400
Total	\$ 20,285,000	\$ 9,552,500	\$ 2,990,000	\$ 919,600	\$ 27,265,000	\$ 18,087,000

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments (continued)

<u>Year</u>	<u>2021 Financing Note - Buses</u>		<u>2023 Financing Note - Buses</u>		<u>2000 Lease - Burlingame Housing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 262,832	\$ 49,432	\$ 244,814	\$ 118,456	\$ 124,805	\$ 26,235
2026	268,381	43,883	254,424	108,846	127,782	23,258
2027	274,047	38,198	264,413	98,857	130,831	20,209
2028	279,832	32,433	274,793	88,477	133,952	17,088
2029	285,739	26,525	285,581	77,689	137,148	13,892
2030 - 2034	1,048,431	44,494	1,605,139	211,211	514,140	22,260
2035 - 2039	-	-	178,171	3,464	-	-
Total	\$ 2,419,262	\$ 234,965	\$ 3,107,335	\$ 707,000	\$ 1,168,658	\$ 122,942

<u>Year</u>	<u>2023 Lease - HCG Holdings</u>		<u>2023 Lease - HNH Blake 202</u>		<u>2024 Lease - HNH Blake 201</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 43,748	\$ 2,719	\$ 31,692	\$ 1,886	\$ 30,282	\$ 2,718
2026	46,743	1,483	33,637	948	31,166	1,834
2027	28,470	261	14,483	104	32,657	920
2028	-	-	-	-	14,061	101
Total	\$ 118,961	\$ 4,463	\$ 79,812	\$ 2,938	\$ 108,166	\$ 5,573

<u>Year</u>	<u>2024 Lease - Jack Gustafson</u>		<u>2024 Lease - 1826 Grand</u>		<u>2024 Lease - Imagenet</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 48,167	\$ 941	\$ 595,215	\$ 11,781	\$ 24,666	\$ 4,086
2026	8,157	28	107,601	646	28,298	3,329
2027	-	-	-	-	32,328	2,462
2028	-	-	-	-	36,796	1,474
2029	-	-	-	-	30,694	377
Total	\$ 56,324	\$ 969	\$ 702,816	\$ 12,427	\$ 152,782	\$ 11,728

<u>Year</u>	<u>2022 Subscription - Masabi</u>		<u>2022 Subscription - Zonar</u>		<u>2022 Subscription - Insight</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 50,102	\$ 5,098	\$ 50,211	\$ 2,789	\$ 28,365	\$ 2,396
2026	51,492	3,708	51,587	1,414	29,142	1,619
2027	52,921	2,279	-	-	29,940	820
2028	54,389	811	-	-	-	-
Total	\$ 208,904	\$ 11,896	\$ 101,798	\$ 4,203	\$ 87,447	\$ 4,835

<u>Year</u>	<u>2022 Subscription - Trillium</u>		<u>2023 Subscription - ClearGov</u>		<u>2024 Subscription - Trapeze</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 11,711	\$ 989	\$ 25,696	\$ 704	\$ 47,189	\$ 3,882
2026	12,032	668	-	-	51,102	2,523
2027	12,360	339	-	-	36,485	1,051
Total	\$ 36,103	\$ 1,996	\$ 25,696	\$ 704	\$ 134,776	\$ 7,456

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments (continued)

Year	2024 Subscription - Workday		Total	
	Principal	Interest	Principal	Interest
2025	\$ 334,606	\$ 42,394	\$ 5,084,022	\$ 2,733,384
2026	356,211	32,758	4,706,372	2,547,892
2027	378,800	22,499	4,358,707	2,367,628
2028	402,409	11,589	4,068,674	2,197,611
2029	-	-	3,257,977	2,041,850
2030 - 2034	-	-	14,466,081	8,152,094
2035 - 2039	-	-	11,228,171	5,426,764
2040 - 2044	-	-	7,445,000	3,299,400
2045 - 2049	-	-	8,825,000	1,720,800
2050 - 2051	-	-	3,170,000	191,400
Total	\$ 1,472,026	\$ 109,240	\$ 66,610,004	\$ 30,678,823

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, 2024.

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

B. Intergovernmental Agreement (continued)

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.

C. Service Agreement

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

C. Service Agreements (continued)

- **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. Effective January 1, 2025, the parties executed a new agreement under substantially similar terms, and extending through December 31, 2028.

E. 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.

F. 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 \$23,000 or the participant's includible compensation. Participants over age 50 are eligible to contribute up to an additional \$7,500, 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

F. Retirement Plans (continued)

1. Deferred Compensation Plan – Section 457 (continued)

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.

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"). 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. Prior to March 15, 2024, all Authority employees received a 12.55% contribution to the Plan. Only full-time employees who have been with the Authority for six consecutive months were eligible. Effective March 15, 2024, the Plan was amended to remove the 6-month waiting period and the Authority will make a matching contribution to each participant equal to 50% of the first 3% of the Participant's compensation contributed to the 457 plan. The Authority's total and covered payroll for 2024 was approximately \$32,097,000 and \$31,825,000, respectively, and expenses to the plan were approximately \$3,994,000. In addition, 401(a) match contribution amount was \$268,000 for 2024.

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 2024, the Authority used \$74,837 in forfeitures to pay plan expenses. There was no liability outstanding as of December 31, 2024.

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

H. Risk Management (continued)

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.

The Authority’s share of assets, liabilities and fund equity as of December 31, 2024 is as follows:

Property and Casualty Pool:	%
Loss fund	1.252%
Pooled reserve fund	10.325%

The December 31, 2024 combined financial information is as follows:

Cash and investments	\$ 98,496,751
Other assets	6,370,143
Total	\$ 104,866,894
Liabilities	\$ 67,056,273
Members fund balance	37,810,621
Total	\$ 104,866,894
Total revenue	\$ 55,696,415
Total expense	(51,275,583)
Excess of Revenue Over Expense	\$ 4,420,832

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, 2024, 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

Effective January 1, 2024, the Authority implemented Governmental Accountings Standards Board Statement No. 101, Compensated Absences. The Standard requires entities to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee’s separation from service, such as sick leave. The standard requires entities to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts. No restatements to beginning net position occurred as a result of the implementation.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2024
(Continued)

VII. Subsequent Event

The Authority is currently seeking proposals for direct purchase or private placement services from qualified firms to participate in a contemplated issuance to fund the Authority's hotel conversion for workforce housing. This issuance is to provide funds for reimbursement of approximately \$13 million in project expenditures that the Authority previously incurred in connection with the Authority's acquisition and renovation of its new workforce housing facility in Glenwood Springs, Colorado.



Roaring Fork Transportation Authority

SUPPLEMENTARY INFORMATION

Roaring Fork Transportation Authority
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Budget Variance Positive (Negative)
Revenues:			
Investment income	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Capital outlay	-	-	-
Total Expenditures	-	-	-
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
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2024

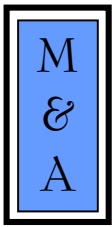
	Original and Final Budget	Actual	Budget Variance Positive (Negative)
Revenues:			
Other income	\$ 118,612	\$ 119,120	\$ 508
Investment income	-	108,655	108,655
Total Revenues	118,612	227,775	109,163
Expenditures:			
Debt service:			
Principal	2,030,000	2,030,000	-
Interest	2,363,618	2,363,618	-
Total Expenditures	4,393,618	4,393,618	-
Excess (Deficiency) of Revenues Over Expenditures	(4,275,006)	(4,165,843)	109,163
Other Financing Sources / (Uses)			
Transfers from other funds	4,275,006	4,165,843	(109,163)
Total Other Financing Sources / (Uses)	4,275,006	4,165,843	(109,163)
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
Carbondale, 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, 2024, 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 10, 2025.

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 than 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Roaring Fork Transportation Authority
Carbondale, Colorado

Compliance and Other Matters

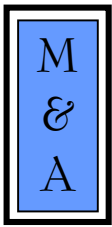
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 10, 2025



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
Carbondale, Colorado**

Opinion on Compliance for Each Major Program

We have audited the compliance of Roaring Fork Transportation Authority (the "Authority") 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, 2024. 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, 2024.

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 ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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* (the "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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INDEPENDENT AUDITOR's REPORT
To the Board of Directors
Roaring Fork Transportation Authority
Carbondale, Colorado

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 U.S. 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 U.S. 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.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Roaring Fork Transportation Authority
Carbondale, Colorado

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.

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 10, 2025

Roaring Fork Transportation Authority, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

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:

Highway Planning and Construction	ALN 20.205
79-BUILD (OST)	ALN 20.933

Dollar threshold used to identify Type A from Type B programs: \$750,000

Identified as low-risk auditee Yes

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, 2024

Note: There were no findings for the fiscal year ended December 31, 2023.

**Roaring Fork Transportation Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 2024**

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant/ Project Code</u>	<u>Expenditures</u>
U.S. Department of Transportation:			
79-BUILD (OST)	20.933	CO-2021-027-01	\$ 4,480,225
<i>Federal Transit Cluster:</i>			
Buses and Bus Facilities	20.526	CO-2021-020-00	9,811,969
Passed through Colorado Department of Transportation:			
Buses and Bus Facilities	20.526	24-HTR-ZL-00109	2,762,284
<i>Total - Federal Transit Cluster</i>			<u>12,574,253</u>
COVID-19 - Highway Planning and Construction	20.205	23-HA3-XC-00134	3,700,571
<i>Total - Highway Planning and Construction</i>			<u>3,700,571</u>
Formula Grants for Rural Areas	20.509	24-HTR-ZL-00153	1,237,728
Total U.S. Department of Transportation			<u>21,992,777</u>
Total Federal Financial Awards			<u>\$ 21,992,777</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2024.

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 (the "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, 2024.

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 Part 200.414, *Indirect (F&A) Costs* of the Uniform Guidance. Instead, the Authority prepares an annual cost allocation plan to allocate indirect costs.