



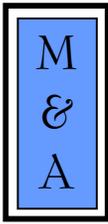
Financial Report

December 31, 2009

**Roaring Fork Transportation Authority
Financial Report
December 31, 2009**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Roaring Fork Transportation Authority

We have audited the accompanying basic financial statements of the governmental activities and the budget and actual individual fund statements of Roaring Fork Transportation Authority (the "Authority") as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the budget and actual individual fund statements of Roaring Fork Transportation Authority as of December 31, 2009 and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grants. 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis in Section B is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards on page E7 is presented for purposes of additional analysis and as required by the U.S. Office of Management Budget Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McMahan and Associates, L.L.C.
July 22, 2010

Performing services for local governments throughout Colorado

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MANAGEMENT'S DISCUSSION AND ANALYSIS

***Roaring Fork Transportation Authority
Management's Discussion and Analysis
December 31, 2009***

As Management of the Roaring Fork Transportation Authority, (the "Authority"), we offer readers of the Authority's financial statements this narrative summary of the financial activities of the Authority for the fiscal year ended December 31, 2009.

Financial Highlights

- When looking at a short term view, the General Fund had increase in Fund balance of \$66,000; the increase was due to repayment of prior year park n ride expenditures to the General Fund from the Bus Shelter and Park and Ride Special Revenue Fund;
- When looking at a long-term view, the Authority had increase in Net Assets of \$5.2 million. The Authority had \$45.1 million of net assets. The increase in Net Assets was attributable to the increase in Sales and Use Tax Revenues dedicated to the Bus Rapid Transit (BRT) Project;
- The Authority has experienced a decrease in all areas of Ridership primarily due to the downturn in the local economy. Year to date Ridership and percentage decreases were as follows (rounded to the thousands): total Ridership of 4.3 million and 11.7%; Valley Service 1.9 million, and 13.4% and Grand Hogback Service (I – 70 Corridor) 89,000 and 15.2%;
- Transit Operations overtime for 2009 and 2008 was \$311,000 and \$728,000, respectively; a decrease of 57.3% from prior year because the Authority was able to attracted more drivers to substantially reduce overtime;
- Total fuel expenditures for 2009 and 2008 were \$1.5 million and \$2.6 million, respectively; a decrease of 60.0% from prior year because of substantially lower fuel commodity prices;
- The Authority issued \$27.5 million of Sales and Use Tax Revenue Bonds of which \$6.2 million relates to Series 2009A, a tax-exempt issuance, and \$21.3 million relates to Series 2009B Build America Bonds. The proceeds primarily will finance asset and infrastructure expenditures for the BRT Project.

Overview of the Financial Statements

This discussion and analysis is 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 Assets presents information on all the Authority's assets and liabilities (both short-term and long-term), with the difference between the two reported as fund balance or net assets.

Government Funds, the General, Special Revenue, Capital Projects, and Debt Service Fund columns, present the financial position focusing on short-term available

Overview of the Financial Statements (continued)

resources and are reported on a modified accrual basis of accounting. These columns show the reserved and unreserved portions of fund balance. The unreserved fund balance may be spent for Board approved activities.

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

The Statement of Net Assets column presents the financial position focusing on long-term economic resources and is reported on a full accrual basis. This column adds capital assets net of both depreciation and debt into the long-term equation. Over time, increases or decreases in net assets 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 shows how the government's fund balance and net assets 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 shows the increase or decrease in fund balance. Fund balance consists of equity and inventories.

The Adjustments column represents the changes to the value of long-term assets. 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. Though the focus is on long-term, it should not be associated with the future but rather with the changes in net assets from January through December. This column records the Authority's net worth.

The 2009 Authority financial statements report seven individual government funds in four types: the general fund, four special revenue funds, a capital projects fund, and a debt service fund.

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

The Service Contract Special Revenue Fund accounts for revenue and operating activity for additional services based on contractual agreement. These services are provided in certain areas within the overall Authority service area. In 2009, the Authority had

Overview of the Financial Statements (continued)

contractual agreements for 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 activity 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. 20% (0.10%) 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 Bus Rapid Transit Special Revenue Fund accounts for operating activity for planning the BRT Project. Specifically, this includes all revenues from the November 2008, voter approved, 0.4% increase in sales and use tax for the BRT Project and for the expenditures that cannot be charged against the Series A & B Capital Project Funds.

The Capital Projects Fund accounts for all expenditure activity related to the BRT Project for assets and infrastructure such as a portion of buses, intelligent transportation system components, a portion of transit priority, and Glenwood Maintenance Facility improvements. These expenditures are certain and specific in accordance with State and Federal tax law as identified by Bond Counsel.

The Debt Service Fund accounts for all principal and interest expenditures for the Series 2009A \$6.2 million bond issuance and Series 2009B \$21.3 million bond issuance and interest earned as required by resolution. The 2009A bonds are a tax-exempt issuance. The 2009B bonds are Build America Bonds which allowed the Authority to access taxable credit markets and save approximately \$4 million over the life of the bonds or \$2.9 million at present value compared to issuing all tax exempt 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 can be found on Section C of this report.

Overview of the Financial Statements (continued)

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 can be found in Section D of this report.

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

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An Authority hybrid bus providing service to the Maroon Bells wilderness area.

Financial Analysis of the Authority

Roaring Fork Transportation Authority's Net Assets

(in thousands)

	<u>2009</u>	<u>2008</u>	<u>\$ dif</u>	<u>% dif</u>
Assets:				
Current assets	\$ 35,960	\$ 8,697	27,264	313.5%
Inventory and prepaid expenditures	877	716	162	22.6%
Capital assets, net	<u>56,057</u>	<u>53,145</u>	2,913	5.5%
Total Assets	<u>\$ 92,895</u>	<u>\$ 62,557</u>	30,338	48.5%
Liabilities:				
Current liabilities and Long Term Debt due within a year	\$ 5,155	\$ 4,954	201	4.1%
Accrued compensated absences	1,373	1,072	300	28.0%
Non-current liabilities	<u>41,293</u>	<u>16,610</u>	24,683	148.6%
Total Liabilities	<u>\$ 47,821</u>	<u>\$ 22,636</u>	25,185	111.3%
Net Assets:				
Invested in Capital Assets, net of debt	\$ 35,838	\$ 34,687	1,151	3.3%
Restricted	1,146	1,024	122	11.9%
Unrestricted	<u>8,090</u>	<u>4,211</u>	3,879	92.1%
Total Net Assets	<u>\$ 45,074</u>	<u>\$ 39,921</u>	5,153	12.9%

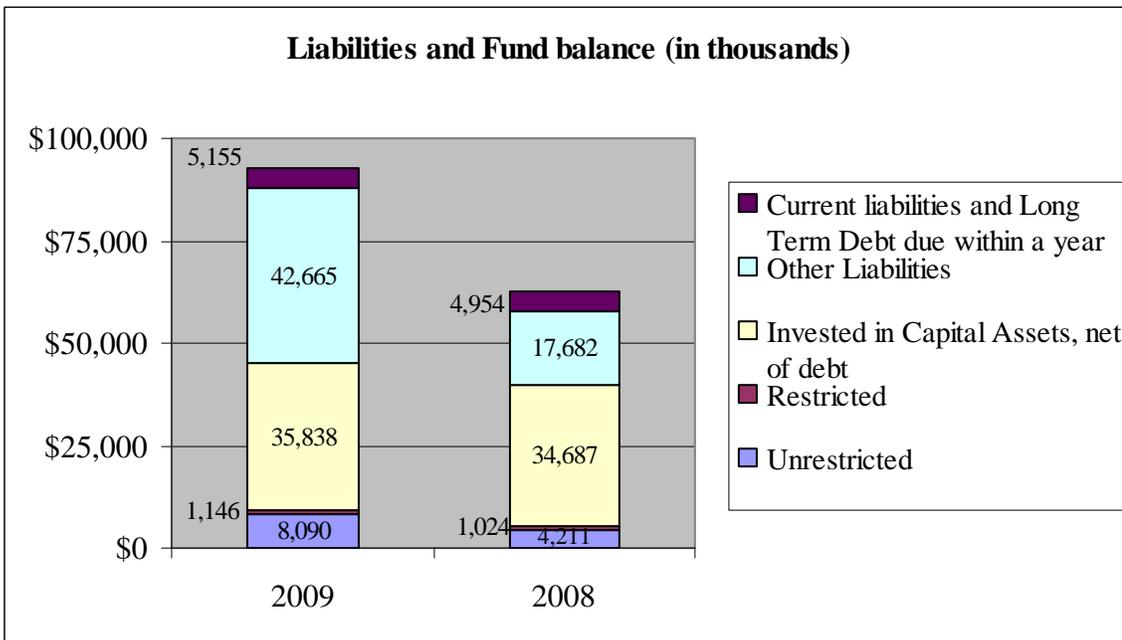
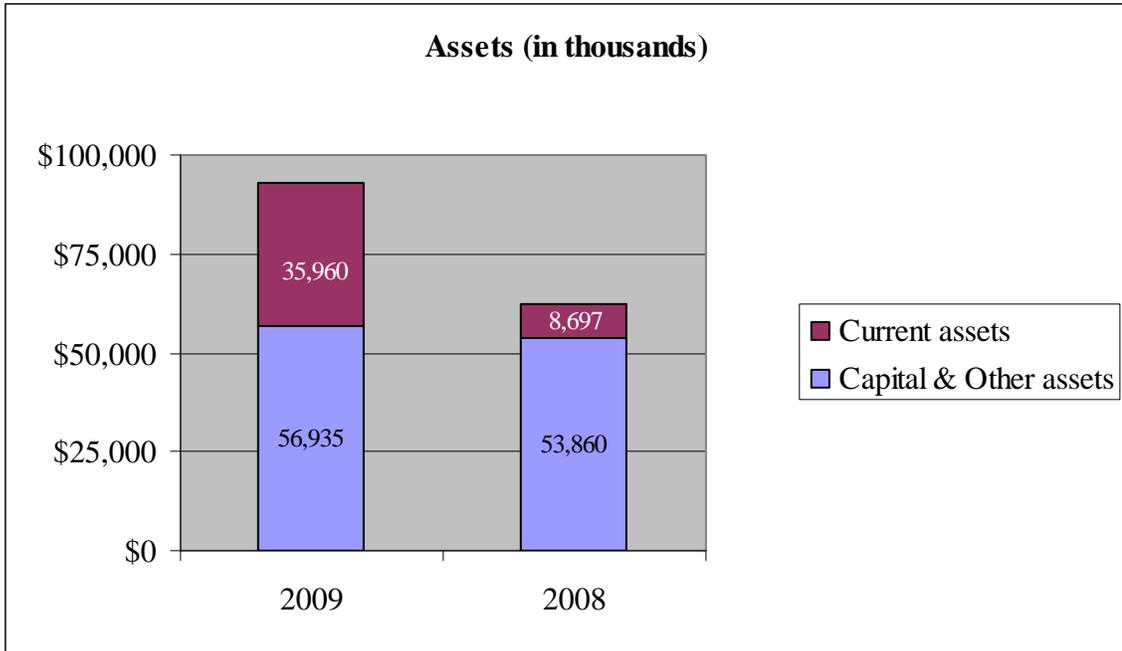
As of December 31, 2009 the following trends were noted:

- *Current assets compared to current liabilities* – for 2009 and 2008, \$11.3 million and \$8.6 million of current assets were available to meet \$5.1 million and \$4.9 million of current liabilities due within the next year, respectively; \$24.7 (\$36 million less \$11.3 million) increase in current assets resulted from the cash received after the Sales and Use Tax Revenue Bonds, Series 2009A & B issuance that primarily have been committed to the BRT Project.
- *Capital assets, net* – \$56 million of assets were used to provide transit services as well as maintaining the Authority owned rail corridor. The \$2.9 million increase consisted of the following: land purchase for the BRT Project, \$1.5 million; transit buses, \$3.9 million; other transit assets, \$1.7 million; less \$4.2 million in depreciation;
- *Non-current liabilities* – \$24.7 million increase consisted of financing the following: Sales and Use Tax Revenue Bonds, Series 2009A, \$6.2 million; Sales and Use Tax Revenue Bonds, Series 2009B, \$21.3 million; less debt retirement of \$2.4 million.

Details regarding the Authority's assets and liabilities can be found on Page C1 and Notes to the Financial Statements.

Financial Analysis of the Authority (continued)

Roaring Fork Transportation Authority's Net Assets



Financial Analysis of the Authority (continued)

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

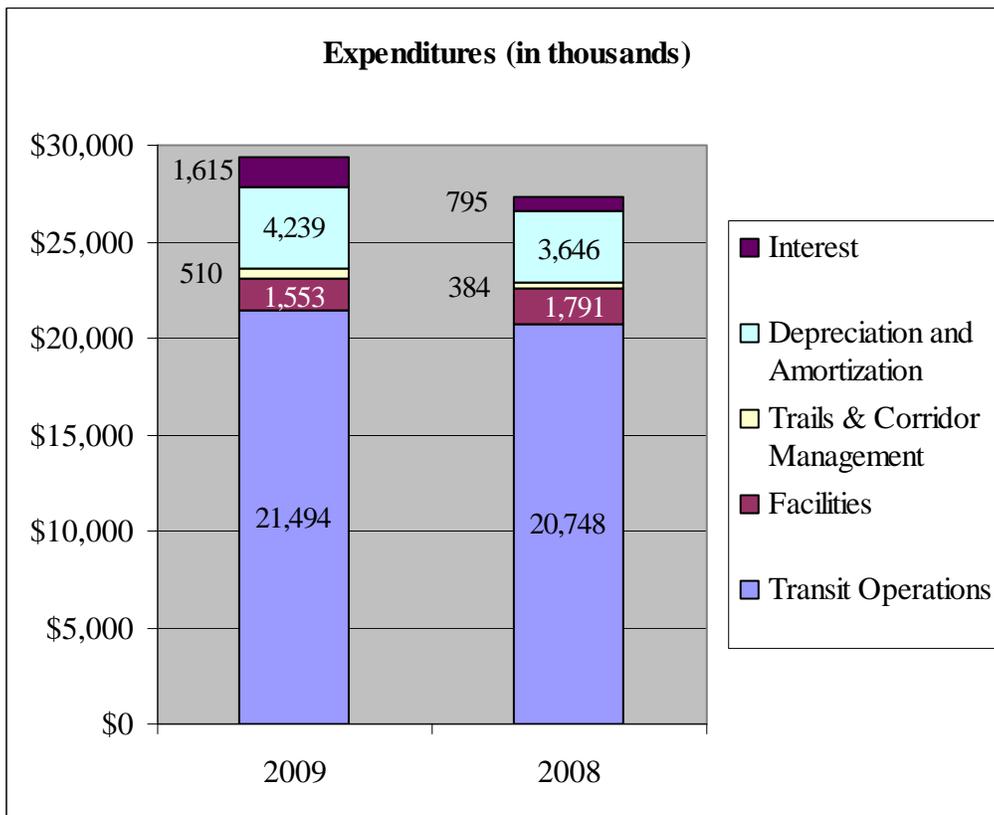
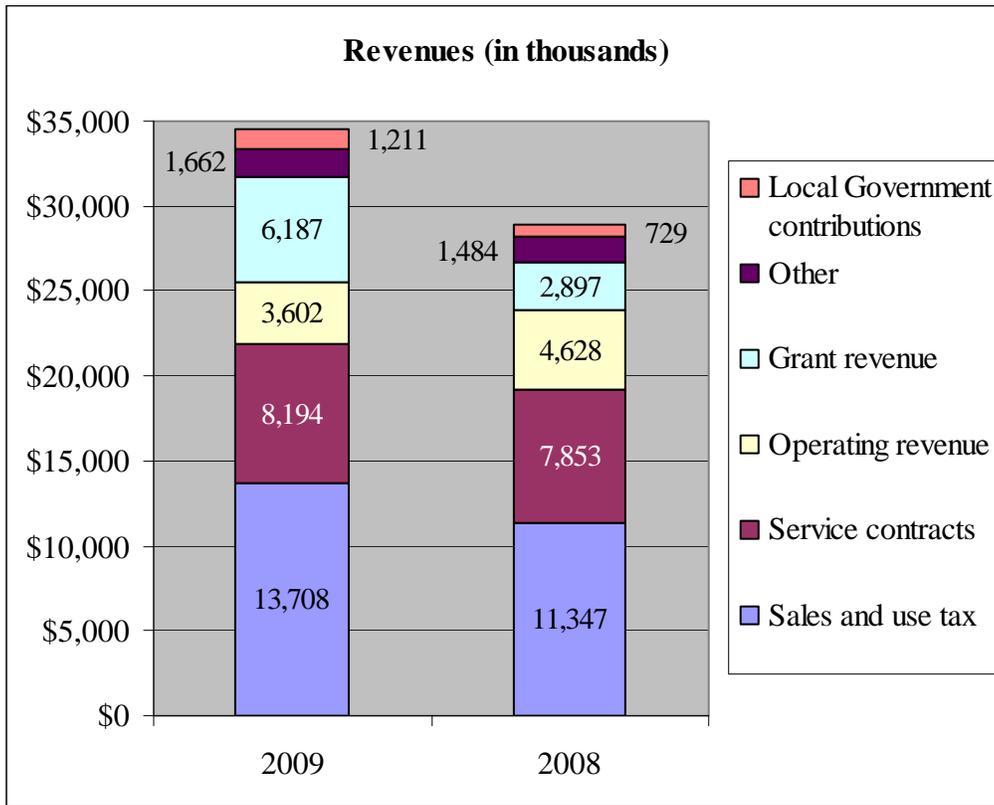
	<u>2009</u>	<u>2008</u>	<u>\$ dif</u>	<u>% dif</u>
Revenues:				
Sales and use tax	\$ 13,708	\$ 11,347	2,361	20.8%
Service contracts	8,194	7,853	341	4.3%
Operating revenue	3,602	4,628	(1,026)	-22.2%
Grant revenue	6,187	2,897	3,290	113.5%
Other	1,662	1,484	178	12.0%
Local Government contributions	1,211	729	482	66.1%
Total Revenue	<u>\$ 34,564</u>	<u>\$ 28,938</u>	5,625	19.4%
Expenditure:				
Transit Operations	\$ 21,494	\$ 20,748	747	3.6%
Facilities	1,553	1,791	(238)	-13.3%
Trails & Corridor Management	510	384	126	32.9%
Depreciation and Amortization	4,239	3,646	593	16.3%
Interest	1,615	795	820	103.1%
Total Expenditure	<u>\$ 29,411</u>	<u>\$ 27,363</u>	2,048	7.5%
Change in Net Assets	<u>\$ 5,153</u>	<u>\$ 1,575</u>	3,578	227.1%
Net Assets - Beginning of Year	<u>39,921</u>	<u>38,346</u>	1,575	4.1%
Net Assets - End of Year	<u>\$ 45,074</u>	<u>\$ 39,921</u>	5,153	12.9%

For the Year Ended December 31, 2009 the following trends were noted:

- Service contract revenue (cost reimbursement contracts) increase was consistent with the increase in Transit operations expenditures;
- Operating revenue (transit fares) decrease was consistent with a decline in Ridership;
- Grant revenue included operating and capital grants ; operating grant revenues for 2009 and 2008 were \$775,000 and \$684,000, respectively; capital grants vary from year to year; in 2009 the Authority received \$5.4 million capital grants for buses;
- Local government contributions included operating and capital contributions which vary from year to year; in 2009 the EOTC increased contributions of \$430,000 for continued bus service between Aspen and Snowmass Village.
- Transit operations expenditure increase was due to personnel costs;
- Facilities expenditure decrease was due to the reallocation of personnel working on the BRT Project to the BRT special revenue fund and reduced repairs and maintenance;
- Trails & Corridor Management expenditure increase was due to a \$100,000 reimbursement to the Town of Basalt for trail costs from the Mid Valley Trails fund;
- Depreciation expenditure increase was related to an increase in assets;
- Interest expenditure increase was due to the Series 2009A & B bonds to help finance the asset and infrastructure expenditures primarily related to the BRT Project.

Details regarding the Authority's revenues and expenditures can be found on Pages C3 and C4.

Financial Analysis of the Authority (continued)

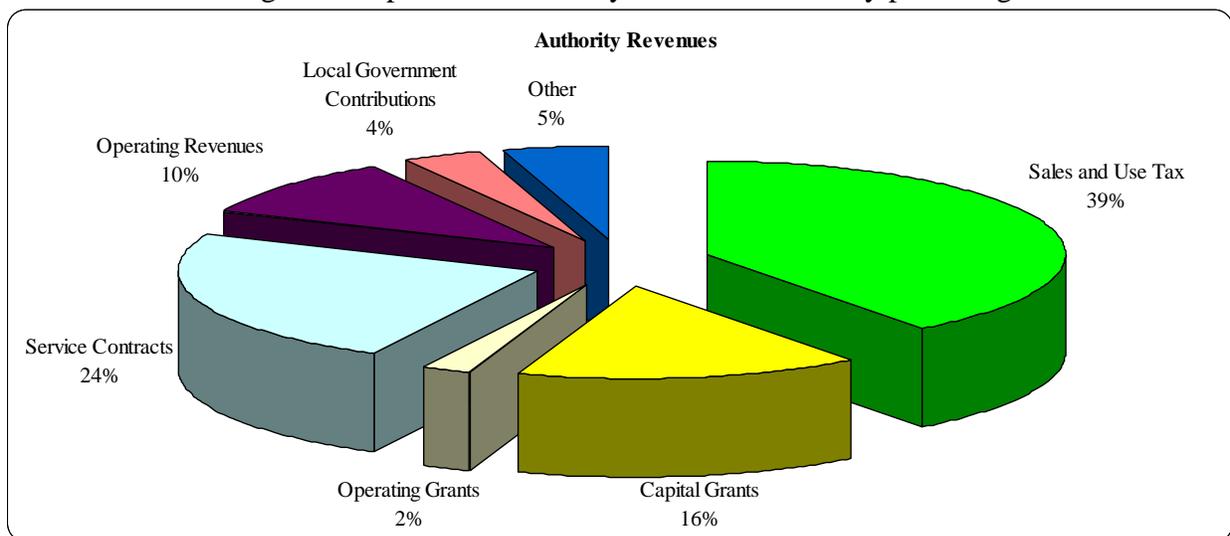


Financial Analysis of the Authority (continued)

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 financial statements section V. B. Intergovernmental Agreement);
- Service contract 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 B15 for a transit service area map, these services are identified as local circulator services. (see Notes to 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, CO and State Highway 82 between Glenwood Springs and Aspen, CO. See page B15 for a transit service area map;
- Grant revenue is designated by Federal, State or Local grantee and was primarily for capital expenditure; the Authority received \$775,000 in operating grants.
- Other income includes the following: Fees, Investment income, Miscellaneous, Other capital contributions, and Rental.

The following chart depicts the Authority's 2009 revenues by percentage:



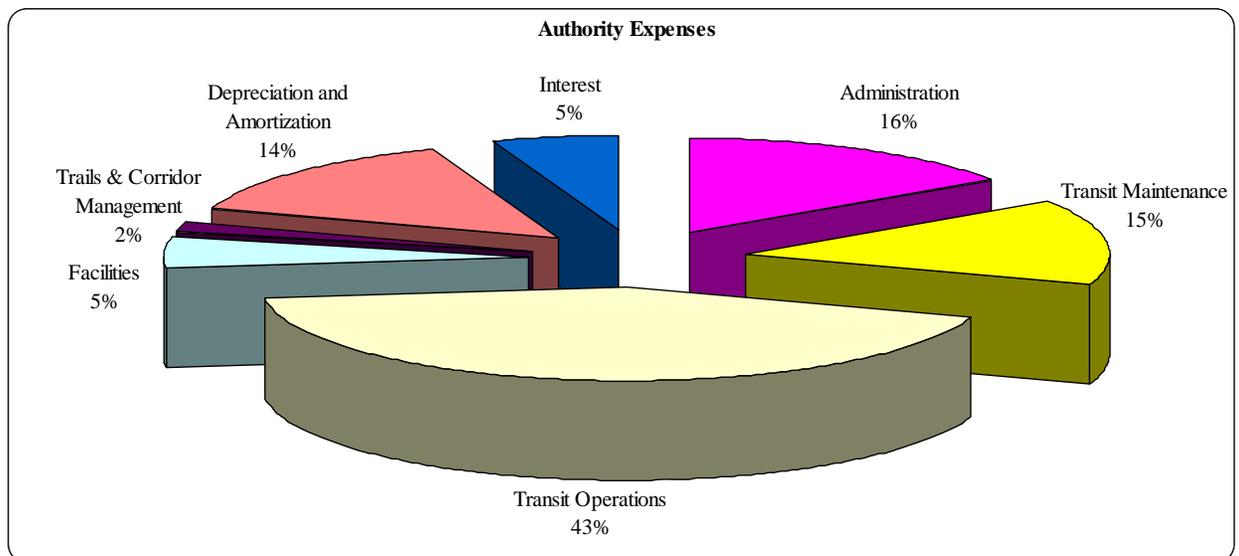
Details regarding the Authority's revenue sources can be found on Pages C3 and C4.

Financial Analysis of the Authority (continued)

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, Finance, Human Resources and Risk Management, Information Technology and Planning;
- 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 three line items, Transit operations, maintenance and facilities. Each line item includes the activities of the respective Department.

The following chart depicts the Authority's 2009 expenditures:



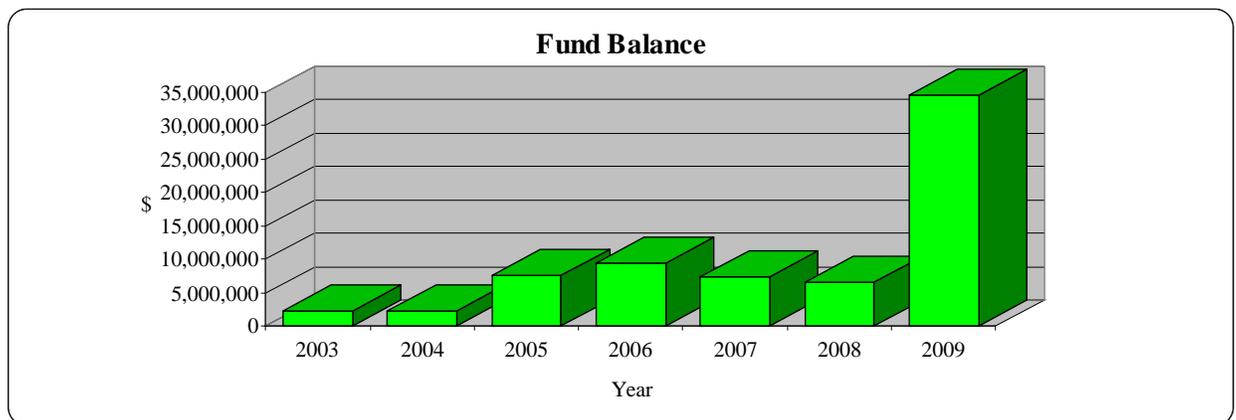
Details regarding the Authority's expenditures can be found on Pages C3 and C4.

Financial Analysis of the Authority (continued)

As of December 31, 2009 the Authority's Fund balance was approximately \$34.5 million, and has fluctuated dramatically in the recent past.

- The 2009/2008 significant increase was due to the \$27.5 million in proceeds from the Sales and Use Tax Revenue Bonds, Series 2009A & B.
- The 2008/ 2007 decrease was primarily due to the timing of a bus purchase; the capital purchase was reimbursed with grant revenue in 2009;
- The 2007/ 2006 decrease was due to the timing difference between purchasing and financing of an employee housing complex.

The following chart shows fund balances for the past several years:



Major Capital Asset events

During 2009, the Authority purchased the following: land purchase for the Glenwood Maintenance Facility Expansion, \$1.5 million; several new and used buses and the rehabilitation of others, \$3.9 million; other Transit Program assets, \$1.7 million. Additional fixed asset information is available in the Footnotes to the Financial Statements.

Major Debt events

The Authority issued \$27.5 million of Sales and Use Tax Revenue Bonds, Series 2009A & B to finance the asset and infrastructure expenditures primarily for the BRT Project. Additional debt information is available in the Footnotes to the Financial Statements.

Long term Financial Plan

The Authority's long-term goal is to build reserves/ Fund balance; additionally, Management is planning for the implementation of the BRT Project. Please visit www.rftabrt.com for more information.

Financial Analysis of the Authority's Funds

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

The General Fund had an unreserved, undesignated fund balance of \$596,000, while total fund balance reached \$6.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 3% of total general fund expenditures, while total fund balance represents 30% of that same amount.

The fund balance increased by \$66,000 during the current fiscal year. Increase in Fund balance was due to a one time reimbursement of bus shelter and park and ride expenditures to the General fund from the Bus shelter and park and ride fund.

The Service Contract Special Revenue Fund had a total fund balance of zero which was expected as the fund accounts for contractual services where revenue covers operating activity.

The Bus Shelter and Park and Ride Special Revenue Fund had a total fund balance of \$112,000, all of which is restricted by enabling legislation for bus shelter and park and ride expenditure activities. The net increase in fund balance was \$112,000 as a result of excess vehicle fee revenues over bus shelter and park and ride expenditures. During the fiscal year, there was a transfer out of \$205,000 to the general fund for the reimbursement for prior years' bus shelter and park and ride expenditures.

The Mid Valley Trails Special Revenue Fund had a total fund balance of \$126,000, all of which is restricted by enabling legislation to fund trail projects within the Roaring Fork Valley boundaries of Eagle County. The net decrease in fund balance was \$67,000. The Authority Mid Valley Trails Board reimbursed the Town of Basalt \$100,000 for prior years' trail expenditures causing the decrease in fund balance.

The Bus Rapid Transit Special Revenue Fund had a total fund balance of \$3.4 million, most of which is designated by the Authority to fund the BRT Project. The net increase in fund balance was \$3.4 million. As a result from the November 2008 voter approved, 0.4% increase in sales and use tax, the new sales tax primarily designated for the BRT Project was enacted at the beginning of the fiscal year. This new sales and use tax produced revenues of \$4.4 million in the current fiscal year. The Authority had in-house project planning expenditures of \$471,000 and \$60,000 of capital expenditures related to the new BRT office.

Financial Analysis of the Authority's Funds (continued)

The Capital Projects Fund had a total fund balance of \$22.7 million, all of which will fund certain and specific asset and infrastructure expenditures related to the BRT Project. The net increase in fund balance was \$22.7 million. The Authority had \$1.1 million of consulting expenditures related to assets and infrastructure, \$1.6 million of capital expenditures for land related to the Glenwood Maintenance Facility expansion, and \$360,000 of debt service interest expenditures related to both bonds. These expenditures were funded by the Series 2009A & B bond issuances shown as other financing sources.

The Debt Service Fund had a total fund balance of \$1.8 million representing the required reserves for the Series 2009A & B bonds and interest earned as required by resolution. As noted earlier, the Authority issued \$6.2 million of Series 2009A tax-exempt bonds and \$21.3 million of Series 2009B Direct Payment Build America Bonds. The Authority had \$645,000 of debt service interest expenditures related to both bonds. These expenditures were funded by a federal subsidy of \$197,000 representing 35% of the actual interest paid during the current fiscal year on the Series 2009B bonds, and a transfer in for the remaining balance from the BRT Special Revenue Fund.

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**Roaring Fork Transportation Authority
Management's Discussion and Analysis
December 31, 2009**

General Fund Budgetary Highlights

The Authority's revenues were \$545,000 less than budgeted. Expenditures were \$767,000 less than budgeted. Significant budget variances were as follows:

	Final Budget	Actual	Variance Positive (Negative)	Reason
Revenues:				
Capital Grant revenue	\$ 5,623,651	\$ 5,304,081	\$ (319,570)	Timing
Operating Grant revenue	810,000	764,546	(45,454)	Timing
Governmental contributions	1,341,014	1,155,861	(185,153)	Reduced contributions , projects not funded
Net insignificant variances (other accounts)	13,825,619	13,831,062	5,443	N/A
Total Revenues	<u>\$ 21,600,284</u>	<u>\$ 21,055,550</u>	<u>\$ (544,734)</u>	
Expenditures:				
Administration	\$ 3,377,859	\$ 3,097,591	\$ 280,268	Reductions in insurance costs, position vacancy, and various expenditures foregone due to downturn in economy
Transit operations	4,008,216	4,111,904	(103,688)	Increased health insurance costs
Capital Outlay	6,029,314	5,426,102	603,212	Projects not completed
Net insignificant variances (other accounts)	8,611,420	8,624,640	(13,220)	N/A
Total Expenditures	<u>\$ 22,026,809</u>	<u>\$ 21,260,237</u>	<u>\$ 766,572</u>	

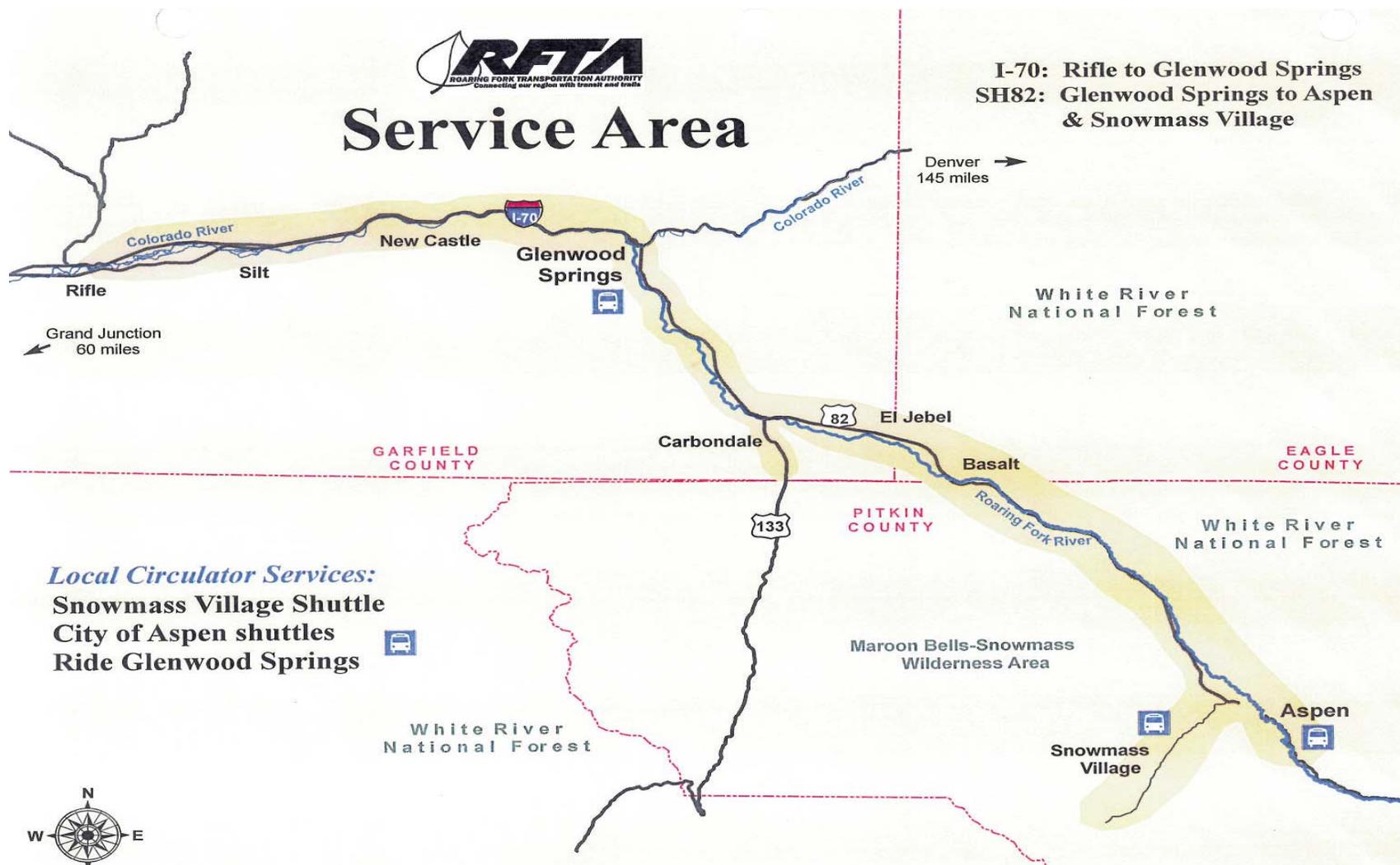
Subsequent Year's Budget

- The Authority ended the year with a combined ending fund balance of \$34.5 million. The 2010 budget anticipates a decrease of \$ 272,000;
- Based on a general downturn in the economy, the subsequent year budget reflects a reduction in 2010 transit services in relation to the reduction in sales tax revenues. The 2010 budget contains a 2% reduction of sales tax and fare box revenues;
- Staff will continue planning for the implementation of the BRT Project.
- Availability of potential right-of-way and property required for existing and future transit services and facilities continue to diminish while escalating in cost. Purchases of right-of-ways and land are planned as part of the BRT Project.

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, the I-70 Corridor between Rifle and Glenwood Springs, and the Highway 82 Corridor between Glenwood Springs and Aspen; additionally, the Authority owned rail road right of way runs adjacent to the Highway 82, between Glenwood and connects with the Pitkin County trail before Aspen.





GOVERNMENT-WIDE FINANCIAL STATEMENTS

Roaring Fork Transportation Authority
Balance Sheet/Statement of Net Assets
December 31, 2009

	Funds Financial			
	General Fund	Service Contracts	Bus Shelter/ PNR	Mid Valley Trails
Assets:				
Cash and cash equivalents - unrestricted	\$ 3,023,889	\$ 26,388	\$ 92,724	\$ 117,785
Cash and cash equivalents - restricted	437,203	-	-	-
Accounts receivable	1,320,157	-	33,566	-
Due from other governments	2,202,204	-	-	8,468
Prepaid expenses	218,621	-	-	-
Inventory	648,524	-	-	-
Other assets, net of amortization	-	-	-	-
Capital assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Total Assets	\$ 7,850,598	\$ 26,388	\$ 126,290	\$ 126,253
Liabilities:				
Accounts payable	\$ 910,427	\$ 26,388	\$ 11,859	-
Accrued expenses	594,339	-	2,620	-
Accrued compensated absences	-	-	-	-
Accrued interest	-	-	-	-
Non-current liabilities:				
Due within one year	-	-	-	-
Due longer than one year	-	-	-	-
Total Liabilities	\$ 1,504,766	\$ 26,388	\$ 14,479	\$ -
Fund Balance/Net Assets:				
Fund Balance:				
Reserved for emergencies	\$ 497,741	-	-	-
Reserved for inventory	648,524	-	-	-
Unreserved, designated:	4,663,000	-	-	-
Unreserved, undesignated reported in:				
General fund	536,567	-	-	-
Special revenue funds	-	-	\$ 111,811	\$ 126,253
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total Fund Balance	\$ 6,345,832	\$ -	\$ 111,811	\$ 126,253
Total Liabilities and Fund Balance	\$ 7,850,598	\$ 26,388	\$ 126,290	\$ 126,253
Net Assets:				
Invested in capital assets, net of related debt				
Reserved				
Unrestricted				
Total Net Assets				

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

Roaring Fork Transportation Authority
Balance Sheet/Statement of Net Assets
December 31, 2009

Statements					
Bus Rapid Transit	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Net Assets
\$ 2,612,361	\$ 23,489,667	\$ 1,780,663	\$ 31,143,477	-	\$ 31,143,477
-	-	-	437,203	-	437,203
3,679	-	-	1,357,402	\$ 28,000	1,385,402
783,670	-	-	2,994,342	-	2,994,342
10,000	-	-	228,621	-	228,621
-	-	-	648,524	-	648,524
-	-	-	-	52,107	52,107
-	-	-	-	75,338,701	75,338,701
-	-	-	-	(19,333,412)	(19,333,412)
<u>\$ 3,409,710</u>	<u>\$ 23,489,667</u>	<u>\$ 1,780,663</u>	<u>\$ 36,809,569</u>	<u>\$ 56,085,396</u>	<u>\$ 92,894,965</u>
-	\$ 776,547	-	\$ 1,725,221	\$ 111,691	\$ 1,836,912
-	-	-	596,959	108,010	704,969
-	-	-	-	1,372,570	1,372,570
-	-	-	-	196,825	196,825
-	-	-	-	2,416,753	2,416,753
-	-	-	-	41,292,744	41,292,744
<u>\$ -</u>	<u>\$ 776,547</u>	<u>\$ -</u>	<u>\$ 2,322,180</u>	<u>\$ 45,498,593</u>	<u>\$ 47,820,773</u>
-	-	-	\$ 497,741	\$ (497,741)	
-	-	-	648,524	(648,524)	
-	-	-	4,663,000	(4,663,000)	
-	-	-	536,567	(536,567)	
\$ 3,409,710	-	-	3,647,774	(3,647,774)	
-	\$ 22,713,120	-	22,713,120	(22,713,120)	
-	-	\$ 1,780,663	1,780,663	(1,780,663)	
<u>\$ 3,409,710</u>	<u>\$ 22,713,120</u>	<u>\$ 1,780,663</u>	<u>\$ 34,487,389</u>	<u>\$ (34,487,389)</u>	
<u>\$ 3,409,710</u>	<u>\$ 23,489,667</u>	<u>\$ 1,780,663</u>	<u>\$ 36,809,569</u>		
				\$ 35,837,566	\$ 35,837,566
				1,146,265	1,146,265
				8,090,361	8,090,361
				<u>\$ 45,074,192</u>	<u>\$ 45,074,192</u>

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
December 31, 2009

	Funds Financial			
	General Fund	Service Contracts	Bus Shelter/ PNR	Mid Valley Trails
Revenues:				
Sales and use tax revenue	\$ 9,295,342	-	-	\$ 33,139
Service contracts	72,216	\$ 8,121,691	-	-
Operating revenues	3,602,365		-	-
Capital grant revenue	5,304,081	108,588	-	-
Operating grant revenues	764,546	10,000	-	-
Local government operating contributions	1,155,861	55,000	-	-
Other income	849,903	-	\$ 546,351	-
Investment income	11,236	426	664	703
Total Revenues	\$ 21,055,550	\$ 8,295,705	\$ 547,015	\$ 33,842
Expenditures/Expenses:				
Transit operations	\$ 4,111,904	\$ 8,114,090	-	-
Transit maintenance	4,360,615	23,972	-	-
Administration	3,097,591	49,055	-	\$ 1,000
Facilities	1,196,811	-	\$ 222,439	-
Trails & corridor management	409,834	-	-	100,000
Capital outlay	5,426,102	108,588	7,765	-
Depreciation and amortization	-	-	-	-
Debt service:				
Principal	1,857,005	-	-	-
Interest	800,375	-	-	-
Total Expenditures/Expenses	\$ 21,260,237	\$ 8,295,705	\$ 230,204	\$ 101,000
Excess of Revenues Over Expenditures/ Expenses	\$ (204,687)	-	\$ 316,811	\$ (67,158)
Other financing sources (uses):				
Transfer to Other Funds	-	-	\$ (205,000)	-
Transfer from Other Funds	\$ 205,000	-	-	-
Bond Issuance	-	-	-	-
Bond Premium	-	-	-	-
Bond Discount	-	-	-	-
Sale of assets	27,700	-	-	-
Lease Proceeds	37,875	-	-	-
Total other financing sources (uses)	\$ 270,575	-	\$ (205,000)	-
Change in Net Assets	\$ 65,888	\$ -	\$ 111,811	\$ (67,158)
Fund Balance/Net Assets:				
Beginning of Year	\$ 6,279,944	\$ -	\$ -	\$ 193,411
End of Year	\$ 6,345,832	\$ -	\$ 111,811	\$ 126,253

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
December 31, 2009

Statements					
Bus Rapid Transit	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
\$ 4,379,418	-	-	\$ 13,707,899	-	\$ 13,707,899
-	-	-	8,193,907	-	8,193,907
-	-	-	3,602,365	-	3,602,365
-	-	-	5,412,669	-	5,412,669
-	-	-	774,546	-	774,546
-	-	-	1,210,861	-	1,210,861
-	-	\$ 197,307	1,593,561	\$ (103,261)	1,490,300
9,626	\$ 110,662	8,890	142,207	-	142,207
<u>\$ 4,389,044</u>	<u>\$ 110,662</u>	<u>\$ 206,197</u>	<u>\$ 34,638,015</u>	<u>\$ (103,261)</u>	<u>\$ 34,534,754</u>
\$ 4,835	-	-	\$ 12,230,829	\$ 300,352	\$ 12,531,181
1,233	-	-	4,385,820	-	4,385,820
331,253	\$ 1,125,087	-	4,603,986	(26,817)	4,577,169
133,801	-	-	1,553,051	-	1,553,051
-	-	-	509,834	-	509,834
60,410	1,550,870	-	7,153,735	(7,153,735)	-
-	-	-	-	4,238,666	4,238,666
-	-	-	1,857,005	(1,857,005)	-
-	360,123	\$ 644,536	1,805,034	(189,916)	1,615,118
<u>\$ 531,532</u>	<u>\$ 3,036,080</u>	<u>\$ 644,536</u>	<u>\$ 34,099,294</u>	<u>\$ (4,688,455)</u>	<u>\$ 29,410,839</u>
\$ 3,857,512	\$ (2,925,418)	\$ (438,339)	\$ 538,721	\$ 4,585,194	\$ 5,123,915
\$ (447,802)	\$ (1,771,200)	-	\$ (2,424,002)	-	\$ (2,424,002)
-	-	\$ 2,219,002	2,424,002	-	2,424,002
-	27,500,000	-	27,500,000	(27,500,000)	-
-	68,950	-	68,950	(58,033)	10,917
-	(159,213)	-	(159,213)	151,972	(7,241)
-	-	-	27,700	(2,355)	25,345
-	-	-	37,875	(37,875)	-
<u>\$ (447,802)</u>	<u>\$ 25,638,537</u>	<u>\$ 2,219,002</u>	<u>\$ 27,475,312</u>	<u>\$ (27,446,291)</u>	<u>\$ 29,021</u>
\$ 3,409,710	\$ 22,713,119	\$ 1,780,663	\$ 28,014,033	\$ (22,861,097)	\$ 5,152,936
\$ -	\$ -	\$ -	\$ 6,473,355		\$ 39,921,256
<u>\$ 3,409,710</u>	<u>\$ 22,713,119</u>	<u>\$ 1,780,663</u>	<u>\$ 34,487,388</u>		<u>\$ 45,074,192</u>

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 to Actual
General Fund
December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:				
Sales and use tax revenue	\$ 11,529,500	\$ 9,398,500	\$ 9,295,342	\$ (103,158)
Service Contracts	(354,827)	75,173	72,216	(2,957)
Operating revenues	4,623,946	3,753,946	3,602,365	(151,581)
Capital Grant revenue	2,077,400	5,623,651	5,304,081	(319,570)
Operating Grant revenue	735,000	810,000	764,546	(45,454)
Governmental contributions	961,250	1,341,014	1,155,861	(185,153)
Other income	934,500	590,500	849,903	259,403
Investment income	80,000	7,500	11,236	3,736
Total Revenues	<u>\$ 20,586,769</u>	<u>\$ 21,600,284</u>	<u>\$ 21,055,550</u>	<u>\$ (544,734)</u>
Expenditures:				
Administration	\$ 3,493,193	\$ 3,377,859	\$ 3,097,591	\$ 280,268
Transit maintenance	4,867,518	4,398,115	4,360,615	37,500
Transit operations	4,453,813	4,008,216	4,111,904	(103,688)
Facilities	1,056,612	1,148,946	1,196,811	(47,865)
Trails & corridor management	384,833	407,833	409,834	(2,001)
Capital outlay	3,298,000	6,029,314	5,426,102	603,212
Debt service:				
Principal	1,850,436	1,850,436	1,857,005	(6,569)
Interest	806,090	806,090	800,375	5,715
Total Expenditures/Expenses	<u>\$ 20,210,495</u>	<u>\$ 22,026,809</u>	<u>\$ 21,260,237</u>	<u>\$ 766,572</u>
Excess of Revenues				
Over Expenditures/Expenses	<u>\$ 376,274</u>	<u>\$ (426,525)</u>	<u>\$ (204,687)</u>	<u>\$ 221,838</u>
Other Financing Sources / (Uses)				
Lease proceeds	-	-	\$ 37,875	\$ 37,875
Sale of fixed assets	-	-	27,700	27,700
Transfers from Other Funds	-	\$ 336,000	205,000	(131,000)
Total Other Financing Sources / (Uses)	<u>\$ -</u>	<u>\$ 336,000</u>	<u>\$ 270,575</u>	<u>\$ (65,425)</u>
Change in Net Assets	<u>\$ 376,274</u>	<u>\$ (90,525)</u>	<u>\$ 65,888</u>	<u>\$ 156,413</u>
Fund Balance/Net Assets:				
Beginning of Year			<u>6,279,944</u>	
End of Year			<u>\$ 6,345,832</u>	

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 to Actual
Service Contracts
Special Revenue Fund
December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues:				
Service Contracts	\$ 7,960,000	\$ 8,318,436	\$ 8,121,691	\$ (196,745)
Operating revenues	-	17,910	-	(17,910)
Capital Grant revenue	-	-	108,588	108,588
Operating Grant revenue	-	-	10,000	10,000
Governmental contributions	-	-	55,000	55,000
Investment income	-	-	426	426
Total Revenues	<u>\$ 7,960,000</u>	<u>\$ 8,336,346</u>	<u>\$ 8,295,705</u>	<u>\$ (40,641)</u>
Expenditures:				
Administration	-	-	\$ 49,055	\$ (49,055)
Transit maintenance	-	-	23,972	(23,972)
Transit operations	\$ 7,960,000	\$ 8,336,346	8,114,090	222,256
Capital outlay	-	-	108,588	(108,588)
Total Expenditures/Expenses	<u>\$ 7,960,000</u>	<u>\$ 8,336,346</u>	<u>\$ 8,295,705</u>	<u>\$ 40,641</u>
Excess of Revenues				
Over Expenditures/Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources / (Uses)				
Total Other Financing Sources / (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance/Net Assets:				
Beginning of Year			<u>-</u>	
End of Year			<u>\$ -</u>	

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 to Actual
Bus Shelter/ Park and Ride
Special Revenue Fund
December 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Variance Positive (Negative)
Revenues:				
Other income	\$ 430,000	\$ 430,000	\$ 546,351	\$ 116,351
Investment income	-	-	664	664
Total Revenues	<u>\$ 430,000</u>	<u>\$ 430,000</u>	<u>\$ 547,015</u>	<u>\$ 117,015</u>
Expenditures:				
Facilities	\$ 430,000	\$ 225,000	\$ 222,439	\$ 2,561
Capital outlay	-	-	7,765	(7,765)
Total Expenditures/Expenses	<u>\$ 430,000</u>	<u>\$ 225,000</u>	<u>\$ 230,204</u>	<u>\$ (5,204)</u>
Excess of Revenues Over Expenditures/Expenses				
	<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 316,811</u>	<u>\$ 111,811</u>
Other Financing Sources / (Uses)				
Transfers to Other Funds	<u>\$(205,000)</u>	<u>\$(205,000)</u>	<u>\$(205,000)</u>	-
Total Other Financing Sources / (Uses)	<u>\$(205,000)</u>	<u>\$(205,000)</u>	<u>\$(205,000)</u>	-
Change in Net Assets				
	<u>\$(205,000)</u>	<u>\$ -</u>	<u>\$ 111,811</u>	<u>\$ 111,811</u>
Fund Balance/Net Assets:				
Beginning of Year			<u>-</u>	
End of Year			<u>\$ 111,811</u>	

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 to Actual
Mid Valley Trails
Special Revenue Fund
December 31, 2009

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Sales and use tax revenue	\$ 33,994	\$ 33,994	\$ 33,139	\$ (855)
Investment income	-	-	703	703
Total Revenues	\$ 33,994	\$ 33,994	\$ 33,842	\$ (152)
Expenditures:				
Administration:				
Dues, Memberships, & Subscriptions	-	-	\$ 1,000	\$ (1,000)
Trails and Corridor Management:				
Contribution to Basalt	-	\$ 100,000	100,000	-
Total Expenditures	\$ -	\$ 100,000	\$ 101,000	\$ (1,000)
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 33,994	\$ (66,006)	\$ (67,158)	\$ (1,152)
Other Financing Sources / (Uses)				
Total Other Financing Sources / (Uses)	\$ -	\$ -	\$ -	\$ -
Change in Net Assets				
Fund Balance/Net Assets:	\$ 33,994	\$ (66,006)	\$ (67,158)	\$ (1,152)
Beginning of Year			193,411	
End of Year			\$ 126,253	

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 to Actual
Bus Rapid Transit
Special Revenue Fund
December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:			
Sales and use tax revenue	\$ 4,728,000	\$ 4,379,418	\$ (348,582)
Investment income	-	9,626	9,626
Total Revenues	<u>\$ 4,728,000</u>	<u>\$ 4,389,044</u>	<u>\$ (338,956)</u>
Expenditures:			
Administration	\$ 100,000	\$ 331,253	\$ (231,253)
Transit maintenance	-	1,233	(1,233)
Transit operations	-	4,835	(4,835)
Facilities	-	133,801	(133,801)
Capital outlay	-	60,410	(60,410)
Total Expenditures/Expenses	<u>\$ 100,000</u>	<u>\$ 531,532</u>	<u>\$ (431,532)</u>
Excess of Revenues Over Expenditures/Expenses	<u>\$ 4,628,000</u>	<u>\$ 3,857,512</u>	<u>\$ (770,488)</u>
Other Financing Sources / (Uses)			
Transfers to Other Funds	\$ (448,000)	\$ (447,802)	\$ 198
Total Other Financing Sources / (Uses)	<u>\$ (448,000)</u>	<u>\$ (447,802)</u>	<u>\$ 198</u>
Change in Net Assets	<u>\$ 4,180,000</u>	\$ 3,409,710	<u>\$ (770,290)</u>
Fund Balance/Net Assets:			
Beginning of Year		-	
End of Year		<u>\$ 3,409,710</u>	

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 to Actual
Capital Projects Fund
December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:			
Investment income	-	\$ 110,662	\$ 110,662
Total Revenues	<u>\$ -</u>	<u>\$ 110,662</u>	<u>\$ 110,662</u>
Expenditures:			
Administration	\$ 1,186,500	\$ 1,125,087	\$ 61,413
Capital outlay	1,570,000	1,550,870	19,130
Debt service:			
Interest	<u>348,100</u>	<u>360,123</u>	<u>(12,023)</u>
Total Expenditures/Expenses	<u>\$ 3,104,600</u>	<u>\$ 3,036,080</u>	<u>\$ 68,520</u>
Excess of Revenues			
Over Expenditures/Expenses	<u>\$ (3,104,600)</u>	<u>\$ (2,925,418)</u>	<u>\$ 179,182</u>
Other Financing Sources / (Uses)			
Bond Issuance	\$ 27,410,000	\$27,500,000	\$ 90,000
Bond Premium	-	68,950	68,950
Bond Discount	-	(159,213)	(159,213)
Transfers to Other Funds	<u>(1,771,200)</u>	<u>(1,771,200)</u>	<u>-</u>
Total Other Financing Sources / (Uses)	<u>\$ 25,638,800</u>	<u>\$25,638,537</u>	<u>\$ (263)</u>
Change in Net Assets	<u>\$ 22,534,200</u>	<u>\$22,713,119</u>	<u>\$ 178,919</u>
Fund Balance/Net Assets:			
Beginning of Year		<u>-</u>	
End of Year		<u>\$22,713,119</u>	

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 to Actual
Debt Service Fund
December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:			
Other income	\$ 197,000	\$ 197,307	\$ 307
Investment income	-	8,890	8,890
Total Revenues	<u>\$ 197,000</u>	<u>\$ 206,197</u>	<u>\$ 9,197</u>
	-		
Expenditures:			
Debt service:	-		
Interest	\$ 645,000	\$ 644,536	\$ 464
Total Expenditures/Expenses	<u>\$ 645,000</u>	<u>\$ 644,536</u>	<u>\$ 464</u>
	-		
Excess of Revenues	-		
Over Expenditures/Expenses	<u>\$ (448,000)</u>	<u>\$ (438,339)</u>	<u>\$ 9,661</u>
	-		
Other Financing Sources / (Uses)			
Transfers from Other Funds	\$ 2,219,200	\$ 2,219,002	\$ (198)
Total Other Financing Sources / (Uses)	<u>\$ 2,219,200</u>	<u>\$ 2,219,002</u>	<u>\$ (198)</u>
	-		
Change in Net Assets	<u>\$ 1,771,200</u>	\$ 1,780,663	<u>\$ 9,463</u>
Fund Balance/Net Assets:			
Beginning of Year		-	
End of Year		<u>\$ 1,780,663</u>	

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



NOTES TO THE FINANCIAL STATEMENTS

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

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 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 U.S. 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 consisting 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% (.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.

1. Government-wide Financial Statements

In the government-wide Statement of Net Assets, 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 assets are reported as unrestricted net assets. The government-wide focus is on the sustainability of the Authority as an entity and the change in the Authority's net assets resulting from the current year's activities.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

I. Summary of Significant Accounting Policies (continued)

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

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, liabilities, reserves, fund equity, revenues and expenditures. The fund focus is on current available resources and budget compliance. The Authority reports seven 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 Contract 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 relating to a specific section of trails in the service area.
- **Bus Rapid Transit Special Revenue Fund** – reports operating activity for planning the Bus Rapid Transit (BRT) project.
- **Capital Projects Fund** – reports all expenditures related to the BRT Project for assets and infrastructure using proceeds from Series 2009A and 2009B bonds.
- **Debt Service Fund** – reports all principal and interest expenditures for the Series 2009A \$6.5 million bond issuance, Series 2009B \$21 million Build America Bonds issuance, interest earned, and the required reserves for these bonds.

C. Measurement Focus and Basis of Accounting

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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

2. Current Financial Focus and Modified Accrual Basis (continued)

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 and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty, and investments with original maturities of three months or less.

2. Inventory

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

3. 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.

4. Fund Equity

In both government-wide and fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The net assets of \$112,000 for the Bus Shelter/Park and Ride Special Revenue Fund are restricted for construction and maintenance of bus shelters and park and rides by State rural transit authority enabling legislation. The net assets of \$126,000 for the Mid Valley Trails Special Revenue Fund are restricted to trail activities by 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. The net assets of \$3,410,000 for the Bus Rapid Transit Special Revenue Fund are designated by the Authority for the planning of the BRT project made possible by the November 2008 voter approved 0.4% increase in sales tax.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. 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.

6. Capital Assets

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

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

Capital outlay for projects is capitalized as projects are constructed. Interest, if any, incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	20-40
Machinery and equipment	3-10
Vehicles	7-12

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between Fund balance – Governmental funds and Net assets – Governmental activities as reported in the government-wide Statement of Net Assets. The Authority adds capital assets net of depreciation of \$56,005,000. Another element of this reconciliation adds long-term debt relating to Pitkin County, Colorado’s 1998 and 2001 transit sales tax revenue bonds. The Authority has agreed to the repayment of this debt through its Pitkin County dedicated sales tax. Additional long-term debt includes 2005 Certificates of Participation, Series 2009A & B bonds, and various capital leases. The Authority also has accrued interest of \$197,000 relating to all the aforementioned debt.

**Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009**

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

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between Net change in fund balance – Governmental funds and Changes in net assets – Governmental activities as reported in the government-wide Statement of Activities. The Authority has recorded a decrease in sales and use tax revenue and an increase in interest income relating to the debt service reserve currently being held by Pitkin County, Colorado. The Authority also reduces capital outlay in the amount of \$7,154,000 for assets which have been capitalized. The remaining capital outlay represents capital expenditures which do not meet the Authority’s capitalization policy.

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.

- (1) On or before October 15, 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 15.
- (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.

All appropriations lapse at year end. During the year, five 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 appropriation, the 2009 appropriations were increased as follows:

	<u>Appropriation</u>
Original Appropriation	\$ 28,876,000
Changes to Annual Appropriations:	
<i>Resolution 2009-03</i>	\$ 4,015,514
<i>Resolution 2009-06</i>	(344,398)
<i>Resolution 2009-09</i>	973,744
<i>Resolution 2009-10</i>	(86,000)
<i>Resolution 2009-15</i>	496,000
<i>Resolution 2009-19</i>	3,288,300
<i>Resolution 2009-21</i>	1,788,500
<i>Resolution 2009-24</i>	<u>(2,176,500)</u>
Total supplemental appropriations	<u>\$ 7,955,160</u>
 Final Appropriation	 <u><u>\$ 36,831,160</u></u>

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue. As required by TABOR, the Authority has reserved \$498,000 of its fund balance in the General Fund for emergencies, which is the approximate required reserve at December 31, 2009.

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.

C. 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 fiscal year end. The appropriated budget is prepared by fund, by object. The government's department heads may make transfers of appropriations within a fund. Transfers of appropriations between funds require approval of the Board. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

For the year ended December 31, 2009, expenditures exceeded appropriations in the Bus Shelter/PNR special revenue fund by \$5,000, Mid Valley Trails special revenue fund by \$1,000, BRT special revenue fund by \$432,000.

These over expenditures were funded by greater than anticipated revenues in the case of the Bus Shelter/PNR special revenue fund; available fund balance in the case of the Mid Valley Trails special revenue fund and BRT special revenue fund.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Authority's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Authority's interest-bearing deposits at each financial institution. Non-interest bearing deposits are fully insured by the FDIC. Interest-bearing deposit balances over \$250,000 are collateralized as required by PDPA. At year end, the Authority had the following investments and maturities:

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on Hand	Not Rated	\$ 6,225	\$ 6,225	-
Checking	Not Rated	51,570	42,061	-
Short Term Investment Account	AAA	31,085,682	31,085,682	-
Deposits held by Trustee	AAAm	437,203	437,203	-
Total		<u>\$ 31,580,680</u>	<u>\$ 31,580,680</u>	<u>\$ -</u>

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. As a result of the limited length of maturities the Authority has limited its interest rate risk.

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. As of December 31, 2009, the government's Deposits held by Trustee was invested in The First American Treasury Obligations Fund and was rated Aaa by Moody's Investor Service, AAAm by Standard and Poor's and AAA by Fitch Ratings.

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, 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.

B. Receivables

Accounts receivable is due primarily from entities participating in "the Authority" for Sales and Use Tax and Other Governmental Contributions. Due from other Governments consists of amounts due from the Federal and State Government. The Authority has recorded no allowance for doubtful accounts at December 31, 2009 and anticipates the collection of all receivables.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

IV. Detailed Notes on All Funds (continued)

C. Reservation and Designation of Fund Balances

At December 31, 2009, the fund balance of the Authority's General Fund was designated and reserved for the following:

Reserved for emergencies	\$	497,741
Reserved for inventory		648,524
Designated for Transit		425,000
Designated for Trails		300,000
Designated for Facilities		425,000
Designated for Operating Reserves		3,513,000
Total		\$ 5,809,265

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

D. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	1/1/09	Reclass	Increases	Decreases	12/31/09
Governmental Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 1,668,301	\$ (28,482)	\$ 699,400	-	\$ 2,339,219
Land and improvements	10,844,487	-	1,539,295	-	12,383,782
Total Capital Assets, Not Being Depreciated	\$ 12,512,788	\$ (28,482)	\$ 2,238,695	-	\$ 14,723,001
Capital assets, being depreciated:					
Buildings	\$ 5,444,384	-	\$ 28,150	-	\$ 5,472,534
Improvements other than buildings	7,717,968	-	223,267	-	7,941,235
Equipment	46,676,969	\$ 28,482	4,663,622	\$ (4,167,142)	47,201,931
Total Capital Assets Being Depreciated	\$ 59,839,321	\$ 28,482	\$ 4,915,039	\$ (4,167,142)	\$ 60,615,700
Less accumulated depreciation for:					
Buildings	\$ (744,539)	-	\$ (177,718)	-	\$ (922,258)
Improvements other than buildings	(938,817)	-	(501,544)	-	(1,440,361)
Equipment	(17,592,649)	-	(3,542,931)	\$ 4,164,787	\$ (16,970,793)
Total Accumulated Depreciation	\$ (19,276,005)	\$ -	\$ (4,222,193)	\$ 4,164,787	\$ (19,333,412)
Total Capital Assets, Being Depreciated, Net	\$ 40,563,316	\$ 28,482	\$ 692,846	\$ (2,355)	\$ 41,282,288
Governmental Activities Capital Assets, Net	\$ 53,076,104	\$ -	\$ 2,931,541	\$ (2,355)	\$ 56,005,289

The Authority's depreciation expense at December 31, 2009 totaled \$4,222,000.

**Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009**

IV. Detailed Notes on All Funds (continued)

E. Interfund transfers

Interfund balances as of December 31, 2009 are comprised of interfund transfers:

Transfer Out:	Transfer In:		
	General Fund	Debt Service Fund	Total
Bus Shelter/PNR Special Revenue Fund	\$ 205,000	-	\$ 205,000
Bus Rapid Transit Special Revenue Fund	-	\$ 447,802	447,802
Capital Projects Fund	-	1,771,200	1,771,200
Total	\$ 205,000	\$ 2,219,002	\$ 2,424,002

Bus Rapid Transit special revenue fund transfers were used to move revenues from the fund that collected sales taxes dedicated to the payment of debt service. The capital projects fund transfers were used to move a portion of the bond issuance proceeds to the debt service fund to satisfy the reserve requirements of each issuance.

The Authority made a one-time transfer of \$205,000 from the Bus Shelter/Park and Ride Special Revenue Fund to the General Fund for reimbursement of prior years' bus shelter and park and ride expenditures.

F. 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 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. There is currently four Sales Tax Revenue Bonds outstanding.

The Series 1998 Bonds carry an interest rate of 3.5% to 5% with final maturity date of 2014.

The Series 2001 Sales Tax Revenue Bonds carry an interest rate of 3.25% to 4% and mature in 2021. The Bonds are subject to an optional maturity under certain conditions.

Series 2009A bonds carry an interest rate of 2.0% to 4.0% with final maturity date of 2020. This issuance is tax-exempt.

Series 2009B, taxable bonds (Build America Bond – Direct Payment to Issuer), carry an interest rate of 6.6% to 6.8% with final maturity date of 2039.

The Authority had \$17 million of authorized unissued debt as of December 31, 2009.

2. Certificates of Participation

On April 6, 2005 the Authority issued Certificates of Participation totaling \$3,910,000. The Certificates carry an interest rate of 3% to 4.25% with a final maturity of 2014. The proceeds from the Certificates were used for acquisition of additional buses.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

IV. Detailed Notes on All Funds (continued)

3. Capital Leases

In 2006 the Authority signed a lease for buses totaling \$2,450,000. The lease carries an interest rate of approximately 4% with a final maturity of 2011.

In 2007 the Authority signed a lease for buses totaling \$5,418,092. The lease carries an interest rate of 4.28% with a final maturity of 2017.

In 2008, the Authority signed leases for buses totaling \$1,122,000. The lease carries an interest rate of 3.18% with a final maturity of 2016.

In 2008, the Authority signed leases for administrative automobiles totaling \$163,507. The leases carry interest rate between 4.8-5.4% with a final maturity of 2013.

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

In 2009, the Authority signed a lease for an administrative automobile totaling \$37,875. The lease carries an interest rate of 5.9% with a final maturity of 2013.

4. Changes in Debt

The Authority had the following changes in its outstanding debt:

	<u>1/1/09</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/09</u>	<u>Due within one year</u>
Bonds payable:					
Sales tax revenue bonds:					
Series 1998	\$ 900,000	-	\$ (135,000)	\$ 765,000	\$ 140,000
Series 2001	5,420,000	-	(230,000)	5,190,000	240,000
Series 2009A	-	\$ 6,190,000	-	6,190,000	485,000
Series 2009B	-	21,310,000	-	21,310,000	-
Certificates of participation:					
Series 2005	2,750,000	-	(300,000)	2,450,000	310,000
Less deferred amounts:					
Issuance premiums and discounts	-	(450,385)	19,838	(430,547)	-
Capital leases:					
2006	1,266,686	-	(491,418)	775,268	511,622
2007	4,658,532	-	(459,031)	4,199,501	479,068
2008 Parker House	2,257,532	-	(75,376)	2,182,156	78,752
2008 Admin Vehicles	146,562	-	(30,353)	116,209	31,859
2008 Buses	1,059,864	-	(127,252)	932,612	131,330
2009 Admin Vehicle	-	37,875	(8,576)	29,299	9,123
Total bonds payable	<u>18,459,176</u>	<u>27,087,490</u>	<u>(1,837,168)</u>	<u>43,709,498</u>	<u>2,416,754</u>
Compensated absences	<u>1,072,218</u>	<u>300,352</u>	<u>-</u>	<u>1,372,570</u>	<u>-</u>
Long-term liabilities	<u><u>\$ 19,531,394</u></u>	<u><u>\$ 27,387,842</u></u>	<u><u>\$ (1,837,168)</u></u>	<u><u>\$ 45,082,068</u></u>	<u><u>\$ 2,416,754</u></u>

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

IV. Detailed Notes on All Funds (continued)

F. Other Liabilities (continued)

5. Future Debt Payments

The following schedule shows all of the future debt payments, including those related to the Pitkin County Series 1998 and 2001 Sales Tax Revenue Bonds.

Year	98 Sales Tax Rev. Bonds		01 Sales Tax Rev. Bonds		2005 COP	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 140,000	\$ 37,093	\$ 240,000	\$ 261,875	\$ 310,000	\$ 101,513
2011	145,000	30,583	250,000	252,275	320,000	90,508
2012	150,000	23,695	260,000	242,275	335,000	78,350
2013	160,000	16,420	270,000	229,275	350,000	64,613
2014	170,000	8,500	285,000	215,775	360,000	50,175
2015-2019	-	-	2,630,000	753,626	775,000	52,650
2020-2024			1,255,000	99,751	-	-
Total	\$ 765,000	\$ 116,291	\$ 5,190,000	\$ 2,054,852	\$ 2,450,000	\$ 437,809

Year	2006 Capital Lease-Bus		2007 Capital Lease-Bus		2008 Capital Lease-Bus	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 511,622	\$ 26,400	\$ 479,068	\$ 170,413	\$ 131,330	\$ 28,621
2011	263,646	5,365	499,979	149,502	135,540	24,412
2012	-	-	521,803	127,678	139,884	20,067
2013	-	-	544,579	104,902	144,368	15,584
2014	-	-	568,350	81,131	148,995	10,956
2015-2019	-	-	1,585,723	92,103	232,495	7,433
Total	\$ 775,268	\$ 31,765	\$ 4,199,502	\$ 725,729	\$ 932,612	\$ 107,073

Year	2008 Capital Lease-Admin Veh.		2008 Capital Lease-Parker House		2009 Capital Lease-Admin Veh.	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 31,859	\$ 4,891	\$ 78,752	\$ 94,225	\$ 9,123	\$ 1,184
2011	33,443	3,308	82,280	90,697	9,379	931
2012	35,106	1,644	85,966	87,011	9,808	368
2013	15,801	231	89,816	83,161	989	5
2014	-	-	93,840	79,137	-	-
2015-2019	-	-	536,145	328,740	-	-
2020-2024	-	-	667,477	197,408	-	-
2025-2029			547,880	43,114	-	-
Total	\$ 116,209	\$ 10,074	\$ 2,182,156	\$ 1,003,493	\$ 29,299	\$ 2,488

Year	2009A Sales/Use Tax Rev. Bonds		2009B Sales/Use Tax Rev. Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 485,000	\$ 204,850	-	\$ 1,429,186	\$ 2,416,754	\$ 2,360,251
2011	495,000	195,150	-	1,429,186	2,234,267	2,271,917
2012	510,000	182,775	-	1,429,186	2,047,567	2,193,049
2013	525,000	167,475	-	1,429,186	2,100,553	2,110,852
2014	540,000	151,725	-	1,429,186	2,166,185	2,026,585
2015-2019	2,970,000	482,325	-	7,145,930	8,729,363	8,862,807
2020-2024	665,000	26,600	\$ 3,585,000	6,802,994	6,172,477	7,126,753
2025-2029	-	-	5,415,000	5,274,168	5,962,880	5,317,282
2030-2034			5,305,000	3,450,318	5,305,000	3,450,318
2035-2039			7,005,000	1,702,841	7,005,000	1,702,841
Total	\$ 6,190,000	\$ 1,410,900	\$ 21,310,000	\$ 31,522,181	\$ 44,140,046	\$ 37,422,655

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

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, 2009.

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.

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, 2005 the sales tax sharing agreements have been amended and approved by the Authority's electorate to the following:

- City of Glenwood Springs – .6% sales tax.
- Town of Carbondale – a RTA tax of .6% and a projects tax of .1% for a total .7% sales tax. The projects tax, or 14.28% of the total collected, is returned to the Town and used to fund projects within Carbondale.
- Town of Basalt – .4% sales tax.
- Eagle County – .5% sales tax on the portion of sales tax collected within the Town of Basalt and .7% within the unincorporated area of Eagle County within precincts 7,8,24 and 25. A minimum of 20% (.1%) of the first .5% sales tax proceeds of this tax shall be used for trails construction and maintenance within the aforementioned precincts. The .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) – .8104% of a .5% sales tax and .48131% of a 1% sales tax for an equivalent total of a .8865% sales tax.
- New Castle – .40% sales and use tax.

C. Service Agreements

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

- Aspen Skiing Company Skier Shuttles: The Authority operates skier shuttles on behalf of Aspen Skiing Company. The agreement provides for reimbursement of operational expenses and a capital cost recovery component.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

V. Other Information (continued)

C. Service Agreements (continued)

- Ride Glenwood Springs: The Authority operates mini shuttles 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 .5% City of Aspen Visitor Benefit tax indicated above are applied towards the cost of this service contract.
- The Travelers: The Authority operates Senior and Americans with Disabilities Act services in Garfield County. 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.

D. Other events and subsequent events

In 2009 the rating of the 2005 Certificate of Participation as assigned by Standard & Poor's Ratings Services based upon the financial guaranty insurance policy issued by Radian Asset Assurance Inc, has been downgraded by S&P from "BBB+" to "BBB-." The Authority has not received notice of a change in the underlying rating assigned by S&P to the Certificates.

Subsequent to year end the Authority has learned that the Glenwood Maintenance Facility requires extensive repairs to ensure its structural integrity. On July 8, 2010 the Authority's Board of Directors approved budgeting \$3,400,000 on facility repairs in 2010. The Authority intends to pursue all available legal remedies against the contractor, architect and other parties related to construction of the facility. Any amounts recovered by legal action cannot be determined at this time.

Management has evaluated subsequent events through July 22, 2010, the date these financial statements were available to be issued.

E. Contingent liabilities

As of December 31, 2009, the Authority maintained an unused letter of credit of \$1 million from Alpine Bank; therefore, no obligation exists at the end of the year. The Authority plans to renew this letter of credit in the subsequent year.

F. Employee Benefits

The Authority carried a traditional medical insurance through Aetna. Vision Service is carried through Vision Service Plan, Inc. The Authority also provides dental and short term disability to its 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.

Roaring Fork Transportation Authority
Notes to the Financial Statements
December 31, 2009

V. Other Information (continued)

G. Retirement Plans

1. Deferred Compensation Plan – Section 457

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

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

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

2. Retirement Plan - Section 401(a)

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

The Plan is governed by a plan document and amendment requires approval by the Authority Board.

The Plan sponsor is the only contributor to the Plan. All Authority employees receive a 12.45% contribution to the Plan. Only full-time employees who have been with the Authority for six consecutive months are eligible. The Authority's total and covered payroll for 2009 is \$11,106,000 and \$9,460,000 respectively. Contributions were approximately \$1,192,000.

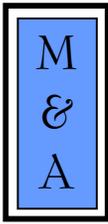
The Authority is the trustee of the plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

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.



SUPPLEMENTARY INFORMATION



MCMAHAN AND ASSOCIATES, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Board of Directors Roaring Fork Transportation Authority

We have audited 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, 2009, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects an entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

Performing services for local governments throughout Colorado

*D. Jerry McMahan, C.P.A.
Paul J. Backes, C.P.A.*

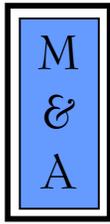
*Daniel R. Cudahy, C.P.A.
Michael N. Jenkins, C.A., C.P.A.*

Members: American Institute of Certified Public Accountants/Colorado Society of Certified Public Accountants
National and Colorado Government Finance Officers Association/Colorado Municipal League

**Board of Directors
Roaring Fork Transportation Authority**

This report is intended solely for the information and use of management, the Board of the Authority, others within the Authority, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**McMahan and Associates, L.L.C.
July 22, 2010**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors Roaring Fork Transportation Authority

Compliance

We have audited the compliance of Roaring Fork Transportation Authority (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Performing services for local governments throughout Colorado

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**Board of Directors
Roaring Fork Transportation Authority**

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement on a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Authority Commissioners, others within the Authority, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**McMahan and Associates, L.L.C.
July 22, 2010**

**Roaring Fork Transportation Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weakness identified	None noted
Reportable conditions identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Reportable conditions identified that are not considered to be material weaknesses	None reported
Type of auditor’s report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None noted
Major programs:	
Federal Transit Capital Investment Grants	20.500
Formula Grant other than Urbanized Areas	20.509

Dollar threshold used to identify Type A from Type B programs	\$300,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	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
Year Ended December 31, 2009**

There were no findings noted in the prior year.

**Roaring Fork Transportation Authority
Schedule of Expenditures of Federal Awards
December 31, 2009**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Major Program</u>	<u>Expenditures</u>
U.S. Department of Transportation:			
Federal Transit Capital Investment Grants	20.500	No	\$ 920,643
Formula Grant for Other Than Urbanized Areas	20.509	Yes	1,044,230
State Planning and Research	20.515	No	23,210
Total Federal Financial Awards			<u>\$ 1,988,083</u>

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended, December 31, 2009.

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Roaring Fork Transportation Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

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