Roaring Fork Transportation Authority
Carbondale, Colorado

Financial Statements
December 31, 2023

Roaring Fork Transportation Authority
Financial Report
December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Roaring Fork Transportation Authority RFTA (the "Authority"), as of and for the year ended December 31, 2023, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Roaring Fork Transportation Authority, as of December 31, 2023 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

The Authority adopted Governmental Accounting Standard No. 96, *Subscription-Based Information Technology Arrangements (SIBTAs)*, as detailed in Note VI. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Roaring Fork Transportation Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated **July 11, 2024** on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
July 11, 2024

Roaring Fork Transportation Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Management of the Roaring Fork Transportation Authority (the "Authority"), we offer readers of the Authority's financial report this narrative summary for the fiscal year ended December 31, 2023.

Financial Highlights

- When looking at a short-term view, the General Fund had an increase in Fund balance of $7.5 million compared to $3.7 million decrease in the final budget. The $11.2 million improvement over budget was primarily driven by total revenues exceeding the final budget by 6.7%. The reason for the increased revenues was better than anticipated sales and use tax revenue and increased investment income. Additionally, there were total expenditures savings of approximately 3.6% throughout the organization. These expenditures savings included transit fuel, labor, benefits, and health insurance due to vacant positions, vehicle maintenance expenditures (bus parts), and general liability claims.

- When looking at a long-term view, the Authority had an increase in Net Position of $45.1 million resulting in a total Net Position amount of $217.1 million. This increase was driven primarily by investments in capital assets and construction in process, including the ongoing Glenwood Maintenance Facility ("GMF") Phases 3, 4, 5, and 7 expansion project, 27th Street and SH82 underpasses project in Glenwood Springs, and purchase of twenty-four buses (18 replacements and 6 expansion).

- The Authority's total ridership increased by approximately 14.3% from 4.2 million in 2022 to 4.8 million in 2023. Ridership continues to increase since the end of the COVID-19 public health emergency, with an 82% increase over 2020.

    - Annual ridership on regional transit service and percentage changes were as follows:
        - Valley Service (Highway 82 Corridor) 2.6 million and +14%
        - Grand Hogback Service (I-70 Corridor) 179,208 and +24%.

- Transit Operations' overtime for 2023 and 2022 was $1.9 and $1.7 million, respectively, resulting in $144,600 increase. Historically, the Authority faces challenges to attract, retain and maintain adequate staffing levels due to the seasonal nature of the region and high cost of living, which includes employee housing. As a result, overtime for bus operators increased to maintain the Authority's service plan.

- In 2023, the Authority experienced a 2.5% decrease in transit mileage, or 147,000 miles versus 2022. The overall national shortage of qualified bus drivers, high cost of living in the Roaring Fork Valley, and employee housing issues resulted in reduction of services and decrease of transit mileage. This provided an opportunity for the transit service plan to be optimized while maintaining peak directional service. Total transit fuel expenditures for 2023 and 2022 were $2.7 and $2.3 million, respectively; a net increase of approximately 14.6%. The increase in fuel expenditures is primarily due to the increased cost per gallon. The Authority continued to receive Alternative Fuel Tax Credits, receiving $255,000 in 2023, compared to $267,000 in 2022.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

The 2023 Authority financial statements report six individual government funds in four types: the general fund, three special revenue funds, a capital projects fund, and a debt service fund:

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

A battery electric bus picking up riders outside of the Rubey Park Transit Center in Aspen.

Financial Analysis of the Authority

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

	2023	2022	$ dif	% dif
Assets:				
Current assets	$ 138,675	$ 138,960	(285)	-0.2%
Inventory and prepaid expenditures	2,785	2,345	440	18.8%
Capital assets, net	188,498	131,883	56,615	42.9%
Total Assets	329,958	273,188	56,770	20.8%
Deferred Outflows of Resources:				
Deferred refunding charge, net of amortization	532	607	(75)	-12.4%
Total Deferred Outflows of Resources	532	607	(75)	-12.4%
Liabilities:				
Current liabilities and LT Debt due within a year	18,651	12,612	6,039	47.9%
Accrued compensated absences	3,020	3,142	(122)	-3.9%
Non-current liabilities	73,433	73,870	(437)	-0.6%
Total Liabilities	95,104	89,624	5,480	6.1%
Deferred Inflows of Resources:				
Unavailable property tax revenue	17,963	11,845	6,118	51.7%
Unavailable lease revenue	279	304	(25)	-8.2%
Total Deferred Inflows of Resources	18,242	12,149	6,093	50.2%
Net Position:				
Net investment in capital assets	108,943	72,669	36,274	49.9%
Restricted	5,582	23,173	(17,591)	-75.9%
Unrestricted	102,619	76,180	26,439	34.7%
Total Net Position	$ 217,144	$ 172,021	45,123	26.2%

As of December 31, 2023, the following trends were noted:

- *Current assets compared to current liabilities* – $138.7 million and $139.0 million of current assets were available to meet $18.7 million and $12.6 million of current liabilities due within a year for 2023 and 2022, respectively. The $285,000 net decrease in current assets was primarily due to the decrease in unrestricted cash and investments; the $6.0 million increase in current liabilities was primarily due to an increase in accounts payable and accrued expenses.

- *Inventory and prepaid expenditures* – $440,000 net increase is primarily due to an increase in inventory levels in 2023 compared to 2022 due to continued inflationary and supply chain impacts, as well as increased capacity to store inventory parts.

- *Capital assets, net* – $188.5 million of net capital assets were used to provide transit and trails services. The $56.6 million increase was primarily due to capital investments made related to transit assets and infrastructure, including the ongoing GMF Phases 3, 4, 5, and 7 Expansion project, the 27th Street and SH82 Underpasses project in Glenwood Springs, and the addition of 24 buses offset by annual depreciation and amortization and disposal of fully depreciated transit buses.

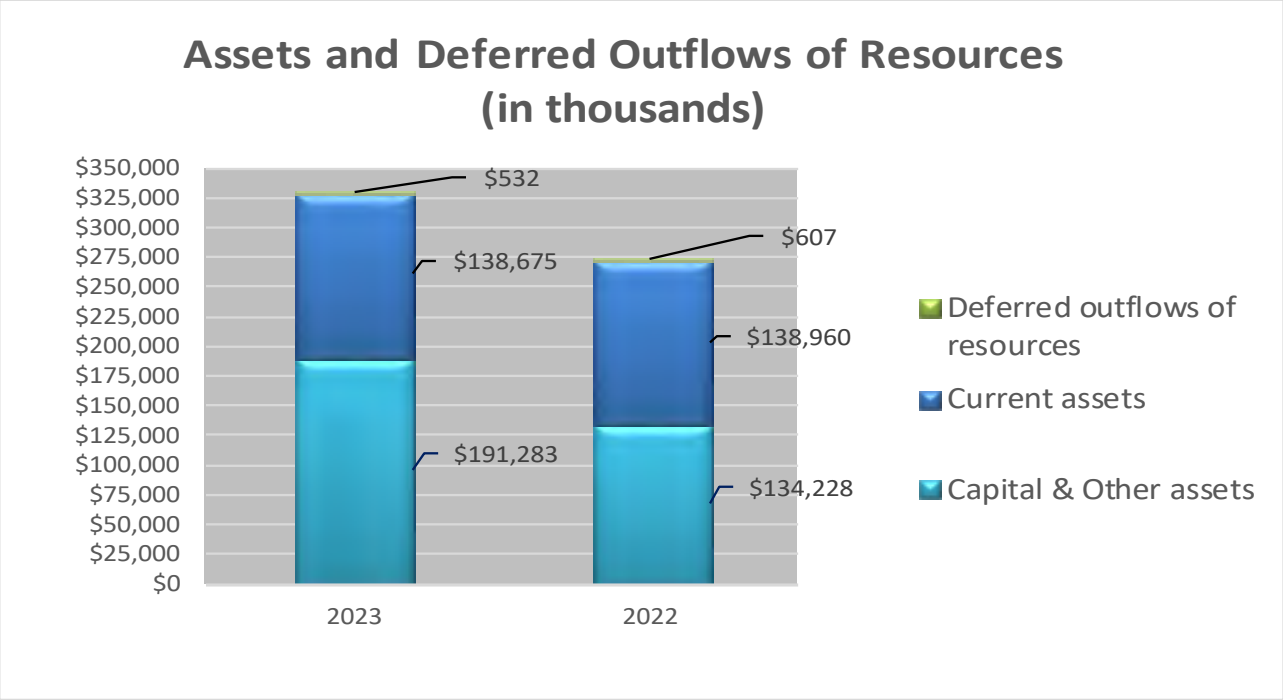
- *Non-current liabilities* – $437,000 decrease was primarily due to payments on existing liabilities. The decrease is due to the addition of 2023 lease-purchase of 6 fleet expansion buses, as well as an increase in lease and subscription liabilities.

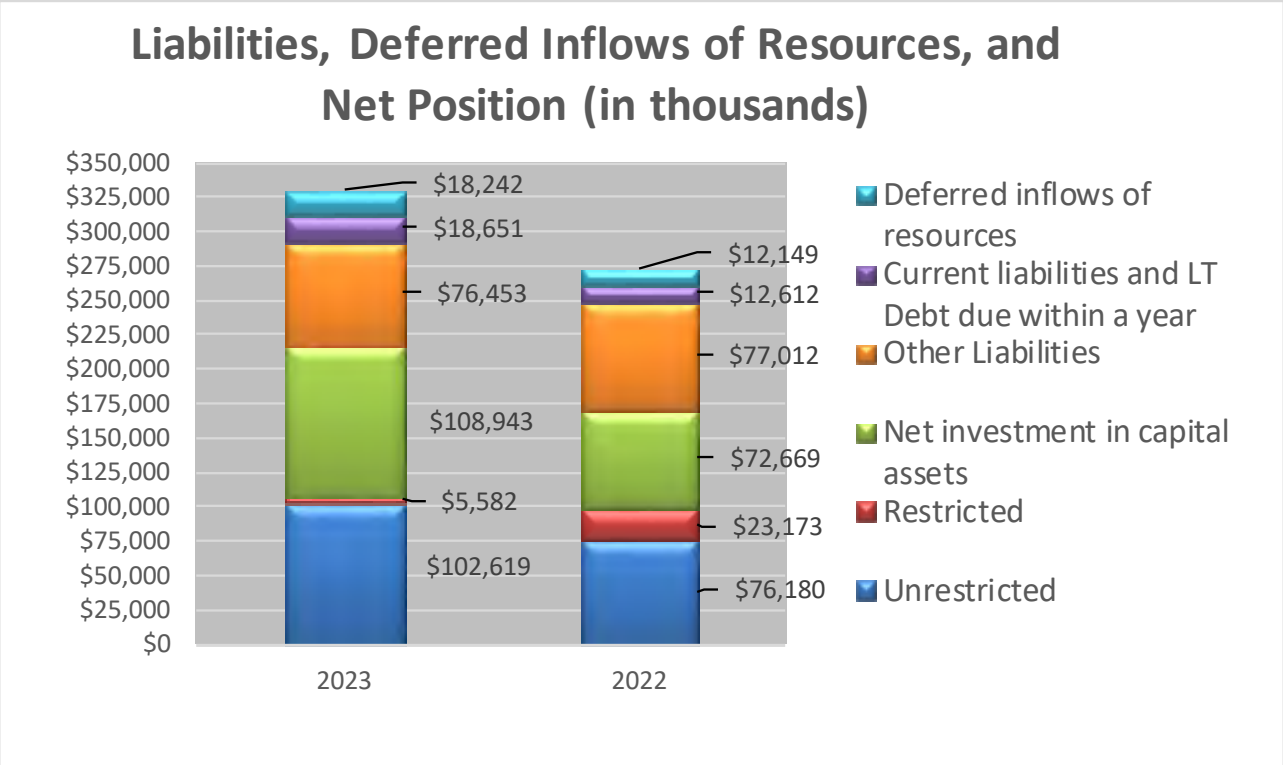
- *Deferred Inflows of Resources* – Unavailable property tax revenue - $6.1 million increase is due to the 2023 tax year being a reassessment year for the uniform mill levy of 2.65 mills for the 2023 tax year collected in 2024. Unavailable lease revenue - $25,000 decrease is due to payments associated with lease revenue received in 2023 in accordance with Governmental Accounting Standard No. 87.

Financial Analysis of the Authority (continued)

- *Total net position* – $45.1 million increase was primarily from capital investments made related to transit assets and infrastructure, increases in sales and use tax, service contracts revenue, capital grant revenue, and investment income.

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





Financial Analysis of the Authority (continued)

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

	2023	2022	$ dif	% dif
Revenues:				
Sales and use tax	$ 41,372	$ 39,800	1,572	3.9%
Property tax	12,330	12,390	(60)	-0.5%
Service contracts	15,713	14,290	1,423	10.0%
Operating revenue	4,992	4,543	449	9.9%
Capital grant revenue	29,646	6,071	23,575	388.3%
Operating grant revenue	1,281	2,831	(1,550)	-54.8%
Local government capital contributions	1,705	356	1,349	378.9%
Local government operating contributions	1,112	560	552	98.6%
Lease revenue	32	32	-	0.0%
Other income	1,491	1,413	78	5.5%
Investment income	5,761	1,859	3,902	209.9%
Total Revenues	$ 115,435	$ 84,145	31,290	37.2%

For the Year Ended December 31, 2023, the following trends were noted:

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

- Property tax revenue was relatively flat due to 2022 tax year, with collections in 2023, not being a reassessment year.

- Service contracts revenue (cost reimbursement contracts) increased primarily due to an overall increase in operational service costs resulting in higher service contract revenue.

- Operating revenue (transit fares and advertising revenue) increased primarily due to higher ridership levels.

- Operating grant revenues decreased to $1.3 million due to lower operating grant amounts awarded and timing of grant reimbursements to the Authority:
  - $1.2 million from Colorado Department of Transportation (CDOT) FASTER 5311 operating grant
  - $50,000 from Colorado Department of Transportation (CDOT) FASTER operating grant for the Hogback service. The total amount awarded was $200,000 and the remaining balance will be received in 2024.

- Capital grants revenues increased by $23.6 million primarily from capital grants received for the GMF Phases 3, 4, 5, and 7 Expansion project, 27th Street and SH82 Underpasses project, and bus replacements:
  - $9.6 million from Federal Transit Administration (FTA) section 5339(b) capital grant for the GMF Phases 3 and 7 Expansion project
  - $7.2 million from FTA BUILD capital grant for GMF Phases 4 and 5 Expansion the project
  - $5.7 million from FTA section 5339(c) capital grant for purchase of twelve transit buses
  - $2.3 million from FTA RAISE grant for 27th Street and SH82 Underpasses project
  - $1.1 million from Colorado Department of Transportation ("CDOT") Multimodal Transportation and Mitigation Options Fund (MMOF) capital grant for 27th Street and SH82 Underpasses project
  - $1.0 million from FTA TAP capital grant for 27th Street and SH82 Underpasses project
  - $2.0 million from FTA section 5339(a) capital grant for purchase of five transit buses
  - $496,000 from FTA section 5311 capital grant for the purchase of two transit bus

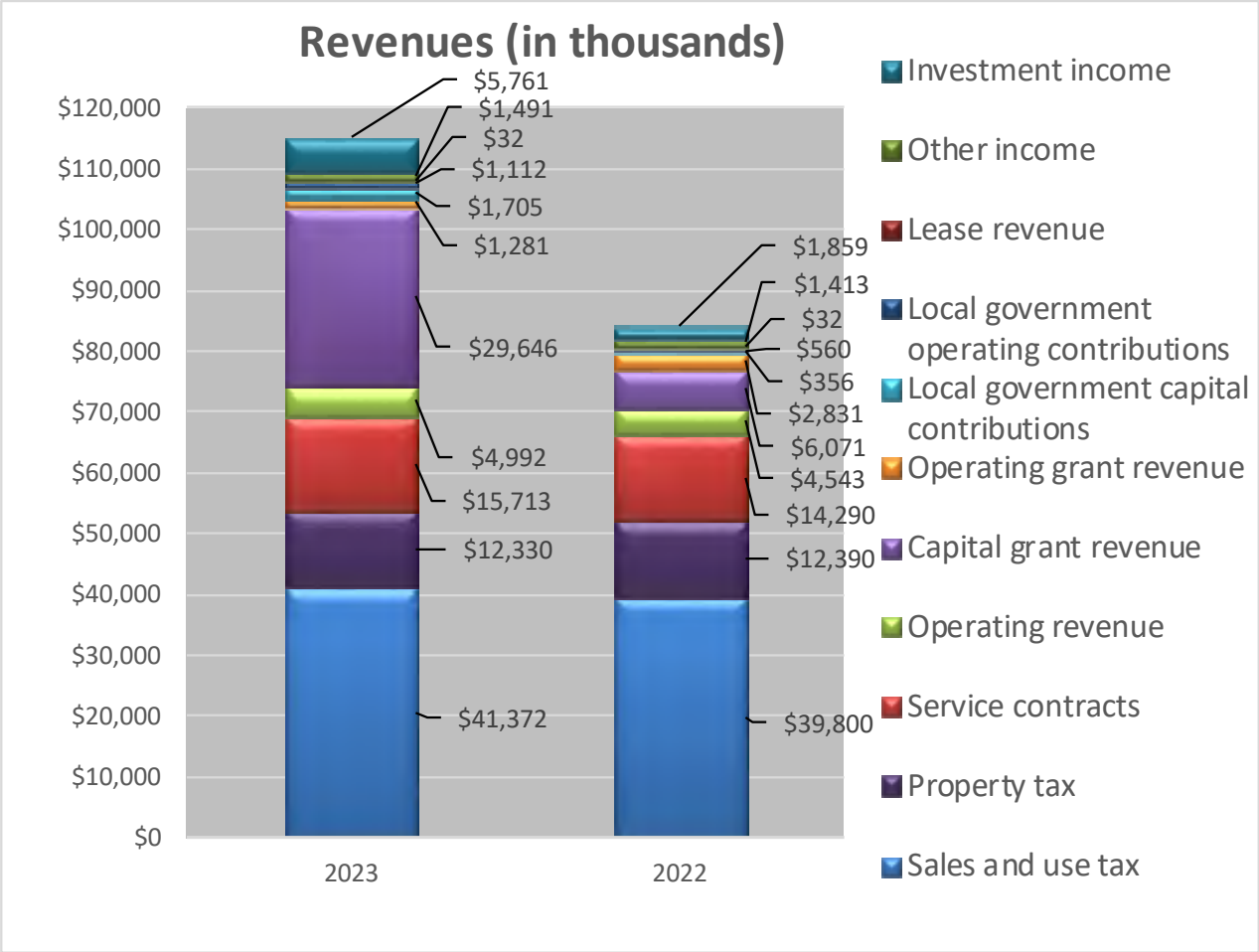
- $101,000 from CDOT FASTER capital grant for On-Route Battery Electric Bus Charger project
- $76,000 from FTA section 5304 planning grant for Zero Emission Vehicle (ZEV) Roadmap project
- $72,000 from FTA section 5339(a) capital grant for the purchase of one Traveler program vehicle

Financial Analysis of the Authority (continued)

- Local government contributions vary from year to year. In 2023, the Authority received a total of $2.8 million in local governments operating and capital contributions:

  - $850,000 from the City of Glenwood Springs for the 27th St Underpass project
  - $733,000 from selected member jurisdictions for their share of the regional bikeshare equipment
  - $550,000 from Garfield County and $20,000 from the City of Rifle for continued Grand Hogback I-70 Corridor bus service
  - $400,000 from Tree Farm Metropolitan District for the addition of parking spaces near bus stops
  - $113,000 from the City of Aspen for the hybrid bus battery
  - $96,000 from Pitkin County for Open Space & Trails for the Wingo Bridge Project
  - $19,000 from Garfield county for assistance with purchase of Traveler program vehicle
  - $40,000 from Garfield county for the Traveler program
  - $20,000 from the City of Rifle for Hogback Transit Service

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



Financial Analysis of the Authority (continued)

	2023	2022	$ dif	% dif
Expenditure:				
Transit operations, maintenance, fuel, and administration	$ 48,838	$ 44,899	3,939	8.8%
Facilities	5,398	4,749	649	13.7%
Trails & corridor management	1,030	747	283	37.9%
First & last mile mobility	1,380	-	1,380	0.0%
Capital outlay	1,916	1,352	564	41.7%
Depreciation and amortization	9,549	8,418	1,131	13.4%
Lease expenditures	42	37	5	13.5%
Subscription expenditures	(15)	-	(15)	0.0%
Debt service	2,934	2,951	(17)	-0.6%
Total Expenditure	71,070	63,152	7,918	12.5%
Other Financing Sources (Uses):				
Transfer to other funds	(4,901)	(4,726)	(175)	3.7%
Transfer from other Funds	4,901	4,726	175	3.7%
Bond premium	829	866	(37)	-4.3%
Gain (loss) on disposal of assets	(70)	17	(87)	-511.8%
Total Other Financing Sources (Uses)	759	882	(123)	-13.9%
Change in Net Position	45,123	21,876	23,247	106.3%
Net Position - Beginning of Year	172,021	150,146	21,875	14.6%
Net Position - End of Year	$ 217,144	$ 172,021	45,123	26.2%

For the Year Ended December 31, 2023, the following trends were noted:

- Transit Operations and Vehicle Maintenance expenditures increased primarily due to increased labor costs for bus operators and mechanics, bus parts, fuel costs, and continued inflationary impacts. Administration costs increased primarily due to higher labor costs, contributions to regional bikeshare program, rental expenses, and training costs. The increased labor costs were primarily due to the ATU wage increase approved by the Authority's Board of Directors effective July 2, 2023.

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

- Trails & Corridor Management expenditures increased due to higher labor, Railroad Corridor land management, and repair and maintenance (including weed management) costs.

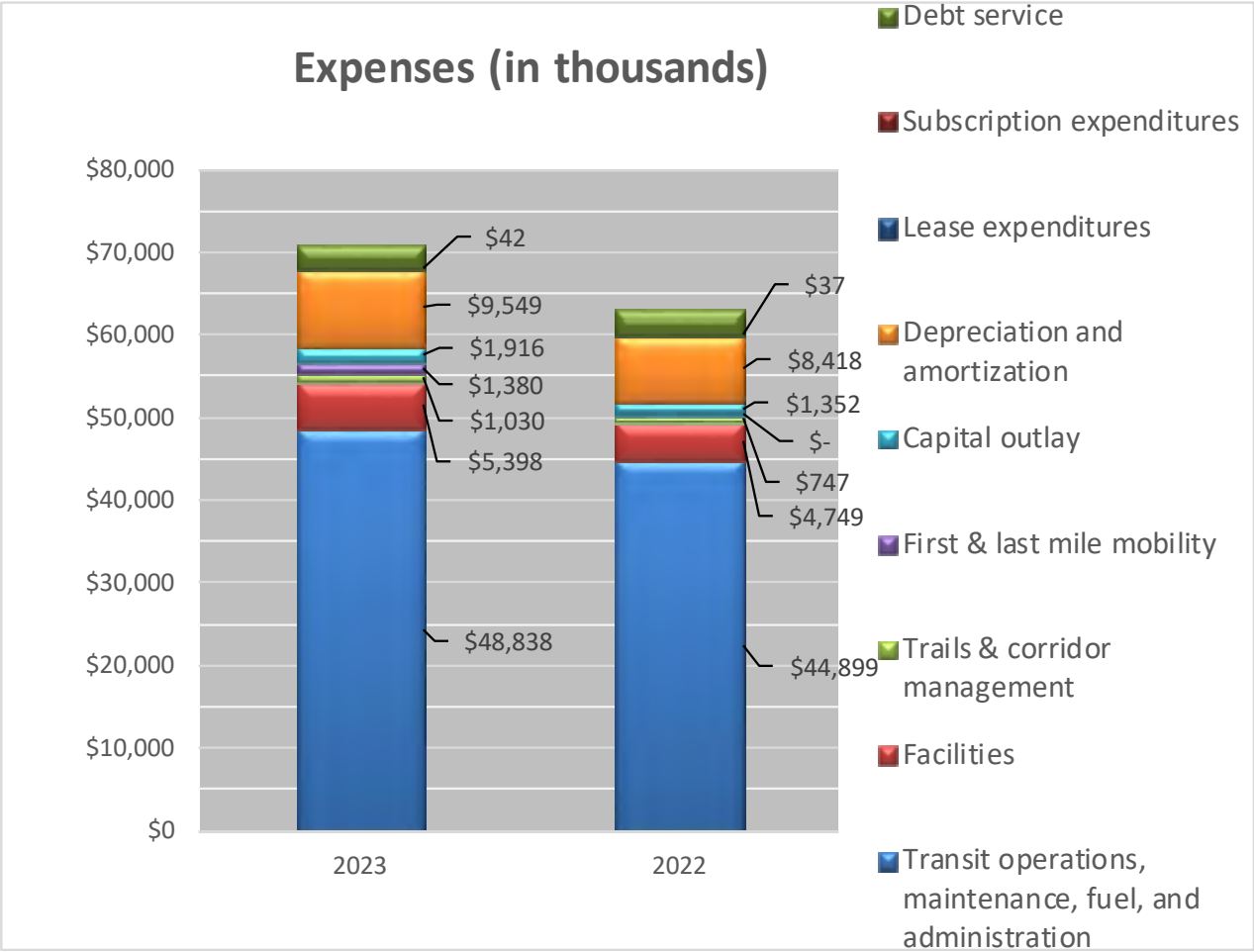
- Capital outlay expenditures increased due to the Authority's contributions towards regional bikeshare replacement equipment, Zero Emission Vehicle (ZEV) project, engines and transmissions costs, and first and last mile mobility assistance.

- Depreciation expenditures increased slightly primarily due to the timing of depreciation for GMF Phase 2 expansion project, Iron Mountain Place, BEB Overhead charging system, mobile ticketing system, radio dispatch console system, and fleet air purification system which were placed in service in 2022, with depreciation starting in 2023.

- Debt service expenditures decreased due to continuing payments related to existing debt.

- Gain (loss) on disposal of fixed assets decreased due to the loss on sale of 2008 Optima bus and 2013 Gillig CNG bus.

Financial Analysis of the Authority (continued)



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

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

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

- Service contracts revenue (cost allocation contracts) provides reimbursement of operating expenditures and a capital contribution for the services provided. The services provided under contract are typically within a limited area. See page B18 for the transit service area map. These services are identified as local circulator services. (see Notes to the Financial Statement, section V.C. Service Agreements);

- Operating revenues consist of transit fares collected on regional service routes; these routes are on the I-70 highway corridor between Rifle and Glenwood Springs, Colorado and State Highway 82 between Glenwood Springs and Aspen, Colorado. See page B18 for a transit service area map;

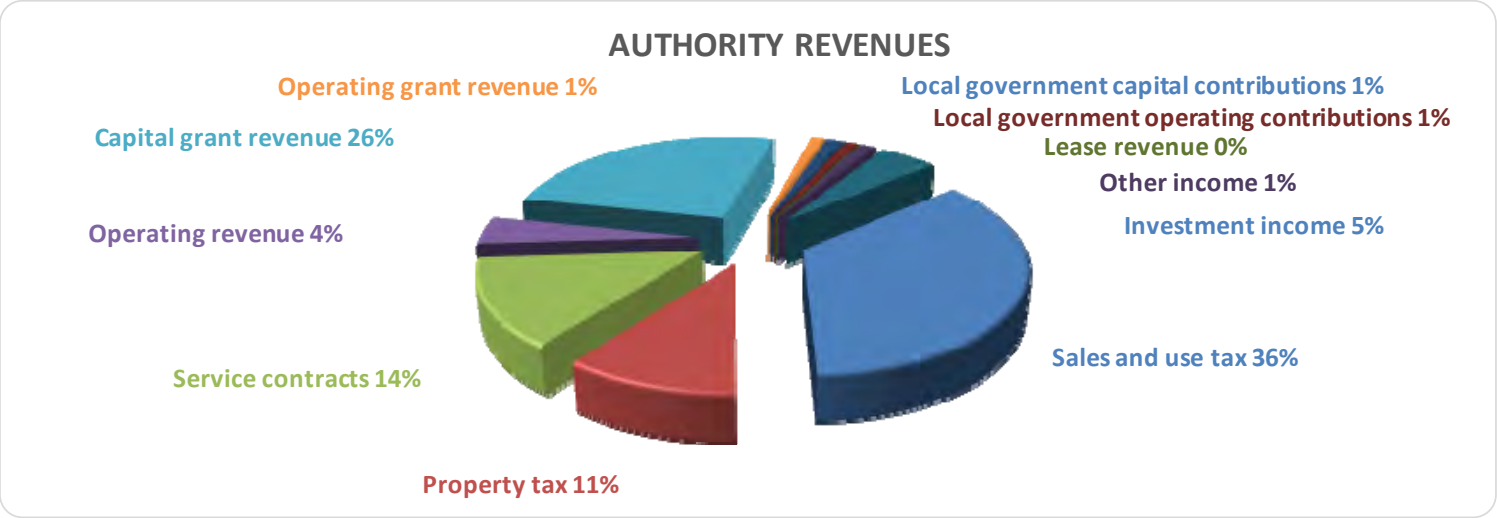
Financial Analysis of the Authority (continued)

- Grant revenues are provided at the Federal or State level and fund capital and operating expenditures; the Authority received $29.6 million and $1.3 million in capital and operating grants, respectively;

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

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

The following chart depicts the Authority's 2023 revenues by percentage:



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

The Authority records the General Government activities as follows:

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

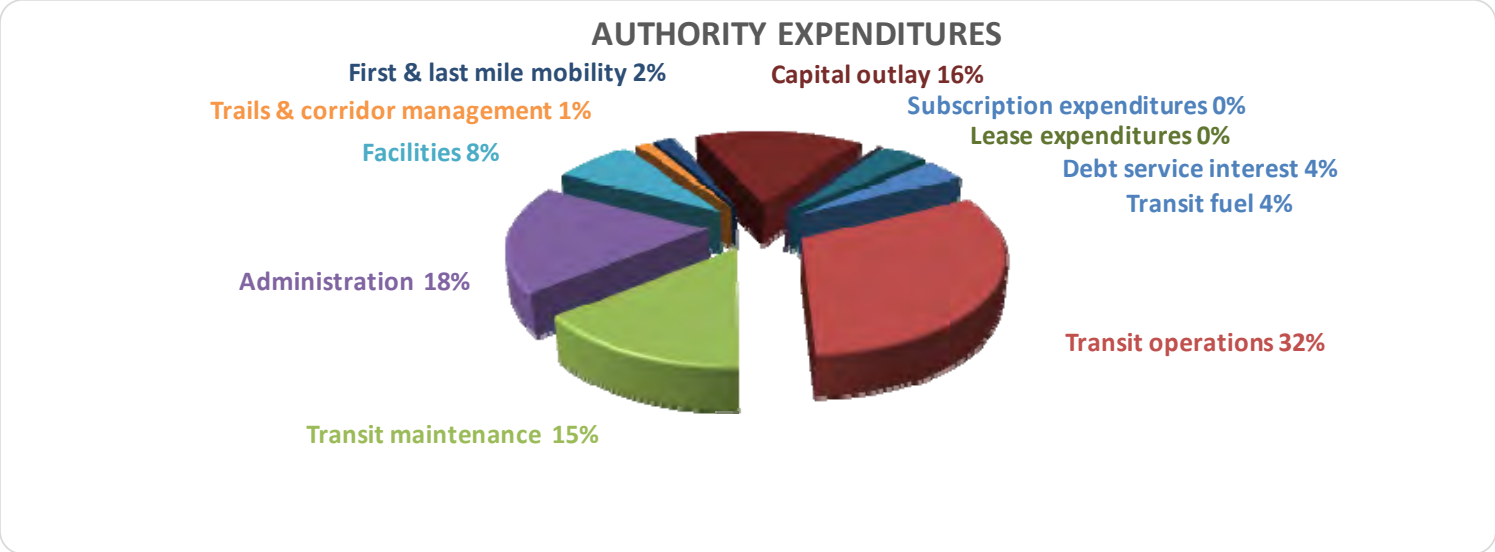
- The Trails and Corridor management line item includes the activities of The Trails and Corridor Management Program and Department;

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

- The First and Last Mile Mobility line item includes the activities for Regional Bikeshare indirect and direct operations, planning, and startup operations.

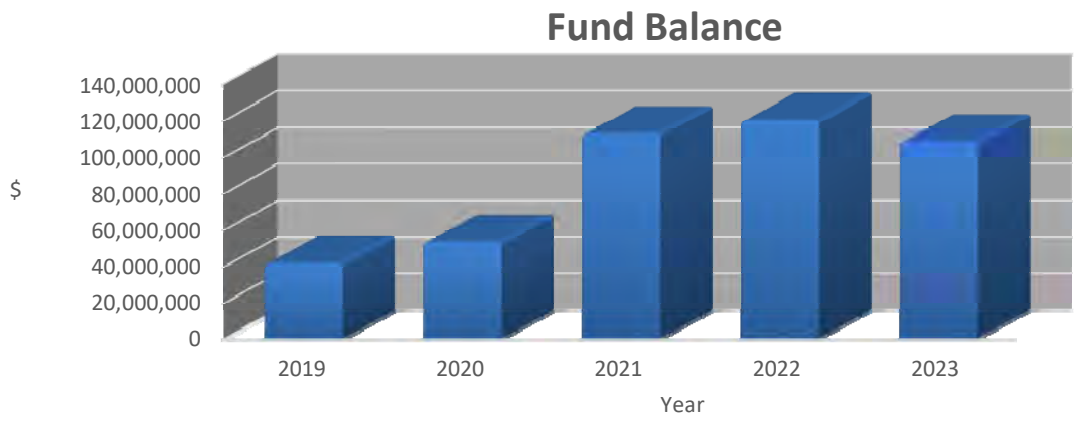
Financial Analysis of the Authority (continued)

The following chart depicts the Authority's 2023 expenditures by percentage:



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

The following chart illustrates fund balances for 2019 – 2023



Financial Analysis of the Authority (continued)

As of December 31, 2023, the Authority's total fund balance was approximately $108.8 million.

- The 2023/2022 decrease was due to the timing of the capital investments, offset by capital grants, in GMF Phases 3,4,5, and 7 Expansion project, 27th Street and SH82 Underpasses project, and the purchase of twenty-four buses.

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

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

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

Major Capital Asset events

Approximately $36.9 million was expended on the GMF Phases 3, 4, 5, and 7 Expansion Project, $8.0 million was expended on 27th Street and SH82 Underpasses project, $1.0 million was expended on construction, design, and contingency costs related to Iron Mountain Place project. Rolling stock expenditures included $7.9 million expended on the purchase of diesel buses and $6.2 million on the purchase of CNG buses. $1.3 million was expended on transit equipment. $1.2 million was expended on Regional Bikeshare equipment, $723,000 was expended on BEB On-Route charger design and construction, $506,000 was expended on various improvements, and $476,000 was expended on GMF Phase 6 Design and Engineering fees.

Financial Analysis of the Authority (continued)

Major Debt events

The Authority, in 2023, entered into a $4.4 million lease to purchase 6 new transit buses. Additional debt information is available in the Notes to the Financial Statements, section IV.G. Other Liabilities.

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

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

The General Fund had an unassigned fund balance of $16.0 million, while total fund balance increased to $107.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.7% of total general fund expenditures, while total fund balance represents 118.6% of the same amount.

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

The Bus Shelter and Park and Ride Special Revenue Fund had a total fund balance of $97,000, out of which $96,000 is restricted by enabling legislation for bus shelter and park and ride expenditure activities and $1,000 is designated as non-spendable.

The Mid Valley Trails Special Revenue Fund had a total fund balance of $379,000, all of which is restricted by enabling legislation to fund trail projects within the Roaring Fork Valley boundaries of Eagle County. The net increase in fund balance was $42,000.

The Capital Projects Fund had a total fund balance of $0. The decrease in fund balance is due to the outflows related to capital projects. $19.4 million was expended on the GMF Phases 3, 4, 5, and 7 Expansion Project.

The Debt Service Fund had a total fund balance of $920,000 representing the required reserves for the 2012A bonds and 2013B loan and interest earned as required by resolution, as well as the debt service payments for the Series 2019 and Series 2021A bonds. The fund received a Qualified Energy Conservation Bond credit of $105,000 on the Series 2012A QECBs, received a Qualified Energy Conservation Bond credit of $27,000 on the Series 2013B Sales Tax Revenue Loan, and a transfer from the General Fund for the remaining balance. Expenditures included $2.5 million of debt service interest expenditures related to these bonds.

General Fund Budgetary Highlights

The Authority's revenues came in over budget by $6.2 million. Expenditures were $3.4 million under budget. Significant budget variances were as follows

Description	Final Budget	Actual	Variance Positive (Negative)	Reason
Revenues:				
Sales and use tax revenue	$ 38,813,900	$ 41,245,890	$ 2,431,990	Better than anticipated/budgeted revenues
Property tax revenue	11,843,939	12,330,007	486,068	Better than anticipated/budgeted revenues
Operating revenues	4,243,700	4,983,839	740,139	Due to higher than anticipated ridership
Investment income	2,609,300	5,090,228	2,480,928	Due to increase in interest rates
Expenditures:				
Transit Fuel	$ 2,490,037	$ 1,743,640	$ 746,397	Lower than expected transit fuel usage due to service modifications
Transit operations	16,790,863	16,435,926	354,937	Savings due to vacant job positions and service modifications
Transit maintenance	8,111,254	7,472,862	638,392	Savings due to vacant job positions and lower than anticipated maintenance costs
Administration	10,001,426	8,703,890	1,297,536	Savings due to vacant job positions, lower than anticipated general liability insurance costs and overall operating costs
Facilities	3,706,344	3,074,435	631,909	Lower than anticipated operating and maintenance costs
Capital outlay	48,444,024	48,818,460	(374,436)	Timing of capital projects and implementation of GASB 96

Subsequent Year's Budget

- The Authority ended the year with a combined ending fund balance of $108.8 million. The 2024 amended budget, as of Resolution 2024-08, anticipates a net decrease of $29.0 million in the General Fund, net decrease of $118,400 in the Special Revenue Funds, and no changes to the Capital Projects Fund and Debt Service Fund.

- Management continues to review and monitor increasing health care and labor costs. Affordable housing inventory continues to be a challenge and RFTA is currently evaluating its housing program. With the capital-intensive nature of the transit industry, management continues to develop funding strategies for short and long-term capital replacement and improvement needs.

Request for Information

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

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

Roaring Fork Transportation Authority

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Roaring Fork Transportation Authority
Balance Sheet/Statement of Net Position
December 31, 2023

	Funds Financial Statements								
	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets:									
Cash and cash equivalents - unrestricted	$ 3,474,867	$ -	$ -	$ -	$ -	$ -	$ 3,474,867	$ -	$ 3,474,867
Cash and cash equivalents - restricted	-	-	-	-	-	-	-	44,633	44,633
Investments	99,302,369	-	74,897	368,506	-	919,718	100,665,490	-	100,665,490
Accounts receivable	266,625	10,041	-	-	-	-	276,666	-	276,666
Property taxes receivable	17,963,377	-	-	-	-	-	17,963,377	-	17,963,377
Due from other funds	2,054,765	833	169,228	1,653	4,004	-	2,230,483	-	2,230,483
Due from other governments	11,479,477	2,213,573	33,774	10,470	-	-	13,737,294	-	13,737,294
Leases receivable	282,814	-	-	-	-	-	282,814	-	282,814
Prepaid expenses	1,068,713	12,378	1,306	-	-	-	1,082,397	-	1,082,397
Inventory	1,702,391	-	-	-	-	-	1,702,391	-	1,702,391
Capital assets	-	-	-	-	-	-	-	269,980,535	269,980,535
Lease assets	-	-	-	-	-	-	-	1,949,521	1,949,521
Intangible subscription assets								791,301	791,301
Accumulated depreciation and amortization	-	-	-	-	-	-	-	(84,223,832)	(84,223,832)
Total Assets	137,595,398	2,236,825	279,205	380,629	4,004	919,718	141,415,779	188,542,158	329,957,937
Deferred Outflows of Resources:									
Deferred refunding costs, net of amortization	-	-	-	-	-	-	-	532,165	532,165
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	532,165	532,165
Liabilities:									
Accounts payable	7,595,193	834	180,559	1,652	4,004	-	7,782,242	-	7,782,242
Due to other funds	175,718	2,054,765	-	-	-	-	2,230,483	-	2,230,483
Accrued expenses	4,213,671	181,226	1,442	-	-	-	4,396,339	58,010	4,454,349
Accrued compensated absences	-	-	-	-	-	-	-	3,019,705	3,019,705
Accrued interest	-	-	-	-	-	-	-	271,563	271,563
Non-current liabilities:									
Due within one year	-	-	-	-	-	-	-	3,912,735	3,912,735
Due longer than one year	-	-	-	-	-	-	-	73,433,030	73,433,030
Total Liabilities	11,984,582	2,236,825	182,001	1,652	4,004	-	14,409,064	80,695,043	95,104,107
Deferred Inflows of Resources:									
Unavailable property tax revenue	17,963,377	-	-	-	-	-	17,963,377	-	17,963,377
Unavailable lease revenue	278,549	-	-	-	-	-	278,549	-	278,549
Total Deferred Inflows of Resources	18,241,926	-	-	-	-	-	18,241,926	-	18,241,926
Fund Balance/Net Position:									
Fund Balance:									
Non-spendable fund balance	2,771,104	12,378	1,306	-	-	-	2,784,788	(2,784,788)	
Restricted fund balance	4,187,343	-	95,898	378,977	-	919,718	5,581,936	(5,581,936)	
Committed fund balance	84,374,879	-	-	-	-	-	84,374,879	(84,374,879)	
Unassigned fund balance	16,035,564	(12,378)	-	-	-	-	16,023,186	(16,023,186)	
Total Fund Balance	$ 107,368,890	$ -	$ 97,204	$ 378,977	$ -	$ 919,718	$ 108,764,789	(108,764,789)	
Net Position:									
Net investment in capital assets								108,943,103	108,943,103
Restricted								5,581,936	5,581,936
Unrestricted								102,619,030	102,619,030
Total Net Position								$ 217,144,069	$ 217,144,069

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

Roaring Fork Transportation Authority
Statement of Revenues, Expenditures and Changes in Fund Balance/ Statement of Activities
For the Year Ended December 31, 2023

	Funds Financial Statements								
	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	SRF Mid Valley Trails	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues:									
Sales and use tax revenue	$ 41,245,890	$ -	$ -	$ 126,376	$ -	$ -	$ 41,372,266	$ -	$ 41,372,266
Property tax revenue	12,330,007	-	-	-	-	-	12,330,007	-	12,330,007
Service contracts	-	15,712,547	-	-	-	-	15,712,547	-	15,712,547
Operating revenue	4,983,839	8,100	-	-	-	-	4,991,939	-	4,991,939
Capital grant revenue	29,645,707	-	-	-	-	-	29,645,707	-	29,645,707
Operating grant revenue	1,251,407	30,000	-	-	-	-	1,281,407	-	1,281,407
Local government capital contributions	1,704,514	-	-	-	-	-	1,704,514	-	1,704,514
Local government operating contributions	1,111,705	-	-	-	-	-	1,111,705	-	1,111,705
Lease revenue	32,349	-	-	-	-	-	32,349	-	32,349
Other income	775,816	-	545,349	-	-	132,112	1,453,277	37,333	1,490,610
Investment income	5,090,228	-	3,664	19,616	521,284	126,666	5,761,458	-	5,761,458
Total Revenues	98,171,462	15,750,647	549,013	145,992	521,284	258,778	115,397,176	37,333	115,434,509
Expenditures/Expenses:									
Transit fuel	1,743,640	947,350	-	-	-	-	2,690,990	-	2,690,990
Transit operations	16,435,926	6,402,941	-	-	-	-	22,838,867	(122,352)	22,716,515
Transit maintenance	7,472,862	2,988,631	-	-	-	-	10,461,493	-	10,461,493
Administration	8,703,890	4,265,509	-	-	-	-	12,969,399	-	12,969,399
Facilities	3,074,435	1,170,874	1,152,292	-	-	-	5,397,601	-	5,397,601
Trails and corridor management	926,173	-	-	103,910	-	-	1,030,083	-	1,030,083
First and last mile mobility	1,379,702	-	-	-	-	-	1,379,702	-	1,379,702
Capital outlay	48,818,460	-	-	-	19,359,256	-	68,177,716	(66,261,921)	1,915,795
Depreciation and amortization	-	-	-	-	-	-	-	9,548,965	9,548,965
Lease expenditures	161,844	82,228	-	-	-	-	244,072	(202,480)	41,592
Subscription expenditures	102,333	51,992	-	-	-	-	154,325	(169,812)	(15,487)
Debt service:									
Principal	1,321,951	-	-	-	-	1,945,000	3,266,951	(3,266,951)	-
Interest	368,897	-	-	-	-	2,452,388	2,821,285	94,565	2,915,850
Cost of issuance	17,994	-	-	-	-	-	17,994	-	17,994
Total Expenditures/Expenses	90,528,107	15,909,525	1,152,292	103,910	19,359,256	4,397,388	131,450,478	(60,379,986)	71,070,492
Excess (Deficiency) of Revenues Over Expenditures/ Expenses	7,643,355	(158,878)	(603,279)	42,082	(18,837,972)	(4,138,610)	(16,053,302)	60,417,319	44,364,017
Other Financing Sources (Uses):									
Transfer to other funds	(4,900,767)	-	-	-	-	-	(4,900,767)	-	(4,900,767)
Transfer from other funds	-	158,878	603,279	-	-	4,138,610	4,900,767	-	4,900,767
Bond premium	-	-	-	-	-	-	-	828,832	828,832
Gain (loss) on disposal of assets	27,935	-	-	-	-	-	27,935	(98,160)	(70,225)
Financing note issuance	3,465,770	-	-	-	-	-	3,465,770	(3,465,770)	-
Long-term lease issuance	423,626	-	-	-	-	-	423,626	(423,626)	-
Long-term subscription issuance	791,301	-	-	-	-	-	791,301	(791,301)	-
Total Other Financing Sources (Uses)	(192,135)	158,878	603,279	-	-	4,138,610	4,708,632	(3,950,025)	758,607
Change in Fund Balance/Net Position	7,451,220	-	-	42,082	(18,837,972)	-	(11,344,670)	56,467,294	45,122,624
Fund Balance/Net Position:									
Beginning of Year	99,917,670	-	97,204	336,895	18,837,972	919,718	120,109,459		172,021,445
End of Year	$ 107,368,890	$ -	$ 97,204	$ 378,977	$ -	$ 919,718	$ 108,764,789		$ 217,144,069

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

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

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Sales and use tax revenue	$ 36,813,900	$ 38,813,900	$ 41,245,890	$ 2,431,990
Property tax revenue	11,843,939	11,843,939	12,330,007	486,068
Operating revenue	4,243,700	4,243,700	4,983,839	740,139
Capital grant revenue	-	29,645,708	29,645,707	(1)
Operating grant revenue	1,401,678	1,251,407	1,251,407	-
Local government capital contributions	736,142	1,703,143	1,704,514	1,371
Local government operating contributions	610,000	1,130,000	1,111,705	(18,295)
Lease revenue	-	32,349	32,349	-
Other income	997,300	712,951	775,816	62,865
Investment income	409,300	2,609,300	5,090,228	2,480,928
Total Revenues	57,055,959	91,986,397	98,171,462	6,185,065
Expenditures:				
Transit fuel	2,579,765	2,490,037	1,743,640	746,397
Transit operations	15,915,863	16,790,863	16,435,926	354,937
Transit maintenance	8,111,254	8,111,254	7,472,862	638,392
Administration	10,614,625	10,001,426	8,703,890	1,297,536
Facilities	3,241,709	3,706,344	3,074,435	631,909
Trails and corridor management	944,890	944,890	926,173	18,717
First and last mile mobility	1,455,818	1,455,818	1,379,702	76,116
Capital outlay	7,465,823	48,444,024	48,818,460	(374,436)
Lease expenditures	-	161,844	161,844	-
Subscription expenditures	-	102,333	102,333	-
Debt service:				
Principal	1,506,618	1,321,951	1,321,951	-
Interest	394,215	368,898	368,897	1
Cost of issuance	-	17,994	17,994	-
Total Expenditures	52,230,580	93,917,676	90,528,107	3,389,569
Excess (Deficiency) of Revenues Over Expenditures	4,825,379	(1,931,279)	7,643,355	9,574,634
Other Financing Sources / (Uses)				
Transfer to other funds	(5,179,954)	(5,262,554)	(4,900,767)	361,787
Gain on disposal of assets	-	-	27,935	27,935
Financing note issuance	-	3,465,770	3,465,770	-
Long-term lease issuance	-	-	423,626	423,626
Long-term subscription issuance	-	-	791,301	791,301
Total Other Financing Sources / (Uses)	(5,179,954)	(1,796,784)	(192,135)	1,604,649
Change in Fund Balance	$ (354,575)	$ (3,728,063)	7,451,220	$ 11,179,283
Fund Balance:				
Beginning of Year			99,917,670	
End of Year			$ 107,368,890	

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

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Service Contracts Fund
Special Revenue Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Service contracts	$ 15,682,641	$ 15,682,641	$ 15,712,547	$ 29,906
Operating revenue	-	-	8,100	8,100
Operating grant revenue	30,000	30,000	30,000	-
Total Revenues	15,712,641	15,712,641	15,750,647	38,006
Expenditures:				
Transit fuel	950,462	947,350	947,350	-
Transit operations	14,863,069	6,378,947	6,402,941	(23,994)
Transit maintenance	32,000	2,988,631	2,988,631	-
Administration	40,000	4,265,509	4,265,509	-
Facilities	-	1,170,874	1,170,874	-
Lease expenditures	-	82,228	82,228	-
Subscription expenditures	-	51,992	51,992	-
Total Expenditures	15,885,531	15,885,531	15,909,525	(23,994)
Excess (Deficiency) of Revenues Over Expenditures	(172,890)	(172,890)	(158,878)	14,012
Other Financing Sources / (Uses)				
Transfers from other funds	172,890	172,890	158,878	(14,012)
Total Other Financing Sources / (Uses)	172,890	172,890	158,878	(14,012)
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance:				
Beginning of Year			-	
End of Year			$ -	

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

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bus Shelter/PNR Fund
Special Revenue Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Other income	$ 416,100	$ 514,100	$ 545,349	$ 31,249
Investment income	-	-	3,664	3,664
Total Revenues	416,100	514,100	549,013	34,913
Expenditures:				
Facilities	1,156,776	1,337,376	1,152,292	185,084
Total Expenditures	1,156,776	1,337,376	1,152,292	185,084
Excess (Deficiency) of Revenues Over Expenditures	(740,676)	(823,276)	(603,279)	219,997
Other Financing Sources / (Uses)				
Transfers from Other Funds	740,676	823,276	603,279	(219,997)
Total Other Financing Sources / (Uses)	740,676	823,276	603,279	(219,997)
Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance:				
Beginning of Year			97,204	
End of Year			$ 97,204	

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

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Mid Valley Trails Fund
Special Revenue Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Sales and use tax revenue	$ 110,000	$ 110,000	$ 126,376	$ 16,376
Investment income	-	-	19,616	19,616
Total Revenues	110,000	110,000	145,992	35,992
Expenditures:				
Administration	21,200	16,200	-	16,200
Trails & corridor management	103,022	108,022	103,910	4,112
Total Expenditures	124,222	124,222	103,910	20,312
Change in Fund Balance	$ (14,222)	$ (14,222)	42,082	$ 56,304
Fund Balance:				
Beginning of Year			336,895	
End of Year			$ 378,977	

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

Roaring Fork Transportation Authority

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements

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

2. Fund Financial Statements

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

The Authority reports six funds:

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

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

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

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

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents, and Investments

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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

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

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

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

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

2. Receivables

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

3. Property Taxes

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

4. Inventory

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

5. Prepaid Items

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

6. Compensated Absences

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

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

At year end, the estimated value of accumulated compensated absence leave, including the Authority's portion of employment costs, is $3,019,705.

7. Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, and vehicles, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of $10,000, or $5,000 for Federal grant funded capital assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Non-Current Liabilities

Non-current liabilities consist of bonds payable, financing notes, long-term leases, long-term subscriptions, bond premiums and discounts. Bonds payable are reported net of the applicable bond premium or discount. These premiums and discounts are amortized over the life of the applicable bonds using the bonds outstanding method. At December 31, 2023, the Authority had $67,919,128 of bonds payable, financing notes, long-term leases and long-term subscriptions, of which $64,006,393 is due longer than one year.

9. Leases

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

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

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

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

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Leases (continued)

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

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

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

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

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

10. Subscription Based Information Technology Arrangements (SBITAs)

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

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

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

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

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Subscription Based Information Technology Arrangements (SBITAs) (continued)

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

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

11. Deferred Inflows and Outflows of Resources

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

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

12. Categories and Classification of Fund Balance

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Categories and Classification of Fund Balance (continued)

The Authority classifies governmental fund balances as follows:

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

2. **Spendable Fund Balance:**

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

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

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

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

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

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

The Service Contracts Fund has a negative unassigned fund balance of $12,378 at December 31, 2023 due to the restriction of fund balance for prepaid items, categorized as non-spendable fund balance.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Categories and Classification of Fund Balance (continued)

The following are fund definitions:

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

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

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

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

E. Significant Accounting Policies

1. Use of Estimates

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

2. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

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

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

Capital assets	$ 269,980,535	
Lease assets	1,949,521	
Intangible subscriptions	791,301	
Accumulated depreciation	(83,700,211)	
Accumulated amortization	(523,621)	
		$ 188,497,525

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

Deferred costs on bond refunding	$ 532,165	
		$ 532,165

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

Bonds payable	$ (56,500,000)	
Financing notes payable	(9,166,881)	
Long-term leases payable	(1,630,758)	
Long-term subscriptions payable	(621,489)	
Unamortized bond issuance premiums	(9,426,637)	
Accrued interest payable	(271,563)	
Accrued general liability claims	(58,010)	
Accrued compensated absences	(3,019,705)	
		$ (80,695,043)

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

Restricted cash and cash equivalents	$ 44,633	
		$ 44,633

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

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

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

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

Capital additions	$ 66,261,921	
Depreciation expense	(9,156,135)	
Amortization expense	(392,830)	
Loss on disposal of capital assets	(98,160)	
		$ 56,614,796

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

Net change in restricted cash and cash equivalents	$ 833	
		$ 833

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

Net change in general insurance claims	$ 36,500	
Net change in compensated absences	122,352	
		$ 158,852

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

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

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

Proceeds from financing notes	$ (3,465,770)	
Proceeds from long-term leases	(423,625)	
Proceeds from long-term subscriptions	(791,301)	
Principal repayments - bonds payable	2,320,000	
Principal repayments - financing notes	946,951	
Principal repayments - long-term leases	202,480	
Principal repayments - long-term subscriptions	169,812	
Amortization on bond premiums	828,828	
Amortization on bond refunding costs	(74,788)	
Net change to accrued interest	(19,773)	
		$ (307,186)

III. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

In the fall of each year, the Authority's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with U.S. GAAP. The Authority followed the required timetable noted below in preparing, approving, and enacting its budget for 2023.

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

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

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

III. Stewardship, Compliance, and Accountability (continued)

A. Budgets and Budgetary Accounting (continued)

All appropriations lapse at year end. During the year, the following supplemental appropriation resolutions were adopted by the Authority. The budgetary comparison statements reflect the original budget and the final budget after legally authorized revisions were made. As a result of the supplementary budget appropriations, the 2023 appropriations were increased (decreased) as follows:

Resolution	General Fund	SRF Service Contracts	SRF Bus Shelter/ PNR	Capital Projects Fund	Total
Original Appropriation					$ 78,974,450
Changes to annual appropriations:					
Resolution No. 2023-03	$ 12,392,271	$ -	$ -	$ -	12,392,271
Resolution No. 2023-10	78,361,864	-	-	18,837,972	97,199,836
Resolution No. 2023-14	7,427,712	-	180,600	-	7,608,312
Resolution No. 2024-07	(56,412,151)	-	-	521,284	(55,890,867)
Total changes to annual appropriations	$ 41,769,696	$ -	$ 180,600	$ 19,359,256	61,309,552
Final Appropriation					$ 140,284,002

B. Excess of Expenditures over Appropriations

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

The Authority's Service Contract Special Revenue Fund had expenditures in excess of appropriations of $23,994. Expenditures are budgeted based upon estimated levels of contracted transit service and are funded entirely by revenues from service contract customers. The current year, actual transit service levels were higher than anticipated resulting in expenditures in excess of appropriations.

C. TABOR Amendment

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

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year revenue. As required by TABOR, the Authority has restricted $2,945,254 of its fund balance in the General Fund for emergencies, which is the approximate required reserve at December 31, 2023.

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

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

	Standard & Poors Rating	Carrying Amounts	Less than one year	Less than five years
Deposits:				
Cash on Hand	Not Rated	$ 41,628	$ 41,628	$ -
Checking and Savings	Not Rated	3,433,239	3,433,239	-
Deposits held by Pitkin County Treasurer	Not Rated	44,633	44,633	-
Total Deposits		3,519,500	3,519,500	-
Local Government Investment Pools	AAAm	100,665,490	100,665,490	-
Total Investments		100,665,490	100,665,490	-
Total		$ 104,184,990	$ 104,184,990	$ -

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

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

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

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

Investments Measured at Net Asset Value	
Colotrust	$ 53,060,999
Investments Measured at Amortized Cost	
CSIP	47,604,491
Total Investments	$ 100,665,490

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

B. Receivables

Accounts receivable is due primarily from pass sales and insurance reimbursements in 2023. Due from other Governments consists of amounts due from the Federal and State Government and other local entities, including sales and use tax. The Authority has recorded no allowance for doubtful accounts at December 31, 2023 and anticipates the collection of all receivables.

C. Leases Receivable

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

Changes in the Authority's leases receivable consisted of the following for the year ended December 31, 2023:

	12/31/22	Increases	Decreases	12/31/23	Receivable within one year
Long-term leases receivable:					
Verizon Wireless	$ 95,510	$ -	$ (11,445)	$ 84,065	$ 11,718
AT&T Wireless	210,548	-	(11,799)	198,749	12,081
Long-term receivables	$ 306,058	$ -	$ (23,244)	$ 282,814	$ 23,799

The Authority recognized the following lease revenues during the year:

	General Fund	Total
Lease revenue:		
Principal	$ 25,377	$ 25,377
Interest	6,972	6,972
Total	$ 32,349	$ 32,349

IV. Detailed Notes on All Funds (continued)

C. Leases Receivable (continued)

The following lease receivables were outstanding as of December 31, 2023:

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

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

D. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	12/31/22	Increases	Decreases	12/31/23
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in progress	$ 11,578,395	$ 47,334,042	$ (281,060)	$ 58,631,377
Land and improvements	26,659,349	-	-	26,659,349
Total Capital Assets, Not Being Depreciated	38,237,744	47,334,042	(281,060)	85,290,726
Other capital assets:				
Buildings	8,372,047	-	-	8,372,047
Improvements other than buildings	76,436,716	696,153	(329,241)	76,803,628
Equipment	87,057,764	17,297,859	(4,841,489)	99,514,134
Lease assets: buildings	1,525,895	423,626	-	1,949,521
Intangible subscriptions	-	791,301	-	791,301
Total Other Capital Assets	173,392,422	19,208,939	(5,170,730)	187,430,631
Less accumulated depreciation for:				
Buildings	(5,216,510)	(229,130)	-	(5,445,640)
Improvements other than buildings	(25,223,617)	(3,138,227)	329,241	(28,032,603)
Equipment	(49,176,518)	(5,788,778)	4,743,328	(50,221,968)
Less accumulated amortization for:				
Lease assets	(130,791)	(224,778)	-	(355,569)
Intangible subscriptions	-	(168,052)	-	(168,052)
Total Accumulated Depreciation and Amortization	(79,747,436)	(9,548,965)	5,072,569	(84,223,832)
Total Other Capital Assets, Net	93,644,986	9,659,974	(98,161)	103,206,799
Governmental Activities Capital Assets, Net	$ 131,882,730	$ 56,994,016	$ (379,221)	$ 188,497,525

IV. Detailed Notes on All Funds (continued)

E. Interfund Transfers

Interfund balances as of December 31, 2023 are comprised of the following interfund transfers:

	Transfer In:			
Transfer Out:	**SRF Service Contracts**	**SRF Bus Shelter/ PNR**	**Debt Service Fund**	**Total**
General Fund	$ 158,878	$ 603,279	$ 4,138,610	$ 4,900,767
Total	$ 158,878	$ 603,279	$ 4,138,610	$ 4,900,767

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

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

At December 31, 2023, the fund balance of the Authority's General Fund was restricted and committed for the following:

Non-spendable for inventory and prepaids	$ 2,771,104
Restricted for TABOR reserve	2,945,254
Restricted for Grant reserves	287,621
Restricted for Capital project	554,468
Restricted for Tree farm PUD (Parking)	400,000
Committed for Transit	47,104,701
Committed for Trails	3,642,980
Committed for Facilities	13,046,920
Committed for Operating reserves	12,688,632
Committed for First- and Last- Mile Mobility	7,891,646
Total	$ 91,333,326

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

At December 31, 2023, the fund balance of the Debt Service Fund was restricted for the following:

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

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

G. Other Liabilities

1. Sales Tax Revenue Bonds

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

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

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

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

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

1. Sales Tax Revenue Bonds (continued)

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

2. Sales Tax Revenue Loans

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

3. Property Tax Revenue Bonds

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

4. Financing Notes

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

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

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

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

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

4. Financing Notes (continued)

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

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

5. Long-Term Leases

Related to leased assets, the Authority has the following outstanding agreements as of December 31, 2023:

Burlingame Housing Inc: In 2000, the Authority entered into a 32-year lease agreement as lessee for 10 two-bedroom units for the seasonal period September through April each year plus 4 one-bedroom units for year-round use. The lease calls for monthly payments of $910 per two-bedroom unit plus $800 per one-bedroom unit and bears interest of 2.36%. The monthly rent is subject to annual increases approved by the Aspen/Pitkin County Housing Authority but not to exceed 10% in any one year.

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

HNH Blake, LLC: In 2023, the Authority entered into a 4-year lease agreement as lessee for 1500 square feet of office space located at 1517 Blake Street, Suite 202, in Glenwood Springs, CO. The lease calls for monthly payments of $2,750 increasing 3% annually starting June 1, 2025 and bears interest of 2.74%.

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

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

	General Fund	SRF Service Contracts	Total
Lease expenditures:			
Principal	$ 134,265	$ 68,215	$ 202,480
Interest	26,433	13,430	39,863
Variable	1,146	583	1,729
Total	$ 161,844	$ 82,228	$ 244,072

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

6. Long-Term Subscriptions

Related to intangible subscription assets, the Authority has the following outstanding agreements as of December 31, 2023:

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

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

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

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

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

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

	General Fund	SRF Service Contracts	Total
Subscription expenditures:			
Principal	$ 112,603	$ 57,209	$ 169,812
Interest	13,994	7,110	21,104
Variable	(24,264)	(12,327)	(36,591)
Total	$ 102,333	$ 51,992	$ 154,325

7. Debt Requirements

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

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

8. Authorized Unissued Debt

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

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

After issuance of the Series 2021A property tax revenue bonds, the Authority had $45,895,000 remaining authorized unissued debt, of the approved $74,675,000, as of December 31, 2023.

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

9. Changes in Debt

The Authority had the following changes in its outstanding debt:

	12/31/22	Increases	Decreases	12/31/23	Due within one year
Bonds payable:					
Sales tax revenue bonds:					
Series 2012A	$ 3,590,000	$ -	$ (340,000)	$ 3,250,000	$ 345,000
Series 2019	22,390,000	-	(1,025,000)	21,365,000	1,080,000
Series 2020	3,765,000	-	(375,000)	3,390,000	400,000
Property tax revenue bonds:					
Series 2021A	28,295,000	-	(505,000)	27,790,000	525,000
Loans payable:					
Taxable sales/use tax revenue loans:					
Series 2013B	780,000	-	(75,000)	705,000	80,000
Financing notes payable:					
2008 Parker House	832,531	-	(139,208)	693,323	145,443
1340 Main Street, Carbondale	550,311	-	(52,364)	497,947	54,802
2016 CNG Buses	2,313,659	-	(373,299)	1,940,360	380,341
2019 Vermeer Brush Chipper	22,823	-	(7,133)	15,690	7,598
2021 Gillig Buses	2,928,738	-	(252,078)	2,676,660	257,399
2023 Gillig Buses	-	3,465,770	(122,869)	3,342,901	235,566
Long-term leases payable:					
2000 Burlingame Housing	1,409,613	-	(119,057)	1,290,556	121,897
2023 HCG Holdings	-	176,181	(16,386)	159,795	40,834
2023 HNH Blake	-	108,429	(30,409)	78,020	31,253
2023 Jack Gustafson	-	139,015	(36,628)	102,387	46,063
Long-term subscriptions payable:					
2022 Masabi	-	303,808	(46,254)	257,554	48,650
2022 Zonar	-	198,240	(47,569)	150,671	48,872
2022 Insight	-	144,456	(29,400)	115,056	27,608
2022 Trillium	-	69,747	(22,245)	47,502	11,398
2023 ClearGov	-	75,050	(24,344)	50,706	25,011
Bond premiums / discounts:					
Series 2019 premium	4,162,733	-	(437,139)	3,725,594	-
Series 2020 premium	506,404	-	(65,073)	441,331	-
Series 2021A premium	5,586,328	-	(326,616)	5,259,712	-
Total non-current liabilities	77,133,140	4,680,696	(4,468,071)	77,345,765	3,912,735
Compensated absences	3,142,057	-	(122,352)	3,019,705	-
Long-term liabilities	$ 80,275,197	$ 4,680,696	$ (4,590,423)	$ 80,365,470	$ 3,912,735

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments

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

	2008 Financing Note-Parker House		1340 Main Street, Carbondale		2012A Sales/Use Tax Rev. Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 145,443	$ 27,534	$ 54,802	$ 21,574	$ 345,000	$ 139,250
2025	$ 151,958	$ 21,019	$ 57,355	$ 19,021	$ 350,000	$ 125,450
2026	$ 158,765	$ 14,212	$ 60,028	$ 16,348	$ 350,000	$ 111,450
2027	$ 165,877	$ 7,100	$ 62,824	$ 13,552	$ 355,000	$ 97,450
2028	$ 71,280	$ 783	$ 65,752	$ 10,624	$ 360,000	$ 83,250
2029 - 2033	$ -	$ -	$ 197,186	$ 12,988	$ 1,490,000	$ 168,750
Total	$ 693,323	$ 70,648	$ 497,947	$ 94,107	$ 3,250,000	$ 725,600

	2013B Taxable Sales/Use Tax Rev. Loan		2016 Financing Note - Buses		2019 Financing Note - Equipment	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 80,000	$ 34,968	$ 380,341	$ 33,036	$ 7,598	$ 1,021
2025	$ 85,000	$ 31,000	$ 387,515	$ 25,862	$ 8,092	$ 526
2026	$ 90,000	$ 26,784	$ 394,824	$ 18,553	$ -	$ -
2027	$ 105,000	$ 22,320	$ 402,270	$ 11,107	$ -	$ -
2028	$ 110,000	$ 17,112	$ 375,410	$ 3,520	$ -	$ -
2029 - 2033	$ 235,000	$ 17,608	$ -	$ -	$ -	$ -
Total	$ 705,000	$ 149,792	$ 1,940,360	$ 92,078	$ 15,690	$ 1,547

	2019 Sales/Use Tax Rev. Bonds		2020 Sales Tax Refunding Bonds		2021A Property Tax Rev. Bonds	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 1,080,000	$ 1,033,400	$ 400,000	$ 135,600	$ 525,000	$ 1,156,000
2025	$ 1,135,000	$ 979,400	$ 410,000	$ 119,600	$ 545,000	$ 1,135,000
2026	$ 1,195,000	$ 922,650	$ 425,000	$ 103,200	$ 575,000	$ 1,107,750
2027	$ 1,255,000	$ 862,900	$ 125,000	$ 86,200	$ 600,000	$ 1,079,000
2028	$ 1,135,000	$ 800,150	$ 125,000	$ 81,200	$ 630,000	$ 1,049,000
2029 - 2033	$ 5,615,000	$ 3,162,250	$ 695,000	$ 327,800	$ 3,655,000	$ 4,746,650
2034 - 2038	$ 5,255,000	$ 1,813,250	$ 830,000	$ 178,600	$ 4,490,000	$ 3,907,000
2039 - 2043	$ 2,440,000	$ 686,100	$ 380,000	$ 23,000	$ 5,465,000	$ 2,933,800
2044 - 2048	$ 1,840,000	$ 309,200	$ -	$ -	$ 6,640,000	$ 1,750,800
2049 - 2051	$ 415,000	$ 16,600	$ -	$ -	$ 4,665,000	$ 378,000
Total	$ 21,365,000	$ 10,585,900	$ 3,390,000	$ 1,055,200	$ 27,790,000	$ 19,243,000

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments (continued)

	2021 Financing Note - Buses		2023 Financing Note - Buses		2000 Lease - Burlingame Housing	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 257,399	$ 54,866	$ 235,566	$ 127,704	$ 121,897	$ 29,143
2025	262,832	49,432	244,814	118,457	124,805	26,235
2026	268,381	43,883	254,424	108,846	127,782	23,258
2027	274,046	38,198	264,413	98,857	130,831	20,209
2028	279,832	32,432	274,793	88,477	133,952	17,088
2029 - 2033	1,334,170	71,019	1,544,505	271,845	651,289	36,151
2034 - 2038	-	-	524,386	20,519	-	-
Total	$ 2,676,660	$ 289,830	$ 3,342,901	$ 834,705	$ 1,290,556	$ 152,084

	2023 Lease - HCG Holdings		2023 Lease - HNH Blake		2023 Lease - Jack Gustafson	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 40,834	$ 3,874	$ 31,253	$ 1,747	$ 46,063	$ 2,230
2025	43,748	2,719	32,701	876	48,167	941
2026	46,743	1,483	14,066	97	8,157	28
2027	28,470	260	-	-	-	-
Total	$ 159,795	$ 8,336	$ 78,020	$ 2,720	$ 102,387	$ 3,199

	2022 Subscription - Masabi		2022 Subscription - Zonar		2022 Subscription - Insight	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 48,650	$ 6,450	$ 48,872	$ 4,128	$ 27,608	$ 3,153
2025	50,102	5,098	50,211	2,789	28,365	2,396
2026	51,492	3,708	51,587	1,414	29,142	1,619
2027	52,921	2,279	-	-	29,941	820
2028	54,389	811	-	-	-	-
Total	$ 257,554	$ 18,346	$ 150,670	$ 8,331	$ 115,056	$ 7,988

IV. Detailed Notes on All Funds (continued)

G. Other Liabilities (continued)

10. Future Debt Payments (continued)

	2022 Subscription - Trillium		2023 Subscription - ClearGov	
Year	Principal	Interest	Principal	Interest
2024	$ 11,398	$ 1,302	$ 25,011	$ 1,389
2025	11,711	989	25,696	704
2026	12,032	668	-	-
2027	12,361	339	-	-
Total	$ 47,502	$ 3,298	$ 50,707	$ 2,093

	Total	
Year	Principal	Interest
2024	$ 3,912,735	$ 2,818,369
2025	4,053,072	2,667,514
2026	4,112,423	2,505,951
2027	3,863,954	2,340,591
2028	3,615,408	2,184,447
2029 - 2033	15,417,150	8,815,061
2034 - 2038	11,099,386	5,919,369
2039 - 2043	8,285,000	3,642,900
2044 - 2048	8,480,000	2,060,000
2049 - 2051	5,080,000	394,600
Total	$ 67,919,128	$ 33,348,802

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, 2023.

V. Other Information (continued)

B. Intergovernmental Agreement

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

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

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

V. Other Information (continued)

C. Service Agreements

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

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

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

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

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

D. Union Agreement

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

E. Employee Benefits

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

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

V. Other Information (continued)

F. Retirement Plans

1. Deferred Compensation Plan – Section 457

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

A participant is allowed to contribute up to the lesser of $22,500 or the participant's includible compensation. Participants over age 50 are eligible to contribute up to an additional $7,500, due to a catch-up provision by the plan. The Authority makes no contributions to the plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

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

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

2. Retirement Plan - Section 401(a)

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

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

The Plan sponsor is the only contributor to the Plan. All Authority employees receive a 12.55% contribution to the Plan. Only full-time employees who have been with the Authority for six consecutive months are eligible. The Authority's total and covered payroll for 2023 was approximately $29,401,000 and $26,388,000, respectively. The Authority's expenses to the plan were approximately $3,312,000 for 2023.

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

V. Other Information (continued)

G. Retirement Plans (continued)

2. Retirement Plan - Section 401(a) (continued)

The Authority shall first use forfeited amounts to pay expenses of administering the plan, and then shall be used to reduce the Authority's contributions for the plan year in which the forfeitures arose. In 2023, the Authority used $60,679 in forfeitures to pay plan expenses. There was no liability outstanding as of December 31, 2023.

Effective March 15, 2024, the plan was amended to remove the 6-month waiting period and add a new employer matching contribution.

H. Risk Management

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

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

The Authority's share of assets, liabilities and fund equity as of December 31, 2023 is as follows:

Property and Casualty Pool:	**%**
Loss fund	1.406%
Pooled excess fund	0.415%

The December 31, 2023 combined financial information is as follows:

Cash and investments	$	89,418,033
Other assets		5,430,422
Total	$	94,848,455
Liabilities	$	60,691,640
Members fund balance		34,156,815
Total	$	94,848,455
Total revenue	$	44,242,681
Total expense		(53,505,623)
Excess of Revenue Over Expense	$	(9,262,942)

V. Other Information (continued)

H. Risk Management (continued)

Coverage provided by CIRSA is as follows: (I) $250,000 per claim/occurrence property; (ii) $1,000,000 per claim/occurrence liability; and (iii) $150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Authority may be liable for any losses in excess of the above coverage. At December 31, 2023, the Authority does not expect to incur losses in excess of the above coverage.

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

VI. New Financial Reporting Standard

In 2023, the Authority implemented Governmental Accounting Standard No. 96, *Subscription Based Information Technology Arrangements (SBITAs)*. The statement requires recognition of certain intangible subscription assets and corresponding subscription liabilities.

Roaring Fork Transportation Authority

SUPPLEMENTARY INFORMATION

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Investment income	$ -	$ 521,284	$ 521,284	$ -
Total Revenues	-	521,284	521,284	-
Expenditures:				
Capital outlay	-	19,359,256	19,359,256	-
Total Expenditures	-	19,359,256	19,359,256	-
Change in Fund Balance	$ -	$ (18,837,972)	(18,837,972)	$ -
Fund Balance:				
Beginning of Year			18,837,972	
End of Year			$ -	

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

Roaring Fork Transportation Authority
Audited Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Debt Service Fund
For the Year Ended December 31, 2023

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Other income	$ 131,000	$ 132,112	$ 1,112
Investment income	-	126,666	126,666
Total Revenues	131,000	258,778	127,778
Expenditures:			
Debt service:			
Principal	1,945,000	1,945,000	-
Interest	2,452,388	2,452,388	-
Total Expenditures	4,397,388	4,397,388	-
Excess (Deficiency) of Revenues Over Expenditures	(4,266,388)	(4,138,610)	127,778
Other Financing Sources / (Uses)			
Transfers from other funds	4,266,388	4,138,610	(127,778)
Total Other Financing Sources / (Uses)	4,266,388	4,138,610	(127,778)
Change in Fund Balance	$ -	-	$ -
Fund Balance:			
Beginning of Year		919,718	
End of Year		$ 919,718	

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

Roaring Fork Transportation Authority

STATUTORY INFORMATION

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Roaring Fork Transportation Authority (the "Authority") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 11, 2024.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 11, 2024

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

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

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

Report on Compliance for Each Major Program

We have audited the Roaring Fork Transportation Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 11, 2024

Roaring Fork Transportation Authority, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Part I – Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Highway Planning and Construction	ALN 20.205
79-BUILD (OST)	ALN 20.933
Dollar threshold used to identify Type A from Type B programs:	$854,815
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

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

Part III – Findings Related to Federal Awards

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

Roaring Fork Transportation Authority
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Note: There were no findings for the fiscal year ended December 31, 2022.

Roaring Fork Transportation Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 2023

Program Title	Federal Assistance Listing Number	Grant/ Project Code	Expenditures
U.S. Department of Transportation:			
79-BUILD (OST)	20.933	CO-2021-027-01	$ 7,232,082
Federal Transit Cluster:			
Buses and Bus Facilities	20.526	CO-2021-020-00	9,592,815
Passed through Colorado Department of Transportation:			
Buses and Bus Facilities	20.526	22-HTD-ZL-00089	5,721,272
Buses and Bus Facilities	20.526	22-HTD-ZL-00114	1,984,000
Buses and Bus Facilities	20.526	22-HTD-ZL-00123	72,160
Total - Federal Transit Cluster			*17,370,247*
COVID-19 - Highway Planning and Construction	20.205	23-HA3-XC-00134	1,000,000
COVID-19 - Highway Planning and Construction	20.205	23-HA3-XC-00134	2,319,897
Total - Highway Planning and Construction			*3,319,897*
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	22-HTR-ZL-00132	75,619
Formula Grants for Rural Areas	20.509	22-HTR-ZL-00095	496,000
Total U.S. Department of Transportation			28,493,845
Total Federal Financial Awards			$ 28,493,845

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023.

Note 1. Basis of Presentation:

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

Note 2. Pass Through Sub recipients:

The Authority had no sub recipients as of December 31, 2023.

Note 3. Indirect Facilities and Administration Costs

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